

Confidence
must be earned

Amundi
ASSET MANAGEMENT

5G: AN ENABLER FOR THE POST-COVID RECOVERY



While 4G has been instrumental in improving our domestic way of life, there are still issues across the network that limit its industrial usage. Such lags are expected to be eliminated in the 5G network, opening up the business world to an infinite number of imagined possibilities, as well as allowing for the potential of those that have not yet been thought of.

On the surface, the major difference between 4G and 5G is all about speed, but in reality this improvement will open up so many more options regarding how technology can be used.

Firstly, **in terms of speed, 5G is expected to be up to 20 times faster than 4G** - this means the time it takes to do simple tasks on your mobile, such as downloading a movie, will reduce from around 6 minutes to less than 20 seconds.

The second improvement is about scale. By incorporating a greater use of the radio spectrum, **5G will massively increase the number of devices that can be connected to the mobile internet at the same time.** This significantly opens up the market for smart connectivity.

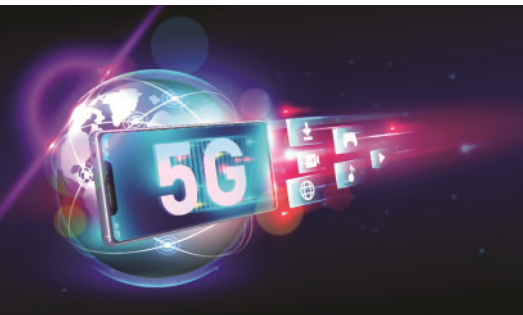
Finally, the time it takes to transfer data from point to point, or **from instruction to action** (known as latency), **will be around ten times less meaning these actions will effectively be performed in real time.** Collectively, these three areas of improvement will radically transform the way we use technology in our day-to-day lives, as well as disrupting the world around us.

Industry: the disruptive potential of 5G

5G will be the catalyst for industrial upgrades throughout the worldwide economy, disrupting existing processes and accelerating the transition to a more digital world. As with all transformations, there will be winners and losers.

FASTER

From 125
megabytes/second
to **2,500 Mbs**



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USD 13.2
trillion

5G-ENABLED
SALES IN 2035



22.3 MILLION

JOBS IN THE 5G
VALUE CHAIN IN
2035



Automation: The potential of 5G could herald a new era in manufacturing, as automation and advanced robotics are used to increase productivity and precision. Such 'smart factories' would streamline the manufacturing process and enhance efficiency, thereby cutting costs.

The Internet of Things (IoT): 5G is set to vastly expand the use of connected devices beyond their current use in the domestic sphere and on to the world around us. Cities will become 'smart', accelerating the transition to self-driving cars, which will become safer due to the ability to make split second decisions, improving navigation, reducing the number of accidents and also identifying parking spaces. City authorities will also be able to use this technology to improve public safety, monitor air quality and, ultimately, improve the quality of life for its citizens.

Smart skills: Healthcare is a great example of where 5G will help with the transfer of expertise over greater distances, with surgeons using robots to perform operations from remote locations. The use of smart medical devices will also help doctors' ability to test and diagnose patients remotely, as well as receiving real-time updates on the progress of their conditions.

A huge potential in output and jobs creation

IHS Markit estimates that potential global sales activity across multiple industry sectors enabled by 5G could reach USD 13.2 trillion in 2035. This represents about **5.0% of all global real output in 2035**.

Achieving the sales enablement potential of 5G will require ongoing investments by firms in the 5G value chain to continually improve and strengthen the foundational technology base. **The 5G value chain will encompass a broad spectrum of technology firms**, including for instance: network operators, providers of core technologies and components, OEM device manufacturers, infrastructure equipment manufacturers or content and application developers.

According to IHS Markit, the 5G value chain alone will drive USD 3.6 trillion of economic output by 2035, and support 22.3 million jobs: 10.9 in China, 2.8 million in the US, 2.3 in Japan or 1.5 in France.

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