

World's first semiconductor cluster comes to Wales thanks to Welsh Government

Originally built for LG Semiconductors, the Celtic Lakes development at Imperial Park in Newport was sold by the Welsh Government to City Deal Councils for a £38m make over.

As one of the premier business locations in South East Wales, its use as a compound semiconductor wafer foundry is a key part of the Welsh Government's strategy to build the world's first semiconductor cluster – bringing high end jobs, investment and skills to Wales.

Economy Secretary Ken Skates said:

“It is hugely encouraging that Welsh Government's initial £12m investment in developing the cluster back in 2015 has been the catalyst for today's announcement that IQE plans to expand into the City Deal's new facilities. Not only is it extremely exciting news for the Welsh economy, securing additional jobs and investment, but it further cements Wales as a world leader in this state of the art technology.

“With the world's first compound semiconductor cluster located here in South East Wales, we are punching well above our weight in developing technology which not only plays an increasingly vital role in the way we live our lives today but will drive innovation which will shape the world we live in tomorrow.”

The foundry will support the development of a compound Semiconductor Industrial cluster in the region, with the potential to:

- lever £375m of private sector investment,
- create up to 2,000 high skilled jobs,
- return the investment for use on other regional schemes, and
- create hundreds more jobs in the wider supply chain cluster

Compound semiconductors are more complex than silicon technology and offer lower power consumption, higher operating speeds and temperatures, light-emitting and detecting properties. These properties are opening up significant markets in the automotive, health and security sector not least in helping deliver 5G smart phones, the Internet of Things, tele-health and autonomous vehicles.

Dr Drew Nelson, Chief Executive of IQE plc said:

“Compound semiconductors are rapidly defining 21 century technologies and Wales is uniquely positioned to be centre stage of this global, high-tech industry sector.

“This dedicated compound semiconductor facility between Cardiff and Newport will act as a key component of the burgeoning cluster that is already cementing Wales’ reputation for technology leadership.

“The initiative is a shining example of what can be achieved through collaboration. The Welsh and UK governments, along with the ten councils that form the Cardiff Capital Region, have worked closely with academic institutes and industry to build an innovation infrastructure that will support and nurture the region as a true global player in new and emerging technologies.

“The facility will become the base for a number of compound semiconductor related activities, including IQE, where we expect to rapidly expand our production capacity to meet increasing demand for our technology.”