

UK at risk of failing to realise full benefits of 5G according to report

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London, 7 September 2022: The UK is at risk of failing to reap the full benefits of 5G according to a new report published today by the Digital Connectivity Forum, the leading advisory body to UK Government on connectivity.

The report, *The Investment Gap to Full 5G Rollout*, written in collaboration with Frontier Economics, examines the capacity of network operators to invest in new high-capacity, high-speed wireless 5G services.

It finds that the industry can invest approximately £9 billion in new network infrastructure by 2030. It also finds that even this substantial investment falls some way short of the cost of delivering full 5G – estimated by the report to be an additional approximately £23-25 billion.

The report finds that only this greater level of investment can deliver transformative new services dependent on 5G, such as autonomous vehicles, automated logistics and telemedicine.

The report also sets out a range of recommendations, from direct support to industry to regulatory and structural reform, which would assist in closing this predicted investment gap and ensuring that the full potential benefits of 5G are realised.

Alex Mather, Head of the Digital Connectivity Forum said:

“If you are using a newer smartphone or tablet in many of the UK’s bigger towns and cities, there’s a high chance that you’re already making use of high-speed, high-capacity 5G. The sector is already re-investing these revenues in more locations and more capacity.

“But 5G isn’t just faster 4G – it has the ability to unlock innovative new uses and technologies, ranging from autonomous vehicles to advanced remote medical services. These technologies have the potential not only to increase the productivity of the nation and boost UK competitiveness, but also to improve the quality of services that the Government provides.

“Our research finds that there is a real risk of these revolutionary benefits not being realised. To make a reality of the Government’s levelling up agenda, to boost productivity, growth and competitiveness requires action. We therefore encourage the Government and industry to work together to ensure that intensive and timely investment is delivered.”

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Notes for Editors

- Frontier Economics estimate the costs of 5G rollout in three scenarios:
 - a “basic 5G capacity” rollout that focusses on the upgrade of the existing network, delivering additional capacity to satisfy Ofcom’s base case growth in traffic of 40% per year: £5-7bn;
 - a “basic 5G coverage” rollout that in addition to meeting future traffic demand ensures that the 5G network coverage matches the 95% population coverage, but without necessarily providing significant increased capability in more rural areas: £7 billion; and

- an “advanced 5G” (or full 5G) rollout that provides enhanced 5G quality and coverage over a greater geographic area and enables advanced ultra-low latency 5G use cases (such as driverless cars or other autonomous technologies) in urban locations, which will likely bring along a fuller range of social and economic benefits: £20 billion
- The Digital Connectivity Forum (DCF) is the UK Government’s advisory group on digital connectivity issues. Its members collaborate, source evidence, provide expertise and make recommendations to Government, regulators and industry, with the aim of developing policies which deliver seamless digital connectivity across the UK. The Digital Connectivity Forum’s industry members are: BBC, BT, CityFibre, Cornerstone, Ericsson, Gigaclear, Giganet, Huawei, Hyperoptic, Openreach, Sky, TalkTalk, TechUK, Three, Virgin Media O2, Vodafone, Wireless Infrastructure Group. It works closely with the CBI, the Consumer Communications Panel, INCA, the Local Government Association and Ofcom.

Media contacts: Margherita Certo | E: margherita.certo@techuk.org | M: 07462107214

DCF contact: Alex Mather | E: alex.mather@connectivityuk.org | M: 07921 132670