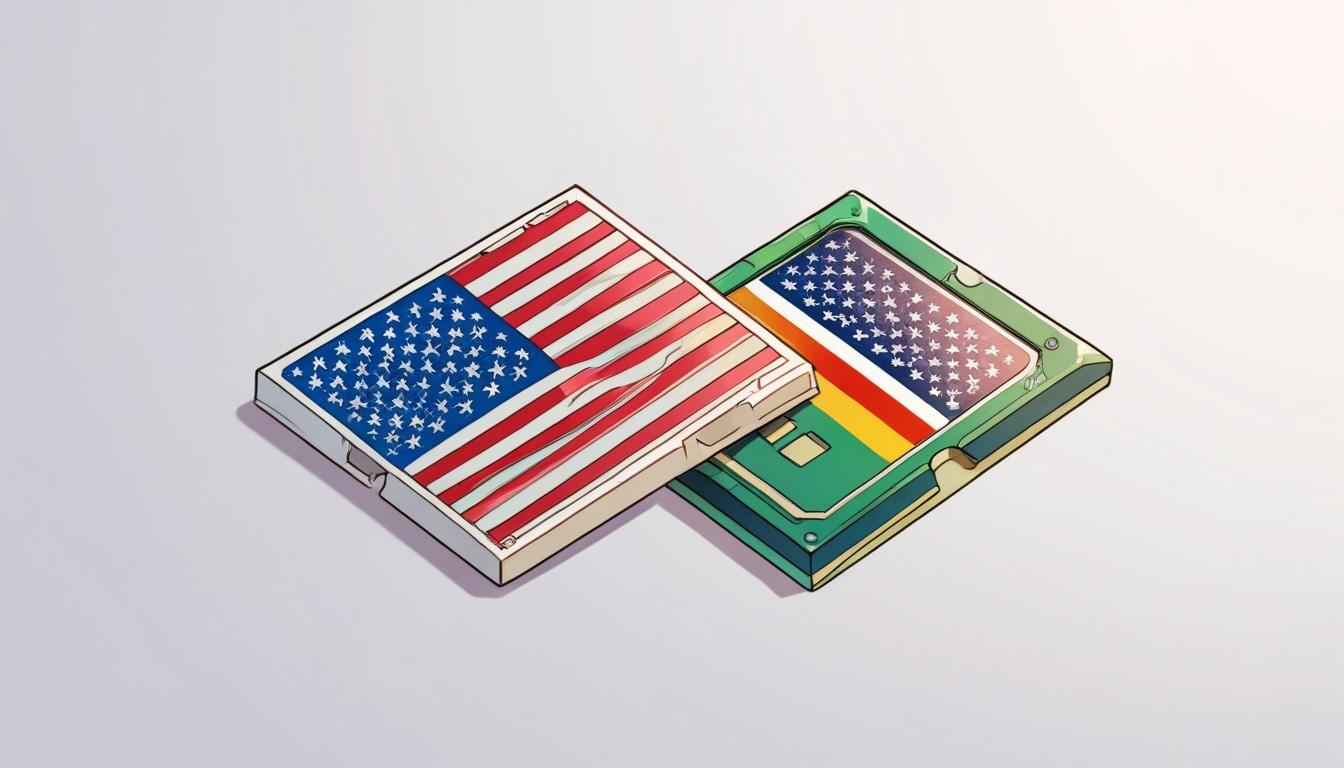
# US export controls on semiconductors may accelerate China’s chip ambitions



The recent moves by the US government to tighten export controls on semiconductors destined for China have sparked significant concerns about the long-term implications for the global chip market and technology leadership. Industry experts highlight that these restrictions, primarily targeting advanced graphics processing units (GPUs) used in artificial intelligence (AI) and supercomputing applications, could inadvertently accelerate China’s efforts to develop a competitive domestic semiconductor industry.

Jack Gold, principal analyst at J.Gold Associates, told AFP, “What’s actually happening is that the US government right now is handing China a big win as it tries to get their own chip business going.” Gold added, “Once they’re competitive, they’ll start selling around the world and people will buy their chips.” This scenario, he warned, could pose a lasting challenge for US chip manufacturers in regaining market share.

Silicon Valley’s semiconductor leaders Nvidia and Advanced Micro Devices (AMD) have reported to the US Securities and Exchange Commission (SEC) that the new licensing requirements associated with these export controls will negatively impact their financial performance. Nvidia projects a loss of approximately US$5.5 billion, with the company required to obtain special licences for their H20 chips before exporting them to China because of concerns about their potential use in Chinese supercomputers. AMD similarly anticipates up to US$800 million being affected, specifically relating to its MI308 GPUs designed for high-performance computing tasks, including gaming and AI applications. AMD’s filing emphasises that there is no assurance licences for sales in China will be granted, adding uncertainty to their market operations.

Previously, the US had restricted shipments of Nvidia’s most advanced GPUs to China to limit China’s access to cutting-edge AI technologies. The H20 chip was developed by Nvidia with the Chinese market in mind, carefully designed to comply with earlier US export regulations and maximise performance. However, the latest impositions on licensing requirements have created additional hurdles.

Rob Enderle, an independent tech analyst, expressed a stark perspective on the broader geopolitical consequences, suggesting that these US measures will likely galvanise China’s semiconductor industry. “It’s going to be a godsend for China as they spin up their own microprocessor business,” he said, characterising the US export controls as a catalyst that could expedite China’s push to dominate the chip and GPU markets. The Chinese government, buoyed by extensive resources and motivation, may intensify investments and innovation efforts in the sector.

Jack Gold further observed that the economic landscape is increasingly complex, stating, “While US President Donald Trump might think he can ‘bully people’ to achieve his objectives, the worldwide economy is not like that.” He noted that the tariffs and trade tensions have driven US allies to seek closer ties with China’s semiconductor industry, which could undermine US companies’ competitive positions globally.

Industry observers also point to the strategic importance of Nvidia in this context. Nvidia’s chief executive, Jensen Huang, has publicly asserted that the company remains committed to complying with US regulations without impeding technological advancement. He insists that global AI progress will continue unabated despite the export restrictions.

Wedbush analyst Dan Ives highlighted Nvidia’s central role in the ongoing US-China technology standoff, remarking, “Nvidia is one of the most important pieces in this (US) chess game with China.” Ives described the US government’s actions as placing a “‘Do Not Enter’ sign in front of China” to slow China’s AI capabilities but cautioned that this conflict in the semiconductor arena is far from resolved. He forecasted, “more punches to be thrown by both sides,” alluding to further regulatory or strategic moves likely in the evolving chip rivalry.

The financial and strategic stakes for US chipmakers are high in this increasingly contested industry. As the US tightens export rules to safeguard advanced technologies, the implications for international trade patterns and market leadership in semiconductors remain under close scrutiny. The unfolding developments in semiconductor exports and China's industrial response will be significant factors shaping the global technology landscape in the coming years.

Source: [Noah Wire Services](https://www.noahwire.com)

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