



Huawei is back, and the need to keep it out of 5G networks is greater than ever

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Chinese telecommunications giant Huawei's cell phone business was on life support in 2020 after the Trump administration launched its economic war against the company. But Huawei has shown a vampiric ability to come back from the dead in the years since.

Since 2020, Western officials have largely shifted their focus to tackling other Chinese tech threats — TikTok, semiconductors and artificial intelligence among them. Meanwhile, Huawei has quietly enjoyed a resurgence across several product lines.

Western policymakers should stay vigilant against the company, whose worldwide footprint offers it an almost unique ability to execute the Chinese Communist Party's campaigns of surveillance, data theft and sabotage at scale.

In May 2019, recognizing Huawei's almost-limitless potential as a tool of Chinese foreign intelligence, the Trump administration placed Huawei on the Commerce Department's Entity List, crippling its ability to obtain cutting edge American chips essential to powering 5G-enabled phones. At the same time, the State Department engaged American allies and the world's telecommunications firms to commit to maintaining "Clean Networks" — that is, keeping 5G networks and other technological channels free of untrusted vendors such as Huawei and ZTE.

In the end, dozens of American allies and global telecommunications firms rallied behind American leadership, committing to the Clean Network concept. Huawei's overall revenues dropped 29 percent from 2020 to 2021, and the number of Huawei handsets shipped in 2021 plummeted 81 percent from 2020. The trajectory was set for most developed nations (and perhaps the world) to wean themselves off Huawei gear entirely.

But Huawei has gained a second wind, beginning in Europe. Countries there which once committed to banning Huawei from their 5G networks have gone wobbly. In June, European Union Technology Commissioner Thierry Breton stated that only 10 EU member states have restricted or excluded "high-risk vendors." Next year, France will become the home of Huawei's first mobile phone equipment factory. In fact, China's vice premier claims that France has decided to extend 5G licenses for Huawei in some cities.

German political and national security leaders pay great lip service to "de-risking" from China, but Germany's own cybersecurity agency even admitted that it uses Huawei gear internally, and Chancellor Olaf Scholz spent all of 2023 dithering on whether to boot Huawei out of the country's 5G networks. Germany only recently experienced the dangers of depending on a rogue regime for essential commodities, as the country has scrambled to fill the shortfall of gas supplies once provided by Russia. It shouldn't make the same mistake again in its digital architecture.

Further afield from Europe, Huawei's cloud services continue to gain market share worldwide. To give just one example, in Latin America, reports Bill Whyman at CSIS, "Huawei's market share has surpassed Google, IBM, and Oracle." Huawei's cloud data center in Riyadh will not just support Saudi government services but serve as "a bridge that will bring other Chinese companies to Saudi Arabia," according to Huawei's regional vice president.

As more of the world's digital activities are conducted on the cloud, the Chinese Communist Party will have more opportunities to tap into the world's most sensitive data, gain access to critical infrastructure, and shape digital infrastructure standards according to what benefits its companies. It will also create reliance in other nations upon Huawei equipment.

But perhaps the most alarming development for the world is Huawei's new Mate60 Pro phone. The Mate60 Pro features a 5G-enabled seven-nanometer chip that was reportedly designed and made entirely inside China by Chinese government-owned Semiconductor Manufacturing International Corporation.

Huawei and SMIC have clearly developed ways to circumvent U.S. export controls on 5G components and chipmaking technology, and the resulting cutting-edge chips could have serious military and AI applications. The fact that the Chinese government recently banned government employees from using the iPhone could also presage a mass adoption of the MatePro 60 in China and abroad — a blow to one of America's flagship tech companies. To add insult to injury, Huawei debuted the phone during Secretary of Commerce Gina Raimondo's trip to China in August — a clear middle finger to U.S. restrictions.

As with so many national security issues, the world will follow our lead. A U.S.-led campaign to convince allies to expel Huawei from its networks has already shown proof of concept. Now the U.S. should redouble its earlier pressure campaign to convince allies to follow through.

In 2019 and 2020, the U.S. reportedly threatened a waffling Great Britain that it would refuse to share intelligence if Huawei were allowed to participate in that nation's 5G buildout. Eventually, the UK capitulated. Perhaps there's a lesson there.

More recently, the House Select Committee on the Chinese Communist Party released a set of 150 recommendations for protecting the U.S. from Chinese economic and technological threats. They include an export control policy of denial for Huawei-bound U.S. technologies, and the funding of "rip and replace" efforts to keep companies like Huawei out of U.S. networks. To the extent that the U.S. can itself adopt these recommendations, and assist allies in doing the same, it will be a win.

The road ahead will be hard because of Huawei's ferocious lobbying efforts and the simple reality of Huawei products being cheaper than Western alternatives. But sacrificing security for short-term savings is never a worthy trade-off.

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