

Nokia profit dips as it sees challenges in US market for 5G

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The Finnish telecommunications networks provider Nokia on Thursday reported a smaller than expected drop in profit in the fourth-quarter while it acknowledged it was facing some challenges in the race for 5G

networks, particularly in the North American market.

The company based in Espoo, Finland, saw [net profit](#) for the October-December period drop 1% to 811 million euros (\$973 million). Sales were down 5% to 6.6 billion euros.

CEO Pekka Lundmark, who took over the role in August, described the fourth quarter result as "solid" but warned that the current year wouldn't be easy for Nokia.

"We expect 2021 to be challenging, a year of transition, with meaningful headwinds due to market share loss and price erosion in North America," Lundmark said.

Under Lundmark's lead Nokia has revamped its [business strategy](#). He has said that Nokia aims to become the leader in 5G - the new generation of broadband technology - in a tight global race with main competitors China's Huawei and Sweden's Ericsson.

This, Lundmark said on Thursday, would be done even at the expense of Nokia's profitability in the short-term.

"Delivering on our new operating model for a strong and sustainable long-term business requires us to make further 5G R&D investments in 2021, meaning we will sacrifice some short-term margin to ensure leadership in 5G," Lundmark said.

Nokia reported Thursday it has so far secured 195 commercial 5G deals with 45 live networks.

The company said its board wouldn't propose a dividend for 2020 as Nokia was strongly focused on investing in 5G networks and other "strategic areas."

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