



July 16th, 2020

Happy Thursday, *The Wire* Subscribers!

This is a long one, folks, but there were too many juicy, interesting, and downright enjoyable reads not to share them all. I promise there is something for everyone.

As a reminder, you're receiving this exclusive newsletter as a subscriber to *The Wire*. Another subscriber benefit is our [daily roundup](#) of the top China business, finance and economic news. Don't forget to bookmark the [News Feed page](#) and take advantage of this amazing resource!

David Barboza

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An Op-Ed For the Soul

Ian Johnson has a wonderful [op-ed in the NYT](#) about being forced to leave China, and what decoupling means at the human level. Few others have chronicled China's development better over the past three decades than Johnson. A must read.

"But the meltdown in China-United States relations has real-life implications as well. Taken individually, stories of severed friendships and strained family ties seem insignificant ... Yet cumulatively these small wounds change how all of us experience the world, forming a collective trauma over the loss of an optimistic era dating back several decades, when the world seemed to be opening up, however imperfectly."

IPO OMG

KPMG just issued its [latest roundup on China's IPO market](#) for the first half of 2020, and it shows that Asia continues to dominate new listings. Of the world's 10 largest IPOs in 2020, 7 have been from Asia, with Chinese companies leading the way.

Straight From the Horse's Mouth

The almost daily stream of invectives coming out of the U.S. State Department is a remarkable thing to witness. Watch Secretary of State Pompeo's [press conference on Tuesday](#), in which he said the U.S. government is planning to deny visas to some Huawei staff, but also somehow to members of the Communist Party and their families — which could mean more than 100 million people!

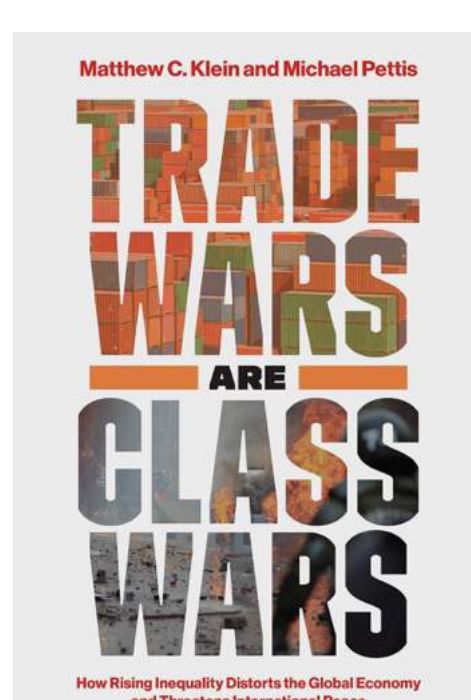
The Africa Play

Merics released [a new study on China-Africa security relations](#), looking at how China is training and arming soldiers and increasing its role in security operations.

"Beijing is hoping to deepen its relations with African nations, rebalancing them away from purely commercial exchanges. It is also looking to demonstrate that China is a 'Responsible Great Power', boosting its international credibility and standing."

Long Reads Worth Your Time

What I've been really eager to read lately is a book that steps back from the current showdown between the U.S. and China, over just about everything — Covid-19, 5G, journalist visas, the South China Sea, etc., to reflect again on how we got here. And it seems that a lot of this can be traced back to economics, and perhaps the rising inequality and global restructuring that has been shaped by China's rise.



So this week I'd like to recommend [Trade Wars are Class Wars: How Rising Inequality Distorts the Global Economy and Threatens International Peace](#), by Matthew C. Klein and Michael Pettis — a book that dives into global imbalances, trade relations and class warfare, though mostly through the lens of capital flows.

Not only does this book offer a sweeping assessment of how we got here, it ends with some prescriptions about how we might reimagine the world. This is also a reminder of how closely entwined the world's two largest economies are, and how painfully dangerous and disruptive it would be to attempt to decouple them. (Bonus: Watch Adam Tooze lead a discussion of the book [here](#).)

Articles, Insights, and Reporting You Don't Want to Miss

- It's been widely reported that the U.K. is planning to bar Huawei equipment from the country's high speed network, but this [NYT](#) article also says [U.S. authorities noticed that Chinese operators had occasionally re-routed internet traffic through China](#).
- *FT* columnist Janan Ganesh wrote an interesting piece [wondering whether the U.S. crackdown on China is happening without real dissent](#). We've heard tremendous push back on various aspects of the China decoupling and crackdown (particularly from leading universities) but perhaps not from politicians.
- This one is a bit personal to me. [The NYT will move some of its digital operations from Hong Kong to Seoul following the introduction of the new national security law](#). The story also says that Hong Kong rejected Chris Buckley's visa application. This is a tragedy that Buckley, Johnson and some of our best reporters on China, including Lingling Wei of the *Wall Street Journal*, won't be able to report from China.

We're always looking for ways to improve our publication and its coverage, let us know what you think at contact@thewirechina.com.

