

Brazil raises \$8.4 bn in 5G tender

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Brazil is looking to leverage fifth-generation mobile technology to accelerate the development of its industrial and agribusiness sectors and bring super-fast internet to the cell phones of its 213 million people.

Brazil raised \$8.4 billion in investments and license fees in an international tender to build and operate one of the world's biggest 5G data networks, Communications Minister Fabio Faria said Friday, hailing a "great success."

The final result—46.8 billion reais (\$8.4 billion)—came in just shy of the \$9 billion the government had forecast.

But Faria was upbeat at the close of the two-day auction, telling a news conference the result "beat all expectations."

Winning bids went to companies 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.

Six newcomers to the Brazilian market also made winning bids and will now become mobile providers, which should increase competition and benefit consumers.

Brazil, Latin America's biggest economy, 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, which drew 15 bidders in all, was for the right to build and operate different "blocks" of the frequency spectrum for 20 years.

Brazil also tendered the development of a separate network that will be reserved for government communications.

Bidding for the latter excluded all equipment from Chinese telecoms giant Huawei, the target of US espionage accusations that had put Brazil in a bind, forcing it to navigate a tumultuous tech standoff between Beijing and Washington.

The two major world powers are also Brazil's largest trading partners and the country came under pressure from both sides over the ground rules for its 5G network.

That led it to postpone the tender from early 2021 as initially scheduled.

Despite the postponement, analysts agreed with Faria that the tender came off well for Brazil.

"It was an absolute success," said Marcos Ferrari of Conexis Brasil Digital, a group representing five of the bidding firms.

"There was a lot of appetite from the market," he told AFP.

The tender was a win-win for established mobile providers and new arrivals to the Brazilian market, said Eduardo Tude, head of the consultancy Teleco.

"On the one hand, current operators got the spectrum they'll need to develop 5G with the

necessary bandwidth. On the other, there was space for new players. That's a very positive development," he said.

Connected tractors, telemedicine

President Jair Bolsonaro called the tender "historic" on Thursday, as he opened the bidding in Brasilia with a symbolic bang of the auctioneer's hammer.

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 sprawling South American 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 Ferrari.

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

Winning companies will be required 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.

The [tender](#) also featured projects to expand and upgrade internet access in remote areas, along highways and in public schools, in a country where 40 million people still lack access.

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