Google reportedly ends business with Huawei, will cut it off from Play Store

Enlarge / Huawei’s latest flagship, the P30 Pro.

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President Trump issued an executive order last week banning “foreign adversaries” from doing telecommunication business in the US. The move was widely understood as a ban on Huawei products, and now we’re starting to see the fallout. According to a report from Reuters, Google has “suspended” business with Huawei, and the company will be locked out of Google’s Android ecosystem. It’s the ZTE ban all over again.

Reuters details the fallout from Trump’s order, saying “Huawei Technologies Co Ltd will immediately lose access to updates to the Android operating system, and the next version of its smartphones outside of China will also lose access to popular applications and services including the Google Play Store and Gmail app.”

Huawei’s loss of access “to updates” is most likely a reference to Android Q, which hardware manufacturers get early access to. Since Android is open source, Huawei could resume development once the source code comes out. The real killer is the loss of the Google Play Store and Google Play Services, which unlocks access to the billions of Android apps and

popular Google apps like Gmail and Maps. Reuters claims this will only happen to “the next version” of Huawei’s smartphones, presumably meaning existing devices with the Play Store will continue to work.

Huawei doesn’t do much smartphone business in the US, so banning Huawei from selling phones to US consumers won’t change much. Huawei has made a few attempts to break into the US market, but pressure from Congress on Huawei’s individual business partners, like AT&T and Verizon, have caused them to walk away from deals with the company. Besides smartphones, Huawei is also one of the biggest suppliers of network and telecom equipment in the world, and this ban will keep the company’s routers, towers, and other equipment out of US networks. An earlier Reuters report detailed the problem the ban would cause in rural states like Wyoming and Oregon, which have adopted Huawei equipment.

The real change here is the banning of US companies from supplying Huawei with software and hardware. Outside of China, this move is a death sentence for Huawei smartphones in places like Europe and India. There isn’t a single viable alternative to Google’s Android ecosystem, so Google-less Huawei smartphones would have a tough time in the market. The only company that has sort of made Google-less Android work is Amazon, which sells forked Android tablets that are so cheap and disposable they come in a six-pack. Amazon is also a US company, though, so the Amazon App Store presumably wouldn’t be available to Huawei, either.

Huawei’s explosive growth will probably be coming to an end, if the ban sticks.
In Huawei’s home nation of China, not much will change. Google doesn’t do much business in China, so the Play Store and Google Play Services do not exist there. The app store landscape is pretty fragmented as a result, with most OEMs running their own app store or licensing a third-party app store from other Chinese companies like Tencent or 360 Mobile.

When ZTE faced a similar ban from doing business in the US last year, the company was forced to shut down worldwide operations. According to Reuters, 25 percent of ZTE’s smartphone components come from the US, and the one-two punch of being banned from Google’s Android app ecosystem and from buying Qualcomm’s smartphone chips were too much for the company. Huawei is a lot bigger than ZTE, though, and more

independent. Qualcomm has a near-monopoly on high-end Android SoCs and cellular connectivity technology, but Huawei is one of two Android manufacturers (the other is Samsung) with its own chip design division. Huawei flagships all have SoCs from Huawei's "HiSilicon" chip division, and the company even makes its own 5G modems.

If the ban really does stick, a possible future path for Huawei is to ship forked, Google-less versions of Android with the Huawei App Store, extending its Chinese app ecosystem to the rest of the world. Huawei has also done some development work on an in-house operating system, but it's unclear if this would be a better option than forking Android. Huawei is the number two smartphone vendor in the world, behind Samsung and ahead of Apple, and saw its device shipments grow by an explosive 50% year over year. Whatever decision it makes is a big deal for Google and the rest of the Android ecosystem.

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