

Huawei's Ken Hu: 5G Creates New Value for Industries and New Growth Opportunities

[Shanghai, China, November 12, 2020] At the 11th Annual Mobile Broadband Forum today, Huawei's Deputy Chairman Ken Hu spoke with leaders in the telecoms and digital technology sectors about the new value that 5G can bring to different industries around the globe. As 5G is poised to transform the way we live, connect, and work, the telecoms sector is deeply invested in creating more value beyond the consumer market.

"There's no out-of-the-box approach to innovation," said Hu on the topic of accelerating 5G application in industrial settings. "We've got to focus on real needs in real scenarios – and build up the capabilities to meet those needs. This is a challenge. But more importantly, it's a huge opportunity for everyone involved."



Ken Hu speaks at 2020 MBBF

Global 5G rollout is progressing quickly. As a leader in this domain, China has

already seen over 600,000 base stations deployed in more than 300 cities, supporting more than 160 million 5G connections across the country. 5G services in China now deliver speeds in the hundreds of Mbps, and a wide array of 5G services have already been implemented in more than 20 domestic industries, including healthcare, ports, steel, power grids, mining, and manufacturing.

"The adoption of 5G in industries has moved from technical verification to commercial deployment," Hu noted. "As of September 30, 2020, China's three major operators have implemented over 5,000 innovative 5G projects and signed over 1,000 5G business contracts."

While expressing his full confidence in 5G's promising future with industries, Hu noted, "There is no such thing as a one-size-fits-all solution, because every industry has vastly different requirements." He shared four observations on the best ways to drive 5G innovation for industry applications.

First, the industry needs to identify real needs based on specific business scenarios. While many industries have shown that they are ready and willing to embrace 5G, Hu stressed the need to develop a concrete set of criteria for specific scenarios and assess whether or not 5G is the right tool for the job: "This is how we can identify the real needs that are worth investing in."

Huawei proposed four criteria for assessing real needs: technical relevance, business potential, value chain maturity, and standardization. Based on these criteria, four typical scenarios that demonstrate a real need for 5G include

remote control, video backhaul, machine vision, and real-time positioning.

Second, networks need to adapt to different scenarios. Networks are the foundation of competitive 5G services, so network equipment, together with network planning, construction, maintenance, and optimization, must be able to meet the requirements of an incredibly diverse range of industrial use cases. This requires operators and vendors to work together and keep innovating based on in-depth insight into industrial challenges.

Third, a thriving industrial 5G device ecosystem is key. Huawei estimates that the average price of 5G modules will level out at around US\$100 by the end of 2020, and hit US\$40 by the end of 2022, which will greatly enrich the 5G device ecosystem.

Fourth, telecoms operators need to develop new capabilities to serve business-facing 5G markets. 5G technology is a critical element in digital transformation, but it's not a full solution in and of itself. So beyond connectivity, telecoms service providers need to build a range of adjacent capabilities in areas like cloud operations, industry application development, and end-to-end system integration. At the moment, there is a noticeable lack of comprehensive solutions to meet these needs in the enterprise market.

Telecoms operators are in a good position to provide these services. By focusing on connectivity, they can solidify their position as a connection provider in markets where existing network solutions are no longer sufficient. If they develop cloud and integration capabilities on top of that, operators can then provide a combination of connectivity, cloud, and integration services. Different

roles have different capability requirements, and Huawei has doubled down on its commitment to helping carriers transform their portfolios as needed.

"5G will create increasingly greater value for industries over the next decade," said Hu in closing. "This means another period of rapid development for the telecoms industry. Moving forward, we will have to overcome a number of difficulties, and every step forward requires change. But I firmly believe that the hardest things are the things worth doing most. Because when you succeed, the results are incredible. We are ready and willing to work with operators, our enterprise customers, and industry partners to push the boundaries of innovation and build a better future for everyone."

At the 2020 Global Mobile Broadband Forum, Huawei will share insights into global industry trends and hot topics with carriers, regulators, partners, and media analysts from around the world. They will explore how innovation in ICT technologies such as 5G and AI can be mutually beneficial to industries and society at large. For more information, please visit: <https://www.huawei.com/minisite/mbbf2020/en/>

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Our vision and mission is to bring digital to every person, home and organization for a fully connected, intelligent world. To this end, we will drive ubiquitous connectivity and promote equal access to networks; bring cloud and artificial intelligence to all four corners of the earth to provide superior computing power where you need it, when you need it; build digital platforms to help all industries and organizations become more agile, efficient, and dynamic; redefine user experience with AI, making it more personalized for people in all aspects of their life, whether they're at home, in the office, or on the go.

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