

# China rejects US claims over telecom firms

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Staff and visitors walk pass the lobby at the Huawei office in Wuhan, central China's Hubei province on October 8. A US Congressional report that warns two Chinese telecom companies pose a national security risk and should face restrictions in the US market is "groundless", China has said.

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The US House Intelligence Committee draft report says that equipment supplied by two Chinese firms, Huawei Technologies and ZTE, could be used by Beijing for espionage purposes.

"The [US Congress](#) investigation report, which is merely based on subjective suspicions and false foundations, has in the name of national security made groundless accusations against China," Shen Danyang, a

spokesman for China's Commerce Ministry said.

Shen's comment came in a statement posted on the ministry's website late on Tuesday.

"The Chinese side expresses its strong opposition and serious concern," Shen said.

The committee report said the two firms "cannot be trusted" to be free of influence from Beijing and could be used to undermine US security.

Based on its investigation, the panel said US authorities "must block acquisitions, takeovers or mergers involving Huawei and ZTE given the threat to US national security interests".

The panel launched its probe over concerns that China could use the fast-growing firms for economic or military espionage, or [cyber attacks](#).

Huawei has rejected the report as "an exercise in China-bashing", while ZTE said its equipment is "safe".

"I hope the United States will abandon the practice of discrimination against Chinese companies and take action to act openly within the principle of cooperation to create a fair and equitable [market environment](#) for the benefit of the two countries," Shen added.

China's foreign ministry earlier urged Washington to "set aside prejudices" and "do things that will benefit China-US [economic cooperation](#) instead of the contrary".

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