Apple shares fell for a second straight day following reports of Chinese bans on use of iPhones at government buildings.

Apple shares fell sharply for a second straight session Thursday following reports of significant Chinese restrictions on iPhones at
government offices and state-backed entities.

Shares of the world's biggest publicly-traded company were down 2.8 percent at $177.79 in late morning trading.

Shares fell 3.6 percent on Wednesday after a Wall Street Journal report that China barred the use of Apple smartphones in central government agencies.

That was followed Thursday by a Bloomberg News story that China planned to expand the ban to government-backed agencies and state companies, broadening the effect of the policy in a centrally-planned economy.

Apple and Chinese officials have not responded to requests for comment from AFP.

The move comes amid intensifying tensions between Beijing and Washington.

The Bloomberg story said a release last week of a Huawei smartphone employing a made-in-China processor was hailed in Chinese state media as a "triumph" in the wake of US sanctions.

Apple reported $15.8 billion in revenues from China in the most recent quarter, nearly 20 percent of total revenues.Executives pointed to the uptick in China sales in a period when overall sales fell.

Briefing.com analyst Patrick O'Hare said the Apple situation has implications for other tech companies.

"The worry for the market is that, if China purposely chooses to make business difficult for a company like Apple, which has a good and
important working relationship in China, then it can do so for a lot of other US companies doing business in China," O'Hare said.

But Wedbush Securities analyst Dan Ives estimated that a Chinese government ban would affect less than 500,000 iPhones of roughly 45 million projected to be sold in the country in the next year.

"We believe despite the loud noise Apple has seen massive share gains in China smartphone market," Ives said, adding that rising sales give Apple "incremental momentum on this front."

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