

Taiwan lets chip firms invest in China: report

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Technicians work in a semi-conductor manufacturing plant cleanroom. Taiwan will allow its chip makers to invest in their counterparts in China in response to growing calls from the island's business community for closer high-tech ties, local media have said.

Taiwan will allow its chip makers to invest in their counterparts in China in response to growing calls from the island's business community for closer high-tech ties, local media said Monday.

The Taipei-based Commercial Times carried the report one day before Taiwan delegates were scheduled to meet with officials in Beijing for a first round of talks on a planned trade agreement.

The paper did not provide details on the size of stakes local chip makers will be allowed to acquire in Chinese companies, or when the new

measure will take effect.

The economics ministry was not available for comment when contacted by AFP Monday.

Calls for easing controls on investment in the mainland have been mounting among Taiwan's high-tech businesses, who point out their competitors from South Korea and Japan have been stepping up activity there.

While easing part of the controls, the economics ministry wants to keep a ban on state-of-the-art 12-inch (300-millimetre) wafer plant investments in the mainland, saying there is no urgency in the near future.

Wafers, slices of [semiconductor](#) material, get more sophisticated with size. Currently, Taiwan companies are allowed only to build eight-inch wafer plants in [China](#).

[Taiwan Semiconductor Manufacturing](#) Co has established a plant in Shanghai, while ProMOS Technologies Inc is running another in the southwest Chinese city of Chongqing.

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