Huawei to stop smartphone chip production due to US sanctions

Huawei does not have the capacity to manufacture the chipsets used in its high-end smartphones

AFP News

Chinese telecom giant Huawei said production of its most advanced smartphone chips would stop in September due to US sanctions, causing a "huge loss".

Huawei -- the world's biggest producer of telecoms networking equipment -- has become a pivotal issue in the geopolitical standoff between Beijing and Washington, which claims the firm poses a significant cybersecurity threat.

Huawei CEO Yu Chengdong told a tech industry forum on Friday that production of the company's high-end Kirin 9000 chipset would stop from September 15, due to US sanctions.

Washington cut off Huawei's access to US components and technology including Google's music and other smartphone services last year.

Those restrictions were tightened in May when the White House barred vendors worldwide from using US technology to produce components for Huawei.

"Huawei's mobile phones have no chip supply, which makes our shipment volume this year a little less than 240 million units (shipped last year)," Yu said. "This is a huge loss for us."

Washington has also waged a diplomatic campaign to isolate the Chinese company, which has emerged as a front-runner in the global race to roll out 5G telecom infrastructure.

The British government bowed to growing US pressure and pledged earlier this month to remove Huawei from its 5G network by 2027, despite warnings of retaliation from Beijing.

Australia and Japan have also taken steps to block or restrict the Chinese company's participation in their 5G roll-outs, while European telecoms operators including Norway's Telenor and Sweden's Telia have passed over Huawei as a supplier.

BETTER YOU KNOW

Taiwan Semiconductor Manufacturing Co. (TSMC) which has been making Kirin 9000 chips using US equipment has stopped taking orders from Huawei since May, fearing possible repercussions. Huawei does not have the capacity to manufacture the chips, which were used in its high-end smartphones.

Trump seeks to go it alone after virus stimulus talks break down

- **A $600 per week increase in unemployment payments expired at the end of July**
- **Trump on Friday night said he would sign executive orders to extend**

Reuters | Bedminster, NJ


US President Donald Trump speaks during a news conference at his golf resort in Bedminster

US President Donald Trump yesterday plans to sign an executive order intended to provide economic relief to Americans hurt by the coronavirus pandemic after the White House failed to reach a deal with Congress, a White House source said.

"Amid congressional inaction, POTUS will be taking action to help Americans in need," the official said. Trump is due to give a news conference at his New Jersey golf club.

Nearly two weeks of talks between White House officials and congressional Democrats ended on Friday with the two sides still about $2 trillion apart on next steps to address the heavy human and economic toll the coronavirus pandemic has taken on the United States, where it has killed more than 160,000 people.

A $600 per week increase in unemployment payments that has served as a lifeline to the tens of millions of Americans who lost their jobs in the pandemic expired at the end of July. Democrats wanted to extend the payments at that amount, while Republicans wanted to cut them, saying they served as a disincentive to return to work.

Trump on Friday night said he would sign executive orders to extend unemployment benefits, unilaterally suspend payroll taxes, suspend student loan repayments and rental housing evictions in the coming days.

Trump initially played down the disease's threat and has drawn criticism for inconsistent messages on public health steps such as social distancing and masks.

House of Representatives Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer on Friday offered to reduce a proposed $3.4 trillion coronavirus aid package, which the House passed in May but the Senate ignored, by nearly one-third if Republicans would agree to more than double their $1 trillion counter-offer.

White House negotiators Treasury Secretary Steven Mnuchin and Chief of Staff Mark Meadows rejected the offer.

Senate Majority Leader Mitch McConnell's $1 trillion package unveiled late last month ran into immediate opposition from his party, with as many as 20 of the Senate's 53 Republicans expected to oppose it.

Qualcomm lobbies US to sell chips for Huawei 5G phones

Reuters

Chipmaker Qualcomm Inc is lobbying the US government to revoke restrictions on sale of components to Huawei Technologies Co, after the Chinese company was blacklisted by the United States, The Wall Street Journal reported yesterday.

Qualcomm is lobbying to sell chips to Huawei that the Chinese company would include in its 5G phones, according to the report, citing a presentation by Qualcomm.

With these restrictions, the US has handed Qualcomm's foreign competitors a market worth as much as $8 billion annually, the report said.

Qualcomm did not immediately reply to a request for comment.

The company resolved a licensing dispute with Huawei last month, which will pay Qualcomm a catch-up payment of $1.8 billion in the fiscal fourth quarter.

Mukesh Ambani, now worth $80.6 Billion

News18

Reliance Industries Limited Chairman and Managing Director Mukesh Ambani has become the fourth-richest person in the world, overtaking Europe's wealthiest man. Ambani is now worth $80.6 billion after making $22 billion in 2020, according to the *Bloomberg Billionaires Index*.

Ambani's net worth took him past France's Bernard Arnault, whose LVMH Moet Hennessy Louis Vuitton SE has suffered from customers curbing high-end fashion purchases faster than the company can cut costs.

India's richest person has already surpassed some of the biggest tycoons in recent weeks, a list that includes Silicon Valley titans such as Elon Musk and Alphabet Inc. co-founders Sergey Brin and Larry Page, as well as the so-called Oracle of Omaha himself, Warren Buffett.

Coronavirus punishes Warren Buffett's Berkshire Hathaway

Reuters | Washington


Warren Buffett, chairman and CEO of Berkshire Hathaway, takes his seat to speak at the Fortune's Most Powerful Women's Summit in Washington

Berkshire Hathaway Inc yesterday announced a $9.8 billion writedown and 10,000 job losses at its Precision Castparts aircraft parts unit, as the coronavirus pandemic caused widespread pain at Warren Buffett's conglomerate.

Despite the writedown, Berkshire said second-quarter net income surged 87pc because of gains in stock investments such as Apple Inc as markets rebounded.

Operating profit fell 10 per cent, cushioned by a temporary bump at the Geico auto insurer, as the pandemic caused "relatively minor to severe" damage to most of Berkshire's more than 90 operating businesses.

"The writedown was prudent," said Cathy Seifert, an equity analyst at CFRA Research. "It's a recognition of what the market has long believed, that the purchase price was rich, and the integration not as smooth as many would have hoped."

Berkshire, which paid $32.1 billion for Precision in 2016 in its largest acquisition, and which Buffett at the time called a steep price, said COVID-19 caused airlines to slash plane orders, significantly curbing demand for Precision's products.

Buffett himself soured on airlines during the quarter, selling $6 billion of their stock and telling shareholders on May 2 the industry's future had become "much less clear to me."

Berkshire said Precision, which also makes industrial parts, saw revenue fall by one-third and plans an "aggressive restructuring" to shrink operations. Precision ended 2019 with 33,417 employees, and has shed 30pc of its workforce.

During the quarter, Buffett, who turns 90 on Aug. 30, also took advantage of Berkshire's underperforming shares by repurchasing $5.1 billion of stock, even as the pandemic reduced other companies' ability to buy back their own shares.

Berkshire's stock has significantly underperformed broader markets since the end of 2018, and Seifert said investors should welcome the buybacks.

"Berkshire tends to go against the grain, and when so many companies suspended buybacks, Berkshire did the opposite," she said. "The market should react positively, because it shows Berkshire is confident in its prospects."

Those repurchases confirmed Berkshire's hint in a July 8 regulatory filing it had become more aggressive with buybacks after loosening its buyback policy in 2018.

Pandemic Damage

Berkshire businesses suffering from the pandemic also include the BNSF railroad, which saw lower shipping volumes, and retailers including See's candies that temporarily closed stores.

Companies in which Berkshire recently made large investments have also been struggling.

Berkshire recorded a $513 million loss on its 26.6pc stake in Kraft Heinz Co, after the food company took several writedowns including for Maxwell House and Oscar Mayer.

Meanwhile, Occidental Petroleum Corp, where Berkshire invested $10 billion last August, has also pummeled by sinking oil prices.