

MEDIA REPORT 3

Summary

In the CBS News article, “Huawei is releasing a faster phone to compete with Apple. Here's why the U.S. is worried.” written by Aimee Picchi, it is reporting on how Huawei’s newest phone Mate 60 Pro is performing on par with Apple’s latest phones and how this would affect Apple’s market performance. The article also states the restrictions the US government placed on Huawei due to the possible threat to national security. Huawei is one of the world’s largest telecommunication companies that was founded in 1987 and has more than 200,000 employees that operate in 170 countries. Before US sanctions, Huawei was on its way to becoming a global powerhouse because the phones have been selling briskly in China, and in 2018, Huawei sold more phones in Europe than Apple.

Huawei’s latest phone, the Mate 60 Pro has the advanced 7-nanometer processor made by SMIC(China’s top chipmaker). This chip allows the phone to have enough power and speed to rival Apple’s iPhone. On speed tests, the Mate Pro 60 is capable of downloads that are faster than the top-of-the-line 5G phones that are currently on the market. The phone also has satellite support, a 6.82-inch OLED screen, and a 5,000mAh battery and the cost starts at \$900. However, despite the innovative products and company size of Huawei, this company is largely unknown by American consumers due to it being difficult to buy their products in the US. In 2019, the US declared that Huawei is a security risk and imposed export controls on US technology sales to the company. US Lawmakers and the FBI have argued that Huawei is a threat to national security, while AT&T and Verizon both stopped distributing Huawei devices in 2018. The company’s rapid growth led the US to have concerns about its connections to the Chinese government and the fears of espionage. The latest Huawei phone can pose a threat to Apple’s market share and can compete with Apple’s iPhone. China is one of Apple’s most important markets because it accounts for about 20% of its revenue. Apple also faces

restrictions from the Chinese government because government employees are banned from using iPhones and due to the ban, Apple shares lose about \$200 billion in market value during a week.

Personal Opinion

Overall, I disagree with the fact that the United States placed export controls on Huawei's phones because Huawei has built an amazing innovative product that's on par with Apple's iPhones. Huawei's phones are already being sold in greater amounts in Europe and China. So wouldn't this mean that people love the phone and would prefer it to Apple? However, I am aware of the possible risk of reducing the restrictions on Huawei in the US. Huawei could end up competing against the monopoly of Apple and could overtake them as the primary phone in the US. Huawei could also impose cybersecurity risk because the Chinese government also previously spied on and collected data on users who used their product in the past. But I would argue that other companies have done something similar with their products. US companies are already tracking our digital footprint and making a lot of money from third-party data brokers(which means that they also collect data on us).

While I believe that the United States should not place export controls on Huawei's phones, I think another issue is that Apple needs to improve and make even better products than Huawei because since Apple lost market share in Europe and China, wouldn't that suggest that the consumer prefers Huawei's low cost and innovative phones. So when Apple improves their product, Huawei could overtake them in the international market.

Citation

Picchi, Aimee. "Huawei is releasing a faster phone to compete with Apple. here's why the U.S. is worried". CBS News, September 8, 2023.
<https://www.cbsnews.com/news/huawei-new-phone-mate-60-pro-apple-stock/>

