# TSMC profits soar as AI demand drives semiconductor market



Taiwan Semiconductor Manufacturing Corp. (TSMC), the world's largest semiconductor manufacturer, has reported a remarkable increase in its profits for the last quarter, emphasising the significant impact of the ongoing artificial intelligence boom. The company's profit surged by 57% to record a net profit of 374.7 billion new Taiwan dollars (approximately $11.4 billion), exceeding analysts' expectations.

In a broader financial overview, TSMC noted that its revenue for the year 2024 escalated nearly 34% to reach an impressive 2.9 trillion new Taiwan dollars ($88 billion). For the fourth quarter alone, the revenue increased by 38.8%, totalling 868.46 billion new Taiwan dollars (around $26.4 billion), also surpassing forecasts significantly. This growth trajectory highlights the increasing reliance on advanced computational technologies and chips, with AI applications driving demand.

Despite these strong financial results, TSMC faces challenges stemming from heightened geopolitical tensions between the U.S. and China concerning trade and technology. Recently, the U.S. government implemented further restrictions on the export of chips designed for AI and other advanced technologies, aiming to limit China’s access to such critical components. The new regulations impose a ceiling on the number of AI chips that can be exported to most countries, although approximately 20 close U.S. allies, including Taiwan, will retain unrestricted access to American AI technology.

These export restrictions could lead to a fluctuating demand for AI chips from TSMC and similar chipmakers, highlighting the delicate balance between industry growth and regulatory environments. In light of these developments, TSMC remains proactive in expanding its production capabilities to mitigate risks associated with international trade policies. The company plans to establish three new factories in the United States and an additional two in Japan. Both nations are offering substantial financial incentives, including billions in funding and subsidies, to bolster domestic chip production amidst ongoing global supply chain concerns.

As the artificial intelligence sector continues to flourish, TSMC's strategic decisions and investments may play a pivotal role in shaping the semiconductor landscape in the years to come.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.fastcompany.com/91261951/tsm-stock-price-today-tsmc-strong-ai-demand-chip-sales> - Corroborates TSMC's Q4 2024 financial results, including the 57% increase in net profit and the 38.8% year-over-year revenue increase.
* <https://www.tipranks.com/news/company-announcements/tsmc-announces-strong-q4-2024-financial-results-with-significant-revenue-growth> - Supports the financial figures for TSMC's Q4 2024, including revenue and net income, and highlights the role of AI demand.
* <https://www.fastcompany.com/91261951/tsm-stock-price-today-tsmc-strong-ai-demand-chip-sales> - Details the impact of AI demand on TSMC's financial performance and the company's advanced chip technologies.
* <https://www.tipranks.com/news/company-announcements/tsmc-announces-strong-q4-2024-financial-results-with-significant-revenue-growth> - Provides information on TSMC's revenue growth for the year 2024 and the significance of advanced computational technologies.
* <https://www.fastcompany.com/91261951/tsm-stock-price-today-tsmc-strong-ai-demand-chip-sales> - Explains the geopolitical tensions and U.S. export restrictions on AI and advanced technology chips.
* <https://www.tipranks.com/news/company-announcements/tsmc-announces-strong-q4-2024-financial-results-with-significant-revenue-growth> - Mentions the potential impact of export restrictions on demand for AI chips and TSMC's strategies to mitigate these risks.
* <https://www.fastcompany.com/91261951/tsm-stock-price-today-tsmc-strong-ai-demand-chip-sales> - Discusses TSMC's plans to expand production capabilities, including new factories in the U.S. and Japan.
* <https://www.tipranks.com/news/company-announcements/tsmc-announces-strong-q4-2024-financial-results-with-significant-revenue-growth> - Details the financial incentives offered by the U.S. and Japan to support domestic chip production.
* <https://www.fastcompany.com/91261951/tsm-stock-price-today-tsmc-strong-ai-demand-chip-sales> - Highlights TSMC's strategic investments and their potential impact on the semiconductor landscape.