GEOPOLITICS VERSUS TECHNOLOGY: THE CASE OF HUAWEI

During the traditional Munich Security Conference in February 2020, the U.S. delegation widely publicized the security risk arising from the Chinese telecommunications company Huawei’s 5G technology. In addition, the emergence of the United States and China, and Huawei has become the second-largest global player in 5G during the periods of heightened tension; 2) In addition to Huawei’s control over Chinese companies, the confidence of Huawei in security of its customer data is somehow doubtful. Either way, the risk of dependence on the Huawei equipment and potential control whether by the Chinese intelligence agencies or other entities during the wartime make vulnerable products and services provided by Huawei. At the same time, Huawei, the world’s largest telecommunications equipment supplier and a major provider of the “fifth-generation” technology that aims to dominate the 5G market worldwide. In addition, it has become the second-largest smartphone vendor after Samsung, outperforming Apple.

According to the above-mentioned National Intelligence Law, Chinese organizations must “support, cooperate with, and collaborate in national intelligence work”, hence Beijing can force Huawei to give the Chinese government intelligence data about its users. In addition, the Chinese government could push Huawei to allow it the use and even control of its software during the periods of heightened tension: 1) In February 2020, the U.S. authorities reported that Huawei could backdoor access to its network software globally; 2) The issue of transparency cause doubts, because, unlike other multinational corporations, Huawei’s reports are available only to the top management of the company. It is noteworthy that initial security claims from the United States date back to 2011-2012 when the U.S. government requested an investigation of Huawei security systems. As a result, the 2012 House Intelligence Committee report on Huawei and ZTE did not find any deviations but complained that they “did not fully cooperate with the investigation”. The measures on Huawei were taken in May 2019, when the Trump administration declared a national emergency over threats against U.S. technology in its executive order and banned any transactions with information or communications technologies that possess a threat to national security of the United States. The U.S. government also filed a criminal case against Huawei for the theft of technology and blocked its products in the domestic U.S. market. As a result, Huawei, along with its 70 affiliates, was placed on the United States Commerce Department’s entity list, which requires a permission from the U.S. Department of Commerce to obtain a license before supplying. As a corollary, other multinational companies began to curtail their business with Huawei. The global tech giants as Google, for instance, stopped services like Gmail in the Huawei devices whereas Intel, Qualcomm and other giants halted supplying Huawei parts. Later, the U.S. administration banned all U.S. companies to work with Huawei until May 15, 2020. Prior to that, in 2018, Canadian authorities arrested Meng Wanzhou, Huawei’s chief financial officer and daughter of its founder, Ren Zhengfei, at the request of the U.S. Department of Justice, charging her with violating U.S. sanctions against Iran.

In its turn, the Huawei management does not agree with accusations, claiming that it has political underpinnings to keep away the Chinese giant from the U.S. market. Ren Zhengfei stated that Huawei had never engaged in espionage on behalf of Beijing, claiming that the Chinese Ministry of Foreign Affairs had officially confirmed that there could be no stealing of trade secrets, with Huawei’s 5G technology, therefore it attempts to limit the access to the core network of Huawei, yet allowed the company’s 5G. France plans to impale platforms. For instance, to be seen, the UK also approved the construction of its non-core 5G networks with some limitations, Norway’s Telenor reported that Huawei will still play a role in the country’s 5G rollout, Hungary builds its 5G with Huawei, to name but a few. Among the developing countries, Russia agreed to develop its 5G with Huawei, Malaysian authorities agreed on the Huawei 5G rollout, the Indian government allowed Huawei to participate in the 5G trial phase, and Thailand already launched a 5G test with Huawei. In the Middle East, Huawei has 10 confirmed 5G contracts.

On the opposite side of the barricade, there are countries such as the United States, Australia, New Zealand, Japan, Germany, and the Czech Republic that limited the use and sales of Huawei products. At the same time, despite the arrest of Meng Wanzhou in 2018, Canadian Prime Minister Justin Trudeau assured that the decision on the 5G with Huawei would not be political. Spain’s Telefonica decided to reduce its supply of Huawei, while Estonia proposed a new security bill with Huawei to make its activities more transparent. To sum up, given the overall quality and affordable prices of Huawei products, it seems that security concerns do not stand as a compelling reason to ban them for decision makers of most countries. Moreover, considering several U.S. Senate hearings of Facebook CEO Mark Zuckerberg, whose company also questions the security protection of both individuals and states, the very existence of cybersecurity seems uncertain. Therefore, countries like the United States that apply heavy-handed approaches towards Huawei are facing opposition from the countries that search for a balanced proportion of the quality and price in the implementation of high tech. In addition, Washington’s problem is that, at present, it could not offer a reliable alternative to Huawei equipment, thereby attempts to limit the Chinese company’s penetration by using about its security issues at the various global platforms.

The U.S. security hype will prevent Huawei from continuing to lead in telecommunications technologies.
Politics, Foreign Affairs, and Security

- The Council of Foreign Ministers of the Shanghai Cooperation Organization (SCO) member states held its regular meeting in Moscow. The ministers reviewed ongoing and future activities of the SCO in the context of the COVID-19 pandemic. The ministers also reviewed the agenda and draft documents of the forthcoming SCO summit, paying particular attention to the political declaration and the 2021-2025 action plan to implement the SCO Development Strategy (SCO, 10.09.20).

- During their talks in Moscow, foreign ministers of the Russian-India-China (RIC) grouping Sergey Lavrov, S. Jaishankar, and Wang Yi exchanged views on further strengthening of trilateral cooperation between their countries and regional importance. The ministers agreed that the three countries, with strong scientific and industrial capacities, could make a significant contribution towards mitigating the impact of the coronavirus pandemic (MFA of Russia, 10.09.20).

- During his visit to Kazakhstan, Chinese Foreign Minister Wang Yi held talks with President Kassym-Jomart Tokayev and First President Nursultan Nazarbayev. The parties discussed issues of bilateral relations, interaction within international organizations and actions to prevent the spread of COVID-19. Wang Yi also met with Foreign Minister Mukhtar Tleuberdi. The strengthened cooperation as part of coordination of Kazakhstan’s Nuryl Zholt state program and China Belt and Road Initiative (Akorda; MFA of Kazakhstan, 12.09.20).

- Chairman of the State Committee for National Security of Tajikistan Saymon Yatimov visited Kabul. He held talks with high-ranking officials of Afghanistan. The parties discussed issues related to the security situation in their countries and the region as a whole, border protection, the fight against terrorism and extremism, and smuggling of drugs and weapons. They also paid special attention to ensuring security of communications and energy projects (Avesta, 12.09.20).

- Georgia’s United National Movement and nine opposition parties that are members of the Strength is in Unity political movement unanimously decided to nominate the country’s former president Mikheil Saakashvili as their candidate for the prime minister’s post. According to Chairman of United National Movement Grigol Vashadze, everything that has allowed Georgia to cope with the present-day challenges was created during the rule of Saakashvili (Agenda.ge, 07.09.20).

- According to Turkish ambassador to Moldova Gurud Sokmueser, Turkey will continue to help Moldova and its autonomous republics to help revive Kazakhstan’s economy and include its support to Moldova in the fight against COVID-19. Turkey will continue to deliver medical aid and assistance, such as X-ray equipment. To further strengthen bilateral relations, Turkish Foreign Minister Mevlut Cavusoglu opened a consulate general in Gagauzia’s capital Comrat during his recent visit to Moldova (Anadolu Agency, 07.09.2020).

Economy, Finance, and Energy

- Speaking at the government meeting, Kazakhstan’s Vice Prime Minister and Minister of National Economy Ruslan Dalenov reported that the real sector of the economy had demonstrated solid performance in January-July 2020. In particular, car manufacturing grew by 51.8%, pharmaceuticals — by 34.1%, paper production — by 15.3%, and housing construction — by 6.3%, while car exports increased sevenfold. According to Dalenov, one of the critical measures to help revive Kazakhstan’s economy in the post-quarantine period will be all-round support of business (Kazinform, 09.09.2020).

- In November 2020, a new car factory in the Uzbek city of Jizzakh will start the production of the latest KIA K5 and Selto models. The annual production capacity of the ADM-Jizzakh plant will be 25,000 vehicles at the first stage and will be increased to 100,000 vehicles by the end of 2022. The plant, located in the Jizzakh free economic zone, is positioned as a multinational enterprise to produce cars of other well-known world brands in the future (UDaily, 10.09.2020).

- According to Kyrgyzstan’s Ministry of Agriculture, 40 new enterprises for processing agricultural products that employ 1,208 people were commissioned in the country in January-August 2020. The ministry notes that the creation of new and the development of existing enterprises in this sector will be carried out taking into account their regional specialization. The focus will be on the introduction of new technologies that provide deep integrated energy and resource-saving processing of agricultural raw materials (Kabar, 08.09.2020).

- Tajikistan resumed the export of electricity to Afghanistan, interrupted due to a decrease in the water level in reservoirs of the country’s hydropower plants (HPP). After the water level in the Nurek HPP’s reservoir reached its maximum, the Tajik government decided to resume electricity supply to the neighboring country. Currently, the daily volume of exported electricity is about 1.3 million kWh, while previously it reached up to 8 million kWh (Avesta, 07.09.2020).

- Transport officials of Afghanistan, Azerbaijan and Turkmenistan held a videoconference meeting to discuss the issues of implementation of the international transit and transport corridor Afghanistan-Turkmenistan-Azerbaijan-Georgia-Turkey (Lapis Lazuli). The agenda of the meeting included the optimization of the transport and logistic process, the creation of equal economic and financial terms for all participants, the development of a single pricing policy for cargo traffic, and the appointment of a single operator from each side (Turkmenistan Golden Age, 07.09.2020).

- Russian Energy Minister Alexander Novak forecast that oil prices can increase in the global oil market after a recovery in demand. This may happen due to reduced competition between producers as a result of a decline in investments in the industry. Investments in oil and gas production in 2020 will be 10-15 billion less than last year and continue to be low in 2021, which could lead to a loss of 5 million barrels per day of world production (TASS, 08.09.2020).

Society and Culture

- The feature film “Tomyris”, shot jointly by the Kazakhstan-based TKM-Belarus Cinema company, has been released worldwide. The movie directed by Akan Satayev is dedicated to the events that took place in the Massagete kingdom in the sixth century BC. “Tomyris”, full of battle scenes, horse races, and sword fights, is one of the largest historical projects in the history of Kazakh cinema (Trend, 07.09.2020).

- The Embassy of Kazakhstan in Romania held an opening ceremony of the bust of Aba in downtown Bucharest. The event was attended by Romanian politicians and officials, foreign diplomats, and representatives of academia, civil society and media. Ambassador of Kazakhstan Nurbakh Rustemov emphasized that the familiarization with European culture was one of Aba’s aspirations. The bust was erected as part of celebrations of the poet’s 175th anniversary (Embassy of Kazakhstan in Romania, 10.09.2020).

- UNESCO and the Turkish National Commission for UNESCO organized an online consultative meeting on the Bilge Tonynuk monument dedicated to its 1,300th anniversary. The event was supported by the International Turkic Academy, TURKPA, the Turkish Culture and Heritage Foundation, and TURKSOY. Participants assessed the current state of the Tonynuk memorial complex and discussed issues related to its protection and inclusion in the UNESCO World Heritage List, giving its invaluable cultural value (TWESCO, 10.09.2020).

- The Cooperation Council of Turkish Speaking States and the World Health Organization signed a memorandum of understanding on bilateral cooperation. The memorandum is aimed at enhancing the existing collaboration between the two organizations. In particular, the parties plan to hold consultations at the leadership and expert levels, exchange information and documents on public health and sanitation and epidemiological well-being, as well as hold joint events and implement cooperative programs and projects (Turkic Council, 11.09.2020).

- The UNICEF Executive Board endorsed the sixth country program for Turkmenistan for 2021-2025. The document is aimed at supporting the Turkmen government in meeting its commitments to respect, protect and fulfill the rights of children. The program with an indicative five-year budget of about $7.5 million covers four areas, namely governance for children; child health, nutrition and early development; social protection; and quality inclusive education (UNICEF, 11.09.2020).

- The Azerbaijan Tourism Association, supported by Turkey’s leading tourism organizations, launched an initiative to establish the Tourism Organization of Turkic Speaking States. Currently, top-level negotiations are underway with the relevant structures of Turkey, Russia and Europe in the context of the organization’s establishment. The main goal of the new entity will be to jointly promote and market the cultural and historical heritage of the Turkic world (Trend, 11.09.2020).