Taiwan can help shake off Huawei

Written by Taipei Times Editorial Friday, 17 April 2020 06:02

Governments worldwide are understandably focusing all of their energies on defeating the COVID-19 pandemic and mitigating the economic fallout from it. However, they must find additional bandwidth to deal with a fresh problem.

Adopting the policy of "Never let a good crisis go to waste," China is trying to sneak through predatory acquisitions of key strategic assets and bribe governments into using Huawei Technologies equipment for their 5G networks.

Imagination Technologies is a UK-based technology firm that licenses semiconductor chip designs to other companies, including Apple. The British government was forced to intervene on Tuesday last week when Chinese state-owned China Reform Holdings attempted a boardroom coup, with Imagination's former chief executive Hossein Yossaie accusing China of "using the coronavirus crisis as cover."

Meanwhile, the Australian government on March 29 introduced measures requiring all foreign investment bids to be scrutinized by the Foreign Investment Review Board, following reports of Chinese-owned firms in Australia securing tonnes of medical supplies and shipping them to China.

Australian Broadcasting Corp said the measures were introduced to prevent China from taking advantage of the nation's weakened economy under lockdown to snap up strategically important assets.

"Aussie businesses have taken some big hits through the COVID-19 pandemic. We need to protect our most vulnerable from authoritarian states angling for bargains through their business fronts," Australian Parliamentary Joint Committee on Intelligence and Security Chair Andrew Hastie said.

Huawei vice president Victor Zhang ([][]]) on Monday published an open letter on the company's UK Web site warning the British government against making a U-turn on its January decision to allow Huawei a limited role in building the UK's 5G network, with Huawei apparently concerned that the political fallout from China's cover-up of the COVID-19 outbreak could

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cause London to reverse its decision.

At the time, the decision to allow Huawei equipment into the "noncore" elements of the UK's 5G network was controversial within the UK, as well as with its closest allies, including the US and Australia.

Huawei has been quietly engaging in strategic "mask diplomacy" during the pandemic, offering to ship large quantities of medical supplies to many countries such as Canada, Italy, Spain, Lithuania, Latvia and Estonia. Such "gifts" might not be altogether altruistic, as all these countries are being courted by Huawei to build their 5G networks.

Once the pandemic is under control, many countries are likely to reassess their dependence on China.

It is likely that the US is going to ramp up pressure on nations to build their 5G networks using technology from suppliers such as Sweden's Ericsson and Finland's Nokia.

This presents a golden opportunity for Taiwan.

The nation holds a leading position in the communications components manufacturing supply chain, with firms such as MediaTek and Askey Computer Corp able to produce 5G chipsets and routers, while Ericsson's Asia 5G testing laboratory is in Taiwan.

Ericsson Taiwan president Chafic Nassif in August last year said that Taiwan would be able to ramp up 5G services faster than in Europe.

Amid the pandemic, the government has had success in elevating the nation's international profile and countering nefarious Chinese soft power with its "Taiwan can help" campaign.

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The government should consider putting together a consortium of Taiwanese firms that could work with internationally trusted vendors such as Ericsson under the "Taiwan can help" banner to provide a viable alternative to Huawei and other high-risk Chinese companies.

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