

Applied Materials boosts Singapore manufacturing operations with US\$500m campus to meet AI chip demand

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US-HEADQUARTERED semiconductor materials and engineering solutions provider Applied Materials said on Wednesday (Jun 10) that it has expanded its manufacturing and R&D operations in the city-state.

A new US\$500 million campus in Tampines in the eastern part of the island will more than double the company's advanced clean-room capacity in Singapore.

The facility is aimed at serving chipmakers that are expanding production to meet growing artificial intelligence-driven demand.

"The computing demand being driven by AI is increasing a significant amount," said Gary Dickerson, president and CEO of Applied Materials in an interview with *The Business Times*.

"We've been in Singapore for 35 years, building our manufacturing capability and a significant portion of our revenue comes from here today.

"So to be ready for this increased demand, we've made significant investments, and I believe that this is going to continue to increase going forward."

Speaking at the opening of the

Tampines campus, Deputy Prime Minister Gan Kim Yong said that Applied Materials' investment in the city-state is a "strong affirmation of (its) confidence in Singapore as a trusted partner to grow its business, serve global customers and build capabilities for the future".

DPM Gan explained that Singapore is going "beyond being an open, connected and efficient hub" to being a "trusted, innovative and resilient base for companies to grow from, especially in fast-growing sectors such as semiconductors".

Applied Materials provides manufacturing equipment, services and software that are used by chipmakers to produce many of the world's semiconductor chips and advanced displays.

The company's operation in Singapore is its largest outside the US, and sits close to its sources of revenue.

Applied Materials reported revenue of US\$7.91 billion for the three months ended Apr 26, up 11 per cent from the same period a year earlier. More than 80 per cent of its revenue is concentrated in Taiwan, South Korea, China and Japan, the company's latest quarterly report showed.

The company has been present in Singapore since 1991, starting with sales and service operations before expanding into manufacturing, logistics and supply chain from 2010.

Applied Materials employs about 4,000 people in South-east Asia. The Singapore expansion is expected to add 1,000 new jobs in the city-state over the next 12 months.

The company also announced on Wednesday partnerships with the National University of Singapore and the Singapore Institute of Technology to build AI-ready talent for the industry.

The semiconductor industry contributes close to 6 per cent of Singapore's GDP. The sector in the city-state is a key node in the global supply chain, producing about 20 per cent of global semiconductor manufacturing equipment and about 10 per cent of the world's chips.

Many of the world's top chipmakers for both logic and memory chips, including Taiwan Semiconductor Manufacturing Co and Micron, have significant manufacturing capacity in Asia.

These chipmakers have benefited from the strong AI demand, which has been a tailwind for them,



From left: Applied Materials regional vice-president Brian Tan; EDB chairman Png Cheong Boon; Applied Materials president and CEO Gary Dickerson; DPM Gan Kim Yong; Applied Materials board chairman Thomas Iannotti; JTC CEO Jacqueline Poh; and Applied Materials group vice-president and head of worldwide manufacturing KC Ong, at the opening of Applied Materials' Tampines campus in Singapore. PHOTO: TAY CHIU YI, BT

in turn also supporting Applied Materials.

In an earlier fireside chat with reporters and analysts, Dickerson said that he believes AI is an "in-

credibly transformational technology", and that the world is just in the "early innings" of this inflection.

He explained that the current

buzz surrounding agentic AI will drive near-term demand, while future developments in physical AI, such as robotics, will drive demand further down the line.