



# The Tech War between America and China and its Impact on Africa

By Claudio Butticè



Over the past few weeks, the trade war between the United States and China rapidly escalated when President Donald Trump's administration took an extreme and unprecedented step against Huawei, the Chinese telecommunications giant. The US government declared a national emergency and issued an executive order banning American companies from using any technology that can pose a threat of espionage. The first foreign company that was included in this blacklist was Huawei, which was accused of acting on behalf of the Chinese government to undermine US national security.

Shortly after that, the American tech behemoth Google announced its decision to withhold its Android software from Huawei to prevent the Chinese company from exploiting vulnerabilities that could expose customers to serious cybersecurity and privacy risks. Other than just directly damaging Huawei's smartphone business, this move set in motion the beginning of a technology Cold War that is quickly ramping up.

How is this global quarrel going to affect Africa?

Huawei is the largest cellphone provider in many African countries, such as South Africa, and has built at least 50 per cent of Africa's 4G network, in addition to being a critical partner in many "smart city" projects. On the one hand, it's in the best interest of African governments to maintain a

good relationship with Google since this company is investing huge capital in developing Africa's future artificial intelligence (AI) technologies. On the other hand, though, African countries' dependence on China goes far beyond just telecommunications technology - today nearly 20 per cent of African governments' external debt is owed to China, making this country the largest single creditor nation.

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What does the future hold for Africa? Will this ongoing tech war force Africa to choose between the United States and China, or may it present an opportunity for this continent to play a relevant role in the global political scenario?

### **Trump's trade war and the "national security threat" posed by Huawei**

Why is Donald Trump barring US companies from engaging in telecommunications trade with Huawei and other foreign companies accused of jeopardising national security? And why did a global digital giant such as Google follow up by taking an even stronger position? There are a lot of reasons why the American president made such a bold and risky move, including curbing China's apparently unstoppable technological advancement (especially in the AI field).

As Western societies, and America in particular, are facing a seemingly unstoppable cultural and political decline, it comes as no surprise that the global power balance is shifting in favour of the Russia/China axis. Many of the promises made by President Trump hold no substance so far, and many European forces see him as a threat to democracy and planetary stability. [Sadiq Khan, the mayor of London](#), even went as far as comparing Trump's language to that of "the fascists of the 20th century" just before the US president's state visit to the United Kingdom. As the American giant is slowly crumbling under its own weight, Trump's need for a new (real or perceived) enemy came in the form of a trade war against China, the only superpower that now threatens the US position as a global hegemon.

It all started in early 2018 when a team of government hackers from the Australian Signals Directorate had to evaluate the harmful potential of 5G. A powerful technology, 5G is able to allow users to move data up to 100 times faster than on current networks. It is a cornerstone of the upcoming Web 3.0 evolution that will integrate different devices, such as smart home appliance, driverless cars, and augmented reality (AR) devices.

However, [all this new interconnectivity comes at a price](#): as the number of entry points in the network increases, the easier it is for a malicious group to gain access and conduct cyber warfare. Armed with all the offensive cyber tools they needed, the Australian cybersecurity forces had to test the damage they could inflict to a hypothetical target nation if they had access to malware and tools installed in the 5G network. The result was scary and unsurprising at the same time: exploiting 5G could expose the entire infrastructure of a country, providing a potential cybercriminal with countless opportunities for sabotage and espionage.

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The former Australian Prime Minister Malcolm Turnbull shared this intelligence as well as his worries about the vulnerabilities of the 5G network with his country's Five Eyes partners - New Zealand, the UK, Canada, and, obviously, the US. Among the members of this group, only the US one took this warning seriously enough, and decided to restrict the access the Chinese company Huawei, a world leader in 5G tech, had into their mobile networks. But President Trump took additional steps - at first, his administration threatened to withhold intelligence from any allied nation that allowed Huawei in. Later, on 15 May, the U.S. Department of Commerce blacklisted the Chinese telecommunications giant and other international firms. Now American companies need official permission before engaging in trade with them.

### **The consequences of the embargo and the beginning of the tech Cold War**

After the sanctions were announced, Google responded by stopping all business activities with Huawei that involved the transfer of proprietary software, hardware, and services. The American digital company blocked Huawei's access to Android, its Play Store, and other functions such as Maps, Search, and Gmail. Then Intel announced that it could no longer provide processors for Huawei laptops and for Qualcomm, the company that manufactures the wireless modems used in smartphones. Finally, it was the turn of ARM, a British chip designer that provides 95 per cent of the processors used in mobile devices in the world, who had to adhere to the embargo since it had many subsidiary companies based in the US.

It's easy to understand how all these actions look and feel like a boycott that targets Huawei's smartphone and laptop businesses directly rather than the alleged "national security risk" since 5G is completely irrelevant here. What's the real game then? Global commercial dominance may be the reason behind these moves, since Huawei is one of the few global companies that have the numbers to compete, and even win, the technology race against the American hegemony Apple, Amazon, and Microsoft. Boycotting it now may serve a simple purpose: to save the planetary dominance of the US hyperpower by crushing its sole rival before it grows too strong. One way or the other, Google-less Huawei smartphones now represent the symbol of the new technology war between the two world giants - America and China.

[Huawei replied that](#) "restricting Huawei from doing business in the U.S. will not make the U.S. more secure or stronger", explaining that this move is only forcing "customers in the U.S. to [purchase] inferior and more expensive alternatives." The Chinese company had anticipated it could be the target of American whiplash and built up massive stocks of components. They also plan to launch a new operating system that is going to substitute Android before spring 2020 - the (allegedly) faster and more efficient Hongmeng. The new system will be fully compatible with all Android apps and functions, which were already banned in China.

Meanwhile, it is a known fact that the Chinese 5G giant is backed by Beijing, and Trump's ban will not come without consequences. When Australia enforced a similar ban last year, its coal exports to China experienced all kind of disruption, including unnecessary delays at Chinese customs. And right now, the situation is especially delicate, as the trade war caused by the increased tariffs imposed by Trump on Chinese imports is just escalating. The tension is growing even among members of the Five Eyes, since the UK government doesn't seem keen to removing Huawei from its networks. On the other hand, America's choice to ban Huawei for national security reasons rather than admitting that it's a commercial move to put China's economy under pressure is a diplomatically dishonest move that damages the United States' credibility with its peers. And while these nations are busy with their own in-fighting, a new global threat is emerging in the form of a Cold War that is fought with apps and smartphones rather than with soldiers and bombs.

## How the tech war will impact Africa

The relationship between Huawei and the West is strained at best for reasons other than just commercial competition or superpower rivalries. And the conflict started before Trump's trade war against China. The US Justice Department has been investigating links between Huawei and Iran that involved none else than Meng Wanzhou, the daughter of Huawei's founder and the company's chief financial officer at least since 2012. In January this year, US officials requested the Canadian government to detain and [extradite Wanzhou for a variety of crimes](#) ranging from bank and wire fraud to stealing trade secrets, and conspiracy to defraud the US.

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Recently, a red flag that points to how Huawei (or China for that matter) may have a darker secret agenda was raised in Ethiopia. In January 2018, the African Union found the computer systems in its headquarters in Addis Ababa [compromised by a security breach](#) that had apparently lasted for years. Investigators found that the computers, which were installed by Huawei, sent data every night from midnight to 2 in the morning to some servers in Shanghai. Both the African Union and Chinese officials denied the allegations, but many still question the reasons behind such a generous gift from the Chinese telecommunications giant. Google's ban is going to have a very limited effect on the US market, where it holds a minor position on the mobile devices market. But in Africa, the situation is very different. Huawei's influence in Africa is enormous, given the fact that it built at least 50 per cent of this continent's 4G network, and it undoubtedly is the lead competitor in rolling out the upcoming 5G network.

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And that's just the tip of the iceberg. A huge proportion of the African population is currently using Huawei smartphones, and the digital company has already provided the technology used for smart city projects, autonomous vehicles development, and research partnerships. For example, together with its partner Safaricom, Huawei signed a deal with the Kenyan government in April to build a \$175 million data centre at the Konza technocity. China itself has provided well over 20 per cent of the total money lent to African governments between 2000 and 2017 (\$143 billion of loans), and [80 per cent of this money came from the Chinese government](#) rather than from private investors. But the bond between Africa and China does not just involve the past, but the future as well since the Chinese government has pledged to invest another \$60 billion by the end of this year.

## Africa and the war between Google and Huawei

The most obvious and immediate consequence for the many African Huawei smartphone owners is that they will end up with an expensive device that has lost many of its key functions. The Chinese company is also one of the principal global partners of Android, which has substantially contributed to the development and growth of the popular operating system. If they develop a new system, the online world will be eventually split in two - a Chinese-led Internet on one side, and a non-Chinese one on the other side led by US companies. Once again, a huge technological barrier will be raised,

and since Africa will stand in the middle, it's hard to imagine that it will be able to stay neutral. The IT economy of way too many African countries requires them to work with Chinese companies and Huawei may exploit the current situation to change the game in its favour.

[The African tech market is quite large](#), and if Huawei decides, it can be used to turn the tables against the Americans. The most likely scenario will see China and the US facing a potential battle for the control of global telecommunications. Africa can provide both of them with all the human, technological, and market resources to gain the edge they need against each other. If this wave is ridden correctly, the whole continent may attract the investments required to reduce the current digital divide.

African governments, however, must understand how to stand their grounds against the exploitation of the unsustainable burden of debt. They need to know how to exploit the added value Africa can provide to these two sides without becoming a pawn in this global war. But if the Africans play their cards correctly, this scary Cold War scenario may become a huge opportunity to bridge the gap with the Western world.

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