

Taiwan's TSMC reports profit drop in third quarter

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Taiwan's TSMC on Thursday said profit fell by a quarter in the third-quarter, but said demand was picking up for its advanced semiconductors needed for cutting-edge AI applications.

Taiwan Semiconductor Manufacturing Company, the world's largest contract microchip maker, controls more than half of the world's output of chips used in everything from smartphones to missiles.

The company said [net profit](#) decreased 24.9 percent on-year in July-September to Tw\$211 billion (\$6.5 billion), while revenue fell 11 percent to Tw\$546.7 billion.

"The AI demand continues to grow stronger and stronger. From the TSMC point of view, we have a capacity limitation to support the demand," chief executive CC Wei said in an earnings call.

"We are working hard to increase the capacity to meet their demand."

Demand for high-performing chips has been robust, with companies building the hardware needed for AI to flourish in the wake of the successful launch of ChatGPT.

But the [chip industry](#) faces uncertainty from high inflation and sluggish global economic growth caused in part by geopolitical tensions.

The United States on Tuesday said it was tightening curbs on exports of state-of-the-art AI chips to China.

The new rules beefed up measures taken a year ago that banned the sale to China of microchips that are crucial to the manufacturing of powerful AI systems.

Replying to a question on the impact of the new export curbs, Wei said the [company](#) was still doing an assessment.

"So far we can tell you that the impact to TSMC is limited and manageable at least for the short term."

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