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USTR Initiates Section 301 Investigation on China's Acts, Policies, and Practices Related to Targeting of the Semiconductor Industry for Dominance

December 23, 2024

WASHINGTON – United States Trade Representative Katherine Tai announced today the initiation of an investigation regarding China's acts, policies, and practices related to targeting of the semiconductor industry for dominance. The investigation will be conducted under Section 301 of the Trade Act of 1974, as amended.

Evidence indicates that China seeks to dominate domestic and global markets in the semiconductor industry and undertakes extensive anticompetitive and non-market means, including setting and pursuing market share targets, to achieve indigenization and self-sufficiency. China's acts, policies, and practices appear to have and to threaten detrimental impacts on the United States and other economies, undermining the competitiveness of American industry and workers, critical U.S. supply chains, and U.S. economic security.

"This investigation underscores the Biden-Harris Administration's commitment to standing up for American workers and businesses, increasing the resilience of critical supply chains, and supporting the unparalleled investment being made in this industry," **said Ambassador Katherine Tai.**

The investigation will initially focus on China's manufacturing of foundational semiconductors (also known as legacy or mature node semiconductors), including to the extent that they are incorporated as components into downstream products for critical industries like defense, automotive, medical devices, aerospace, telecommunications, and power generation and the electrical grid. The investigation will also initially assess whether the impact of China's acts, policies, and practices on the production of silicon carbide substrates (or other wafers used as inputs into semiconductor fabrication) contributes to any unreasonableness or discrimination or burden or restriction on U.S. commerce.

As explained in a [formal notice](#), USTR will be seeking public comments and will hold a public hearing in connection with this investigation. A docket for comments regarding the investigation will open on January 6, 2025.

Background

Section 301 of the Trade Act of 1974, as amended, (Trade Act) is designed to address unfair foreign practices affecting U.S. commerce. Section 301(b) may be used to respond to unreasonable or discriminatory foreign government practices that burden or restrict U.S. commerce. Under Section 302(b) of the Trade Act, the U.S. Trade Representative may self-initiate an investigation under Section 301.

The U.S. Trade Representative must seek consultations with the foreign government whose acts, policies, or practices are under investigation. USTR has requested consultations with China in connection with the investigation.

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