

Telecom firms aim to shrug off slump at annual get-together

February 24 2023, by Valentin BONTEMPS with Joseph Boyle in Paris



Organisers say the show will be better than ever after recent editions were hampered by the pandemic and travel restrictions.

Telecom companies will aim to put a positive spin on their current slump in fortunes when they gather in the Spanish city of Barcelona on Monday

for the annual Mobile World Congress (MWC), the biggest event in the industry's calendar.

Demand for products including smartphones has fallen with the onset of a global economic slowdown and rising inflation, bringing [tough times](#) to companies all along the [supply chain](#).

But industry body GSMA, which organizes the MWC, said this year's event would be buoyed by the return of Chinese delegates after Beijing finally lifted COVID-era travel restrictions.

Roughly 80,000 people are expected in Barcelona to see the latest innovations and ideas from giants of the sector like Samsung, Huawei, Nokia and Ericsson.

The bosses of network operators like Vodafone, Orange, China Mobile and Deutsche Telekom will also give high-profile speeches.

The GSMA is attempting to push a forward-looking agenda filled with much-hyped concepts like [artificial intelligence](#), 6G and Internet of Things.

But many of the companies at the show will be focused on the bread-and-butter issue of how to make money in tricky financial times.

The wider tech sector has been routed recently and giants like Meta and Google have shed thousands of jobs.

Although [telecom companies](#) have not faced the same pain, Ericsson announced last week that 1,400 staff would lose their jobs.

Industry 'suffering'

One of the chief concerns for operators is getting a return on their huge investment in 5G networks.

An idea long promoted by these firms is for bandwidth-hungry businesses like Netflix and Google to pay a premium to the network operators.

The European Union launched a public consultation on the issue on Thursday.

"What they are proposing to do is really to change the economics of the internet," said Dario Talmesio of analyst firm Omdia.

He said it was ambitious but telecom firms had "an unprecedented level of political support" right now, largely because of the unpopularity of US big tech firms in Europe.

The focus for consumer brands is on shifting more units, with overall sales of smartphones last year slumping by 11.3 percent compared with 2021, according to the IDC consultancy.

"The market suffered a lot last year," said Thomas Husson from analyst firm Forrester.

As well as a wider economic malaise, he said consumers in Western Europe and other "mature" markets were simply holding on to their smartphones for much longer than before—a major headache for manufacturers.

However, the MWC is unlikely to see the launch of many flashy new handsets, with most companies preferring to hold their own dedicated events.

China factor

Samsung and Apple consolidated their dominance of handset sales last year, accounting for roughly 40 percent of the market, IDC said.

Chinese brands Xiaomi, Oppo and Vivo made up the other three spots in the top five, but all three had a bleak year with sales slumping dramatically.

The GSMA, though, is keeping faith with Chinese brands to reinvigorate an event that was canceled during the pandemic and hampered by strict masking and distancing rules in the years since.

"We'll have many delegates from China," GSMA's John Hoffman told a news conference before the event, adding that things were on the way back to normal.

GSMA said Huawei, a major sponsor of the event, would have a pavilion bigger than anything the event has seen in its decades-long history.

The Chinese tech giant was the second biggest smartphone maker in the world in 2020, but scaled back its handset business after US regulators accused the firm of being controlled by Beijing.

Huawei now focuses on network equipment and cloud servers, but EU leaders are now pushing governments to remove its equipment from 5G networks.

Direct competitors Nokia and Ericsson are looking to Hoover up some of the business as European countries freeze out Huawei, and both firms will send big delegations to Barcelona.

In total, GSMA said the four-day trade show would host almost 750

operators and manufacturers and 2,000 exhibitors.

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