

TSMC Reinforces Commitment to Taiwan Amidst \$100 Billion U.S. Expansion

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Following TSMC's announcement of a \$100 billion investment in the United States, the company and the Taiwanese government have moved to reaffirm their strong, ongoing partnership. The significant U.S. expansion, which includes advanced-node fabrication, advanced packaging, and a new R&D center, had prompted speculation about the future of TSMC's operations in Taiwan.

Taiwan Premier Cho Jung-tai addressed the press, emphasizing the “consistent level of communication and understanding” between the government and TSMC. While not directly confirming government involvement in the U.S. move, he suggested that this close communication facilitated TSMC's strategic expansion.

Michelle Lee, spokesperson for Taiwan's executive branch, highlighted the robust alliance between Taiwan and the United States, noting that 30% of Taiwan's foreign investment is directed towards the U.S., compared to a declining 7.5% towards China. Both Lee and Premier Cho stressed that TSMC's growth strengthens Taiwan's economy and enhances its strategic importance as an ally.

TSMC clarified that its U.S. operations will complement, not replace, its Taiwanese facilities. Market analyst Ming-Chi Kuo estimates that U.S.-based advanced-process fabs will account for only 5-7% of TSMC's total output upon completion. This indicates that while the U.S. expansion is significant, TSMC's primary operations and expertise will remain in Taiwan.

Key clients like Nvidia and Apple will continue to rely on TSMC's Taiwanese fabs, and the U.S. facilities will depend on technical oversight from Taiwan. Nvidia publicly reaffirmed its commitment to TSMC, expressing that the new U.S. fabs will enhance their supply chain resilience within TSMC's global

manufacturing network.¹ This strategic balance aims to leverage U.S. production capabilities while maintaining the strength and stability of TSMC's foundational operations in Taiwan.