

FEATURE

Silence from China on Trump's Huawei Promise

Trump's Huawei promise met with silence from China as Beijing plays down prospects of progress

- Official statement after meeting between Xi Jinping and Donald Trump at G20 summit in Osaka, Japan, fails to mention Chinese telecommunications manufacturer
- Official state media tones down expectations for quick and easy progress in the trade war



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<https://www.scmp.com/economy/china-economy/article/3016771/trumps-huawei-promise-met-silence-china-beijing-plays-down>



Chinese President Xi Jinping and US President Donald Trump met in Osaka, Japan, during the G20 summit. Photo: Xinhua

China has taken a cautious approach in its reaction to Saturday's meeting between President Xi Jinping and US counterpart Donald Trump, remaining quiet over remarks made by the American leader in Japan that some restrictions would be lifted against telecommunications manufacturer Huawei.

After a closed-door, 80-minute meeting between Xi and Trump at the G20 summit in Osaka, Japan, on Saturday, the government published only a short statement summarising the talks, which stated that the two leaders had agreed to a truce, which would stop any new tariffs being placed on Chinese goods imported into the United States.

However, the statement published by the official Xinhua News Agency and the foreign ministry not did mention Huawei. but only said that Xi had asked Trump to treat Chinese companies in a fair manner.

Huawei have been placed on the US Commerce Department's entity list, which effectively bans US companies from selling equipment and components to the Shenzhen-based manufacturer, while Washington has also frozen the company out of the US 5G network.

But at his press conference which followed the meeting with Xi, Trump announced that US companies could resume sales to Huawei as long as the products involved did not threaten national security.

Trump, though, said the decision on whether to take Huawei off the entity list would be left to later, adding that he will have a further meeting on Tuesday to discuss the issue.

"We are leaving Huawei towards the end. We are seeing what goes on with the trade agreement," said Trump, suggesting that fully lifting the ban on Huawei would rest on a deal being made to end the trade war.

White House economic adviser Larry Kudlow said in an interview with Fox News on Sunday that the relaxation of the sales restrictions

to Huawei is "not a general amnesty" and Huawei will remain on the entity list "where there are serious export controls and in national security inferences or suggestions there won't be any licenses".

"We acknowledge the US president's statements and have no further comment at this time." Huawei

The Chinese delegation, though, remained quiet on the issue. Wang Xiaolong, the director general of the Department of International Economic Affairs of the Foreign Ministry, held a press conference at the same time as Trump on Saturday but would not directly comment on the meeting between Xi and Trump or the developments regarding Huawei.

"I know all of you care about the China-US bilateral summit ... but I hope your questions will focus on the G20," Wang told journalists in Osaka. "I didn't take part in the summit, so I can't share with you what has been discussed.

"As for the information that the US side may lift restrictions on Huawei, if they can do it, we will certainly welcome it," he added.

This response was in contrast to that after the previous meeting between Trump and Xi in Buenos Aires in December, when Foreign Minister Wang Yi and Vice-Commerce Minister Wang Shouwen briefed Chinese and foreign media a few hours afterward.

Huawei itself has followed suit, only releasing a simple statement when asked about the possibility of the US lifting its trade ban on the company.

"We acknowledge the US president's statements and have no further comment at this time," it said.

Chinese official media outlets have also sought to tone down expectations after the meeting in Osaka.

"The summit has offered a chance for the two sides to manage the damage", said Su

Xiaohui, a research fellow at the China Institute of International Studies, a think tank under China's foreign ministry, in an opinion piece published Monday in the overseas edition of the People's Daily, the flagship newspaper of the Chinese Communist Party.

“However, given consideration to a number of complicated issues, we still need to have reasonable expectations for the future China-US relationship – after all, the US side has repeatedly denied an earlier consensus, flip-flopped on its own promises, disregarded credibility, and deliberately created obstacles during previous round of negotiations.”

An editorial carried Sunday by the Global Times, a newspaper affiliated with the People's Daily, also argued that there could still be more back and forth ahead for the trade talks between Beijing and Washington.

“It's not settled yet ... We have to say that the US side has a track record of flipping and flopping – the complicated power structure in US domestic politics, the disputes within the current administration, and [presidential] election campaign tricks are just a few factors that could alter the US stance,” it warned.

The Chinese side has to stand firm, it added, stressing that the positive outcome from the Osaka summit was a result of China showing “courage and determination to fight” in weeks after the talks stalled in early May.

Jian Chang, chief China economist at Barclays, said that the truce agreed in Osaka “does not necessarily increase the likelihood of a deal being reached. It is probably in the best interest of both parties to keep the talks running as long as they can.”

Michael Taylor, managing director for Asia-Pacific at Moody's, said that “significant obstacles” remain to obtaining a long-term agreement due to the lack of an agreed mechanism for dispute settlement and gaps over core issues such as technology, intellectual property protection, industrial policies and the creation of a level playing field for foreign firms operating in China.

“As such, the talks could still suffer further setbacks and the risk of further tariffs has not been removed yet,” Taylor said.

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