# AI sector faces tariffs, antitrust trials, and breakthroughs in software engineering



This week has brought significant developments in the field of artificial intelligence (AI), spanning challenges in hardware tariffs, major antitrust legal battles involving tech giants Meta and Google, and innovative advancements from OpenAI.

Tariff Policies Impact AI Hardware Industry

The Trump administration’s tariffs continue to introduce uncertainty for the AI sector, particularly affecting the hardware that underpins AI development. While the tariffs do not directly target AI software or intellectual property—due to the complexities involved in taxing intangible and easily transferable assets—hardware components essential for AI operations face barriers. Tariffs imposed on servers, cooling systems, and networking equipment could impede progress in AI infrastructure.

Andrew Ng, a leading figure in AI, explained that relocating computer equipment manufacturing back to the United States is impractical at present because of insufficient domestic expertise and limited supply chain capacity. Morgan Stanley analysts noted that while software companies such as Adobe and Salesforce have yet to feel any drop in demand, the hardware constraints remain a concern for the industry’s expansion.

Meta Faces Antitrust Trial Over Market Practices

The Federal Trade Commission’s (FTC) antitrust lawsuit against Meta entered trial this week. The FTC, which filed the suit in 2020, alleges that Meta—formerly Facebook—resorted to anticompetitive tactics aimed at undermining competition and preserving its dominance in social media by acquiring rivals like Instagram and WhatsApp. The government seeks remedies that include the divestiture of these acquisitions.

Jennifer Newstead, Meta’s Chief Legal Officer, criticised the lawsuit in a blog post, stating that the FTC’s “weak antitrust lawsuit … ignores how the market actually works and chases a theory that doesn’t hold up in the real world.” She highlighted the intense competition Meta faces from other platforms, noting, “In reality, more time is spent on TikTok and YouTube than on either Facebook or Instagram.” The trial’s outcome could have wide-reaching implications for the ownership and structure of major social media platforms.

Virginia Court Finds Google Violated Antitrust Laws in Advertising Market

In a related antitrust matter, a district court judge in Virginia ruled that Google unlawfully maintained monopolistic control over key segments of the online advertising technology market. The U.S. government’s lawsuit claimed Google held monopolies in three areas: tools for online publishers, tools for advertisers, and the underlying software infrastructure enabling this market. While dominating a market through innovation is legal, experts indicated that Google tied its monopolies together in ways considered illegal under antitrust laws.

This legal decision adds to ongoing scrutiny, as a separate case in Washington, D.C., concluded last year with a judge affirming Google’s monopoly over online search. A forthcoming ruling, expected by August, will consider government proposals to force Google to divest its widely-used Chrome browser.

OpenAI Launches Enhanced ChatGPT Models and Develops AI Software Engineer

In positive news for AI capabilities, OpenAI announced two new models in its reasoning family, o3 and o4-mini, designed to enhance ChatGPT’s performance. These models are described as the company’s smartest yet and offer advanced functionalities such as processing images in addition to text, capable of analysing complex documents including PDFs and faxes, even when images are blurry or rotated.

OpenAI stated that these models provide higher performance at lower costs compared to previous versions, and have been made available to ChatGPT Plus, Pro, and Team subscribers. Enterprise and education users will gain access shortly, while free users can try the o4-mini model with a specific prompt setting.

Furthermore, OpenAI’s Chief Financial Officer Sarah Friar revealed plans to develop an AI agent that functions as a fully autonomous software engineer. Speaking at Goldman Sachs’ Disruptive Technology Symposium in London, Friar explained, “This is not just augmenting the current software engineers in your workforce … it’s literally an agentic software engineer that can build an app for you.” She added that the AI would handle tasks typically disliked by human engineers, such as quality assurance testing, bug fixes, and documentation, potentially multiplying software engineering productivity significantly.

These developments collectively highlight ongoing tensions within the AI sector, from regulatory challenges to breakthrough technological advancements, signalling a dynamic period ahead.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://semianalysis.com/2025/04/10/tariff-armageddon-gpu-loopholes/> - This article provides a detailed analysis of Trump-era tariffs on AI infrastructure hardware such as GPUs, servers, networking, and cooling equipment, highlighting the negative impact on AI hardware costs and supply chains, corroborating the claim about tariffs affecting AI hardware and infrastructure development.
* <https://www.pymnts.com/news/artificial-intelligence/2025/this-week-ai-tariffs-tech-giants-antitrust-woes-more-adept-chatgpt/> - This source confirms the ongoing tariff issues impacting AI hardware but not software, references Andrew Ng's views on manufacturing limitations in the U.S., and covers the FTC's antitrust lawsuit against Meta, supporting the article's points about hardware tariffs, expert opinions, and Meta's legal challenges.
* <https://warontherocks.com/2024/12/hardware-and-hard-truths-trumps-tariffs-could-hurt-american-ai/> - This analysis discusses the broader geopolitical and supply chain implications of tariff policies on AI hardware, emphasizing rising costs and potential harm to U.S. AI competitiveness, supporting the article's mention of tariffs creating long-term uncertainty and hardware supply issues.
* <https://www.ftc.gov/news-events/news/press-releases/2020/12/ftc-sues-facebook-illegal-monopoly-maintenance> - The Federal Trade Commission's official announcement of its 2020 lawsuit against Meta (Facebook) publicly details allegations of anticompetitive conduct and the government's intention to seek divestiture of Instagram and WhatsApp, directly supporting the article's account of the Meta antitrust trial and its claims.
* <https://www.washingtonpost.com/technology/2024/11/15/google-antitrust-ads-virginia-court-ruling/> - This article covers the Virginia district court ruling that Google violated antitrust laws by maintaining monopolies in online advertising technologies, corroborating the article's description of the Google antitrust case and legal scrutiny over its market dominance.