

Blacklisting Huawei takes the US-China trade war to a dangerous new level

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Resolving the trade war between the United States and China just got harder. Much harder.

Negotiations between Washington and Beijing were already on rocky ground following the recent introduction of new tariffs. But on Wednesday, the United States dramatically escalated its fight against Huawei, the world's largest telecoms equipment maker and one of China's national champions. This is an openly hostile act which could threaten the entire economic relationship, according to Scott Kennedy, director of the Project on Chinese Business and Political Economy at the Center for Strategic and International Studies in Washington.

The US government has long argued that Huawei equipment poses a national security threat, and could be used by Beijing for spying. It is lobbying allies to exclude Huawei from next-generation 5G wireless networks. // And, earlier this year, the Trump administration filed criminal charges against Huawei, claiming that the company stole trade secrets from T-Mobile and violated US sanctions on Iran.

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On Wednesday President Donald Trump signed an executive order barring US companies from using telecoms gear from companies which the administration regards as a national security threat. That action is seen as targeting China and Huawei, a leader in 5G 1) _____ and a global business with revenue of 2) _____ than \$100 billion. The Trump administration 3) _____ added Huawei to the so-called Entity List 4) _____ companies which it claims undermine American 5) _____. That means US companies may need a 6) _____ to continue supplying Huawei with crucial 7) _____. The action serves as a threatening reminder 8) _____ the United States could sever vital supply 9) _____.

Doing so would damage the tech giant, 10) _____ relies on US companies such as 11) _____, Micron and Intel for 12) _____ parts. Without them, both the company 13) _____ its network of customers in 170 countries 14) _____ be at risk, according to analysts. 15) _____ will view this as an openly hostile 16) _____ and a major provocation. Despite the 17) _____ tariffs announced last week and eroding trust, 18) _____ negotiations between the world's two largest 19) _____ haven't been abandoned entirely. Trump could meet 20) _____ President Xi Jinping at a G20 21) _____ next month.

A resolution would relieve pressure 22) _____ companies on both sides. Walmart just 23) _____ it's raising prices because of the tariffs. 24) _____ China can't just ignore the sharp 25) _____ in the offensive against Huawei. Inclusion on 26) _____ Entities list potentially challenges the ability 27) _____ China's most successful company to produce equipment 28) _____ service existing customers. The detention of 29) _____ CFO Meng Wanzhou in Canada, where she 30) _____ possible extradition to the US, has already caused significant anger.

Big US brands like Boeing, Nike, Tesla, General Motors and many others are all hugely dependent on the Chinese market.

ACT	ALSO	AND	AND	ANNOUNCED	BUT	CHINA	CHINESE
COMPONENTS	CRUCIAL	ECONOMIES	ESCALATION	FACES	HIGHER	HUAWEI	SUMMIT
INTERESTS	LICENSE	LINES	MORE	OF	OF	ON	QUALCOMM
	TECHNOLOGY	THAT	THE	TRADE	WHICH	WOULD	