

Taiwan

Taiwan pledges to boost US investment after Donald Trump's tariff threat

US president has accused Taipei of 'stealing' American semiconductor industry



Taiwan's President Lai Ching-te on Friday said Donald Trump's policies were raising challenges for US trade partners © Ann Wang/Reuters

Kathrin Hille in Taipei 4 HOURS AGO

Taiwan's president has pledged to boost procurement and investment in the US as he rushes to respond to Donald Trump's global tariff threats and pressure on Taiwan's semiconductor industry.

"We will increase investment in the US and purchases from it to balance bilateral trade," Lai Ching-te told reporters on Friday, just hours after the US president announced [plans to impose "reciprocal tariffs"](#) on countries with which the US runs large trade deficits.

The US trade deficit with [Taiwan](#), its seventh-largest trading partner, widened by \$26.1bn to \$73.9bn last year, driven by booming demand for cutting-edge artificial intelligence chips. Most are made by Taiwan Semiconductor Manufacturing Company, the world's largest chipmaker.

But Lai asserted Taiwan's leading role in global chip manufacturing and pushed back against Trump's demands that [semiconductor](#) business — which the US president has accused Taiwan of "stealing" — be returned to America.

"I want to emphasise that as the world's most potent semiconductor [manufacturing] power, Taiwan is capable and willing to respond to new situations," said Lai.

He vowed to “ensure Taiwan’s indispensability in the global supply chain” and proposed a “global semiconductor democratic supply chain initiative” in order to help the US build more resilient supply chains — a co-operative vision distinct from Trump’s protectionist push to concentrate the industry at home.

Following pressure from the first Trump and Biden administrations and its US customers, TSMC has [committed to investing \\$65bn](#) in three fabrication plants in Arizona, the first of which is already in mass production. Although the plants will still account for less than a fifth of TSMC’s total capacity when completed, they are the company’s largest overseas investment.

But Trump has threatened to overturn subsidy deals granted under his predecessor, a move that could put more than \$6bn of financial support for TSMC at risk. Trump also wants to rebuild chip manufacturing in the US at a much larger scale.

When announcing his latest tariff plans on Thursday, Trump repeated accusations that Taiwan “took our chip business away”.

“We want that business back in the United States,” he said, “and if they don’t bring it back, we’re not going to be very happy”.

Lai on Friday affirmed that Taipei was the US’s “most reliable trading partner” and invoked the countries’ shared democratic values.

But he said the Trump administration was pursuing “strategies and policies that are completely different from the past”, adding that this posed challenges for all other countries, including Taiwan.

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