

Macro Roundup Article

Headline: [China Is Quietly Reducing Its Reliance On Foreign Chip Technology](#)

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Tweet: China's semiconductor "self-reliance" campaign is gaining steam. Domestic producers of wafer-fabrication tools had a 14% market share in 2023 up from 4% in 2019 according to Bernstein. @TheEconomist

Summary: Even if Huawei and SMIC eventually succeed at producing 5nm chips, they will remain well behind Samsung and TSMC, both of which began mass-producing 3nm chips as far back as 2022. Look away from the bleeding edge, however, and China is steadily chipping away at its reliance on foreign semiconductor technology. Huawei, which was burned in 2019 by sanctions that cut off its access to American technology, has been cultivating China's wider chipmaking ecosystem. The domestic market share of Chinese producers of wafer-fabrication tools has risen from 4% in 2019 to an estimated 14% last year, according to Bernstein, a broker.

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