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Intel Stock Falls After Trump Calls for CEO Lip-Bu Tan to Step Down

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Intel Corporation shares dropped on Thursday following a statement from President Donald Trump urging the company's chief executive officer, Lip-Bu Tan, to resign. The president's remarks, posted on his Truth Social platform, claimed Tan was "highly conflicted" and should step down immediately. Trump did not elaborate on the specific reasons but appeared to reference alleged ties to the Chinese Communist Party.

The call for Tan's resignation came after Senator Tom Cotton sent a letter to Intel Chairman Frank Yeary raising concerns about the CEO's investments and connections to semiconductor firms reportedly linked to the Chinese Communist Party and the People's Liberation Army. Cotton questioned whether Tan had divested from these companies to remove potential conflicts of interest.

Tan, who assumed the role of Intel CEO in March 2025, has a long history in the semiconductor industry. Cotton's letter noted that Tan reportedly controls dozens of Chinese companies and holds stakes in hundreds of advanced manufacturing and chip firms, with at least eight alleged to have ties to China's military. The senator also highlighted Tan's leadership of Cadence Design Systems during a period when the company violated United States export control laws.

According to the US Department of Justice, Cadence agreed in July to plead guilty to charges related to selling hardware and software to China's National University of Defense Technology, an institution linked to the Chinese military. These violations occurred between 2015 and 2021, when Tan served as CEO. The US Department of Commerce's Bureau of Industry and Security fined Cadence \$95 million for transferring sensitive US technology to entities supporting China's military modernization and nuclear weapons programs.

Tan is also the founder of Walden International, a venture capital firm launched in 1987 that has invested heavily in Asian and Chinese technology companies, including state-owned Semiconductor Manufacturing International Corporation (SMIC). SMIC plays a key role in China's efforts to expand its domestic chip production capabilities.

The renewed political scrutiny comes amid intensifying competition between the United States and China in the fields of semiconductor manufacturing, artificial intelligence (AI), and other advanced technologies that are seen as critical to both economic growth and national security. Senator Cotton, who chairs the Senate Intelligence Committee, has warned that Chinese nationals working in US technology and defense sectors could pose security risks. On Thursday, he called on Defense Secretary Pete Hegseth to prohibit all non-US citizens from accessing Department of Defense (DoD) networks and urged a review of Chinese nationals employed by defense contractors.

Intel stated that it remains "deeply committed to advancing US national and economic security interests" and is making "significant investments aligned with the President's America First agenda." The company recently received over \$8 billion in federal funding through the CHIPS (Creating Helpful Incentives to Produce Semiconductors) Act to expand chip manufacturing in the United States.

Despite these efforts, Intel's stock declined 3.5% following Trump's post, even as broader markets, including the Nasdaq, moved higher. The California-based company has faced years of competitive setbacks, missing the shift to mobile computing and falling behind in AI-focused chip production dominated by rivals such as Nvidia. Under Tan's

leadership, Intel has initiated cost-cutting measures, including workforce reductions and scaling back some domestic manufacturing operations, in an attempt to restore its standing in the global chip market.