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China trip by Intel CEO fuels fab rumors

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SHANGHAI — Intel Corp. chief executive Paul Otellini will travel to China next week, fueling speculation that Intel will confirm plans for a 12-inch wafer plant in the northern city of Dalian.

The chipmaker said Monday it will hold a news conference on March 26 in Beijing at the Great Hall of the People, a [forum](#) with tight security that is usually reserved for special occasions. Intel putting a fab in China would qualify.

Last week, Intel won approval to build a \$2.5 billion, 12-inch wafer plant in northern China for [CPU chip](#) sets, according to a statement issued from China's National Development and Reform Commission.

The plant would use 90-nanometer technology and produce 52,000 wafers a month at full capacity, according to the NDRC, which is China's top planning group.

Analysts have already weighed in on the proposal, speculating that Intel would more likely use 65-nm technology by the time such a plant could come on line in 2008. Some still doubt the project will happen at all.

"The biggest implication is that it implies Intel must be comfortable with the [IP](#) protection that they'll be able to maintain in China," said Joanne Itow, and analyst at Semico Research.

"If a company such as Intel with highly proprietary technology feels comfortable enough to move volume production to China, then how can anyone else feel that their designs will be any less vulnerable?" she said.

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