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Huawei officially barred from sourcing from US suppliers; dozens of other suppliers affected

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On May 15, United States President Donald Trump signed “Executive Order on Securing the Information and Communications Technology and Services Supply Chain,” declaring that threats to the information and communications technology and services supply chain by foreign adversaries are a collective national emergency. The order states that “foreign adversaries are increasingly creating and exploiting vulnerabilities in information and communications technology and services ... in order to commit malicious cyber-enabled actions, including economic and industrial espionage against the United States and its people.”

These threats allegedly constitute a national emergency that requires a special response, including prohibiting transactions that pose a risk of sabotage, catastrophic effect or unacceptable risk to the national security, critical infrastructure and digital economy of the U.S. The signing of the order was quickly followed by an announcement by the United States Department of Commerce that Huawei Technologies Co. Ltd. and some 68 affiliates were placed on the department’s Entity List. Companies placed on the Entity List are barred from sourcing from U.S. suppliers, unless they obtain a license from the Bureau of Industry and Security that allows those companies to conduct business with U.S. companies.

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