

China's Huawei to sell stake in undersea-cable unit

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Huawei Marine Networks is a joint venture between Huawei and UK-based undersea cable firm Global Marine Systems

Huawei will sell its majority share in a submarine cable unit, the stake's buyer announced Monday, amid a US-led drive to isolate the Chinese telecom giant from global information networks over spying fears.

US President Donald Trump has attacked Huawei in recent months, urging allies to boycott its products and blacklisting the Chinese firm from buying some US software.

Undersea cables are vital to global internet traffic.

The 51 percent stake in Huawei Marine Networks will be bought by Hengtong Optic-Electric, an optical-cable manufacturer based in eastern China's Jiangsu province, according to a filing with the Shanghai Stock Exchange.

Huawei Marine Networks is a joint venture between Huawei and UK-based undersea cable firm Global Marine Systems.

Huawei Marine claims on its website to be involved in around 90 projects, from the Pacific to the Atlantic, totalling more than 50,000 kilometres (30,000 miles) of undersea cables.

Washington suspects that Huawei, which was founded by former People's Liberation Army (PLA) engineer Ren Zhengfei, has ties to China's military and thus poses a [security threat](#).

The Trump administration warns that Huawei networks carrying data around the globe could be accessed and manipulated by Beijing using security backdoors built into the company's equipment.

Huawei has repeatedly denied any connection to China's government or that it poses any security threat.

Reached by AFP, a Huawei spokesperson said the company had no immediate comment on the status of Huawei Marine.

Hengtong Optic-Electric's stock exchange filing said the company was purchasing the stake from Huawei Technologies Co, Huawei's corporate parent.

Founded by Ren in 1987, Huawei has risen to become the world leader in telecom networking equipment and one of the top smartphone manufacturers alongside Samsung and Apple.

But the US Commerce Department last month placed Huawei and dozens of affiliates on an "entity list" on grounds of national security, a move that curbs its access to US-made components it needs, though a 90-day reprieve was later issued.

A number of countries have also blocked Huawei from working on their mobile networks and companies have stepped away from the firm following the US ban, citing legal requirements.

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