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US blocks Nvidia AI chip exports to China

New licensing requirements bring immediate halt to cutting-edge tech sales to Chinese companies



Nvidia said about \$400mn in sales to China this quarter might be affected by the new licence requirement © Getty Images

William Langley in Hong Kong 2 HOURS AGO

China has condemned a US move to end its access to high-end processors made by chipmaker Nvidia, after Washington stepped up its efforts to restrict exports of cutting-edge technology to its trade and military rival.

US officials have told Nvidia to stop selling to Chinese companies two of its chips designed for artificial intelligence work, the company said in a [filing](#) on Wednesday. The government is imposing a licence requirement on any products containing its A100 and forthcoming H100 integrated circuits used in the machine learning processes that enhance AI systems.

The order comes into effect immediately for chips destined for China and Russia, extending to any future products that can match the A100 in performance.

The move marks the latest salvo from the US to restrict tech exports to China over fears they could be used for military purposes. Washington has imposed restrictions on exporting technology to a number of Chinese companies and has taken aim at the country's push for self-sufficiency in [semiconductors](#).

Chinese foreign ministry official Wang Wenbin said on Thursday that the US was attempting to impose a “technological blockade” on China. He said the ban showed the US was trying to maintain its “technological hegemony”.

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[Nvidia](#) said that Washington had indicated that the new licence requirement would address the risk that products might be used or diverted to military users in China and Russia. It added that it did not sell to customers in Russia.

Chinese commerce ministry representative Shu Jueting said the move undermined the legitimate rights and interests of Chinese companies and the stability of global industrial and supply chains.

Nvidia said in a filing that it was “engaging with customers in China” and “seeking to satisfy their planned or future purchases of our data centre products with products not subject to the new licence requirement”.

Analysts at investment bank Jefferies said the biggest users of the chipsets in China were cloud service providers and large internet companies. There were no direct local substitutes, they said, and one alternative would be to use multiple lower-end processors from Nvidia that were not banned. This attempt to replicate the processing power would not achieve the same speeds and come at a much higher cost, they added.

Nvidia said about \$400mn in potential sales to China this quarter might be affected by the new licence requirement.

The chipmaker’s shares fell 6 per cent in pre-market trading on the news, which also hit other semiconductor companies’ shares. Nvidia rival Advanced Micro Devices told the Reuters news agency it had received new licence requirements that would stop its MI250 AI chips from being exported to China.

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