Huawei Executive Speech – Charles Ding

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P1:

Good Afternoon, Ladies and Gentlemen.

I am so pleased all of you were able to join us today. Thank for being here. In particular, I want to extend my special appreciations to Dr. Nasser Marafih, and our SAMENA friends, who made it live for us, today.

I have spent the last 20 years working for Huawei in a variety of roles across different business functions and in different regions on the world. The arc of my career with the company is parallel with Huawei's own narrative, growing from a start-up in Shenzhen 27 years ago to becoming a leading multinational ICT enterprise today.

I am honored to be here to share with you our perspectives on how the industry can work together to advance ICT and build a better connected world.

P2

I will address how to build a better connected world to transform our lifestyle from three aspects:

First, connection will catalyze the transformation of all businesses;

Second, proactive policies will drive ICT innovation;

Third, digital enablers will stimulate the new business model and ecosystem.

P3:

The human need to connect by communications is just the tip of the iceberg; the remainder – emotional needs – is beneath the water. People long for "zero distance" communications and an immersive experience. This requires cloud computing and Big Data technologies for the synchronization, transmission, processing, analysis, and presentation of complex information. Huawei has proposed the concept of "Envisioning a Better Connected World". In a connected world, ubiquitous connectivity and easy-to-use smart applications are able to catalyze the ever-exploding traffic demands that lie beneath the water. Once these capabilities are built, virtual reality will allow users to virtually experience a fullness that is impossible in the physical world.

For example, People can tour Paris, check on their pets, celebrate birthdays remotely, and enjoy a football game or movie, anytime, anywhere. You would not miss Netherland Vs Australia match during your flight time yesterday.

P4

In the 21st century, the ways in which people connect have changed, bringing enormous challenges for telecom carriers. There is still a long way to go before fully satisfying and further unleashing communications requirements in terms of "speed, quality, simplicity, freedom, and sharing".

The future development of the digital society over the next two decades can be grouped into four trends. First, Internetization is a fundamental feature of business thinking. Second, mobility is a basic lifestyle. Third, people utilize the wisdom of all people and machines across the world through the Internet, cloud computing, and Big Data, developing the wisdom of connection and sharing. Fourth, the reach of social media extends everywhere and into everything.

Broadband connections are driving the emergence of numerous new business models and restructuring all traditional industries. They also significantly improve production, business process efficiency, and the productivity of all industries. Many countries are putting broadband high on their strategic agenda: In May 2010, the European Commission published the Digital Agenda for Europe, which aims to enable broadband access as a universal service. The agenda also defines a high-speed broadband program, and expects a bandwidth of over 30 Mbit/s for all European families and over 100 Mbit/s for half by 2020.

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Broadband connectivity plays a key role in promoting regional socioeconomic development. According to statistics published by the World Bank, a 10 percent increase in broadband penetration increases GDP by 1.38 percent. The growing penetration of broadband access enables people in remote areas to experience a connected life, laying the foundation for

bridging the digital divide. Broadband developments also improve productivity and create more job opportunities.

Broadband connections have experienced the most dynamic development in the SAMENA region. Over the past five years, the telecommunications market increased by 28 percent, which is much higher than the global average. High broadband connectivity opens up numerous business opportunities. In SAMENA region, the growth potential for mobile and broadband penetration is huge.

However, infrastructure construction for broadband connectivity requires a huge initial investment with a long return-on-investment (ROI) period. A proactive support policy is required to ensure the effective construction of broadband infrastructure.

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The government should regard the ICT industry as an engine that drives national or regional economic growth. Public-private partnerships (PPP) should be given priority in national broadband (NBB) projects, to keep ROI at a reasonable level, and encourage investment.

Spectrums will become the scarcest resources. In order to enable ultra-broadband connectivity for the future digital society, it is necessary to allocate additional spectrums and step up efforts to coordinate spectrum planning across the industry chain.

According to US FCC, infrastructure synergy helps decrease network construction costs by 40%.

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In 2013, mobile Internet traffic saw a year-on-year increase of 80 percent globally. MBB traffic is set to soar, with the compound annual growth rate reaching approximately 50 percent by 2020.

To meet growing demands for MBB spectrum, the mobile communications industry should call for at least an additional 500 MHz spectrum at the World Radiocommunication Conference 2015 (WRC-15) to be held by the ITU-R in November of next year.

At the same time, Unified spectrum allocation is the key to achieving spectrum harmonization and requires collaboration between the government and the entire IMT industry.

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Once a positive regulatory environment is in place, it is imperative to energize a healthy ecosystem to maximize the potential of the industry. As a key to global competitiveness, connectivity results from close collaboration among players in the ICT ecosystem in which technology and industry convergence is prevailing.

Networks, IT systems, and devices are three elements crucial to ICT infrastructure transformation.

First, networks. The development of networks relies on architecture design

and bandwidth availability. Network architecture must be evolved through software-defined networking (SDN) and network function virtualization (NFV) so as to open up network capabilities. In this way, ICT networks will become a business enabler, allowing partners to use open capabilities and create a variety of business models, such as forward and backward charging. We must continuously invest in cutting-edge technologies such as 5G to improve the broadband experience. A superior experience will encourage the willingness to buy, which in turn will contribute to a virtuous business cycle.

Second, IT systems play an integral role in ICT infrastructure transformation. We must redefine IT system architecture with Big Data and cloud computing concepts. Cloud computing architecture is absolutely necessary if we are to support smart applications using Big Data analytics. These developments reveal that ICT convergence will open up more business opportunities over the coming years to energize new business models and ecosystems.

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Telecom and Internet services are increasingly interwoven as broadband networks boom. Telecom carriers are starting to transform into information service providers, which is a critical move for their development.

The cloud platform is the core for future information service architecture. It will create new business models that deliver services to individuals and businesses in different ways.

As the core assets of carriers and the center for information transmission, processing, and storage, networks will never be abandoned. At Huawei, our

mission is to help carriers build networks that deliver ubiquitous ultra-broadband access and a superior user experience.

Third, devices are crucial to ICT infrastructure transformation. As an integral part of ICT infrastructure, devices are used to sense and collect information. They also allow users to present whatever they want. Devices are becoming smarter and coming into wider use, further pushing cloud application platforms.

For two decades Huawei has focused on ICT. Alongside our customers and partners, we are committed to building the world's most efficient and integrated digital logistics system, helping customers build networks as wide as the Pacific Ocean.

Ladies & Gentlemen:

Through continuous investment & industry joint effort, we expect to lead the ICT industry well into the future; ICT technologies will build a better connected world, and it will contribute greatly to the social & economy in the SAMENA region!

Let’s unite together, to make this happen!

Thank you!