

## Huawei's new advanced chip breakthrough likely to trigger closer US scrutiny — analysts

SHENZHEN, China/SAN FRANCISCO, California — Huawei Technologies' breakthrough in making an advanced chip underscores China's determination and capacity for fighting back against US sanctions, but the efforts are likely very costly and could prompt Washington to tighten curbs, analysts said.

Huawei unexpectedly unveiled the latest Mate 60 Pro smartphone last week during US Commerce Secretary Gina Raimondo's visit in China, as the government readies a new \$40-billion investment fund to bolster its developing chip sector.

The Mate 60Pro is powered by its proprietary chip Kirin 9000s and manufactured by the country's top contract chipmaker SMIC using an advanced 7 nanometer (nm) technology, according to a teardown by Ottawa-headquartered TechInsights.

Its findings and claims by early users about the phone's powerful performance indicate China is making some headway into developing high-end chips, even as Washington has over the recent years ramped up sanctions to cut its access to advanced chip-making tools.

It "demonstrates the technical progress China's semiconductor industry has been able to make without EUV tools. The difficulty of this achievement also shows the resilience of the country's chip technological ability,"

TechInsights analyst Dan Hutcheson said.

EUV refers to extreme ultraviolet lithography and is used to make 7 nm or more advanced chips.

"At the same time, it is a great geopolitical challenge to the countries who have sought to restrict its access to critical manufacturing technologies. The result may likely be even greater restrictions than what exist today."

Jefferies analysts said TechInsights' findings could trigger a probe from the US Commerce Department's Bureau of Industry and Security, create more debate in the US about the effectiveness of sanctions and prompt the Congress to include even harsher tech sanctions in a competition bill it is preparing against China.

"Overall the US-China tech war is likely to escalate," they said in a note.

A US Department of Commerce representative did not immediately reply to a request for comment on Tuesday morning.

Huawei declined to comment. SMIC and China's State Council, which handles press queries on behalf of the Chinese government, did not immediately respond to requests for comments.

### LIMITED ACHIEVEMENT

The most advanced chip SMIC had previously been known for making was 14 nm, as it was barred by Washington in late 2020 from obtaining an EUV machine from Dutch firm ASML. — **Reuters**

### FULL STORY



Read the full story by scanning the QR code or by typing the link <https://bit.ly/3P59okv>

# Wider spectrum capacity and access boost download speeds

IMPROVING access and quantity of spectrum capacity has boosted 4G and 5G download speeds in the Asia-Pacific (APAC) region, according to Opensignal.

"Opensignal data shows that APAC users observe twice or even thrice as fast 4G download speeds and around 50% faster 5G download speeds when there are large amounts of spectrum bandwidth connected compared with low amounts. Video streaming services also benefit from increased spectrum bandwidth — however, the difference is more marked on 4G than 5G," Opensignal said in an Aug. 31 report.

The analysis involved May to July data from 30 Asia-Pacific markets, including the Philippines.

"When users are connected with greater amounts of 4G spectrum bandwidth, they experience much faster average 4G download speeds across APAC markets. While 5G has launched in many markets, 4G is still prevalent across many markets in the region and continues to contribute to the 5G experience when users connect to 5G with non-standalone access," Opensignal said.

Average download speeds on 4G for the 20-40 megahertz (MHz) spectrum bandwidth used stood at 35.1 megabits per second (Mbps), 55.2% faster than for connections using spectrum capacity of 20MHz or less, it said.

"The 4G Download Speed score is even higher with at least three carriers used and more than 40MHz spectrum connected. Then users — see average speeds of 46.4Mbps, or more than twice as fast as when there is 0-20MHz spectrum in use. With more than 80MHz of mobile spectrum connected, average 4G download speeds in Asia-Pacific rise to 64.1Mbps, which is nearly three times faster compared to speeds with just 0-20MHz connected," Opensignal said.

"More spectrum bandwidth also boosts 5G Download Speed in the Asia-Pacific region significantly. When smartphones are connected with more than 100MHz of total spectrum capacity, average 5G download speeds clocks in at 271.4Mbps. This is approximately a 50% increase in 5G Download Speed compared with 5G speeds with a spectrum bandwidth of 100MHz or less," it added.

Among Asia-Pacific markets, Malaysia benefits the most from wider spectrum bandwidth for 4G download speeds as it was two times faster for 40-60MHz and 2.3 times faster for 60-80MHz.

For 5G, download speed was up to 271.4 Mbps at over 100MHz, from 178.7 Mbps at 0-50MHz.

"4G Download Speed also more than doubles in Indonesia where more than 60MHz spectrum is used, compared to 0-20MHz — and is nearly twice as high in Australia and South Korea using respective bandwidths. Our users in Japan observe a smaller relative impact of more spectrum used for 4G connectivity — average 4G download speeds are only around 40% faster for 40-60MHz bandwidths and slightly more than 70% faster for 60-80MHz," Opensignal added.

Higher spectrum capacity also boosted video streaming speeds, it said.

"With more spectrum assigned to mobile connections, our users in the APAC region also enjoy shorter initial delays in playing video streams," Opensignal said.

"The Video Experience score increases from 59.7 points (out of 100) for a spectrum bandwidth of 20MHz or less, up to 71.6

points when the total spectrum bandwidth connected exceeds 80MHz," it added.

However, Opensignal noted that some Asia-Pacific markets have limited access to spectrum, which affects their economies.

"More spectrum assigned to mobile operators leads to faster speeds and a better mobile user experience — which in turn leads to socioeconomic benefits," it said.

Ronald Gustilo, national campaigner of Digital Pinoys, said spectrum access and allocation in the country should conform to constitutional limitations.

"Anyone seeking to access additional spectrum should secure a congressional franchise as it is a finite resource which should only be available to Filipino nationals under the 1987 Constitution," he said in a Viber message to *BusinessWorld*.

"The government must welcome applicants so long as they comply with the requirements of the law," he said on the creation of proper regulations for spectrum management. "Further, government should focus more on developing connectivity in isolated, far-flung communities." — **M.H.L. Antivola**

## Lista adds credit card comparison feature to mobile app

FINANCIAL management app Lista has partnered with personal finance platform MoneyMax to launch a feature comparing credit cards to allow users to decide which ones they want to get.

Under the partnership, Lista users can view curated card offers, compare cards, and easily apply for their preferred card, Lista said in a statement on Wednesday.

"Lista was created to provide Filipinos with purpose-driven solutions for their personal and business finances. Credit plays an important role not only in driving economic growth, but also in helping people purchase goods and services that can change lives for the better. We are excited to work with MoneyMax to streamline the credit card application process through Lista," Lista Co-Founder Khritina T. Lim said.

"Through this partnership, we will utilize technology to bridge the gaps that keep Filipinos from greater financial inclusion — empowering more people to live healthier financial lives," she added.

With this feature, Lista wants to help address the gap in credit card usage among Filipinos, it said, citing a TransUnion study that showed the card penetration rate in the country stood at just 25%.

"Better access to credit can help foster greater financial inclusion. The integration of seamless credit card application on the Lista app does away with many of the perceived difficulties in applying for a credit card," Lista said.

"These user-centric solutions provide Filipinos better control and convenience over their financial choices — potentially opening greater financial opportunities to more people," it added.

Lista will add more features to its app, including budgeting, saving, credit, and other aspects of personal financial management. — **AMCS**

### Inflation, from SI/1

Nomura also raised its core inflation forecast to 6.4% from 6.2% previously, amid likely spillovers from high food and fuel prices. However, it noted that second-round effects may be more limited due to weakening demand.

Core inflation, which excludes volatile prices of food and fuel, eased to 6.1% in August, from 6.7% in July, but above 4.6% in the same month last year.

Nalin Chutchotitham, economist for the Philippines at Citigroup, Inc., said in a note on Wednesday that the country is still vulnerable to rice inflation.

Rice inflation accelerated to 8.7% in August from 4.2% in July, its sixth straight month of increase. It was also its fastest pace since the 9% print in November 2018 when the country experienced a shortage of rice.

Ms. Chutchotitham said recent typhoons and El Niño could impact rice supply in the second half and up until next year.

"The government said it will allow more imports to ensure adequate supply, but the private sector appears to be waiting for global prices to stabilize before securing more imports," she added.

### RICE PRICE CAP

Analysts said the recently imposed price cap on rice may help alleviate inflationary pressures.

"Government measures such as the price ceiling on rice and a possible reduction in import tariffs should help ease these pressures, but likely only temporarily owing to the lack of fiscal space," Nomura's Mr. Paracuelles said.

The government on Tuesday began implementing a price ceiling of P41 per kilogram for regular milled rice and P45 per kilogram for well-milled rice, as it sought to combat price manipulation and hoarding.

"The authorities are hoping to nip this renewed upward pressure in the bud... (rice) is a staple in the Philippines and, together with vegetables, was mainly to blame for the latest leap in prices," Pantheon Chief Emerging Asia Economist Miguel Chanco said in a Sept. 6 report.

He noted that September inflation data would show if the price ceiling is effective in relieving upward pressures or if it will "inadvertently lead to widespread shortages."

"Nevertheless, the longer-term outlook for food inflation appears benign, as it is yet

to reflect fully the more subdued gains globally, which leads by roughly half a year. The action in food prices last month masked big crosscurrents in oil-sensitive components," he added.

GlobalSource analyst Marie Christine Teng in a note on Sept. 5 said that the price ceiling will be able to arrest the rapid increase in prices."

"However, forecasts suggest that rice stocks will still be tight even as the country heads into another El Niño weather disturbance later this year. Hence, prices may stay high, especially if import costs remain higher than the price caps," she added.

### POLICY

Meanwhile, analysts said the BSP is unlikely to end its policy pause despite the quicker August inflation.

"In terms of monetary policy, we maintain our forecast that BSP will leave its policy rate unchanged at 6.25% over the next few months, although we see a rising risk of BSP resuming its hiking," Mr. Paracuelles said.

The Monetary Board last month paused for a third straight meeting, keeping its key policy rate at a near-16 year high of 6.25%. From May 2022 to March 2023, the central bank hiked benchmark interest rates by 425 basis points (bps).

Pantheon Macroeconomics' Mr. Chanco said that the recent inflation print is "unlikely to have a bearing on the BSP's current pause."

Citi's Ms. Chutchotitham said that she does not expect further rate hikes from the BSP amid easing core inflation, weak second-quarter growth, and the government's efforts to bring down rice prices.

"We continue to expect no change in the policy rate through early 2024. The BSP had cautioned about upside risks to inflation, but several factors would support the BSP's continued pause," she added.

Mr. Paracuelles said the central bank may be encouraged to resume its tightening cycle if core inflation stops declining.

"For now, despite the weakening growth outlook, BSP will likely maintain its hawkish rhetoric, underscoring that it remains vigilant against inflation risks and that it will continue to pledge its readiness to act if conditions warrant," he added.

The Monetary Board is set to meet on Sept. 21. — **Keisha B. Ta-asan**



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