

Taiwan chip giant TSMC to build \$12bn US plant

15 May 2020



TSMC is the world's largest contract microchip maker and produces the processors that provide the computing muscle for everything from iPhones to servers

Taiwanese computer chip giant TSMC announced Friday it will spend \$12 billion on a state-of-the-art semiconductor foundry in the United States, creating thousands of jobs.

The announcement is a win for President Donald Trump who has pushed for major chipmakers to set up shop inside the US.

Taiwan Semiconductor Manufacturing Company, the world's largest contract microchip maker, produces the processors that provide the computing muscle for everything from iPhones, laptops and games consoles to servers and critical internet infrastructure.

Construction for the facility in Arizona is set to start in 2021 with production of 5-nanometre chips—the smallest and fastest on the market—beginning in 2024, TSMC said.

"This project is of critical, strategic importance... (for) leading US companies to fabricate their cutting-edge semiconductor products within the United States," a company statement said.

"TSMC welcomes continued strong partnership with the US administration and the State of Arizona on this project."

The firm said the factory would create 1,600 jobs—and thousands more via supply chains—and would churn out 20,000 [semiconductor](#) wafers a month.

US Secretary of State Michael Pompeo called the TSMC deal a "game changer" for domestic industry that would boost national security and the American economy.

"TSMC's announcement comes at a critical juncture, when China is competing to dominate cutting-edge technology and control critical industries," he said in a statement.

Trump is keen to reduce reliance on Asia as tensions simmer with China over trade, tariffs, industrial espionage and national security.

Most of TSMC's factories are located in Taiwan. The Arizona facility will be the firm's second manufacturing site in the US.

TSMC said support was being offered from both Washington and Arizona's state government but it gave no details or where the plant would be located.

Foxconn, another major Taiwanese electronics company, announced plans in 2017 to build a huge

plant in Wisconsin with Trump appearing at the ground-breaking ceremony.

But the project has fallen short of expectations with a smaller plant and fewer jobs than initially announced.

A political row also broke out over significant tax breaks Foxconn received to set up shop.

© 2020 AFP

APA citation: Taiwan chip giant TSMC to build \$12bn US plant (2020, May 15) retrieved 28 September 2020 from <https://techxplore.com/news/2020-05-taiwan-chip-giant-tsmc-12bn.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.