



Written by [Angeline Tan](#) on December 19, 2022

U.S. to Add More Than 30 Chinese Companies to Trade Blacklist

SINGAPORE — The United States plans to include Yangtze Memory Technologies and more than 30 other Chinese companies on a trade blacklist that would deter them from purchasing some American components, increasing friction between the two economic superpowers.

The U.S. Commerce Department will add China's leading maker of memory chips and the others to the so-called Entity List, based on a person acquainted with talks who asked to remain anonymous.

Companies on the list are banned from buying technology from U.S. suppliers unless they obtain a special export license from the Commerce Department.

The move would represent the latest dispute in the U.S.-China conflict over technology. In October this year, the United States launched a sweeping set of restrictions on China's capability to purchase chip-making equipment and semiconductors, placing Yangtze Memory and other companies on a list for further reviews.

At the time, the Commerce Department added 31 organizations, including Yangtze Memory, to what is known as the Unverified List, which means U.S. authorities are not able to give evidence that those companies are not supporting the Chinese military.

That set into action a 60-day countdown during which the companies would have to prove their businesses were not embroiled in activities that jeopardized U.S. national security.

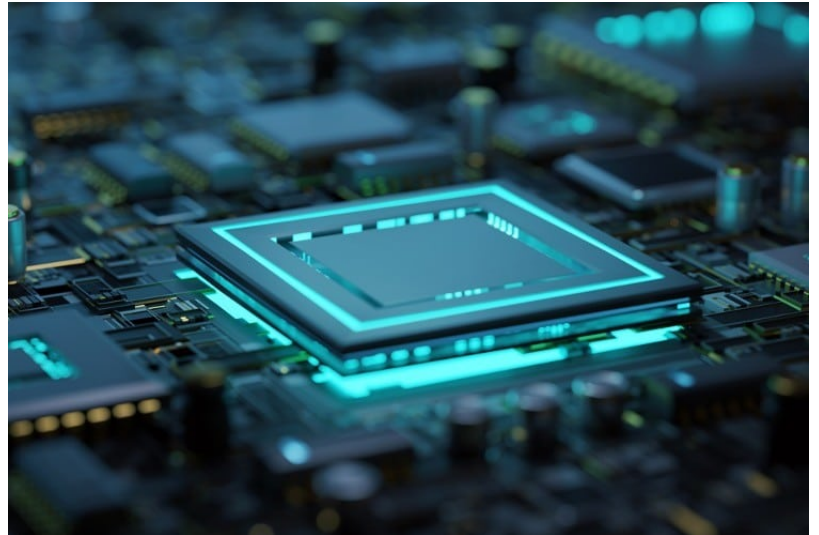
China had seemed to be cooperating with the U.S. authorities to stop Yangtze Memory and other firms from being added to the Entity List. China's Ministry of Commerce aided domestic companies through end-use checks mandated by the Biden administration, including details about products and operations.

Yangtze Memory, located in Wuhan, is China's biggest 3D Nand semiconductor maker, making memory chips that go into smartphones and other computing devices in competition with the likes of Samsung Electronics. The company had been in talks to supply Apple, which would have marked an important step for China's tech industry, but that has since been put on the back burner.

The *Financial Times* was first to report the plan to blacklist Yangtze Memory.

U.S. officials enforced the latest chip restrictions by explaining they are required to halt China from becoming more of an economic and military menace. The Biden administration wants to guarantee that the country's chip makers do not have the capability to make advanced semiconductors that would enhance China's military.

China has harshly rebuked the U.S. moves, arguing that the United States is trying to curtail its growth.



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This week, China filed a dispute with the World Trade Organization trying to overturn U.S.-imposed trade controls, arguing they will disrupt global trade and supply chains.

Also in December, China said it is ready to build better relations with South Korea, courting a key U.S. ally and microchip producer amid U.S. efforts to curtail Chinese access to advanced semiconductor technology.

In a readout released recently, China's Foreign Minister Wang Yi told his South Korean counterpart, Park Jin, that China is "willing to work with South Korea to adhere to the general direction of good neighborliness and friendship," while also boosting "strategic communication."

He said China and South Korea should "ensure safe and smooth production and supply chains, maintain the international free trade system, and strengthen cooperation on regional and global issues."

While the Chinese readout did not mention a semiconductor partnership with South Korea, Wang lampooned both the [US Chips and Science Act](#) and [the Inflation Reduction Act](#). These laws seek to ensure U.S. access to key technologies as Washington and Beijing vie to outdo each other.

The two laws hurt both China and South Korea, Wang said, describing the United States as "saboteurs rather than builders" of international rules.

The remarks hint at Communist Chinese concerns that U.S. President Joe Biden would implement steps to limit China's tech ambitions and deter Beijing's military from obtaining advanced semiconductors.

Japan and the Netherlands have agreed in principle to join the United States in enacting tight restrictions on the export of advanced chip-making machinery to China, a factor limiting Beijing's technology ambitions.

The three-country alliance would represent a near-total blockade of China's ability to buy the equipment necessary to make leading-edge chips.

The United States has also been urging South Korea to join the export controls.

South Korea is finding itself stuck between the United States — its top security ally — and China — its biggest trading partner — as competition rises between the world's largest economies.

South Korean Trade Minister Ahn Duk-geun said in October that key chip producers Samsung Electronics and SK Hynix won approval from the United States to keep operating in China, but that worries linger over the impact of the sweeping restrictions.

The U.S. rules limit the supply from U.S. gear suppliers Applied Materials, Lam Research, and KLA.



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