

Macro Roundup Article

Headline: [China On Cusp Of Next-Generation Chip Production Despite US Curbs](#)

Article Link: <https://www.ft.com/content/b5e0dba3-689f-4d0e-88f6-673ff4452977>

Author(s)	Qianer Liu
Publication	Financial Times
Publication Date	February 07, 2024

Tweet: SMIC is using its existing stock of US and Dutch-made equipment to produce 5nm chips for Huawei. While this is a generation behind cutting-edge 3nm chips, the PRC's semiconductor industry is making "gradual progress" in the face of US export controls.

Summary: China's national chip champions expect to make next-generation smartphone processors as early as this year, despite US efforts to restrict their development of advanced technologies. The country's biggest chipmaker SMIC has put together new semiconductor production lines in Shanghai, according to two people familiar with the move, to mass produce the chips designed by technology giant Huawei. According to two people with knowledge of the plans, SMIC is aiming to use its existing stock of US and Dutch-made equipment to produce more-miniaturised 5-nanometre chips. The production line will make Kirin chips designed by Huawei's HiSilicon unit and destined for new versions of its premium smartphones. While 5nm chips remain a generation behind the current cutting-edge 3nm ones, the move would show China's semiconductor industry is still making gradual progress, despite US export controls.

Related Articles: [China AI & Semiconductors Rise: US Sanctions Have Failed and Huawei's Breakthrough Still Shows China's Limits in Tech Race](#) and [Chinese Scientists Create Chip That Can Perform AI Task 3,000 Times Faster Than Nvidia's A100: Study](#)

Primary Topic: China

Topics: China, GDP, Innovation/Research, Investment, News article, Productivity

Permalink: <https://www.edwardconard.com/macro-roundup/smic-is-using-its-existing-stock-of-us-and-dutch-made-equipment-to-produce-5nm-chips-for-huawei-while-this-is-a-generation-behind-cutting-edge-3nm-chips-the-prcs-semiconductor-industry-is-m?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/02/Huawei-SMIC-Production-Line-.png>