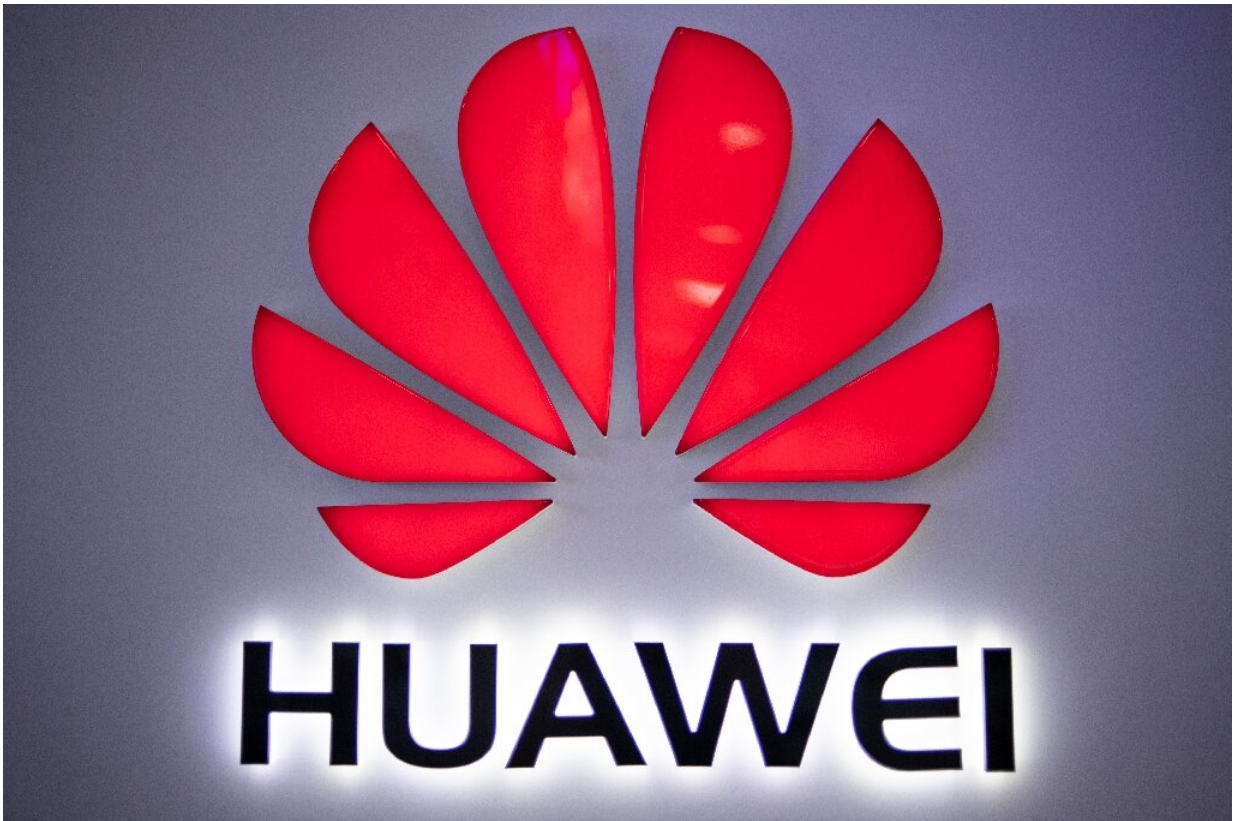


Huawei unit cuts more than 600 jobs following US sanctions

July 23 2019



US companies have been banned from selling Huawei US technology without a licence

Chinese telecom giant Huawei said on Tuesday that more than 600 jobs would be lost at a US unit as a result of "curtailment of business

operations" caused by Washington's sanctions on the firm and 68 of its subsidiaries.

The layoffs will come at the Chinese company's US-based research and development arm, Futurewei Technologies, which is incorporated in Texas, an email statement from Huawei said.

Futurewei employs more than 750 people, according to Bloomberg's corporate information database.

"Decisions like this are never easy to make. Eligible employees will be offered severance packages, including both pay and benefits," the statement said.

The Trump administration has put Huawei on its so-called Entity List, which means US companies need a licence to supply it with US technology.

Huawei—a leader in next-generation 5G wireless technology—remains barred from developing 5G networks in the United States, and the Trump administration is trying to convince its allies to do the same.

Washington accuses Huawei of working directly with the Chinese government, a claim the company denies.

After Donald Trump met China's Xi Jinping on the sidelines of the G20 summit in Osaka last month, the US president said he would ease the punitive measures on Huawei as long as equipment sold to it did not pose any risk to national security.

The Washington Post reported this week that Huawei secretly helped North Korea build and maintain the country's commercial wireless network.

The Post, citing internal documents it obtained and people familiar with the arrangement, said Huawei has partnered with a Chinese state-owned firm Panda International Information Technology on projects in North Korea over at least eight years.

By doing so Huawei, which has used US technology in its components, may have violated US controls on exports to the isolated regime in Pyongyang.

© 2019 AFP

Citation: Huawei unit cuts more than 600 jobs following US sanctions (2019, July 23) retrieved 6 May 2024 from <https://techxplore.com/news/2019-07-huawei-jobs-sanctions.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.