

# Apple, AMD, and Nvidia accelerate TSMC's US chip expansion

Article

**The news:** TSMC is skipping to the next generation of high-performance processors to be built in its Arizona plant at the request of **Apple, Nvidia, and AMD**, per [Bloomberg](#).

**Why it's worth watching:** We recently reported that [TSMC planned to start producing 5nm chips](#) and later transition to 3nm processors. That has changed thanks to requests to produce more-advanced 4nm chips starting in 2024.

- TSMC is expected to announce the new plan when **President Biden** and Commerce Secretary **Gina Raimondo** visit the Phoenix construction site Tuesday.
- TSMC's first advanced chip plant in the US was slated to be completed in September, but the open date has been pushed back to March 2023 due to a [labor shortage](#).
- The company is planning to add another plant nearby to produce 3nm chips in the future.

**What this means for TSMC:** The chipmaker can accelerate innovation and essentially skip a generation of 5nm chips, transitioning from 4nm to 3nm production in half the time.

- TSMC can more quickly reap the benefits of government incentives and the \$52 billion [Chips and Science Act](#).
- This could help TSMC compete more closely with **Samsung**, which announced mass [production of its first-generation 3nm chips](#) in July, with plans to start production in 2023.

**What this means for Apple, Nvidia, and AMD:** These companies can secure future production of chips necessary for their various devices. This level of control will help Apple and others [transition away from China](#).

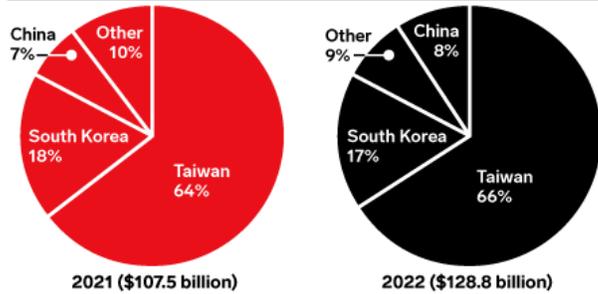
- **Foxconn's "iPhone City" factory** was the [flashpoint of weeklong anti-government protests](#) that spread throughout China.
- **Unrest in the manufacturing hub led to a shortfall of 6 million iPhone Pro units**, which will lower profits significantly in Q4, traditionally Apple's busiest season.
- TSMC's move to Arizona could set a precedent for other tech suppliers to diversify production to the US and ensure long-term business partnerships.
- **The chipmaker said that it would produce 20,000 wafers monthly at the Arizona facility** and that Apple will use about a third of the output. Nvidia and AMD will likely increase orders.

**What this means for the Biden administration:** The news is a big win for proponents of the Chips and Science Act and could entice more manufacturers to participate in incentives, while they last.

- The production of high-performance chips in Arizona will further widen the gap between the US and China in the [tech cold war](#).
- TSMC's commitment helps fulfill the Biden administration goal of bringing manufacturing jobs to the US.

## Semiconductor Foundry Revenue Share Worldwide, by Country, 2021 & 2022

% of total



Source: TrendForce as cited in press release, April 25, 2022

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