

China Hits Lockheed Martin, Raytheon with Retaliatory Sanctions Amid Balloon Saga

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China has made good on its prior threats to retaliate and introduce "countermeasures" against the United States following the 'spy' balloon shootdown incident a week-and-a-half ago, and has done so in relation to Washington arming Taiwan.

On Thursday Beijing has unveiled new sanctions against Lockheed Martin Corporation and Raytheon Missiles & Defense, a subsidiary of Raytheon Technologies Corp – both of which are now banned from either importing, exporting and investing in China.

They are now on China's "**unreliable entities list**" of companies deemed a threat to national sovereignty and security, and so will have their activities restricted, along with punitive fines.

"Lockheed Martin and Raytheon Missiles will not be allowed to invest within China and they will be fined an amount equivalent to twice the value of their contracts related to the sale of arms to Taiwan island since the implementation of China's Unreliable Entity List rules," writes [China Daily](#).

While the move is seen as most immediately connected with Raytheon and Lockheed's major weapons contracts with the self-ruled island of Taiwan brokered under US government approval, the catalyst appears to be the US shootdown of the Chinese balloon off South Carolina on Feb.4 and ensuing war of words and accompanying accusations.

While neither companies have done military equipment deals with China, especially since the US long ago banned such transfers with China, the sanctions might be felt to a limited degree by the civilian aviation industry [in China](#):

Raytheon Missiles and Defense, part of Raytheon Technologies Corp, was awarded a \$412m contract in September to upgrade Taiwan's military radar as part of a \$1.1bn

package of US arms sales to the island. Lockheed Martin has supplied Taiwan's military with radar, helicopters and air traffic control equipment.

In China, Lockheed Martin has sold air traffic control equipment for civilian airports and helicopters for commercial use.

Last week, the US slapped punitive sanctions on **six Chinese entities believed connected to the alleged Chinese spy balloon breaching American airspace.**

China had promised to send a strong message back, while also pointing out that the US has breached Chinese airspace ten times in the last year with balloons. China's foreign ministry has maintained the object was a weather balloon which blew off course, and that the situation is being exploited by the Biden administration to attack Beijing.

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