

The Montgomery Sentinel

Travel Tales

Huawei and Me

by

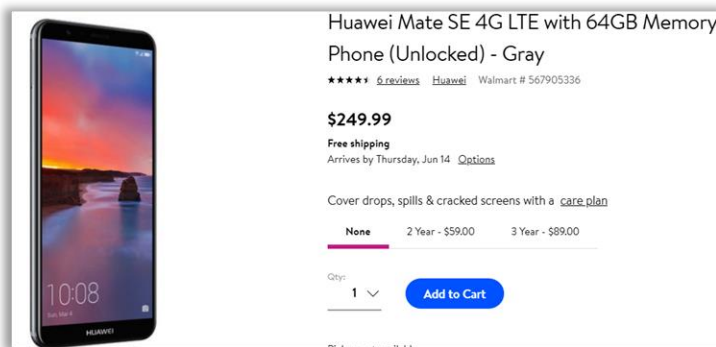
Llewellyn Toulmin

The telecommunications giant Huawei is much in the news now, with revelations that Facebook has been sharing data on US citizens for ten years with the controversial Chinese firm. These data apparently included personal information on smartphone owners' political leanings, religion, upcoming events, friends and possibly friends of friends. Although most Americans have never heard of it, Huawei is active in 174 of the 196 countries on Earth. It is headquartered in Shenzhen, China, just north of Hong Kong.

Huawei was founded in 1987 by engineer Ren Zhengfei with one employee and \$5000. It now has 180,000 employees and is worth \$38 billion, and is one of the world's largest telecommunications brands. The firm holds over 38,000 patents. Founder/CEO Zhengfei is 73 years old, has been named by *Time* as one of the 100 most influential people in the world, and is worth \$2.4 billion. He previously served in the Chinese army engineering corps as a civilian with a rank equivalent to Major, and joined the Communist Party in 1978.



Ren Zhengfei, founder of Huawei



Huawei smart phone from Walmart

Because of Huawei's alleged ties to the People's Liberation Army, Chinese military intelligence and the Communist Party, and its opaque ownership structure, the firm has been largely prevented from entering the lucrative US telecoms equipment and service markets. So its share of the US smartphone market is less than one percent. But you can buy Huawei phones from Walmart for about a quarter of the price of equivalent Samsungs and Apples, and customer reviews are good. The entire

US intelligence community warns against such purchases, however, saying that Huawei phones, laptops, servers, routers and other equipment may be security risks.



I first encountered Huawei in Malawi in 2011 when I did a short job there as a World Bank consultant. I was tasked to do a strategic study of the IT/electronic government (e-gov) situation of the Government of Malawi (GoM). Upon arriving I was astounded to learn that the GoM had already signed a \$70 million contract with Huawei (funded by an expensive commercial loan from the Bank of China) to bring in an army of Chinese technicians to install massive amounts of e-gov computer hardware and software in every government agency. These included the army, police, border patrol, Prime Minister's Office and even the national intelligence service. This huge project would likely last a decade. It was clear to me that Malawi's national

sovereignty would go out the window, and that the Chinese IT staffers would know much more about what was really going on in Malawi (and neighboring countries) than any Malawian.

Researching this issue, I found that Huawei had made similar proposals or had active e-gov projects in other African countries including Rwanda, Ethiopia, Nigeria, Uganda, South Africa, and elsewhere around the world, including Brazil, Holland, China (of course) and about 20 other countries.

Near the end of my stay in Malawi, I went to the US Embassy to have a meeting with seven officials, and relayed my concerns about the massive Chinese project. None of them had ever heard of it, which I found amazing. When I asked them what they planned to do about it, there was a long silence, then finally one person said, "Well, there is a donors' meeting in about three months; maybe we can raise this issue then." On my way to the airport, I passed a huge construction project, where an army of Chinese construction workers was building a new Parliament building for Malawi for free, "as a symbol of China-Malawi cooperation."

I next ran into Huawei in Samoa in 2012, where I participated in another strategic IT analysis. Again Huawei was there first, with a proposal for a substantial e-gov project focused on hardware, computers and satellite communications.

Then I came across Huawei in 2012-15 in the Republic of Vanuatu (ex-New Hebrides, in the SW Pacific), where I was a senior in-country advisor in the Prime Minister's Office. I learned that Huawei had built a small fiber optic cable system linking the satellite dish base station with several government agencies in downtown Port Vila (the capital) and then out to other agencies five miles away.

Examining a map of the system, I asked, "What is this little spur in the cable that seems to go nowhere?" No-one knew. I drove down that street and found the Chinese embassy. System engineers later denied that the Chinese had access to the government's cable system, which carried all the GoV's most sensitive internal communications. But I couldn't forget that map.

I learned that Huawei had built the Vanuatu government's server building and tiny server farm, where all the government's computerized records were stored. I asked the chief engineer how good the setup was, and he said, "It was crap. We had to junk all the Huawei servers after just two years; they should have lasted six at least. We replaced the Huawei servers with American-made Cisco units, which are much better. And we are having to re-do the building, which will not withstand our cyclones."



Huawei HQ, north of Hong Kong -- probably not built with the lousy construction methods used in Vanuatu

My boss told me that when Huawei was trying to finish up a major telecoms project linking Vanuatu's islands, the firm was failing to meet the required reliability standards. Rather than meet the standards, the firm tried to bribe my boss to just sign off on the project. He refused.

After three years working in Vanuatu, on my way to the airport and home, I passed the ugly concrete Parliament Building, built for free by the Chinese government, the partially finished new Convention Center, also being built for free by the Chinese, and the site of the newly planned Prime Minister's office building, also...but you know already.

Lew Toulmin has worked in 30 countries on every major continent on IT, e-government and disaster preparedness projects.

Number of words in the story and bio above: 958

Photos, captions and credits:

1. Logo of Huawei, the Chinese telecoms giant accused of receiving Facebook data on US citizens. (Courtesy photo)
2. Headquarters of Huawei just north of Hong Kong, which houses some of the firm's 180,000 employees. (Courtesy photo)
3. Ren Zhengfei, 73-year-old Huawei founder and CEO, one of the most influential people on Earth, worth \$2.8 billion. (Courtesy photo)
4. A Huawei smartphone from Walmart for just \$250, comparable to an iPhone for \$1000 – but not a smart buy? (Courtesy photo)

5. A Huawei smartphone – but is it a smart buy? US intelligence agencies say no. (Courtesy photo)

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