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Scott Bessent Warns TSMC's \$40 Billion Arizona Fab May Only Meet 7% Of US Chip Demand — Blames Building Inspectors, Red Tape For Delays



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Treasury Secretary **Scott Bessent** warned that **Taiwan Semiconductor Manufacturing Co.'s** (NYSE:[TSM](#)) massive Arizona fabrication facility may produce just 7% of America's semiconductor needs, highlighting regulatory obstacles hampering domestic chip production.



What Happened: “TSMC wants to build a gigantic fab system in Arizona, and I think it might be able to produce up to 7% of the chips that the United States needs,” Bessent said during recent remarks on All In Podcast. “And they’re dealing with local building inspectors.”

Bessent criticized regulatory hurdles slowing construction of the \$40 billion facility. “Evidently, these chip design plants are moving so quickly, you’re constantly calling an audible and you’ve got someone saying, ‘Well, you said the pipe was going to be there, not there. We’re shutting you down,’” he explained.

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 Scott Bessent: "I think the most important thing we can do is make it easy to build things again, stay out of the way, and not overregulate."

Treasury Secretary [@SecScottBessent](#):

"I would say one of the surprises that I've had, and I've had a lot of them when I went from [Show more](#)

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Why It Matters: TSMC, the world’s largest contract chipmaker and key supplier to **NVIDIA Corp.** (NASDAQ:[NVDA](#)) and **Apple Inc.** (NASDAQ:[AAPL](#)), is fast-tracking its Arizona expansion. The company plans to begin production at a second plant by 2027 and expects up to 30% of its advanced 2nm capacity to eventually come from Arizona facilities.

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CFO **Wendell Huang** told Bloomberg the company plans cautious spending in 2025 with up to \$42 billion in capital expenditures while monitoring macro and foreign exchange risks.

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