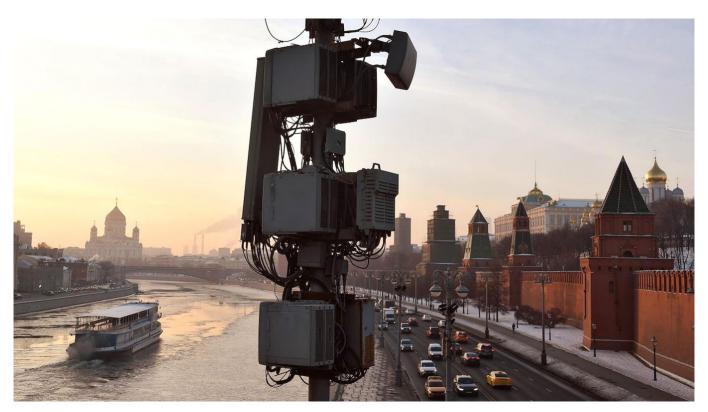


Sanctions-Hit Russia Wary of Over-Reliance on Chinese Tech – Bloomberg

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Yuri Martyanov / Kommersant

Russian officials have raised concerns about excessive reliance on Chinese technologies after losing access to sophisticated components due to Western sanctions, Bloomberg <u>reported</u> Wednesday, citing European officials familiar with the document.

Chips, network devices and electronics were assessed to be areas of particular vulnerability to Chinese dependence, according to the document that Bloomberg said was authored in the summer of 2022.

The Russian Communications Ministry memo reportedly highlighted concerns that reliance on Huawei communication network devices "poses a danger" to Russia's information security and lessens opportunities for Russian providers to manufacture domestic alternatives.

"The assessment even suggests considering restrictions on technologies produced by Huawei and other Chinese companies in order to avoid a scenario of total dependence," Bloomberg

reported.

The Ukraine war and international sanctions on Moscow have not only sent relations between Russia and the West to an all-time low, but cut Russia off from many Western goods. Instead, Moscow has been increasingly looking to Asian countries.

Senior Communications Ministry officials also proposed import quotas, shifting production to Russia and using Russian sub-contractors among other countermeasures.

The Communications Ministry memo was apparently shared among members of the Russian General Staff and Russia's Security Council, which is led by President Vladimir Putin.

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Russian officials assessed at the time that Moscow had one to two years to improve domestic capabilities before rushing into full-scale agreements with Chinese companies, the memo reportedly stated.

The document acknowledged that technologies in every segment of interest — communications, networks, broadcasting and data centers — contain or depend on Western intellectual property or production equipment.

It raised concerns that sensitive Chinese tech like radio-electronic devices could reach Russia through intermediaries via third countries and with altered documentation.

Russia has increasingly relied on hi-tech supplies from China after being hit with U.S. and EU sanctions in retaliation to invading Ukraine last year.

Western governments have raised concerns in recent months that Beijing may be supporting Russia with military goods in violation of sanctions.

China, which has <u>strengthened ties with Moscow</u> in the wake of the Ukraine invasion, has denied sending military supplies directly to Russia.

The United States and its allies are confident in their capability to "detect any movement of significant military equipment" from China to Russia, according to Bloomberg.

The Russian press previously reported that Western sanctions had forced Moscow to <u>abandon</u> its ambitious technological advancement goals originally planned to be achieved by 2030.

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