

# Malaysia Retracts Huawei AI Server Deployment Amidst US-China Tech Tensions

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**Malaysia has swiftly retracted an earlier announcement regarding the national deployment of Huawei AI technology, underscoring the delicate balance the country faces in the escalating technological competition between the United States and China.**

Initially, Deputy Communications Minister Teo Nie Ching stated that Malaysia intended to implement 3,000 Huawei Ascend GPU-powered AI servers across the nation by 2026, positioning the country as a pioneer in adopting this technology on a national scale. This move was initially perceived as a significant advance for Chinese technological influence in Southeast Asia, particularly as the U.S. intensifies efforts to curb China's expansion in the global AI market.

However, within 24 hours, Malaysian officials withdrew the statement without providing a specific explanation. A Huawei representative subsequently clarified that no Ascend chips had been sold in Malaysia, nor had the Malaysian government made any purchases.

This abrupt reversal follows recent guidance from the U.S. Commerce Department, which initially warned that the use of Huawei's Ascend chips could violate American export controls. While the language of this warning was later modified, the incident highlights the complexities of enforcing technology restrictions while maintaining international partnerships.

Malaysia finds itself navigating competing superpower interests, with ongoing investigations in both Malaysia and Singapore examining potential transshipment of restricted semiconductor technology to China. These developments reflect the U.S.'s determined efforts to maintain its technological advantage in the face of a rising rival.