



## Pressure on Huawei Is Building But 1 Canadian 5G Stock Will Avoid the Fallout

### Description

On Tuesday, *CNBC* reported that India was considering banning **Huawei** from its 5G networks after banning 59 Chinese apps nationwide. The news came amid escalating tensions between China and India, including border tensions and lethal clashes.

June witnessed a border standoff in the Western Himalayas that came to lethal blows. India's decision to ban most popular Chinese apps came shortly afterward, suggesting that the move was motivated by national security concerns.

If India moves forward with banning Huawei from its 5G networks, it wouldn't be the first country to do so. The company has long been banned from bidding on U.S. government contracts, and the Trump administration has been leaning on allies to block its infrastructure from 5G networks.

Canada is one such country. U.S. leaders have [leaned on Canadian officials to block Huawei](#), and their efforts have met with some success. Earlier this year, the Canadian military lobbied Justin Trudeau to ban Huawei. Shortly afterward, **Telus** agreed to remove its Huawei gear from networks in the National Capitol Region.

While no nationwide ban has been implemented yet, things look like they're headed in that direction. For many Canadian telcos — such as Telus — that's going to cause a lot of headaches. Several Canadian cellular providers already have 5G infrastructure developed in partnership with Huawei. These companies are going to have a serious handicap. One, however, has managed to avoid the controversy entirely.

## Rogers Communications

**Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)) is Canada's largest telecommunications company. It provides cell, internet, and TV services to more than 10 million subscribers (combined) nationwide.

Rogers has long been a dominant player in the Canadian telco scene. Founded in the 1960s, it acquired a number of smaller competitors through the decades, leading to it becoming the nation's

largest telco. It also owns TV stations like Sportsnet and a number of digital ventures.

## A long partnership

Rogers Communications has long partnered with **Ericsson**, a wireless infrastructure company based in Sweden. The two companies have partnered on wireless infrastructure for years and will be working together on 5G.

Unlike some telecommunications companies, which have had to pivot away from Huawei, Rogers avoided the controversy from the get go. As a result, it has been able to roll out 5G faster than its competitors, with its [networks in Toronto and Vancouver](#) all ready to go.

## Solid results

With or without its 5G head start, Rogers is a solid company. This can be seen in its first-quarter results. Despite the COVID-19 pandemic, the company grew its free cash flow by 14% year over year, increased its wireless adjusted EBITDA by 1%, and added 17,000 net internet subscribers.

While the company's revenue was down in the quarter, it still managed to grow by many metrics — a solid result in one of the hardest economic periods in history.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:RCI (Rogers Communications Inc.)
2. TSX:RCI.B (Rogers Communications Inc.)

### PARTNER-FEEDS

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