

China tells Alibaba, ByteDance to justify purchases of Nvidia AI chips

Beijing is demanding tech companies including Alibaba and ByteDance justify their orders of Nvidia's H20 artificial intelligence chips, complicating the US chipmaker's business in China after striking an export arrangement with the Trump administration.

The tech companies have been asked by regulators such as the Ministry of Industry and Information Technology (MIIT) to explain why they need to order Nvidia's H20 chips instead of using domestic alternatives, said three people familiar with the situation.

Some tech companies, who were the main buyers of Nvidia's H20 chips before their sale in China was restricted, were planning to downsize their orders as a result of the questions from regulators, said two of the people.

"It's not banned but has kind of become a politically incorrect thing to do," said one Chinese data center operator about purchasing Nvidia's H20 chips.

Alibaba, ByteDance, and MIIT did not immediately respond to a request for comment.

Chinese regulators have expressed growing disapproval of companies using Nvidia's chips for any government or security related projects. Bloomberg reported on Tuesday that Chinese authorities had sent notices to a range of companies discouraging the use of the H20 chips, particularly for

government-related work.

<https://arstechnica.com/tech-policy/2025/08/china-tells-alibaba-bytedance-to-justify-purchases-of-nvidia-ai-chips/>