**Ren Zhengfei's Interview with Euronews**

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**01 Damon Embling, *Euronews*** ***Correspondent*: Ren, CEO and founder of Huawei. Thank you very much indeed for joining us on the Global Conversation here on Euronews.**

**Mr. Ren, I would like to start by taking you back to your early days of life, back to your childhood. You were born into one of the poorest provinces in China back then in 1944. What were your years like growing up in China? What do you remember of those years?**

**Ren:** Well, I had a pretty carefree childhood. Today, children have so much homework to do due to the knowledge explosion. But at that time, we didn't have all this homework and our parents weren't that strict, so we could hang around and had a lot of freedom. We could just spend a lot of time playing around after school, like swimming in rivers, catching fish, and hunting birds with a slingshot.

Back then, we didn't have an abundance of material possessions and had no idea what it was like to be well-off. There was no way for us to know how our European counterparts lived their lives. Having no comparison meant that we didn't feel sad for not having it. Today, we are well aware that psychological wellbeing is actually more important than material wealth to children. Children today have a lot of stress at school because their parents set the bar too high. Though they are much more well-off than we were, they are not necessarily happy.

So anyway I think I had a happy childhood.

**02 Damon Embling: In fact, you described yourself in your early years as being a nobody, I think, in your own words. But then you went on to join the military here in China as an engineer in the army. How do you look back upon your time within the military services here?**

**Ren:** When I was young, China's economy was developing very slowly, but young people at the time had high hopes and were in search for new opportunities. Serving in the military offered more opportunities than other jobs. We really wanted to join because we thought of it as an honor. Why? Being part of the military meant that we were disciplined and working hard. The Cultural Revolution made the entire country a mess. There was a prevailing view that knowledge and education were useless, and the construction of infrastructure in China was stagnated. No one wanted to work in hardship regions to support some key projects, like a major synthetic fiber factory that introduced foreign technologies. That was why the country commissioned the military to get the project up and running. I was a member of the project. By being part of it, we had access to some of the most advanced equipment and technologies from France during the Cultural Revolution. The synthetic fiber production equipment was provided by Technip and Speichim. Life working in the project was tough, but I felt very lucky.

**03 Damon Embling: You stayed in the Chinese army for nine years I think and then you spent a couple of years in the oil industry before. Then, Huawei was born. Back then in the late 80s, what was your vision for the company? Why did you want to set it up and what were you trying to achieve really?**

**Ren:** When we were in the military, China still had a planned economy that didn't pursue profit or cost-effectiveness. We just needed to get our jobs done. But when we got disbanded from the military, China had started its reform and opening-up and was transitioning towards a commodity economy. We weren't accustomed to the commodity economy and had no clue what commodities were. You see how unfamiliar the market economy sounded to us. The country issued documents requesting a transition into the commodity economy, triggering a heated discussion among those at the top. This was because we had no idea what commodities were, not to mention how big of a change this was for our society. I had difficulty finding my way in this societal change. I was working in a state-owned company then and suffered a setback. The company just let me go. To survive, I had this idea of starting my own business, but doing so meant a lot of risks, because it was likely that I'd fail. But there was no other choice. I could only move forward with the idea.

**Damon Embling: You set up Huawei with a very limited amount of funds. It was around 3,000 US dollars, wasn't it? How did you manage to launch a company from that small pot of cash?**

**Ren:** At that time, Chinese people were very poor. Startup companies like Huawei didn't have the money to really get up and running and were in a very tight spot. Registering a private tech company required five shareholders and around 3,000 US dollars in registered capital. I didn't have that much, so I had to raise it before I could register. After we registered, we barely had any cash left.

In the beginning, our company mainly worked as an agent selling equipment made by other companies, and we only paid the manufacturers after their equipment was sold. This model let us grow, but the development process was extremely difficult. My monthly salary was extremely low at the beginning, less than 100 US dollars, and I didn't even ask for the salary for the first few months.

**Damon Embling: Given those challenges and difficulties that you faced starting the company, what was your driving force? What kept you going? What was your vision?**

**Ren:** To survive.

**Damon Embling: Simple as that?**

**Ren:** Yeah, it was as simple as that. I had to take responsibility for my kids' education and growth. In truth, I didn't take good care of my kids, but I had to earn enough money to feed them. I applied for several other jobs at the time, but they wouldn't hire me. I just wanted a job in the beginning, but no one would take me. There were two reasons for that. First, I had made some mistakes in a previous job, so they didn't trust me. Second, the technology I was trained in was not needed at the time, because society was in a period of speculative buying and selling. I had nowhere to go. At that time, China was beginning to allow for private tech companies, so on an impulse I started Huawei.

**04 Damon Embling: Now, all these years on, since you started the company in the late 1980s, you have grown into a giant, a technology, a telecommunications, mobile communication company around the world… 188,000 employees. How would you explain what is your relatively rapid growth into the company that you are today? And now you've gone from those humble beginnings that you described into one of China's super-rich.**

**Ren:** We learned early on that the only way to survive was to respect our customers, which includes respecting their values and interests. Our customers will only pay us when we deliver high-quality products and superior services to them. At the time, we served our customers heart and soul, and we would rather take on hardships so that we could meet our customers' needs and respect their values. Through this, we gradually improved our brand image among customers, and our sales went up.

After our growth continued for a while, the manufacturers we represented thought we might dominate the market, so they stopped supplying us with equipment. So the situation we are currently facing is nothing new to us. That was when we knew we had to develop our own products in order to survive. We started by developing 40-line analog switches. Those seem extremely simple today, but back then, we were under a great deal of pressure to develop them. At that time, China had just started its reform and opening-up, and small hotels and shops needed small bits of equipment, which was an opportunity for us. By developing our own small equipment, we started to build the talent, capital, experience, and customer trust we needed. From there we were able to grow step-by-step.

Throughout the whole process, we did not rush to spend our earnings on entertaining ourselves. Instead, we saved it, put everything we had into R&D, and devoted ourselves to serving our customers. That's how we gained their trust. Our customers still place enormous trust in us today. The US has frequently campaigned against us in Europe, who is their close ally, but our European customers have continued to buy our equipment despite all the pressure from the US. This is because we have been building trust with our customers over decades.

**05 Damon Embling: We'll talk more about America, the United States, in a few moments. But I just want to talk to you a little bit more for now about how you grew and developed your company here in China. How difficult was it growing your type of business in China over those years? Because actually, on the face of it, you were going against the grain, weren't you?**

**Ren:** At that time, 100% of China's communications equipment was supplied by Western vendors, mainly the big eight vendors from seven countries: Ericsson from Sweden, Nokia from Finland, Alcatel from France, Siemens from Germany, Lucent from the US, Nortel from Canada, and NEC and Fujitsu from Japan. However, the switches supplied by these vendors were the larger ones used in cities. They were too large to meet the needs of rural areas. Additionally, the rural market just couldn't afford such large switches.

At the time, China's rural communications market was just starting out. That was where we came in and developed 40-line switches, which were later expanded to 100-line, 200-line, and 2,000-line switches. After that, we began developing larger program-controlled switches for individual towns and gradually expanded from there.

**06 Damon Embling: Alongside those technical and logistical issues, what I really want to know is how you developed a company in China when actually, at one point, the Chinese state, the government, really didn't like you, did they, they wanted to close you down, didn't they?**

**Ren:** Yes, the government didn't know us very well when we first started out, because we adopted the Employee Stock Ownership Plan, under which employees owned the company's capital. We might have been misunderstood as a capitalist company, which was not in line with socialism. But these misunderstandings began to disappear over 10 years ago, as we paid an increasing amount of tax to the government.

We now pay a total of 20 billion US dollars of tax to governments around the world every year, most of which goes to the Chinese government. The government has seen our contributions to society, as well as our integrity and legal compliance. That's how they have come to know us better and accept us. This was the first window of opportunity for us.

The second opportunity dates back over two decades ago, when we first began doing business in Africa. Some African countries were embroiled in conflict at that time, so all Western companies had withdrawn from these countries and were no longer providing communications equipment to them. However, the equipment we sold in China's rural areas could also be used in Africa. By selling equipment to such countries, we managed to gain a strong foothold in many countries outside China and started to accumulate capital.

The success we achieved in countries outside China gave the Chinese government confidence in us: We didn't develop by taking advantage of the domestic market; we grew our business in countries outside China too. After we started operating in Europe, the Chinese government started believing we were performing well because we had managed to enter developed markets. This was how the government's misunderstandings about Huawei were dispelled.

The third opportunity is that we encountered many coincidences after entering Europe. A young Russian employee had been working on an algorithm for over a decade, which integrated algorithms for 2G and 3G software. That meant that 2G and 3G could be integrated into one piece of equipment, saving half of the costs and reducing half of the weight. In reality it may have been less than that, but the costs and weight were still reduced by 30%–40%. What was most important about the algorithm was that it helped reduce the weight of equipment. This was especially important for Europe, because Europe didn't have many towers or utility poles on which to install network equipment. Previously, most equipment had been installed on the roofs of old houses. If the equipment was too heavy, it could cause the houses to collapse. So our equipment was very popular in Europe, and this was made possible by an algorithm that integrated 2G and 3G in our equipment. With this equipment, we quickly entered the European market.

This was how SingleRAN helped us establish a business presence in Europe. Later, we used that algorithm to integrate the algorithms of 2G, 3G, and 4G software. That meant that the same equipment could support 2G, 3G, and 4G, significantly boosting efficiency and increasing profits. That provided us with more money which we invested in R&D.

In the past, there used to be several different communications standards for 3G around the world, such as Europe's WCDMA, the US's CDMA2000, and China's TD-SCDMA. This algorithm was able to integrate all communications standards into one piece of equipment. That meant that we could sell the same equipment to Europe, China, and other places around the world, better satisfying our customers' needs. This again enhanced the company's competitiveness and profitability.

By integrating different standards into one piece of equipment, we significantly decreased our costs while increasing our revenue. We didn't use this revenue for consumption, but continued to invest it into the future.

The fourth opportunity is that global communications have been developing for seven to eight decades. At each stage of development, governments tended to allocate one block of spectrum in one band this time, and another block in another band the next time. Therefore, established carriers would often have over 10 blocks of spectrum, requiring over 10 corresponding antennas. Every antenna is made up of different electronic components and adds its own additional weight and costs. We used this algorithm to integrate the 10-plus antennas into one that could accommodate several standards, which is called multi-mode and multi-band technology. This is one of our unique technologies, pushing us to the forefront of the world stage. Our leadership didn't begin with 5G; we were already a leader in 4G. This technology allows us to lead the world in wireless communications. All of this success can be attributed to the mathematical algorithm developed by the Russian young man I mentioned earlier. He is now a scientist and Fellow at Huawei, who is only about 40.

Polar code is a key technology of 5G, originating from a mathematical paper published by Turkish Professor Erdal Arikan over a decade ago. We discovered this paper two months later and dedicated several thousand people to analyze it and developed polar code.

We are now leading the world in 5G, which was actually the result of these two coincidences. Both turning points were related to basic theories.

The fifth opportunity, another coincidence, is also worth mentioning. Huawei was almost declining a few years ago because the market was becoming saturated. But thanks to the iPhone invented by Steve Jobs, the mobile Internet developed rapidly, enabling the telecoms equipment market to begin expanding. Carriers started purchasing more equipment, and we made more money, which helped us survive until today.

**07 Damon Embling: Clearly there's been a big technological path, success for your company. Within China, obviously, you have a strong foothold in the business. How difficult and challenging has it been – before the latest US trade row – how difficult has it been to build your business overseas? Or, in your view, has it been fairly straightforward? Because countries have a view of China, some have suspicions about China.**

**Ren:** Before we were added to the Entity List on May 16, we didn't face many difficulties in developing overseas markets. Customers made their own decisions even if politicians held different views on Huawei. Customers can decide about us for themselves after using our products. The US politicians and state leaders have launched a campaign against Huawei across Europe, but our European customers continue buying our products. Despite the huge pressure from the big shots and their US ally, they are still buying our products. It proves that they recognize us for who we are.

Before May 16, customers were not facing the significant pressure that they are now. They chose to use our equipment after considering our technologies and services, as well as the benefits our products would bring.

**Damon Embling: You say customers still support you and they make the choice. But ultimately if their politicians, their governments are blocking Huawei, which has happened in some cases, how do you get beyond that?**

**Ren:** If we can't overcome this opposition on a particular country, then we will give up on that country and probably the customers involved. We will only work with customers who want to work with us. We are not asking every customer or country to accept us. If all customers listened to politicians, would they make profits? It's not politicians but their customers who determine their fate. Customers are always sure to buy products that help them make profits, because this is the only way they can survive.

**08 Damon Embling: Now, the US is embroiled in a trade row with China at the moment. You find yourselves in the middle of that, as Huawei. You have the US administration accusing Huawei of possibly using its networks, its telecommunications, its technology to spy on other countries. Have you spied on any other countries? Have you spied on customers?**

**Ren:** First, the US-China trade dispute has nothing to do with us. We barely had any sales in the US, and US cyber and information security has nothing to do with us. It is a fact that the US networks and information are not safe even though no Huawei technology is present in them.

Second, we have served 3 billion people in more than 170 countries and regions for over 30 years. We have a strong track record. If we were involved in any security issues, the US would have used them as evidence to convince Europe. History has proved that we haven't done anything they've accused us of, nor would we have any reason to do these things.

Third, what should we do in the future? An EU report states that Huawei's 5G technology is very advanced, but the EU also has concerns regarding risks caused by non-technical issues. Therefore, we are committed to complying with all applicable laws and regulations of the EU. We will make commitments to these governments about what we will and won't do, and be audited accordingly. This will help increase their trust in us. The UK has the most stringent oversight of Huawei. We trust the UK and Germany, so we are open to their checks. They also pay a lot attention to our problems and provide us with constructive criticism. This process has further helped build trust. We are happy to make these commitments and submit ourselves to audits according to the EU's management requirements. We respect the EU's regulations, so we have opportunities there.

**Damon Embling: So, can we just be clear then… You're saying that Huawei has never spied, never will spy, and has never been asked to spy?**

**Ren:** Yes. We have never and will never spy.

**Damon Embling: But it could be tempting, couldn't it? Because information and data, described as the new oil today.**

**Ren:** We acknowledge the digital sovereignty of every country. Digital sovereignty lies with countries, not us. The data is of no value to us, so what's the point of us getting others' data? If we did this even once, the news would spread across the world. Customers would no longer buy our equipment and Huawei would go bankrupt. Then our employees would leave Huawei, leaving me to repay our debts. But would I still have the ability to repay then?

**Damon Embling: But maybe you're hiding it?**

**Ren:** Why would we do that? I don't think there's a good reason for it. It's unnecessary and unlikely. It's like selling a car. If I sell you a car, it's up to you what will be loaded into the car. Likewise, when we sell equipment to a carrier, it's the carrier that will operate the equipment. That carrier is subject to the oversight of its country. We can't even access the data [without permission], how can we possibly obtain the data? We can't access the data, and we don't need the data.

**09 Damon Embling: Whether the US is right or wrong, Australia has barred Huawei, the UK is still trying to make a decision over it. There are concerns in other parts of the world about the way Huawei operates. Rightly or wrongly, as I say, the US allegations, they're deeply damaging for you, aren't they?**

**Ren:** I don't think the US allegations have hurt or affected us that much. In fact, the lobbying of so many US politicians around the world has had a positive impact on Huawei. Seeing such a powerful country attack Huawei, customers in many countries take that as a sign of Huawei's strength. And so, they are rushing to buy our equipment as they're afraid our equipment will sell out.

Since the US campaign against Huawei began, the number of customers visiting us has increased by 69%. They came and checked whether we could make our equipment without US components. Today you have visited our company and you have seen that we survive very well without US components. We have shipped the equipment to our customers and their test results show that our equipment works very well. Even without US components, we can continue to supply our customers. This has greatly boosted customer trust in us. The US has been doing amazing PR work for us, so no, I don't think the US campaign has created any obstacles for us.

**Damon Embling: So you don't think there's a financial risk to your company and you really think the general public, the consumers, haven't lost trust in you?**

**Ren:** First, there won't be any financial risks. In fact, we might be growing even faster. This is because the existing crisis and pressure have pushed our employees to work harder than before. They were getting complacent before the US campaign began, but now they are on their toes. As a result, our productivity has improved. This is the first reason – an internal reason.

There is also an external reason. Some customers choose not to buy from Huawei. That's understandable. But there are also many customers who continue to buy from us. That's because they see the unique advantages of our technology.

In a minute I want to give you a CD. It's a high-definition video that shows a performance marking the 70th anniversary of the founding of the People's Republic of China. It was broadcast over 5G. Although there were tens of thousands of people performing, there was no buffering. You work in the media, so you understand how advanced we are. We used our 5G base station, which is very compact. It actually fits in a backpack, and no wires are needed.

Projects like this have shown that we are well ahead of the competition, so we have plenty of opportunities. We are not worried that some customers may not choose us. In fact, we are a bit concerned that we may be unable to meet our customer demand if too many customers buy from us. We may even have to ask our Chinese customers to buy less from us, because we want to supply our equipment to overseas customers first. It is more difficult for us there.

So I don't think we'll have financial difficulties. Customers may trust us more as time goes by. They can come and visit our base stations, or they can buy and install some. They will then realize that our equipment works very well even without US components.

**Damon Embling: You say you're not overly concerned about what's going on right now, but, for example, when you launch your latest smartphone outside of China, maybe in Europe or elsewhere around the globe, and people for example don't have access to Google services because of what's going on with the US at the moment. Surely that's going to deter people buying that phone, isn't it? So that will harm your company.**

**Ren:** Well, I think first of all, it won't cause much harm because we are on very friendly terms with Google and we have previously signed many agreements. Second, Huawei smartphones have a lot of unique features. Though users in some regions may be unable to use Google services, they still love the other features of our smartphones. We estimate that our consumer business will sell more than 240 million units this year. So there will still be rapid growth. I don't think the overall impact will be larger than 10 billion US dollars. In fact, this is not a big number to us, so I don't think a 10-billion-US-dollar decrease in our forecasted sales revenue will be a big problem. When it comes to the ecosystem, we are confident that it will only take us two to three years to overcome that difficulty.

**10 Damon Embling: I want to talk more about the US trade blacklist. You find yourself on this US trade blacklist, effectively locking you out of the US. How have you tried to engage with the US administration about this?**

**Ren:** First, we haven't negotiated with the US government. We chose to file a lawsuit against the US government in court. I think we should let the courts solve this problem based on the evidence.

Second, I don't expect the US to remove Huawei from the Entity List, even if a new administration is in power. We need to adapt so we can endure pressure from the US for a long time to come. We must mentally prepare ourselves for that. But ultimately, it will be US companies that suffer most. Huawei provides services to 3 billion people in 170 countries and regions. If US companies are not allowed to supply to us, they will lose many markets, especially the Chinese market. This is not in their best interests.

**Damon Embling: It seems that you're being quite stubborn. I mean the US does have a lot of influence around the world. Surely you should be trying to talk to Donald Trump. What would you say to him if you could?**

**Ren:** I haven't had any opportunity to talk with him. He's very busy.

**Damon Embling: But if you did, what would you say to him?**

**Ren:** If I did have the opportunity, I would ask him not to let US companies lose their foothold in the Chinese market. I would also say that the US will only see its companies performing better and benefitting from globalization when they can expand into the Chinese market.

I really don't understand why the US is unwilling to sell its high-quality products to China. What's the point? If you have good apples, you should sell those apples to whoever wants them and earn money from that. If you just keep the apples in your warehouse, they rot and then nobody wants them anymore.

The US government needs to think about the interests of its own companies and make sure they don't lose the Chinese market. Globalization is good for the US. If the US gave up on globalization, it would give Europe a huge opportunity.

**11 Damon Embling: In the wider trade war between China and the US that's going on. Obviously, there are ongoing talks around that. How do you think it got to this stage, this much wider trade war, with your issue alongside that? How did it get to this and how much hope do you have that the whole thing can be resolved? What needs to happen in your view?**

**Ren:** I don't care what the dispute is about or how the negotiations have played out. After all, we sell almost nothing in the US. If the negotiations end well, we still won't be selling in the US. If the negotiations break down, we don't stand to lose much. So why would we care about the negotiations? This is something that should be settled between the two governments. I'm only concerned about the relationships between Huawei and US companies and our relationships with customers around the world.

**Damon Embling: But it's part of a wider spat, isn't it? You are part of it.**

**Ren:** It won't work. If China buys more soybeans from the US, will the US sell more chips to us? It doesn't work that way. With less soybeans, we can make do by consuming less oil. It's not a matter of life or death for the country. I don't think there will be a big problem.

**12 Damon Embling: The difficulties you face with the US right now, the challenges, they've extended sort of personally to your family with your daughter Meng in Canada. The US issued an arrest warrant over suspicions she was covering up links with a company that was apparently supplying Huawei equipment to Iran. Apparently, it was in breach of sanctions that are in place. How is your daughter? And how much is that worrying you right now?**

**Ren:** We believe that the legal system in Canada is fair, just, and transparent. Evidence speaks for itself. We trust the judiciary system in Canada. We have no other thoughts apart from that.

**Damon Embling: Is she innocent?**

**Ren:** Of course.

**Damon Embling: But you said that she might do jail time and she might study while she's in jail. You think she's going to go to jail?**

**Ren:** I didn't say she would study in jail. I said she has been studying while under partial house arrest.

**Damon Embling: How is she? How much do you worry about her as a family?**

**Ren:** She is out on bail and remains under partial house arrest. She has filled up her schedule. She goes out and talks with all sorts of people in Canada to show who she really is. She is living a comparatively normal life.

**13 Damon Embling: With that, and with the US trade blacklist, you really don't feel the house of Huawei is collapsing?**

**Ren:** I think that Huawei might develop even faster. Over the past 30 years, our employees have worked really hard, and the lives of most of them have improved significantly. Naturally though, people tend to want a comfortable life, rather than working hard. This attack from the US has given us a sense of crisis that inspires our employees to be even more dedicated. Our sales revenue was supposed to be hurt by this attack, but instead it is still growing. Because of this, the house of Huawei will not collapse. As you can see, our production in all regions is still on track, our employees still come to work and go back home as usual, and our canteens are packed with employees at meal times. There has been no change to their salaries. I do worry that the company's profits may actually grow too fast because our employees work so hard. How do we deal with these profits? This is an actual problem we face. We are not experiencing a decline in business but instead are seeing rapidly growing profits. We will have to further increase our strategic investment in the future.

**Damon Embling: How important are your staff to Huawei? I mean we know that the vast majority of the shares are owned by the staff. How important is that, in the running of your company, do you think, and the performance of your company?**

**Ren:** I think holding shares has little to do with the dedication of our employees. They are dedicated to their work because they have a sense of mission. They aren't just driven by economic benefits. We implemented the Employee Stock Ownership Plan so that our employees could continue to share in the value they created in the past. The kind of value isn't just reflected in their bonuses. Their previous work continues to create value for years after their initial contribution was made. Holding shares enables employees to get returns on that, and share holding is used as a way to make sure employees are reasonably compensated. Their dedication comes from their sense of mission rather than these economic benefits. Our sense of mission has not been weakened by these attacks, but instead strengthened.

**Damon Embling: What kind of boss are you?**

**Ren:** I don't have any special skills. I don't know much about finance, management, or technology. I actually don't know much in terms of the specifics. Instead, we have many competent and capable experts and managers who run the company.

**Damon Embling: It's very surprising you say that, given the growth of the company?**

**Ren:** There are objective factors behind this year's growth. In the first half of the year, our growth was not affected by attacks from the US, and we maintained stable growth before we were added to the Entity List on May 16. Since then, we have been proactively patching up our holes, and we've quickly fixed most of them. This has enabled us to maintain reasonable growth despite some slowdown.

We were not affected by the US Entity List in the first half of this year, but we have been feeling the hit in the second half. Next year, we will feel it throughout the year, but we expect our business to maintain good momentum. You are welcome to visit us at the end of next year.

We have seen a huge increase in our total number of employees, and now employ nearly 194,000 people. This is because we have brought in many brilliant minds to patch up the holes caused by the US. We are fully confident in our performance next year. You are welcome to visit us at the end of next year again to see how we are doing.

**14 Damon Embling: And as you look to the future, obviously 5G is a big part of your business. It's clear from what I've seen on my tour of your headquarters here. But also obviously for a lot of technology companies, 5G is big. Is it game-changer in your view, 5G? How is it going to change our lives?**

**Ren:** 5G will be like highways, whereas previous generations of communications technology are normal roads. Cars can run on both, but they can go faster on highways. 5G offers high bandwidth and low latency, and can create a pivotal foundation for the information society and AI. 5G does not directly create value for society, but the information systems that it supports will play a critical role in promoting social progress.

**Damon Embling: So what kind of things, people watching this, how will 5G change their lives because 5G will facilitate all types of new technologies that cross right across our lives, won't they, public services, the way we get around, health even?**

**Ren:** I'll give you a slightly abstract example to show what kind of value 5G can bring to our lives. An Airbus A320 has signaling cables that weigh about 17 tons. If wireless networks, rather than cables, were used to connect various types of equipment in the airplane, the airplane would be far lighter and need far less fuel. In addition, flight conditions would be improved. That would create tremendous value. We even nicknamed that particular wireless network project our Airbus A320 project.

In the past, a well-off family would also need many cables to support broadband connections in every corner of their house. But now, a small wireless box can make all of this a reality. This is the simplest example of how 5G could affect our lives.

We can also install small base stations in certain types of industrial machines, which can connect to other machines. This can provide real-time, autonomous connections to the systems that control all the machines.

5G's low latency can support autonomous driving, optimization of industrial automation, and other similar applications. Ultimately though, how 5G will change our lives is something we can't fully imagine at the moment. What I am describing now is just the initial impact.

I'd like to give you another example about remotely operated machines. You are media professionals, so you must be familiar with latency. If you operate machines several thousand kilometers away, this latency can cause operational mistakes. Latency in 5G networks can be kept lower than one millisecond, so it can support remote machine operations in real time. These applications will bring tremendous changes to humanity. But right now, this is just a vision.

How can we tap into the potential of 5G and create more value? This will require the concerted efforts of tens of millions of companies working together, not just us. At Huawei, we just provide a platform that is like fertile soil, and it's up to innovative companies to decide what crops they want to grow in this soil.

**Damon Embling: Because that's the risk, isn't it? Because 5G and all the things it will enable will generate a lot more data, a lot more information. But the challenge is really using that data in a safe, secure way that actually does change lives, right?**

**Ren:** A new thing will never be purely good or bad. Everything has its pros and cons. The correct way to deal with a new thing is to better leverage its benefits, while controlling and mitigating its negative impacts. Nothing is inherently perfect.

**Damon Embling: The European Union very recently published a report about cybersecurity and 5G and this report concluded there could be an increased exposure to attacks because of 5G and they were saying attacks could come from non-EU states and state-backed actions… The European Union is clearly worried about security in 5G, while also they want to grasp 5G, they realise the potential… How risky is 5G in reality?**

**Ren:** How risky is driving a car? You may get into an accident if you drive too fast. But if you drive a car responsibly, it can take you to many beautiful places. It's the same for 5G. Nothing is purely good or bad. The key lies in management.

The EU understands that 5G will bring a lot of benefits, as well as risks. The best approach is to manage and control those risks, rather than rejecting it.

**15 Damon Embling: In the EU, privacy is a big issue. We have new regulations protecting data in the European Union. People do worry about how information and data about them is being used. At the same time, there have been concerns about states meddling in other states' affairs through using the Internet, social media and what you have. There are some serious concerns in Europe right now. So, you as a big giant of this industry, Huawei, what are you saying to the European Union to actually reassure us, the consumers?**

**Ren:** I can understand those concerns. I'm also concerned as I don't know whether someone from the US is tapping my phone calls every day. Huawei is trying to reassure Europeans by complying with the EU's cyber security management regulations, the General Data Protection Regulation (GDPR), and all other EU laws and regulations. But of course, the European people will need some time to verify our compliance before they truly feel reassured. So for now, all we can do is to promise that we will strictly abide by all applicable EU regulations and support the EU's digital sovereignty. We will never waver from this principle.

**Damon Embling: As 5G begins to be rolled out in the European Union over the coming months and coming years and the EU really positions itself about how it's going to use 5G and all the safeguards that go around that, what kind of relationship do you want to have with the European Union with 5G and other future digital technologies?**

**Ren:** First, Huawei respects and supports the EU's digital sovereignty. Without in any way encroaching on that, we will work our best to provide Europe with AI-based technologies, intelligent computing systems under Arm architectures, the Atlas deep learning platform, etc. We will offer innovative open-source platforms and resources for European SMEs, and help the EU or European countries establish their own digital ecosystems. In this way, we will achieve shared success.

Second, we will also invest in and support the growth of European SMEs, and offer guidance where we can. This kind of cooperation will lead to shared success for all. To compare a tech ecosystem to soil, we aim to provide fertile soil in Europe, and then European companies can plant crops on it. In other words, we will work hard to help European countries build their digital ecosystems step by step.

**Damon Embling: Amid all the difficulties the European Union has been facing recently, it's having a bit of an identity crisis to be honest. There are a lot of deep political divisions that have been going on. From your perspective, looking in at the European Union, and all that has been going on of late, how difficult a market is it now to crack when countries aren't necessarily agreeing with each other very much?**

**Ren:** It won't be too difficult. What's important for Huawei is doing what we do well and gaining customer trust. We will never engage in [political] conflicts or take sides in politics. When we do our job well, it's not difficult for us to crack the market.

**16 Damon Embling: Of course, one of the big political earthquakes in the European Union has been Brexit, Britain leaving the European Union. How do you see the future of China's relationship with Britain if and when Brexit happens? From a business perspective, what would you like to see in terms of a future trade, business, economic relationship with Britain?**

**Ren:** No matter whether they exit or not, the UK has to work harder in order to become stronger. They have to rely on their own strength, because the impact of the external environment isn't as big as some people have thought.

Global trade is important for every country in the world. China will need to buy more airplanes from Europe than from anywhere else, and to meet this demand, Europe needs to ramp up production. China's growing demand for European products like machinery and cars is a great opportunity for European countries, especially the UK, so these countries should work harder to seize these opportunities. Government relationships are about building an environment. The macro environment has an impact on trade between countries, but this impact is not that large.

**Damon Embling: And do you worry, as big telecoms company that it could affect you? Or do you think Brexit could bring a company like yours new opportunities as well?**

**Ren:** I don't think Brexit will affect Huawei at all. Our presence in a market is determined by its population. Everyone needs telecom services, and if there aren't any changes in the population, then Brexit won't have an impact on us. The Brexit decision was made by British people themselves. For Huawei, we only need to adapt to the situation and do what we do well.

**17 Damon Embling: Closer to home, there's obviously been the ongoing unrest in Hong Kong. From a business perspective, how worrying is the instability in Hong Kong for your business and for this region, do you think?**

**Ren:** The impact of Hong Kong on China's mainland and the world is not that big. Hong Kong is capitalist, while China's mainland is socialist, so what's happening in Hong Kong will not affect politics in China's mainland.

People in Hong Kong have freedom of speech and the right to demonstrate lawfully, but demonstrators shouldn't vandalize others' property, private or public. Vandalism is counter-productive. People who are neutral will distance themselves from these demonstrators. And if the demonstrators keep starting riots, they will ultimately be isolated from the rest of society.

In my opinion, demonstrators should use words to peacefully express their opinions, which is an important aspect of capitalist democracy. No country in the world will ever support vandalism.

**18 Damon Embling: I want to look to the future now… You're 75 and still running the company as the CEO. How do you see the future of Huawei? Where do you want it to go over the coming years? And how are you going to achieve that?**

**Ren:** In truth, I haven't gotten involved in any of the company's specific operations for many years. I simply have the veto right. I've never exercised this right, but the company has been running on the right track. This has little to do with my age.

Now I have time on my hands, and I'm in good health. So our public relations department asked me to work for them and meet with journalists. I didn't meet with journalists in the past, but now I have more time to do this. Huawei's fate doesn't rely on me personally, so there is no need to worry about the company's continued development.

**Damon Embling: You say the fate of the company doesn't rely on you, but with the fate of the company – some would say – in question right now… What would you say to those critics that say Huawei is meddled in by the Chinese government, it's carrying out espionage, spying, it's not a company we should trust. What do you say to those critics?**

**Ren:** I don't want to say anything to them. The facts will determine whether those critics are right.

**Damon Embling: As I said, you're 75 years old now, you're still running the company. Although I think you play that down quite a lot in terms of your involvement. But clearly you've been at the helm for many years now and have been behind a lot of the company's success. Where do you personally go from here? When are you going to finally throw that hat on the floor and say, "Okay, it's enough now"?**

**Ren:** First, my authority is limited within the company. It's not that I have the authority to do whatever I want. Second, Huawei has a democratic, collective decision-making system, which means I'm bound by collective decisions and vetoes. It may look like I'm here working every day, and while I'm an employee, I don't have any specific operational responsibilities. I just have the veto right, but I've never used it.

Anyone could fill this "puppet" role the same way I do in the future. As long as an executive is willing to take this position, they will also become a "puppet". Because I've been in this position all along, it might seem that we haven't had any personnel changes for 30 years. In fact, our personnel change all the time. My presence or absence doesn't affect the actual operations of this company.

**Damon Embling: You still haven't responded directly to my question regarding when you are going to retire.**

**Ren:** First, when I become slow in thinking. Second, when the US government approves my retirement. Huawei is now in a state of crisis, so sometimes I need to act as a puppet and come out to meet with journalists.

**Damon Embling: Would you describe yourself as a workaholic, since you put your life into growing this company? You have said that you didn't see much of your children. You have been through a divorce. Do you think all the success in your life has come at the cost of your family? Do you look back now with any regrets?**

**Ren:** I do have some regrets. During the company's early days, I used to go on long business trips in Africa and Latin America, staying there for several months. When I returned home, I often stayed for ju

st a couple of days and then went out on business trips again. To survive, I didn't have much time to stay with my wife, and I often forgot to buy gifts for my wife and little daughter.

One time I did buy a gift for my little daughter, but she said she wouldn't accept my gift next time if I didn't buy one for her mother as well. That reminded me that I wasn't taking full responsibility for my family. There are many things I could make it up to my current family. However, I didn't take good care of my parents and I couldn't make it up to them, as they are no longer with us. This is a great regret for me. Everyone has regrets, because no one lives a perfect life. But it's of no use to feel sorry. What we should do is to move forward.

If the company encounters greater frustrations or even collapses, the regrets will be greater than any of my other regrets. Today, all of us at Huawei are working hard to row this big boat of the company. Even though I am old and no longer strong, I will do my part.

When I was young, I played a lot of sports casually, but I was never a good athlete in any of them, even at a lower level. I was just a little short of the standards. That was a regret. Now I don't play sports anymore, so my physical condition will weaken. I will handle my retirement wisely. Please be assured that I will not dedicate my whole life to Huawei, and I have never considered that. I will leave myself some time to travel and relax.

**Damon Embling: Who would you like to replace you, because you have said you don't think your children have the right qualities to lead Huawei? Who would you like to see take your position?**

**Ren:** Later on, I would ask our PR staff to give you a copy of my speech to the company's fourth Representatives' Commission. In this speech, I spoke about our systematic successions. Actually, we completed our succession a long time ago, not recently. The company has been operating smoothly. I am just a puppet in the middle. Please don't worry about this issue.

**Damon Embling: But you won't keep the company in your family?**

**Ren:** My family don't share enough of the company's benefits. Why should we shoulder this big responsibility? In the future, there will be someone who can take on this responsibility, depending on their wisdom, capabilities, and virtue. This has nothing to do with my family.