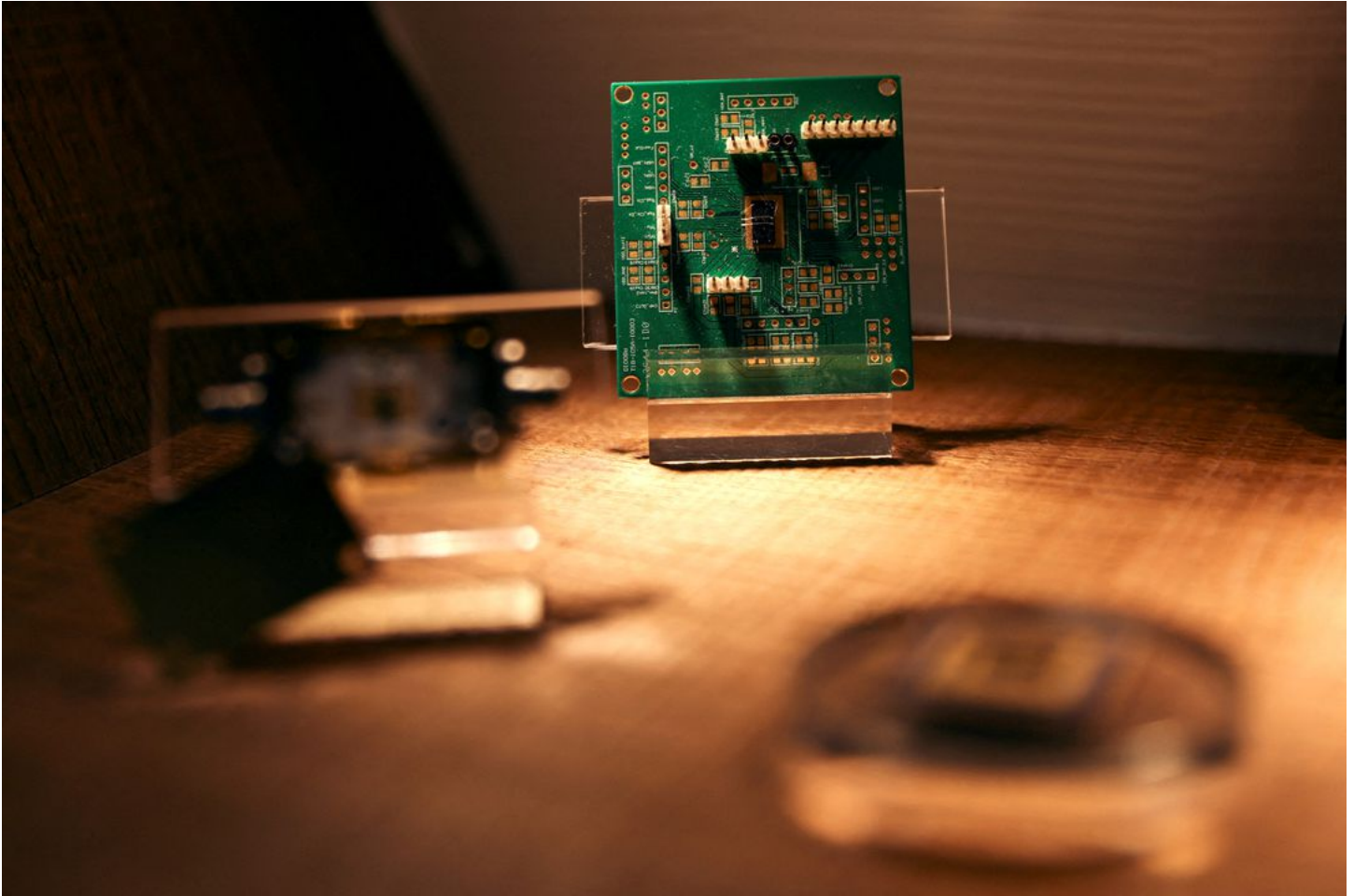


Technology

Top US spy says Chinese invasion halting Taiwan chip production would be 'enormous' global economic blow

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A chip is pictured at the Taiwan Semiconductor Research Institute (TSRI) at Hsinchu Science Park in Hsinchu, Taiwan, September 16, 2022. REUTERS/Ann Wang

WASHINGTON, May 4 (Reuters) - A Chinese invasion of Taiwan could potentially halt production by the world's largest advanced semiconductor chip maker, wiping out up to \$1 trillion per year from the global economy per year in the first few years, the top U.S. intelligence official said on Thursday.

U.S. Director of National Intelligence Avril Haines presented what she called a "general estimate" during testimony before the Senate Armed Services Committee.

She noted that the advanced semiconductor chips produced by Taiwan Semiconductor Manufacturing Company Ltd (TSMC) are used in 90 percent of "almost every category of electronic device around the world."

If a Chinese invasion stopped TSMC from producing those chips, "it will have an enormous global financial impact that I think runs somewhere between \$600 billion to \$1 trillion on an annual basis for the first few years," she said.

"It will also have an impact on our (U.S.) GDP if there was such an invasion of Taiwan and that (TSMC's production) was blocked," Haines continued. "It would also have an impact, if they stopped making chips, on China's economy."

Reporting by Jonathan Landay; editing by Jonathan Oatis