

Senior trump administration officials agreed to take new measures to limit the supply of global chips to China's Huawei Technologies as the White House increased its criticism of China's coronavirus, people familiar with the matter said.

The move comes as relations between Washington and Beijing become increasingly strained, both sides are disputing who is responsible for the spread of the disease, and more and more tit for tat attempts to expel journalists from both countries.

Under the proposed rule change, foreign companies using US chip manufacturing equipment must first obtain a US license before they can supply some chips to China. Last year, the Chinese telecom company was blacklisted, limiting its suppliers.

The change in the rules is aimed at curbing the sale of chips to China by Taiwan semiconductor manufacturing companies, a source said. Taiwan semiconductor manufacturing company is the main chip manufacturer of Huawei's HiSilicon semiconductor division and the world's largest contract manufacturer.

It is not clear whether President Donald Trump will agree to change the rules. President Donald Trump seemed to oppose the proposal last month. But if it is finalized, it could hit Huawei and TSMC and hurt us companies, the source said.

"This will have a greater negative impact on US companies than Huawei because Huawei will develop its own supply chain," said Doug Jacobson, a trade lawyer "In the end, Huawei will find an alternative."

The U.S. government has made every effort to ensure that its impact on U.S. industry is minimized, a person familiar with the matter said.

The move could infuriate Beijing. Beijing has protested against the global campaign launched by the US, which forced us allies to exclude Huawei from its 5g network for spying concerns. Huawei has denied the charges.