

Gartner: Global 5G Infrastructure Revenues on the Up

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According to Gartner, global 5G wireless network revenues will reach \$42 billion in 2020, an 89% increase from 2019 revenues of \$2.2bn, as 5G service launch in major cities across the world.

In addition, 5G New Radio (NR) network infrastructure will account for 12% of total wireless infrastructure revenues of communication service providers (CSPs) in 2020, an increase from the 6% seen in 2019.

Table 1: Wireless Infrastructure Revenue Forecast, Worldwide, 2018-2021 (Millions of Dollars)

Segment	2018	2019	2020	2021
5G	612.9	2,211.4	4,176.0	6,805.6
2G	1,503.1	697.5	406.5	285.2
3G	5,578.4	3,694.0	2,464.3	1,558.0
LTE and 4G	20,454.7	19,322.4	18,278.2	16,352.7
Small Cells	4,785.6	5,378.4	5,858.1	6,473.1
Mobile Core	4,599.0	4,621.0	4,787.3	5,009.5
Total	37,533.6	35,924.7	35,970.5	36,484.1

Due to rounding, figures may not add up precisely to the totals shown.

Source: Gartner (August 2019)

“5G wireless network infrastructure revenue will nearly double between 2019 and 2020,” the analyst says. “For 5G deployments in 2019, CSPs are using non-stand-alone technology. This enables them to introduce 5G services that run more quickly, as 5G NR equipment can be rolled out alongside existing 4G core network infrastructure.”

In 2020, CSPs will roll out standalone 5G technology requiring 5G NR equipment and a 5G core network. This lowers costs for CSPs, as well as improve performance for users. Services should launch in major cities in 2019 and 2020. Services have already begun in some European countries, including Switzerland, Finland and the UK, and more should kick off in 2020. As a

result, Gartner says 7% of CSPs worldwide have already deployed 5G infrastructure.

While consumers make the major segment driving 5G developments, CSPs are keen to market 5G services to enterprises. 5G networks should allow the mobile ecosystem to cover future industries, such as smart factory, autonomous transportation, remote healthcare, agriculture and retail sectors, as well as enable private networks for industrial users.

Equipment vendors consider private networks for industrial users as a market segment with "significant potential." Vendors, regulators and standard bodies already have preparations in place for the 5G private network opportunity. For instance, Germany set aside the 3.7GHz band aside for private networks, while Ericsson and Nokia are working on solutions to allow enterprises to build private networks.

"National 5G coverage will not occur as quickly as with past generations of wireless infrastructure," Gartner concludes. "To maintain average performance standards as 5G is built out, CSPs will need to undertake targeted strategic improvements to their 4G legacy layer, by upgrading 4G infrastructure around 5G areas of coverage. A less robust 4G legacy layer adjoining 5G cells could lead to real or perceived performance issues as users move from 5G to 4G/LTE Advanced Pro. This issue will be most pronounced from 2019 through 2021, a period when 5G coverage will be focused on hot spots and areas of high population density."

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