

In tit-for-tat move, China bans export of key minerals to US

Commerce ministry curbs supply of gallium, germanium, and antimony

REUTERS

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China has banned exports to the United States of items related to the minerals gallium, germanium and antimony that have potential military applications, it said on Tuesday, a day after Washington's latest crackdown on China's chip sector.

A commerce ministry directive on dual-use items with both military and civilian applications cited national security concerns. The order, which takes immediate effect, also requires stricter review of end-usage for graphite items shipped to the US.

"In principle, the export of gallium, germanium, antimony, and superhard materials to the United States shall not be permitted," the commerce ministry said.

The curbs strengthen enforcement of existing limits on exports of the critical minerals that Beijing began rolling out last year, but apply only to the US market, in the latest escalation of trade tensions between the world's two largest economies ahead of President-elect Donald Trump taking office.

Chinese customs data show there have been no shipments of wrought and unwrought germanium or gallium to the US this year through October, although it was the fourth and fifth-largest



market for the minerals, respectively, a year earlier. Gallium and germanium are used in semiconductors, while germanium is also used in infrared technology, fibre optic cables and solar cells.

Similarly, China's overall October shipments of antimony products plunged by 97 per cent from September after Beijing's move to limit its exports took effect.

China accounted last year for 48 per cent of globally mined antimony, which is used in ammunition, infrared missiles, nuclear weapons, and night-vision goggles, as well as in batteries and photovol-

US chips 'no longer safe' to buy: China industry

Chinese companies should be wary of buying US chips as they are "no longer safe" and buy locally instead, four of the country's top industry associations said on Tuesday in a rare coordinated response to Washington's curbs.

The associations did not go into details. They include some of China's largest industries, including autos, and semiconductors and combined count 6,400 companies as members. Their advice could impact US chipmaking giants like Nvidia, AMD, and Intel. **REUTERS**

taic equipment. This year, China has accounted for 59.2 per cent of refined germanium output and 98.8 per cent of refined gallium production, according to consultancy Project Blue.

"The move is a considerable escalation of tensions in supply chains where access to raw material units is already tight in the West," said Project Blue co-founder Jack Bedder. Prices of antimony trioxide in Rotterdam had soared by 228 per cent since the beginning of the year to \$39,000 a metric ton on November 28, data from information provider Argus showed.