

China's tech industry relieved by Biden win - but not relaxed

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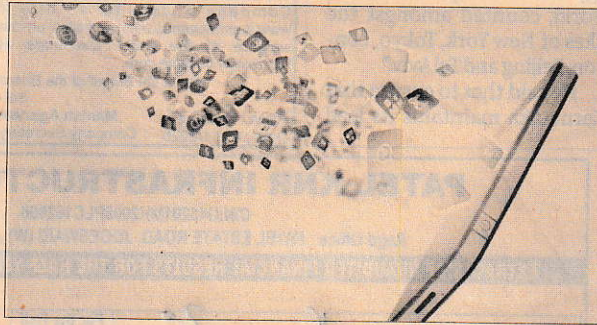
CHINA'S TECHNOLOGY INDUSTRY, one of President Donald Trump's main targets in Washington's tussles with Beijing, hopes Joe Biden can create a more constructive relationship - but few think the rivalry will deescalate, executives and analysts say.

Trump's four-year term has already taught the industry the importance of self-reliance, and China's intentions to improve its domestic tech capabilities will not change, they said.

"When Biden takes office, tech companies in China might be relieved," said Fang Xingdong, director of the Consortium of Internet and Society at the Communication University of Zhejiang.

"At least, the United States is supposed to re-advocate openness, re-respect fair competition, and re-advocate innovation," Fang added. "However, in the high-tech field, competition and game theory will not end, and China and the US will compete with each other with true innovation capabilities in the next decade."

Chinese tech giants



Huawei Technologies to TikTok owner ByteDance to Tencent Holdings have seen their supply chains upended or global expansion efforts stymied by sanctions issued by the Trump administration after Washington accused them of being national security risks.

Several other Chinese firms have been cut off from US suppliers by a trade blacklist while ByteDance and Huawei, in particular, have been pushed into a corner by the Trump administration.

ByteDance is finalising a preliminary deal to create a new company with Walmart and Oracle to oversee TikTok's US operations after Trump ordered it to sell the popular short video app's US unit or face a ban.

US trade curbs have choked off access by Huawei, world's biggest maker of mobile telecommunications equipment and smartphones, to commercially available chips, leaving it short of the components that power its high-end phones.

Jefferies analysts said in a note on Monday that China would likely decline in terms of Biden's policy priorities, as

he focuses first on domestic issues, and that a blanket US ban on China's semiconductor industry would be less likely under Biden.

Still, many executives said Trump's actions had exposed how vulnerable the Chinese technology industry was. They said shoring it up was now a policy priority for the country.

Beijing has in recent months announced a new "dual circulation" model of growth to steer China's economy. This sees it reducing its reliance on overseas markets and technology by, for example, spending billions of dollars to encourage a domestic chip industry.

"It is possible that China and the United States may have a chance to negotiate to ease some of the technology issues," said a senior staff member at one of the blacklisted Chinese companies who declined to be named as he was not authorised to speak to the media. "But it is difficult to change the long-term trend," he added. "The Trump administration has awakened the Chinese industry and development in the domestic industrial chain will continue to form a certain degree of independence."