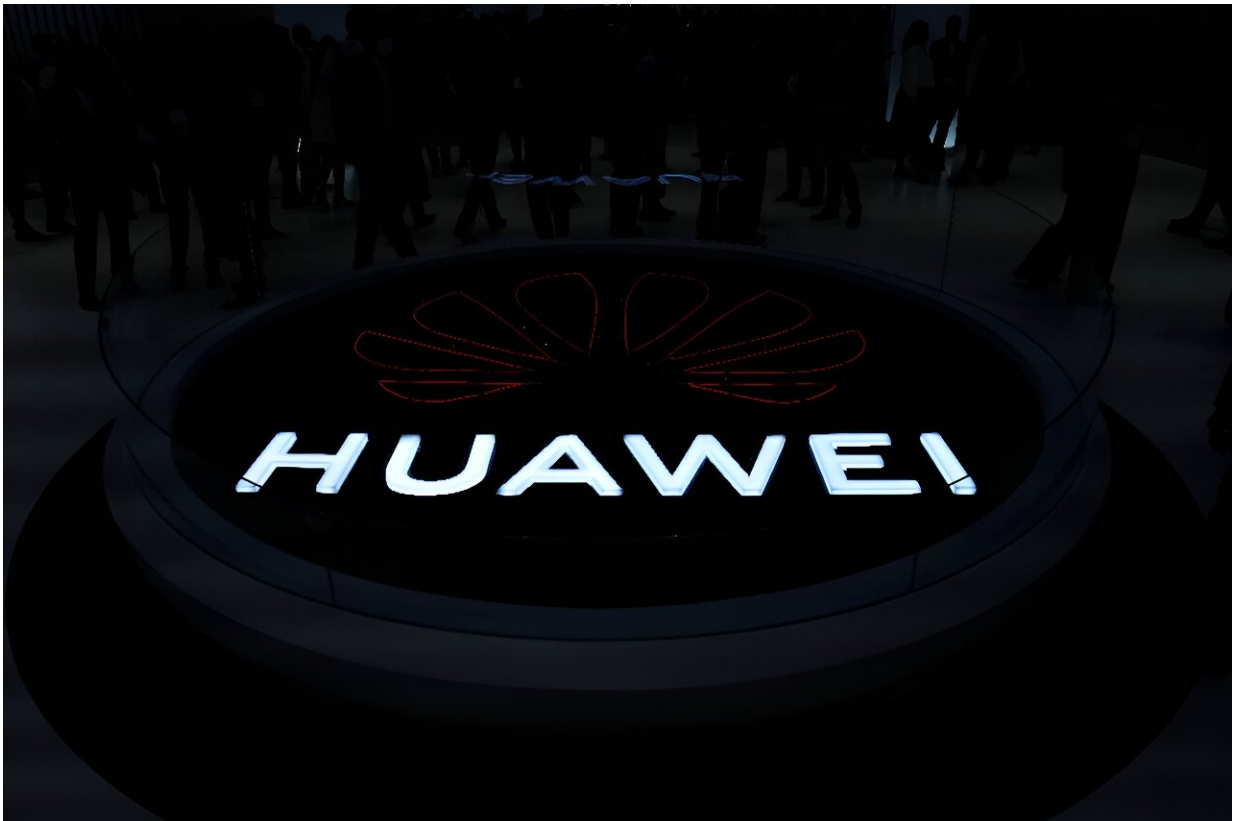


Chinese tech giant Huawei says profits more than doubled in 2023

March 29 2024, by Sébastien RICCI, Oliver HOTHAM



Huawei is one of the most prominent tech companies in China.

Chinese tech giant Huawei said on Friday its profits more than doubled in 2023, as it ramps up efforts to bounce back in a year that saw the company apparently defy US sanctions with the release of a high-end

smartphone.

The Shenzhen-based company has been at the center of an intense standoff between China and the United States—Washington has warned that its equipment could be used for espionage by the Chinese government, an allegation Huawei denies.

Sanctions since 2019 have cut the firm's access to US-made components and technologies, forcing it to diversify its growth strategy.

Huawei said it generated a profit of 87 billion yuan (\$12 billion) last year, more than double 2022's 35.6 billion yuan but short of its record 113.7 billion yuan profit in 2021.

Revenues also surged by 9.6 percent to 704.2 billion yuan.

"We've been through a lot over the past few years," Rotating Chairman Ken Hu said Friday.

"But through one challenge after another, we've managed to grow."

Highlighting Huawei's efforts to diversify as it finds itself cut off by Western sanctions, the firm said revenues from its smart car business had more than doubled, bringing in 4.7 billion last year.

More than half its revenue came from its ICT infrastructure business, followed by consumer products and cloud computing.

"A new journey awaits us in 2024," Hu said.

Huawei's surge in profits follows a year in which the firm raised eyebrows in Washington with the release of its Mate 60 Pro smartphone.

Powered by an advanced domestically produced chip, it sparked debate about whether US attempts to curb China's access to semiconductor technologies had been effective.

US Commerce Secretary Gina Raimondo told Bloomberg in December the development was "deeply concerning".

The Mate 60 Pro has shown the ability to bite into key competitor Apple's profits in China, analysts cited by Bloomberg have said.

In the crosshairs

Huawei remains the world's leading equipment manufacturer for 5G, the fifth generation of mobile internet, and has been involved in infrastructure projects in many countries.

The United States has sought to convince its allies to ban Huawei from their 5G networks, arguing that Beijing could use the group's products to monitor communications and data traffic.

The European Commission ruled in June last year that Chinese telecom equipment suppliers—including Huawei—posed a security risk to the EU.

Huawei's French offices were raided last month on suspicion of "improper behavior", though no other details were immediately available.

In response to the US curbs, Beijing has repeatedly slammed what it characterizes as Washington's "abuse of the concept of national security to hobble Chinese companies" and "discriminatory and unfair practices".

Citation: Chinese tech giant Huawei says profits more than doubled in 2023 (2024, March 29)
retrieved 9 May 2024 from

<https://techxplore.com/news/2024-03-chinese-tech-giant-huawei-profits.html>

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