

Ren Zhengfei: Economic globalisation can bring substantial benefits to all of humanity. It plays a significant role in driving optimal allocation of resources and reduction of service cost, thus accelerating the pace of social progress. Economic globalisation was a concept first put forward by Western society. Their guiding principle was to allow the West to trade their advanced technology and equipment for developing countries' raw materials and low-end labour forces, so as to drive global trade. But the West did not expect that developing countries would slowly begin to move up the value chain production.

The West had a serious economic crisis in the 1960s and 1970s, brought about by conflicts between labour and capital. Some Western economists suggested this concept, higher pay, higher commodity prices and higher consumption. This theory worked well to address the West's problems in the short term. For the next several decades up until the end of the last century, their economy soared. Sustaining such an economic model requires very high yields though. Without high yields, it's going to be very difficult to ensure that you have enough wealth to distribute. On one hand, developing countries created a massive market for Western countries to sell in, on the other, many products from these developing countries also entered developed markets. The clashes and contradictions that arose during the process are not inherent issues with globalisation, but occurred because of a lack of effective co-ordination between countries of these two different development stages.

Let me take the Europe-China relationship as an example to explain how we could possibly address this problem. China has made a commitment to the World Trade Organisation (WTO) that it will significantly open up its service and manufacturing sectors. Over the last two years, this opening up has been accelerating, even though it is still a bit behind the promised schedule.

The UK and Europe have accumulated hundreds of years of experience in the service sector. China has a huge demand for services. In this sense, if the export of large quantities of services is allowed from the West into China, it will facilitate the social advancement of China. In addition, the money earned by China from Europe through the export of products will return to Europe through the export of services, creating a more balanced financial situation.

Let's look at another example. China will reduce automobile tariffs to a very low level over the next five years. The UK and Europe produce the world's highest quality automobiles, while Japan produces the most cost-effective quality automobiles. Today, we need to address the problems arising from globalisation one at a time, through consultation. It's not that globalisation is at fault. These problems occur because our mechanism has failed to adapt to some of the changes in our new environment and the different players involved are not sitting down and negotiating properly.

Let's take Russia as another example. Europe sees Russia as a threat, but that was during Communism times. Yeltsin and Putin basically betrayed Communism and joined the West. But the West rejected them, and placed sanctions on them. So they kept backing off, to an extent back to their old mechanism, thus becoming more like a threat to the West. If back then, Russia had been accepted as a member of the European Union, I estimate that the trade between Russia and other Western countries would represent at least one trillion euros, just between Russia's energy resources and Western countries' machinery and equipment exports. Economic boost like this would help Europe in addressing some of their interior contradictions.

I had nice chats with George Osborne and David Cameron in the past. Back then, Osborne had already lowered the UK's tax rate to 21%, but these cuts didn't impact their national revenue. Why? Because the UK only allowed welfare to be distributed if certain conditions are met. You either have to find a job or some form of community service, such as caring for the elderly or taking on public health activities. The reduction in tax revenue was the same as their reduced social-welfare spending, and thus ensuring stability within the country.

Afterwards, Cameron's administration grew too ahead of themselves and had a referendum, making a real mess of everything. At one time, Theresa May's administration announced that it would further lower the tax rates to 17%. All of these policies adopted are serving as DNA to help the UK become an investment centre again. All in all, this proves that different players have to keep changing and adapting themselves to the new environment. A one-size-fits-all approach won't work.

This is my humble opinion.

The Economist: I know my colleagues have many questions about Huawei. The one country you have not mentioned is America. So you have talked about Europe and Japan. They can see the economic globalisation. When you look at the US-China relationship, are you worried that it will influence the future of globalisation?

Ren Zhengfei: Yes, it will. The US is the most powerful country in the world. It used to maintain order as the "World Policeman", and in return they gain rights to issue USD. If the US continued this mechanism and maintained the stability of USD, it would not stand to lose anything.

However, the US has destroyed this mechanism itself. Everyone no longer believes that the US is looking to maintain order in the world, or that USD is the most reliable reserve currency. When the world's confidence in the US and the US dollar starts to wane, it causes great turbulence within the US.

The Economist: During 2019, US diplomats have made a big effort to persuade its allies not to use Huawei. Could Mr Ren talk about how successful that effort has been? Clearly it's focusing on its core allies like Britain and Australia, but it also looks as though countries like Vietnam have been put under heavy pressure not to use Huawei products. So how successful has the US boycott been?

Ren Zhengfei: It's perfectly normal for customers not to buy from Huawei. In fact, many customers did not buy Huawei's equipment in the past. The selection process is mostly based on commercial considerations.

When it comes to 5G, I think it's the wrong call to politicise 5G or treat it as something dangerous. It's by accident Huawei became the best in 5G in the world, by a long stretch.

Let me give you an example. About 1,000 years ago, China was in the Tang and Song dynasties. We were the most powerful country in the world at that time. The prosperity depicted in the famous painting "Ascending the River at Qingming Festival" wasn't made up, it was real.

Several hundred years ago, the British invented the train and steamship. However, China was still relying mainly on horse-drawn carriages for transportation. Horses are much slower than trains, and they could carry far less cargo than steamboats. Of course the UK's philosophy and social system also prompted the industrial revolution. Britain became a major industrial powerhouse, and sold products all over the world. Today, about two-thirds of the world's population speaks English. You see, speed determines social progress.

5G is an excellent product that delivers high speeds, high bandwidth, and low latency. 5G represents speed in this information society. Whoever gains speed will be able to move forward rapidly. On the contrary, countries that give up on speed and selection of fine products may see economic slowdown.

The Brits are very intelligent, and British universities are among the best in the world. If the UK wants to make a comeback in the industry, it needs high speed in the information society.

Optical fibre networks and 5G technology that helps support that network will connect supercomputers and super storage systems to support AI. If one AI is able to replace ten workers, then the UK will become an industrial power with a workforce equivalent to hundreds of millions of people. When I say it can increase productivity by tenfold, this is just a random estimate. The truth is in some rare cases, with the aid of AI, we've found that efficiency can increase by 1,000 times.

Alan Turing, the father of AI, was British, as was the scientist who cloned Dolly the sheep. I can't even imagine what the world will be like when genetic and electronic technologies come together. I believe the UK has great potential for revitalisation. Speed will determine whether the UK can succeed again. Everyone knows China was an agricultural country. The army back then was mostly infantry. Soldiers from ethnic minorities rode on horseback. The two times ethnic groups took over China, they also expanded our

border far and beyond. One is Genghis Khan from the Yuan dynasty, the other is Emperor Taizong. Because infantry is slow, they can't outmatch cavalry.

The Economist: Could I ask some questions about Huawei in the last few months and the implications of the American actions against the company? So the first question is, could you talk about the financial performance of the business since May when the Entity List began? Have you seen a drop off in your revenues?

Ren Zhengfei: Our revenue this year has grown by 19.7% till the end of August, while our profits were similar to last year's. No increase in net profit. Our growth rate has declined from about 30% in the beginning of the year, to 23% by the first half of the year, and now down to 19.7%. Main reason for that was because of a significant increase in our own strategic investment. We have recruited a few thousand more employees worldwide, mostly high-end talents like young prodigies and fresh PhD graduates, to help patch our holes caused by the Entity List.

We have pretty much patched our holes from 5G to core networks. On September 18th, we will announce an AI cluster that connects 1,024 Ascend chips. This will be the fastest AI computing cluster in the world.

Currently, the Entity List still impacts our consumer business, and it will take some time to patch up on that.

The Economist: Can I ask, so if you look at the consumer business now and just take a snapshot, is it declining? Is it shrinking outside of China?

Ren Zhengfei: Yes, because we've increased our investment, so our revenue went down. (How big is the decline overseas?) Around 10%.

The Economist: Has there been any problem dealing with Western banks since the Entity List came out? Huawei has traditionally used banks like Citi Group, HSBC, etc...

Ren Zhengfei: Yes, it's had an impact. But even without co-operation with these bigger banks, we can still build channels of financial settlement with smaller banks. Just as our chip has back-up options, same goes for our financial plan.

The Economist: Later this month, I think you'll be launching the Mate 30, the new handset. At the moment, will it have Android and Google apps available on it? What's the latest on that?

Ren Zhengfei: The Mate 30 series won't have the Google Mobile Services (GMS) ecosystem pre-installed.

The Economist: That leads to my next question. If you launch a handset that doesn't have the full suite of Google apps on it, is it correct to think that the volume you sell outside of China will be much lower than in the past? And following from that, does that suggest that the company faces quite a big financial hit in the second half of the year, in the fourth quarter?

Ren Zhengfei: First of all, we would like to continue using Android, because we remain on good terms with Google. Even if the US government won't allow us to continue using it, we have alternatives. It will take us two to three years to replace Android with our own system, during which time our phone sales in markets outside China will see some decline. It is understandable. Our smartphones have our own unique features in addition to ecosystem applications, so we believe there will still be customers who like and accept our products. We will launch the Mate 30 series in Munich on September 19th, and you can find out what features they will have then.

The Economist: Over this period when you may have to roll out your own system, do you think it's possible that a company can be pushed into making a loss?

Ren Zhengfei: No, our growth will slow down, but we won't see losses.

The Economist: If I was running Google and Huawei ends up pushing its operating system out globally, how worried should I be?

Ren Zhengfei: I think Google is trying to persuade the US government to allow us to use their ecosystem. On this front, we are on the same page. Our operating system wasn't initially intended for smartphones. Moreover, Google's operating system is open source, so some of it we can continue to use. The US limits our use of Google Mobile Services, GMS. That ecosystem includes thousands of partners, and Huawei wouldn't be able to build a comparable ecosystem in just a couple of days. If the US government allows us to continue to use Google's ecosystem, the US would maintain its dominance in this field. If the US government refuses to grant the licence, it will hurt them in the long run.

The Economist: Part of your job is to try and rebuild trust. Are there some radical options open to the company that tries to rebuild trust? For example, welcoming a foreign investor or perhaps even selling parts of the 5G business operated outside of China. Could Mr Ren talk a bit about the radical options of changing the structure of the company that might help rebuild trust?

Ren Zhengfei: It's unlikely for us to welcome foreign investors. Because investors are quite profit-focused, but we as a company place ideals before profit. But whether we can transfer some tech to Western countries? Sure. Not only bits of it, but the whole thing. Our ideal was to serve human beings and hike up the hills of science and tech, if there are more people joining us on that front, that fits with our values. We're open to dialogues with other people, including Western countries.

The Economist: Would this be a sale of the business, perhaps, the 5G business in some geographies, or licensing the technology to other manufacturers? Perhaps you could elaborate.

Ren Zhengfei: Selling the tech. You can do research and development on top of this tech.

The Economist: Would Huawei employees and facilities be transferred to the new owners or just the intellectual property?

Ren Zhengfei: No no. That's commercial tech secret, we can't be transferring our employees too.

The Economist: Who do you think would be the partners? What kind of companies in America, for example, might be counterparts?

Ren Zhengfei: Nobody ever approached me with this question, so I have no clue.

The Economist: Many people in Silicon Valley and in America will read this article, so this is the chance to explain to them the plan.

Ren Zhengfei: Hahaha, exactly. This is how we balance issues, balance out struggles.

The Economist: [My colleague and I] were based in America for many years. So more than half of our readers live in America. So if you're telling the American political world and the business world that you understand trust is a very important question, some American politicians really say, "I'm not interested in hearing about this piece or that piece of Huawei technology." They have a bigger problem: Why would you let a Chinese company build something as sensitive as 5G? So the political problem that you have in America is very hard to solve. Could you just explain a little bit more how big a transfer you could imagine? How big a solution are you thinking about to solve this problem? How radical a transfer of 5G technology?

Ren Zhengfei: When we transfer the tech, they can modify codes on top of my tech, once that's through, it's not only shielded from me, it's shielded from everybody else in the world. US 5G will be their own thing, there's no security concern, the concern will only be the US keeping the American companies (who bought it) in check. It won't be me selling 5G in the US, it will be US companies selling 5G in the US, and UK companies selling 5G in the UK.

The Economist: Mr Ren, would you envisage Huawei competing with this hypothetical new entity in 5G technologies, outside of China, obviously not inside the United States, but in Africa or parts of Europe? Would you imagine competing with this new entity or how would that work?

Ren Zhengfei: Huawei can compete with new entities in those markets as well.

The Economist: Is there a ballpark figure, Mr Ren, on how much this sale would cost?

Ren Zhengfei: I don't have a number right now. This was just brought up, and I haven't done any calculations yet.

The Economist: Not even a range?

Ren Zhengfei: No, but we can talk about the range of technologies open to transfer.

The Economist: When did this idea crystallise in your head?

Ren Zhengfei: This morning.

The Economist: Politically, would it be better to have an American partner for 5G, or a European or Japanese partner? Or do you think your problem is American, so you should look for an American company willing to buy your 5G technology?

Ren Zhengfei: It depends on how big a market the potential partner would be able to take. If they could only capture a portion of market share through the purchase of our technologies, then that wouldn't be worthwhile. Such a deal is only feasible when they have the capacity to take up such a large market. This is an evaluation process our potential partners will have to go through.

The Economist: What would be the time horizon for a radical project like this? Would it take a couple of years to achieve or could it be done quickly?

Ren Zhengfei: Pretty quickly.

The Economist: Before the 2020 election, perhaps?

Ren Zhengfei: This has nothing to do with the US general election. When I talk to you all, the general election is never a topic.

The Economist: Can I ask you another political, kind of cultural question? When I worked in America, many very important American politicians would say, "China is rising very fast, but America has a magic weapon. Its magic weapon is it's a democracy and we have freedom of speech, and our university students are free to study and think whatever they want. China is an autocratic country so they cannot achieve real innovation." Now, people look at China and companies like Huawei are innovating. The Chinese political system is a one-party system, where students cannot see everything on the internet and cannot read any book they want. Does that impose any limit on Chinese innovation or creativity? Is there an advantage to being a democratic country in the field of innovation?

Ren Zhengfei: Academic freedom is the foundation of innovation. The freedom to have different academic ideas and to study whatever you want is very important. Undoubtedly, the US has the world's most innovation-friendly environment. Thanks to the internet, people aren't as caged in, they're able to read a lot of things, especially science and engineering papers that don't involve any ideology connotation, so they're free to be published and made available anywhere in the world.

For example, the very source of 5G technology started with a paper written by Erdal Arikan, a Turkish mathematics professor, about ten years ago. Two months after he published the paper, we read it. Then we put a lot of work into researching the paper and turned it into today's 5G standard.

China still has a pretty inclusive environment when it comes to science and technology. On top of that, Huawei has a large number of non-Chinese scientists. We are doing our best to take in the nutrients of the times we are in, so we can move forward faster.

The Economist: Clearly on the internet you can see scientific papers, but there are also large parts of the global internet that talk about politics, that talk about history, that are not available inside China to most people, because the Chinese government closes that off. You have built this beautiful campus in Dongguan, full of beautiful European buildings. Do you also make sure that your designers and your researchers have VPNs so that they can see foreign news or foreign politics to look at big important questions that are not available to Chinese people?

Ren Zhengfei: If our engineers became politicians, Huawei would have collapsed. What's the point of them reading so much about politics? They should focus on developing good products. If our engineers are all out protesting, who is going to pay them?

The Economist: To ask on that point, there was a famous speech that Deng Xiaoping gave in March 1978 about science in China, and he said exactly that it was time to allow scientists to do science and not to ask them to read too many political essays or to study politics. When I talk to professors at Chinese universities, they complain that the pressure now is to study Xi Jinping's thoughts and to study a lot of politics, and they feel that the time to think is being limited. You're a private company. Do you feel pressured to have your scientists studying politics, or do you protect them, like Deng Xiaoping said, from studying politics to let them focus?

Ren Zhengfei: I was there when Deng Xiaoping made those remarks at the National Conference on Science. I was one of the 6,000 delegates, and I burst into tears when I heard his speech. Deng said we should spend five days at work and one day for political studies. Back then, Chinese people worked six days a week, and too much time was spent on political studies. We were very happy that we get to spend five days a week at work. I have always believed that politics should be done by politicians, and engineers should focus on technology. An engineer who doesn't understand technology is wasting food being fed to them.

The Economist: You are a Party member, and party members now have an app for studying Xi Jinping's thoughts on their phones. Do you worry that some people in the Chinese Communist Party are forgetting the wisdom of that speech in 1978, and they now want engineers and busy people like you to spend maybe an hour or two every day studying politics?

Ren Zhengfei: I think your idea might come from a misunderstanding. President Xi's speeches cover a lot of areas, such as agriculture, healthcare, and rural development, etc. Areas that are not strongly related to us, we don't have to study. We mainly study his speeches about science and technology development, and it doesn't take up that much of our energy. Of course, those who aspire to become Party or government officials or leaders may need to spend more time learning about these things. We're business people, we don't need to care too much about that.

I mean, I listen to President Xi's speeches. In his speech at the Bo'ao Forum for Asia, when he spoke about China further opening up to foreign investment, I was quite happy. When it came to his speech at the China International Import Expo in Shanghai, he talked about reducing tariffs for vehicles, reducing taxes. These speeches contain his instructions, and we are pleased with our development and growth. The tax for small and medium-sized enterprises here has been significantly reduced, and low-income workers such as taxi drivers no longer need to pay income tax. This is a lesson learned from Hong Kong. China Central Television broadcasted lessons learnt from Hong Kong: we should provide poor people with accommodation, people need to care about the livelihood of the poor. If the poor are up to a certain standard, they won't go around making scenes. Even if a small number of people stir up trouble, there will be a lot of people who follow suit. These points are also a part of President Xi's thinking, which I saw on TV. That's all I picked up, I'm not gearing up to be a party leader, so I don't need to learn all that much.

The Economist: Just on the question of Hong Kong. We recently saw that a private company, Cathay Pacific Airways, was forced to change its senior leaders and some employees for reasons that are 100% political and related to the protests in Hong Kong. When you see the Chinese central government using its

strength to make a private company take political decisions, does that make life more difficult for every private company in China, when you want to tell foreigners that you are not controlled by politics? When they did that to Cathay Pacific, did they make your life more difficult?

Ren Zhengfei: The issue in Hong Kong has been caused by extreme capitalism. The four big families have made so much money that the general public don't end up making much. You see, even many newsstands, underground garages, and coffee shops in Hong Kong are all controlled by the big four. They have profited so much, yet many in HK have fairly low living standards. It is extreme capitalism that has gone out of order.

I saw the notice issued by the Civil Aviation Administration of China (CAAC) in relation to Cathay Pacific. This notice said that some pilots and cabin crew members who worked for Cathay Pacific had been involved in questionable extreme activities related to the Hong Kong protests. So CAAC had security concerns about these pilots, especially ones flying in and out of the mainland. Someone in a technical post choosing to get this involved in politics, ought to be a revolutionist, not such a technical job. I think CAAC's action makes sense on a managerial level, because it was on security concerns, as far as I know, there have been no such limitations to Cathay Pacific's flights to other places such as the US. Some of the protesters carry US flags, if they love the US so much, they won't attempt to sink passengers flying there.

I personally think the Chinese central government has acted sensibly in dealing with Hong Kong. China adheres to the "one country, two systems" principle. The system in the Chinese mainland and the system in Hong Kong are different. Demonstrations, protests, and shouting slogans are allowed in Hong Kong, but I do not think violence is appropriate. Till today, the Chinese central government hasn't taken any major action in Hong Kong, but the protest continues. If the protests continue, business, finance, and tourism in Hong Kong will all be affected, HK doesn't have a lot of money going around, if this continues it will be more difficult to address the issues of the poor there. The armies stationed out in HK are paid for by the central government, not HK. The current conundrum in HK should lead people to think about failures of capitalism. The big capitalists walked away with too much money, widening social gap is the foundation for revolution.

The Chinese government has made great efforts to eliminate poverty. In recent years, I have personally travelled through several provinces along the Chinese border, such as Xinjiang, Tibet and Yunnan, places previously known for being very poor. From what I saw, the living standards of the people there have improved a lot, I was curious as to why they wouldn't open some of these places to foreign journalists? Especially Tibet, it's even more stable than Xinjiang. I think more foreign journalists should be allowed to visit and see the changes. I have been to some of the most poverty-stricken areas in Yunnan, Guizhou, Tibet, Xinjiang and other regions, and I don't think a colour revolution will happen in China, because the poor will live decent lives.

The Economist: One last quick question about politics. So many interviewers have asked you about your daughter Meng Wanzhou in Canada, but there are also two Canadian citizens currently being detained in China, and the Chinese foreign administration has said that the detention should be a lesson to the Canadian government. We know that because the Canadian embassy said these two Canadian detainees, one of whom is a former diplomat, are not allowed to see their family or make any phone calls. They have not spoken to anyone except some Canadian diplomats. They were allowed a book, and then they had their glasses taken away, so they can't read a book. I'm sure people have described the situation to you. Do you think that the conditions of these two Canadian detainees, Michael Kovrig and Michael Spavor, are appropriate conditions, or do you think that the Chinese government should give them access to a lawyer? They have no access to a lawyer or access to their families. But your daughter has access to a lawyer and access to her family, and can travel around Vancouver. But they are locked up in an unknown location with no access to lawyers. What do you think of the conditions of the detention of the two Canadian citizens?

Ren Zhengfei: I don't know anything about these two individuals. I don't know how our government deals with such cases. I only know Meng Wanzhou has not committed any crime. Her arrest was wrong from the beginning, and her case needs to be addressed according to the law. No one has told me anything about the situation in China you just mentioned, because they would have no reason to, and I don't need to know. I also have no channel to get that kind of information.

The Economist: Huawei is one of the biggest infrastructure companies in the world. And surely over the last 20 years, it has become larger and larger, and has been the target of intelligence agencies. I'm not just talking about backdoors, but in terms of infiltration, and in terms of operational security. Can you tell us a bit about how Huawei approaches operational security and how much you spend on counter intelligence?

Ren Zhengfei: At Huawei, cyber-security and privacy protection are always the company's top priorities. Huawei resolutely incorporates requirements of the EU's General Data Protection Regulation (GDPR) into all of our business processes. We are now investing heavily to upgrade existing networks and build new networks.

Second, for more than 30 years, Huawei has provided network services in more than 170 countries and regions, serving approximately three billion users. We have maintained a proven track record in security. In fact, we have never had any major security incidents, I think that record speaks for itself.

Besides, we are more than willing to submit ourselves to strict oversight in countries where we operate. At present, the UK has conducted the most stringent oversight of Huawei. Why is the UK determined to continue using our equipment? Even though they've spotted a few problems and flaws in our equipment, but they may trust us more than other suppliers because we have been more rigorously reviewed.

The Economist: Mr Ren, one of the other pioneers of China's technology sector, Ma Yun of Alibaba, retires today, September 10th. When he announced this last year, he was the great exception in handing over the reins. As I'm sure you know, many other Chinese bosses don't do this until too late to the detriment to their companies. What do you think the costs and benefits would be to your retirement? Do you think it could be expedient to have an earlier one, given the current political climate that Huawei finds itself in?

Ren Zhengfei: If you push for an early retirement I might as well have one, maybe work as your assistant? That way your interview will be effortless.

The Economist: How soon do you think that retirement might be?

Ren Zhengfei: I don't know. It depends on the demands of the circumstances.

The Economist: Have you seen the American documentary called "American Factory"? If you have seen it, did you get any ideas about the difference between American and Chinese ways of working?

Ren Zhengfei: I heard this was produced by Obama. Someone described it to me, but I have not seen it yet.

The Economist: You spoke earlier, this rather bold idea you had this morning, to sell the core of your business really. I imagine by that you mean 5G, and you would continue to work on 6G, the next generation. So could you tell us more about what motivates you to do this? Because I imagine that it might just be pushing the problem down the road. Your 6G may be also not accepted when it is up and running globally. So how does this help you exactly? What would be the main reason for doing this?

Ren Zhengfei: I'm talking about licensing our 5G technology. Licensing 5G to others does not mean that Huawei would stop working on 5G itself. We hope that the speed of technological development in the West can be faster, that's why we're open to licensing of all our 5G technology to help facilitate this process. I think Huawei will also take the lead when it comes to 6G research, but our judgment is that the commercial use of 6G won't begin for at least ten years.

Therefore, transferring 5G technology to other companies does not mean we will stop working on it. It just means the money we get from this transfer will allow us to make greater strides forward.

The Economist: Just to be clear, it's not licensing in the sense that there's an annual payment, like what Arm does. It's a one-off transaction which gives the buyer the permanent right to use the technology and intellectual property.

Ren Zhengfei: Yes. It is a one-off payment.

The Economist: What do the executives of the company think about this plan? I'm not sure you had a chance to discuss it but would they be shocked to hear that you are preparing to do something so dramatic?

Ren Zhengfei: I don't think they would be shocked. Because for Huawei, we hope to see a balanced world. A balanced distribution of interests is conducive to Huawei's survival in this world. The concept of equal interest was put forward by the UK more than 100 years ago.

The Economist: You sometimes use this very powerful image of the old Soviet airplane that is still flying with many holes. When I hear you talk about your thinking about 5G, it is a bit like an airplane pilot who is worried about going down so you maybe throw something heavy out of the airplane and you can keep flying. Does that reflect your thinking?

Ren Zhengfei: No. Licensing 5G to other companies would allow Huawei to get some money. It's just like adding more firewood to fuel our scientific research efforts.

The Economist: Mr Ren, do you think that the US business and political community has what it takes to take this 5G IP package and make it a global competitor to Huawei?

Ren Zhengfei: I don't think so.

The Economist: So just a nice gesture then?

Ren Zhengfei: Yes. But if the US wants to buy from us, we will be serious about pursuing that option.

The Economist: So you see it as creating a fair technological race and giving up your lead and resetting the clock if America will go for it?

Ren Zhengfei: Yes, that's right.

The Economist: Thank you very much for your time. You've been very generous with your time and answers.

Ren Zhengfei: Welcome to see us often. If you want to know if Huawei can survive, you can come and see us at the same time next year.