5G and National Security: After Australia’s Telecom Sector Security Review

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Brussels, Belgium, 22nd October 2018 - In August 2018, the government of Australia concluded its review of the national security risks of the telecom sector with the new 5G networks. The review provides new guidance to telecom carriers, implicitly restricting Chinese vendors.

It concludes that 5G changes how the networks operate and increase the potential security risks to the point today's safeguards are insufficient. The government must therefore intervene, as foreign powers may exploit these risks by coercing vendors.

The current rise in national security restrictions in the telecom sectors are different from the typical run-of-the-mill economic protectionism as they are imposed by countries that have no domestic suppliers to protect.

Instead, the root of these measures is fundamentally about distrust between governments with conflicting geopolitical agendas, rather than just trustworthiness of the vendors. The situation is not too dissimilar to the US online services after the NSA revelations in 2013.

In effect, future security screenings will assess other governments – i.e. the ability of a foreign state to exercise control over its vendors, rather than assess the vendors themselves. Some legal frameworks, such as the US reforms of Cfius or the EU’s proposed new FDI screening framework, already point towards such directions.