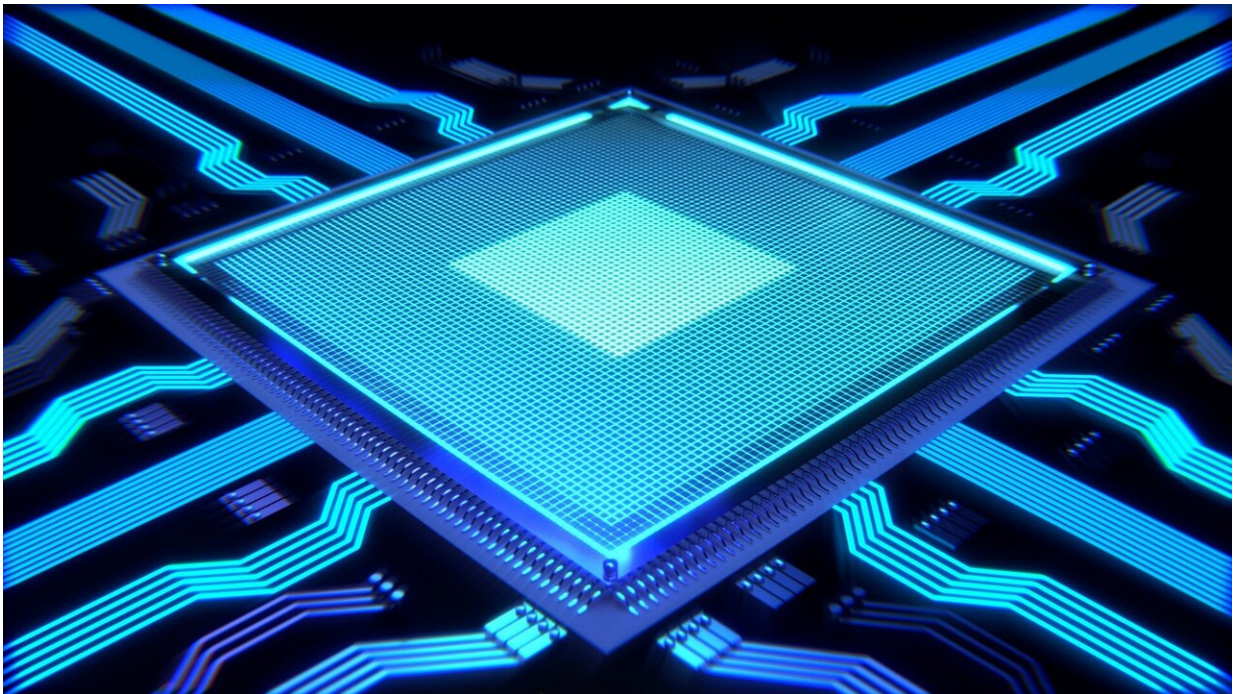


TSMC unit, NXP of Netherlands unveil Singapore chip plant plan

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An affiliate of Taiwan chip titan TSMC has joined Dutch chip maker NXP to announce plans to build a new US\$7.8 billion factory in Singapore to make processors for the auto and mobile end markets.

Taiwan Semiconductor Manufacturing Company controls more than half the global output of microchips—the lifeblood of the global modern

economy—used in everything from smartphones to cars and missiles.

Its unit Vanguard International Semiconductor Corporation will inject US\$2.4 billion into VisionPower Semiconductor Manufacturing Company, while NXP will provide \$1.6 billion for the remaining equity position.

The pair will stump up a further US\$1.9 billion each to "support the long-term capacity infrastructure", adding that "the remaining funding including loans will be provided by third parties to the joint venture".

"The underlying process technologies are planned to be licensed and transferred to the [joint venture](#) from TSMC," they said Wednesday.

NXP president and chief executive Kurt Sievers said, "NXP continues to take proactive actions to ensure it has a manufacturing base which provides competitive cost, supply control, and geographic resilience to support our long-term growth objectives."

And Vanguard's chairman Leuh Fang said the project demonstrated the company's commitment to "diversifying our manufacturing capabilities".

VisionPower will operate as an independent, commercial foundry supplier, with an expected output of 55,000 300mm wafers per month by 2029, the statement said, adding that it would create around 1,500 jobs in Singapore.

Construction is set to begin in the second half of 2024, pending regulatory approvals, and initial production is expected to be available to customers by 2027, they said.

Taiwan is home to a powerhouse semiconductor industry—largely thanks to TSMC's dominance.

But the [supply chain](#) is highly vulnerable to shocks, leaving governments—including the United States—and clients such as Apple and Nvidia lobbying for TSMC to have more facilities off the island.

A major concern that has emerged in recent years is over Taiwan's neighbor, China, which claims the self-ruled island as part of its territory and has ramped up rhetoric about "unification".

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