

Chinese tech giant Huawei profit surges 564%, biting into Apple sales

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Huawei's latest Pura 70 series phone is displayed at a store in Shanghai in April.

Tech giant Huawei's first-quarter profits surged over fivefold year-on-year, a company filing showed Tuesday, as the US-sanctioned firm continues a rebound and bit into competitor Apple's sales in China.

Huawei has long found itself caught in the middle of an intense technological rivalry between Beijing and Washington, which has warned the firm's equipment could be used for Chinese espionage operations—allegations denied by Huawei.

Sanctions imposed by Washington in 2019 restricting the company's access to US-made components greatly inhibited Huawei's production of smartphones at the time.

The Shenzhen-based company has since responded by diversifying into other fields including 5G, [artificial intelligence](#) and smart-driving technology in a bid to rescue flagging sales.

Net profit in the January-March period amounted to \$2.7 billion, up 564 percent from the first quarter of last year, according to a results filing by Huawei's holding company on an official website and confirmed by a representative of the firm.

Revenue during the period also rose 36.7 percent year-on-year to reach \$24.7 billion, the filing showed.

It did not break down profits by sector.

Huawei is a private, unlisted company, and is therefore not subject to the same obligations as other major firms to publish detailed results.

'Seizing opportunities'

The firm unveiled the Mate 60 Pro last summer, a high-performance smartphone equipped with a chip that experts say would be impossible to produce without foreign technologies, questioning the effectiveness of US restrictions.

In an apparent snub to Washington, the Mate 60's August 2023 announcement coincided with a visit to China by Gina Raimondo, head of the US Department of Commerce which was responsible for the sanctions.

Huawei competitor Apple saw iPhone sales slump by 19 percent in the first quarter in China, Bloomberg reported, citing market research firm Counterpoint.

The latest earnings report comes a month after Huawei said its profits more than doubled in 2023, a year in which the smartphone maker continued its efforts to diversify.

Revenue growth in the first quarter was achieved by "seizing opportunities in digitalization, intelligence, and decarbonization", a Huawei representative told AFP, adding: "the industry and global markets will remain rife with uncertainty for the rest of 2024".

"We are confident that we can meet our annual business targets and achieve sustainable growth," the representative added in a statement.

Tensions between Beijing and Washington remain high as the world's two largest economies lock horns over everything from trade to the self-ruled island of Taiwan, which is claimed by China.

The United States has urged allies to follow its lead in banning Huawei's 5G technology from domestic telecommunications networks, arguing that China could use it to monitor communications and data traffic in other countries.

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