

# Germany blocks full Chinese takeover of satellite startup

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Germany has blocked a complete Chinese takeover of a satellite startup on national security grounds, sources close to the matter told AFP Thursday, as Berlin takes an increasingly hard line against Beijing.

Concerned at the heavy reliance of Europe's top economy on China, Chancellor Olaf Scholz's government has been pushing to "de-risk" and

dial back dependencies.

The German tech company KLEO Connect aims to establish its own network of satellites in low Earth orbit that can provide internet to [remote locations](#), hoping to rival Starlink.

The strategic importance of space telecommunications has been highlighted by the Ukraine war where Starlink, operated by Elon Musk-owned company SpaceX, has become a key battlefield tool for Kyiv.

According to German media reports, Shanghai Spacecom Satellite Technology (SSST) holds about 53 percent of KLEO Connect and wanted to acquire another 45 percent from German firm EightyLeo.

But Berlin blocked SSST's move after an investment review by the economy ministry concluded that it could endanger [public security](#).

KLEO Connect did not respond to requests for comment. The economy ministry has also declined comment.

There has been a long struggle for control of the company, at the heart of which are frequency rights—giving access to [satellite](#) spectrum—registered in Liechtenstein some years ago, Die Welt newspaper reported.

Other recent cases have highlighted growing German concerns over Chinese investments.

Last year, the government blocked the sale of two chipmakers to Chinese investors due to [security concerns](#).

The proposed sale of a stake in Hamburg port to a Chinese firm sparked a furious political row, but Chancellor Olaf Scholz ultimately approved

the acquisition of a stake, albeit at a reduced size.

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