

Macro Roundup Article

Headline: [Germany in Talks to Limit Export of Chip Chemicals to China](#)

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Tweet: [Germany may join the American export controls on China and limit the export of chemicals used to manufacture semiconductors. China is Germany's largest trading partner. @markets](#)

Summary: Germany is in talks to limit the export of chemicals to China that are used to manufacture semiconductors as Berlin steps up efforts to reduce its economic exposure to the Asian nation. While Germany does not have advanced chip-making technologies, Merck and BASF provide firms around the world with critical chemicals required for making semiconductors. Merck's products or services are found in almost every single chip in the world, while BASF is a market leader in Europe and Asia, home to the world's most important contract chipmakers including Taiwan Semiconductor Manufacturing Co. Without supplies from Merck and BASF, China could face more challenges in developing advanced chip technologies and even its capabilities to make semiconductors could be affected. Talks within the ruling coalition on such export controls are still at an early stage and officials are aware that any such decision could damage business ties with China, which has become Germany's largest trading partner, the people said.

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