US may purchase stake in Intel after Trump attacked CEO

Why Intel may be into Trump's deal

At one point, Intel was the undisputed leader in chip manufacturing, Bloomberg noted, but its value plummeted from $288 billion in 2020 to $104 billion today. The chipmaker has been struggling for a while—falling behind as Nvidia grew to dominate the AI chip industry—and 2024 was its "first unprofitable year since 1986," Reuters reported. As the dismal year wound down, Intel's longtime CEO Pat Gelsinger retired.

Helming Intel for four years, Gelsinger acknowledged the "challenging year." Now Tan is expected to turn it around. To do that, he may need to deprioritize the manufacturing process that Gelsinger pushed, which Tan suspects may have caused Intel being viewed as an outdated firm, anonymous insiders told Reuters. Sources suggest he's planning to pivot Intel to focus more on "a next-generation chipmaking process where Intel expects to have advantages over Taiwan's TSMC," which currently dominates chip manufacturing and even counts Intel as a customer, Reuters reported. As it stands now, TSMC "produces about a third of Intel's supply," SCMP reported.

This pivot is supposedly how Tan expects Intel can eventually poach TSMC's biggest customers like Apple and Nvidia, Reuters noted.

Intel has so far claimed that any discussions of Tan's supposed plans amount to nothing but speculation. But if Tan

did go that route, one source told Reuters that Intel would likely have to take a write-off that industry analysts estimate could trigger losses “of hundreds of millions, if not billions, of dollars.”

Perhaps facing that hurdle, Tan might be open to agreeing to the US purchasing a financial stake in the company while he rights the ship.

Trump/Intel deal reminiscent of TikTok deal

Any deal would certainly deepen the government’s involvement in the US chip industry, which is widely viewed as critical to US national security.

While unusual, the deal does seem somewhat reminiscent to the TikTok buyout that the Trump administration has been trying to iron out since he took office. Through that deal, the US would acquire enough ownership divested from China-linked entities to supposedly appease national security concerns, but China has been hesitant to sign off on any of Trump’s proposals so far.

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