

## Business

# Huawei founder hints at problems with its access to western finance

**BEIJING:** The founder of embattled tech giant Huawei said yesterday that the firm's financing from western banks was not "very smooth", but insisted the group would resume growth in 2022 despite biting US sanctions. Amid a broad trade war with Beijing, Washington added the Chinese tech giant to a commerce department "blacklist" in May, imperiling the firm's access to critical US components and software.

Speaking at a panel discussion organized by the company at its headquarters in Shenzhen, southern China, CEO and founder Ren Zhengfei admitted the US sanctions had affected Huawei's financing. "In the past we used to get financing from western banks, now the western bank financing pipeline has slowly been not so smooth," Ren said. "So we've changed to trying domestic banks," he told the audience.

Huawei planned to raise up to 30 billion yuan (\$4 billion) in its first domestic bond issues, Chinese business news magazine Caixin reported earlier this month. Ren said yesterday he was not sure of the precise figure. The tech giant is the world leader in high-speed 5G mobile communications equipment and a top smartphone producer. The firm is ramping up production of its 5G base stations, Ren said.

"A large number of western companies have already received our products that don't have

US components in them," Ren told academics and reporters at the forum, saying he believed customers had faith in Huawei as a supplier. Ren said operations remained at full-throttle, but added "there will be no huge increase" in business next year. "By the end of next year people will see and believe that Huawei truly has survived," he said. "In 2022 and after everyone will see Huawei has resumed growth, they've resolved the difficulties and started to grow," said Ren.

Huawei's sales unexpectedly rose in the first half of 2019, the company said in July. The once media-shy tycoon has become more open as Huawei fights for its future. The US has expressed fears that Huawei equipment could contain security loopholes that allow China to spy on global communications traffic. The company has repeatedly denied the US accusations. Ren yesterday dangled the prospect of licensing all of Huawei's 5G intellectual property to a western telecom firm — in effect creating a potentially dangerous rival.

He said he preferred to license to a single American firm — in part because the US needed the most help in developing 5G technologies. Huawei would profit from licensing fees, he added. Asked about the hit to Huawei's business this year, Ren said he reckoned Washington's



**MUNICH:** Attendants of the presentation discover Huawei's latest smartphones after they were revealed during a show by the Chinese tech giant Huawei. — AFP

sanctions would knock about \$10 billion off revenue. Last year the company crossed \$100 billion in annual revenue for the first time.

The firm also faces a tough battle to maintain smartphone market share outside China. Its new models — like its recently-launched Mate 30 —

lack the Google Play Store, which provides access to hundreds of thousands of third-party apps and games as well as films, books and music. Users will also be unable to download popular apps such as Google Maps and Youtube. — AFP

## Google deals blow to EU copyright law in France

**PARIS:** Google said Wednesday it will not pay European media outlets for displaying their articles, pictures and videos in search results in France, a move that undercuts EU copyright law and could set up a legal fight between the US tech giant and Brussels. Google routinely shows extracts of news articles or small "thumbnail" images in its results and on Google News, without paying the publishers.

The new EU rule, which France will be the first to implement starting next month, would require internet companies to pay for such content. But Google has balked, saying it will not use the content in search results unless publishers make it available for free. If they refuse, only a headline and a bare link to the content will appear in search results, Google said, almost certainly resulting in a loss of visibility and potential ad revenue for the publisher.

"It's up to the publishers to decide how they promote their content," Richard Gingras, Google's vice president in charge of news, told journalists in Paris after meeting French Culture Minister Franck Riester. At Google, he added, "we don't pay for links to be included in search results" because "it would undermine the trust of users." The move was swiftly condemned by media groups, which have seen advertising and subscription revenues collapse as audiences switch to online news, often without paying.

"This was predictable," said Joy de Looz-Corswarem of the European Newspaper Publishers' Association. "We could have expected this sort of blackmail. We're going to have to look at all the legal aspects," she said. Riester said Google's stance was "obviously not acceptable," adding he would consult his European counterparts on a response. The EU directive must "ensure a fair share of the value produced by media content for internet platforms," he said in a statement. The European Commission, the EU's executive arm, said it was "at the disposal to the French government to support the transposition of the directive," reiterating that member states have until June 7, 2021 to enforce it. — AFP

## Amazon's Alexa will get into your head

**SAN FRANCISCO:** Amazon on Wednesday unveiled a cornucopia of new gadgets as it extended the reach of Alexa from automobiles and homes essentially into people's heads. Amazon digital aide Alexa vies with Google Assistant software to be at the heart of smart homes where lights, security systems, televisions and more are controlled with spoken commands. While the Seattle-based technology titan has worked with partners to get Alexa built into some 85,000 devices, it also expanded the lineup of hardware it creates itself.

### Echo Frames

Eyeglass frames with microphones built in to listen for commands and speakers that channel audio directly into the ears for just wearers to hear. The frames, which can be used for prescription lenses, have no camera or display capabilities and synch with smartphones. Echo Frames are available invitation-only, and priced at \$180.

### Echo Loop

A ring worn on a finger that can be used to interact with Alexa digital assistant using taps or swipes. The smart ring is available by invitation only and priced at \$130.

### Echo Buds

Wireless earbuds infused with Alexa digital assistant smarts but which synch with smartphones, where they can work with Google Assistant or Apple Siri software. Echo Buds are priced at \$130.

### Echo Studio

A smart speaker with five directional speakers and sophisticated software for premium sound quality and Alexa digital assistant controls built in. Priced at \$200. — AFP

## US House passes bill opening bank sector to cannabis sellers

**WASHINGTON:** The House of Representatives on Wednesday passed a measure opening the banking sector to sellers of cannabis, who have struggled to safeguard their earnings from the United States's booming marijuana industry. Forty seven of the 50 states allow varying degrees of marijuana usage and cultivation, and the country's cannabis industry generates billions of dollars in revenues and employs some 200,000 people, according to NORML, the main pro-legalization lobby.

But federal law considers marijuana a dangerous drug comparable to LSD, cocaine and heroin, meaning companies struggle to access the federally regulated banking system. That forces them to do business in cash, leaving them vulnerable to robbery and forcing many companies to hire armed guards and take other security measures.

The SAFE Banking Act, passed with 321 votes in favor and 103 against, "will improve transparency and accountability, and help law enforcement root out illegal transactions to prevent tax evasion, money laundering and other white collar crime," said Democratic Representative Ed Perlmutter, the bill's sponsor. "This will also reduce the risk of violent crime in our communities. These businesses and their employees become targets for murder, robbery, assault and more by dealing in all cash," the lawmaker added.

Opponents of the bill have cited the risk that it will allow drug cartels involved in the marijuana industry easier access to the financial sector. Cartels "are a significant problem and canvas legal states like California, Washington and Colorado," said Patrick McHenry, a Republican lawmaker. "The cartels have found that it's easier to grow and process marijuana in legal states like Colorado and ship it throughout United States than it is to bring it from Mexico or Cuba," he said. The bill must be approved by the Senate then signed by President Donald Trump before it can become law. — AFP