

Headlines:

- **Brexit: Boris Johnson Hails Free Trade Deal with EU**
- **US Congress Clears \$25 million for Democracy, Gender Programmes in Pakistan**
- **US Strikes at the Heart of China's Bid to Become a Tech Superpower**

Details:

Brexit: Boris Johnson Hails Free Trade Deal with EU

The EU and UK have reached a post-Brexit trade deal, ending months of disagreements over fishing rights and future business rules. At a Downing Street press conference, Boris Johnson said: "We have taken back control of our laws and our destiny." The text of the agreement has yet to be released, but the PM claimed it was a "good deal for the whole of Europe". The UK is set to exit EU trading rules next Thursday - a year after officially leaving the 27 nation bloc. It will mean big changes for business, with the UK and EU forming two separate markets, and the end of free movement. But the trade deal will come as a major relief to many British businesses, already reeling from the impact of coronavirus, who feared disruption at the borders and the imposition of tariffs, or taxes on imports. As the deal was announced, Mr Johnson - who had repeatedly said the UK would "prosper mightily" without a deal - tweeted a picture of himself smiling with both thumbs lifted in the air. In a press conference in Brussels, European Commission President, Ursula von der Leyen said: "This was a long and winding road but we have got a good deal to show for it." She said the deal was "fair" and "balanced" and it was now "time to turn the page and look to the future". The UK "remains a trusted partner," she added. At his press conference, Boris Johnson said the £668bn a year agreement would "protect jobs across this country" and "enable UK goods to be sold without tariffs, without quotas in the EU market". He acknowledged he had been forced to give ground on his demands on fishing. "The EU began with I think wanting a transition period of 14 years, we wanted three years, we've ended up at five years," he said. And he said the UK had not got all it wanted on financial services, a vital part of the UK economy, but he insisted the deal was "nonetheless going to enable our dynamic City of London to get on and prosper as never before". Labour leader Sir Keir Starmer - who campaigned against Brexit - said his party would vote for the deal in the Commons, ensuring it will pass. He said it was "a thin agreement" that "does not provide adequate protections" for jobs, manufacturing, financial services or workplace rights and "is not the deal the government promised". But with no time left to renegotiate, the only choice was between "this deal or no deal," he added. No deal would have "terrible consequences for this country and the Labour Party cannot allow that to happen", said the Labour leader, and that was why he had decided to back it. [Source: BBC]

Britain's formal separation from the EU does not mean stability for Europe. On the contrary, Britain will never tolerate a strong EU driven by a strong Franco-German alliance. This could spell the end of the long peace the continent has enjoyed.

US Congress Clears \$25 million for Democracy, Gender Programmes in Pakistan

The US Congress on Tuesday approved USD 25 million civilian aid package for Pakistan to strengthen democracy and promote women's rights in the South Asian country. The USD 25 million provision, reflecting revival of civilian aid package to Pakistan that was stopped by US President Donald Trump in January 2018 along with all security assistance, because of its non-cooperation in fight against terrorism, is part of the massive USD 2.3 trillion bill, that includes long-delayed coronavirus relief (USD 900 billion) and fund the government USD 1.4 trillion, passed by the Congress on Tuesday. Trump's daughter-in-law Lara Trump has opposed to such a provision, while one of the prime movers of such an aid to Pakistan Senator Lindsay Graham argued that it was important to make life better for women in Pakistan. The legislation, running into more than 5,500 pages, which now heads to the White House for President Trump to sign it into law, makes available a minimum of USD 15 million in assistance to Pakistan "for democracy programs" and USD 10 million "for gender programs." Appearing on Fox News, Senator Graham justified the move. "Pakistan is a place I really worry about. Eighty-five countries a woman can't open up a bank account without her husband's signature. She can't inherit property. If you're a young girl in Pakistan life is pretty tough. So we're trying to make life better for women throughout the world," he said. Lara, in an interview to Fox News, expressed her outrage at such

provisions in the bill that has been passed by the Congress, which among other things gives USD 600 per citizens as part of the COVID-19 relief package. "USD 1.4 billion to Asia Reassurance Initiative Act. I don't even think anybody knows what that is. The USD 10 million to gender studies in Pakistan. USD 700 million to Sudan. How does that help Americans? How does that help us get out of this? And I think it's very frustrating to people all around this country. I think they're really glad to get the USD 600, but they probably could have gotten a lot more if we weren't giving so much money away," she said. Congressman Chip Ry, who opposed the bill said: "it throws billions at foreign aid, including gender programs in Pakistan to the tune of USD 10 million." The bill doubles down on many failed Democrat policies, giving special interests billions of dollars in perks, while giving fellow Americans a paltry payment of only USD 600, said Republican Congressman Matt Gaetz. [Source: Business Standard]

The bill sets up in motion the liberal internationalist policies to be followed by the incoming Biden administration. Biden's foreign policy will focus on promoting progressive liberal values in the Muslim world, where feminism and gender advocacy will spearhead liberalism.

US Strikes at the Heart of China's Bid to Become a Tech Superpower

China had been counting on its biggest chipmaker to help the country eventually reduce its reliance on the likes of Intel (INTC) and Samsung (SSNLF). The United States just put those ambitions in jeopardy. Washington announced Friday that it will require US exporters to apply for a license before they can sell to Semiconductor Manufacturing International Corporation (SMIC). The US government claims that the chipmaker can use its tech to help China modernize its armed forces. SMIC (SIUIF) says it has no relationship with the Chinese military. But in a statement on Sunday, the company acknowledged that while the restrictions are unlikely to hurt its short-term operations, its loftier goals are in doubt. The new US rules will have "a material adverse effect" on its ability to develop highly advanced chips, it said. That's because Washington has said that any request to export tech needed to produce super advanced chips "will be subject to a presumption of denial" — a major problem for SMIC, which uses American-made software and equipment to create its chips. (The US Department of Commerce defined "super advanced" as any semiconductor smaller than 10 nanometer.) SMIC was already facing huge hurdles as it tried to catch up to global competitors. The company remains three to five years behind industry leaders Intel, Samsung and TSMC (TSM), which are all capable of producing chips in 7-, 5- and 3- nanometer sizes. "We think this is one of many blows to China, limiting its rise as a tech superpower," said Phelix Lee, an equity analyst for Morningstar, in a research note published earlier this month that anticipated US export restrictions. "Although Chinese substitutes have emerged in parts of the supply chain, their specifications are typically two to three generations behind," he pointed out in a separate report published in September. For example, Lee wrote that he thinks it will be hard for SMIC to fully localize production of semiconductors in the 40-nanometer range, let alone ones in the 5-nanometer range that TSMC and Samsung have already commercialized. It's clear that investors are worried about the company's future. SMIC's Hong Kong-listed shares were down 0.9% to close at 18.96 Hong Kong dollars (\$2.50) on Tuesday, their lowest value in more than two months. They've lost 4.5% since the US ban was announced. The pressure from Washington also highlights how important — and challenging — it will be for China to find a solution to SMIC's woes. The Global Times, a state-run tabloid, reported Monday that the latest restrictions have "given the Chinese semiconductor sector a sober reminder of the urgency of building a self-controlled industry chain." Lee of Morningstar said he expects China could create more policies supportive of the chipmaking sector. He suggested the government could provide grants for chip research or offer tax breaks for semiconductor equipment. China is already starting to do that: Earlier this month, the government unveiled rules that will allow the country's chipmakers to be exempt from corporate income taxes for several years if they meet certain requirements. And Chinese President Xi Jinping recently said at an economic conference that the country needs to "strengthen China's strategic tech power" so it can break a "foreign stranglehold" on key tech, according to state news agency Xinhua. And analysts at Bernstein wrote in a Sunday research note that they expect China to bail out SMIC, if necessary. More money may not solve the problem created by US tensions, though. [Source: CNN]

Ostensibly, the Trump administration is laying tough parameters for Biden to build on and contain China's ascendancy. The centerpiece of this strategy is to fatally injure China's tech industry, which has seen a meteoric rise in advanced technologies such as AI and Quantum computing.