**Ren Zhengfei's Interview with German Broadcaster ARD**

May 20, 2019

**Q1: Mr. Ren, you are seen as the kind of Chinese Steve Jobs, and Huawei is seen as the kind of Chinese Silicon Valley. How did you do that?**

**Ren**: First, I am not Steve Jobs. He was instrumental in the development of the mobile Internet, making significant contributions to humanity. Philosophically, he sought perfection. I myself do not have exquisite skills. All I do is take a bucket of "glue" and stick our 180,000 employees together to ensure collective dedication. The honorary titles that have been bestowed on me are actually the achievements made by our dedicated employees. In philosophy, I believe in *huidu* and compromise. I think there is *huidu*, or a shade of greyness, between black and white. In contrast, Jobs pursued perfection. There are many differences in our character. I am not as great as he was, so I could never be named the Steve Jobs of China. This is not because I am humble, but because I don't think I am a great man.

**Journalist: We could probably come to the conclusion that Huawei is a global giant and you manufacture equipment that makes up the backbone of the Internet.**

**Ren**: Yes, you are right.

**Q2: Born in 1944, you were the eldest of seven children in South China in a rather poor province. What did your parents do?**

**Ren**: They were both teachers working in a very remote and poor region in Guizhou. This region is mainly populated by minorities. My mother was an elementary school principal, and my father was a middle school principal.

**Q3: You grew up in quite difficult times. There was a great famine at the end of the 1950s and there was a Cultural Revolution. What do you remember most about those times? How did it affect you?**

**Ren**: Throughout my childhood and youth, what I remember the most was not having enough food. During the Three Years of Great Famine, my biggest dream each day was to have just one steamed bun. When I went to bed at night, I would dream about how I could get one bun. It was not about pursuing studies for future career opportunities. Also, I had no idea of what pocket money was during my childhood. In the third year of my high school, my mother approached me, telling me that she would start giving me five cents as pocket money each day. I felt I could do so much with this pocket money.

**Q4: About 20 years ago, you wrote a little piece about your memories of your parents and one of the main phrases I remember, one of the main words was "hunger". Let me quote from there: "We somewhat got used to being hungry and we managed to find several ways to stave off hunger." Hunger was obviously the most impressive thing at that time for you.**

**Ren**: From 1959 to 1962, what haunted us was hunger. Since 1963 and 1964, when the Chinese economy started recovering, hunger stopped being a keyword. Since then, the political environment in China was turning leftist. The Socialist Education Movement and Cultural Revolution were on the rise, but I was not really into the Cultural Revolution. I wanted to dig into technologies with one heart and one mind. But I knew nothing about politics. The sudden political fanaticism I saw back then really made me uncomfortable, and I had no idea what I could do.

During the Cultural Revolution, I also wanted to join others in protests and demonstrations. But my father was labeled a "capitalist roader". For this, he was actually locked up in a "cow shed" at one point in time. In China, this approach of depriving liberty was called the confinement of monsters and demons. The house that locked them up was named a "cow shed". Because of my family connections, there was no possibility I could become a part of the activities at the time.

In 2001, when I wrote the *Reminiscences of My Parents*, I suddenly realized that I was not one of the millions of Red Guards that had existed in the proletarian Cultural Revolution. Why? On one hand, the big organizations did not want to take me in due to my family connections. On the other hand, I myself did not want to join any of the small organizations. I was sort of drifting away.

**Journalist: Why did the revolutionary guards choose to target your family?**

**Ren**: Because my father was the principal of a teachers' college. The Cultural Revolution targeted school principals and teachers first. My father, though as an intellectual of the Communist Party back then, had a very different political identity from the officials for farmers and workers. These officials came out of remote mountain villages and had no chance to connect with other people from the outside world. They had a very clean background. However, intellectuals had roots in the old society and inextricable links to that society. Therefore, they became the first targets.

**Q5: You could obviously finish your studies; you studied architecture and engineering. How did you end up in the army?**

**Ren:** Premier Zhou Enlai sought to mobilize regional engineering teams to build a synthetic fiber factory with equipment from French companies called Technip and Speichim. China was in complete chaos due to the Cultural Revolution, and no regional team answered the call due to the harsh living conditions in the region where the factory was to be located. Premier Zhou Enlai had no option but to mobilize military forces. But the military lacked technological strength, and couldn't temporarily bring in engineers from regional engineering corps. As a result, the military placed students like me, who had a little technical know-how, in this important position to build the factory.

I was fortunate to be able to work in a modern engineering project and join the military.

**Q6: In October 1976, if I remember correctly, the Cultural Revolution was done, and the Gang of Four disappeared. What happened to you at that time?**

**Ren:** In 1976 when Chairman Mao passed away, I was helping to build the synthetic fiber factory in Liaoyang. The building work had just started at the time.

**Q7: You were not allowed until 1978 to join the Communist Party because of the background of your father, but your father had been cleared then and that's how you joined the Communist Party, is that correct?**

**Ren:** After Chairman Mao passed away in 1976, Hua Guofeng, then Chairman of the Communist Party, brought down the "Gang of Four". This shook up China's politics and changed the course of history. China began to stress the importance of science and technology and the contributions of labor.

When I was working on building the factory in Liaoyang, I invented an instrument through mathematical inference. It was the first of its type in China and many other countries. During that historical period, my little invention was hyped up into something really big, and I was chosen to attend the National Science Conference.

During the conference, I was strolling in the garden while a party meeting was being held to elect party committee members for the delegation to the conference. The meeting organizer saw me and criticized me for not attending the party meeting. I replied, "I'm not a party member". The organizer was taken aback by my answer. At that time, you could not even become the head of a cooking squad in the military if you were not a party member. How could a non-party member possibly attend a national event like the National Science Conference? But the government didn't think I was unqualified; if not qualified, I would not have been able to overcome a host of difficulties and attend the National Science Conference. The government called my military commander.

After the National Science Conference, the military force discussed my application for joining the party again. There was a huge pile of documents about the allegations against my father. The military decided that it would be too slow if the approval of my application had to wait until the local government reached a conclusion on my father's case. Thus, the military launched a new investigation into my father. They later told me about the things that my father had done wrong as well as the things that he had not done wrong, and reminded me of the few key issues that would be put in my personal file. Through this investigation, my family background was finally cleared, and there was no big issue with it, so my application for joining the party was discussed again. There were still obstacles at the party branch level, because people tended to be very conservative. But the upper levels wanted me to join the party, so I was able to join the party.

Before I joined the party, the military designated a journalist named Xu Guotai to investigate me, and he told the political commissar of my division about the details of the investigation. One day, he asked me out for a walk, and I said I needed to change my clothes first. He followed me to my bedroom. I grabbed some socks and clothes from under my bed, gave them a sniff, and put on the ones that didn't stink. I was a lazy man and tended to throw my socks and clothes on the floor when I took them off. Xu told the political commissar, "Ren is very dedicated to in-depth technological research. I would like to be his referee for his party application." The political commissar also showed a willingness to be my referee. That's how the obstacles at the party branch level were overcome. About 30 years later, when I met Xu again, he told me that back then he was representing the central government in investigating my history and performance. I wouldn't have known this secret if he had not told me. This is how I managed to overcome the obstacles, join the party, and keep pace with the times.

**Q8: It was in December, 1978, that Deng Xiaoping introduced the reforms for China, which led to 40 years of reforms and economic growth. How did this affect you?**

**Ren:** During the National Science Conference in March 1978, we listened to reports from our seniors, including Chen Jingrun. We were moved to tears because we were finally recognized as the "sons" of this country. During his speech, Deng Xiaoping said that we were "part of the working class", to thunderous applause. We were overjoyed to be part of the working class rather than the capitalist intellectual class. Deng Xiaoping also said that we should "work five days and study politics one day every week". We were delighted to hear that. There had been too much focus on political study before, and now we needed to reduce this.

At the Third Plenary Session of the 11th Central Committee of the Communist Party of China in December, 1978, the Chinese government decided to initiate the reform and opening-up policy. We didn't understand this very well at that time. We didn't realize that this would be an epoch-making reform. Instead, we just felt that the tone was different. We were excited because the government had decided to develop the country's economy and we would have opportunities to work hard. Previously, it was important to "have a 'red' background and be specialized", but I didn't have a 'red' background. We were young at that time and were not sensitive to politics, so we didn't have a deep understanding of the decision made during the third CPC plenary session. As we saw changes day after day, we began to realize that a theory or a change to the social structure would have a huge impact on a country. We didn't understand the meaning of this: "The flap of a butterfly's wings over the Amazon can set off a tornado in Texas". We just felt that changes would take place in China.

**Q9: But as a consequence of this, actually the army got recused and you lost your job.**

**Ren:** The most important thing that was happening during 1978 and 1982 was "bringing an end to chaos and restoring justice". The situation gradually became stable. After that, Deng Xiaoping decided to disband large parts of the military. From the central government down to local governments, people didn't understand why he had made this move. I heard Luo Ruiqing's report in 1978, which he delivered at the National Science Conference three months before he passed away. He said, "We are going to enter a hard-won period of peace for more than a decade". He said that there would be no wars in the next 10-plus years, so we should focus on economic development. He reflected on his mistake of dividing China's scientific research system for national defense into the Second, Third, Fourth, and Seventh Ministries of Machinery Industry in 1965, which actually weakened China. But he was quickly removed from office and had no chance to correct this mistake. Ten years later, he regained his position and reflected on this mistake he had made before the Cultural Revolution. He thought that China was going to embrace a period of peaceful development, and that the military should stop expanding. At that time, we didn't understand what he meant.

During the 12th National Congress of the Communist Party of China in 1982, China started to disband large parts of its army, mainly the Railway and Civil Engineering Corps. At that time, we were considered a "miscellaneous corps", and one that would be disbanded first. We thought that the regular armed forces wouldn't be disbanded. However, after the "miscellaneous corps" were disbanded, the financial statements of the military didn't change for the better. Instead, military expenses increased. That was because "the disbanded Railway and Civil Engineering Corps were the ones making money for the military". Then the government continued disbanding military personnel, and dismissed one million soldiers from the field armies. The military shrank from 5 million to 4 million, and then to 3 million soldiers. Even today, the military is still being downsized to support the country's economic development. I now understand the logic behind all this, but I didn't at that time. I had become familiar with the military and my work there, so I was reluctant to change my job at that time.

**Q10: You founded Huawei in 1987, but what were the conditions? Because to have a political reform is one thing, but the reality is different. At that time, the market economy was more or less unknown in China. So, what kind of experience did you have in the beginning?**

**Ren**: First, when I came to Shenzhen in 1984, I found it difficult to adapt to the market economy system. As I jumped straight from the army to the market economy, I still had a very traditional mindset, but society had shifted to a market economy. There was a question I kept wondering about: In the army, we talked about serving people. But here, we could make money from others. Why? I felt that all companies were cheating for money. Why should a product bought at 10 yuan be sold at 12 yuan? This is the first thing that made me uncomfortable. Second, when I worked in Liao Yang Chemical Fiber Factory, I focused on its automatic control system, a proportional-integral-differential analog control system. But when I came to Shenzhen, a city at the forefront of the reform and opening-up, I found that the world had started to enter a computer age. These two worlds were completely different. How could we keep up with the young people? This is the second thing that I couldn't adapt to. Third, I trusted people too much. In the army, the command itself was based on trust, so I thought it would be the same in other places.

I used to be a deputy manager in a small state-owned company with over 20 employees. I had no power to make decisions. I didn't know when an office director came or who would change to which position. They didn't necessarily report to me, but I had to be accountable for their mistakes. I also made a lot of mistakes at that time. For example, I gave money to others out of trust but I didn't receive goods in the end. I was cheated out of 2 million yuan, and later I spent a whole year trying to get the money back. Most of the money was recovered, but there was still some left to be paid. When I made some money after I set up a small company, I paid some of the debts of the company I previously worked for.

What was the biggest lesson I learned from that incident? I didn't have money to hire a lawyer or ask for help by offering gifts. I read almost all the law books that were available to me. Then I came to understand that a market economy is composed of the supply of goods, customers, and transactions, and that the law plays a role in the process of delivering goods to customers.

**Journalist: So, you were basically broke and then you founded a firm?**

**Ren:** It's not because I was broke, but because I was dismissed. I had to look for another job. I happened to find out that Shenzhen was encouraging people to start tech companies. I thought I might as well try it out. Under the old system, I couldn't do what I wanted, and then someone suggested that I start a company. With my own company, I could do whatever I wanted in my own name. So I took the suggestion and set up a private tech company.

At that time, 20,000 yuan was needed to register a company, but my entire military severance pay was only 3,000 yuan, so I had to raise funds from others. Some people joined me without investing any money. So the capital we used to start the business was actually less than 20,000 yuan – something like 16,000 yuan. In reality, I was forced to take this path. If the government had appointed me as a junior official at that time, maybe I wouldn't have started a business. Instead, I would have worked as a government official, ended up as a division head, retired, and then spent the rest of my days fishing. However, the fact is that I had no choice but to found Huawei with this little money.

At the very start, we had only one or two people. As I couldn't afford to rent a truck to ship goods, I had to carry sacks of goods onto the bus myself. When loading or unloading the goods, I first had to carry one sack at a time and put it by the road 20 meters away, then go back to get another one. This same process continued 20 meters again and again until all the sacks were by the road. Then, I loaded them onto the bus. At that time, I was a promising man in China. Young, revolutionized, knowledgeable, and specialized, I had almost all the characteristics of that age, so I was undoubtedly supposed to be on the list of future provincial and ministerial-level officials. Having suddenly become self-employed, I faced a lot of ridicule. Fortunately, the bus conductor was nice enough to allow me to load the sacks onto the bus one after another. When the bus arrived at Shekou, Nanshan District in Shenzhen, the conductor allowed me to unload the sacks and carry them 20 meters away one by one. Then I had to carry the sacks upstairs one after another. If the sacks were ever out of sight, there was a chance they might have been stolen. This is how Huawei has gradually developed.

**Q11: What was your breakthrough, so to speak, in the early years? When did you think, "Okay, I'm going to make it"?**

**Ren:** In the early years, we acted as an agent. We helped other companies sell equipment and took a little commission. Gradually our staff grew to 10 to 20. We often unloaded goods from trucks by ourselves. Like dockers, we unloaded wooden boxes and carried them to the warehouse. Whenever customers asked for goods, we would go to load them up and deliver them. Three decades ago, we mainly worked as an agent.

Later, when a company in Hong Kong called Hung Nien came to us, they asked many people to investigate my personal history. I was so angry at the time. What was the point of doing that? After hearing what people said about me, they came to the conclusion that I was a trustworthy person. They authorized me to distribute their products, saying "We have 100 million yuan worth of goods in our Guangzhou warehouse, you can collect them. When the goods are sold, you don't need to give us the money immediately. You can use it for a while." And they offered me a reasonable base price, so we could make money if the goods were sold out. China was developing fast at that time, so there was a high demand for those goods. Hung Nien trusted us a lot. The owner, Liang Kunwu, was a very well-educated scholar. Thanks to their trust and support, we began to develop gradually and accumulated some funds for future development.

**Q12: At that time, the US was an up-and-coming country for this kind of technology and for the industry that you were trying to enter. When did you go to the US for the first time?**

**Ren:** In 1992.

**Journalist: I read the report you wrote at the time and it's fascinating to revisit it now in 2019. It is called *Impressions of Americ*a. And what you basically described is that you admired the US. You admired the whole country, to a certain extent. You admired the technology, you looked up to it, and you saw yourself, in comparison, as a rather weak person, especially your management. You concluded simply in this report, "Actually, we are not experienced enough." So, the US was the country of promise for you at the time.**

**Ren:** Yes. I did some reading about the US during the Cultural Revolution in China. Back then, a delegation from the People's Liberation Army of China visited West Point and there were a series of articles about West Point in *PLA Daily*. I was deeply impressed by the academy's management style. So in Huawei's early years, I drew on some of West Point's ideas in managing the company. Of course, unlike the military, we, as a manufacturer, have to care about costs.

After I arrived in the US, I saw in person what the US was like. Before that, I had never been abroad. Before China's reform and opening-up, I had thought two-thirds of the world's population were living a hard life and suffering from hunger; only we had enough to eat and they were relying on us to save them. That's what we thought of the world. When we were abroad, we found that we were the poor ones and came to understand what the outside world was really like, which broadened our minds.

I was also deeply impressed by the US spirit of and mechanisms for innovation. There was an article titled *Sleepless in Silicon Valley*. It talked about how hard companies in Silicon Valley were working. Their employees worked sleeplessly under harsh conditions – even in garages. This spirit is still alive today in Silicon Valley. We learned a lesson from their spirit: We also needed to work hard and remain dedicated if we were to grow from a company that provided simple products to a mid-to-high-end brand.

Even today, I still admire the US as I did when I was young. Despite the fact that they are attacking us at the moment, I still believe that at some point in the future we will meet at the top of the Himalayas – that is, the peaks of science and technology. The US will be climbing from the south bringing coffee and canned food, while Huawei will be climbing from the north, carrying dry food. When we meet at the top, we will not fight with each other; instead, we will embrace each other to celebrate our joint contributions to the digitization of society.

We should contribute more to society. We shouldn't be narrow-minded. It is open-mindedness that has earned us the trust of so many customers. Today's attack will not spell the end of Huawei. Hopefully when we have an opportunity to meet again several years from now, we will toast to our success.

**Q13: The first crisis for your industry in the West was in around 2001, and many US companies suffered heavily. How did you get through this crisis?**

**Ren:** When the IT bubble burst, we also faced a huge crisis, and we were on the brink of collapse. We faced trouble both internally and externally. Externally, we lacked the capabilities necessary to serve our customers. During the IT bubble, high-quality parts were all purchased by large companies; we could only buy poor-quality parts to make our products and sell them to customers. Internally, we also faced a huge crisis. In 2002, many employees stole the company's intellectual property and took people away with them to start their own companies.

We just couldn't bear this anymore, so we held a meeting attended by 400 senior managers, where we studied *On War* – a book by Carl von Clausewitz from Germany. There was one line in the book: What makes a leader? A leader is someone who lights up their own heart in times of darkness and leads their team to victory with a glimmer of light. What is the role of a leader when their team is suffering during a war? To use their glimmer of light to lead their team forward. Now was the time for us to light up the road ahead with our hearts and boost the confidence of our team.

The first decision we made was to take back our poor-quality equipment from customers, which cost over 1 billion yuan. Back then, we were running out of money, but we took this action in order to earn customer trust. The second thing was that we chose the right strategy: the "chicken rib" strategy. During that economic bubble, Nortel was heavily investing in optical transmission. When the prices of this equipment fell sharply, the equipment was like chicken ribs with hardly any meat on them. We then chose to work on the worthless "chicken ribs" that no other company wanted to focus on.

After working hard for 10 to 20 years, we have become the absolute global leader in optical transmission and optical switching. Other companies will find it very hard to catch up with us in this domain in the short term. That's why we have recently said that we will develop photonic computers.

We held a management meeting at the right time to ensure that everyone was aligned in terms of their thoughts. That way, we ensured that those who stayed would continue to keep up their good work. We chose the least profitable segment but managed to survive this huge crisis.

**Q14: Despite your love for the US, since Huawei is successful, there is obviously a never-ending war going on between Huawei and the US. Obviously, it had already started some time in 2005. You were considered a kind of danger for the US, or for US politicians. Can you explain that?**

**Ren:** I don't think US politicians are representative of the US. My aspirations for the US remain unchanged, and I don't hate US politicians. Why? Because they are "whipping" Huawei – propelling us to work harder. If we don't work hard, they will beat us. Actually, this is good for us. Without external pressure, there would be a lack of motivation to move forward internally.

**Q15: But as early as 2007, the NSA was getting into your network, and was even going directly into your communications. You certainly know the name of the NSA operation at the time – it was called "Shotgiant". The whistleblower, Edward Snowden, told us about this. Why was it about Huawei so early?**

**Ren:** First, when we build internal networks, we have a principle of only preventing the malicious competitor from accessing our internal networks. Our internal networks were not designed to block Western competitors or any governments, including the US and Chinese governments. We don't have enough money to build such thick walls against all external parties. We only target the malicious competitor who intends to steal our technologies.

Second, few companies in the world perform as well as we do in terms of internal and external compliance. That's why you see international media reports talking about how Huawei subjects itself to "the toughest and most rigorous oversight regime in the world". In the UK, for example, even if there is some criticism of Huawei, they still have trust in us.

Therefore, the US move to access our networks may not have been due to our strengths, but may have instead been triggered by curiosity. They seemed to have thought I was rich, but just found out I was not. Fortunately, I didn't have much money at that time. That was my biggest advantage back then. Today, many people say I am a capitalist, but I really didn't have much money in the past. China has been ramping up its efforts to fight against corruption in recent years, but we've never been involved in any incidents of corruption. We have also been very careful when doing business outside China. Moving forward, we will focus more on internal and external compliance and meet even higher standards.

For the first three decades, we were like a farmer wearing overalls that was entering a grand palace. We needed time to adapt to internal and external compliance regulations that we were unfamiliar with. Therefore, we decided that we would only prevent the malicious competitor from accessing our information networks and stealing our core technologies, but we would not guard against any governments.

**Q16: We are living in the very moment, a very heated period. Nevertheless, the accusations of the United States have been going on for years and it was always the same thing – that Huawei is a spy tool for the Chinese government, and that Huawei gets direct orders from the Communist Party. President Trump even issued an Executive Order to ban US technology companies from doing business with you because, let me quote him, "Huawei is engaged in activities that are contrary to US national security or foreign policy interests." What is this? Speculation? A trade war? A political objection? What do you think?**

**Ren:** I don't quite understand the decision made by President Trump. We barely have any networks in the US and our products have hardly any market there, so how could we threaten its security? The decision made by the US does not follow the rule of law. The US District Court for the Eastern District of New York has sued us, and we maintain that we are not guilty. If the US were to penalize us after reaching a verdict in the court following due process, we would be able to understand that, because we have respect for legal procedures. However, the US isn't playing by the rules. I don't know how to understand this.

Our company won't collapse because of this. Some Congressmen have said that Huawei is dead, and on the Internet some people have said that Huawei is ruined. Huawei won't be ruined, but our business will be scaled down. If the size of our business was currently the size of a goose egg, then it will be scaled down to the size of a chicken egg, but never to the size of a pigeon egg. I think our business will shrink, but there will be no major issues. We won't be beaten by the US in the highest-end domains. We may choose to abandon some lowest-end domains. We never develop any components ourselves in low-end domains, because products in low-end domains will be phased out sooner or later. Our sales growth may slow down, but we won't see negative growth. We will still see positive growth.

When making this decision, US politicians may not have considered the interests of US companies. US companies also need markets. They need to supply chips and components to China, a market with a population of 1.3 billion. If the US doesn't supply anything to China, China will be forced to manufacture everything by itself. As a result, the US won't be able to remain the world leader. The world leader should be serving all 7.5 billion people around the world, and the 1.3 billion Chinese people account for roughly a sixth of this. High-end components are already controlled through the *Wassenaar Arrangement*, and the US can just stick to this arrangement. Is it necessary to impose restrictions at the level of nuts and bolts? It's possible that the US politicians do not know much about technology.

**Q17: China is not a cheap workshop any more. In the last 40 years it has developed into a leading economic power – presently, number two behind the United States, and probably, rather soon, replacing the United States as number one. Is this the fear behind this kind of action, or is it a kind of tradition that in China, the Communist Party is still responsible for the government, and anti-Communist policies have long been a tradition in the United States?**

**Ren:** I don't know the answer to that question. I'm not a politician, so I'm not very sensitive to political issues. In spite of the attacks launched by the US, Huawei is still the world number one in our industry. I have confidence that this will not change. In a few years, let's meet again and celebrate this together.

I think that the world should accept China's rise. Only after China rises up in the world will more and more Chinese people buy goods from outside China.

When you visited our production lines, you may have noticed that a lot of the equipment we use is from Germany. Our production systems use software from Siemens, Bosch, and Dassault. Most of our production equipment was made in Germany. China's development will bring a lot of trade from Europe to China.

China used to be a very poor country. The clothes I wore when I was a university student were full of patches. When my pants had holes on the back, they would be mended on the sewing machine using another piece of cloth. I don't remember wearing any decent clothes back then.

However, we can all see that Chinese people are buying a lot of luxury goods from Europe. They are hugely popular in China now. The growing demand in China will create a huge market for Europe and the US.

During a speech in Australia, former US president Barack Obama said that if Chinese people lived the same life as Americans and Australians, it would be disastrous for the world. However, Google Maps show that there are many "small houses" in the coastal areas in China. They are used to breed marine animals for food in floating net pens. A lot of the seafood in China is manually bred rather than being caught from the sea. We do not harm the sustainable development of the world. Of course, Chinese people should be more frugal, as many are squandering too much money.

What I'm saying is that the world should embrace China's peaceful rise, and we really want to see China rise peacefully. The US is the strongest military power in the world. If the US does not start a war with anyone, no one in the world will go to war with them. I don't think the world needs to worry about China's rise.

You are welcome to visit our company anytime and talk with anyone you like. Our Chinese employees think similarly to Westerners – especially the younger employees; they identify more with Western concepts and approaches. I believe these concepts and approaches will become generally accepted around the world and become common values shared by all humanity.

The world we live in should move towards peace rather than war. If there is even a single individual that doesn't want war, I believe they can influence the rest of the world, who may then follow suit. We need to eliminate the sources of war to ensure a peaceful rise. We want to do business in a peaceful world. Creating a sense of fear does not benefit anyone. If everyone is scared of one another, the whole world will be a really scary place.

**Q18: Now, the tensions between these two countries, as far as the trade war and Huawei are concerned, have become a bit personal. Your daughter was arrested on December 1 last year in Vancouver. What was your first reaction when you heard that she had been arrested because she was the CFO of Huawei?**

**Ren:** My first reaction was shock. My daughter is full of integrity. It would be impossible for her to have engaged in any criminal conduct. I had no idea what the reason behind the arrest was. She sent me a note through her husband the day after she was arrested. She told me, "Dad, they are coming after you. Please be careful."

I had to fly to Argentina to attend a meeting on the third day, which was actually organized by Meng Wanzhou. I believe that meeting was very important to our company's transformation, stability, and development, so I still decided to take the risk and attend the meeting.

Back then, we didn't know the US would impose such severe sanctions against us. My wife was extremely worried about me taking the trip. She stayed up all night to wait for updates about which countries I had passed through, and kept asking me these questions: "Have you crossed out of China yet? Have you boarded the plane?" She went to sleep only after I told her the plane was taxiing.

I took a plane and returned to China right after the meeting. My family stopped worrying about me only after I returned home safe and sound.

Actually, I really don't care much about my own safety, and I don't think my life is that important. I believe the most important thing is our company's transformation. Our transformation in the Argentina Representative Office has been very successful, and has driven a company-wide transformation. In the context of the trade war, we have realized the huge role the seven documents we released about the transformation in Argentina played in helping our company build our fortresses. The heads of our three business groups have all told me that these documents are critical, and things would have become chaotic if we had not made sufficient preparations over the preceding six months. I risked my life to attend the meeting in Argentina.

I think I will still continue to travel around the world. What would be the value and meaning of my life if I were put in a cage? Some people have told me, "You are a thinker. We only need your ideas. You don't have to travel in person." But how can I have any brilliant ideas if I don't go into the trenches?

A journalist once asked me, "What would you do if you had been arrested in Canada with your daughter?" I said I would spend time with my daughter and talk to her every day. Another question was, "What if you had been sent to the US?" I told them that I would take the opportunity to study the US's 200-year history and write a book about how China should learn from the US and rise up in the world over the next 200 years.

Another journalist asked me, "What if the Chinese government locked you up in prison for rejecting an order to install backdoors?" I said that prisons in China are well managed; some prisoners even have their own rooms, and there are decent bathrooms. They can read books and watch TV. That is pretty nice and it's totally free! I think that's kind of a nice thing.

If that was the case, I would stop thinking so much. I might no longer need sleeping pills, and my diabetes and high blood pressure might be cured. I might even be able to live for an extra two or three years. So what should I be worried about?

I'm having a relaxed life right now. Our company is on the right track, and can develop well without me. It is having a tough time now, but I still don't have much work to do. The reason for this is that we manage the company with rules and regulations, which we have learned from countries like the UK and Germany. This company is not managed by one or two particular individuals. I'm pretty confident about everything after 30 years of hard work.

**Q19: She's charged with violating the US sanctions against Iran, and the US is demanding her extradition. According to the *Washington Post*, the stand over Meng, and I'm quoting, "came at exactly the moment the Trump administration was engaged in high stakes negotiations, so there seems to be a relation to that". I mean, Europe is not following America's way, not Trump's way, like Germany, Denmark, or France. We checked France's decrees. But can you survive without the US? Can the US crush your company?**

**Ren**: As for your first question, regarding Meng Wanzhou, I will not comment much on the case, as it is undergoing legal proceedings. We don't think she is guilty. We have evidence for the defense. US prosecutors also need to present evidence.

For your second question, if we were technologically severed from the US, could Huawei continue to survive? I believe that the world should collaborate for shared success, because in a globalized economy, all are interdependent and no one can exist in isolation.

But now we can say that, even without supplies from the US, we can survive and maintain sound operations. We may continue to be the world's number one. However, we always admire US companies. Many US companies want to collaborate with us. They are different from US politicians. We will always be a long-term strategic partner of US companies. They are now seeking to ask the US government to approve their supplies, and we are determined to buy their products.

For example, we have components that can replace Qualcomm's, but we still buy 50% of our components from Qualcomm, and we are not solely using our own components. I've made it clear that we will always use American components, and will never take all the benefits for ourselves. We will always embrace US companies. Historical setbacks will test our friendship with US companies. But only through collaboration can we drive human civilization forward.

**Q20: According to the UN, the last 40 years were a blessing for China. If you look at the figures, 700 million Chinese people are now above the poverty line. China's life expectancy used to be 60 years in 1978. Then Deng Xiaoping started the reforms, and it's now 76 years. How does or did this change the Chinese society?**

**Ren**: First, in the 1960s and 1970s, China had a population of more than 600 million. At that time, the sky above us and the land beneath our feet were the same as today, but people didn't have enough food. Then the reform and opening-up policy was adopted. Today, China has 1.3 billion people and produces more food than its people could possibly eat. This is attributable to several factors. One is the significant development of production technology. Another is that China's agriculture production has shifted from a contract responsibility system to a system that allows farmers to transfer their land-usage rights, and will gradually transform to farm-based production like what we see in Western countries. Additionally, advanced agricultural tools have become much more widely used. These factors have drastically increased China's grain output.

Western countries enjoyed a prosperous economy thanks to the benign cycle of high prices, high consumption, and high salaries in the 1960s, 1970s, and 1980s, while China used to have low commodity prices. Later, when China's commodity prices began to rise, economic circulation within China was accelerated, which benefited Chinese farmers.

Second, China introduced very low taxes to attract foreign investment to set up factories in China. Because of that, 200 million farmers now work in cities. A decade ago, a migrant worker in China could earn 100 US dollars a month – an amount that they could not make in a year if they stayed in the countryside. In the late 1970s, I once worked in the countryside to help with the rural transformation. When we assessed farmers, a very strong farmer could only earn 0.08 yuan a day, equivalent to 0.01 US dollars a day. Their income was extremely low at that time. Even now, the average monthly income in China's rural areas is only 2,000 to 3,000 yuan.

However, more and more counties in China's rural areas have been lifted out of poverty through large-scale production of agricultural products, instead of the previous small-scale farming approach. One example is Hezhang County in Guizhou Province, where it is suitable to plant a kind of thin and fragrant bunching onion. The county plants this onion across its thousands of acres of farmland. Meanwhile, an intensive industry chain has formed, including bunching onion packaging, logistics, and transportation, which is connected to the consumption systems in Beijing, Shanghai, Guangzhou, and other high consumption areas. This has generated much higher income for local farmers. The party secretary of Guizhou's another county, Zhenning, once visited me and told me that his county planted over 2,000 acres of ginger and plums, which had lifted the county out of poverty.

Other regions, such as impoverished parts of Africa, can learn a lot from China's efforts to alleviate poverty, although the income of Chinese farmers is still very low according to Western standards. China still has a large population below the poverty line based on the UN's poverty standards. China's poverty line used to be 1.2 US dollars a day and has now been lifted to 1.9 US dollars, while the line set by the UN is 2.5 US dollars. Our poverty line is relatively low because it matches our overall living standards.

The reform and opening-up policy has played a tremendous role in lifting China out of poverty. The efforts of government officials at all levels are also important. The Communist Party upholds the slogan "Serve the People". A government, whether it genuinely aims for this or not, must serve its people. Objectively, this can drive social progress.

**Q21: You went through a very difficult time within the last 70 years in China. There was the famine, there was the Cultural Revolution, and there was the change of the system to a certain extent. What word would you find if you looked back to your own life? Was it pressure which formed you the way you are?**

**Ren:** I would say it was a hard journey. China took many detours before it found its own way out. I believe that China will ultimately find new drivers of development. The drivers of today are to build a well-off society, where the underprivileged can be lifted out of poverty, most children can access quality education, and people can enjoy happy lives. This is key to ensuring a better future for China.

This goal will keep the entire nation motivated and well-organized. The Chinese government needs to take measures to avoid anarchy and chaos, and ensure the country continues to reform and develop in an orderly fashion.

**Q22: If you look at people who are 40 years younger, who do not have your experience, and who have not been through this kind of hardship, what is the difference? What do you realize as far as they are concerned?**

**Ren:** I don't think hardship is something everyone must go through. If we all have to go through it, what is our nation pursuing? I think the younger generation should increase their knowledge, aim for greater creativity, and enhance their capability to contribute to the country and its people.

Top US universities have two standards when admitting excellent students: Have you ever taken care of the elderly? Have you ever volunteered to help orphans?

If a student fails to meet either of these two standards, their scores for entering these universities will be reduced by 20%. Even if they score full marks in the exams, they will find it difficult to enroll in these top universities.

What is the purpose of the US' top universities? To cultivate leaders, be they national leaders or business leaders. Leaders cannot be self-interested and only focus on putting money into their own pockets. Otherwise, they would destroy society. Leaders always need to have society on their minds.

Then you may come to understand why graduates from famous US universities, such as Harvard, work in Africa and earn very little money. They do this for an ideal. This ideal was known as the Puritan spirit.

I don't think there is much difference between Huawei's spirit and this Puritan spirit. Huawei's spirit is driven by our ideal to contribute to humanity. If Huawei were a capital-driven company, we would prioritize profits. This would mean we would only go to places where we could earn huge profits and refuse to go to places where we couldn't make money.

Some regions in Africa are challenging, but we still go and work there. If we were doing this just for money, we would never have been there. Mount Everest is very high, but we have built base stations on both the North Face and the South Face. If we hadn't built base stations there, climbers in danger would find it much more difficult to reach the outside world and get rescue. Without timely rescue, some of them could even die.

Can we make money in these places? No, but we fight for our ideal, and we are dedicated like Puritans.

This ideal has helped shape our corporate culture. Employees at Huawei do not haggle over personal gains with the company. But that does not mean we don't pay attention to their rewards and benefits. So, our culture is similar to US culture in many ways.

**Q23: How many Huaweis do we have in China?**

**Ren:** I have no idea. I think China is very receptive to German culture. Reformation originated in Germany. Germany has abundant philosophers, musicians, and artists. How can an industrial society create such a splendid culture?

Several days ago, China's Industry and Information Technology Minister visited Huawei. I took him to visit our production lines in particular. I told him how great the software products from Siemens, Bosch, and Dassault are. Why did I do this?

The industrial Internet is about digitizing the industrial experience that people have accumulated over the past decades, rather than turning Internet companies into an industrial Internet. We help promote Germany's automatic control software across China, as this can help improve productivity and efficiency.

We believe that China and Germany are highly complementary in their economies. China needs to develop, and Germany boasts many advantages that are valuable to China. In turn, Germany needs the Chinese market, which has a population of 1.3 billion.

When I visited Stuttgart in Germany, the dean of the University of Stuttgart's faculty of engineering took me to see their first-year students. Each student was given a piece of iron and a drawing of a wheel gear or shaft. They then had to make a gear or shaft with just a knife. Even if they made a gear or shaft, they would not be graded. They could only receive a grade when they fitted the gear or shaft into the gearbox, and the car had driven away and back safely.

I think that German machinery is unparalleled around the world. German cars are still much more expensive than other cars, even though they do not require more steel.

Germany has many good things and needs a large market to maximize the value of these things. This will require trade facilitation and liberalization. China may have been a little slow in its reforms, but since last year, it has begun to lower the threshold for investments in machinery manufacturing and industrial products and bring down tariffs. All these measures are conducive to further growth. China and Germany should avoid confrontation and further enhance economic cooperation. We strongly agree with Europe's viewpoints. The EU is an economic community that does not seek to pursue too many political goals. Similarly, China has no intention of seeking hegemony. China still makes low-end and mid-range products. There should be some exchanges between low-end and mid-range markets and high-end markets.

Second, China still lags behind many other countries in the service sector. When a friend of mine got sick, I recommended two countries for the surgery: Germany or the US. Germany's medical system is very advanced. If they could set up some hospitals in China, they would very quickly earn back the money that China has earned from Germany, without sending too many people here.

When it comes to education, you have to work extremely hard to get a PhD in Germany. This shows that German PhDs are really of high quality. Our factories in the UK and Germany have hired many German PhDs because they are excellent. Germany has a very strict education system. Why don't we introduce Germany's primary and middle school education approaches to China? China is also opening up its service sector, which is a "smokeless" sector. Germany can earn money from China through this sector to hedge against trade deficits.

**Q24: So, your conclusion is a strong China and that after 40 years of development, China shares a common future with Europe?**

**Ren**: I think so. I think Europe and China complement each other in many ways. The European Union is a community comprised of 28 countries. Its goal is to pursue economic interests instead of political hegemony. China does not seek political hegemony, either. China and Europe should collaborate and reinforce each other's strengths. And this collaboration can be linked by the "Belt and Road" initiative, through which China can pool the energy resources it does not have from the Middle East and Central Asia to fuel its engine of growth and ultimately drive faster common growth.

A couple of days ago, when I was talking to Japanese media, I said I would like to see a free trade zone established between China, Japan, and South Korea. We should also push for the establishment of a China-Europe free trade zone. If European goods became tariff-free, a huge number of European goods would flow to China, including services. Chinese products would also be exported to Europe. There wouldn't be the same large trade deficit that exists today. I think this would create a new form of balance. I hope that both Europe and China will work to make this happen.

I have made contributions to Europe. I've been persuading the Chinese government to align with Europe and establish a Chinese-European standards system. This has already been done. Now, Chinese and European standards bodies are on the same wavelength. Next, I hope American standards bodies can join them, creating a truly global standards system.

**Q25: What might be the biggest obstacle to China-EU cooperation in the future?**

**Ren:** I think two things are critical to China-EU cooperation. The first is intellectual property protection. In the past, China didn't pay enough attention to intellectual property protection. But now, if you watch Chinese TV programs or read media reports, you'll see China is paying a lot of attention to intellectual property protection.

The second is allowing wholly foreign-owned enterprises to be established in China. Intellectual property protection for these enterprises should be more stringent. If things work this way, I don't think there will be any obstacles to the development of European companies in China.