

Chart of the Day

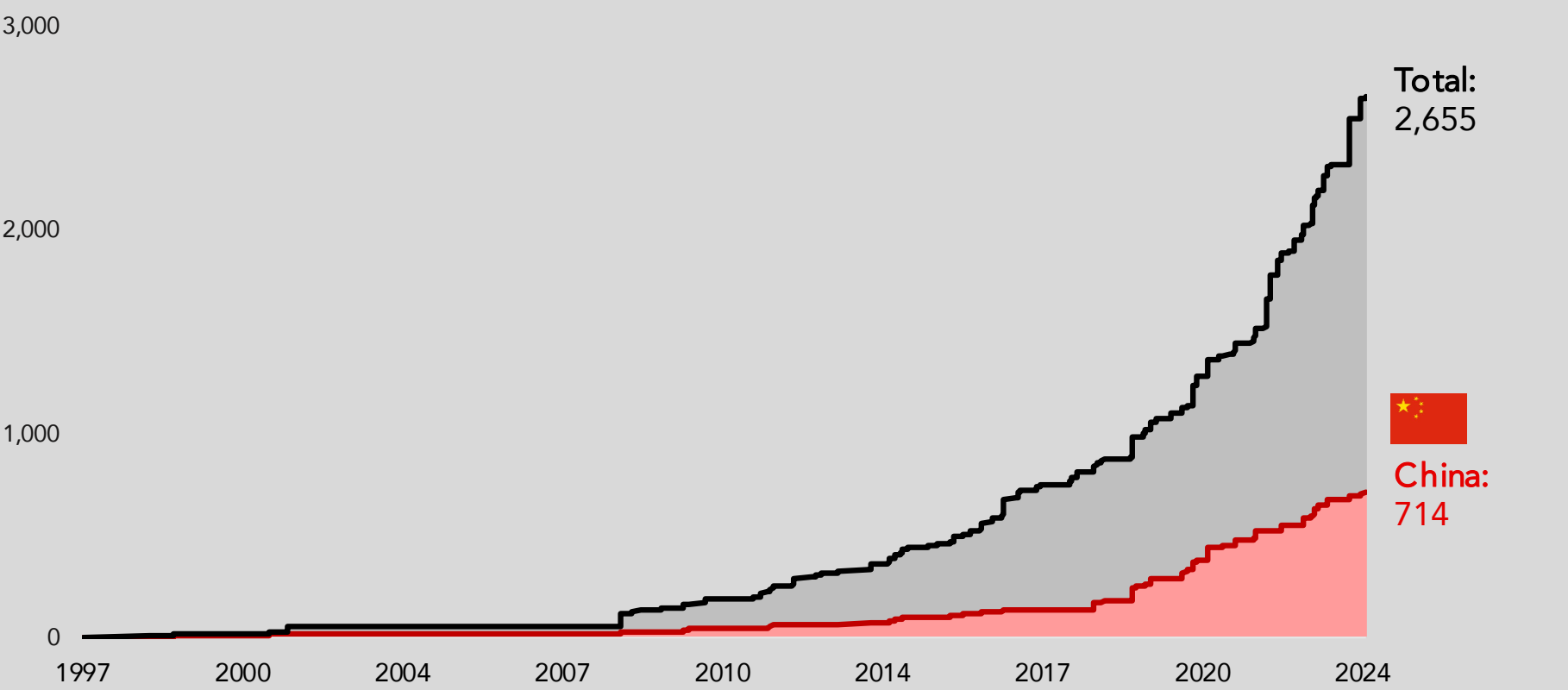


On May 7th, the US Department of Commerce **revoked export licenses** that allow US companies such as Intel and Qualcomm to supply Chinese technology company Huawei with **semiconductors** used for laptop computers and mobile phones. While the impact for Intel and Qualcomm is expected to be limited (Huawei is not listed in either company’s list of top 10 customers), the tightened restrictions represent the **Biden Administration’s ongoing attempts to curtail Huawei’s semiconductor capabilities**. The effort comes months after Huawei unveiled a new phone with an advanced semiconductor that appears to be made in China by utilizing Dutch and American technology.

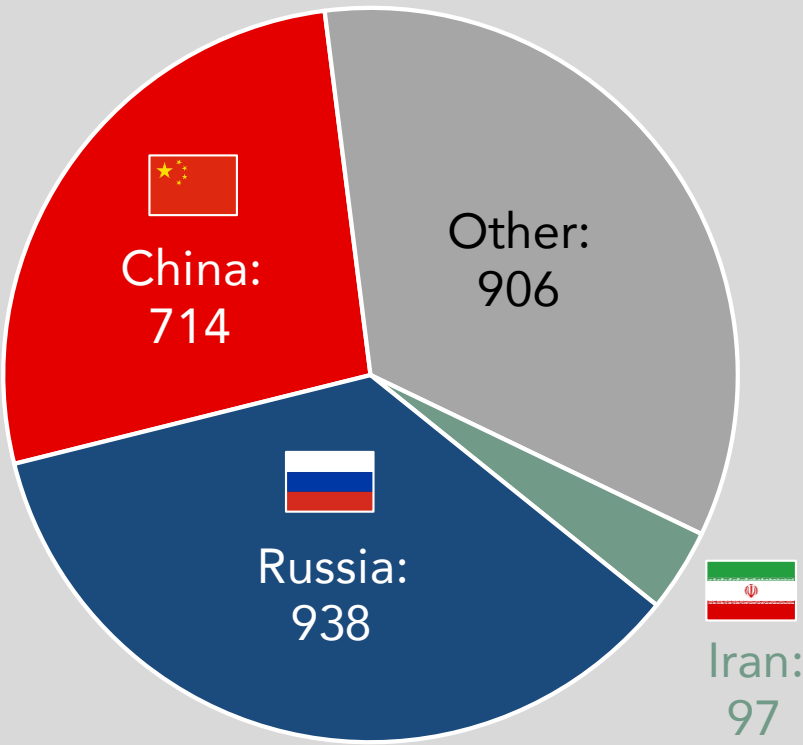
Huawei has been on the US Commerce Department Entity List since 2019, though both Intel and Qualcomm received export licenses to supply less advanced chips in 2020. As the Biden Administration tightens controls on US companies, it is also **pressing allies including Japan, the Netherlands, South Korea and Germany to tighten controls on selling and maintaining chip manufacturing tools to China**.

President Biden has added a record 319 Chinese entities to the Commerce Department’s “Entity List”, restricting US companies from supplying them with specified items without export licenses. Today, the number of Chinese entities on the list is more than 5.5x the level it was prior to the start of the Trump administration.

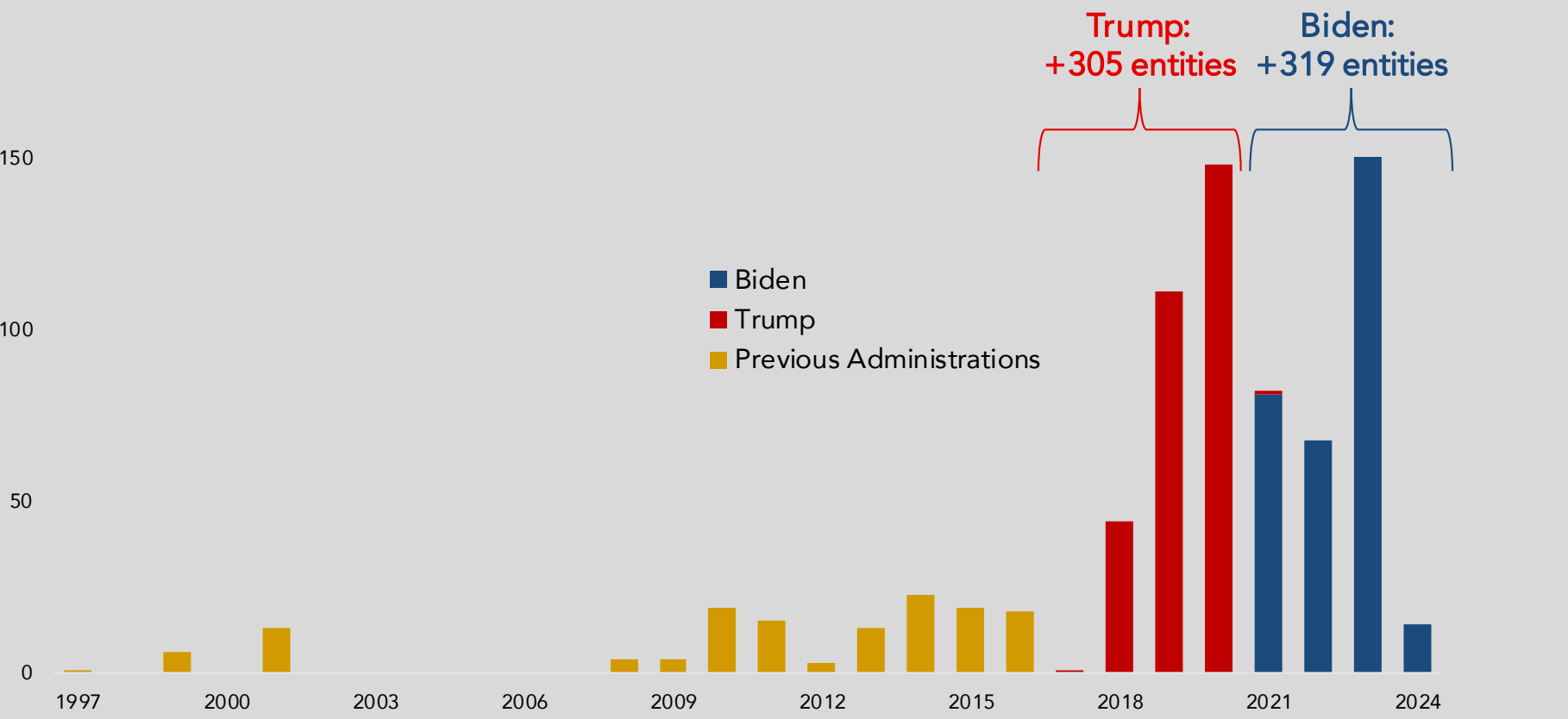
Cumulative additions to the US Commerce Department Entity List



Cumulative US Commerce Department Entity List entries by country of origin



Chinese entities added to US Commerce Department Entity List, by administration



Source: (1-3) Bloomberg Government. Department of Commerce. President Trump added 306 entities to the entity list, however, one was subsequently removed in 2020. Includes entities and sub-entities but removes duplicate entities. Entities added to the list multiple times are included from their first effective date. Excludes entities with no specified effective date. China figures include Hong Kong. Undated entries excluded. Data as of April 11, 2024. Financial Times, “US revokes licenses for supply of chips to China’s Huawei.” Bloomberg, “US Revokes Intel, Qualcomm Licenses to Sell Chips to Huawei.” Quartz, “The U.S. barred Intel and Qualcomm from selling chips to China’s Huawei.”

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