# Opinion: Will Trump ease up on Huawei?

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Washington — With the Huawei case, as with so many other Trump administration gambits, the puzzling question is whether the president is using tough tactics to make a deal — or whether he really means to put China’s most powerful telecommunications company on what’s informally known as the “kill list” by denying it U.S. technology.

U.S. financial markets have been fairly calm this week, and investors appear to be assuming that President Trump is using the Huawei sanctions as a bargaining chip. They seem to be expecting that Trump will ease Huawei sanctions as part of an eventual overall trade deal with China, perhaps brokered at a summit meeting with President Xi Jinping in Osaka, Japan, next month.

Several Wall Street contacts told me Wednesday that the markets took it as evidence of flexibility that on Monday the Trump administration granted a 90-day reprieve before Huawei is placed on the deadly “Entity List,” which would block Google and other U.S. companies from selling technology to the Chinese telecom giant. Investors apparently see Trump as repeating his maneuver with ZTE Corp. last year, when he imposed harsh sanctions and then withdrew them, at Xi’s request.

But analysts who carefully follow China warn that this scenario for an eventual megadeal may be overly optimistic. They note several factors that could get in the way:

• Beijing has signaled through various channels this week that it won’t conduct further trade negotiations with Washington until Huawei issues are resolved, according to two U.S. China-watchers. This would require Trump to retreat on Huawei before getting the trade deal he wants, something he may resist.

• Trump’s actions against Huawei have a detailed framework. First came a broad executive order on May 15 declaring a “national emergency” to impose controls on the import of products that threatened U.S. communications security. Then came a designation by the Commerce Department that U.S. companies selling technology to Huawei must obtain a special license because Huawei “is engaged in activities that are contrary to U.S. national security,” according to Commerce. These actions will be hard to reverse.

• Trump’s decision to grant the 90-day reprieve may reflect U.S. desire to clean up details of the Entity List process, rather than willingness to compromise. Officials say the Commerce designation was imposed in haste, without detailed review or briefing of allies, partly because of Trump’s pique at China’s refusal to cut the expected deal on trade. Trump wanted action quickly and selected the biggest guns in the U.S. trade arsenal.

Trump’s anger toward Beijing was voiced by Robert Lighthizer, the chief U.S. trade negotiator, on May 6, on the eve of the breakdown of negotiations. “We have seen an erosion in commitments by China … [a] retreating from specific commitments that had already been made,” he told reporters.

Since then, U.S.-Chinese trade relations have gone downhill fast, with the imposition of the executive order and the Commerce announcement that Huawei was on the entity list.

One U.S. expert on trade with China warned Wednesday against expecting any easy breakthrough soon. “I’ve gone from bullish on prospects of a deal … [to thinking] this will take time,” he said. This expert added that a Trump-Xi meeting in Osaka could provide the “best opportunity to change posturing and tone,” but he cautioned, “If two leaders miss that opportunity to blink, we could see prospects of a deal before elections slide away.”

What went wrong? “Both sides miscalculated and overplayed their hand,” this trade expert argued. He predicted: “Xi will not surrender to U.S. demands even if some of the asks are reasonable and in line with responsibilities of a great economic power which China has become.”

— David Ignatius is a columnist for Washington Post Writers Group.