



How Industries Managed the Tariff Situation in April

Last month saw a flurry of activity taking place in response to the on-again/off-again tariff situation.

April was a tumultuous month for American companies that seesawed between the threat of new, double-digit (and even triple-digit, in some cases) tariffs and the possibility that some of those new levies may not go into effect. Industries across the board scrambled to make sense of the situation and take measures to protect their supply chains and bottom lines while continuing to service their customers' needs.

The balancing act wasn't easy. The ongoing tariff landscape has pushed industries to think beyond simple cost absorption. Facing increased prices on imported components, the auto industry is exploring dual-sourcing strategies, seeking alternative suppliers both domestically and in nations with more favorable trade agreements.

Some manufacturers are even accelerating plans to shift production or assembly processes to the U.S. In April, NVIDIA's announced that it would start designing and building factories that produce the company's artificial intelligence (AI) supercomputers in the U.S. According to the company, NVIDIA has commissioned over 1 million square feet of manufacturing

space to build and test its Blackwell chips in Arizona and its AI supercomputers in Texas.

Bringing Manufacturing Back

In similar news, a new chipmaking effort by two electronics manufacturing powerhouses may be in the making. According to a report published by *The Information* in April—and widely covered by a range of media outlets—Intel and Taiwan Semiconductor Manufacturing Co. (TSMC) have been working on a preliminary agreement to form a joint venture to operate the U.S. chipmaker's factories.

Citing the report, *TechRepublic* says TSMC, the world's largest contract chipmaker, will take a 20% stake in the joint venture by contributing chipmaking expertise and staff training to Intel. "TSMC will hold a 20% stake in the joint venture, contributing not cash, but value through sharing its chipmaking practices and training Intel staff," the publication reports.

In "How Tariffs Could Disrupt Semiconductor Supply Chains and Operations," M Science's Chandler Willison points out

that while not all tariffs are inherently disruptive, some sectors may be hit harder than others. "In the case of semiconductors, investors and the broader public place significant attention on tariffs affecting imports from China, Taiwan and other East Asian manufacturing hubs," he writes. "However, policies targeting Mexican products could trigger underappreciated reactions across the semiconductor supply chain."

Willison says the 2025 economy has already "experienced volatility due to the prospect and implementation of new and expanded tariffs," plus greater uncertainty surrounding global and U.S. trade amid rapidly changing tariff expectations. "In the long term, tariffs may prompt companies to shift aspects of their supply chains toward countries with more favorable U.S. trade agreements or invest in building factories on U.S. soil," he writes. "However, such a transition would take considerable time, as semiconductor fabrication requires significant infrastructure and capital investment."

Security Investigation Launch

In April, the U.S. Commerce Department began conducting a national security investigation into imports of semiconductor technology and related downstream products, CNBC reports. As part of the probe, the Commerce Department will "investigate the feasibility of increasing domestic semiconductors capacity in order to reduce reliance on imports and whether additional trade measures, including tariffs, are necessary to protect national security."

The investigation encompasses a wide range of items, including chip components such as silicon wafers, chipmaking equipment, and downstream products that contain semiconductors. "Semiconductors play a role in essentially every type of modern electronics," CNBC points out, "giving the investigation massive implications for Trump's global trade war as he seeks to boost U.S. manufacturing"

To date, exemptions have been made on various electronics products, including smartphones, computers and semiconductors.

Auto Supply Chain Woes

The auto supply chain stands firmly in the crosshairs of the tariff and reciprocal tariff situation right now. On April 22, the [Alliance for Automotive Innovation](#) urged the president not to impose 25% tariffs on imported auto parts, warning that doing so would hurt vehicle sales and increase prices for consumers.

A new study from the [Center of Automotive Research \(CAR\)](#) estimates that the impact to the automotive industry of the auto parts tariffs and the current 25% tariff on imported vehicles will exceed \$100 billion.

CAR's analysis emphasizes the complexity of the modern automotive supply chain. "The modern automotive supply chain is both global and complex, convoluting the seemingly simple question of the cost of 25% tariffs on the industry," said Dr. K. Venkatesh Prasad, CAR's SVP of research. "Automakers and their suppliers are often multinational companies with facilities spread out across the world, making it difficult to discern how much of a vehicle is domestically produced."