



THE UNIVERSITY
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TRADE TENSIONS AND THE GLOBAL TECHNOLOGY INDUSTRY

A case study of Huawei

adelaide.edu.au

Framing the Discussion

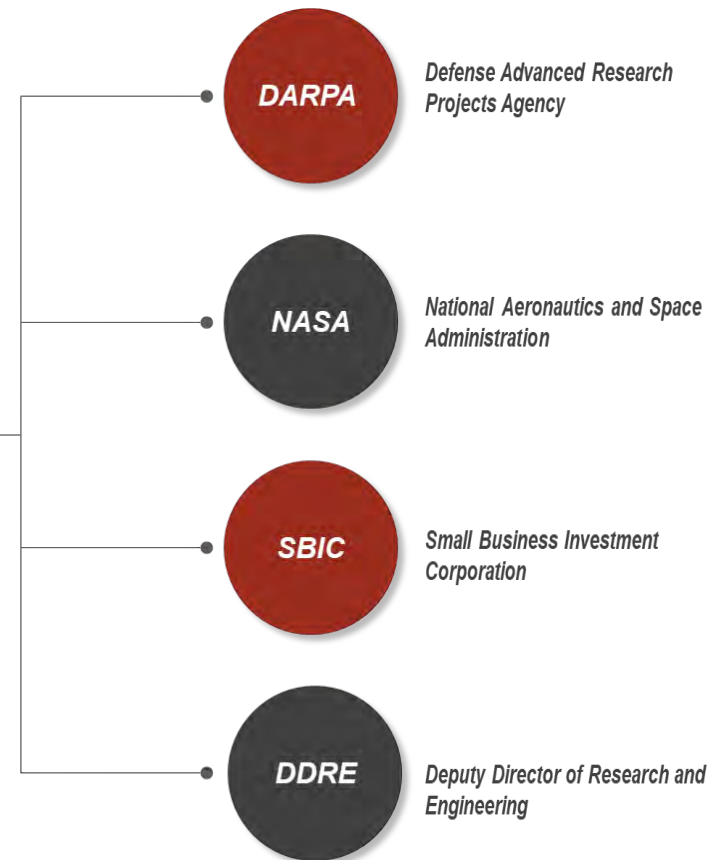
Where did this all start?

The US as Global Tech Leader

The Sputnik Moment...

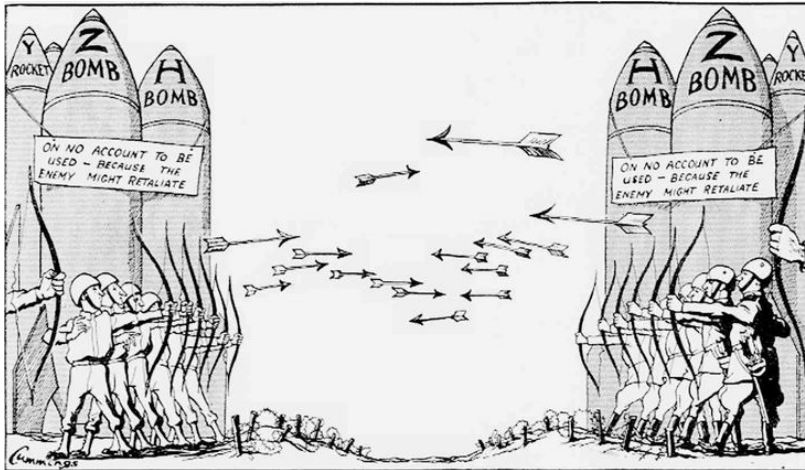


And its aftermath



The US as Global Tech Leader

The Offset Strategy (late 1970s)



By 1977 parity
reached on
nuclear
weapons



Harold Brown

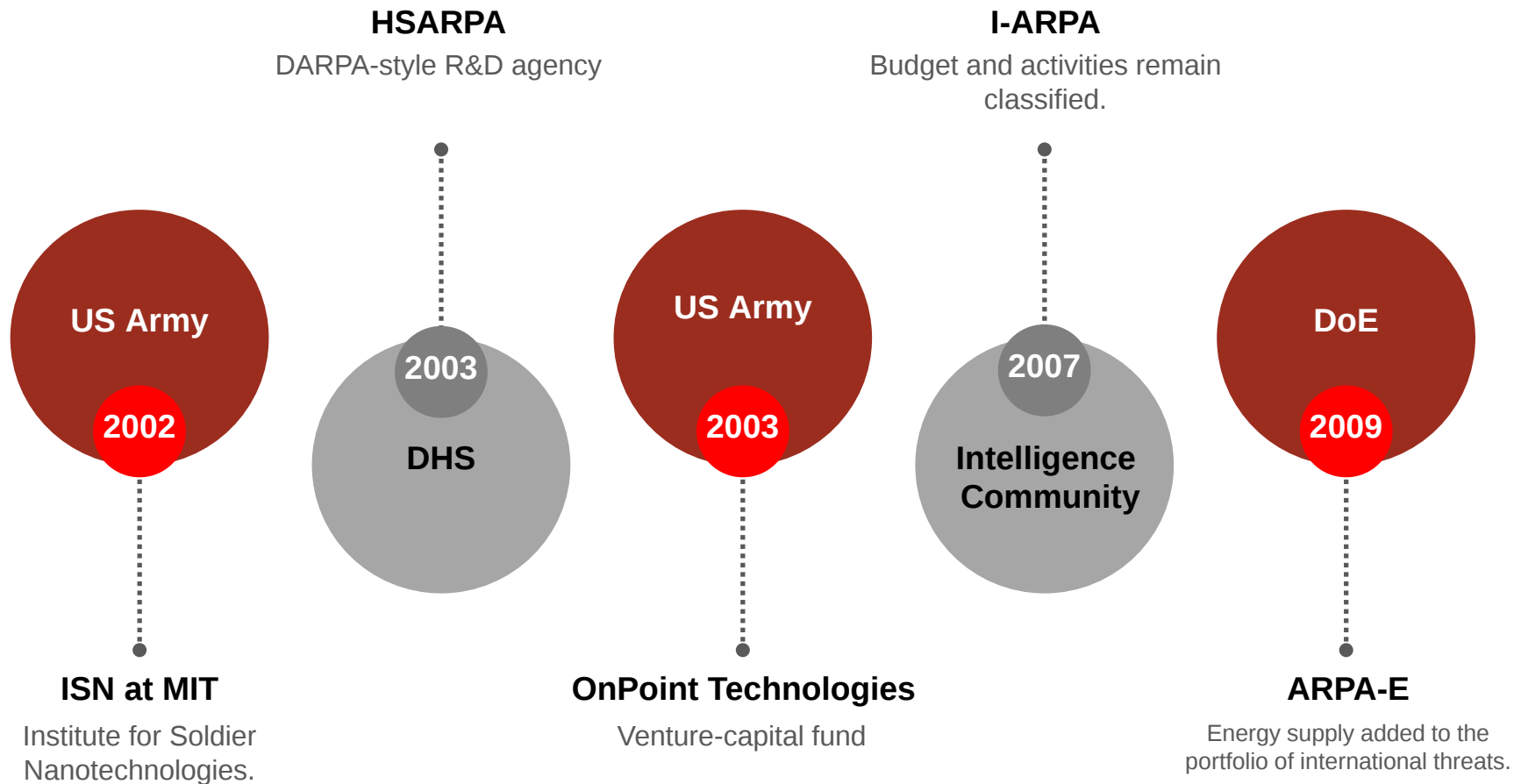


William Perry

End of détente
with the Soviet
Invasion of
Afghanistan 1979

The US as Global Tech Leader

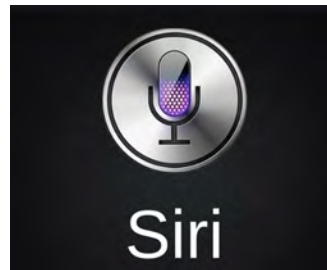
Post 9/11



The US as Global Tech Leader

Today,

Consumer Tech and the Industrial-Military Complex



Honeywell



MONSANTO



Palantir

The Quest for Motives?

What explains the US's enmity
towards Huawei specifically?

Current Enmities and Anxieties

Huawei as National Security Issue

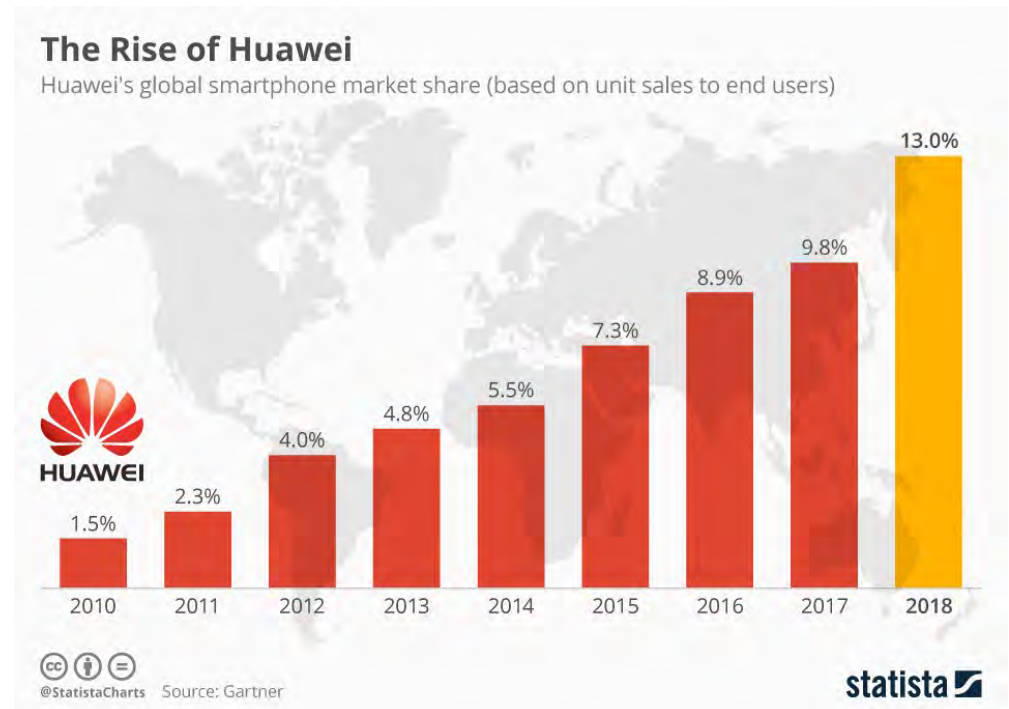
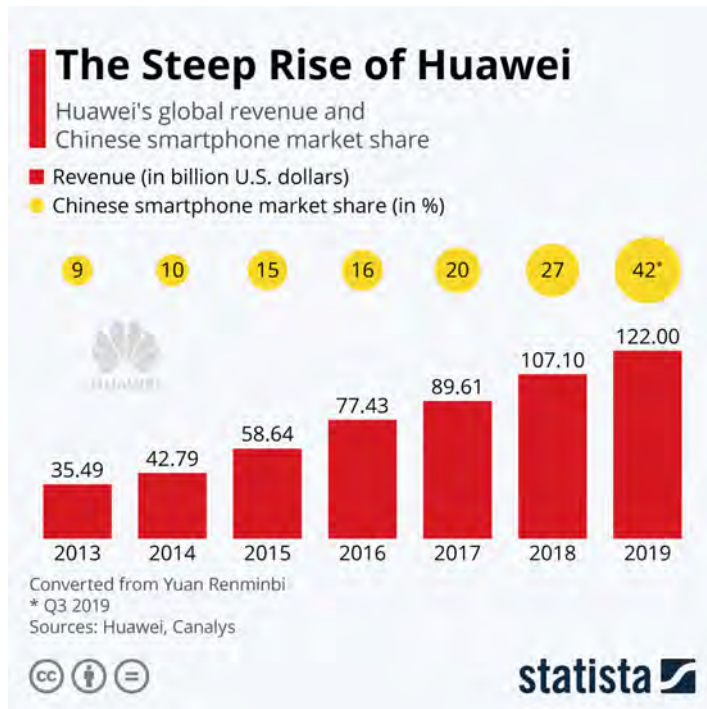


“We’re not gonna pretend you’re a real private company engaged in real competition. You’re a state owned enterprise doing what your masters in Beijing want you to do”

John Bolton, Former National Security Advisor of the United States, at the Edmund Burke Foundation's National Conservatism Conference. July 16, 2019s, speaking about Huawei.

The Rise of Huawei

Huawei Seemingly Unstoppable



Huawei and 5G

Huawei Takes the Lead in the Next Big Thing

Who Is Leading The Race To Develop 5G?

Number of 5G standard technical contributions by company worldwide

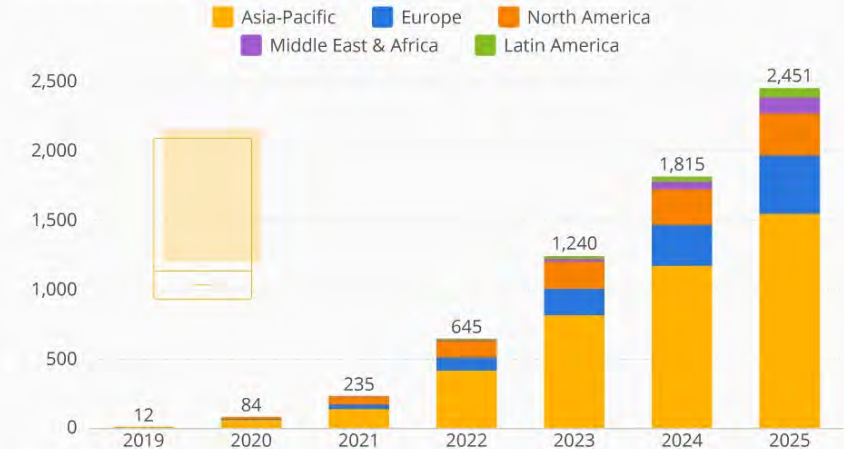


As of December 2018
Source: IPlytics

statista

Global 5G Adoption to Take Off in 2021

Forecast of 5G smartphone subscriptions by region (in millions)



Forecast as of November 2019
Source: Ericsson Mobility Report

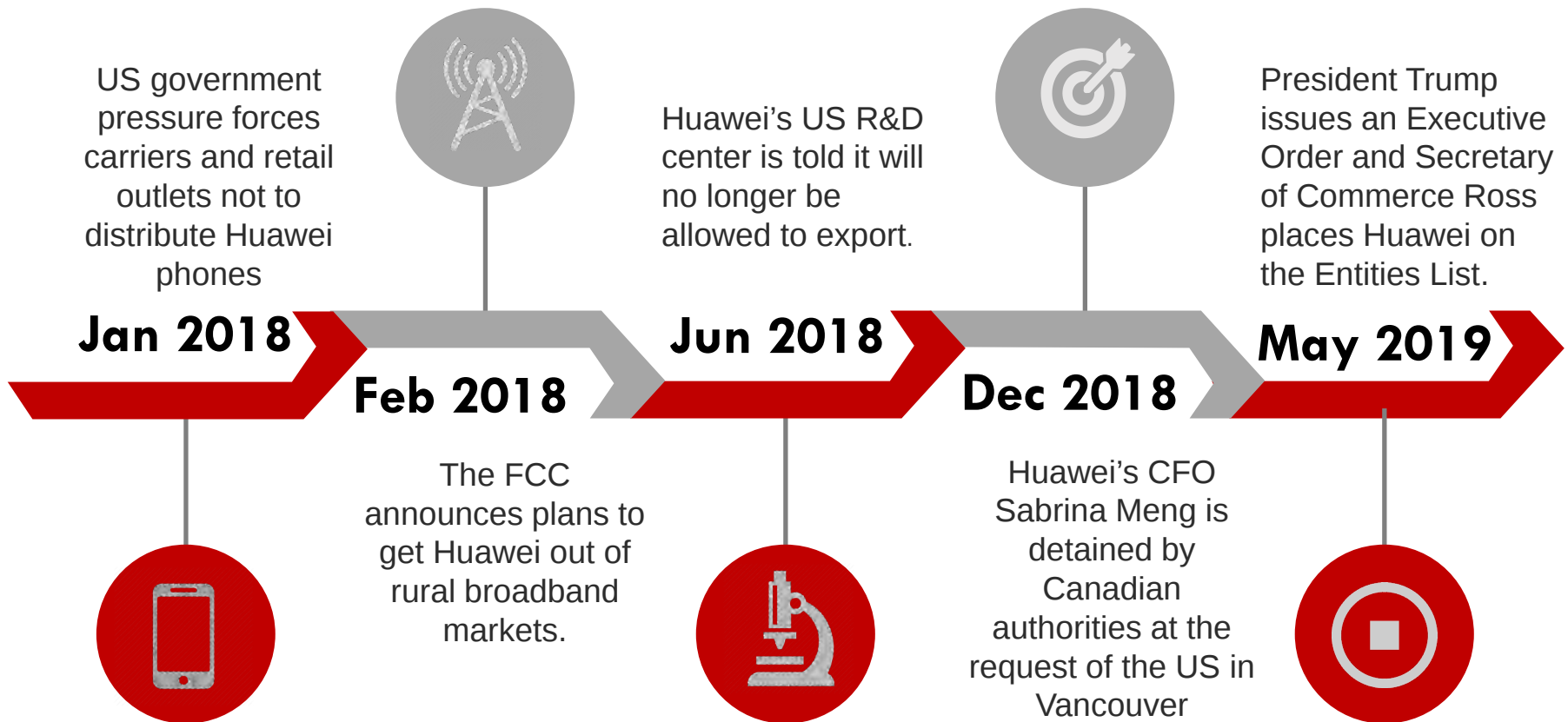
statista

The War on Huawei?

US efforts to hobble China's greatest
technology success story

The US takes on Huawei

A Timeline of Targeted Animosity



Highlights from the Warzone (1)

Nixing Huawei's US Expansion Plans

TECH

AT&T Backs Off Deal to Sell Smartphones From China's Huawei

Reversal is set back for Chinese electronics giant's hopes to crack U.S. market



Richard Yu, head of Huawei's consumer business, introducing the Huawei Mate 10 smartphone in Munich in October. PHOTO: CHRISTOF STACHE/AGENCE FRANCE-PRESSE/GETTY IMAGES

By Stu Woo and Betsy Morris

Jan. 8, 2018 3:25 pm ET

POLICY MOBILE AS A WORLD

Verizon won't sell Huawei phones due to US government pressure, report says

The Chinese smartphone company is becoming a pariah among carriers

By Shannon Liao | @Shannon_Liao | Jan 30, 2018, 1:04pm EST

Huawei dealt a blow, loses Best Buy as retail partner

The Chinese company, the world's third-largest smartphone maker, won't be able to sell its smartphones, smartwatches and laptops at Best Buy. It's already shut out by the US carriers.



Roger Cheng | March 22, 2018 4:24 PM PDT

ES



Highlights from the Warzone (2)

Getting Huawei out of Rural America



Highlights from the Warzone (3)

Clipping Huawei's US R&D

TECH

U.S. Blocks Some Exports From Huawei's Silicon Valley Unit

R&D unit Futurewei is no longer able to send home some technologies developed in U.S.

By [Dan Strumpf](#) in Hong Kong and [Kate O'Keeffe](#) in Washington

Jan. 10, 2019 6:30 am ET

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Huawei Technologies Co. is contending with a new obstacle: getting technology it developed at a U.S. subsidiary back to China.

The Chinese telecommunications giant has been unable to send home certain technologies from its Silicon Valley [research-and-development unit](#), Futurewei Technologies Inc., after the Commerce Department signaled it wouldn't renew a Futurewei export license, according to people familiar with the matter and documents reviewed by The Wall Street Journal.

The department said in a June letter to Futurewei that it intends to deny its application to renew the license, citing national security concerns, according to the documents.

Futurewei has contested the Commerce Department's move, but in the meantime the export of the technologies in question has been prohibited, the people said.

The license covered the export of telecommunications technology and software, including high-speed data-transfer technology, according to the documents. The technology had an operating budget of more than \$16 million and involved more than 40 full-time-equivalent personnel.

The Commerce Department's move isn't a death blow to Futurewei because the majority of technologies the unit exports from the U.S. don't require an export license, according to people familiar with the matter. The company continues to operate in the U.S.

Huawei Technologies

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Huawei lays off hundreds of workers at US research arm



The US offices of Huawei and its subsidiary Futurewei in Santa Clara, California © Reuters

Highlights from the Warzone (4)

Making it Personal – The Arrest of the CFO



Highlights from the Warzone (5)

Ramping it all up a Big Notch



Highlights from the Warzone (6)

What's Next?



US-China Rivalry

Global hegemon versus regional upstart

Flashpoint (1)

The Western Pacific



Flashpoint (2)

Europe



Flashpoint (3)

China's Tech Ambitions

China Manufacturing 2025



Made in China 2025: Target Sectors



Electrical
equipment



Farming
machines



New
materials



Energy saving and
new energy vehicles



Numerical control
tools and robotics



Information
technology



Aerospace
equipment



Railway
equipment



Ocean engineering
equipment and
high-end vessels



Medical
devices

Flashpoint (4)

Global Governance Architecture

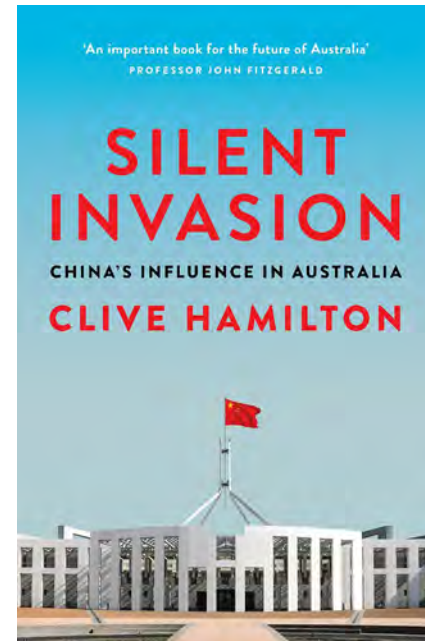


Flashpoint (5)

The Battle for Hearts and Minds

From Hollywood to

Domestic Politics



Converting Mistrust (back) to Mutual Cooperation

Replacing rivalry with healthy competition
(and other misplaced fantasies)

The Need to Work Together



“The US, being the preeminent power, has the most difficult adjustment to make. But however difficult the task, it is well worth the US forging a new understanding that will integrate China’s aspirations within the current system of rules and norms. ”

Prime Minister of Singapore Lee Hsien Loong speaking at Shangri-La Dialogue on 31 May 2019 addressing the need for the US and China to cooperate



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