

Taiwan's TSMC says net profit rose 36% in second quarter

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Taiwanese chip giant TSMC said Thursday net profit jumped 36 percent in the second quarter of 2024, buoyed by global demand for generative artificial intelligence products.

Taiwan Semiconductor Manufacturing Company—whose clients include Apple and Nvidia—controls more than half the world's output of [silicon wafers](#), used in everything from smartphones and cars to missiles.

Following the runaway success of ChatGPT, TSMC is now at the forefront of a generative AI revolution, churning out the world's most advanced microchips needed to power products made by Silicon Valley.

The firm said it made US\$7.6 billion in April-June, up from US\$5.6 billion in the same period last year.

Second-quarter revenues rose 32 percent on-year to US\$20.82 billion, it added in a statement.

"Advanced technologies, defined as 7-nanometer and more advanced technologies, accounted for 67 percent of total wafer revenue," it said.

This month the company—listed in Taiwan and New York—briefly broke the \$1 trillion market capitalization barrier, putting it ahead of Tesla as the seventh most valuable technology firm.

Its headquarters—and the bulk of its fabrication plants—are in Taiwan, a self-ruled island that China claims as part of its territory.

Beijing has in recent years ramped up military and political pressures on Taiwan, upping the rhetoric of "unification" being "inevitable".

The share price of several major AI companies—including TSMC—dropped Wednesday following reports that the United States was mulling strict curbs on firms that continue allowing China access to advanced chip tech.

Former US president Donald Trump—who faces incumbent Joe Biden

in a November election—also said in a Bloomberg Businessweek report that Taiwan "should pay" the United States for defense, and lamented that it had taken "100 percent of our chip industry".

To offset investor and client worries, TSMC has launched new factories overseas, including three planned in the United States, and one in Japan that opened this year.

Experts had called the Japan plant "the most significant TSMC international investment to open in many years".

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