

Hard-drive maker Seagate Tech faces China sanctions warning

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The American and Chinese flags wave at Genting Snow Park ahead of the 2022 Winter Olympics on Feb. 2, 2022, in Zhangjiakou, China. Seagate Technology said Thursday, Oct. 27, that the U.S. Department of Commerce has warned it may charge the computer hard-drive maker with violating restrictions on exports of high-tech products to China. Credit: AP Photo/Kiichiro Sato, File

Seagate Technology said Thursday the U.S. Department of Commerce has warned it may charge the computer hard-drive maker with violating restrictions on exports of high-tech products to China.

The company said in [an SEC filing](#) that it rejected the allegations. It says its hard disc-drives are not subject to U.S. Export Administration regulations, but troubles over the issue could affect its business.

"Seagate believes it has complied with all relevant export control laws and regulations," it said.

Seagate said the allegation is over sales between August 2020 and September 2021 to "a customer and its affiliates." It did not name the customer, however, Seagate is a major supplier of hard drives to telecoms equipment giant Huawei Technologies, a major target of U.S. export controls.

The other major supplier, Western Digital, stopped [sales](#) to Huawei in 2019, not long after it had signed a [strategic partnership](#) with the Chinese company, the biggest maker of network gear for phone and internet carriers.

Huawei did not immediately respond to a request for comment.

In reporting lower profit and revenues for its fiscal first quarter, Seagate said it was reducing its headcount by 3,000 people as part of a restructuring. It cited global uncertainties and slower demand.

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