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# **How Huawei Weathered the Storm: Resilience, Market Conditions or Failed Sanctions?**

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**Brussels, 20 February 2024** - Huawei is exhibiting stoic resilience in the face of US sanctions, economic downturns, and the slow pace of 5G investments. At a global level, it has lost less than 1% in market shares. There is a narrative that the company has been propped up by the Chinese government, but the key to Huawei's resilience is multifaceted. Through pre-emptive stockpiling and ingenuity, the company has **continued to fulfil its base station orders and defend its market shares** abroad.

Concurrently, Huawei has made an autonomous business decision to reinvest its earnings and intensify R&D to secure its supply chains against political risks and diversify into new business areas. Successful forays into **semiconductors, cloud services and energy grids** have also been facilitated by a capital structure that lends itself to long-term planning.

Huawei's survival is not necessarily a lesson in the futility of sanctions to stifle technological progress. However, it does show that muddled political objectives and **inconsistent implementation will yield potentially contrary outcomes**. At the same time, factors that contribute to Huawei's resilience also **highlight the infighting and vulnerabilities** of listed firms like Mavenir, Ericsson and Nokia.

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