

CHINA WIRELESS INFRASTRUCTURE 1H22 - SEPTEMBER 2022

Despite COVID-19 lockdowns and economic woes, China is pursuing its economic ascension and 5G aspiration

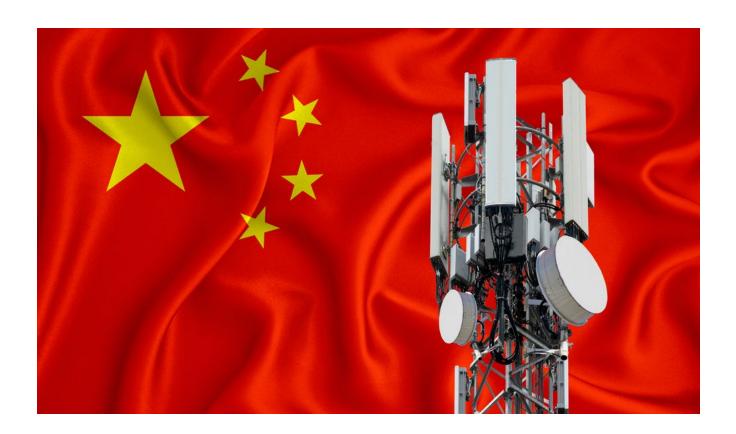




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DESPITE COVID-19 LOCKDOWNS AND ECONOMIC WOES, CHINA IS PURSUING ITS ECONOMIC ASCENSION AND 5G ASPIRATION	-
However, 2022 has started with significant headwinds that are slowing China's economy	
At this point, the 5.5% GDP growth target looks elusive	5
consequently, some economists rethink when, if ever, China will become the world's largest economy. That China would eventually take over the U.S. as the world's largest economic power was predicted	d 10
years ago	
COVID-19 somehow reset the GDP race between the U.S. and China	
It all depends on how the GDP is measured	
In addition, China's aging population may get in the way of China's economy overtaking that of the	U.S 9
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	
As of July 31, 2022, China's MIIT reported 1.97M 5G BTS	
AND THE WORLD'S LARGEST TOTAL MOBILE AND $\overline{5G}$ SUBSCRIBER BASE	
2022 WILL SEE A SLIGHTLY HIGHER LEVEL OF 5G UNIT ACTIVITY THAN LAST YEAR	
Despite the increase in 5G BTS, 5G capex will decline this year	14
China Mobile's 100K 5G BTS surplus is pushing the whole RAN market back to growth over 2021	
In 2026, we expect China to kick off 6G rollouts	
The combined domestic market share of Huawei and ZTE rose to 89% from 80% in 2021	
We rightly anticipated that Huawei and ZTE would continue to dominate the market at the expense	e of
Ericsson and Nokia	18
bottom line: china is becoming isolated and self-reliant, and divides the world into 2 spheres of infl	
	18
Geopolitics altering the 5G race prompted many companies to shift manufacturing away from Chin	a18
Re-shoring chip manufacturing takes time and is not cheap	19
And if cut from U.S. technology, China's home-grown chip makers won't be able to expand	19
So many things can go wrong in this West vs. East game	19



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 (China Broadcasting Network, China Mobile, China Telecom, China Unicom) provide their annual reports and updated biannually, so that we can gather many details about 2021 and provide a 2022 outlook and a 5-year forecast. This report also includes RAN vendor market shares and analysis.