

Nvidia Broke Antitrust Law, China Says, as Tensions With U.S. Mount

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Sep 15 • 07:51 PM

<https://www.nytimes.com/2025/09/15/technology/nvidia-china-antitrust.html>

TAIPEI, Taiwan — China’s antimonopoly regulator said on Monday that Nvidia, America’s leading chip maker, had violated the country’s antitrust law, the latest sign of tension between Beijing and Washington.

The announcement stemmed from an [investigation](#) that China opened against Nvidia last December. The Chinese authorities said on Monday they would continue the investigation.

The State Administration for Market Regulation issued its finding as negotiators from China and the United States were meeting in Madrid to try to hash out mounting trade tensions. “We discussed the poor timing of the Nvidia investigation the day of these talks,” Treasury Secretary Scott Bessent said in Spain on Monday.

In an escalating tit for tat in the days leading up to the regulator’s decision, the United States had added 23 Chinese firms to a list of companies that are barred from buying American technology and other exports because of national security concerns. And China said it was investigating American suppliers of certain integrated circuits.

In 2020, China approved Nvidia’s acquisition of Mellanox Technologies, a firm founded in Israel that makes computer networking equipment. On Monday, the Chinese regulator said that Nvidia had violated commitments it had made during the deal to prevent anti-competitive practices and ensure supplies to China.

Hector Martinez, a Nvidia spokesman, said the company complies “with the law in all respects.” He added that it “will continue to cooperate with all relevant government agencies as they evaluate the impact of export controls on competition in the commercial markets.”

“This is part of a broader effort by the Chinese government to use the regulatory weapons at its disposal, and diplomatic negotiations, to increase China’s access to advanced semiconductors as well as to surpass foreign competitors, ultimately reducing their dependence,” said Lester Ross, the partner in charge of the Beijing office of the law firm WilmerHale.

There are a variety of mechanisms that the authorities can use to make it more difficult for a company to do business in China, Mr. Ross said, including making it clear to Chinese companies that they should buy elsewhere.

The Chinese government has signaled an increased willingness to open antitrust investigations against foreign companies, once a rare move. Luo Wen, the head of the country's antimonopoly regulator, has vowed that China will influence global antitrust norms and has said it will ramp up scrutiny over foreign acquisitions in advanced tech industries.

Chinese regulators have opened only a few investigations into the dealings of foreign technology companies. The cases can drag on for years without resolution. It is not clear what remedies the government will seek from Nvidia.

Global demand for Nvidia's chips has made it one of the most valuable companies in the world. But the company has found itself caught in the middle of a heated contest between the United States and China for primacy over artificial intelligence. Jensen Huang, the chief executive of Nvidia, sees the ability to do business with China as crucial to the company's efforts to keep its position as the leading maker of A.I. chips.

The scrutiny on Nvidia comes as firms around the world increasingly rely on its chips as infrastructure for advanced A.I. systems.

This year, Mr. Huang persuaded President Trump to allow Nvidia to sell certain chips to China, drawing a backlash from critics who argued that allowing access to the technology would aid China in its own technological development.

And in July, China's internet regulator said that it had summoned Nvidia to explain security risks associated with one of its chips developed for the Chinese market, saying the chips could be shut down remotely or used to track a user's location.

Xinyun Wu contributed reporting from Taipei and Tripp Mickle from San Francisco.