

Biden expands blacklist of Chinese firms off-limits to US investors

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US President Joe Biden, pictured on June 2, 2021, has expanded a blacklist of Chinese firms that are off-limits to US investors.

US President Joe Biden on Thursday expanded a blacklist of Chinese

firms that are off-limits to American investors over their links to Beijing's "military-industrial complex," in a sign of Washington's continued pressure campaign against the Asian power.

Former president Donald Trump in November issued a list of 31 Chinese companies that were deemed to be supplying or supporting China's military and security apparatus, later adding even more firms.

But after legal challenges put the sanctions in doubt, Biden's team reviewed the blacklist, removing some names and ultimately expanding it to 59 firms that Americans are prohibited from having a stake in. Many are subsidiaries of companies already included.

The sanctions target companies involved in Chinese surveillance technology used to "facilitate repression or serious human rights abuses," which "undermine the security or democratic values of the United States and our allies," according to a White House statement.

The initial list published under Trump included major telecoms, construction and technology firms such as China Mobile, China Telecom, video surveillance firm Hikvision, and China Railway Construction Corp.

China National Offshore Oil Corporation (CNOOC) was added in January—causing S&P to remove the company from its stock index—and remains on Biden's list.

The investment ban takes effect August 2 and current shareholders have a year to divest.

Strained relations

The move was among a series of measures by the White House aimed at

the Asian power that have left ties between the two countries severely strained.

Earlier in the day before the Biden order was released, Beijing repeated its outrage at the Trump-era blacklist and vowed to protect the rights of Chinese companies, saying the measure was "politically motivated" and "ignores the facts and actual situation" of the firms involved.

The ban "severely undermines normal market rules and order" and "damages... the interests of global investors, including US investors," foreign ministry spokesman Wang Wenbin said at a routine briefing.

Previously, the sanctions and choice of targets were tied to a congressionally mandated Defense Department report but will be managed by the Treasury Department.

While the Biden administration has pledged to take a more diplomatic approach with China following the upheaval of his predecessor, he has said he will keep to a tough line on several issues including defense and technology.

Biden has lamented that the United States is falling behind, saying China is "eating our lunch."

A tough line on China has rare cross-party support in Congress, with lawmakers determined to keep a lid on its growing global clout.

Republican senators Tom Cotton and Marco Rubio, alongside Democrats Gary Peters and Mark Kelly, published a bi-partisan letter earlier this week urging the administration to publish a new list.

"The US government must continue to act boldly in blocking the Chinese Communist Party's economic predation against our industrial base," they

said.

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