

Hundreds of AI chip workers strike in Taiwan

Ben McGrath
7 October 2026

On Monday, approximately 500 workers belonging to the AGC Display Glass union in Taiwan launched a three-day strike over low pay and stagnant wages, an issue facing workers throughout the island. Workers at the company produce a glass substrate used in AI semiconductor chips.

Workers formed a picket line outside the factory in Douliu, Yunlin County. The union, headed by Chairman Shen Chuan-cheng, has described the walkout as Yunlin County's first ever strike, an indication of the growing anger and sentiment for a struggle among workers. In a vote to authorize the stoppage, 90 percent of the union's approximately 1,000 members took part, with 96 percent voting in favor. There are around 1,600 workers at the plant in total.

Clashes broke out on the first day of the strike between the workers and management as the latter tried to force their way through the picket line at the factory. Video from local news agencies showed members of management and scabs brought in to break up the strike, pushing and shoving workers as they crossed the picket line. At least one union official was reportedly injured in the fighting and required medical treatment at a hospital.

The union has requested a 5 percent pay increase for workers. The Japanese-owned company opened the factory in Yunlin County 25 years ago and has never given a comprehensive pay raise to workers. According to the deputy head of the union, Huang Tzu-chien, this has led to "ridiculously" low salaries. Huang also stated that the company has been eliminating other forms of compensation, including different types of bonuses, while breaking pledges for salary increases.

The union stated that the three-day action constituted a "warning strike." It previously staged a protest outside the Ministry of Labor (MOL) in Taipei on September 30, where officials implored the government

to mediate the dispute between the company and the union. Officials from the Yunlin County General Federation of Industrial Unions, including deputy head Cheng Nai-wei, also took part in the protest.

The union called the strike to give workers the impression something is being done to fight on their behalf, while giving them a chance to let off steam, rather than develop a genuine struggle against the exploitative conditions in the factory. At the same time, union officials hope the government will step in to impose a solution that would inevitably be in the interests of the company.

AGC is a Japanese-owned company with two subsidiaries in Taiwan. It has benefited from a boom in AI chip sales. The substrate produced by the factory in Taiwan is used between layers within the chips. It cuts power consumption by 30 percent and reduces warping caused by high temperatures while shortening the electrical pathways. The Japanese headquarters estimates that its operating profits for 2026 will top 45 billion yen (\$US285 million).

At the same time, while the union appeals to the Labor Ministry, it is the government of President Lai Ching-te of the Democratic Progressive Party (DPP) that has overseen a tremendous transfer of wealth from the working class to the rich.

Workers throughout Taiwan face serious economic strain while business is booming for the wealthy, in part due to the semiconductor sector. GDP growth is expected to reach 11.05 percent in 2026, the highest in 39 years, according to figures released by the Directorate General of Budget, Accounting and Statistics (DGBAS) in August.

However, the Taiwan Political Economy Collaborative thinktank reported that the share of GDP in 2023 going to workers was just 44.3 percent. As of the first quarter of 2026, this is estimated to have fallen to 35.1 percent.

The supposed real wage growth of 1.16 percent in the first half of this year is also illusory, created by high salaries for a relatively small number. The Collaborative reported that half of workers are seeing their real wages decline, forcing them to accept overtime. The DGBAS stated that overtime for workers in the electronics and component manufacturing sector reached their highest levels in the 47 years since recordkeeping began. For all workers across the island, the average monthly amount of overtime reached 17.8 hours per employee.

The DGBAS also reported that more than 70 percent of workers take home less than the average regular monthly wage. The median monthly wage was NT\$39,283 (\$US1,236) through the first six months of this year, or NT\$10,000 less than the average. The agency's statistics show that 1.26 million people or 16.8 percent of full-time employees classify as low-wage earners for annual income, earning less than NT\$390,000 (\$US12,290), or two-thirds of the median wage per OECD standards.

Given these overall conditions, workers in various industries throughout Taiwan are also going on strike or threatening to take strike action. Workers at Micron Technology in Taoyuan took part in a strike authorization vote over the first six days of October. Micron is a US-based company but its major production facilities for dynamic random-access memory (DRAM) and high-bandwidth memory (HBM) chips are in Taiwan. The company employs approximately 15,000 workers between plants at Taoyuan and Taichung.

The Taoyuan union has requested that worker bonuses be linked to company profits, including 15 percent of the company's operating profits, as well as a formal system for determining bonuses rather than just a one-off payment. The unions at each plant have been negotiating separately with the company, with the Taichung union scheduled to hold a new round of talks on October 22.

Like AGC Display Glass, Micron has seen a boom in profits, including a nearly 50 percent rise in revenue last year from \$US25.11 billion dollars in 2024 to \$US37.38 billion. Workers have been raising the issue of increased bonuses since at least last year. Lin Che-jui, the head of Micron's Taoyuan union stated, "We were told there is no room to adjust this year's plan and

that any changes may have to wait until 2027."

On Friday, workers at Kuai Kuai, a snack maker, struck at the company's factory in Zhongli, which is owned by the San-Ti Group, a major Taiwanese conglomerate. Approximately 130 workers took part in the strike out of 155 Taiwanese workers at the plant. Sixty immigrant workers from Indonesia and Vietnam work at the plant though they are not represented by the union. The union stated that the company attempted to pressure the immigrant workers to scab on the strike, though they did not do so.

Workers voted Friday to continue the walkout indefinitely in defense of their jobs after Kuai Kuai sold the factory to Advanced Semiconductor Engineering in July. Kuai Kuai claimed it would lease back the site for two years as it prepares relocation plans. However, workers fear the company will attempt to force them to resign without paying pensions and layoff benefits. Those who resign because the new factory is too far away or are opposed to the new conditions would potentially not be eligible for benefits. The union called off the strike on Tuesday, claiming to have negotiated a settlement with the company.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact