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## TSMC Breaks Ground, Secures Subsidy for German Plant

Berlin (ots) -

*The Taiwan Semiconductor Manufacturing Company (TSMC) has begun work on a 10-billion-euro plant in Dresden as the European Union approves state assistance for the project.*

The symbolic ground-breaking ceremony in the eastern German city coincided with the European Commission's approval of €5 billion in state subsidies for the chipmaker, providing a boost to the initiative.

"The European Commission has approved, under EU State aid rules, a €5 billion German measure to support European Semiconductor Manufacturing Company (ESMC) in the construction and operation of a microchip manufacturing plant in Dresden," the Commission announced. "ESMC is a joint venture between Taiwan Semiconductor Manufacturing Company (TSMC), Bosch, Infineon, and NXP."

The Commission hailed the project as a "first-of-its-kind in Europe." Present at the ceremony were Commission President Ursula von der Leyen and German Chancellor Olaf Scholz, who noted that every third microchip produced in Europe comes from the region known as "Silicon Saxony," where Dresden is located. German Minister for Economic Affairs and Climate Action Robert Habeck also emphasized the project's importance.

"Germany can look forward to a new, ultra-modern chip factory," Habeck stated. "This investment will allow Germany to continue to grow as a hub for chip manufacturing and will strengthen Europe's resilience in the semiconductor sector. The investment, along with our planned support, will ensure added value, competitiveness and future prospects."

TSMC, the world's largest chipmaker, is establishing its first European location with the Dresden plant, which will specialize in chips for the automotive and industrial sectors. The company announced the selection of Dresden as its site in August 2023. Production is expected to begin in 2027, with a target capacity of 40,000 chips per month by the end of 2029.

"We're very pleased with how quickly the TSMC project has progressed, demonstrating what's possible for businesses operating in Germany within the EU," said Robert Hermann, CEO of Germany Trade & Invest. "Together with other significant projects planned by giants like Infineon and Intel, this confirms that the eastern part of Germany is Europe's semiconductor heartland."

*Germany Trade & Invest is the German government agency for international business promotion, owned by the Ministry for Economic Affairs and Climate Action. It supports international companies in doing business in Germany and assists German companies in expanding abroad.*

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