

US-China relations

US adds dozens of Chinese entities to export blacklist

Move marks Trump administration's first attempt to stifle Beijing's development of military-related technology



Commerce secretary Howard Lutnick: 'We will not allow adversaries to exploit American technology to bolster their own militaries and threaten American lives' © Samuel Corum/Sipa/Bloomberg

Demetri Sevastopulo in Tokyo

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The US has put dozens of Chinese entities on an export blacklist in the Trump administration's first big effort to slow China's ability to develop advanced artificial intelligence chips, hypersonic weapons and military-related technology.

The US commerce department on Tuesday added more than 70 Chinese groups to the "entity list", which requires any American company selling technology to them to have a licence. In most cases, the licence request is denied.

Among the listed groups are six Chinese subsidiaries of Inspur, a big cloud computing group that has worked with US chipmaker Intel, including one based in Taiwan. The Biden administration put Inspur on the entity list in 2023 but came under criticism for not adding its subsidiaries. Inspur did not immediately respond to a request for comment.

The US said the subsidiaries were targeted for helping develop supercomputers for military use and obtaining American-made technology to support projects for China and the People's Liberation Army. It added that the subsidiaries had developed large [AI](#) models and advanced chips for military use.

“STAT – CHINA – US – Technology – Export – Control – List – Entity – List – AI – Chips – Military – Use – Supercomputers – People’s Liberation Army – Taiwan – Inspur – Biden – Trump – Administration – Commerce – Department – License – Request – Denied – Request – for – Comment –”

“we will not allow adversaries to exploit American technology to bolster their own militaries and threaten American lives,” said Howard Lutnick, the US commerce secretary.

“We are committed to using every tool at the department’s disposal to ensure our most advanced technologies stay out of the hands of those who seek to harm Americans.”

The US has not provided any public evidence to support the blacklisting of Beijing Academy of Artificial Intelligence for supporting China’s military modernisation. BAAI is a leading non-profit AI research institute set up in 2018 to bring together industry and academia. It regularly [releases open source AI models](#) and other tools and holds an annual conference to convene global experts in the field.

The blacklisting of BAAI comes after Washington [targeted Zhipu in January](#). The start-up is a frontrunner among Chinese AI groups developing large language models. BAAI did not immediately respond to a request for comment.

In most cases, the restrictions will apply to non-US companies that export products containing American technology to the Chinese groups under an extraterritorial tool known as the “foreign direct product rule”.

The US also targeted four groups — Henan Dingxin Information Industry, Nettrix Information Industry, Suma Technology and Suma-USI Electronics — that are involved in developing exascale superconductors for military purposes, such as nuclear weapons modelling.

Washington said the groups provided “significant manufacturing capabilities” to Sugon, an advanced computer server-maker put on the entity list in 2019 for building supercomputers for military use.

The Chinese embassy in Washington said the US had “time and again overstretched the concept of national security and abused state power to go after Chinese companies”.

“We firmly oppose these acts taken by the US and demand that it immediately stop using military-related issues as pretexts to politicise, instrumentalise and weaponise trade and tech issues, and stop abusing export control tools such as entity lists to keep Chinese companies down,” said Liu Pengyu, the embassy spokesperson.

The Biden administration imposed export controls on China targeting quantum computing and AI chips under its “small yard, high fence” policy. But critics accused it of failing to close loopholes that let some Chinese companies avoid restrictions.

Meghan Harris, a semiconductor policy expert at Beacon Global Strategies, said it was telling that the first significant action on export controls “corrects what was viewed as a major gap in the Biden administration’s listing of Inspur, which left major subsidiaries unrestricted”.

“While a solid first action by the Trump team that will be seen as strengthening controls and fixing errors, it’ll take a bit more time to work up the weightier policy decisions,” she added.

Jeffrey Kessler, under-secretary of commerce for industry and security, said his bureau was “sending a clear, resounding message” that the administration would prevent US technology “from being misused for high performance computing, hypersonic missiles, military aircraft training and [Unmanned Aerial Vehicles] that threaten our national security”.

The US also added 10 entities based in China, South Africa and the UAE to the list over links to the Test Flying Academy of South Africa, a flight school that Washington put on the entity list in 2023 after discovering it was [hiring western fighter jet pilots](#), including from the UK, to train Chinese pilots.

Additional reporting by Ryan McMorrow in Beijing

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