

# UNFORESEEN CASUALTIES OF THE TECH AND TRADE WAR

*The tech industry is subject to political policies just like everyone else. The US-China trade war has seen imposition of tariffs from both countries, leaving the industry in a state of volatility. It has made it harder for American companies to keep its costs stable and it has added a significant amount of pressure for Chinese manufacturers. All of this has left tech companies stranded in a war of attrition, with no real sign of either country giving in.*

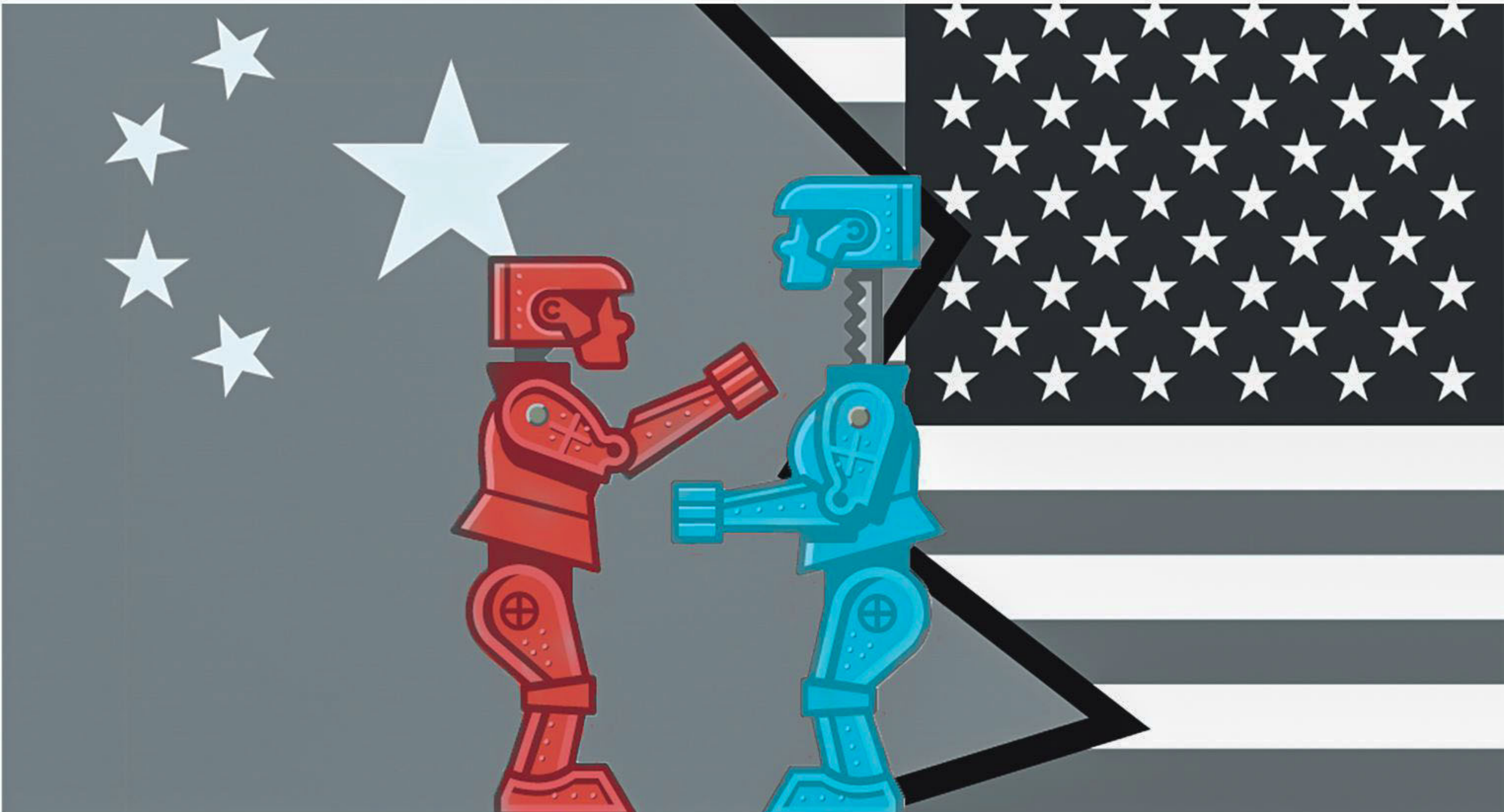
To understand the on-going trade-war and its implication on the tech industry, it's best to look back at the events which led to this. On March 23, 2018, the US imposed 25% tariffs on all steel imports which prompted China to impose tariffs on 128 US products at 15% to 25% rates, sowing the seeds of the trade-war. On April 3, 2018, United States Trade Representative proposed an initial list of 1,334 proposed products (worth US\$50 billion) subject to a potential 25% tariff. China responded with its own 25% tariff imposition on soybeans, automobiles and chemicals. During this time, the US Department of Commerce decided to ban US companies from doing business with Telco and mobile phone manufacturers ZTE for violating US sanctions. A bit of back and forth and a couple of months later, on June 15, 2018, both countries finalized its lists of products under the effect of 25% tariff, taking effect from July 6, 2018.

Neither country has let up since then and currently the total US tariffs applied exclusively to Chinese goods stands at \$250 billion, while the total Chinese tariffs applied exclusively to US goods is \$110 billion. The US imports most of the vital intermediary electronic goods needed for manufacturing from China, and a lot of those products are subject to tariffs now. And this has left America hurting more than China.

All of this helps us better understand the US's executive order against Huawei, and the country's act of banning US companies from working with the Chinese telecom giant. Similar to ZTE, Huawei has been banned on account of security concerns.

While this halts Huawei's progress with 5G and China's technological assertion, this power play mirrors Trumps fears of China ushering in the new technological revolution. And while Huawei will suffer setbacks due to this, from losing access to Android, Gorilla Glass and Intel's chipsets, the biggest losers still are the American companies.

The iPhone is manufactured in China and a full boycott of Apple products would hurt the company tremendously. Or worse, tariffs



would inadvertently increase the prices of iPhones worldwide. Capacitors, resistors, relays, switches, fuses, transistors, connectors, thyristors, LEDs, PCB assemblies are just some of the intermediary Chinese goods that are affected by the tariff. Companies like Qualcomm, Nvidia and Intel all use one or the other good for its finished products. A 25% tariff on small components such as the ones mentioned above can increase the price of a finished product by as much as

3%. If prices go up, demand falls, hurting the big US names more than the factories of Shenzhen which can simply lower the wages of its labourers or boost production. The US announced a fourth round of tariffs on May, 10, 2019, which will place tariffs on mainly finished Chinese goods like notebook PCs, smartphones, tablets and television gear.

China has been cushioning all the blows the US has dealt so far. And it's already clear that Huawei are going to release its own

OS called Hongmeng OS so it's clear that the Chinese know what they're doing. The manufacturing companies of China have been able to keep the prices of its tariffed goods competitive by simply expanding production and stimulating the economy.

If the US government go after more Chinese companies, like let's say, Xiaomi for example, it won't be a question of how it will be affected, but rather for how long. Going back to where the story began, ZTE

was a hit during Mobile World Congress 2019 with its wearable Nubia Alpha device. The company was merely halted by the US but have since been going strong. Huawei seem to be on the same path as well. It is US manufacturers like Apple and Qualcomm who are left paying the higher price in the short run.

ASIF AYON

## The scourge that is piracy

Being a resident of Bangladesh, piracy isn't foreign to me. Rarely will you enter a store where people weren't selling pirated goods. The stores my mom and I have been going to, ever since I was but a mere child, have been selling disks with torrent files burned into them. I just used to think CAMRIP was just the terrible conditions movies were released in initially. My uncle had bought me a PlayStation 2 slim, along with a few games, when I was 12. But instead of the slim plastic black disk holder I was familiar with, there came a thick solid cover with the disk on one side and a small booklet on the other. Confused, I fell prey to the wisdom of my 17-year-old cousin, who then explained to me the existence of piracy.

11 years later, it is clearer how piracy creates a convenient situation for those born in countries which aren't household names. To an American, a video game costs \$60. With the way exchange rates work, we also essentially pay \$60, however the toll seems worse, as almost Tk. 5000/- must be yanked out of our bank account. That's a month's wage at a starter job. In the US, that's a day's work with minimum wage. Some other countries have it worse, while others have it even easier.

Countries that are well known to be destitute, get products at



adjusted prices. Yet, some products are region locked due to companies not agreeing with this price change. Multiple streaming sights have exclusive shows and people need a subscription on all of them if they want to watch something they like. We don't even have PayPal yet. With conditions that hamper entertainment that are out of our control, what more can be expected of us. We do what we can to help ourselves become a part of the rest of the world.

Obviously, piracy faces sever backlash from the public. Most

complaining about piracy are those living in the western nations. Besides the general public, companies bellow out the same slogan: Piracy is stealing. Western Europeans mimic their overseas neighbours and try to buckle down on those committing these heinous crimes. Claims were made that piracy hampers sales, creates losses and ruins the economy. None have been confirmed as of yet. Heavy regulations, warnings and general discouragement is projected towards these cyber criminals. The EU has even gone far enough to suppress

a 300-page study that determined that piracy did not affect sales, for video-games at least.

So, for an issue that has taken the western hemisphere by storm; what about us? Why do we not read articles detailing the arrests of teenagers torrenting the latest Avengers movie? Well there is the broken window theory.

The broken window theory suggests that if a window of a building that breaks remains so, then the community will believe that this minor discrepancy will remain unnoticed by the authorities. Since no one cares, lets break some more windows. For our country, not only is the window broken; for the last decade, we've managed to break off the entire wall. But in our case, instead of looting whatever the people have on the other side of that wall, we simply wish to sit and enjoy it with them. The pirating community marches along with this, some might say deluded, mantra. It is for fairness and the betterment of the less fortunate. And maybe they're justified. Even though software is getting harder to crack, and countries continue to grow, piracy fails to waiver. We have become habituated with its nature and have installed it into our culture. And quite frankly, we're fine where we are.

RASHAAD HABIB

## Next-gen tech or more of the same?

It's rumoured that Apple may reintroduce Touch ID with the iPhone 11. Design renders and patent leaks suggest that Apple's new iPhone, which will release in 2020, will offer users a more advanced version of Touch ID than what's available on Android phones, including the Galaxy S10's in-screen fingerprint scanner. The phones could feature "acoustic fingerprint technology," which would turn the entire display into a Touch ID sensor. The phone is also expected to include 5G support and 3D-sensing rear cameras.

The 2019 iPhones are expected to

deliver the same design as their predecessors. It is reported that the phones will get triple-lens rear cameras and will lose 3D Touch support. The iPhone 11R, the would-be successor to the XR, will get 4GB of RAM instead of 3GB. The 2019 iPhones should hit manufacturing at some point in July or August of the current year.

Although everything is speculation, we will know for sure when Apple reveals the next iPhone which we will get sometime around next year.

ASIF AYON

