

U.S. ban on Nvidia and AMD A.I. chip sales will restrict China's and Russia's militaries—and may curb tech advances in other fields too

The U.S. government has put in place new restrictions to cut China and Russia off from high-end artificial intelligence chips, two of the U.S.'s largest chipmakers Nvidia and AMD reported late Wednesday. The measures are intended to restrict China's and Russia's military capabilities but could impede technological advances in other industries too.

Nvidia announced in a filing to the U.S. Securities and Exchange commission on Wednesday evening that Chinese customers would be barred from buying its "A100 and forthcoming H100 integrated circuits" and that the company could lose up to \$400 million in sales of those high-end chips. Nvidia's A100 chipset powers data centers used for A.I., data analytics, and high performance computing. The U.S. government told Nvidia that the new ban would help ensure that Nvidia's products are not "used in" or "diverted to" Russian or Chinese military equipment, the filing says. Nvidia said its Chinese customers could apply to the U.S. government for exemptions from the restrictions, but noted that it has received no "assurances" that the government would issue any.

AMD, meanwhile, said the U.S. government ordered it to stop sending its top A.I. chip, the MI250 chip that's used in data centers for high performance computing, to China but said the new restrictions will not block shipments of its MI100 chip to China. AMD does not expect the new restrictions to have a material impact on its business, according to Reuters. (Nvidia and AMD did not immediately respond to *Fortune's* request for comment on the U.S.'s new restrictions.)

The news spooked investors. Shares of Nvidia and AMD fell 6.5% and 3.7%, respectively, in after-hours trading.

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