

# Brazil opens 5G tender, seeking \$9 bn in investment

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Brazil, a nation of more than 213 million people, intends to build one of the world's largest 5G mobile data networks.

Brazil opened an international tender Thursday to build one of the world's biggest 5G data networks, seeking \$9 billion in investment for

Latin America's largest economy.

Calling it a "historic" moment, President Jair Bolsonaro opened the tender in Brasilia with a symbolic bang of the auctioneer's hammer, kicking off bidding by 15 companies that officials said could last through Friday.

The sprawling South American country is looking to leverage so-called fifth-generation mobile technology to accelerate the development of its industrial and agribusiness sectors—as well as bring super-fast internet to the cell phones of its 213 million people.

The tender is for the right to build and operate different "blocks" of the frequency spectrum for 20 years, as well as a separate network that will be reserved for government communications.

Bidding for the latter will exclude all equipment from Chinese telecoms giant Huawei, the target of US espionage accusations that have put Brazil in a bind, forcing it to navigate the tumultuous tech standoff between China and the United States.

The world's two biggest powers are also Brazil's two largest trading partners, and the country has been under pressure from both sides over the ground rules for its 5G network, leading it to postpone the tender from early 2021 as initially scheduled.

By Thursday afternoon, Brazil had raked in \$1.1 billion in investments from winning bidders, including Telecom Italia's local subsidiary, Tim; Spanish group Telefonica's Brazilian unit; and Claro, owned by Mexican telecoms magnate Carlos Slim's America Movil.

Four of the 18 frequencies up for grabs failed to attract bids.

"It is one of the largest 5G tenders in the world. The potential is enormous," industry specialist Christian Perrone of the Technology and Society Institute in Rio de Janeiro told AFP.

The government is seeking total investments of 50 billion reais (\$9 billion): 40 billion reais to build the 5G network—one of Latin America's first—and 10 billion reais that it will pocket for frequency rights and use to boost connectivity for public schools.

5G technology requires four to 10 times as many antennas as 4G. The bidding terms require winning companies to roll out service in Brasilia and the 26 state capitals by August 2022.

Other cities of more than 30,000 people can expect service between 2025 and 2028.



Some 15 companies participated in the bidding to build Brazil's 5G data network, in a session run by officials of the country's national telecommunications agency.

## **Running behind**

Brazil hopes 5G technology will open new horizons for its economy, ranging from connected tractors and crop-monitoring drones for the booming agricultural sector to self-driving cars and telemedicine to bridge the giant country's infrastructure gaps.

"Consumers won't see that much difference, aside from faster download times for movies and videos. But from the standpoint of industry, this is going to open up a whole new reality for factories, agribusiness, the productive sector," said Marcos Ferrari of Conexis Brasil Digital, a group representing five of the bidding firms.

Communications Minister Fabio Faria said deploying 5G would have a "major impact" on Brazil's economic growth over the next decade.

However, Brazil is running relatively late in rolling out mobile connectivity in the hardest-to-reach parts of the country.

Around 40 million people in Brazil still lack internet access, according to national statistics institute IBGE in 2019, the most recent data available.

Winning bidders must commit to bringing mobile connectivity to unserved areas and extending coverage along highways, in public schools and in the Amazon basin.

"I visit indigenous communities, and what do people ask for? Internet," Bolsonaro told the opening ceremony.

"And it's not just indigenous people. More than 10,000 rural areas could get internet access, integrating them with Brazil and the rest of the world."

Perrone said Brazil is running two to three years behind other major economies in rolling out 5G.

"When the rest of the world is rolling out 6G, we'll still be installing our 5G network," he said.

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