

# China's Huawei Continues to Move Around US Sanctions

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*By establishing facilities in Europe to produce components, Chinese telecom giant Huawei is continuing the process of circumventing US sanctions amid a wider US-led trade war aimed at artificially quelling the growing trend of foreign companies outcompeting long-entrenched US monopolies.*

US State Department-funded media platform, Voice of America, in an article titled, "[Sanctions-Hit Huawei Plans Components Plant in Europe](#)," would claim:

Chinese telecommunications group Huawei is working on a plan to build its own components at a site in Europe, its chairman told AFP, after it was hit by U.S. sanctions.

Huawei chairman Liang Hua would be quoted in the article as claiming:

"We are planning to manufacture our own components at a production site in Europe in the future," he said in an interview at AFP's headquarters. "We are conducting a feasibility study to open a factory in Europe for this. The choice of country will depend on that study."

Finally, the VOA article would quote Liang Hua as noting:

"In the area of 5G technology, we are already no longer dependent on the supply of chips and other components from American companies."

The VOA article would also admit that despite full-spectrum pressure from the US, Huawei continues to break records in terms of sales while it continues investing in both growing its market share and moving around US sanctions.

The US-led trade war aimed at firms like Huawei who have recently begun to pull ahead of their US counterparts was meant to hinder, setback or entirely overturn the competition with minimum effort on the part of US firms. Instead, it seems to have only compounded the troubles of American firms unable to compete against Chinese alternatives, while hurting US companies providing parts for or receiving final products from Chinese companies like Huawei.

Too Little, Too Late

Huawei is already a massive enterprise with a global-spanning business coupling together it with other businesses and even other nations around the world. It possesses a momentum of its own that even in the face of immense setbacks, is able to continue moving forward.

US efforts to curtail or even cripple the firm appear to only be providing temporary setbacks while providing the Chinese firm with impetus to create a more self-sufficient and resilient business model in the intermediate to long-term.

The fact that US sanctions have led to Huawei circumventing any need to deal with US firms to acquire components for its 5G telecom network technology is one example of this.

The US forcing Huawei to move on without Google appears to only have set back the company temporarily while in the long-term illustrating that Google may not be as indispensable as it and the US government attempted to portray it as.

It is likely that this process will only continue, as the necessity for the US to invest in a genuine strategy to compete in terms of developing better business models and through technological innovation over cheap and unsustainable (not to mention ineffective) political tricks seems lost on Washington and the special interests lobbying it to pursue the current regime of sanctions and smears.

While US tactics have set back Huawei in certain terms, they have also set back the interests of US businesses themselves; both businesses that had until recently supplied Huawei with components and thus were rising alongside Huawei throughout its continued success, but also for companies that sold Huawei products or, like Google, placed their products and services within Huawei's final products (smartphones).

#### Stitching China and Europe Closer Together

While Washington has attempted to portray Huawei and other Chinese firms as global pariahs as well as threats to security, the fact is that many nations prefer to do business with Huawei, having conducted their own assessments of the company regarding any potential security threats it might pose to their respective nations and telecom infrastructure.

Nations acquiescing to US pressure do so for political rather than practical reasons, with many fully understanding the high cost of their acquiescence. The nations of Europe, who find themselves under constant pressure from Washington regarding a wide spectrum of issues, has begun taking steps to likewise move out from under Washington's shadow and to conduct business freely with whomever it desires and with whomever offers them the greatest benefit.

Huawei's plans to produce components in Europe will be one step further in helping both the Chinese firm and its European partners step out together from under US coercion.

For Washington, policymakers must begin to understand that in the process of trying to isolate and precipitate the decline of companies like Huawei and entire nations like China, they are only bringing about America's further isolation and decline. This is done not only to the detriment of US-based companies more than happy to collaborate with and share mutual benefits with Chinese firms, but for foreign firms including those in China who have benefited from doing business with their US counterparts and would continue doing so had it

not been for the current trade war and sanctions leveled amid it.

A similar process of US sanctions and pressure backfiring against Washington is taking place in Southeast Asia where nations told by the US to abandon Huawei have decided to disregard US demands and move forward in earnest.

Only through genuine competition can the US reverse its current fortunes. At one point in the past, coercion, threats and punitive actions were able to ensure US hegemony militarily and economically across the globe but no longer.

For US interests lobbying Washington to continue to pursue its current, unsustainable and clearly ineffective policies, they have demonstrated that they no longer deserve the power and influence they possess, lacking the ability to upkeep it and laying down the gauntlet for more responsible and constructive US enterprises to take the reins of American policy while there is still something left to steer into the future.

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