

# ASML halts hi-tech chip-making exports to China reportedly after US request

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A Dutch manufacturer has cancelled shipments of hi-tech microchip machinery to China after pressure from the US government, it has been reported. ASML, a key firm in the global semiconductor manufacturing supply chain, was due to export three chip-making machines to China but had its export licences revoked by the Dutch government before they were shipped. The company is one of the only manufacturers of extreme ultraviolet lithography systems (EUVs), which use lasers to help create the circuits for chips. The advanced technology is used by leading chip producers such as Samsung and Intel, which are then used in products ranging from smartphones to sophisticated military equipment. Bloomberg reported that ASML decided to cancel the shipment of some of its most advanced machines after a request was made by the Biden administration. However, a later statement from the company said that a licence for the shipment of two types of lithography machines had been “partially revoked” by the Dutch government, and would affect a “small number of customers” in China. It added: “In recent discussions with the US government, ASML has obtained further clarification of the scope and impact of the US export control regulations.” The pressure from the US comes as the country seeks to limit China’s ability to expand its semiconductor knowledge and production, urging allies to restrict technology associated with the manufacturing of semiconductors. The Biden administration brought in new restrictions last October to try to block non-US firms exporting semiconductor chips and lithography machines that contain US-made parts and technology. In July last year, the Dutch government agreed to put restrictions on sales of ASML’s deep ultraviolet (DUV) lithography machines, the second most advanced it produces, after pressure from the US. The restrictions came in officially on Monday. Responding to the most recent blocking of the ASML orders, Chinese foreign ministry spokesperson Wang Wenbin urged the Netherlands “to be impartial, respect market principles and the law, take practical actions to protect the common interests of both countries and their companies and maintain the stability of international supply chains”. He added that the action by the US to encourage the move was “hegemonic and bullying behaviour”. ASML said it did not expect the revocation of the licence to have a “material impact” on its financial outlook for 2023.