

Ericsson may gain from Huawei allegations

Written by Johan Nylander

Tuesday, 09 October 2012 01:59 - Last Updated Tuesday, 09 October 2012 02:15

- [China's Huawei overtakes Sweden's Ericsson](#)
- [Chinese rivals force Ericsson to slash costs](#)

Bloomberg said Huawei Technologies Co, which has been shut out from a series of U.S. deals, will have fewer options to win American business after a House committee said the phone-equipment maker may enable Chinese spying.

The news could effectively stymie the Chinese firms' attempts to expand in the world's largest telecoms markets and give a boost to rivals such as Sweden's Ericsson.

Amid a decline in demand in the global communications equipment market, Huawei previously this year overtook Ericsson to become the world's leading supplier of communications equipment by sales.

"This puts an established intelligence community stamp on the idea that these are companies that pose a potential serious threat," Stewart Baker, a former U.S. Homeland Security Department official, said. "They are going to be treated more harshly than other multinationals for the foreseeable future."

Chinese telecommunications giant Huawei on Monday "unequivocally" denied the congressional report that declared them a threat to American national security.