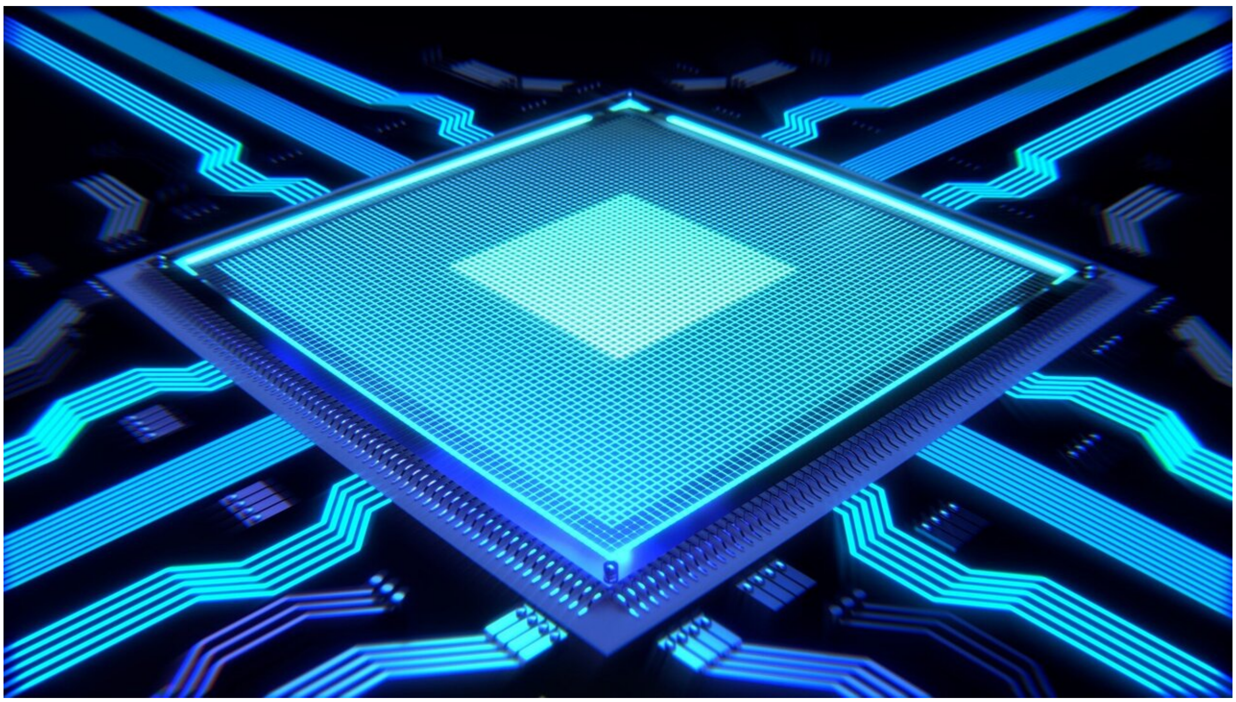
Taiwan processor chip maker to set up $3.5 billion U.S. arm

November 10 2020



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A Taiwanese maker of processor chips for Apple Inc. and other customers plans to invest $3.5 billion to set up its second U.S. manufacturing site amid American concern about relying too heavily on sources in Asia for high-tech components.

Taiwan Semiconductor Manufacturing Co., the world's biggest contract producer of semiconductors, said its board on Tuesday approved the plan for the facility in Arizona. It gave no details of what functions it will perform.

U.S. officials worry their country relies too too heavily on factories in Taiwan, South Korea and China for chips used in smartphones, medical equipment and other products. Anxiety increased after the coronavirus pandemic disrupted global shipping.

The Wall Street Journal reported in May that TSMC was talking with Apple, one of its biggest customers, about a possible U.S. factory.

TSMC also operates a semiconductor wafer fabrication facility in Camas, Washington, and design centers in San Jose, California, and Austin, Texas.

Last year, the U.S. Government Accountability Office said in a report that relying on foreign chip producers reduced costs but "can also make it harder" for the military to get supplies if governments cut off access.

TSMC is among semiconductor suppliers whose business has been disrupted by U.S. sanctions imposed on Chinese companies in a feud with Beijing over technology and security.

TSMC and other global vendors are barred from using U.S. technology to make chips for Huawei Technologies Ltd., one of the Taiwanese company's biggest customers. That blocks most manufacturing, including of chips designed by Huawei, because their production lines need U.S. technology and components.