



Investments and the Digital Economy

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1) Industry Outlook

Our sector is managing two different transitions



1

Wave 1:
Voice to
**Mobile
Internet**



Ubiquitous Networks



Smart Devices



Locally Relevant
Content/Services

2

Wave 2:
Towards
**Cognitive
Computing**

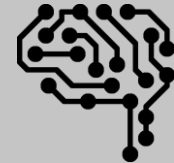


Intelligent
Connectivity

5G



Data Economy
(Gigabit Society)



Artificial
Intelligence

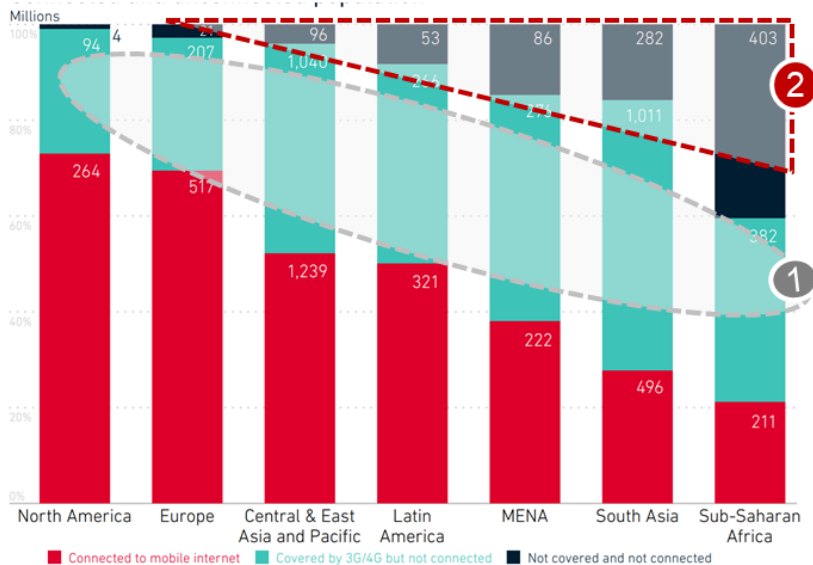


1) Industry Outlook

Telcos underperformed global market average by -13 ppts in 2017 and by -9 ppts in 2018 (YTD).



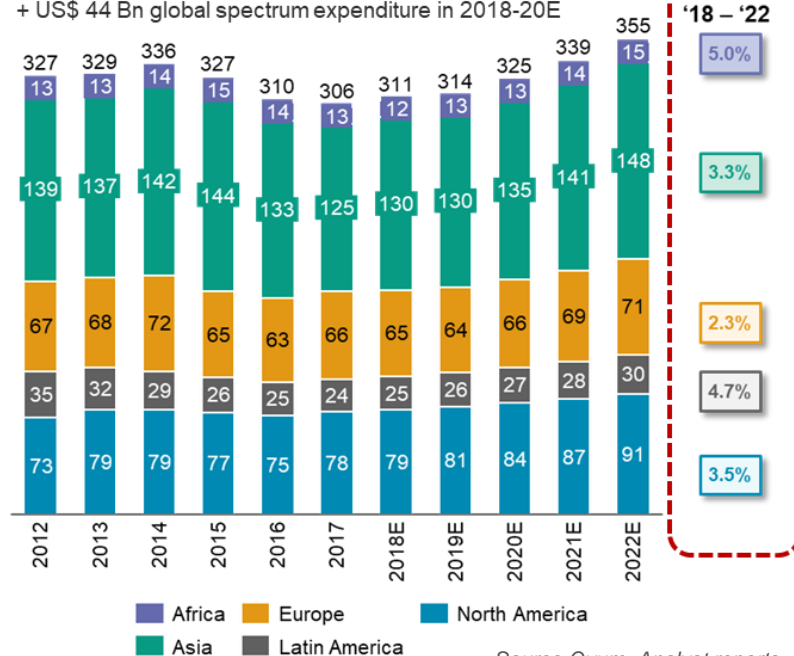
Gaps in 1) Connected (3.2 Bn) and 2) Unconnected (0.9 Bn) POP



Source GSMA Intelligence

3) CapEx Growth per Region (US\$ Bn)

+ US\$ 44 Bn global spectrum expenditure in 2018-202E



Source Ovum, Analyst reports

2) Challenges: balancing conflicting priorities

The conundrum: low prices + competing infrastructures + high quality

#



Data Explosion
(growth >50% per annum)



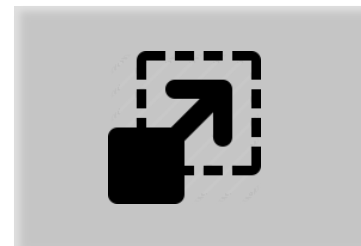
Business Case
(Returns on Investments)



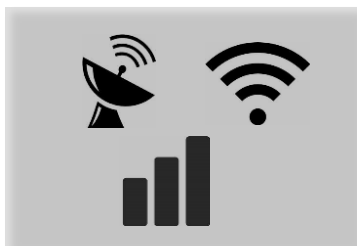
Regulation



Licenses/Taxes



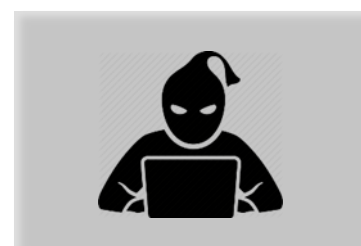
Lack of Scale



**Spectrum
Fragmentation**



**Competition
Global Platforms**



**Reliability,
Security and Privacy**

3) Ideas:

If we fast forward to 2030....

what decisions we would have liked to take today in 2018?



Industry Policy
(Multi-year Objectives)



Predictability
(Spectrum and Fiber)



Market Structure
(Regulatory Modernization)



Legacy
Simplification



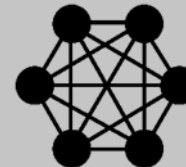
Use Cases
& **Business Models**



Co-investment
PP Partnerships



Talent &
Innovation



Local
Ecosystems