

The impact spectrum licensing on the economics of 5G

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1. Digital networks critical to societal resilience – now a whole-of-government issue
2. Investment needed to make them future-proof - but ROCE of 4% is lower than cost of capital
3. Europe's mobile vicious circle - the opposite of what we see in the US and some parts of Asia
4. Using spectrum award rules to introduce additional unsustainable players will depart from efficient, welfare-enhancing outcomes and threaten inward investment
5. The economics of the sector have a negative outlook
6. Policymakers are starting to understand the resulting investment gap and address it - a return to state funding of the sector, 35 years after privatisation
7. Life after auctions – investment commitments rather than cash
8. Reversal on market structure in the European Court - to improve economies of scale
9. The priority - to encourage investment in sustainable competing digital networks, thereby ensuring societal resilience



