

Samsung gets temporary OK on China chip facilities

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In this Wednesday, April 28, 2021 file photo employees are reflected on a revolving door windows with logos of the Samsung Electronics Co. at its office in Seoul, South Korea. Samsung Electronics has been granted an exception that will allow it to continue to temporarily maintain its memory-chip production facilities in China after the U.S. announced last week it's tightening export controls to limit China's ability to get advanced computing chips, according to a Biden administration official, Thursday, Oct. 13, 2022. Credit: AP Photo/Ahn Young-joon, File



Samsung Electronics has been granted an exception that will allow it to continue to at least temporarily maintain memory-chip production facilities in China, according to a Biden administration official, a week after the U.S. tightened export rules for China, limiting its ability to get advanced computing chips.

The official, who was not authorized to comment and spoke on the condition of anonymity, said that Samsung has received a license for the equipment needed to maintain existing facilities but not to export chips that are prohibited.

The U.S. Commerce Department declined to comment specifically on the Samsung exemption, citing agency rules. But in a prepared statement the department said companies can seek case-by-case authorizations to help mitigate supply chain concerns.

Commerce's Bureau of Industry and Security was set to hold a public briefing on the rule Thursday.

The Wall Street Journal reported first on Samsung getting the temporary license. Samsung is based in South Korea.

Beijing has blasted the latest U.S. over its tightened export controls that make it harder for China to obtain and manufacture advanced computing chips, calling it a violation of international economic and trade rules that will "isolate and backfire" on the U.S.

The U.S. has said that the export controls were added as part of ongoing efforts to protect U.S. <u>national security</u> and foreign policy interests.

U.S.-China relations have deteriorated in recent years over technology



and <u>security issues</u>. The U.S. has implemented a raft of measures and restrictions designed to prevent China from obtaining chip technology, while China has earmarked billions for investment into the production of semiconductors.

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