

China's Huawei Shifts Investment from U.S. to Russia

Founder says U.S. sanctions have pushed the Chinese telecoms giant closer to Russia.

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Russia has criticized the U.S. for placing sanctions on Huawei. **Marius Becker / dpa / TASS**

Huawei increased its investment in Russia after the U.S. slapped the Chinese telecoms giant with [sanctions](#) last year, Huawei founder Ren Zhengfei said.

“After the United States included us in the Entity List, we transferred our investment in the U.S. to Russia, increased Russian investment, expanded the Russian team of scientists and increased the salary of Russian scientists,” Hong Kong-based newspaper South China Morning Post [cited](#) Zhengfei as having said on a tour of Chinese universities last month.

The “Entity List” contains more than 100 Chinese companies the Donald Trump administration has deemed a threat to U.S. national security. It is the same list that the U.S. used to introduce sanctions on Russian firms following the annexation of Crimea.

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The Huawei designation came amid the escalating trade war between the world's two largest economies. The U.S. strengthened the sanctions this August to block companies selling Huawei any computer chips which have been developed or produced using U.S. technology.

Russia has been significantly more [welcoming](#) to the Chinese tech giant, which is the world's largest producer of telecommunication equipment and one of the few companies with the capacity to roll-out 5G technology. Huawei is actively [involved](#) in developing Russia's 5G infrastructure and Russian President Vladimir Putin has strongly criticized the U.S. sanctions.

Huawei employs around 800-900 staff in Russia, business daily *Vedomosti* [reported](#), up a third from last year. It has four research and development (R&D) centres in Russia and plans to hire 1,000 more R&D staff by 2024.

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