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# BROADCOM REVENUE ROUT DUE TO HUAWEI BAN


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# BROADCOM SAYS HUAWEI BAN WILL MEAN US$2B LESS IN REVENUE

**Semiconductor manufacturer Broadcom has said it will take a hit of about US$2 billion in annual sales for its current financial year which ends in November, due to the restrictions placed on Chinese telecommunications equipment vendor Huawei Technologies.**

The company made the disclosure during an analysts' call after the announcement of its second-quarter results on Thursday, ***The Wall Street Journal*** **reported**.

Broadcom is the first semiconductor maker to announce any results since the ban on Huawei using American-made components in its products was put in place **on 16 May**.


Chief executive Hock Tan said the company had made about US$900 million from sales to Huawei in the previous financial year, about 4.3% of its revenue for that year.

The US$2 billion was a reflection of the loss from sales to Huawei and also a lack of confidence among customers, Tan said.

“With respect to semiconductors it is clear that the US-China trade conflict, including the Huawei export ban, is creating economic and political uncertainty and reducing visibility for global [manufacturing] customers."

Other smaller semiconductor firms like Qorvo and Lumentum have both revised their quarterly revenue guidance down by about US$50 million each.

Analog Devices, a bigger company in the same line, said in May that revenue for its third quarter would be about US$100 million below what analysts predict.

The US Government placed Huawei and 68 of its affiliates on its Entity List on 16 May, meaning that the company would have to seek permission to purchase any American components it needed to manufacture its products.

Four days later, Google **announced** it was cutting off Huawei's access to future updates of Google's Android and Google Play Store.

Huawei, which is now the second biggest smartphone vendor globally after Samsung, uses a customised version of Android on all its smartphones and tablets.

On 21 May, the US Commerce Department **eased** some of the restrictions until August, allowing Huawei to maintain and update existing networks and handsets.

**Sam Varghese**

# APPLE IPHONE TOOK A POUNDING IN EUROPE IN 1Q2019: IDC

**Apple's iPhone has endured one of its toughest quarters ever, with its market share in Europe in the first quarter of 2019 falling to 23%, the research firm IDC says.**

Giving numbers for the smartphone market in Europe, the Middle East and Africa for the period, IDC said 83.7 million units were shipped in toto, a drop of 3.,3% year-on-year which confirmed recent trends of a slowing market.

The total value was down by a little more than 10% year-on-year, coming to US$26.78 billion in retail value before sales tax. Feature phone sales were at 45.9 million units, two-thirds of them to Africa.

IDC said its figures showed the Mideast market contracting the most at 18.8% below 1Q2018. Africa grew by 6% while Europe showed little change.

Average sales prices fell in Western Europe and while they remained stable in Central and Eastern Europe, those prices were a little more than half that in Western Europe. The Middle East showed a sharp decline in prices.

"In brands, Huawei continued to make incremental advances, and so did Xiaomi, while Apple had a tough quarter, with its 23% market share across Europe the lowest 1Q result in five years," said Marta Pinto, research manager at IDC EMEA.

IDC said the top three Chinese brands — Huawei, OPPO and Xiaomi — including the Transsion stable in Africa, took 36.8% of the total market, against 32.8% a year ago, confirming the trend toward consolidation. Samsung gained nearly four percentage points since 4Q2018.

"The market has been changing in the last few quarters in relatively predictable ways," said Pinto. "Shipments have slowed as consumers hold on to devices for longer, Apple has been challenged with its latest devices, and Chinese manufacturers have been making strides each quarter."

Simon Baker, program director at IDC EMEA, said Europe had been the global focus of vendor concentration in recent quarters, with some of the smaller players under a lot of pressure.

"Looking ahead, it is no longer possible to see clear trends as before. The blacklisting of Huawei in the US on 16 May is creating so many unknowns, and uncertainty is the new key word in the industry as global geopolitics — unconnected directly with Europe or EMEA — becomes the single most important factor in how the market will develop over the rest of the year," he added.

**Sam Varghese**

# TELCOINABOX RELEASES 'REFRESHED' DATA-RICH MOBILE PLANS

**Wholesale telecoms aggregator Telcoinabox has released a new range of data-rich plans it says will give telco providers access to competitive wholesale pricing, complementing its product suite of hosted voice and data products "at a time ripe for renewal".**

According to Telcoinabox — part of the MNF Group — the disconnection of copper and ISDN services from the end of September this year in Australia presents an opportunity for wholesale resellers of telecommunication services.


"In light of the upcoming changes, Telcoinabox has updated its mobile plans across the board to deliver greater value and better complement the service providers' existing products, helping them to stay ahead of the competition in a dynamic market," the company said.

"Telcoinabox prides itself on helping service providers offer the best plans and service to their customers. We are in constant contact with our customers to understand their needs and ensure the product suite is relevant to the market they serve," Telcoinabox chief executive Ritsa Hime said.

"New plans will include up to 60GB of data and unlimited calls to 10 countries, providing Telcoinabox customers access to a quality offering for data-hungry end-users."

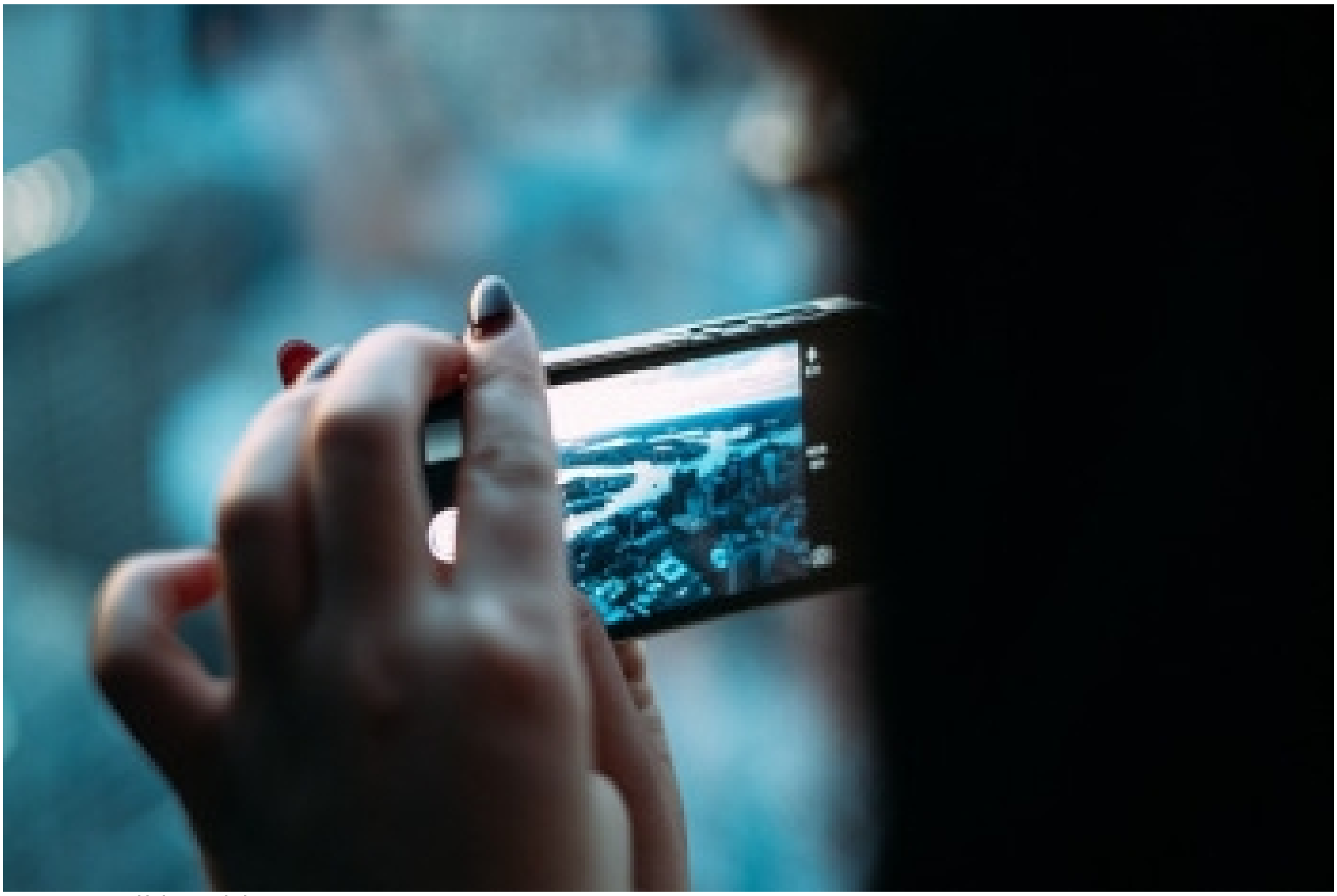
MNF Group chief commercial officer Jon Cleaver said: "With Telcoinabox's full communications product portfolio, including the new mobile plans and the white-label cloud phone system solution, we enable our customers to stay ahead of the curve."

**Peter Dinham**

# OPPO OFFERS FREE YOUTUBE PREMIUM TRIAL TO ANZ USERS

**Chinese smartphone vendor OPPO will offer all its customers in Australia and New Zealand a four-month free trial of YouTube Music Premium, the company says.**

The offer, being made in partnership with YouTube Music, is available to all users of the A, R, Find and Reno series devices from 11 June, a statement from OPPO said.



Users will be able to:

- Have ad-free, uninterrupted access to YouTube Music;
- Be able to play music with the screen off or while using another app; and
- Be able to download music videos for offline watching or when low on data.

The company said it would be offering a free set of Bose SoundSport wireless earphones to anyone who bought a Reno device to take advantage of the YouTube offer.

The YouTube offer will be open until 31 January 2020 and only to new customers of YouTube Premium, YouTube Music Premium, YouTube Red and Google Play Music.

**Sam Varghese**

# 5G FORECAST TO DRIVE GROWTH IN ROBOTICS AND AI SECTORS

**The arrival of high speed 5G technology will drive a new wave of growth in the robotics and artificial intelligence sector, according to one global investment advisory firm.**

Richard Lightbound, chief executive EMEA & Asia for ROBO Global, told clients of ETF Securities in Sydney this week, that companies harnessing data through the use of robotics will be at the forefront of developments in the evolving sector over the next five years.

"It's no longer just about putting robots into service," Lightbound said. "It's about using those robots to gather data and then redeploy that data elsewhere."

Lightbound highlighted logistics and factory automation, agriculture and healthcare as areas that he said stand to benefit the most from the huge advances in sensing technology.

The US-based ROBO Global is in partnership with ETF Securities, which launched the first exchange traded fund in Australia to provide investors with access to global companies focusing on robotics, automation and artificial intelligence technologies.

According to EFT Securities the ETFS ROBO Global Robotics and Automation ETF (ASX: ROBO) has performed strongly this year, returning 15.5% year to date, and ROBO has $126.8 million in funds under management "and was recently upgraded by ratings agency Lonsec to "recommended".

ETF Securities chief executive Kris Walesby said Australian investors are increasingly becoming aware of the transformative potential offered by robotics and artificial AI.

"With few opportunities available locally, ROBO offers a cheap way for investors to gain access to international companies at the forefront of these exciting technologies through our unique partnership with ROBO Global," Walesby said.

The ROBO Global Robotics and Automation Index tracks the performance of 89 stocks from 12 sub-sectors that have been identified as offering the greatest growth potential. The index captures stocks from 15 countries with North America accounting for 43% of the index followed by Japan on 24%.

According to Lightbound, despite a weaker macroeconomic outlook globally in the first quarter of 2019, earnings estimates for companies in the ROBO index have stabilised and continued to point to earnings per share growth of eight percent for the full year.

"The base case here is that a US-China trade deal will be agreed and that is now largely discounted by equity markets," he said.

"And while orders of factory automation equipment in China are yet to turn up, they have stopped deteriorating and early signs of credit and manufacturing activity improvements are increasingly clear."

**Peter Dinham**