EU tech regulation

China envoy to EU hits out at Huawei security 'slander'

Ambassador warns that attacks on Chinese tech group could hamper new 5G mobile networks



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Michael Peel and Alex Barker in Brussels JANUARY 28, 2019

Beijing's envoy to the EU has launched a blistering attack on the "slander" and "discrimination" faced by <u>Huawei</u> and other Chinese companies in Europe, warning that efforts to exclude China from 5G mobile projects would be self-defeating.

Ambassador Zhang Ming warned that any attempts to curb the involvement of Chinese technology in upcoming European projects for high-speed <u>5G mobile</u> networks would risk "serious consequences" for global economic and scientific co-operation.

The senior diplomat's remarks came in an interview in Brussels that highlighted growing tensions between Europe and China, but also areas of possible joint action in the face of rising US unilateralism.

"It is not helpful to make slander, discrimination, pressure, coercion or speculation against anyone else," Mr Zhang said of the <u>cyber security concerns</u> about Chinese companies that have deepened in Europe as the US has pressed for an increasingly tough line.

"Now someone is sparing no effort to fabricate a security story about Huawei," he said. "I do not think that this story has anything to do with security."

Technology security is one of <u>several areas of increasing friction</u> between the EU and China as European countries push back against Beijing on aspects of trade, investment and competition policy.

The EU is looking to toughen scrutiny and safeguards for Chinese technology companies amid fears of security risks because 5G could become deeply embedded in societies, through its use for applications ranging from road and rail management to controlling household devices.

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Concern has been stoked by warnings from countries such as the US, Japan and Australia, as well as cases

in the EU, such as the spying charges levelled this month by Poland at a Huawei executive — whom the company then sacked for bringing it into disrepute.

<u>Vodafone</u> said last week it would <u>"pause" purchasing Huawei equipment</u> for the core of its new 5G networks in Europe, and that it would hold talks with governments to "get the facts on the table".

Mr Zhang warned that global industrial, supply and value chains were "highly intertwined" in the 5G market — in which Huawei is a leading equipment maker — and so could not be "artificially and deliberately cut" by anyone.

To do so would be "very irresponsible", he said, and might bring "serious consequences to the global economic and scientific co-operation."

Asked how China would react if EU countries went down a path it considered discriminatory, Mr Zhang said Beijing would seek dialogue and to appeal to the European commitment to the "rules-based global order". He added: "But anyway, I don't think that protectionism is a good way out. Cooperation is."

Even as tensions between Brussels and Beijing over security have risen, the nationalist policies of Donald Trump, the US president, are <u>pushing the EU and China closer together</u> in other areas, encouraging them to seek common cause in defence of multilateral institutions and accords, such as the Iran nuclear deal.

To divide Europe is not in the interest of China

Zhang Ming, Chinese ambassador to the EU

Stressing that China's interests were in a "united and strong Europe", Mr Zhang called for Britain and the EU to handle Brexit in "a prudent way" with an orderly process that "minimised the impact on the global economy".

Mr Zhang denied that a hack of European diplomatic cables publicised in December had been perpetrated

by a group linked to the People's Liberation Army, as alleged by the cyber security company that exposed the breach. He said: "As our great friend said: fake news."

The envoy said some Chinese investors were worried about plans in Brussels for tougher screening of foreign direct investment, although he said he did not personally believe the measure was aimed at Beijing. He did brand other EU policies discriminatory, including trade defence measures and an arms embargo put in place after the 1989 Tiananmen Square massacre.

He added that European criticisms of Beijing over its <u>internment</u> of ethnic minorities in the Xinjiang region showed "little knowledge of the actual situation, or try to turn a blind eye to what China has achieved".

Mr Zhang also hit back at critics in Brussels and some European capitals who fear Beijing is trying to divide the EU through initiatives such as the 16+1 grouping of China and central and eastern European states, 11 of which are in the EU.

"To divide Europe is not in the interest of China," he said. "China has never changed such a position, whether the European integration process was in a smooth time, or met headwinds."

The ambassador also played down concerns in countries such as Poland that Chinese infrastructure projects had offered poor value for money. He said he was not aware of Poland's experience, adding that anyway individual cases did not "represent the whole picture".

"Just an example: the road in front of my mission has been under construction for three years," he said, gesturing towards his window. "And if similar things happen in China, that would be very unacceptable."

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