

## Nvidia Supplier ASML Among Firms That Face Potential New Export Restrictions As US, Japan Move To Limit Chip Technology To China: Report

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Ahead of the November presidential election, the U.S. and Japan are on the verge of finalizing a deal to limit the export of chip technology to China.

**What Happened:** The agreement aims to address loopholes in existing export rules and impose new restrictions reflecting the rapid advancements of Chinese companies in chip production over the last two years. The White House intends to introduce these controls before the November presidential election, the Financial Times [reported](#) on Monday, citing people familiar with the situation.

Negotiations have been ongoing for months, involving officials from the U.S., Japan, and the Netherlands. The goal is to establish complementary export control regimes to ensure Japanese and Dutch companies are not targeted by the U.S. “foreign direct product rule.”

However, the situation remains delicate. A Japanese official expressed concerns about potential Chinese retaliation, which could include blocking exports of critical minerals like gallium and graphite. These minerals are essential for various Japanese industries, according to the report.

The U.S. export controls are designed to make it more difficult for China to acquire critical chipmaking tools and services, significantly impacting companies like **ASML Holding NV** ASML in the Netherlands and Tokyo Electron in Japan. The U.S. also seeks to align export control rules among the three countries to avoid diplomatic conflicts.

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The Biden administration is aware of Tokyo’s irritation over the pressure being applied, especially as President **Joe Biden** prepares to block **Nippon Steel**’s \$15 billion takeover of **U.S. Steel**. The U.S. negotiators include officials from the Commerce Department and National Security Council, according to the report.

China has expressed strong opposition to these measures, urging relevant countries to adhere to international economic and trade rules.

**Liu Pengyu**, spokesperson for the Chinese embassy in Washington, stated that China would closely monitor developments and defend its companies’ lawful rights and interests.

The White House did not immediately respond to [Benzinga](#)’s request for comment.

**Why It Matters:** The U.S. has been [reportedly pressuring Japan](#) and the Netherlands to tighten their export policies on chipmaking equipment to China since mid-2024. **Alan Estevez**, the chief of export policy, has been instrumental in these discussions.

China, on the other hand, has been actively working to counter these restrictions. In May, the Chinese government announced a substantial [\\$47.5 billion public fund](#) to boost its self-reliance in advanced chip manufacturing.

Despite U.S. export restrictions, Chinese markets have [reportedly managed to obtain advanced chips](#) through alternative means. Reports from September indicate that **NVIDIA Corp**’s NVDA AI chips are available in China at discounted rates, suggesting a significant supply despite the ban.

Furthermore, [smuggling and other channels](#) have allowed Chinese markets to continue accessing these critical technologies, highlighting the ongoing struggle between the U.S. and China over semiconductor dominance.

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