

US pressing Taiwanese firms on semiconductors, Commerce chief says

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Commerce Secretary Gina Raimondo said the United States must onshore its supply chain, particularly when it comes to semiconductors and other industrial components

The United States is pressuring Taiwanese semiconductor manufacturers

to allocate some of their supply to American automakers grappling with a shortage of the crucial components, US Commerce Secretary Gina Raimondo said Tuesday.

Washington also is looking for ways to spur domestic production of a range of industrial components as it aims to reduce its reliance on foreign suppliers, particularly those in China, Raimondo said during an appearance at an Americas Society event.

Taiwanese high-tech chip foundries are some of the world's biggest and most advanced, and Taiwan Semiconductor Manufacturing Company (TSMC) is the world's largest.

"We're working hard to see if we can get the Taiwanese and TSMC, which is a big [company](#) there, to prioritize the needs of our auto companies since there's so many American jobs on the line," she said.

"Not a day goes by that we don't push on them."

Officials from other countries also are urging Taiwan to help with the crunch for the vital chips, the vast majority of which are produced in Asia.

Detroit automakers have cut production and warned of hits to output due to the shortage, with Ford last week saying it will cut its second-quarter production by half.

The supply crunch also has raised worries throughout the personal electronics universe, generating potentially higher prices for popular gadgets like [game consoles](#) and computer tablets.

"Right now we make zero percent of leading edge chips in the United States. That's a problem, we ought to be making 30 percent because that

matches our demand," Raimondo said.

"It is definitely the case that we have to reshore much of our [supply chain](#)," she added.

President Joe Biden in February issued an executive order calling for a 100-day review across federal agencies of semiconductors and three other key items: pharmaceuticals, critical minerals and large capacity batteries.

Early last month TSMC announced plans to invest \$100 billion over three years to ramp up production capacity. It did not say where it would make the investments but last year, the company said it planned to spend \$12 billion on a foundry in Arizona, its second US manufacturing site.

Company chair Mark Liu, who met with Biden last month, told the CBS program 60 minutes on Sunday that TSMC hopes to catch up on "minimum" requirements of automakers by June. But he warned there would be a lag for auto chips that have a "long and complex" supply chain.

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