

Chinese tech giant calls for cyber cooperation

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Ren Zhengfei, CEO of Huawei Technologies, speaks at the International economic forum in St. Petersburg, Russia, Friday, June 22, 2012. President Vladimir Putin said Thursday that reforming Russia's economy is his top priority. Business leaders welcomed the commitment, but noted that such pledges have been made before and need to be backed up by action. (AP Photo/Dmitry Lovetsky)

(AP) — The founder of Chinese telecom equipment giant Huawei, which has faced security concerns in the U.S. and Australia, is calling for global cooperation to improve data protection.

Ren Zhengfei, in a rare public appearance at an economic forum on Friday, did not mention the controversy surrounding Huawei. But he warned data would be "vulnerable to attack again and again" because technology will develop faster than security. He gave no details of possible joint measures.

"Cyber security is a common issue that the whole industry has to face," Ren said at the St. Petersburg International Economic Forum. "We must join hands to proactively address this issue."

Huawei Technologies Ltd., which Ren founded in 1987, has faced suspicions it is controlled by China's ruling Communist Party or is a front for the military. The company has denied it is a security threat and says it is owned by its employees.

Huawei was barred from bidding to work on a planned Australian high-speed Internet network due to concerns about cyber attacks traced to China. The company had to unwind its purchase of a U.S. computer company, 3Leaf Systems, last year after it failed to win approval from a government security panel.

The Australian ban highlighted concern about Beijing's cyber warfare efforts, a spate of hacking attempts aimed at Western companies and the role of Chinese equipment providers, which are expanding abroad. A U.S. congressional panel has said it will investigate whether allowing Huawei and other Chinese makers of telecoms gear to expand in the United States might aid spying by Beijing.

Huawei works with 45 of the 50 biggest global phone companies and says it has won the industry's trust. It publicly invited the U.S. government last year to investigate it in order to allay security concerns.

Ren, a former military engineer, said the industry must rapidly develop reliable cyberspace technology to support development of education and social skills.

"It is unfeasible to establish an absolutely impenetrable security assurance system that can keep data flowing securely within the networks (pipes) at all times," Ren said, comparing the flood of data to

the global inundation in the Hollywood disaster movie "2012."

"Data floods will never go away," he said. "No matter how well we design and reinforce security assurance systems, they will be vulnerable to attacks again and again."

Ren is one of China's most enigmatic business figures, rarely appearing in public and never talking to reporters. Forbes magazine has estimated his net worth at more than \$1 billion.

Huawei reported profit of 11.6 billion yuan (\$1.8 billion) last year on sales of 209.9 billion yuan (\$32.4 billion). Profit fell 53 percent from 2010, which Huawei blamed on weak global demand and the strength of China's yuan against foreign currencies.

After building its business on making switching equipment that forms the backbone of phone and computer networks, Huawei is trying to become a business and consumer brand. It launched a campaign this year to sell smartphones under its own brand in the United States.

Ren said Huawei plans to expand investment in Russia to take advantage of the country's background in technology. Huawei already has a development lab in Moscow, one of 23 around the world, including in Silicon Valley.

"Russia has a very solid foundation in the military industry, rich assets of wisdom and plenty of talent," Ren said. "This foundation endows Russia with unique advantages in developing the information industry."

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