

TECH

Huawei's Foldable Smartphone Raises the Bar—and Price Tag

The Chinese company's new phone, called Mate X, will be priced at about \$2,600



Huawei's Richard Yu presents the Mate X foldable-screen smartphone during a launch event on Sunday ahead of the MWC Barcelona. PHOTO: STEFAN WERMUTH/BLOOMBERG NEWS

By Dan Strumpf

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BARCELONA—Just days after Samsung Electronics Co. launched the industry's first mainstream foldable-screen smartphone, China's Huawei Technologies Co. upped the ante with a competing device and an even more stratospheric price tag.

Huawei's new device, called the Mate X, features a single wide screen that folds in half when closed. Like the rival Samsung Galaxy Fold, the Mate X will have a folded and unfolded mode, run multiple applications at once and be compatible with coming superfast 5G networks.

And like its Samsung rival, the Mate X pushes smartphone pricing to new heights. Richard Yu, the head of Huawei's consumer device business, said the handset will be priced at €2,299, or about \$2,600—more than 30% more than the \$1,980 Galaxy Fold.

“There's so much technology and innovation here,” Mr. Yu said in explaining the price tag.

The new device launch comes on the eve of mobile industry's biggest event of the year here, MWC Barcelona. While Huawei typically uses the venue to showcase top-of-the-line new devices, this year its executives will be sharing the event space with a team of U.S. officials looking to persuade U.S. allies against using Huawei telecom gear in their 5G rollouts.

MWC Barcelona officially kicks off Monday, and will be packed with executives from Huawei and its customers and rivals. Mr. Yu kept his focus strictly on Huawei's new phone, as well as a trio of new laptops and several new internet-connected home devices unveiled on Sunday.

Mr. Yu drew several comparisons to the Galaxy Fold during his glitzy, 30-minute unveiling of the Mate X. Huawei's device will be thinner than its rival's, he said. When fully opened, the screen will be 8 inches diagonally, he said, compared with the 7.3-inch unfolded display on the Galaxy Fold.

Mr. Yu said it took Huawei engineers more than three years to get the phone's most challenging technical component, the hinge, just right. "We put so much resources and technology" into that component, he said. "This is the industry's most sophisticated hinge."

But Mr. Yu was vague about when the device will actually become available to consumers, offering a for-sale date of as soon as the middle of the year, pending the rollout of 5G networks.

Samsung, by contrast, gave a release date of April 26 when it unveiled its device in San Francisco on Wednesday.

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Still, the Mate X—whose name contains echoes of rival Apple Inc.'s iPhone X—underscores Huawei's technological strides and ambition to compete at the highest level of the smartphone market.

Not long ago, the Chinese company barely registered in mobile device sales. Now, its soaring sales are bucking an industrywide slump, and its stable of well-received, technologically advanced devices outsold Apple for part of last year.

The Mate X features a slightly different overall design than the Galaxy Fold. While the Galaxy fold has two separate screens—one when folded and another when unfolded—the Mate X will have a single screen that closes in two, one half of which is used when it's closed.

“This will catapult Huawei to a true leader in smartphones, proving themselves to be worthy of comparison to Apple and Samsung,” said Wayne Lam, an analyst at consulting firm IHS Markit.

Huawei's booming consumer business—now the biggest revenue generator for the Chinese technology juggernaut—is a welcome distraction from its legal and political woes. Those include the arrest of its chief financial officer in December and dual criminal indictments in January alleging that the company evaded U.S. sanctions on Iran and stole technology from a U.S. partner. Huawei denies all wrongdoing.

The foldable-screen devices, though a possible glimpse of the smartphone's future, aren't likely to deliver monster profits for now. IHS Markit expects just 1.4 million shipments in 2019 for the flexible displays used by foldable-screen phones made by Huawei, Samsung or others—a fraction of the roughly 1.5 billion smartphones sold annually.

Still, bragging rights matter, at a time when consumers are holding on to old phones longer and questioning what innovations remain in a matured smartphone market. In anticipation of Huawei's Mate X launch, Samsung—which in prior years debuted its new phone lineup at the Barcelona event—moved up the unveiling of the Galaxy Fold a week earlier, The Wall Street Journal reported last month.

“This product is quite ambitious to me,” said Mo Jia, an analyst at market research firm Canalys. “It perfectly showcases Huawei's technological research power against its competitors.”

One place where Mate X—and the rest of the Huawei lineup—isn't likely to make waves is the U.S. The U.S. considers Huawei a security threat and believes its telecom equipment could be used for cyber-espionage. Telecom carriers have shied away from carrying Huawei devices, and the Chinese company has all but given up on the market.

Huawei forcefully denies it is a threat. Recently, senior Huawei executives, including its once-reclusive founder Ren Zhengfei, have embarked on an aggressive public campaign to push back against the U.S..

Guo Ping, one of Huawei's three rotating chairmen, issued a fresh critique of the U.S. effort during an interview with journalists earlier Sunday, saying he questions “why such a national power wants to attack such a company with advanced technologies.”

“We have not, will never and have never allowed for back doors in our equipment,” he said.

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Corrections & Amplifications

Richard Yu is the head of Huawei Technologies Co.'s consumer device business. A photo caption in an earlier version of this article incorrectly identified Mr. Yu as Huawei's CEO. (Feb. 24, 2019)

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