

# US Sanctions on Huawei - No Winners from Trade War, the US Stands to Lose Technology Dominance

<https://marketpublishers.com/r/UF643494C17AEN.html>

Date: June 2020

Pages: 18

Price: US\$ 995.00 (Single User License)

ID: UF643494C17AEN

## Abstracts

US Sanctions on Huawei - No Winners from Trade War, the US Stands to Lose Technology Dominance

### SUMMARY

On May 14th 2020, the US administration extended its executive order which bars US firms from buying or supplying equipment from foreign telecommunication firms that pose a national security risk, for another year.

The extension of this new order is once again aimed at Huawei, which along with a list of nearly 140 subsidiaries and affiliates, was included in the blacklist of companies deemed as threats for the US national security. But this time, sanctions were extended from the sales of US-based components - imposed one year ago - to the sale of all hardware and software products for which US-based intellectual property or components for their production, makes up for at least 25% of their value. This closed a loophole that had previously allowed the use of US-made components and technology by Huawei, by acquiring them from third party-sellers. Under the new rules, foreign semi-conductors and any other supplier of hardware or software must obtain a license from the US Department of Commerce - although essentially not granted - for selling equipment or technology based on de minimis US-based intellectual property to Huawei and its affiliates.

This new trade regime imposed by the US will have of course a massive impact on the global supply chain of IT hardware and the global smartphone market, with repercussions extending to macroeconomic level given an anticipated escalation in trade wars. What is of great interest at present is to identify the magnitude of these

repercussions as well as the winners and losers of this trade war emerging from chipsets.

## KEY HIGHLIGHTS

The complex and interdependent global supply chain of the semiconductor industry, and extensively of the IT hardware and software means that the gains or losses of trade partners can only be shared.

Huawei managed to overcome challenges of overhauling its supply chain, but still many challenges lie ahead as its switch to the Chinese semiconductor industry entails the loss of edge in advanced chipsets at present. What is more, the loss of license of Googles' Android operating system could further disrupt the company's smartphone business. However, Huawei could potentially exploit these challenges as opportunities, eventually becoming stronger by reducing its dependence on US technologies.

As the ban looks unlikely to be able to kill Huawei, the US can only lose from this sanction campaign, seeing the revenues, as well as the market shares of US semiconductors shrinking. The long-term implication of these sanctions could be onerous, doing more harm than good over the US technological industry which needs further investment on R&D expenditure instead of a protectionism burden. Moreover, the isolation of Huawei which looks inevitably set to proliferate its 5G development might ultimately cost the US the loss of technological dominance.

The cost of sanctions inevitably spreads to the whole semiconductor industry, and especially to foundries, which will have to face reduced revenues and a fragments supply chain. This situation is very likely to continue and even intensify, as long as the US economic and foreign policy remains focused on attacking economic rivals rather than focusing on the advancement of its own economy.

## SCOPE

See why the US is deploying restrictions on China and Huawei

Understand how the US will struggle to achieve it's goals

Learn how both sides will be hard hit

See how Huawei is adapting to the US trade sanctions

## **REASONS TO BUY**

Why is the US sanctioning Huawei and China?

What can be gained from this situation?

Who is likely to be hurt the most from this situation?

How can Huawei avoid these sanctions?

## Contents

### **1. OVERVIEW**

- 1.1. Catalyst
- 1.2. Summary

### **2. 5G INFRASTRUCTURE PROJECTS HAVE ACCELERATED IN RECENT YEARS**

- 2.1. Host of countries have already deployed commercial networks
  - 2.1.1. South Korea leads the way in commercial 5G networks
- 2.2. COVID-19 has caused disruption to global 5G timeline

### **3. 5G CAN FINANCIALLY BENEFIT INDUSTRIES WORLDWIDE**

- 3.1. Technological advances can enhance industry efficiency
- 3.2. Increased global interaction and connectivity will boost businesses

### **4. SOCIAL BENEFITS OF 5G COULD TRANSFORM COMMUNITY DEVELOPMENT AND GOVERNANCE**

- 4.1. 5G powered smart cities could revolutionize urban living
  - 4.1.1. Digital governance to give citizens greater role in the running of cities
  - 4.1.2. Virtual and physical infrastructure advancements will help improve quality of life
  - 4.1.3. Smart cities will help combat the damaging effects of climate change
- 4.2. Developing countries would benefit from effective 5G networks
  - 4.2.1. Lack of demand and high infrastructure costs pose significant barrier to 5G reaching developing regions

### **5. DISRUPTION CAUSED BY COVID-19 OFFERS OPPORTUNITY FOR 5G TO HELP GLOBAL REBUILD**

- 5.1. Global recession and struggling industries are a result of COVID-19
- 5.2. Pandemic has led to increased online remote working
- 5.3. 5G will not provide huge transformation in the short term
  - 5.3.1. 5G technology still has its issues from a technology perspective

### **6. APPENDIX**

6.1. Abbreviations and acronyms

6.2. Sources

6.3. Further reading

## **7. ASK THE ANALYST**

## **8. ABOUT MARKETLINE**

## List Of Figures

### LIST OF FIGURES

Figure 1: SK Telecom commercial 5G launch, April 2019

Figure 2: Network Evolution

Figure 3: Smart City benefits

Figure 4: Regional 2019-2020 GDP forecast

Figure 5: COVID-19 Poverty Projection 2015-2021, impact from COVID-19

## I would like to order

Product name: US Sanctions on Huawei - No Winners from Trade War, the US Stands to Lose  
Technology Dominance

Product link: <https://marketpublishers.com/r/UF643494C17AEN.html>

Price: US\$ 995.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer  
Service:

[info@marketpublishers.com](mailto:info@marketpublishers.com)

## Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click  
button on product page <https://marketpublishers.com/r/UF643494C17AEN.html>

To pay by Wire Transfer, please, fill in your contact details in the form  
below:

First name:  
Last name:  
Email:  
Company:  
Address:  
City:  
Zip code:  
Country:  
Tel:  
Fax:  
Your message:

**\*\*All fields are required**

Customer signature \_\_\_\_\_

Please, note that by ordering from marketpublishers.com you are agreeing to our Terms  
& Conditions at <https://marketpublishers.com/docs/terms.html>

To place an order via fax simply print this form, fill in the information below  
and fax the completed form to +44 20 7900 3970

