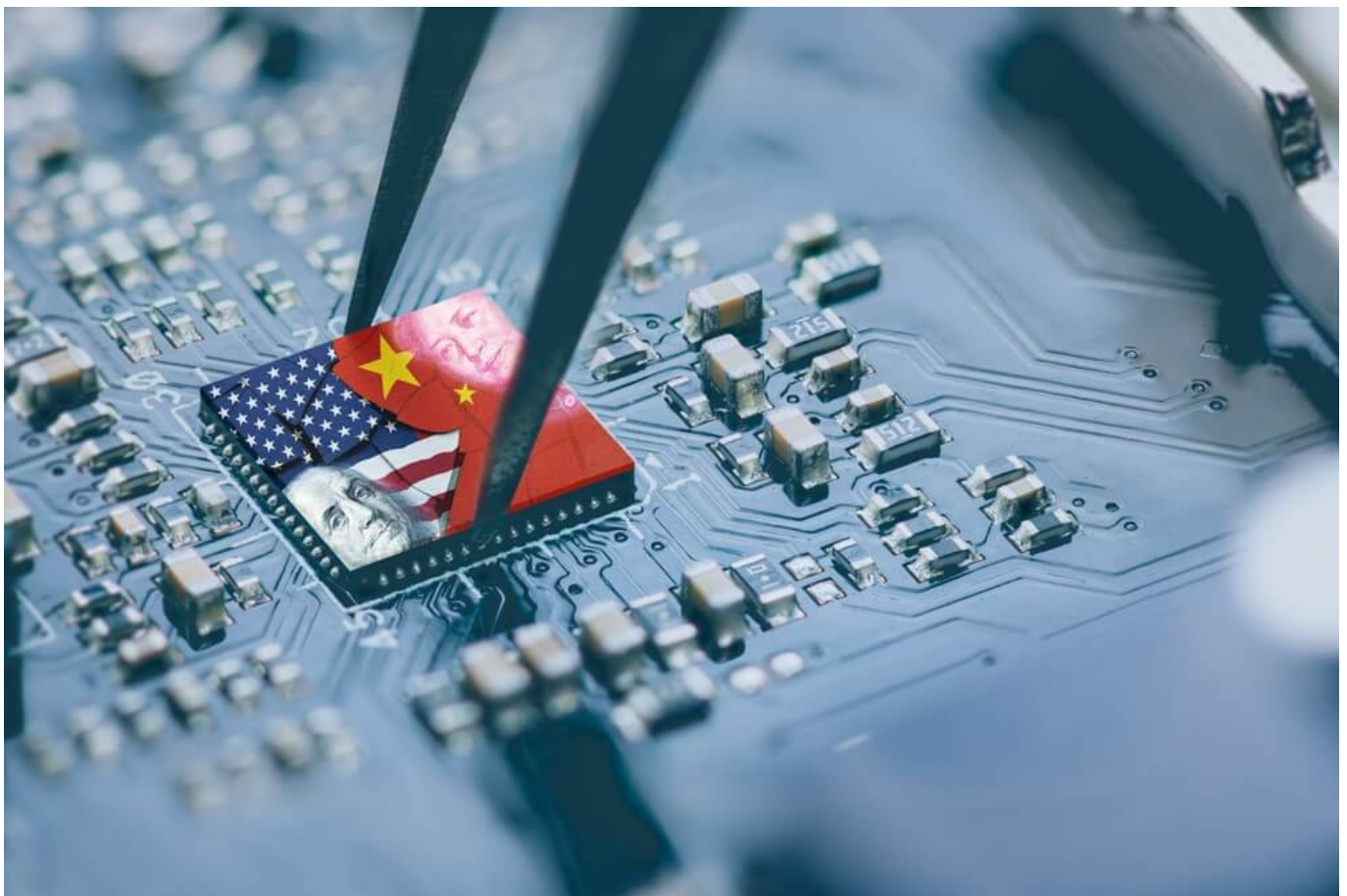




By: TA | AP Brief

# China hits back at US sanctions on tech giants



China on Monday announced sanctions on 10 American military-related companies in response to a recent **U.S. move** that bars some leading Chinese tech companies from defense contracts.

The Commerce Ministry said that Chinese companies would be blocked from exporting “dual-use” items to the 10 companies, which include military drone makers and some involved in rare earth mining.

Dual use refers to goods that can have military as well as non-military applications.

The ministry said the export ban was both to safeguard China’s national security and in response to what it called the U.S. government’s “wrongful expansion of its so-called List of Chinese Military Companies.”

Separately, the Finance Ministry said that government entities would be prohibited from buying products from 46 American companies including multiple units of Lockheed Martin, Raytheon and General Dynamics.

A brief statement did not give any reason for the prohibition.

## Dual-use items

Earlier this month, the U.S. Defense Department added several tech companies including Alibaba and Baidu to its list of firms that it says have links to the Chinese military. Baidu said the suggestion that it is a military company is “totally baseless.”

The designation prevents them from getting U.S. military contracts.

**Companies or individuals in third countries are prohibited from transferring dual-use items from China to the sanctioned American firms**

The **Commerce Ministry** said at the time that

the American sanctions run counter to the consensus that Chinese leader Xi Jinping and U.S. President Donald Trump reached during **Trump's visit to China** in May.

In Monday's announcement, the ministry said that companies or individuals in third countries are prohibited from transferring dual-use items from China to the sanctioned American firms.

It also said that Chinese companies could apply for export approval for goods that are “genuinely necessary.”

The 10 companies are AVEOX in Simi Valley, California; Red Cat Holdings and Teal Drones, both in South Salt Lake, Utah; IMSAR in Springville, Utah; Jaia Robotics in Bristol, Rhode Island; Ball Aerospace & Technologies in Broomfield, Colorado; Oshkosh Defense in Oshkosh, Wisconsin; L3Harris Maritime Services in Norfolk, Virginia; MP Materials in Las Vegas; and USA Rare Earth in Stillwater, Oklahoma.