

China to US: Avoid politics in purchase of Germany's Aixtron

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China appealed to Washington and Berlin to avoid injecting politics into the proposed takeover of a German maker of semiconductor manufacturing equipment following a report President Obama plans to oppose it as a security risk.

The proposed 670 million euro (\$740 million) acquisition of Aixtron SE by Fujian Grand Chip, a semiconductor maker, is "normal business activity," said a foreign ministry spokesman, Geng Shuang.

Bloomberg News reported Obama was preparing to veto the deal, marking the third time Washington has blocked a Chinese corporate takeover on security grounds. The German newspaper Handelsblatt reported earlier that Germany was warned by U.S. intelligence that Aixtron's technology could be used for military purposes.

"Since it's a normal commercial activity, it will be carried out following the rule of markets and business," said Geng. "We hope the external parties will not over-interpret that or make any political intervention."

Chinese companies have made a multibillion-dollar string of acquisitions in Europe to obtain technology and brands including Club Med, Pirelli tires and Volvo Cars.

Many Europeans welcome the influx of money at a time when economic growth is struggling. But China faces criticism from European business leaders that they are blocked from making similar acquisitions in its state-

dominated economy.

Aixtron, based in Herzogenrath, says its headquarters, research and development operations and existing technology will remain at its current sites.

The German government announced Monday it was reconsidering whether to allow the takeover. A spokeswoman cited "security-related questions" but gave no explanation.

The White House's National Security Council declined to comment.

In 2012, Obama blocked Chinese-owned Ralls Corp. from building a wind farm near a naval base in Oregon. In 1990, then-President George Bush blocked the purchase of MAMCO Manufacturing Inc., a maker of aircraft parts, by a Chinese state-owned company.

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