

Macro Roundup Article

Headline: [The Semiconductor Trade War](#)

Article Link: <https://www.apricitas.io/p/the-semiconductor-trade-war>

Author(s)	Joseph Politano
Publication	Apricitas Economics
Publication Date	July 06, 2023

Tweet: [.@JosephPolitano](#) notes a surge in US capital investment in chip-making equipment: in Q1 2023, special industry machinery investment (mostly semiconductor equipment) was 50% higher in real terms than the 2019 peak.

Summary: The boom in domestic US chipmaking construction has been coupled with rising demand for semiconductor equipment that can't be met domestically. The pace of US semiconductor equipment imports over the last few months has been near an all-time high, with Japan, the EU, and Singapore being the major sources. This is part of the reason why the market for semiconductor equipment hasn't contracted alongside the market for chips themselves. Supercharged domestic investment is perhaps the US's greatest asset in the current trade war—buying up scarce chipmaking equipment gives America leverage to encourage compliance among its would-be customers and trade partners.

Related Articles: [Making Manufacturing Great Again](#) and [TSMC To Send Hundreds More Workers To Speed U.S. Plant Construction](#)

Primary Topic: Investment

Topics: Investment, Op-Ed/Blog Post, Productivity

Permalink: <https://www.edwardconard.com/macro-roundup/josephpolitano-notes-a-surge-in-us-capital-investment-in-chip-making-equipment-in-q1-2023-special-industry-machinery-investment-mostly-semiconductor-equipment-was-50-higher-in-real-terms-than-t?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2023/07/Chip-Equipment-Surge.png>