

IBM, Government of Canada, Government of Quebec Sign Agreements to Strengthen Canada's Semiconductor Industry

Up to \$187M CAD to be invested to progress expansion of chip packaging capacity and capabilities and to strengthen R&D at IBM Canada's Bromont plant



BROMONT, QC, April 26, 2024 /PRNewswire/ -- IBM (NYSE: [IBM](#)), the Government of Canada, and the Government of Quebec today announced agreements that will strengthen Canada's semiconductor industry, and further develop the assembly, testing and packaging (ATP) capabilities for semiconductor modules to be used across a wide range of applications including telecommunications, high performance computing, automotive, aerospace & defence, computer networks, and generative AI, at IBM Canada's plant in Bromont, Quebec. The agreements reflect a combined investment valued at approximately \$187M CAD.

"Today's announcement is a massive win for Canada and our dynamic tech sector. It will create high-paying jobs, invest in innovation, strengthen supply chains, and help make sure the most advanced technologies are Canadian-made. Semiconductors power the world, and we're putting Canada at the forefront of that opportunity," said the Right Honourable Justin Trudeau, Prime Minister of Canada.



The IBM Canada plant in Bromont, Quebec is one of North America's largest chip assembly and testing facilities. IBM Canada, the Government of Canada, and the Government of Quebec have announced agreements reflecting a combined investment valued at approximately \$187M that will strengthen Canada's semiconductor industry and advance R&D at the IBM facility.

In addition to the advancement of packaging capabilities, IBM will be conducting R&D to develop methods for scalable manufacturing and other advanced assembly processes to support the packaging of different chip technologies, to further Canada's role in the North American semiconductor supply chain and expand and anchor Canada's capabilities in advanced packaging.

The agreements also allow for collaborations with small and medium-sized Canadian-based enterprises with the intent of fostering the development of a semiconductor ecosystem, now and into the future.

"IBM has long been a leader in semiconductor research and development, pioneering breakthroughs to meet tomorrow's challenges. With the demand for compute surging in the age of AI, advanced packaging and chiplet technology is becoming critical for the acceleration of AI workloads," said Darío Gil, IBM Senior Vice President and Director of Research. "As one of the largest chip assembly and testing facilities in North America, IBM's Bromont facility will play a central role in this future. We are proud to be working with the governments of Canada and Quebec toward those goals and to build a stronger and more balanced semiconductor ecosystem in North America and beyond."

IBM Canada's Bromont plant is one of North America's largest chip assembly and testing facilities, having operated in the region for 52 years. Today, the facility transforms advanced semiconductor components into state-of-the-art microelectronic solutions, playing a key role in IBM's semiconductor R&D leadership alongside IBM's facilities at the Albany NanoTech Complex and throughout New York's Hudson Valley. These agreements will help to further establish a corridor of semiconductor innovation from New York to Bromont.

"Advanced packaging is a crucial component of the semiconductor industry, and IBM Canada's Bromont plant has led the world in this process for decades," said Deb Pimentel, president of IBM Canada. "Building upon IBM's 107-year legacy of technology innovation and R&D in Canada, the Canadian semiconductor industry will now become even stronger, allowing for robust supply chains and giving Canadians steady access to even more innovative technologies and products. This announcement represents just one more example of IBM's leadership and commitment to the country's technology and business landscape."

[Chip packaging](#), the process of connecting integrated circuits on a chip or circuit board, has become more complex as electronic devices have shrunk and the components of chips themselves get smaller and smaller. IBM announced the world's first [2 nanometer chip technology](#) in 2021 and, as the semiconductor industry moves towards new methods of chip construction, advances in packaging will grow in importance.

"Semiconductors are part of our everyday life. They are in our phones, our cars, and our appliances. Through this investment, we are supporting Canadian innovators, creating good jobs, and solidifying Canada's semiconductor industry to build a stronger economy. Canada is set to play a larger role in the global semiconductor industry thanks to projects like the one we are announcing today. Because, when we invest in semiconductor and quantum technologies, we invest in economic security." — The Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry

"This investment by IBM in Bromont will ensure that Quebec continues to stand out in the field of microelectronics. An increase in production capacity will solidify Quebec's position in the strategic microelectronics sector in North America." — The Honourable Pierre Fitzgibbon, Minister of Economy, Innovation and Energy, Minister responsible for Regional Economic Development and Minister responsible for the

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