

# How telecom operators can unlock the value of 5G for businesses

The advent of 5G technology holds considerable promise for business-to-business (B2B) enterprises and governments. The global 5G B2B market is set to generate significant revenues, **reaching US\$16.8 billion by 2028** with a compound annual growth rate of 34 percent, according to **Allied Market Research**. In the Middle East, Allied Market Research estimates that the value of 5G B2B activity will reach \$297 million by 2028. Telecom operators in the Middle East, which stand to gain from the growth of this market, should promote B2B adoption of 5G, such as by creating partnerships, collaborating with clients, showcasing the value of the technology, or lobbying governments. To tap into this market, however, they will first have to overcome a number of obstacles.

According to the GSM Association (GSMA), there will be 1.8 billion **5G connections globally by 2025**. There are high hopes for the impact of 5G in the B2B sector. With many businesses in various industries undergoing large-scale digital transformations, 5G is expected to usher in a new era of connected devices. Emerging use cases requiring high speed, reliability, and low latency will depend on 5G for successful deployment, to circumvent the limitations of current technologies, such as Wi-Fi and 4G.

5G will support many effective use cases within the B2B segment. It offers built-in support for mission critical networks used by safety and security personnel, such as first responders and the military. 5G also opens up the potential for the secure exchange of data, such as healthcare information. It can enable peer-to-peer communications for vehicles, smart factories, and smart grids. Moreover, 5G capabilities will augment the boom in the metaverse by supporting immersive experiences through augmented reality/virtual reality use cases across multiple industries.

Given these possibilities, telecom operators have started to invest in proofs of concept and early-stage use cases within high-potential sectors. These include safety and security, healthcare, media and entertainment, logistics, transportation, and manufacturing. However, many potential B2B clients have been reluctant to commit to 5G adoption.

## There are five main reasons for this hesitance over 5G

First, many companies and government entities believe that they can meet their requirements adequately with current technologies, such as 4G, Wi-Fi, fiber, and satellite broadband.

Second, coverage for 5G is not as comprehensive as it is for 4G. Enterprise applications that require national 5G coverage, such as for transportation and logistics, are thus not supported.

Third, the availability of 5G enterprise devices is limited. According to the Global mobile Suppliers Association (GSA), only 6.4 percent of 5G devices are designed for **industrial or enterprise purposes**.

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Fourth, many companies remain unconvinced that 5G use cases are sufficiently mature or that they will generate a sufficient business return. As a result, they are still conducting trials and proofs of concept rather than commercial launches. For example, in the Middle East, oil and gas companies and energy providers in particular are testing various use cases in collaboration with local operators.

Fifth, development of 5G use cases will require substantial investment, much of which is still to come. The GSMA estimates that 5G will account for 80 percent of the **\$900 billion earmarked** for telecom capital expenditure over the next five years.

Telecom operators can overcome these obstacles and tap into the 5G B2B market in several ways. For example, they can act as digital services providers, offering end-to-end 5G-enabled B2B solutions that combine infrastructure services and digital platforms. In this case, telecom operators would act as service enablers covering platforms, systems integration, and data management. They can also combine multiple technologies, such as edge and cloud computing, along with artificial intelligence. They can offer innovative use cases in various industries.

Telecom operators can capitalize on 5G technology to fulfill business requirements on private networks, such as for industrial sites and airports. They can achieve this by using either dedicated onsite deployments or public 5G networks. Such a proposition would be particularly valuable in the Middle East, where energy and industrial companies have aspired to a wireless infrastructure of their own. Indeed, it is projected that the Middle East market for private networks (including hybrid networks) will reach **\$144 million by 2028**, according to Allied Market Research.

Another opportunity for telecom operators would involve expansion into new sectors, such as manufacturing, smart cities, and healthcare, thereby catering to businesses that are not well served by the current technology. They can also build 5G ecosystems and marketplaces in which service providers, device manufacturers, and connectivity providers could offer services to clients in an open environment.

The more businesses that buy into 5G, the more telecom operators will gain from these offerings. It is in their interest therefore, to accelerate 5G adoption in the B2B sector. They can achieve this by pursuing several courses of action.

Telecom operators should demonstrate how 5G can address their clients' requirements, focusing on use cases that can bring immediate value. They should develop integrated value propositions that combine various technologies with 5G. Given the cost and complexity of such 5G-based solutions, they will need to enter into the right partnerships to expand internal capabilities, create ecosystems that can provide end-to-end offerings to clients, and expedite innovation and time to market.

To gain market share in the 5G B2B market, telecom operators should also collaborate with clients to co-create innovative 5G solutions. Such a process will help to build long-term relationships with customers by providing what they want, while also spurring 5G adoption.

Critically, telecom operators in the Middle East should lobby their governments to do more to encourage large companies, often state-owned, to commit to such collaboration on 5G. Such a joint effort between telecom operators and companies will benefit the respective partners by creating new revenue and cost savings, and benefit countries as a whole through boosting technological development.

Telecom operators can become more proactive in demonstrating the value of 5G in the B2B sector and highlighting how this technology can meet specific client needs. Through astute partnerships and co-creation with clients, they can unleash the potential of 5G B2B, and so benefit from the major predicted growth in this market over the coming years.

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