**Ren Zhengfei's Interview with Sky News**

August 15, 2019

**01 Tom Cheshire, Asia Correspondent, Sky News: Mr. Ren, thank you very much for speaking with us. Right now, Huawei is probably the most controversial company in the world. Did you ever anticipate being in this situation?**

**Ren:** Maybe I would have anticipated this, maybe not. I could never have expected this controversy to be so intense though. We knew that if there were two teams climbing up the same mountain from opposing sides, we would eventually meet on the peak and we may clash. We just didn't expect this clash to be so intense and lead to this kind of conflict between the state apparatus of a country and a company. We could not have foreseen the intensity of this clash. We haven't yet patched up all holes in our aircraft, in our business. It will take us two or three years to patch all of them up, and we will need three to five years to fully revitalize the company. Of course, during this process, we will still grow gradually.

**02 Tom Cheshire: I read that, ten years ago, you started preparing. Sounds like you did anticipate conflicts. Why did you anticipate conflicts specifically for Huawei back then?**

**Ren:** Our company has no desire for anything other than delivering better products and getting our work done. We have only one goal and always stay focused. We believed that decades of heavy investment in one area would ultimately make us a leader. When we had hundreds of people, we charged at an opening in the city gate. When we had several thousand people, we still charged at the same opening. When we had tens of thousands, and now hundreds of thousands of people, we are still charging at the same opening together. We spend 15 to 20 billion US dollars a year on R&D, so we believe we may lead the world in this area. This will lead to conflicts with other leading international companies as well as some countries. Given all this, we knew we had to prepare, since that conflict was inevitable.

My personality is the kind that tends to compromise and give in. I am not that good at fighting. Over a dozen years ago, we planned to sell Huawei to Motorola for 10 billion US dollars. We had signed all contracts, but their Board of Directors didn't approve the deal. So we discussed whether we would continue with this business or sell the company. Our younger executives then all had electronics backgrounds and wanted to continue in this sector. I said we could easily sell the company and move onto other sectors, but they insisted that we continue working in the electronics sector. We voted and reached a consensus. When this decision was made, I told them, if we continued to work in this sector, we would definitely be in a race against the US in 10 years. We had to prepare. That's the process. That's also why we are not divided when we meet with such huge difficulties. Instead, we are more united than ever before.

**03 Tom Cheshire: You talked about the intensity of the assault. I think the most important thing maybe was being placed on the Entity List by the US. What was the effect of being placed on that list? What's been the effect on your company, on your business?**

**Ren:** First of all, please note that adding us to the Entity List was not fair. Huawei has not done anything wrong, but was still placed on this list. This list didn't have that much impact on us. As you saw in our exhibition hall yesterday, most of our more advanced equipment does not contain US components, despite the fact that we used their components in the past. These newest versions of our equipment even function 30% more efficiently than before. In August and September, we will undergo a run-in period before we can mass produce these new versions. So we can only produce around 5,000 base stations each month during that period. Following that, we will be able to produce 600,000 5G base stations this year and at least 1.5 million next year. That means we don't need to rely on US companies for our survival in this area.

Despite this, we will always embrace US companies. As long as they can continue to supply to us, we will continue to buy their components in bulk. Actually, some companies have already restarted their sales to us to the extent permitted by law and the size of our orders to them never shrinks. We believe globalization benefits everyone, so we won't adopt a closed approach even if we can make some components ourselves.

**04 Tom Cheshire: On the consumer side of things away from 5G, if there is a British customer using a Huawei phone in a town in Basingstoke, say, they might be worried that the Android software is not going to update. They are not going to get a better experience. Will they get the same experience from their Huawei phone without the Android software, if there is no longer supply?**

**Ren:** Google is a great company. We have a sound relationship with Google. We have signed many agreements with Google over the years. We still want to use Google's system in our devices and develop within its ecosystem. Because of this, we hope that the US government will approve the sale of Google's system to us. There are billions of Android system users and billions of Windows system users around the world. Banning one or two companies from using these systems won't help ensure the security of the US as a country, so they should keep their doors open.

If the US doesn't want to sell the Android system to us, we will have no choice but to develop our own ecosystem. This isn't something that can be achieved overnight. We estimate that it will take us two or three years to build this ecosystem. In light of all this, we don't believe we will be able to become the No. 1 player in the device sector any time soon.

**Tom Cheshire: Is that a way of saying that HarmonyOS, your new operating system, isn't ready yet to compete with Android and Windows?**

**Ren:** We started designing and developing HarmonyOS seven years ago in order to address IoT issues as well as AI's potential contributions to society. Low latency is the biggest feature of our OS. There are numerous edge computing models around the world. The computing models used by different industries, like the electricity, automotive, agriculture, and tractor industries, are all different, so a different OS is needed to support these different models.

It would take us some time to adapt HarmonyOS to mobile phones. We are waiting to see whether the US government will allow Google to continue serving more people. We don't want to see another OS entry to the market because Apple and Google are still dominating the global market in terms of software systems. But if the US bars Google from keeping Android open, then a third OS will have to appear, and it may threaten the US's global dominance. It's possible that a small newcomer might have a stronger drive than the reigning champion, and if this newcomer comes out on top, the US may be in a tight spot.

**Tom Cheshire: Is that why you made it open source, so that it might actually outrun them, and the whole world might adopt HarmonyOS?**

**Ren:** Yes. You may wonder why we have opted to go open source. There are numerous small companies around the world, especially in Europe. Since the Industrial Revolution, Europe, especially the UK, has produced a lot of talent. These people shine as bright as pearls, yet the value of such pearls is only fully realized by being strung together into a necklace. Open source is the string that connects the pearls in our ecosystem. This way, the value of these pearls from the UK can be shared with people in other parts of the world. This open source approach amplifies business value and gives a boost to the UK, Europe, and other parts of the world.

The problem with China, the UK, and Europe is that they don't have their own platforms. Without a platform, they can only innovate sporadically. Our HarmonyOS is open-source and thus will be helpful for innovation in China, the UK, and across Europe. It could also be helpful for small companies around the world. Low latency is a big feature of our OS, which can deliver superior experiences.

**05 Tom Cheshire: So Huawei is the string that runs through all these companies. I want to talk a bit wide about the conflict with the US. Your daughter was arrested in Canada, because of the extradition requested by the US. Can you take us through your reaction when you had that news?**

**Ren:** It may not be a small case, and it can't be addressed just through small talks. We need to rely on the law and the Canadian legal system to resolve this case. Our lawyers have been working on this case, and we are waiting for their updates.

There is one trait my family members share, which is fussing over little matters but staying calm in times of crisis. We believe that when there is already a huge problem, it's no use trying to rush a solution.

**Tom Cheshire: Did you speak to her? How is she now?**

**Ren:** She is doing very well. She often goes out for coffee and eats Chinese hotpot, and she talks with others in the restaurants. She isn't the kind of person who comes across as indifferent or keeps her distance from other people. When she's at a restaurant, she often chats with other people just like anyone else would.

**Tom Cheshire: After she was arrested, two Canadian citizens were arrested in China. They have been held. They are not allowed to have coffee. They don't see anyone. This happened straight after she was arrested. Do you feel in any way implicated or responsible in the arrest of those two Canadians?**

**Ren:** I don't know. Your question is about international relationships, which have nothing to do with us. The US has made groundless allegations to have my daughter detained. This is unfair. Canada isn't at fault. The US is using Huawei as a pawn for the China-US trade talks. Their plan is to detain my daughter, destroy my willpower, and benefit from all of this during the trade talks. Sadly, Canada has suffered because of this. I feel sympathetic to Canada. I have never and will never hate the Canadian government or the Canadian legal system for this. We will have this case settled according to laws. As to other issues, I don't know what the people you mentioned have or have not done, so how could I possibly judge whether there is any link between their arrests and my daughter's case? I'm not a government official.

**Tom Cheshire: It does sound like that you think that your daughter's arrest and the extradition request are politically motivated rather than a purely legal process.**

**Ren:** That's true. The US has sued us, which means they believe that we are legally at fault for something. So why are they including us in their trade negotiations with China? Isn't it true that in law, there is no room for political negotiation? Legal issues must be resolved through legal means. If an issue can be resolved through negotiation, then it's not a legal issue. If that was the case, then they shouldn't have sued us. They are contradicting their own claim to be a country governed by the rule of law.

**Tom Cheshire: Why do you think the US has been so aggressive in targeting Huawei and your family?**

**Ren:** Over the past few decades, people within Huawei tend to think of me as a person who easily compromises. This is because I'm not that aggressive and easily compromise within the company. In reality, I'm more of a figurehead instead of a demanding leader. The Executive Committee of our Board of Directors is the demanding leader. We established this management system by learning from the UK's constitutional monarchy. In the UK, a monarch's power is limited by the law, and the law lies in the hands of Parliament. In such a system, the monarch serves a primarily ceremonial role and does not intervene in politics. At Huawei, I have the right to veto certain things, but I don't actually have much power. Because of this, the US may think it's easy to attack me. However, I'm much stronger than I had thought when backed into a corner. Right now, we would have no way out if we compromised. The only thing we need to do is ensure that Huawei can survive and thrive, so that we can better serve people around the world and create more value. This may mean that my family and I will need to make some sacrifices.

**06 Tom Cheshire: I want to talk about some of the US concerns, the perceived relationship between Huawei and the Chinese state. The first thing, I know you have talked about it before, but the national intelligence law in 2017, this law states that any organization shall support and cooperate in national intelligence work with the Chinese state. On an equivalent state, Chinese companies, public or private, must work with and be directed by intelligence agencies. That has been caveated, but why should we not just take this law as it stands in black and white?**

**Ren:** I totally understand the concerns about whether a Chinese company would fully comply with this law.

At the Munich Security Conference, Yang Jiechi, a member of the Political Bureau of the Communist Party of China (CPC) Central Committee and Director of the Office of the Foreign Affairs Commission of the CPC Central Committee, made it very clear that the Chinese government never requires companies to install backdoors. Premier Li Keqiang then reiterated that position at the press conference held after the second session of the 13th National People's Congress in March 2019. When Premier Li visited our booth at this year's 16+1 Summit in Croatia, he directly told our staff not to install backdoors. They have made this commitment on behalf of the Chinese government. By doing this they have publicly announced how this law will be interpreted by courts in China. So we will follow their requirements not to install backdoors or engage in intelligence gathering activities.

Moreover, if we did something like what the US implies, our customers around the world would stop buying our equipment. This would be a huge financial hit to us. So we will never do something like that.

**Tom Cheshire: I know Mr. Yang and Mr. Li have said these things, these politicians saying things. The law is there though in black and white. Why does this law exist, if it's not for the purpose of compelling Chinese companies to assist in national intelligence?**

**Ren:** I don't know. I didn't participate in the legislative process.

**Tom Cheshire: You have said that you'd shut the company down and go to jail rather than follow this law. At that point, can the Chinese government, even if you go to jail, still be in control of Huawei, as you say, your constitutional monarch, if the Chinese government wants to take over, sure they can take over?**

**Ren:** It couldn't happen. We wouldn't do this kind of thing. If we did that, it would mean the end of our company, again, because our customers wouldn't buy our equipment and we would go bankrupt and cease to exist.

Europe has established its own cyber security law. Germany and the UK have also proposed laws that would bar all network equipment providers and carriers from installing backdoors. All will be treated equally. I totally agree with this proposal. As long as carriers and network equipment providers around the world promise that they don't install backdoors, then cyber security management will be made much easier. Right now it is only a proposal and hasn't yet become a law that applies globally.

We will continue to work more closely with the UK's National Cyber Security Centre, strictly follow the UK government's cyber security requirements, and make ongoing improvements. We will also follow the EU's cyber security law and the General Data Protection Regulation (GDPR). We will meet these standards and restructure our networks to make them fully adaptive to the future society.

Information is managed by sovereign states, not by equipment vendors. In 5G networks, information packages are not opened when they are transmitted across base stations and access networks. They are only opened in the core networks. Networks in the UK are managed and operated by UK carriers, not Huawei. Huawei only provides these carriers with a screwdriver, or a pipe. There are so many vendors around the world. Why is Huawei the only company that is being targeted? The UK's management and testing regime for Huawei is the world's most stringent, so they should have confidence in our products and services. Since everyone is looking at us, we will improve faster. We don't have the kind of problems you mentioned.

**Tom Cheshire: I slightly disagree, because the UK government recently said, they do want a way to view encrypted messages, for instance, on Facebook. So there is this political move to weaken security, I think. If we think back the Snowden revelations, it was revealed that many Western companies were spying at the request of governments on users around the world. In many cases, they had been forced to spy without users' knowledge. That has been made secret as a result of the law. Isn't it very naive to assume that China wouldn't ask the same thing as Western governments in terms of spying?**

**Ren:** I can assure you that I won't allow backdoors on our equipment.

**07 Tom Cheshire: The Chinese government often has quite opaque relationships with private businesses. How would you describe Huawei's relationships with the Chinese Communist Party?**

**Ren:** First, we are obliged to obey Chinese law. Second, we are obliged to pay taxes. These are the only connections we have to the Chinese government.

**Tom Cheshire: President Xi Jinping said at the 2017 National People's Congress that the Party is the leader of everything. Does that not include Huawei?**

**Ren:** I may interpret this in a different way. An enterprise is an economic organization which needs to undertake its due responsibilities. If the Party is capable of managing all economic organizations, then there's no need to develop private enterprises. In that case, party committees will be enough to manage them, and even manager offices won't be needed. However, China's experience over the past decades showed that this model does not work. That's why Deng Xiaoping proposed reforms and opening-up. This was a new model. Under the new model, party committees in enterprises are there just for educational purposes. They educate employees to work hard and refrain from immoral or illicit behaviour. They do not take responsibility for business management, though different enterprises may take different approaches.

**Tom Cheshire: I understand that interpretation, and I'm not saying that when the Party leads everything, they are making business decisions, even if there are committees. I'm saying ultimately when it comes down to national security risks, the Party will intervene at that point. Do you agree with that? Or do you have different interpretation?**

**Ren:** That would be impossible.

**08 Tom Cheshire: Since the conflicts between the US and Huawei began, what conversations have you had with the Chinese leadership?**

**Ren:** None. I don't think it necessary to have such conversations. Otherwise, we would be falling into Trump's trap. Trump wants China to give up some interests in exchange for Huawei's survival. Why would the Chinese government do that? We can survive on our own. The US cannot crush us, though we may be going through a tougher time than we have expected. China doesn't have to make concessions in China-US trade talks on behalf of Huawei. I don't want to cause Chinese people to get hurt by this. I'm much richer than most of them. How can I ask people with less than me to trade with Trump at their own expense, just for our benefit? I don't want us to be tied with China-US trade talks. We have made up our mind to fight this battle on our own. We won't complain or ask for help, and we believe we will win.

You are the first foreign journalist to have visited the exhibition hall in our Ji Jia Center. Our technical departments used to stick to the strategy of keeping our exhibition halls closed to journalists, let alone taking pictures or filming them. They're afraid of our trade secrets being disclosed to our competitors. I don't think there is anything to hide if we stand strong. I think we should be open-minded. So now you are the first journalist in the world to visit our 5G exhibition hall, and you were allowed to not only photograph, but also film while touring around. We just want to show the world that we can still survive without the US's support.

We are confident that we will still be leading the world over the next three to five years. Whether we will decline after that remains a question. If the US cuts us off from its science and technology, will we gradually decline just as the Qing Dynasty waxed and waned, if we fall behind the times in terms of scientific technology and theoretical innovation? Probably. Given the current situation, I hope Chinese scientists and research institutes can look past the academic bubble, because if the bubble continues to grow, it will stop people from doing serious learning.

To overcome our difficulties, we won't turn to the Chinese government for help. If we did that, it would benefit the US. Why would we do that? We can solve our problems by ourselves. Why would we ask the Chinese government to make any concessions for us?

**Tom Cheshire: So they haven't been helping, but there have been a lot of interventions by the Chinese government, you know a little bit of pressure on states everywhere to accept Huawei. Is that sort of pressure from the Chinese government helpful or unhelpful to Huawei?**

**Ren:** It's not necessary. Seeing that Huawei is strong enough to make the US scared, some countries have concluded that Huawei's products are the most advanced in the world. They immediately bought large quantities of our equipment even without doing tests. This has resulted in a rapid increase in our contracts, which is beyond my expectations. Now many people say my previous prediction that "we would see a drop of 30 billion US dollars in revenue" was wrong. Our revenue is actually growing very fast. So I don't want the Chinese government to try and help sell our equipment. If some customers don't want to buy from us, we won't try to sell to them for a while. First, Huawei is not worried about sales at all, and second, our component supply has become completely independent of the US. Next, we will work to replace complacent employees with new, hardworking talent.

**Tom Cheshire: Just to get it straight, to sum up, the US government is actually being helpful to Huawei, while the Chinese government is being unhelpful to Huawei?**

**Ren:** Without Trump's publicity, many people around the world would not have realized that Huawei's products are so advanced. So it is Trump that has created more market opportunities for us. After Trump said that Huawei's products were very good and posed a threat to their national security, some countries not allied with the US felt they should buy our equipment as soon as possible in case we sold out. Recently, visits by carriers to Huawei facilities have increased by 49%. They wanted to check whether we would be able to continue supplying to them. When they found out that our products don't need to contain US components, they became reassured and placed large orders. But we need some time to complete this transition. We can only produce 600,000 5G base stations this year, and 1.5 million next year. After that, we will be able to ensure sufficient global supply.

**09 Tom Cheshire: A last question related to this topic, am I right to think you are a member of the Communist Party here in China?**

**Ren:** Yes.

**Tom Cheshire: So that involves taking an oath. Some of that says you promise to be loyal to the party; work enthusiastically, and fight for communism all your life; you are ready at all times to sacrifice everything for the party and people; and never betray the party. Do you still abide by the oath?**

**Ren:** Of course. But the oath aims to serve not only the Chinese people, but all humanity. In fact, the manifesto of any political party must aim to serve the people; otherwise, the party won't last. It is the same in the UK. Either the Conservative Party or the Labour Party has to claim that it serves the British people, or even all humanity. This is the foundation of any political party.

Huawei's ideal and mission is also to serve all the people of the world. For example, we operate under harsh and desolate environments in Africa to serve the people there. These efforts are not to turn a profit, but to strive for the well-being of humanity. We are different from people on Wall Street who work for money. We work for ideals and this has yielded positive results. This means we have honoured our oath to the Party.

**Tom Cheshire: I don't think the Conservative Party or the Labour Party makes their members take an oath. I think that's very sunny interpretation. It says "never betray the party". It's about the party. Ultimately the party must come first. You have to choose between, the party, that oath, and Huawei. The oath must come first, surely?**

**Ren:** Yes, the party's mission is to serve the people, and also all of humanity. How could we ever betray such a mission?

Later, I'll show you an article called *A Man, A Cook, and A Dog* which was written by a Huawei employee. It tells his story in the islands of Comoros which used to be extremely impoverished. Electricity there used to be available only for an hour every day. At first, he was our only permanent employee there, and only had a dog to keep him company. We later sent a cook to help improve his living standards. By reading this article, or talking with our employees in remote areas by video calls, you'll get to understand how Huawei employees have been striving to work for our ideals and serve people all around the world.

**10 Tom Cheshire: Huawei has been in Shenzhen for 30 years. It's where you started; it's the home of Huawei. Just across the water in Hong Kong, we are seeing a very different situation from what we have ever seen in Hong Kong. What do you make of what's happening in Hong Kong right now?**

**Ren:** I don't know anything about what is happening in Hong Kong. I focus everything I do on improving product quality and ensuring the continuity of our supply chain in order to overcome the US campaign against Huawei.

The UK is a very friendly country, and the UK government has been very open-minded, whether it was led by David Cameron, Teresa May, or Boris Johnson. That's why Huawei has made huge investments there, and we have made contributions to the UK in at least two things.

The first was that we decided to support Arm more than 10 years ago when it was still a really small company. It was sold to SoftBank for 33 billion US dollars a few years ago, and thanks to Arm, the UK and Europe have their own CPUs.

The second thing was that we bought hundreds of acres of land in Cambridge to build an optical chip factory. It will be the most cutting-edge factory in the world. We believe the UK has a very favourable investment environment. In addition, it has cut taxes and is also a very open-minded country. The UK should not follow in the footsteps of a few other countries by trying to intimidate investors. If that happened, we would run away and stop investing there. They should welcome investors from around the world, as this will help the country become even more prosperous. I've always had a lot of confidence in the UK.

**Tom Cheshire: I do want to talk about the UK; we will get to that very shortly. I know you've been busy, but there has been the news still about Hong Kong. Even not in the business capacity, but as a Shenzhen resident, as a Chinese citizen, just over the water, do you have any view about what's happening in Hong Kong?**

**Ren:** I don't have any opinions on Hong Kong. I just hope that the airport will remain open, as my daughter needs to take a plane to go to school. I don't have other views regarding what's happening in Hong Kong.

China is a very stable country. The most important foundation for stability is an improved life for the poor. President Xi Jinping has been working hard to reduce poverty since he took office. He requires the party secretaries of counties and government officials at all levels to take responsibility for poverty relief.

I have visited some poor places myself in my years. For example, Guizhou used to be the second poorest province in China, and Hezhang County was the poorest county in Guizhou. Things are completely different now. Hezhang runs large-scale production of a kind of thin, bunching onion. The onions are shipped out by air and so on to big cities like Beijing, Shanghai, Guangzhou, and Shenzhen. Farmers rent their land to cooperatives and are also hired by these cooperatives. I saw an interview with a farmer on TV, who said that he rented his land to a cooperative at a price of about 3000 yuan per acre per year, and he was also hired to plant and process onions, through which he earned a monthly salary of another several thousand yuan. This way, farmers in poor counties have been lifted out of poverty.

I went to school in Zhenning County. Residents there were mostly members of ethnic minorities, and it was a very poor area. The party secretary of Zhenning once came to see me and told me that his county planted over 2,000 acres of ginger and a lot of plums, and had been lifted out of poverty. I once drove there to see it for myself, and I really felt that those poor regions had completely changed.

Tibet used to be the poorest province in China. However, after traveling there, I almost feel like the infrastructure in Tibet is better than Shenzhen's now. I even joked in Shanghai once that even their infrastructure is not as good as Tibet's. The roads in Tibet are also very good now. I recently travelled to Xinjiang, and it seems to be a very tranquil place. I drove along the Duku Highway, which was both quiet and beautiful. Travelling there was very safe.

China has lifted many people out of poverty. As people's lives improve, so do their levels of satisfaction. Why did the Colour Revolution never impact China? I think the reason is that the lives of the poor have improved, and people are more content. Their living standards may still not be great compared with those in some Western countries, but have improved significantly in recent years.

Of course, China is still working to lift more people out of poverty. China's 900 million farmers are increasingly happy about their lives. Urban citizens may face some difficulties because of high inflation and slowing income growth, but overall China is pretty stable.

**Tom Cheshire: So when you mentioned the improvement of people's lives and people may be feeling their lives aren't improving, is that why you think there is that turmoil in Hong Kong, because people want more and they are not getting it, they are not seeing that improvement, and that's where the political unrest comes from?**

**Ren:** I don't know what has caused the unrest in Hong Kong. What other countries say about China may not be correct. The Shenzhen municipal government has recently taken a lot of measures to cut taxes for small- and medium-sized enterprises. Taxes on low-income taxi drivers have also been cut significantly. That is really amazing, because it will prevent social instability caused by the widening gap between the rich and poor. I saw the news about tax cuts in Shenzhen on the evening news, but I don't have a full picture of relevant policies.

The growing income gap between the rich and poor is a fundamental reason for social instability. Capital monopolies, as they develop, may cause instability. In China, we need to guard against the widening income gap between the rich and poor, and ensure that it doesn't become excessive.

**11 Tom Cheshire: What's your view of Boris Johnson as the UK's new prime minister?**

**Ren:** He is very capable and good at making decisions.

**Tom Cheshire: Have you spoken with Boris Johnson about the coming decision on whether to let Huawei into the UK's critical infrastructure?**

**Ren:** I think he is too busy at the moment. If he has the time and invites me to talk, I'll be willing to go.

**Tom Cheshire: How important is that decision for Huawei as a company?**

**Ren:** I thinks it's very important. I noticed that the third day after Mr. Johnson took office, he said that the UK should deploy 5G nationwide as soon as possible. I think this is a wise decision, because speed determines a country's economic development. Of course, Huawei is not the only vendor of 5G equipment, and other companies can also provide good 5G equipment, although Huawei's is better still.

Let me share a story. China used to be an agricultural country, and its army was generally made up of infantry. This meant they were unable to defeat the mounted warriors of their tribal neighbours. Over 2,000 years ago, when Emperor Wu of the Western Han Dynasty went on expeditions to the west, his tactic was to arm his forces with strong horses, because cavalries had a greater advantage in battle. China was conquered twice by the cavalries of its tribal neighbours. In the 18th century, the Industrial Revolution began in the UK, resulting in the inventions of trains and steamships. This greatly advanced industrial civilization. At that time, however, China was still an agricultural civilization that mainly relied on carriages as its major means of transportation. Therefore, speed determines national strength and economic development. If the UK increases information transmission speed through 5G, they will be able to seize the high ground of AI.

The UK must attach great importance to the development of 5G networks. According to what the new PM said, the UK will strengthen its rollout of optical networks. They should widely deploy optical networks in large cities. However, optical networks are not necessary for small- and medium-sized cities in the UK. That's because 5G can replace optical networks in these cities.

**Tom Cheshire: So, from what you said, 5G is a good thing. In regards to the UK's decision about allowing Huawei into critical national infrastructure, are you hopeful that the UK government, under this new Prime Minister, will allow Huawei into critical national infrastructure?**

**Ren:** I am not speaking on behalf of Huawei. I don't think there will be any issues, no matter which vendor the UK chooses for its 5G. The Prime Minister has proposed to speed up the rollout of optical networks and 5G networks. This is an important decision for the UK, which will help it seize the strategic high ground of this information revolution. The UK must widely deploy optical networks in big cities, because the radio frequencies in big cities are not currently enough. However, in small- and medium-sized cities, 5G can be used to replace optical networks and function as wireless telecom equipment. We can provide the equipment they need, and so can other vendors. Other vendors can also provide very good equipment. The UK government and carriers can make comparisons and choose whichever vendors they believe to be the best. Objectively speaking, I think 5G is critical to the UK.

Currently, South Korea is the most advanced country in terms of 5G deployment. So far, Korean carriers have secured over two million 5G users within just four months.

**12 Tom Cheshire: Okay, so do you think Huawei should be involved and should be allowed in every part of the network?**

**Ren:** Of course. The UK has conducted the most rigorous reviews on Huawei's products. Our products have been "dissected" by many carriers around the world, and the UK's "dissection" has been the most thorough of all. Therefore, they should have confidence in Huawei. However, I think the UK can still compare our products with those of other vendors, so that they can identify which ones are the best.

**Tom Cheshire: Isn't that telling us that Huawei has, for a long time, had this rigorous testing, had these labs in the UK, as well as all these reports. But there are still doubts, there are still delays with decisions, and senior politicians, senior members, the premium administrations still didn't trust Huawei?**

**Ren:** It is impossible to make everything perfect, without any defects. The more we innovate, the more defects there will be. As long as we comply with the UK's requirements and continue to address any issues or defects that have been identified, we can become a qualified UK supplier. That's why we are willing to work hard and step up our investments.

The Industrial Revolution was first started in the UK, and has become a key part of the UK's DNA. In the future, AI will be in dire need of 5G networks. When AI becomes a reality, even a small workforce will be able to produce a large number of quality products.

The UK doesn't have a large population, but it will be able to shine again. An important reason for this is that tax rates in the UK have become much lower. When it comes to digitization, the UK should remain unaffected by ideology and politics, and work to advance its digitization agenda. If the UK government does not trust others, they could strengthen their oversight. This is the only way for the UK to stay on the fast-track to economic growth.

**Tom Cheshire: If the UK does say no to Huawei in this decision after all this testing, it's pretty damning for Huawei?**

**Ren:** We are confident that they will not say no if they really take the tests seriously. They might say no, but I don't think it would be to us.

**Tom Cheshire: If you were talking about the strict testing, then we talk again about the political pressure from the US. Mike Pompeo, the US Secretary of State, met with our new foreign secretary in Washington, and John Bolton, the US national security adviser, came to the UK to speak to Boris Johnson, the most senior US official to do so. Afterwards he said, the UK government is going to look at Huawei from square one – they are going to start from the beginning. Do you think the US is putting pressure on the UK government? Is the US interfering in UK affairs?**

**Ren:** The US is putting a lot of pressure on many countries around the world, but how many countries have they convinced?

We are not particularly concerned with which countries buy our products. Our main concern now is that our supply will be unable to meet demand.

We have spoken with our carrier customers in China and hope they can understand that we need to ship equipment to overseas customers first at this critical time. This is because it takes time for a new product to enter mass production, and we can't produce such large amounts of equipment at the moment.

We told Chinese carriers that we would ship more equipment to them next year, because there are currently many customers buying from us, contrary to what many currently believe. We are not afraid because some important people keep advertising Huawei all over the world.

**13 Tom Cheshire: Part of Boris Johnson's new government signature policy is Brexit. Is Brexit a good idea or is no-deal Brexit a good idea?**

**Ren:** I am not a politician, so I don't know much about Brexit.

**Tom Cheshire: You said in an interview in May with Chinese media, talking about your veto on the board, and talking about democracy within Huawei. You said, "If we allow voting as the British did, the fate of Huawei might be ruined as a company." You're saying that Brexit would ruin Huawei, so you do have a view on this?**

**Ren:** My right to veto was supposed to expire at the end of 2018 when our transition to new leadership was completed. I had planned to give it up when that date arrived. However, in 2018, the UK had a referendum on its EU membership. They voted to leave the EU. That's it.

Huawei's leadership in governance, including the Representatives' Committee, the Board of Directors, and the Supervisory Board, are elected by shareholding employees in a democratic way from bottom up. We were afraid that if our employees had a sudden vote one day, the company would face great twists and turns. Therefore, I retained my right to veto, which can be conferrable. However, this right will not be passed to my family members, but to the seven elite members who will be selected among our senior management.

They will be partially retired by then, so they will be fair while exercising the right to veto. A tenure system will then be adopted for these members. Their terms of office, which may be iterated, can be four or eight years.

These members, as a group, will be conferred with the right to veto on major matters. They are the most senior leadership who have left the Board of Directors and the Supervisory Board, and they will exercise the right to veto as major shareholders. This will prevent the company from making wrong decisions on major matters by simply acting on the wishes of employees. We should not allow major changes to the company to be based purely on what employees desire.

**Tom Cheshire: As an example, you saw the referendum we had about leaving the European Union. And you decided not to enable full democracy to stop big mistakes on major matters. Does this sound like you think that the Brexit was a big mistake on a major matter?**

**Ren:** No, that's not what I meant. What I said just now is that we should extract lessons from the UK's decision-making process when establishing our own systems. I didn't comment on whether the UK should leave the EU or not.

**14 Tom Cheshire: Beyond the UK, there are other issues alongside the relationship with Chinese state. One of the things that keeps coming up is about the theft of the intellectual property. Has Huawei ever engaged in an IP theft?**

**Ren:** No. The company has strict rules, and we've never stolen any intellectual property. We have a large amount of cutting-edge intellectual property, and we are an industry leader in this regard. We have respected IP protection since we started the company. Even when this interview is finished and you release the video in the UK, we will pay all copyright fees required for any rebroadcasting we want to do. We obviously can't rebroadcast your video without paying for the copyright. So in addition to IP related to technologies, we also pay a lot of attention to IP protection in other aspects. We proactively observe all related laws and regulations.

**Tom Cheshire: You are very welcome to use our video. But with things like the Motorola case in 2007, Cisco in 2003, and Tappy, the T-Mobile robot, these are all pure inventions. A lot of these cases have been settled. But I believe Huawei admitted to copying some source code for routers. These things do keep happening, so it does seem like there's a small problem here?**

**Ren:** First, these kinds of judgments are made by the courts. Recently Cisco has also used our code. A lot of code is publically available and can be accessed online. When programmers downloaded a bit of code online, it does not create problems.

**15 Tom Cheshire: You mentioned Xinjiang earlier. You mentioned that it had become stabilized. A lot of people are worried about what's happening in Xinjiang. The first question is that is Huawei supplying equipment, software, or expertise to authorities in Xinjiang?**

**Ren:** As a communications equipment provider, we sell equipment to carriers and relevant companies. However, it's the carriers who decide how to use the equipment. Similarly, carmakers sell cars to anyone, and so the cars they've sold may be used for different purposes. I suggest that you also visit Guizhou, Yunnan, Tibet, and other regions in China inhabited by ethnic minorities, and take a look at the situations for yourself. You should visit these places in person. I may not be able to explain everything clearly to you.

**Tom Cheshire: We've been to Xinjiang. We've seen it with our eyes and felt it. Do you approve of the government's policies in that region?**

**Ren:** I am not familiar with government policies in Xinjiang. I only know the overall living standards there are improving. The only way to guarantee social stability is to eliminate poverty. In regards to specific policies, I am not very familiar with them. I am not a politician, and I don't study policies. My knowledge about Xinjiang is based on what I experienced on vacation there. I visited farm houses and listened to the farmers' stories.

**16 Tom Cheshire: You talked about cars, like supplying cars to people, and this is a more general question. Do you worry that when you supply technology, it might be misused by governments, especially by authoritarian governments, wherever they are around the world, especially when it comes to things like big data and AI? Are you concerned about how governments will use your technologies, all the types of technologies you have?**

**Ren:** We don't sell equipment based on what countries the carriers come from. Governments hold sovereignty over their country. There are lots of different types of governments around the world: monarchies, democracies, republics, and so on. We won't interfere with other countries' internal affairs. If we decide to sell equipment to some countries and reject some others, that essentially means we are taking a political stance. Sovereign states have the right to decide how to use the equipment.

**17 Tom Cheshire: Your experience as an entrepreneur growing up in China, during an era that experienced the great leap forward, the Cultural Revolution, reform and opening up, how did those shape you as an entrepreneur? And how did they shape Huawei as well?**

**Ren:** I matured and such experiences made me less naïve.

**Tom Cheshire: And in terms of Huawei's culture, how does that reflect, that maturity and lack of naivety?**

**Ren:** Huawei is now full of vigour everywhere. Employees are free to criticize me and the company in our *Xinsheng Community*, and we do not consider those who criticize us to be bad people. Our Human Resource Mgmt Dept will check whether these employees' criticisms of us are valid. If they are valid, the department will further check whether these employees have been high performers during the latest three years. If they have, these employees will be transferred to work at HQ for six months and then be assigned back to operating teams. This has made our corporate culture flexible. People outside Huawei might think that there is chaos at Huawei when we are attacked. However, as you can see here on our campus, there's no chaos. Instead, you only see our employees working diligently. Such a relaxed environment enables employees to speak out when they see things unpleasant and then become relieved.

**Tom Cheshire: It feels like one word to describe Huawei, one noun, would be toughness. That analogy of the plane, you talk about this conflict, getting to the top of the mountain, being tough seems to be, maybe the most prized attribute of Huawei.**

**Ren:** You're right. Before Trump's attacks against us, Huawei was like a plate of loose sand. That was because many employees were very rich and didn't want to go to work in hardship regions. They just wanted to stay where they were. The company was too big to manage as well, so it was in a shaky and unsteady state. However, the US's attacks against us activated this organization. If employees work hard, they are likely to grow in the company. Otherwise, they might have to leave. I would like to thank Trump for activating our company.

**18 Tom Cheshire: Is there anything else you'd like to add? Anything you'd like to say to the people that are watching at UK, including Boris Johnson, but also around the world?**

**Ren:** First, I have high respect for the UK. The country has made outstanding contributions to the world over the past several hundred years, especially during the Industrial Revolution. The British are known for global expansion, through which they brought their advanced culture and industry to different parts of the world. Today, two-thirds of the world's population are using English in one form or another. This shows the tremendous contributions that the UK has made to the world. Without a unified language, it would be impossible to modernize the world. Today, English is the world's most universal language. The UK has spread the elements of its modern civilization like industry and culture across the world, so I think the contributions the UK has made to the world are really great.

Second, the key characteristics of the UK lie in its institutional development, which has made significant contributions to the world history. The Glorious Revolution in the UK was a peaceful revolution, which was also known as "The Bloodless Revolution". In the 350 years that followed, there were no major internal conflicts within the country. The UK has adopted a constitutional monarchy. Under this system, the monarch serves a primarily ceremonial role and doesn't intervene in politics, thus allowing Parliament to leverage its collective wisdom. The development of the UK provides a new model for the world. Revolutions often cause much damage to society. It is not just about casualties. The damage can be so severe that it cannot be repaired, even over several hundred years. I think the path that the UK chose has been very successful. The UK pays a lot of attention to standardisation, but it lacks one thing, innovation. The US has inherited the attribute of standardisation from the UK, because a great many Protestants migrated to the US. The US had been expanding too rapidly, so it couldn't control its end points; however, this left room for innovation. As a result, the rise of the US has been even faster than the rise of the UK.

Third, the UK should become a role model in the information era, as it has some of the greatest educational and cultural systems in the world, despite a small population. Looking ahead, the UK should focus on developing AI. Super-fast computing and super-large storage, which you can buy, are important for AI's development. But super-fast connections are more important. Fibre and 5G can provide super-fast connections. The US doesn't have super-fast connections, because it is still using cables for most of its networks, which provide low-speed connections. If the US wants advanced fibre networks, it would have to invest another 500 billion US dollars. The US also needs to invest heavily in 5G. The US is rejecting advanced 5G, so it has encountered big obstacles for AI development.

The UK must seize the opportunity to develop AI. At Huawei, we have a lab called the Turing Lab. Turing was a British mathematician, and the father of AI, over 80 years ago. The UK is also a world leader in genetic engineering. If electronics technology is combined with genetic engineering, will that create an even bigger industry for humanity? What if genetic, electronic, photon, quantum, and AI technologies are all combined? Then we will see a world that we can hardly imagine.

The UK must seize this historical opportunity and leverage AI to amplify the effects of its small population. This will allow it to once again become a major industrial power. The British people are polite and well-educated, and they have everything that is necessary to make this happen. In the traditional industrial era, large-scale industrial manufacturing couldn't be achieved through automation and informationization. As a result, industries had to be moved east to countries with larger populations. You have visited our production lines, where we use a little bit of AI, but our reliance on manual labour has significantly reduced.

The UK should develop vigorously and become a role model for the world, encouraging people to focus on increasing productivity. The best goal for a country is to make its people rich and prosperous. I would like to convey my best wishes to the UK and I have complete confidence in our investments there.