

European Commission clears €5bn German aid for TSMC-led ESMC fab in Dresden

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Commission has approved, under EU State aid rules, a €5 billion German measure to support European Semiconductor Manufacturing Company (ESMC) in the construction and operation of a microchip manufacturing plant in Dresden.

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ESMC is a joint venture between Taiwan Semiconductor Manufacturing Company ('TSMC'), Bosch, Infineon, and NXP. The measure will strengthen Europe's security of supply, resilience and digital sovereignty in semiconductor technologies, in line with the objectives set out in the European Chips Act Communication. The measure will also contribute to achieving the digital and green transitions.

Germany notified the Commission of its plan to support ESMC's project to build and operate a new semiconductor production facility in Dresden, Germany. The project aims at serving the demand for automotive and industrial applications.

The new large-scale manufacturing facility supported under the measure will deliver high-performance chips, based on 300mm silicon wafers with node sizes covering 28/22nm and 16/12nm, using field-effect transistor ('FinFET') technology and allowing the integration of several additional features in one chip. The produced chips will offer better performance while at the same time reducing total power consumption. The plant, which is planned to be operating at full capacity by 2029, is expected to produce 480,000 silicon wafers per year. The facility will operate as an open foundry, meaning that any customer – including but not limited to the three other shareholders besides TSMC – can place orders for the production of specific chips.

[Read the full press release](#) .

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