

Trump blocks Chinese purchase of US semiconductor maker

September 14 2017

U.S. President Donald Trump on Wednesday blocked a Chinese government-financed firm's acquisition of an Oregon semiconductor maker on national security grounds.

A federal panel that reviews foreign investment in the United States for possible [security](#) threats ruled against the proposed \$1.3 billion purchase of Lattice Semiconductor last week. The deal has been under scrutiny since it became clear the buyer, Canyon Bridge Capital Partners, is funded by the Chinese government.

Chinese companies are on a global buying spree to acquire technology and brands. Most acquisitions in the United States and Europe go through without incident, but some purchases of high-tech companies have prompted criticism they might represent security threats or the loss of important national assets.

"Credible evidence leads me to believe" the buyers of Lattice "might take action that threatens to impair the national security of the United States," Trump said in his order .

A statement from the White House press secretary cited the importance of "semiconductor supply chain integrity" to U.S. security, the Chinese government's role in supporting the transaction and the potential transfer of intellectual property to a foreign buyer.

Trump has expressed concern about the status of U.S. manufacturing

and its ability to meet national security needs. In July, he issued an order for a review to be led by the Defense Department. He also has asked the Commerce Department to look into whether to raise tariffs on imported steel on national security grounds.

Following Trump's announcement, Lattice said it was canceling the proposed sale.

Lattice manufactures a relatively low-tech class of programmable computer chips that can be adapted for a variety of uses. It had 1,000 employees worldwide at the end of the last year, but that number dwindled after Lattice sold a division in India and laid off workers.

In December, the German government blocked the Chinese purchase of a chipmaker, Aixtron SE, after then-U.S. President Barack Obama prohibited the buyer from taking over its California subsidiary on national security grounds.

In 2012, Obama blocked Chinese-owned Ralls Corp. from building a wind farm near a naval base in Oregon. The previous year, China's Huawei Technologies Ltd. called off its planned purchase of 3Leaf Systems after the U.S. security panel refused to approve the deal.

In 1990, then-President George H.W. Bush blocked the [purchase](#) of MAMCO Manufacturing Inc., a maker of aircraft parts, by a Chinese state-owned company.

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