

Huawei: Australia law could exclude China firms

September 14 2012, by Rod Mcguirk

(AP)—An official of Chinese telecoms equipment giant Huawei Technologies said Friday he is concerned that new Australian laws to protect communication networks from cyber-attacks could exclude companies from tendering for work simply because they're Chinese.

Huawei's Australian subsidiary was last year barred on security grounds from working on a national broadband network that is now under construction.

Its chairman John Lord told a parliamentary committee hearing on the proposed law that Australia could lose its competitive edge if it excluded companies from sensitive projects based on their nationality alone.

The hearing comes in the same week that the U.S. House Intelligence Committee quizzed Huawei and ZTE Corp. executives as part of a yearlong probe into whether the Chinese companies pose a threat to U.S. national security.

Huawei denies it poses any threat. China's second largest private company with branches in 140 countries issued a report on cyber security last week that included a pledge never to cooperate with spying in a fresh effort to allay concerns in the United States and elsewhere that threaten to hamper its expansion.

Lord said he was concerned that one of the Australian committee's purposes, according to its official instructions, was to examine ways to

mitigate the "risks posed to Australia's communications networks by certain foreign technology and service suppliers." Those suppliers were not named.

"It singles out certain foreign technology and service suppliers and then alludes almost a country-of-origin connection," he said.

"There is an opportunity there for legislation to be used wrongly and to limit participation and competition," Lord said.

Lord said the government had never explained its reasons for banning Huawei late last year from working on its 4.6 billion Australian dollar (\$4.9 billion) rollout of a fiber optic network that will be among the world's fastest.

"We were disappointed we were not given a chance to answer any concerns that may have led to that decision," Lord said.

The government has confirmed the decision was made on security grounds, but has refused to elaborate.

David Wang, Huawei's director of business development in Australia, told the committee the Australian government had initially invited Huawei to tender. Huawei was officially told it was on a short list of two before it was banned, Wang said.

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