

Mobile World Congress 2024

Key trends shaping the future



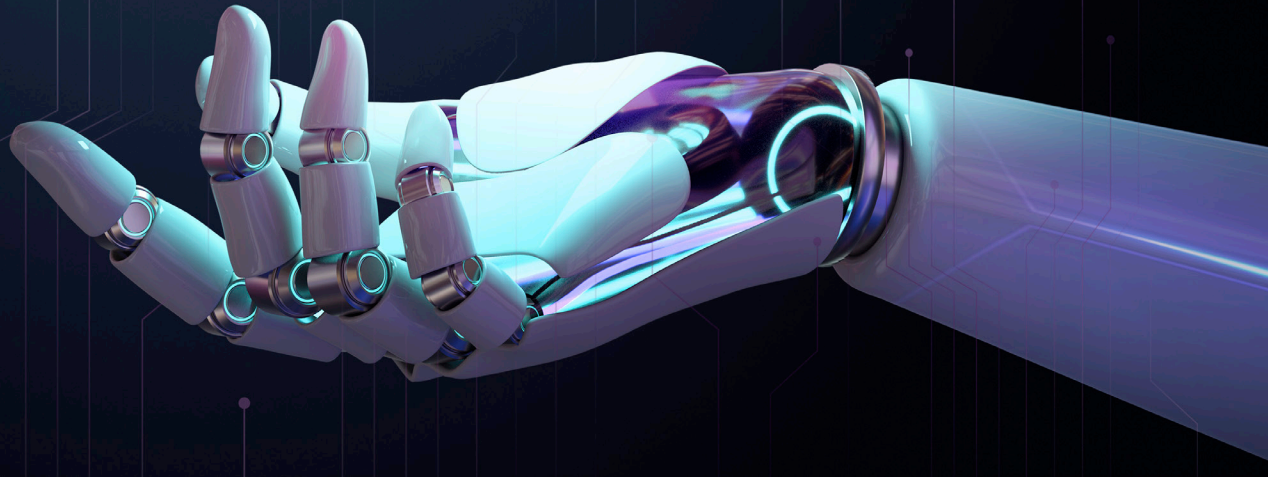
Mobile World Congress 2024

Key trends shaping the future

The recent Mobile World Congress (MWC) in Barcelona, with more than 101,000 people from over 205 countries, brought to life a strategic dialogue, hinting at a transformative phase for the telecom sector. Our team was immersed in these conversations, extracting critical insights on what's ahead.

The MWC hinted significant shifts in the industry, including the anticipated integration process, which could see a reduction in the number of operators per country, fostering pan-European alliances similar to the airline industry's consolidation. This echoes the sentiment that the telecom industry must evolve to stay competitive on a global stage. Additionally, we highlight the critical role of Artificial Intelligence (AI) in this evolution. AI is set to revolutionize network operations and customer interactions, promising not just incremental improvements but a leap forward in efficiency and user experience.

In synthesizing these macrotrends, this article aims to extract those key themes and outlines actionable opportunities and to guide through the complexities of the telecom industry, enabling informed decision-making and strategic foresight.



1. AI and GenAI will transform networks and enhance experiences

Artificial intelligence (AI) is quickly becoming an indispensable trend in the telecom sector, moving beyond analytics and machine learning to play a crucial role in network management and optimization. AI technologies have the potential to enable operators to predict network loads, personalize services and enhance customer experiences. As AI tools become more sophisticated, they provide a means to manage complex infrastructures with greater efficiency, reduce operational costs and improve reliability. This trend is not only about immediate gains but also about setting the stage for future advancements. AI's predictive capabilities and autonomous decision-making power are expected to be at the core of managing next-generation networks, facilitating a transformative shift in how telecom services are delivered and maintained.



The AI-RAN Alliance, introduced at Mobile World Congress, aims to integrate artificial intelligence (AI) into the Radio Access Network (RAN) to enhance network efficiency, reduce power consumption and unlock new revenue streams. Funding members include Amazon Web Services, Arm, DeepSig, Ericsson, Microsoft, Nokia, Northeastern University, Nvidia, Samsung Electronics, SoftBank and T-Mobile. The alliance aims to foster an inclusive ecosystem, welcoming other operators and stakeholders to join in shaping the future of AI in RAN technology.



Amazon Web Services (AWS) has signed agreements with Malaysian telecommunications companies CelcomDigi and Maxis to work together on generative AI solutions, aimed at enhancing network operations and developing practical applications. CelcomDigi and AWS agreed to establish an AI Sandbox using Amazon Bedrock, a managed service offering advanced AI models and capabilities through a single API. This sandbox, located in CelcomDigi's Innovation Centre, will enable employees to experiment with and implement generative AI solutions across various areas such as HR, customer service, legal and finance. Additionally, both companies will collaborate to train CelcomDigi employees in AI capabilities.



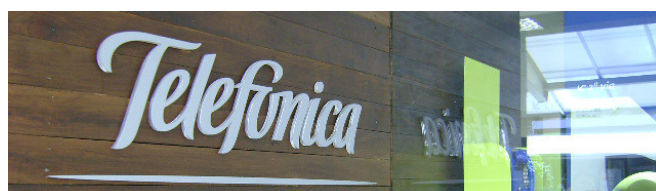
2. Reshaping the European Telecom landscape through consolidation, innovation and regulation

The European telecom sector is experiencing a shift towards consolidation and strategic alliances, driven by the search for economies of scale. Stalled by 26 different regulatory frameworks, the fragmented market landscape has traditionally obstructed efficient operation and scalability. European telecom companies are now embracing union, seeing the formation of a pan-European market structure as a crucial growth strategy. This consolidation, coupled with strategic alliances encouraged by the European Commission, aims to streamline the industry, reduce the number of operators, and cut infrastructure redundancy. These moves optimize resources and enhance the sector's capacity for innovation and its competitive stance globally. By leveraging collective strength, European telecom firms position themselves to counterbalance the dominance of international players, signifying a shift towards a more unified, competitive and robust market.

European telcos find themselves at a critical juncture, requiring strategic alignment of regulations, investment, and innovation to unlock new efficiencies and regional competitiveness.

The MWC 2024 brought together more than **180 delegations from 140 countries**, including two heads of state, more than **70 ministers**, nearly **120 heads of regulatory authorities** and more than **40 intergovernmental organizations**.

The EU has recently approved the merger between **Orange** and **MásMóvil** in Spain. Meanwhile, the Vodafone-H3G merger is currently under review by the UK's Competition and Markets Authority (CMA).



CEOs of major European telecom companies, including Deutsche Telekom, Orange, Telefónica, and Vodafone, gathered to collectively appeal to both EU and national regulatory/policy makers for support. They emphasized the challenges faced by the sector, citing low share prices, returns falling below the cost of capital and limited ability to make necessary investments.



3. From 5G skepticism to sustainable infrastructure development

As the rollout of 5G networks continues, there's a growing trend of skepticism regarding the current infrastructure's capabilities, with much of it relying on pre-existing 4G networks. The anticipated benefits of true 5G will only materialize with the widespread deployment of standalone 5G infrastructure. This shift is fundamental not only for enhancing current services but also for laying the groundwork for the advent of 6G technology, which might not emerge until 2032 or later. The focus should be on creating a sustainable development path that allows for the maturation of 5G before embarking on the journey to 6G, thus ensuring a stable and efficient technological evolution.



Huawei and Malaysian operator **Maxis** jointly announced the successful staging of what they assert to be the first 5G-Advanced technology trial in Malaysia and Southeast Asia. The trial was demonstrated through a live event at KLCC The Place in Kuala Lumpur, featuring a live speed test showcasing the 5G-Advanced's capability to achieve peak downlink data speeds of up to 8 Gbps.



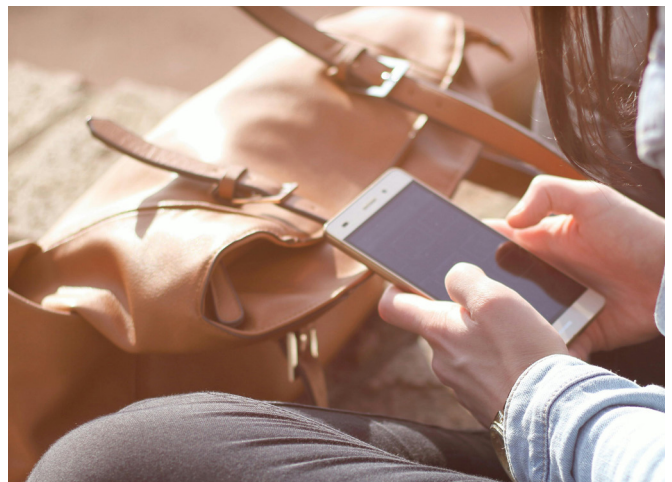
CelcomDigi and **U Mobile** have reached an agreement to share 100 multi-operator core network sites throughout Malaysia and collaborate on developing use cases for 5G-Advanced (5G-A). Each company will contribute 50 core network sites under this agreement, with the goal of enhancing their 4G LTE coverage and improving overall connectivity.



4. Satellite internet's role in universal connectivity

Satellite internet is recognized as an emerging trend in telecommunications, offering a viable solution for connectivity challenges, particularly in remote and underserved areas where traditional fiber and 5G networks may not be feasible. As satellite technology advances and becomes more cost-effective, it holds the promise of democratizing access to high-speed internet, irrespective of geographical constraints. The flexibility and broad coverage of satellite systems make them an increasingly attractive alternative for ensuring comprehensive connectivity, representing a significant opportunity in the global push towards digital inclusion.

Sateliot is one of the first Telecommunications Operator to offer complete IoT coverage to mobile operators using the Nb-IoT (4G/5G) standard. They achieve this by deploying a network of nanosatellites in Low Earth Orbit (LEO), essentially acting as communication towers in space. This approach ensures that IoT devices can stay connected even in areas without traditional towers.





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