

China grants 5G commercial licences despite US tech battle

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China on Thursday granted 5G commercial licences to four domestic companies, as it races to be a global leader in advanced wireless

networks amid fierce rivalry from the United States.

5G is the next-generation cellular network that offers faster data transfer speed and could enhance technologies such as autonomous driving, remote medical diagnosis and mobile payments.

But Beijing's ambitions have faced a major challenge from Washington, which has blacklisted Chinese tech giant Huawei just as it seeks to provide equipment for 5G networks in several countries.

Since last year, 5G trials have been conducted in Chinese cities ahead of plans to deploy the technology across the country in 2020, and now the government has given the green light.

The Industry and Information Technology Ministry said state-owned telecom providers China Telecom, China Mobile, China Unicom and China Broadcasting Network Corporation received business licences to operate fifth-generation digital cellular mobile communication services.

"After the issuance of 5G licences, we will continue to welcome foreign companies to actively participate in China's 5G market, seek common development of China's 5G, and share the achievements of China's 5G development," said Miao Wei, the minister of industry and information technology, according to the ministry's Twitter-like Weibo account.

China Mobile later said it would offer 5G services in 40 Chinese cities this year.

The United States has urged other countries to shun Huawei over concerns that its equipment could be used by Beijing's intelligence services.

- Chinese 5G to 'lead world' -

Commenting on the announcement, Huawei—which produces both network equipment and mobile phones—said it will "fully support" Chinese operators to build 5G infrastructure.

"(We) believe that in the near future, China's 5G will lead the world," Huawei said on Weibo.

Another Chinese phone maker, Vivo, said its 5G devices are ready for network testing and will be on sale once trials are complete.

The administration of President Donald Trump banned US companies in May from selling high-tech components to Huawei on national security grounds, though a 90-day reprieve was issued.

The move has led to an escalation in the US-China trade war, with Beijing preparing its own blacklist of "unreliable" foreign companies.

Several firms have already distanced themselves from Huawei, including Google, whose Android operating system runs the vast majority of smartphones in the world.

Huawei signed a deal with Russian telecom company MTS on Wednesday to develop a 5G network in the country over the next year, on the sidelines of a meeting between Chinese leader Xi Jinping and Russian President Vladimir Putin in Moscow.

The firm has also signed a draft agreement with the African Union that includes cooperation in 5G communications.

Foreign ministry spokesman Geng Shuang said the approval of the licenses was Beijing's way to show the world that "China will continue to expand its openness and sustain the global free trade system that is experiencing volatility due to unilateralism and protectionism".

South Korea launched the world's first nationwide 5G mobile networks in April, while US mobile carrier Verizon began rolling out its 5G services in Chicago and Minneapolis.

A limited rollout is also expected in Japan in 2019 before full services start in time for next year's Tokyo Olympics.

It is the rollout in China, however, that is likely to have a global impact on 5G technology.

"As the world's largest mobile market, almost anything that China does is significant," said Peter Jarich, head of GSMA Intelligence, adding that the country has the "power to drive the market... around the world".

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