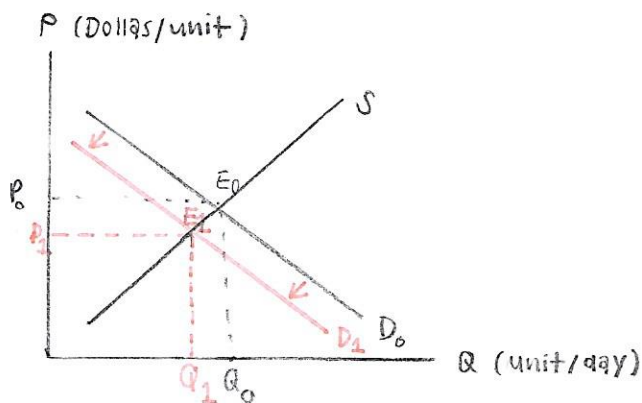


2019

Ban Huawei



As you can see from the graph, the demand curve shift to the left from D_0 to D_1 that makes them Eqm point, change from E_0 to E_1 . And both the price and quantity decrease, P_0 to P_1 and Q_0 to Q_1 .

From this conflict, the price and quantity of Huawei decrease because of the restriction from US.

The US government ban Huawei because of the safety that China could be hacked and steal personal information from consumers. After that Google announced that new production of Huawei will not have programs of Google included, but after that USA delayed the banning to the next two years.

Therefore that makes the sale of Huawei drop. Even more Google claims that without Google system, Huawei devices might be hacked easily.

From the information above, the price could come back to the original point if...

- ① USA not ban Huawei for including Google system
- ② Huawei improve their own system that is similar to Google and accepted internationally

From above, in the first case, Google system will be included in the Huawei device as it was before or Huawei will have to upgrade their system to be as good or better than Google's system that belongs to the US so that consumers have reassurance about the safety of their personal information. That could make the demand shift back to the original point.