



# Uneasy truce

Posted at: 08/12/2018

## **Uneasy truce-The U.S. action against a top Huawei executive threatens the tariff thaw with China**

- The 90-day trade truce between China and the United States reached over the weekend on the sidelines of the G20 meet in Argentina is already proving to be fragile.
- Chinese telecommunications giant Huawei's chief financial officer Meng Wanzhou was arrested recently by Canadian authorities, acting on an extradition request from the U.S.
- Ms. Wanzhou is the daughter of the company's founder Ren Zhengfei, a former member of the Chinese military.
- The arrest happened around the time U.S. President Donald Trump and Chinese President Xi Jinping met in Buenos Aires to defuse trade tensions between their countries.
- Huawei at this moment has been accused of breaching American sanctions against Iran, but U.S. lawmakers have also been concerned about the Chinese government using the company to carry out spying operations on foreign soil.
- Last year, it is worth noting, Chinese telecom giant ZTE reached a settlement with the U.S. government over charges of exporting banned items to Iran.
- Markets across the world were negatively affected as trade tensions looked to flare up once again between the world's two largest economies.
- The arrest might thus suggest that the U.S. may not go soft on its demand for the protection of intellectual property rights during its talks with the Chinese authorities in the next few months.
- With the rapid escalation in trade tensions over the year, it will take serious efforts to bring a lasting solution that is acceptable to both American and Chinese politicians.