

Taiwan's TSMC making chips for new iPhone: report

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Taiwan Semiconductor Manufacturing Co has started producing chips for Apple's next iPhone, a report said Wednesday, as speculation swirls that the US firm could be offloading rival Samsung as a supplier.

The world's leading contract microchip maker last month started producing the A8 chip, which is tipped to power the expected iPhone 6, the Commercial Times reported.

The report, which cited supply chain sources, said TSMC had won most of the manufacturing orders for logic and power management integrated chips for the new handset.

The Commercial Times forecast the new phone, which will likely have a 4.7-inch screen, would hit the shops early in the third quarter.

TSMC declined to comment on the report, but its shares closed up 2.33 percent at Tw\$110.0 Wednesday.

The news has fed rumours that Apple is reducing its reliance for parts on South Korean giant Samsung, its main competitor in the [mobile phone market](#) and a bitter rival with which it is contesting several copyright court battles globally.

Taipei-based website TechNews has claimed TSMC will now become the sole manufacturer of the A8 chips.

"This is another sign Apple has been shifting more orders away from Samsung," an analyst at a foreign company in Taipei told AFP on condition of anonymity.

"But how far Apple may push remains to be seen. It could be up to how much the Samsung-made parts and components could be replaced by those of other suppliers."

Last year the Wall Street Journal cited unidentified TSMC executives as saying Apple had struck a deal with the Taiwan firm as part of its move to diversify suppliers.

Samsung last month unveiled its new flagship Galaxy S5 smartphone armed with a fingerprint scanner and a built-in heart rate sensor, as it tries to cement its leadership of the multibillion-dollar smartphone market.

Samsung made about 30 percent of all smartphones sold globally last year, nearly twice the share of Apple.

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