Taoxanh

Instructor Name

Business and Management

29 January 2020

The 5G War and International Trade

Today, the government of Prime Minister Boris Johnson has finally allowed the Chinese Tech Giant Huawei to proceed with the establishment of its 5G network in the UK. This is a clear sign of the US-UK split that several political analysts predicted after the establishment of PESCO (Bruxelles). This is a clear sign that the US government is losing its hold on both European affairs and international trade. This decision has long since been in the pipeline and the Trump Administration that tried its level best to prevent the British Parliament to ratify this deal. There has been extensive debate on the issue among the public of Britain about how to respond to Huawei about the concerns that are raised by the US Government.

Three US Senators have expressed serious concerns when it comes to this deal between Huawei and UK. Senators Macro Rubio, Tom Cotton, and John Cornyn conveyed to the British Prime Minister that they do not wish to hinder the practices of international trade in Europe, but the Chinese can use this network to threaten the espionage contracts that they have with the European states. Senator went as far as to tweet that giving this contract to Huawei can be "an intelligence disaster".

The Trump Administration is still of the view that the Chinese telecom operator can cause serious damage to all the telecom structure. They still think that banning all products that are made by the Tech Giant should be banned. This would prevent the Chinese Government to stop the unlaying espionage network that they will supposedly develop after the discovery of the AU scandal. But these decisions were not made lightly. They were the result of a detailed cost and benefit analysis which pushes PM Johnson to agree to the demands of his political party.

The question is what this deal will have on the overall international trade practices. Over the last few years, Huawei has provided cheap and international standard hardware to several countries of the world. But there is no doubt that this war has been slowly intensifying between the US and China. Each country has imposed heavy tariffs on each other, trying to undermine the other's progress in the international market. The worries have raised as Huawei has ascended to turn into the world chief in telecom organizing hardware and one of the top cell phone producers close by Samsung and Apple. Be that as it may, restraints of the countries where the organization has figured out how to get the agreements have not been uncovered.

There have been mixed responses about the impacts of this 5G war when international trade is concerned. A few countries, including Australia and New Zealand, have blocked Huawei from providing gear for 5G portable systems. In any case, Russian President Vladimir Putin supported Huawei saying that activity against western countries drove by the US is an endeavor to push it out of the worldwide market which is the start of a trade war between the two largest economies.

Of course, the British Administration has denied that this deal would affect the norm of international trade that has been there since the implementation of the Marshall Plan. The British say that they would keep the practice of espionage and international trade segregated so that the national interests of the UK are not sacrificed. After all, the Johnson Government needs a lot to think about its role in the international trade networks, especially after Britain's next from the European Union. But this can be the situation when the Chinese come bearing gifts of cheaper IT equipment and end up taking over the entire technological market of Europe, almost like what the Europeans did to the world during the era of colonialization.

# Works Cited

Bruxelles. "Permanent Structured Cooperation (PESCO)." Factsheet. 2019. <https://eeas.europa.eu/headquarters/headquarters-Homepage/34226/permanent-structured-cooperation-pesco-factsheet\_en>.

Colchester, Max. "U.K. Allows Huawei to Build Parts of 5G Network, Defying Trump." *The Wall Street Journal* 29 January 2020. <https://www.wsj.com/articles/u-k-allows-huawei-to-build-parts-of-5g-network-11580213316>.