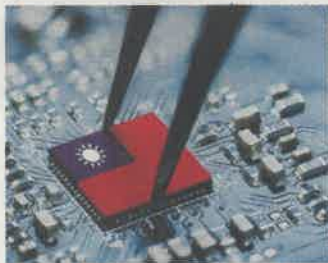


TECHNOLOGY

Taiwan chip output set to grow amid strong demand

Ralph Jennings in Taipei
ralph.jennings@scmp.com

New worldwide automotive trends will ensure factory output and hiring for the massive Taiwanese chip sector will grow this year, according to a forecast from a semiconductor industry association, despite figures from Taipei showing a fourth consecutive monthly decline in exports in December.



Taiwan supplies 60 per cent of the world's microchips.

Demand for tech talent would be "bullish" this year because Taiwan's major chip suppliers would continue to expand their business, said Terry Tsao, president of SEMI Taiwan.

"Instability in supply chain production and transport congestion caused by supply shortages gradually eased in 2022 and are expected to recover to normal in 2023," Tsao said.

"The demand for automotive chips will continue to increase with the introduction of electric vehicles and driver-assistance systems. Furthermore, the supply of automotive chips continues

to improve and gradually meet market demand.

"It is expected that automotive chips in 2023 will continue to push growth of the semiconductor industry."

The global SEMI group, which has 2,500 members and covers the Taiwan organisation, said in December producers worldwide would invest more than US\$500 billion across 84 "volume" chip-making facilities.

Construction on 28 of the facilities was due to start this year due to increased demand for automotive chips and components for high-performance computing, the group said.

Taiwan supplies 60 per cent of the world's chips, including some of the most advanced, that power smartphones, PCs and other consumer electronics.

But on Saturday, Taiwan's Ministry of Finance announced a 12.1 per cent year-on-year fall in exports in December. Exports last month totalled US\$35.75 billion, marking a fourth consecutive month of year-on-year decline.

A 1.4 per cent contraction in exports of components for electronics, which includes integrated circuits, contributed to the drop, with the segment making up more than half of the monthly total by value.

The ministry reported export value declines of more than 20 per cent for the plastics, chemicals and basic metals sectors last month.

Last month, Taiwan's exports to the United States eased by 2.6 per cent, while shipments to Europe fell by 10.5 per cent.