

MONOCHROME

September



Letter From The Editor

September marked the beginning of the final third of the year. The month started off with Teacher's Day celebrations, followed by the annual TOK retreat, Hindi week and the Australian principal's visit. Students were provided with numerous occasions to express gratitude and learn. Through the Hindi week they learnt about words they had never heard before, they tried expressing themselves in Hindi and even played engrossing and enlightening quizzes during their form time. This month was exceptional due to being filled with activities for students to grow as balanced individuals.

Happy Reading!

Editors-Monochrome

Prachi Sharma & Chitrani Tewari

Huawei Shipwrecked Amid US-China Trade War?

As Trump has continued to toss tariffs after tariffs on China, some people in China think that Trump is like a Marvel supervillain, according to the [Washington Post](#). That claim doesn't sound outrageous when you consider that because of US-China trade disputes, China couldn't watch the final season of [Game of Thrones](#). And this game of adversaries is only escalating. But, what is the US-China trade war all about? And what is the latest decision by the Trump administration that has driven both the Chinese and the Americans crazy?

Over the past year, tensions between the Trump Administration and the Chinese government have been mounting over Huawei's upcoming 5G Network. Recently, the US imposed a 25% tariff on Chinese tech products, and warned that it could tax all of the \$500 billion exports from China in the future. While China is taking the lead in 5G technology, the US has proved that it is ready to act shrewdly; last month, Huawei was blacklisted by the US government. According to this legislation, all American businesses have been forced to cut ties with the Chinese tech giant. This news has some tech geeks worried about the future of the company and its products. Moreover, this news has many economists worried about the future of international trade.

Let's flip through some background: Huawei is a huge company based in China, which manufactures various technological products – from laptops to networks to smartphones. Many techies would assure you that the products of this Chinese company are actually among the best in the market. In fact, Huawei is currently the second largest seller of smartphones after Samsung, above Apple!

The game changer for US-China relations is 5G. Huawei has been developing its 5G Network, which is 20 times faster than the 4G network that we use. Not only does 5G bring us the power to download a movie in 3 seconds and live in ultra-smart houses, but it also brings with it enormous political power. Advancements in this key technology could turn over the course of international trade and give China an upper hand over the USA. With the massive capacity of 5G that might be used to produce computers with quantum speeds, as well as to power revolutionary technologies like self-driven cars, any country will gain an 'economic, intelligence and military edge for much of this century,' [claims The New York Times](#). The US stands to gain \$500B to its GDP if it wins the race of 5G tech.

Furthermore, a recent story showed that China was 'spying' on people using technology. According to [the Economist](#), the Chinese government has created a 'vast hyper-surveillance system' based on facial recognition in its own country. Trump administration alleged that bringing Chinese technology posed similar threats to the privacy of US citizens. Reports also surfaced which claimed that Huawei phones contained chips that transmitted data back to China.

Whether the US ban was motivated by security reasons or as a desperate move of power play is unclear (the reason behind pulling Huawei's license has been kept discreet by the US govt). What is crystal clear, though, is that this is no small move and has huge consequences.

Like most tech companies today, the production of Huawei products is dependent on the Trans-Pacific trade. Out of the \$70 billion Huawei spent buying components in 2018, some \$11 billion went to U.S. firms including Qualcomm, Intel and Micron Technology, according to [CNBC](#). Now, because of the ban, Huawei will be unable to acquire any of these resources from the USA.

Huawei can import hardware parts from other countries, such as Taiwan, but that is sure to spike up its costs, at least initially. The most dire ramification for Huawei is software: Android. All the headlines indicate that [Google](#), complying with the US govt, has also stopped all trade with Huawei, meaning that Huawei phones can no longer use Google Play Store and Google Play Services.

Huawei will also have a hard time involving other US-based applications like **Facebook, Instagram, Netflix, Microsoft, NVIDIA, Amazon** and many more for its phones and PCs which will affect its sales significantly; it is hard to predict the future of this Chinese conglomerate.

And, this has consequences for America too. As Huawei will no longer purchase American chips and other products, the profits of those firms will dip. There will also be a loss of jobs because this trade war is pushing a consumer base of 1.5 billion people away from American products. The disappearance of Huawei products from the US market will reduce competition and discourage innovation. Moreover, this action is likely to invite tariffs from China, which would hurt consumption, growth, and employment in both these countries.

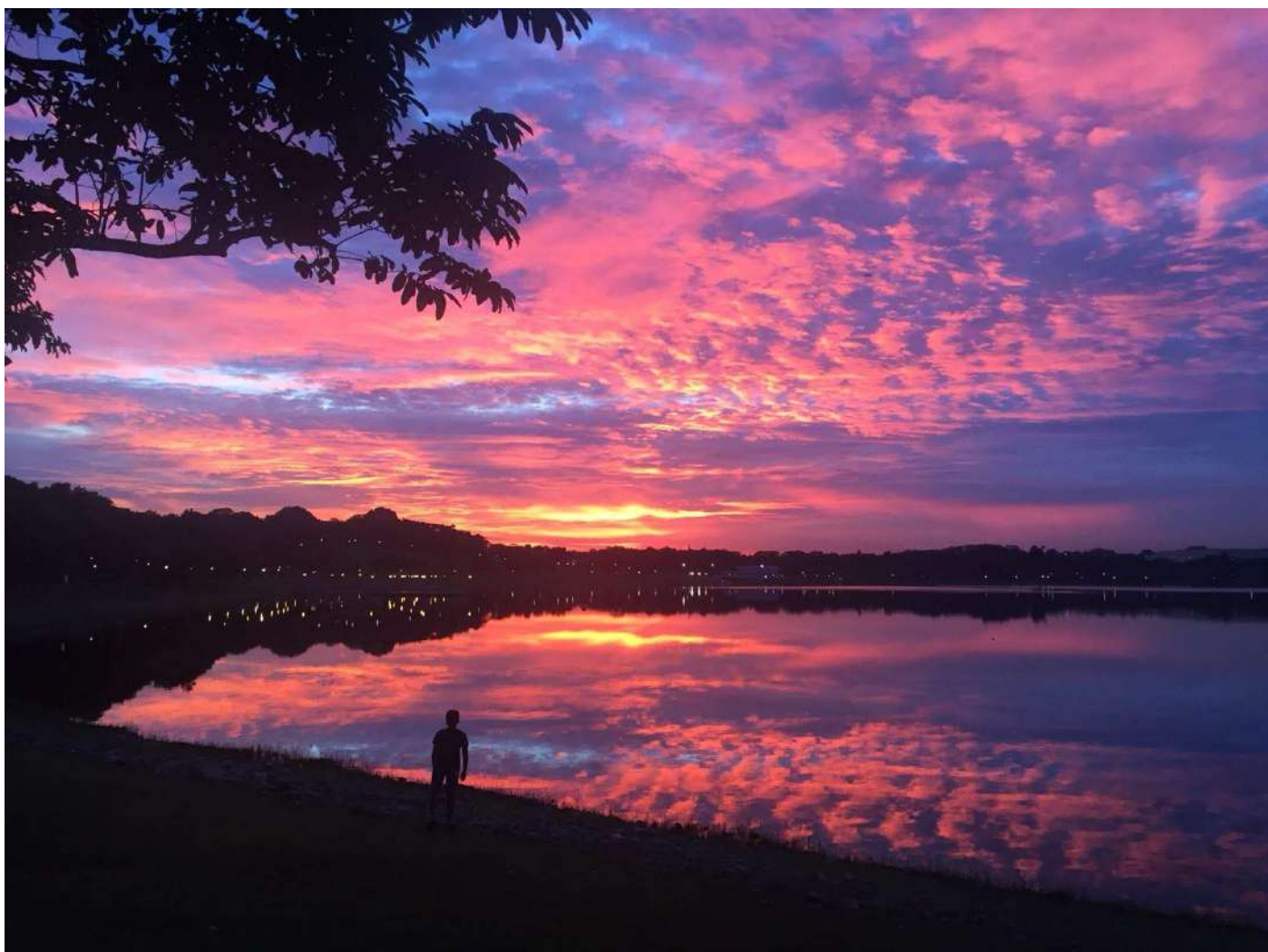
The ensuing trade war will also hurt free trade significantly, not only between China and the USA but within the global economy. Before the ban, around 49% of Huawei's smartphones went to international markets, according to [CNBC](#). Now, Trump administration has been forcing its allies – Poland and Britain for instance – to stop their trade with Huawei in order to prevent back-door entry of Chinese products into the USA.

Some experts speculate that the outcomes of this ban are so grave that this ban will probably be reversed in a few months. What's more, this episode has raised pressing questions about the nature of trade in this century, and generated legitimate apprehensions about the power of technology.

There are many questions the answers to which only time will tell. Meanwhile, what do you think of the US's latest move in this seemingly spiteful game? Will the USA's move hurt the international equilibrium greatly? How will the tech race shape our future? Can China become more powerful than the US?

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Photography





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Teacher's Day

