Further blows to US anti-Huawei campaign

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The US campaign to block participation by Huawei in the development of 5G mobile phone networks globally appears to have suffered another setback. The *Wall Street Journal* (WSJ), citing several German government officials, reported on February 19 that the German government is "leaning towards letting Huawei … participate in building the nation's high-speech internet infrastructure."

This follows reports that a leading British intelligence agency had concluded that any security risks from using the Chinese telecom's equipment can be mitigated.

The *Journal* said a small group of ministries reached a preliminary agreement two weeks ago that required approval of the full cabinet and the parliament, with a decision not expected for several weeks.

The US has been conducting an intense campaign to have Huawei banned from the development of the 5G network on the basis that its participation will facilitate Chinese spying. The new network will produce a qualitative leap in internet communication.

While the UK National Cyber Security Centre (NCSC) has told Huawei that it must upgrade its security—at a reported cost of at least $2 billion—it has never found evidence that Huawei was used to conduct cyber spying. The NCSC's view that security concerns about Huawei can be mitigated has produced a backlash. The Royal United Services Institute, a leading British defence think tank has issued a report saying that allowing Huawei to supply equipment would be "naïve" and "irresponsible."

The NCSC's findings that Huawei has not been used to carry out spying have been replicated in Germany.

According to the *Journal*, "A recent probe by Germany's cybersecurity agency with help from the US and other allies failed to show that Huawei could use its equipment to clandestinely siphon off data, according to senior agency and other government officials."

The campaign against Huawei is being spearheaded by the US intelligence and military establishment, which regards Chinese technological development as a "national security" threat. It has also suffered a blow from a seemingly unlikely source.

On Thursday, as another round of critical trade talks with China got under way in Washington, US President Donald Trump issued a tweet which cut across the national security campaign.

"I want the United States to win through competition, not by blocking out currently more advanced technologies," he wrote.

While the tweet may well have been simply a ploy in the trade discussions, it will add to concerns in intelligence circles and some members of Trump's economic team that the president may be too ready to strike a trade deal with China, at the expense of what they consider to be the longer-term US strategic interests.

As Trump issued his tweet, the position of the US military and intelligence apparatus on Huawei was underscored in a statement by Secretary of State Mike Pompeo. If a country uses Huawei in some of their critical information systems, he said, "we won't be able to share information with them, we won't be able to work alongside them. We're not going to put American information at risk."

An underlying problem confronting the US, reflecting the broader process of its relative economic decline that has seen its resort to aggressive tariffs, bans and sanctions, was outlined in comments by former CIA China analyst Dennis Wilder.

Wilder, who served as White House Asia adviser to George W. Bush, pointed to the underlying problem confronting the US and its resort to aggressive tariffs, bans and sanctions.

"One of the frustrations of 5G development is that

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the US does not have the ability to deploy a completely US-made 5G network," he told the *Financial Times*. "For a president who has prided himself in championing US industry, it must be frustrating that there is no all-American 5G on the horizon."

Currently Huawei is estimated to have around 30 percent of the global telecom-equipment market, well ahead of rivals such as the Finnish firm Nokia and the Swedish Ericsson group. The major US firm Qualcomm reported a fourth quarter 2018 decline in revenue by 20 percent, compared to an increase of almost 13 percent by most of its competitors.

The *Journal* report pointed to the economic pressures that could lead Germany to defy the US campaign to ban Huawei. It noted that Germany lagged behind the rest of Europe and most of Asia in internet speed, "making a 5G rollout crucial to enabling a range of new services such as autonomous vehicles and high-resolution video streaming."

According to one "senior government official" cited in the report: "We missed the boat here in Germany with regards to the broadband internet. We need fast internet, we need it quickly and we need it cheap."

Huawei equipment is as good as and frequently better than that supplied by its rivals and very often cheaper, sometimes by a large amount.

Cost and quality are major considerations for India—potentially one of the largest markets in the world.

The *Journal* followed up its article on the German deliberations with a report on similar discussions there. It said policymakers and telecommunications firms were "so far largely unpersuaded by US warnings that using Huawei's equipment to upgrade India's telecom networks presents a major cybersecurity threat."

Citing "more than a dozen government officials and industry executives," the report said many argued that any security risk was "outweighed by Huawei's cut-rate prices and technological prowess."

Rajan Mathews, the director of the Cellular Operators of Association of India, said: "The perception here is that the US action is more a matter of foreign policy."

A senior government official told the *Journal* that India wanted to move quickly to reap the rewards of 5G and it would choose vendors "on our own terms, not under pressure." This is another direct blow to the US, which had concluded that, because of its rivalry with China, India would remain in its camp.

"Huawei is today at the frontier on 5G and so can't be ignored," the official said. "All technologies have security concerns and vulnerabilities, so singling out Huawei won't be correct."

The thrust of the US campaign is that a 2017 Chinese law stipulates that all Chinese companies must cooperate with the country's intelligence services on request. This issue formed the centre of warnings against the use of Huawei issued by US Vice President Mike Pence at the Munich Security Conference last weekend.

In his reply to Pence at the conference, Yang Jeichi, a Chinese foreign affairs official, said Huawei was cooperating with European companies. Referring to the law, he said it did "not require from companies to install backdoors … or spy."

Very often in the case of disputes, the accusations made by one side against another are an expression of its own actions. And it is the case in this matter.

As documents, both leaked and public, have revealed, US technology firms, far from operating at arms-length from the state, have the most intimate economic and political relations with the military and intelligence agencies and their well-known spying operations.

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