Huawei is key to affordable 5G

(Brussels, 14 Jan 2020) – Blocking Huawei from participating in the deployment of 5G networks in three main European countries – France, Germany and the UK - would increase their investment costs by between 8 and 29 percent over the next decade, a new report reveals.

The Oxford Economics study, commissioned by Huawei, sheds light on the potential costs of restricting competition in the provision of 5G network equipment (with regard to price, time and productivity) across eight leading markets: Australia, Canada, France, Germany, India, Japan, the UK, and the US.

This is the first attempt to quantify the potential scale of the effect of blocking a key supplier across global markets.

Millions would go without 5G if competition were restricted

Modelling low, central and high cost scenarios, the study, entitled "The Economic Impact of Restricting Competition in 5G Network Equipment", concluded that:

- Restricting a key supplier of 5G infrastructure from helping to build a country's network would increase that country's 5G investment costs by between 8% and 29% over the next decade. (In the US, this translates to an average increase in investment costs of almost $1 billion per year over the next decade, under the central cost scenario)
- Rising investment costs linked to the restriction of 5G competition would lead to delays in network rollout, meaning millions fewer people would be covered by the 5G network in 2023
- Delays in 5G rollout would also result in slower technological innovation and reduced economic growth, causing reductions to national GDP in 2035, ranging from USD 2.8 billion in Australia to USD 21.9 billion in the US under the central cost scenario.

Read the full Oxford Economics report