

China threatens to blacklist 'non-reliable' foreign companies

Beijing targets groups that harm domestic businesses as trade dispute intensifies

China announced it would establish a list targeting foreign companies that harm the “legitimate rights and interests” of Chinese groups, ratcheting up tensions between Washington and Beijing, which are engaged in a trade war.

The move comes as US President Donald Trump’s administration has effectively barred US companies from using equipment manufactured by China’s telecommunications giant Huawei. US suppliers have been [banned from selling](#) technology to the Chinese company without a licence.

“Some foreign entities violate market norms, break the spirit of business contracts, block Chinese enterprises and use discriminatory measures for non-commercial purposes,” China’s commerce ministry spokesman Gao Feng told reporters on Friday.

These companies threaten global supply chains, endanger China’s national security and negatively impact the global economy, Mr Gao added.

China said the blacklist, which it called the “non-reliable entity list”, would be designed to safeguard the international economy and the multilateral trading system against unilateralism and trade protectionism.

Concrete details of how the entity list will work in practice have yet to be released, Mr Gao said.

The announcement comes as retaliatory tariffs from [China](#) worth \$60bn kick

in on Saturday, a response from China after the [US](#) imposed 25 per cent tariffs on \$200bn of Chinese goods in May.

“China is sticking to its strategy of proportionate, targeted retaliation against hostile trade and economic actions by the US,” said Eswar Prasad, a US-based China expert with close ties to Chinese economic policymakers. “The question now is which major US corporate entities operating in China will be seen as suitable targets to hit back against US sanctions on Huawei.”



Chinese warned by Beijing against US travel

The Chinese Communist party's tabloid the Global Times said US tech groups Google and Microsoft and the UK-based chip designer Arm are at risk of being included on the entity list.

Google, which bought Android in 2005, announced it would stop selling Android software to Huawei — the world's second-largest smartphone maker — in order to comply with the US government ban. UK chip designer [Arm](#)

[said it would halt](#) licensing of essential technology to the Chinese chip developer that relies on Arm's designs.

“Blacklisted companies will find their operations in China completely restricted. Everything from their company's sales and investments to business permits will be limited,” said Mei Xinyu, a researcher at a think-tank affiliated with China's commerce ministry.

Individuals working for these companies will be unable to work, conduct business or travel in China, according to Mr Mei, adding it was likely Beijing would restrict the sale of “goods in high demand” to blacklisted companies. This week, China [threatened](#) to limit exports of rare earths, metals used in a variety of high-tech applications.

The trade war comes as China battles an economic slowdown. A key employment figure [tumbled to a 10-year low](#) in May and factory activity contracted.

By Friday evening, Chinese social media was full of nationalistic posts supporting the blacklist.

“This is the same as during the Korean war and the Vietnam war,” said one social media user, commenting on whether the list would harm China. “We are hurting ourselves but this is about the national integrity of the Chinese people.”

Additional reporting by Archie Zhang