

Buffett: Taiwan Semiconductor is 'one of the best-managed' and most important companies in the world

57



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TSM +1.03%

QCOM -0.50%

+2



Brian Sozzi · Executive Editor

May 6, 2023 · 2 min read

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Billionaire investor [Warren Buffett](#) said a lot by not complimenting US semiconductor makers at the Berkshire Hathaway ([BRK-A](#), [BRK-B](#)) annual meeting on Saturday.

Instead, Buffett heaped praise on his one-time chip play: Taiwan Semiconductor ([TSM](#)).

"Taiwan Semiconductor is one of the best-managed companies and important companies in the world," the 92-year-old Buffett [told a crowded CHI Health Center](#) in Omaha, Nebraska. "I don't like its location and reevaluated that, ... [but] there's no one in the chip industry that's in their league, at least in my view."

The legendary buy-and-hold investor Buffett surprised some observers by quickly exiting a sizable position in TSMC. Berkshire revealed in February that it sold 86% of its shares in Taiwan Semiconductor, a stake that it built for about \$4.1 billion just months earlier.

67



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+1.12%

+1.03%

-0.50%

Berkshire currently owns 0.2% of Taiwan Semiconductor.

In April, Buffett explained he sold the position amid rising geopolitical tensions between China and Taiwan as well as China and the US.

"Marvelous people and marvelous competitive position, but I'd rather find it in the United States," Buffett added on Saturday.



Billionaire investor Warren Buffett speaks in Omaha, Neb., Monday, Nov. 14, 2011. (AP Photo/Nati Harnik)

Taiwan Semiconductor is seen as the dominant player in the advanced chip-making space. The company supplies chips to tech giants Apple ([AAPL](#)) and Qualcomm ([QCOM](#)), to name a few.

Analysts have praised the company for taking advantage of major shifts in tech, notably demand for 5G wireless and faster-processing data centers.

The company is eyeing spending of up to \$36 billion this year on capital expenditures.

TSMC stock is up 120% in the past five years, outperforming the S&P 500's 55% gain over that time period.

57



+0.93%

+1.12%

+1.03%

-0.50%

Taiwan Semiconductor Manufacturing Company Limited (TSM)

[View quote details](#)

NYSE - Nasdaq Real Time Price (USD)

98.25 +1.00 (1.03%) **98.30** +0.05 (+0.05%)

At close: -

After hours: -

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TSM ^GSPC

Chip rivals such as Intel ([INTC](#)) are trying to claw back market share by [building new plants](#) in the US and improving innovation. Others like Qualcomm and AMD ([AMD](#)) are beginning to talk up initiatives in the hot artificial intelligence space.

"We're driving a software environment that enables everyone in the world," Intel CEO [Pat Gelsinger](#) [told Yahoo Finance Live](#). "Generative AI becomes mainstream with the democratization of AI, and that's where Intel comes in."

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