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Nvidia's vote of confidence in Intel's fab plans could help solve GPU supply crunch

Article

The news: **Nvidia CEO Jensen Huang** announced that the company is open to using **Intel**'s foundries to increase future output of GPUs, per The Register.

Why it's worth watching: Intel has been promoting its plans to pivot into becoming a foundry for other chipmakers. Nvidia's openness to entrust Intel with the production of its in-demand GPU chipsets is a huge vote of confidence that could attract other companies.

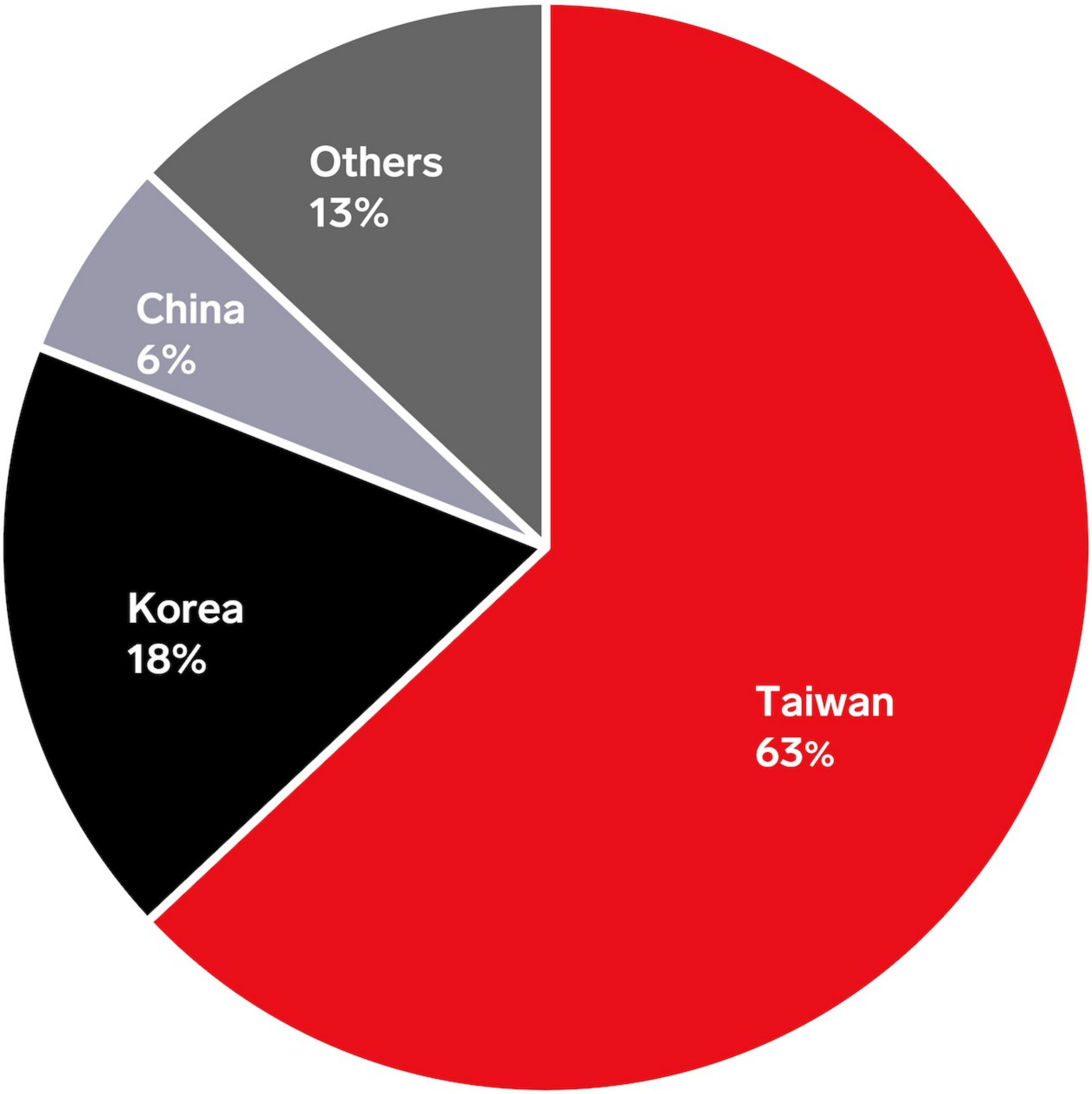
- "They're interested in us using their foundries," Huang said about Intel during a virtual press conference last week. "We're very interested in exploring it."
- The demand for Nvidia's GPUs has outstripped supply for years as **crypto-miners**, **gamers,** and **scalpers** have made a beeline to secure all available cards.
- One result of the shortage is that older GPUs, like 2017's **GeForce GTX 1080 Ti**, are being sold for more than their original price.
- Intel has invested to set up various plants in Ohio, Malaysia, and Germany to be closer to automobile and computer manufacturers and assemblers.
- Nvidia's vote of confidence in Intel came just as chips stocks rallied last week.

Why this could succeed: Lack of diversification in chip fabs was the primary reason for the chip shortage. In context, TSMC is responsible for producing most of the chips for **Apple**, **Qualcomm**, **Nvidia**, and **AMD**.

A bonus for Intel: Attracting chipmakers to use its foundry services could help Intel retake its position as the leading chip producer after it fell to Samsung last year.

Global Foundry Revenues, by Country, 2020

% of total



Note: Total foundry revenues totaled $85.13 billion in 2020. Taiwan-based TSMC made up 54% of global foundry revenues.
Source: TrendForce, March 2021

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