

SMIC plans 300mm fab amid strategic shift

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Semiconductor Mfg International Corp. (SMIC) is planning to build a new 300mm fab amid a possible strategic shift towards an integrated device manufacturer (IDM) business model, according to analysts.

"The company has a new 300mm fab in Beijing and they are building another one in Shanghai," according to an e-mail newsletter from Semico Research Corp. SMIC has been ramping up its 300mm fab in Beijing, while it has several 8-inch plants in Shanghai.

SMIC is also planning to build so-called Fab 8 in Shanghai, which is a 300mm plant geared for the production of logic chips, said Joanne Itow, an analyst with Semico. She added that the fab is geared for 90nm and 65nm processes, "It could be up in '07."

At the same time, there are other issues at SMIC. Analysts are also wondering if SMIC is moving from a pure-play foundry model towards becoming an IDM. In January, SMIC decided to enter the memory card market with help from Saifun Semiconductors Ltd. The company has also extended its license to use Saifun's oxynitride flash memory technology so that it can develop and manufacture memory cards.

In its recent financial results, SMIC dropped hints about its efforts in NAND flash, that is, the development of standalone parts. "NAND flash development is on schedule to deliver engineering samples in June, having successfully taped out a 2-Gbit chip during the first quarter," according to the Semico newsletter. "SMIC targets commercial production for the fourth quarter of this year." The move "signals SMIC's change from being a pure-play foundry to becoming an IDM," according to the newsletter.

"They still want to be a pure-play foundry," Itow said. SMIC is looking at several options for flash. The company could spin-off the flash business, forge a partnership, or sell it to a module maker, she said.

- Mark LaPedus
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