Intel apologizes for asking suppliers to avoid Xinjiang

December 23 2021, by Joe McDonald

Attendees look at their smartphones at a booth from chipmaker Intel at the PT Expo in Beijing on Oct. 31, 2019. Intel Corp. apologized Thursday, Dec. 23, 2021 for asking suppliers to avoid sourcing goods from Xinjiang after the chipmaker became the latest foreign brand to face the fury of state media regarding the region, where the ruling Communist Party is accused of widespread abuses. Credit: AP Photo/Mark Schiefelbein

Intel Corp. apologized Thursday for asking suppliers to avoid sourcing goods from Xinjiang after the world's biggest chipmaker joined other foreign brands that face the fury of state media over complaints of abuses by the ruling Communist Party in the mostly Muslim region.

Intel's request was "arrogant and vicious," said Global Times, a newspaper published by the ruling party.

The reference to Xinjiang in a letter to suppliers was aimed at complying with U.S. regulations, Intel said on its social media account. Washington has barred imports of goods from Xinjiang over complaints of mass detentions, forced abortions and forced labor, which Beijing denies.

Tension over Xinjiang is rising as activists call for a boycott of February's Winter Olympics in Beijing, a prestige project for the ruling party. The White House says the United States won't send dignitaries. Intel is one of the International Olympic Committee's top U.S.-based sponsors.

Beijing on Wednesday barred four members of a U.S. government religious freedom panel from China in retaliation for sanctions imposed by Washington on two Xinjiang leaders.

"So-called forced labor and other allegations on Xinjiang are completely lies concocted by anti-China forces," said a foreign ministry spokesman, Zhao Lijian. He called on Intel to "respect facts and tell right from wrong."

Some commenters online, where comments the ruling party doesn't want are deleted by censors, called for a boycott of Intel products.

Attendees walk past a booth from chipmaker Intel at the PT Expo in Beijing on Oct. 31, 2019. Intel Corp. apologized Thursday, Dec. 23, 2021 for asking suppliers to avoid sourcing goods from Xinjiang after the chipmaker became the latest foreign brand to face the fury of state media regarding the region, where the ruling Communist Party is accused of widespread abuses. Credit: AP Photo/Mark Schiefelbein

Intel processor chips are used in smartphones, computers and other products.

The letter caused "concerns among our cherished Chinese partners, which we deeply regret," said an Intel statement.

"We apologize for the trouble caused to our respected Chinese

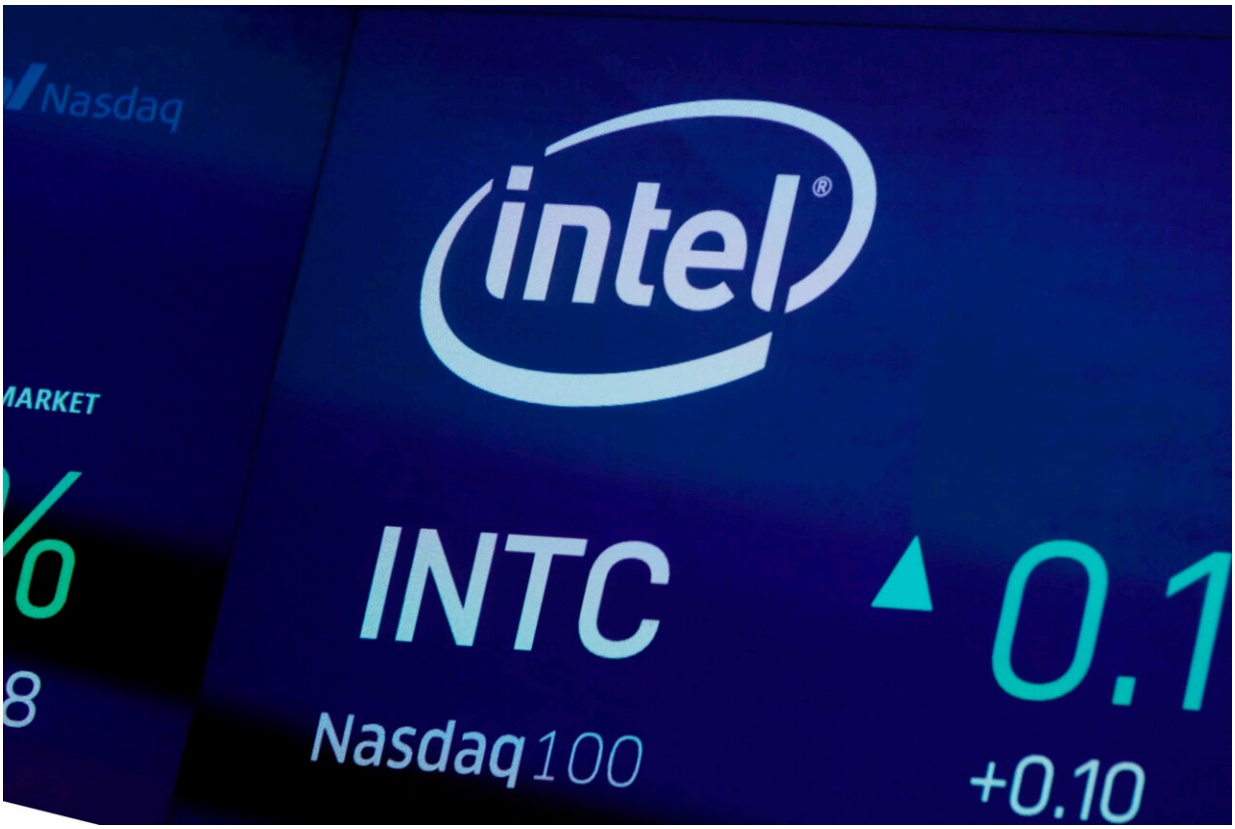
customers, partners and the public," the company said.

Other companies including retailer H&M and shoe brand Nike have been targeted for criticism and calls for boycotts after expressing concern about Xinjiang or saying they would stop using materials produced there.

The Chinese government rejects complaints of abuses in Xinjiang, but companies say they are unable to carry out independent audits of factories and other workplaces.

Pop singer Wang Junkai, also known as Karry Wang, announced Wednesday he was pulling out of a deal to act as "brand ambassador" for Intel's Core line of processor chips.

Wang's move is a "fresh warning siren to Intel and other foreign companies that seek to undermine China's core interests while also trying to profit from the vast Chinese market," said Global Times, which is known for its nationalistic tone.



The symbol for Intel appears on a screen at the Nasdaq MarketSite, in New York on Oct. 1, 2019. Intel Corp. apologized Thursday, Dec. 23, 2021, for asking suppliers to avoid sourcing goods from Xinjiang after the chipmaker became the latest foreign brand to face the fury of state media regarding the region, where the ruling Communist Party is accused of widespread abuses.Credit: AP Photo/Richard Drew, File

Other singers, actors and other celebrities have broken ties with foreign brands that were targeted for criticism over Xinjiang, giving up millions of dollars in income to protect their careers from official retaliation.

Xinjiang is a major supplier of silica used in making computer chips. Intel has a chip factory in Dalian in China's northeast—its only one in Asia and one of four outside the United States. The company also has a

research facility in Beijing.

Criticism by state media might prompt consumers to look at products based on chips from other suppliers. But there are few alternatives. The include Advanced Micro Devices Inc. of the United States for chips in desktop PCs and servers and Britain's Arm Ltd. for smartphones.

The Communist Party has spent billions of dollars to build a Chinese chip industry and reduce reliance on the United States, Taiwan and other suppliers. But its manufacturers are far from achieving the level of precision required for the most advanced chips from Intel and other global suppliers.

Intel, headquartered in Santa Clara, California, reported 2020 profits of $23.7 billion on sales of $77.9 billion.

Smartphones and other products are designed to work with the characteristics of a specific chip from one supplier. Switching would require a design overhaul and testing.

Trying to switch to alternate suppliers would be especially hard and costly at a time when a global shortage of chips due to the coronavirus pandemic is disrupting production of products from smartphones to cars.

© 2021 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed without permission.

Citation: Intel apologizes for asking suppliers to avoid Xinjiang (2021, December 23) retrieved 25 April 2024 from https://techxplore.com/news/2021-12-intel-suppliers-xinjiang.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.