

The TSMC-Union

About Taiwanese semiconductor triangles in Europe

#TSMC #Taiwan #USA #EU

Homer's Odyssey mentions a wooden horse that the Greeks used as a trick to capture the fortress of Troy. The Trojans must have been amazed when this wooden horse suddenly appeared in front of them, probably not realizing at all that it contained a whole host of soldiers who climbed out of the wooden horse at night to open the gates of Troy from the inside for the Greek army.

Perhaps not so dissimilarly, a series of high-profile gifts are currently being offered from the Far East to a certain region in Europe. Back in 2022, **a series of unusual events** with far-reaching implications took place around TSMC, the undisputed world leader in cutting-edge semiconductor chips from Taiwan.

Located near Taipei, TSMC and several other affiliated companies in Taiwan are the patented origin of a whopping 90% of the world's advanced semiconductor chip production with a short lifespan. In 2021, TSMC's total revenue was 67 billion euros, with 70% of its top 10 customers being US companies. Semiconductors have become a kind of second oil for the global economy; without these highly complicated black bugs full of computing power and electronics, hardly anything would work today. Since almost the entire U.S. economy depends on TSMC's semiconductor patents, Taiwan is of strategic interest to any U.S. government.

In August 2022, then-Speaker of the U.S. Congress Nancy Pelosi made a surprise visit to the island of Taiwan, not far from mainland China. Pelosi also **spoke directly with** Taiwan Semiconductor Manufacturing Company's Chairman, Mark Liu, about the so-called CHIPS legislative package that had been passed just over two weeks earlier. Under the new law, U.S. semiconductors that are not patented in the U.S. could be subject to high tariffs - possibly including those soldered into electronic devices.

TSMC responded quickly, with a German delegation visiting Taiwan twice in the following months. Talks were also initiated with Japan, and about a year later, in addition to the construction of a large semiconductor factory in Japan, the assembly of a large TSMC **production facility near Dresden** was also announced. The package for the semiconductor factory in Saxony is huge, with TSMC committing to a good half of the 10 billion euro package and the German government adding the other half of 5 billion as a subsidy. The joint venture **is 70% owned by TSMC**, with Bosch, Infineon and NXP each holding a 10% stake.

Although TSMC could probably easily persuade government officials in a subtropical Amazon region to build a well-tempered semiconductor factory with connections to the best infrastructure, TSMC announced in 2024 that it would not only be making mega-investments in the region around Dresden, but also in the entire European region. Things around and with TSMC are now becoming more

complicated, or even wooden, comparable to a Trojan horse that requires a slightly broader view.

Both the Czech government in Prague and the Polish government in Warsaw quickly rolled out the red carpet for TSMC after the Dresden deal, the well-laid plan to create a pan-European region focused on semiconductor development is underway. The Polish government, in particular, is currently doing all it can to create an advantage for semiconductor development in its country, especially for the automotive sector.

In mid-June 2024, long-planned events on Taiwan and semiconductors took place in Berlin, including Taiwanese delegations from the FinTech and IT sectors, who had direct access to government representatives from several European countries. At the same time, major press reports were broadcast directly from Warsaw on Taiwanese television, highlighting the advantages of the Polish region. Such reports state, quote, *"Poland boasts a strong industrial base and a dedicated workforce. The government is confident that these factors, combined with its strategic location in Europe, will make the country an ideal destination for semiconductor investment"*.

Poland, with its sights set on becoming the semiconductor capital of Europe, is actively seeking collaboration with Taiwan, a global leader in the field. The country's ambitious plans are fueled by generous government subsidies and a hardworking population...We are committed to making Poland a hub for semiconductor manufacturing. We are offering attractive subsidies and a skilled workforce to attract leading companies in the industry.

Taiwanese [press report from Warsaw](#), June 13, 2024

In talks with TSMC's top management in mid-June 2024, the Polish side offered that the amount of government subsidy for TSMC's planned semiconductor production facilities would be *"negotiable at any time"*, much like a blank check. A few weeks earlier, Polish government officials had flown to Taiwan to promote TSMC's investment there, as the Germans had done before. The first TSMC-related laboratories and smaller companies have already been established in Poland. Similar words are coming from Prague and even Vilnius, where there is also interest in cooperation, especially in the production of the next generation of specialized semiconductors for artificial intelligence. At the end of 2024, the first students from the Dresden and Berlin regions will also travel to Taiwan to take part in the important and indispensable transfer of knowledge.

According to the plans of TSMC and the EU, Dresden, Warsaw and Prague will soon form a semiconductor triangle that should and will provide important impulses, not only in economic terms. One might think that this would be nothing but great news and truly beneficial for the economic advancement of the entire multinational region. However, reality is that a war is still underway in a not so distant location quite near the planned semiconductor triangle. Kiev in Ukraine is less than 800 km from Warsaw, not so long ago some rockets and bombs were reaching Lviv, which is about halfway down the road, less than a 4 hour car drive. Considering these circumstances, the planned semiconductor triangle suddenly seems not only a gigantic economic impulse, but could possibly become an invisible sort of Bermuda triangled weapon against Russia. At least that is what the planners and originators of the TSMC semiconductor triangle in near Eastern Europe might have had in mind.

Theoretically, the US government and NATO leadership could be expected to have some say in all the triangular semiconductor talks as well. A region as important as the emerging high-tech center around Dresden, Warsaw, and Prague must, of course, be protected militarily with all available means. Like an

invisible triangular fortress, a northwestern expansion of the Ukrainian conflict towards the EU can and would be easily sold to the European population as a reason for massive latest weapons and soldiers issued, financed and sent to protect the critical semiconductor industry there.

Far away in the Far East, Taipei has long worried about political and economic capture by the all-powerful Beijing. The only guarantee of continued independence for the small but semiconductor-powerful island nation of Taiwan is the U.S. and its global military superiority.

Were the Europeans given a great gift by TSMC on behalf of the U.S., not unlike the Trojan horse of the Greeks ?

<https://www.sun24.news/en/the-tsmc-union-about-taiwanese-semiconductor-triangles-in-europe.html>