

CHINA WIRELESS INFRASTRUCTURE 1H21 – SEPTEMBER 2021

COVID-19 and 5Geopolitics failed to stop China's 5G aspiration and ascension

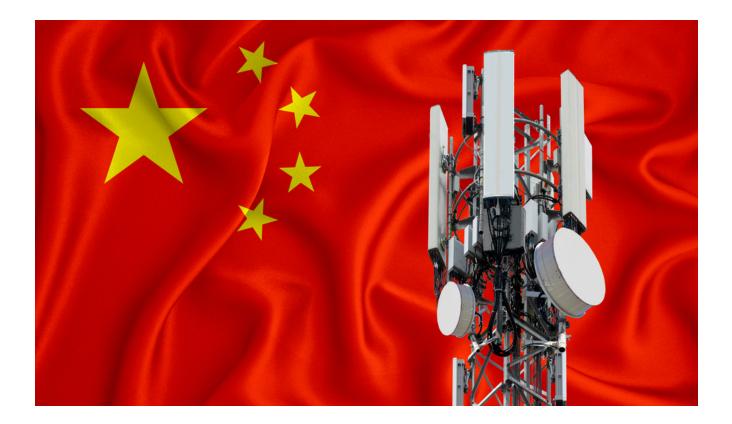




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COVID-19 AND 5GEOPOLITICS FAILED TO DERAIL CHINA'S GDP GROWTH AND 5G ASCENSION	۱5
2Q21 data suggest china remains on track, despite the strong U.S. economic performance	
That China was on track to take over the U.S. as the world's largest economic power was predicted ${}^{\circ}$	ED 10 YEARS
AGO	6
COVID-19 was the final touch	
The U.S. GDP drop in 2020 was indeed very significant	7
Now the U.S. and China are driving the global recovery	7
COVID-19 has reset the GDP race between the U.S. and China	
However, China's aging population may get in the way of China's economy overtaking that of the	U.S 8
Chinese government economists are worried	
and see 5G as a key enabler of China's digital economy	
China's 5G-based digital economy is rapidly taking off and paving the way for 6G	
FROM ECONOMIC POWER TO 5G SUPERPOWER	
BY FAR, CHINA BOASTS THE WORLD'S LARGEST BTS FOOTPRINT	
China added 191,000 5G BTS in 1H21	
Beijing and Shanghai are racing to expand their 5G footprints	
AND THE WORLD'S LARGEST MOBILE TOTAL AND $5G$ subscriber base	
From January to July, China added 216.6M 5G subscribers	
2021 will see the same level of $5G$ unit activity as last year	
This 640k+ unit cap leads to flattish capex	
The 4G decline will drag the whole RAN market down 11% over 2020	
IN 2026, WE EXPECT CHINA TO KICK OFF 6G ROLLOUTS	
The combined domestic market share of Huawei and ZTE rose to 80% from 76% in 2020	
We expect Huawei and ZTE to continue to dominate the market and musical chairs between Eric.	
Nokia	
ONCE AGAIN, CHINA DELIVERED, UNDER EXTREME PRESSURE	
BOTTOM LINE: WHILE RE-SHORING, CHINA IS BECOMING ISOLATED AND SELF-RELIANT	
Re-shoring chip manufacturing takes time and is not cheap	
And if cut from U.S. technology, China's home-grown chip makers won't be able to expand	
So many things can go wrong	



Abstract

This report focuses on 5G developments in China, including macroeconomics, geopolitics, and technology. The publication date is scheduled a few weeks after the 4 service providers (i.e. China Broadcasting Network, China Mobile, China Telecom, China Unicom) provide their interim reports so that we can gather many details about 1H21 and provide a 2H21 outlook and a 5-year forecast. This report also includes RAN vendor market shares and analysis.