

Macro Roundup Article

Headline: [China Blocks Use of Intel and AMD Chips in Government Computers](#)

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Tweet: China's import substitution campaign is accelerating with new guidelines banning Intel and AMD microprocessors and Microsoft Windows from government PCs and servers. The autarky strategy is referred to as xinchuang, "IT application innovation."

Summary: China has introduced new guidelines that will mean US microprocessors from Intel and AMD are phased out of government PCs and servers, as Beijing ramps up a campaign to replace foreign technology with homegrown solutions. The stricter government procurement guidance also seeks to sideline Microsoft's Windows operating system and foreign-made database software in favour of domestic options. It runs alongside a parallel localisation drive under way in state-owned enterprises. China was Intel's largest market last year, providing 27% of its \$54bn in sales and 15% of AMD's \$23bn in sales. Microsoft does not break out China sales but president Brad Smith last year told the US Congress that the country provided 1.5% of revenues. Beijing's procurement revamp is part of a national strategy for technological autarky in the military, government, and state sectors that has become known as xinchuang or "IT application innovation." Related: China Intensifies Push to 'Delete America' From Its Technology and The US-China Chip War is Escalating and Managing Economic and Financial Entanglements With China

Primary Topic: China

Topics: China, GDP, News article, Security, Trade (not deficits), Weekly

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