BIZCOMMUNITY

The global consequences of Google revoking it's Android license

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With several product announcements expected this fall, I am highlighting how the ongoing issue between Google and Huawei impacts the smartphone market on a global level.

On 21 May 2019, we saw a series of events unravel that I would describe as an unprecedented business backlash for one of the largest tech companies in the world.

Followed by the US Administration's executive order restricting companies in the US to supply products to Huawei, Alphabet (Google) revoked its Android license from the Chinese company.

Some of the key consequences impact Huawei's current as well as its future business:

- It will be unable to install Google Play Service on future smartphones. It will not be able to apply or receive Android certification under the Compatibility Test Suite (CTS), which any OEM must pass to allow Google-branded apps to be installed.

- For existing devices Huawei confirmed that users will be able to update apps via the Google Play Store. However, the uncertainty that this event created around Huawei's devices has impacted consumer sentiment in EMEA during 2Q19. This is evidently reflected in Gartner's 2Q19 device market share publication.

What does this mean to Huawei's business?

The repercussions of this executive order can have detrimental effects on Huawei's businesses on a global scale.


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Huawei is one of the most valuable companies in China with over $100bn annual revenue in 2018. Its consumer business grew 45.1% in revenue in 2018 over 2017 and hence overtook its network core business.

The consumer business now makes up 48.4% (348 billion Yuan) of overall revenue. Huawei has been the rising star in the smartphone market, growing at a fast rate despite a slowing smartphone market.

The vendor took the #2 spot in the overall phone market in 1Q19 according to Gartner numbers (13.6% share). The Western European market is Huawei's most important smartphone market after Greater China – 14% of its smartphone shipments went to this region in 1Q19. In fact, around 50% of the vendor's smartphone shipments are outside Greater China right now.

Over the next two weeks, we expect to see the announcement of Huawei's new flagship device, the Huawei Mate 30.

In the current situation, users will not have access to Google-branded apps with this upcoming device, even though the device will likely run a version of Android.

Tech-savvy users may find other ways to download apps. However, without access to some of the most popular apps like

Youtube and Google Maps is a difficult sell for a smartphone vendor outside China.

The global impact

Consequently, some other vendors may benefit from this situation, as smartphone users will look to other brands.

In Western Europe, we are starting to see the growing presence of other Chinese brands such as Oppo and Xiaomi. Huawei's biggest Android-competitor – Samsung – may also benefit from Huawei's troubles. Alternatively, some users may also look to the Apple ecosystem in this situation.

It remains to be seen if a last-minute deal could be established between Google and Huawei to allow the latter to bring its future devices to market with Google-branded apps. The issue highlights how dependent smartphone vendors are on Google.

At the same time. this is not a favourable situation for Google either having a fall-out with one of its largest hardware partners.