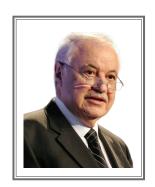
Resurgence of the US Semiconductor Sector



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The ongoing economic struggle between the US and China for technology pole position has led to a significant influx of capital into the US semiconductor markets; a field which is still dominated by TSMS in Taiwan that produces over 90% of worlds processors. I have spoken at length about the US passing the CHIPS Act designed to provide generous subsidies to the US semiconductor sector, clearly designed for it to reclaim its position as a manufacturing powerhouse in what is a highly critical innovation. Having all its eggs in one basket proved to be catastrophic, particularly when supply chain were severely disrupted, exposing the US vulnerability in a vital technology that is essential to so many modern sectors and innovations.

Companies such as TSMC and Intel have become the beneficiaries of generous subsidies under the CHIPS and Science Act for US onshore semiconductor production; a clear indication of America's intent to reclaim its position as a manufacturing powerhouse, with a commitment of \$300 billion over the past two years a testament to the revitalizing of the US as a global manufacturing hub. TSMC has announced plans to set up a third facility in Arizona increasing its investment in the state to \$65 billion. While these moves are well intentioned in an attempt to mitigate a huge risk, it is the service sector that holds the key to sustainable job creation and economic resilience, with the need for more brains on the ground an absolute necessity.

My perspective is not juts based on observation, but is rooted in a career punctuated by leadership in pivotal roles. My tenure as chairman of the UN Global Alliance for ICT and Development, along with global leaderships

roles in the UN Global Impact and the UN Working Group on Human Resources and Capacity Building, have provided me with a unique vantage point to assess the interplay between technology and employment. The advent of automation and skill-biased technological advancements have significantly altered the industrial landscape, diminishing the sector's capacity to serve as the employment engine of yesteryear which informs my skepticism about the potential of manufacturing to absorb labor as it once did.

The reality is that the manufacturing sector's reliance on automation and high-tech processes means that the jobs it does create are fewer and require higher skills than the manufacturing jobs of the past. This shift necessitates a reevaluation of the employment potential of manufacturing and raises questions about the feasibility of relying on it for large-scale job creation.

Looking towards the Arab region, it becomes evident that a robust service industry is crucial for building sustainable economies. The service sector, with its diverse opportunities ranging from healthcare to finance and education, is better suited to accommodate the growing workforce of the region. It is in the realm of high quality services that the future of jobs lies.

As we navigate this transition, it is imperative to foster an environment conducive to the growth of the service industry. This includes investing in education and training programs that equip the workforce with the necessary skills to thrive in a service-oriented economy. Moreover, it is essential to create a regulatory framework that supports the development of small and medium-sized enterprises, which are often the backbone of the service sector.

While the manufacturing renaissance in the United States is commendable, it is not the panacea for the employment challenges of today. As the US strives to build an economy that will endure, it must focus on building a solid service industry to develop a future of sustainable economic growth and meaningful employment opportunities. This must be done quickly and decisively, as its rival China is an on-par competitor and is in top gear on all fronts.