

China's Honor Smartphone Maker Halts Russia Shipments – Vedomosti

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In this photo illustration, HONOR logo of a smartphone brand is seen on a smartphone and a pc screen.
Pavlo Gonchar/SOPA Images via ZUMA Press Wire/TASS

Chinese smartphone maker Honor has stopped shipments to Russia over fears of secondary sanctions for Moscow's invasion of Ukraine, the Vedomosti business daily [reported](#) Thursday.

Honor halted deliveries to Russia as early as March without an official announcement, the publication cited two unnamed industry sources saying.

The United States and its Western allies announced export restrictions on technology using chips made or designed in these countries in February after Russia launched a full-scale offensive in Ukraine.

According to Vedomosti, Honor could be seeking alternative routes to resume shipments into Russia via former Soviet countries.

It has reportedly reached a distribution deal with Uzbekistan to deliver Honor smartphones

under the Russian government's so-called "parallel imports" scheme and is seeking partners in Armenia and Georgia.

"This format of risk minimization, taking into account the possible negative consequences of secondary sanctions, looks the most logical," Mikhail Burmistrov, CEO of the market research firm Infoline-Analytics, told Vedomosti.

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"Reducing risks when working with Russia and limiting supplies without any loud statements is the policy of many Chinese companies now," Burmistrov said.

Honor was the fifth most popular smartphone brand in Russia in January-March this year with a 3.5% share of the market, Vedomosti reported, citing the telecom provider MTS.

Honor's share grew to 4.2% in April-June but was leapfrogged by other, also mostly Chinese, brands.

Chinese smartphones accounted for 70% of smartphone sales in Russia in April-June 2022, up from 50% the same time last year.

That increase follows reduced demand for Apple and Samsung products, both of which suspended shipments to Russia in the aftermath of its military campaign in Ukraine.

Overall smartphone sales in Russia fell by 30% compared with April-June 2021, according to the M.Video-Eldorado consumer electronic retailer's data cited by Vedomosti.

Huawei, Honor's former owner that fell under U.S. sanctions, is also among the biggest Chinese smartphone makers to have cut shipments to Russia since President Vladimir Putin ordered troops to invade Ukraine in February.

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