

Technology

Nvidia CEO feels safe relying on Taiwan for chips

By Ben Blanchard

June 1, 2023 3:18 AM CDT · Updated 2 months ago

[1/2] A Nvidia logo is seen on one of their products on display at their headquarters in Taipei, Taiwan May 31, 2023. REUTERS/Ann Wang

TAIPEI, June 1 (Reuters) - Nvidia Corp, a major supplier of chips and computing systems for artificial intelligence (AI), feels "perfectly safe" about relying so much on chip powerhouse Taiwan for manufacturing, its chief executive Jensen Huang said on Thursday.

Some companies have expressed concerns about potential risks to business given heightened military threats by China against the democratic island of Taiwan, which Beijing claims as its own, to Taipei's strong objections.

Chip manufacturer Taiwan Semiconductor Manufacturing Co Ltd (TSMC) ([2330.TW](#)), makes chips designed by Nvidia and Huang said his company's next generation of products would also be made

by TSMC, while adding Nvidia ([NVDA.O](#)) would continue to diversify.

"When I was here, in all of our supply chain discussions, we feel perfectly safe," Huang told reporters on the sidelines of a technology event in Taipei, when asked about the political risk of the world relying so much on Taiwan for chips given the China tensions.

Nvidia was diversified through multiple fabs at TSMC and Huang confirmed it also planned to source from the TSMC fab in Arizona, "so we have a lot of diversity and resilience designed into our supply chain."

Huang said he planned to meet executives from TSMC and Apple Inc ([AAPL.O](#)) supplier Foxconn ([2317.TW](#)), which makes iPhones and other electronics devices that use AI chips, on Friday.

He had not yet decided if he would visit China after his Taiwan trip, he added.

Nvidia chips have been at the heart of major tech trends from video games and self-driving cars to cloud computing and now AI.

Huang said TSMC, whose founder Morris Chang he had dinner with while in Taiwan, was a world-class company with "immense capacity and incredible agility."

"I have every confidence that the demand placed on us, which is extremely high, will be served and will be served soon," Taiwan-born Huang said.

"The process of diversifying in different geographies is an excellent strategy by TSMC and so TSMC is now part of Nvidia's diversity and redundancy strategy."

Nvidia, the world's most valuable listed semiconductor company, joined an elite club of U.S. companies with a \$1 trillion market value on Tuesday, as investors piled into the chipmaker that has quickly become one of the biggest winners of the AI boom.

Huang is hugely popular in Taiwan and has received a rock star welcome during his visit to Taipei, including being surrounded by adoring fans seeking selfies after a keynote address on Monday attended by thousands of people.

Last month, Nvidia announced a second-quarter revenue target more than 50% above Wall Street estimates with plans to boost supply to meet surging demand for its AI chips.

Reporting by Ben Blanchard Editing by Christina Fincher and Mark Potter