

Economic Impact of Restricting Competition in 5G Network Equipment: a Study by Oxford Economics

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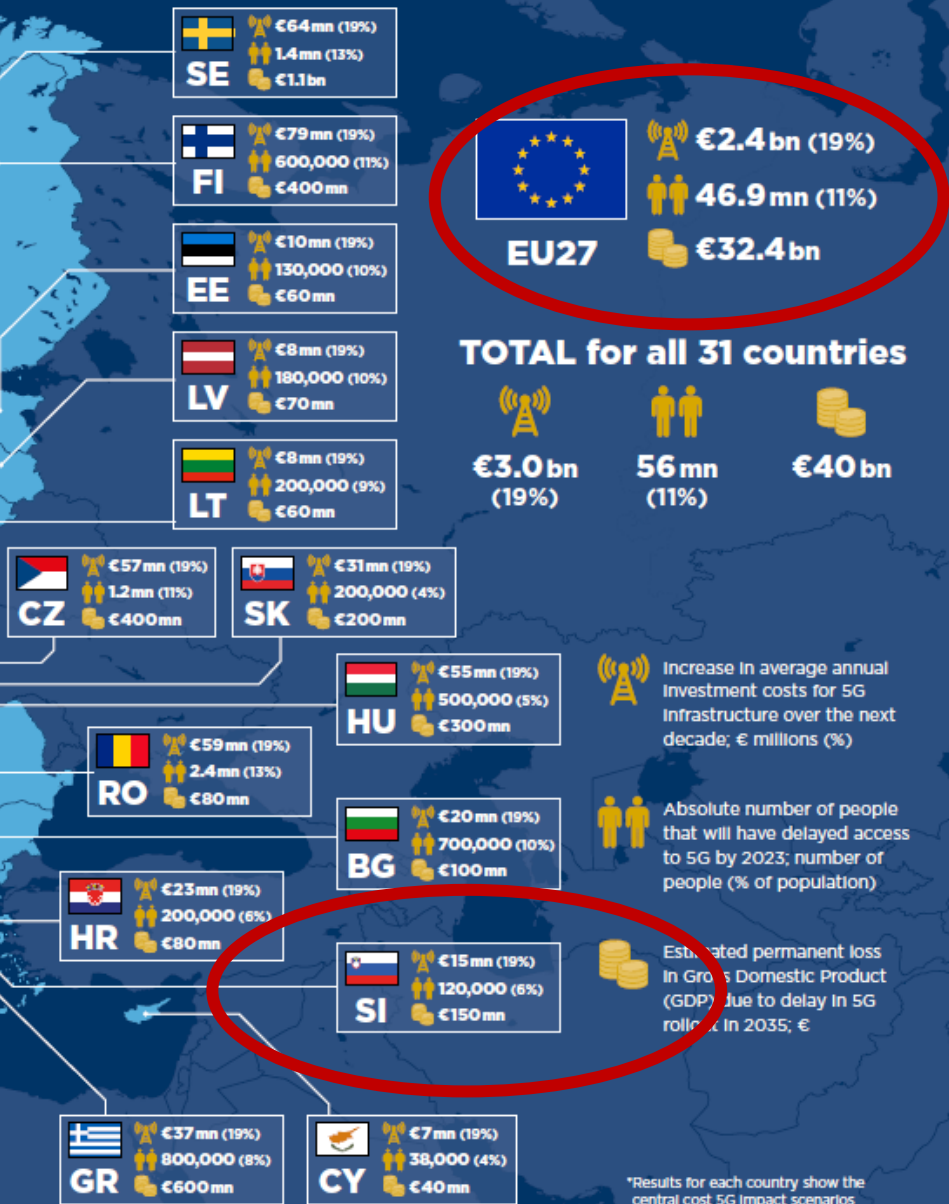


Competitiveness Shaping Europe's Digital Future



- **Competition between firms is good** for consumers as well as other businesses which operate in other sectors of the economy.
- **Competitive markets mean consumers get better products at lower prices**, and typically ensure that firms which offer the highest quality and best value products are the ones that succeed.
- **Restricting a large player** from competing in the 5G network will lead to reduced competitive pressures on the other large providers. This will lead to:
 - > **increased investment costs,**
 - > **delaying the speed of rollout,**
 - > **slower technological growth and economic recovery from the coronavirus pandemic.**

THE IMPACTS OF 5G INFRASTRUCTURE RESTRICTION*



*Results for each country show the central cost 5G impact scenarios




Impacts of 5G Infrastructure Restriction

EU 27

+

Switzerland,
Norway, Iceland,
UK

IMPACTS OF RESTRICTING A MAJOR PARTICIPANT

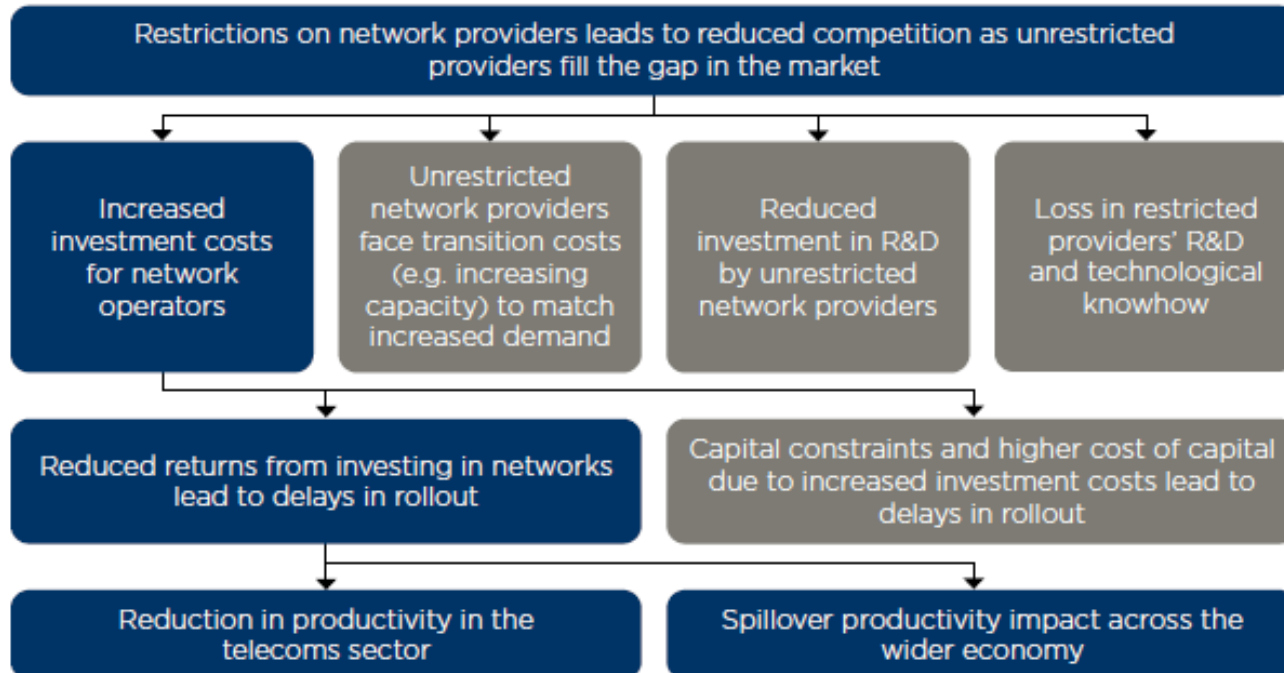
	Low cost scenario	Central cost scenario	High cost scenario
 Increase in average annual investment costs for 5G infrastructure over the next decade	€7 mn (9%)	€15 million (19%)	€23 mn (29%)
 Absolute number of people who will have delayed access to 5G by 2023	60,000 (3%)	120,000 (6%)	160,000 (8%)
 Estimated permanent loss in GDP due to delay in 5G rollout in 2035	€50 mn	€150 million	€280 mn

Slovenia

Huawei will bring 150 million EUR extra value to the 5G infrastructure investment during the next decade

Restriction Results: Impact on 5G rollout in Slovenia

Transmission mechanism of restrictions in competition



Note: The grey boxes indicate channels that are not considered in our modelling approach. Only the channels described in the blue boxes are modelled.

Absolute number of people who will have delayed access to 5G by 2023

Scenario	Number of people
Low	60,000
Central	120,000
High	160,000

Estimated GDP loss, Euros

Scenario	GDP lost
Low	50 million
Central	150 million
High	280 million

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