

Huawei dominates MWC mobile tech fair despite US sanctions

February 27 2023, by Kelvin Chan



The Huawei logo in a shopping mall in Beijing, July 4, 2018. A contingent of Chinese companies led by technology giant Huawei is turning out in force to the world's biggest wireless trade fair, aiming to show their muscle in the face of Huawei's blacklisting by Western nations concerned about cybersecurity and escalating tensions with the U.S. over TikTok, spy balloons and computer chips. Credit: AP Photo/Mark Schiefelbein, File



A contingent of Chinese companies led by technology giant Huawei is turning the world's biggest wireless trade fair into an opportunity to show their muscle in the face of Huawei's blacklisting by Western nations concerned about cybersecurity and escalating tensions with the U.S. over <u>TikTok</u>, spy balloons and computer chips.

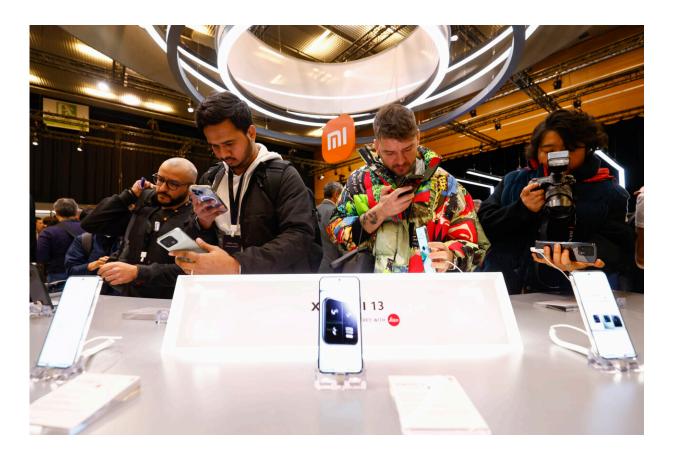
After three years of pandemic disruption, they are among tens of thousands in Barcelona for MWC, also known as <u>Mobile World</u> <u>Congress, an annual tech industry expo</u> starting Monday where mobile phone makers show off new devices and telecom industry executives peruse the latest networking gear and software.

Out of 2,000 exhibitors and sponsors, 150 are Chinese companies and Huawei Technologies Ltd. has the biggest presence. The smartphone and network equipment maker expanded its footprint by 50% from last year and is taking up almost an entire vast exhibition hall at Barcelona's Fira convention center, organizers said.

That is striking considering that Huawei has been at the center of a geopolitical battle over global technology supremacy that's left parts of its business crippled by Western sanctions.

The U.S. three years ago successfully pushed European allies like Britain and Sweden to ban or restrict Huawei equipment in their phone networks over fears Beijing could use it for cybersnooping or sabotaging critical communications infrastructure—allegations Huawei has denied repeatedly. Japan, Australia, New Zealand and Canada have taken similar action.





Visitors take pictures of Xiaomi 13 mobile phone models at the Xiaomi booth before the Mobile World Congress 2023 in Barcelona, Spain, on Sunday, Feb. 26, 2023. The four-day show, also known as Mobile World Congress, kicks off Monday in a vast Barcelona conference center. It's the world's biggest and most influential meeting for the mobile tech industry. Credit: AP Photo/Joan Monfort

Brian Chamberlin, executive adviser at Huawei's wireless carrier group, said "the sanctions have had a big impact" but the company is "not going to try to break any of those rules."

"But at the same time, that's not going to slow us down from delivering innovation, innovative solutions," he said at the expo. "We will continue to do business with companies and countries that want our support."



Huawei's supersized presence at the show is a sign of defiance, said John Strand, a Danish telecom industry consultant.

Huawei wants to "give Biden the finger," Strand said of the U.S. president. The company's message, he said, is: "Despite the American sanctions, we are alive and kicking and doing so well."

U.S.-China tech tensions have only grown.

A suspected Chinese spy balloon downed by a U.S. fighter jet sparked acrimony between Beijing and Washington in recent weeks.



A visitor checks a Xiaomi 13 Pro mobile phone model at the Xiaomi booth before the Mobile World Congress 2023 in Barcelona, Spain, on Sunday, Feb. 26, 2023. The four-day show, also known as Mobile World Congress, kicks off



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U.S. authorities have banned TikTok from devices issued to government employees over fears the popular Chinese-owned video sharing app is a data privacy risk or could be used to push pro-China narratives.

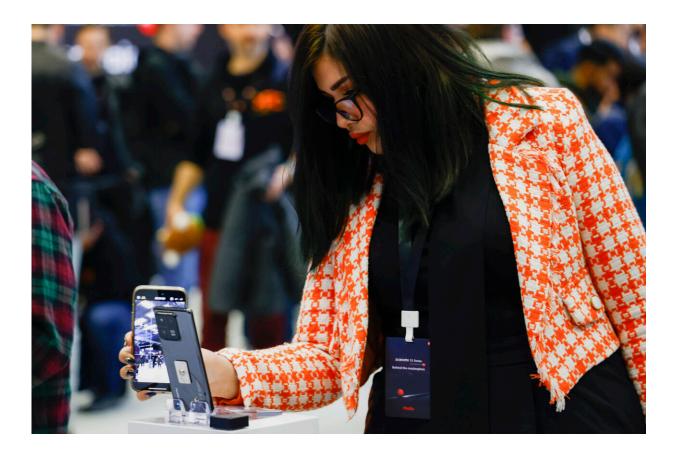
The U.S. also is seeking to restrict China's access to equipment to make advanced semiconductors, signing up key allies Japan and the Netherlands.

That followed the MWC expo four years ago becoming a battleground between the U.S. and China over Huawei and the security of next generation wireless networks. In a keynote speech, a top Huawei executive trolled the U.S. over its push to get allies to shun the company's gear.

Huawei hasn't gone away, and the dispute continues to simmer. Washington widened sanctions last month with new curbs on exports to Huawei of less advanced tech components.

Still, the company has maintained its status as the world's No. 1 maker of network gear thanks to sales in China and other markets where Washington hasn't been so successful at persuading governments to boycott the company.





A visitor checks a Xiaomi 13 mobile phone model at the Xiaomi booth before the Mobile World Congress 2023 in Barcelona, Spain, on Sunday, Feb. 26, 2023. The four-day show, also known as Mobile World Congress, kicks off Monday in a vast Barcelona conference center. It's the world's biggest and most influential meeting for the mobile tech industry. Credit: AP Photo/Joan Monfort

Strand, who has been attending MWC for 26 years, said Huawei wants to show the world it's pivoting away from mainly making networking gear—the hidden plumbing such as base stations and antennas connecting the world's mobile devices—and becoming an all-round tech supplier.

The company is reinventing itself by supplying hardware and software for <u>cargo ports</u>, self-driving cars, factories and other industries it hopes



are less vulnerable to Washington.

"Since MWC is a global event, they (Huawei) will want to communicate on this and showcase that they are still a key player in the telecom and high-tech industry," said Thomas Husson, a principal analyst at Forrester Research.

The company's presence is so big simply because of "pent-up demand," said Chamberlin of Huawei.

"We have been locked into China for the past three years due to the COVID restrictions. So this is really the first time we've been able to engage with our customers," he said.



The new Xiaomi Buds 4 Pro are displayed at the Xiaomi booth before the



Mobile World Congress 2023 in Barcelona, Spain, on Sunday, Feb. 26, 2023. The four-day show, also known as Mobile World Congress, kicks off Monday in a vast Barcelona conference center. It's the world's biggest and most influential meeting for the mobile tech industry. Credit: AP Photo/Joan Monfort

Huawei also makes smartphones but sales outside China cratered after Google was blocked from providing maps, YouTube and other services that usually come preloaded on Android devices.

"The Huawei consumer brand has collapsed in Europe," Husson said. At MWC, "Huawei may well announce new consumer smartphones and new consumer devices, but the brand has lost momentum and these announcements are primarily for fast-growing markets outside the U.S. and Western Europe."

At Huawei's pavilion, staff showed visitors the latest 5G antennas alongside equipment for older generations of cellular networks that still account for much of the company's business. Optical networking switches and new flexible fiber cable for home networking were displayed inside a VIP area, while smartphones and other consumer devices like earbuds were laid out at the entrance.





Visitors test and take pictures of Xiaomi 13 mobile phone models at the Xiaomi booth before the Mobile World Congress 2023 in Barcelona, Spain, on Sunday, Feb. 26, 2023. The four-day show, also known as Mobile World Congress, kicks off Monday in a vast Barcelona conference center. It's the world's biggest and most influential meeting for the mobile tech industry. Credit: AP Photo/Joan Monfort





A Xiaomi 13 LITE is displayed at the Xiaomi booth before the Mobile World Congress 2023 in Barcelona, Spain, on Sunday, Feb. 26, 2023. The four-day show, also known as Mobile World Congress, kicks off Monday in a vast Barcelona conference center. It's the world's biggest and most influential meeting for the mobile tech industry. Credit: AP Photo/Joan Monfort





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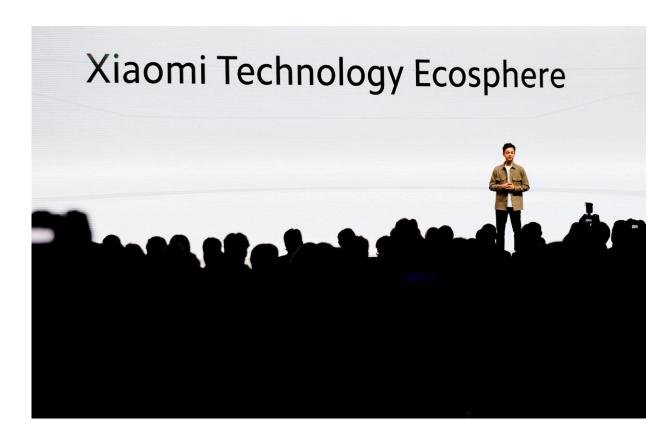
The Vuzix M4000 smart glass is displayed at a ShowStoppers booth ahead the Mobile World Congress 2023 in Barcelona, Spain, on Sunday, Feb. 26, 2023. The four-day show, also known as Mobile World Congress, kicks off Monday in a vast Barcelona conference center. It's the world's biggest and most influential meeting for the mobile tech industry. Credit: AP Photo/Joan Monfort





Xiaomi product marketing manager TJ Walton during the presentation of the new Xiaomi Buds 4 Pro ahead of the Mobile World Congress 2023 in Barcelona, Spain, Sunday, Feb. 26, 2023. The four-day show, also known as Mobile World Congress, kicks off Monday in a vast Barcelona conference center. It's the world's biggest and most influential meeting for the mobile tech industry. Credit: AP Photo/Joan Monfort





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Huawei is just part of the larger Chinese delegation, whose turnout is getting a boost from China lifting all COVID-19 travel restrictions. ZTE, another Chinese tech company that had been sanctioned by the U.S., plans product launches at MWC.

Chinese mobile phone makers Honor, Oppo and Xiaomi will have a strong presence, said Ben Wood, chief analyst at CCS Insight. Honor was Huawei's budget brand but was sold off in 2020 in hopes of reviving



sales by separating it from the sanctions on its corporate parent.

"The removal of COVID restrictions in China has made it possible for these manufacturers to attend the show in force," Wood said. "They are all keen to establish themselves as the 'third alternative' to Apple and Samsung in European markets and see MWC as a pivotal event to do that."

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