

OpenRAN and Private 5G – New Opportunities and Challenges....

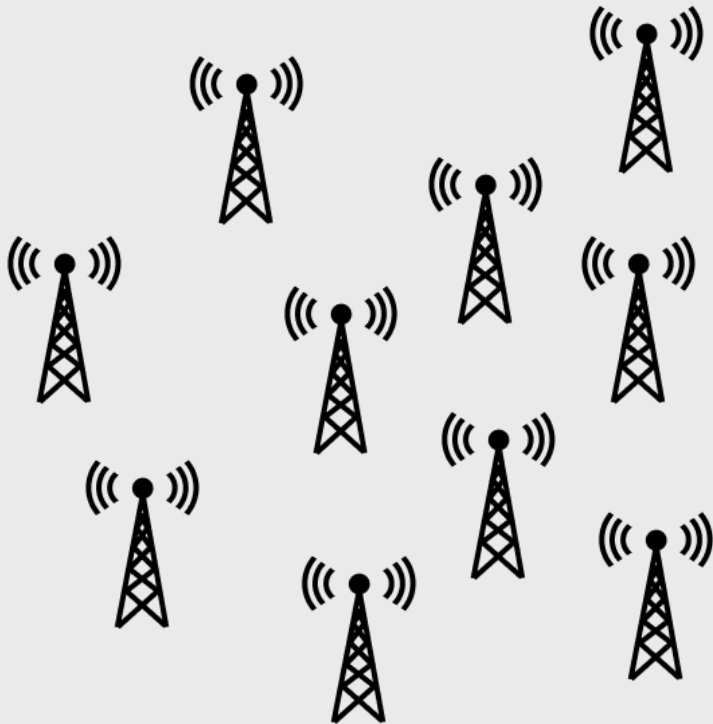


John W. Strand
www.strandreports.com

Strand Consult

Everything will be **connected** in the future....

+400,000 mobile sites in US today



Always online



The telecommunications market is undergoing a huge **transformation** ...

- Telecommunications companies are split into infrastructure companies and service companies.
- Divestment of towers is the first step on the road to a total separation between infrastructure and services.
- Today, about 30% of European tower are listed on the stock exchanges (Cellnex, Vantage and Inwit), and they represent €55bn in market cap. In practice, between 2015 and 2021, European mobile operators, by reclassifying their towers, have created a value added of €165bn of which €55bn can be found on the European stock exchanges.
- Over the last 3 years, European operators have bought radio access network (RAN) equipment for €7.3bn (about €2.4bn annually). With the added value that has been with the operators due to their tower sales, they have created enough values to cover their RAN costs for 68 years,
- January 1, 2022 the Danish incumbent TDC is finish the split in to a net company (TDC NET) and a service company (Nuuday)

OpenRAN is **not** an alternative to Huawei, Ericsson or Nokia in Latin America and a lot of other markets ...

- If OpenRAN gets the growth its proponents predict, it will account for less than 1 percent of the 5G mobile sites in 2025; not more than 3 percent in 2030 (installed base). It looks like OpenRAN is too little, too late to make a difference in a world in which operators are deploy 10,000 classic 5G sites every month.
- OpenRAN and O-RAN are 4G/5G technologies. They are not solutions that can replace existing networks in Latin America 1 to 1. It is not a technology that can substitute 2G and 3G. It is not the solution for low income Latin Americans.
- GSMA predicts that even by 2025 there will still be a substantial 2G and 3G penetration in several regions. ***In Latin America GSMA predicts 21 percent 3G phones and 5 percent 2G phones in 2025 totaling 26 percent of the market.***
- Overall, there will be over 1 billion 2G and 3G customers by 2025 who do not have a phone that supports 4G or 5G. In many emerging countries, most people will continue to use 2G and 3G for years.

How can Open RAN **survive** on the market for 5G private networks

- OpenRAN players will experience that it is difficult to sell their solutions to classic mobile carriers.
- Many OpenRAN players will go after the market for 5G private networks - a crowded market
- 5G private networks is not a new market; it mainly replaces existing Wi-Fi and fixed infrastructure
- The three important questions to OpenRAN providers. What can you do better, cheaper, and with more value than Classic RAN and Wi-Fi?
- Who are the competitors: Mobile carriers, Classic infrastructure manufacturers, Wi-Fi players, other OpenRAN players etc

Ton's of innovation....

The screenshot shows the CBRS Alliance website with a teal background. At the top, the navigation bar includes links for SPECIFICATIONS, BLOG, ABOUT US, CONTACT US, and MEMBER LOGIN. The main header features the CBRS Alliance logo and a secondary navigation menu with links for WHY OnGo?, CERTIFICATION, NEWS, EVENTS, USE CASES >, RESOURCES, and JOIN US. The main content area is dominated by a large announcement for the '2020 OnGo Awards Opening Soon!'. Below this headline, a paragraph encourages users to be recognized for their role in deploying innovative, real-world OnGo solutions in the 3.5 GHz CBRS band. A red button labeled 'Learn about the OnGo Awards' is positioned below the text. To the right, a smaller section titled 'OnGo Nationwide Initial Commercial Deployments' features a map of the United States with numerous white dots indicating deployment locations.

ALLIANCE
cbrs

SPECIFICATIONS BLOG ABOUT US CONTACT US MEMBER LOGIN

WHY OnGo? CERTIFICATION NEWS EVENTS USE CASES > RESOURCES JOIN US

2020 OnGo Awards Opening Soon!

Be recognized for your role in deploying
innovative, real-world OnGo solutions in the 3.5
GHz CBRS band

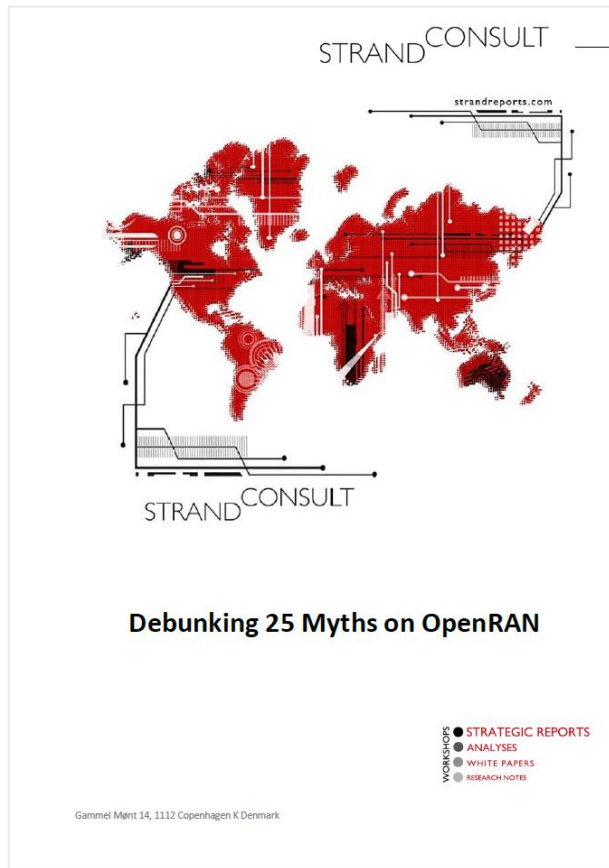
Learn about the OnGo Awards

OnGo
Powered by the CBRS Alliance

Nationwide Initial
Commercial Deployments

Strand Consult

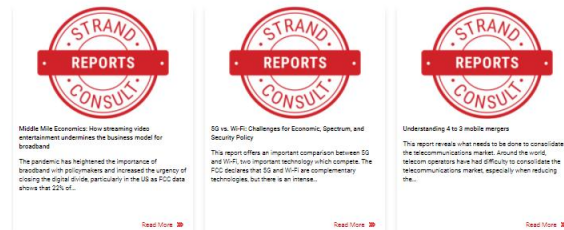
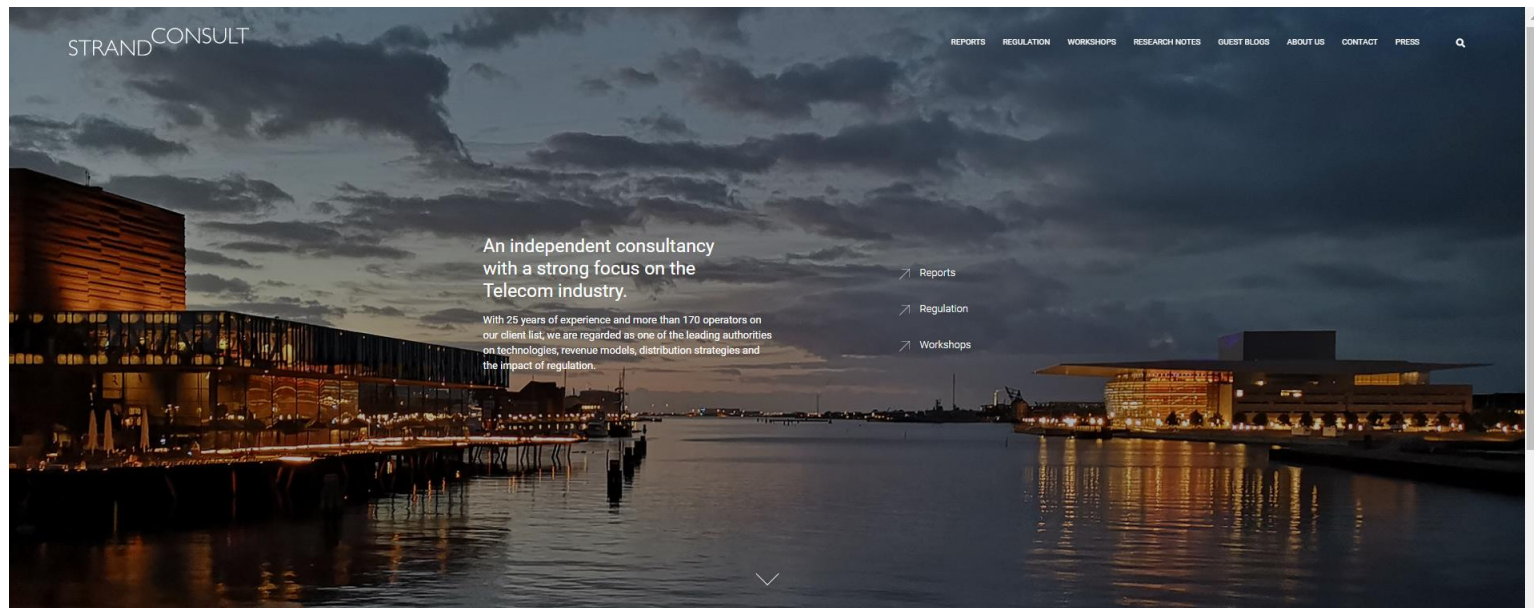
Debunking 25 **Myths** of OpenRAN....



Strand Consult

- Lack of objectivity and/or empirical support
- Preconceived notions, assumptions, and assertions about the economics of infrastructure, competition, and innovation
- Little to no discussion of the infrastructure value chain beyond the large infrastructure equipment providers
- Ignorance or failure to disclose that OpenRAN is not a technical standard. The O-RAN Alliance develops technical specifications for 4G and 5G RAN internal functions and interface, not for 2G and 3G. The O-RAN Alliance is not a standards development organization (SDOs) like the 3GPP.
- Ignorance or failure to disclose that OpenRAN only supports 4G and 5G and therefore it is not a 1:1 commercial alternative for 5G networks. Moreover OpenRAN does not support 2G and 3G, the prevailing network generation in many developing countries, and yet OpenRAN is reported as a solution for developing countries.
- Ignorance or failure to disclose that 182 commercial 5G networks have been launched globally. These are classic RAN installations that support 2, 3, 4 and 5G in one base station. There is only 1 commercial OpenRAN installation, Rakuten in Japan.
- Ignorance or failure to disclose how small expectations are for the OpenRAN install base by 2025 and 2030 compared to the entire market. This is likely just 1 percent in 2025 and under 3 percent in 2030.
- Ignorance or failure to disclose the role of Chinese vendors in OpenRAN ecosystem and their leading role in OpenRAN governance and specification setting

For more **info**, go to StrandConsult.dk



Strand Consult