

**US-China relations**

## China warns of retaliation to US curbs on investment and chips

Ambassador says Beijing 'cannot remain silent' amid sanctions and export controls



Xie Feng, China's ambassador to the US: 'We will not make provocations, but we will not flinch from provocations' © Reuters

**Demetri Sevastopulo** in Washington 35 MINUTES AGO

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China's ambassador to Washington has warned Beijing will retaliate against US national security measures targeted at the country, including a mechanism to screen inbound investment being prepared by the White House.

Speaking at the Aspen Security Forum, Xie Feng said China "cannot remain silent" while the US imposes sanctions and export controls that will make it harder for China to secure advanced US technology, including cutting-end chips.

"The Chinese government cannot simply sit idly by," Xie told the security forum on Wednesday. "We will not make provocations, but we will not flinch from provocations. So, China definitely will make our response."

Xie was speaking as the US administration puts the finishing touches to an investment screening mechanism designed to cut the amount of US money invested in Chinese entities involved in areas including semiconductors, quantum computing and [artificial intelligence](#) that could help its military.

The commerce department is also preparing to update sweeping export controls from last year to close some loopholes and make it more difficult for companies such as Nvidia to sell AI-related semiconductors to China.

Beijing has recently taken steps that have been interpreted as retaliation by the US and its allies. Following an investigation into US chipmaker Micron that American officials saw as tit-for-tat response, China in May [banned](#) some of the country's entities from buying the group's semiconductors.

And earlier this month, Beijing said it would require Chinese companies exporting gallium and germanium to obtain licenses, which could throttle supplies of two minerals needed to make chips.

“It is not our hope to have a tit-for-tat [measures]. We don't want a trade war [or] technological war,” Xie added. “We want to say goodbye to the Iron Curtain, the silicon curtain.”

Speaking about attempts to frustrate Chinese efforts to secure the most advanced chips, he said: “This is like restricting the other side to wear outdated swimwear in a swimming contest while you yourself are wearing a speedo.”

Xie refused to be drawn on speculation about Qin Gang, his predecessor as ambassador and now foreign minister, who has not been seen in public for almost four weeks. “Thank you for your care,” he said in response to questions on the official's whereabouts.

China's foreign ministry has said Qin is ill but has provided no details, which has sparked speculation that the top diplomat may be under investigation.

Pressed on China's relationship with Russia and its refusal to condemn Moscow's full-scale invasion of Ukraine, he said it was “natural” for the two neighbours to maintain friendly relations.

He responded to a question about what redeemable qualities he saw in Vladimir Putin by saying he had not met the Russian leader. But he joked that president George W Bush had once said that he had looked Putin in the eye and “found him to be very straightforward and trustworthy”.

“President Bush Junior said that he looked into the eyes of Mr Putin, saw his soul [and thought] he's reliable,” Xie said, before chuckling out loud.

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