

Trump pledges to safeguard Chinese telecoms jobs (Update)

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US President Donald Trump says he is working with Chinese leader Xi Jinping to help telecom giant ZTE to stay in business

US President Donald Trump said Sunday he was working with his Chinese counterpart Xi Jinping to prevent telecom giant ZTE from going

out of business after it was hit by an American technology sales ban.

Writing on Twitter, Trump said he had issued instructions for officials to come up with a rescue plan, saying too many jobs were at risk.

"President Xi of China, and I, are working together to give massive Chinese phone company, ZTE, a way to get back into business, fast," Trump said.

"Too many jobs in China lost. Commerce Department has been instructed to get it done!"

The concern for Chinese workers comes despite Trump's slogan to "Make America Great Again" and his repeated vows to bring back US jobs, which he complains have been lost to other countries, particularly China.

"How about helping some American companies first?" Democratic Senate Minority Leader Chuck Schumer said in response to Trump's tweet.

ZTE, which employs 80,000 people, said last week that its major operations had "ceased" after being banned for seven years from buying critical American technology, raising the possibility of its collapse.

Its fiber-optic networks depend on US components and its cheap smartphones sold en masse abroad are powered by US chips and the Android operating system.

Trade war fear

US officials imposed the ban because of what they said were false statements by the firm over action it claimed to have taken regarding the

illegal sale of goods to Iran and North Korea. ZTE pleaded guilty to the charges in March last year and was hit with \$1.2 billion in fines.

Trump has insisted that relations between Washington and Beijing have never been better and he has been working closely with Xi in efforts to persuade North Korea to abandon its nuclear program.

At the same time, threats of mutual tariffs have sparked fears of a trade war, after Trump accused China of unfair practices that have cost American jobs.

The Washington Post reported late Sunday that the White House and senior Chinese officials are discussing a deal that would relax the severe penalties on ZTE, in exchange for unspecified demands from Trump.

Citing people briefed on the discussions, the Post said ZTE has become a bargaining chip as Washington seeks trade-related concessions while pushing for cooperation on sanctions against North Korea and Iran.

Beijing's top economic official, Vice Premier Liu He, is due in Washington this week for trade talks.

But the Post reported that a high-level Chinese delegation was in Washington on Friday and raised the issue of whether Washington could relax its stance on ZTE.

The newspaper also cited a veteran lobbyist as saying the high-powered Hogan Lovells law firm, which has represented ZTE, has been asking people close to the Trump administration for ways to alter the US position.

Cheng Xiaohu, an international relations professor at China's Renmin University, said last week that Washington had sent Beijing a clear signal

"through its attack on ZTE: compromise, make compromises" on trade.

"Otherwise, we will kill you."

There has been an intense rivalry for supremacy in emerging technology fields such as artificial intelligence and 5G, the next-generation superfast wireless systems.

Cybersecurity 'threat'

Against that background, the Pentagon cited security risks in banning personnel on US military bases from buying equipment from ZTE and fellow Chinese maker Huawei.

Trump's conciliatory move quickly came under fire domestically.

"Our intelligence agencies have warned that ZTE technology and phones pose a major cyber security threat," said Adam Schiff, who is the senior Democratic Congressman on the House Intelligence Committee.

"You should care more about our national security than Chinese jobs," he wrote on Twitter.

David Frum, a former speechwriter for president George W. Bush, said Trump was sending mixed signals after scrapping the Iran nuclear deal and threatening sanctions on European countries that continue to do business with Tehran.

The US president earlier this year cited security concerns when he took the unusual step of blocking the proposed takeover, by a firm then-based in Singapore, of US chipmaker Qualcomm.

That case highlighted growing concerns about the rise of Chinese

competitors.

"China and the United States are working well together on trade," Trump said on Sunday.

"But past negotiations have been so one sided in favor of China, for so many years, that it is hard for them to make a deal that benefits both countries," he tweeted. "But be cool, it will all work out!"

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