

Huawei's response to the public consultation on the targeted GBER revision process

Huawei welcomes the opportunity to provide its feedback on the targeted GBER revision process aimed at ensuring that state aid rules cater appropriately for market and technological developments and the new Commission priorities, in particular the European Green Deal and the Industrial and Digital Strategies.

Research, Development and Innovation Aid

As regards so-called “*technology infrastructures*”, Huawei invites European policymakers to implement actions for boosting policy coherence between, *on the one hand*, the state aid framework for Research, Development and Innovation (FRDI) and the goals and targets of the European Green Deal and, *on the other hand*, connectivity policies pursued by the Commission in relation to 5G supply market trends¹.

More specifically:

- We recommend to refer explicitly to the **principle of technological neutrality** in relation to points (86) ‘experimental development’, (97) ‘process innovation’ and (98a) ‘testing and experimentation infrastructures’ of the Draft GBER.

We are firmly convinced that the GBER should be reformed to contribute to sustainable development. For example, the GBER should address potential gaps in granting aid for research and development of green technologies and their transition to the market. While the current rules cover industrial research and experimental development, especially in the renewable energy and fuel sectors, new digital technologies are not always profitable at the outset. Therefore, additional aid is needed to scale production of such technologies and ensure their effective and quick use for a greener market. Thus, we suggest that the GBER rules be revised to facilitate explicitly research in technologies of the future (e.g. quantum computing, photonics, 6G) in the context of open scientific collaboration mechanisms and provided, however, that there is a clear evidence of a certain market failure, not covered by present rules, that affects specifically those technologies.

Huawei advocates for state aid rules for research, development and innovation to be applied in a fair, open, transparent and non-discriminatory manner. In this regard, Huawei is firmly convinced that open international scientific collaboration is essential for delivering innovation and competitive markets to the benefit of European citizens. We believe that the GBER revision should incentivize open international scientific collaboration by allowing greater state aid for research and innovation in cutting-edge digital technologies. However, appropriate mechanisms should be put in place to ensure that public funds are effectively used in the EU with a view to avoiding cross-subsidization of research carried out in third countries.

¹ Please see the study on 5G market trends and plausible developments of the 5G supply market looking to 2030 published in last August by the Commission which is made available at <https://digital-strategy.ec.europa.eu/en/library/commission-publishes-study-future-5g-supply-ecosystem-europe>.

Transformation requires a combination of innovative mindset, technology and infrastructure, skilled people, open markets and leadership. The EU needs to remain open for investments and ideas.

We highlight two key technologies: AI and 6G.

The EU has strengths in research and in industrial applications of AI but shows weaknesses regarding chip technologies, cloud services, and pre-trained models. Yet, we do not see it as a global race. Progress in the US and in China also benefits Europe. Therefore, the EU should support a global eco-system for AI. Data underpin AI: the data strategy should become a center piece of Europe's digital agenda.

During the decade, 5G will also merge with 6G. We urge EU policymakers to support global unitary standards for 6G, notably in the context of research and innovation activities falling within the scope of application of the GBER. They reduce costs, promote business efficiency and foster innovations. Horizon Europe can be a vehicle that can be used in a global context to push for such 6G standards—which could come on stream as early as 2028. It is crucial that a consistent policy approach for research and innovation financing be adopted in the context of Horizon Europe, Digital Europe Programmes and the GBER.

Environmental and Energy Aid

We welcome the introduction of a new specific category of exemption for investment aid for clean or zero-emission vehicles as well as the provisions on investment aid for recharging and refuelling infrastructure which have recently been introduced as part of the targeted GBER revision accompanying the MFF 2021-2027 by (i) enlarging the scope of investment aid for refuelling infrastructures to those supplying low-carbon hydrogen and (ii) covering also aid for recharging and refuelling infrastructure that is not publicly accessible. Those changes are in line with the principle of technological neutrality.

As regards Article 36a, paragraph 8 of the Draft GBER on investment aid for recharging or refuelling infrastructure, we consider that the following wording imposes a disproportionate time horizon for assessing the market failure eligibility criterion:

*“The necessity of aid to incentivise the deployment of recharging or refuelling infrastructure of the same category shall be established through an ex ante open public consultation or an independent market study. In particular, it shall be established that no such infrastructure is likely to be deployed on commercial terms **within three years** from the entry into application of the aid measure.”*

In this regard, the three years period seems to be at odds with undertakings normal conduct of business where the reference period for investments planning by Board of Directors is usually two years. Therefore, we believe it would be preferable to reduce that eligibility criterion to a period of two years which is consistent with the need to meet quickly the goals pursued by the European Green Deal.
