The Maritime Executive

China and COSCO Lash Out Over U.S. Listing of Military-Related Companies



COSCO was listed by the U.S. as a "Chinese military company" for its support of the military (file photo)

Published Jan 8, 2025 1:00 PM by The Maritime Executive

The Chinese government and COSCO Shipping responded to the U.S. Department of Defense's inclusion of the company among the 134 organizations listed for ties to the military. The Chinese government continued to blame anti-China sentiments in the U.S. while calling for fair treatment for its companies while COSCO said it would "engage with U.S. authorities to clarify the matter."

The U.S. Department of Defense was mandated by Congress in 2021 to start compiling and releasing a listing each year of companies it believes are supporting China's military. The listing of so-called "Chinese military companies" carries no specific penalties, but is used to discourage U.S. businesses from working with these companies. The Pentagon can not do business with companies that are deemed to be supporting the Chinese military.

COSCO, which is the world's largest shipowner, was <u>added to the listing</u> that was released yesterday, January 7. It joins other well-known Chinese companies including China State Shipbuilding Corporation as well as the manufacturer of shipping containers.

COSCO North America issued a mostly boilerplate statement about consistently adhering to local laws and regulations and maintaining strict compliance in all international operations. In the statement, it said none of its companies (COSCO Shipping, the North American division, and COSCO Shipping Finance which were each listed) are Chinese military companies. A spokesperson for China's Ministry of Commerce when asked said they had "noted" the listing while calling on the U.S. to respect facts and stop "discriminatory treatment to Chinese companies." He said, "China is strongly dissatisfied with and firmly opposes," the listing of the companies.

The Ministry of Commerce asserted that the U.S. "continued to generalize the concept of national security," and "groundlessly accused China of its 'military-civilian integration' strategy.

China it said, will closely follow relevant developments and take all necessary measures to resolutely defend the legitimate rights and interests of Chinese companies.