

# Telecoms in 2019: Top trends to watch

Dylan Bushell-Embling

As we sign out of 2018 and embrace 2019, *Telecom Asia* invited telco executives in the region to share their views about the market outlook, challenges and opportunities telecoms operators in Asia will be facing in 2019.

Based on the responses received, 5G, IoT, cybersecurity and turbulent economic conditions will keep the telecoms industry busy in the coming 12 months.

HKBN Group director of IT Stephen Lui said an economic downturn which began in the second half of this year is depressing consumer spending power, which will impact the telecoms industry.

“At the same time, another important topic that IT managers are constantly exploring is how to turn capex into opex,” he said. “Challenges are not only arising from the more



HKBN Group director of IT Stephen Lui

traditional areas like network and infrastructure, but also from the continuously changing landscape of cybersecurity.”

Compounding the issue, delivering advanced technology services such as cybersecurity services and the IoT require significant capital investment, but at the same time the lifecycle of these products is getting shorter.

“This is putting considerable financial pressure on telcos,” he said. “As a telco, the challenge will be on how we can offer best-of-breed services and solutions to customers [while we face] the same challenges as those of our customers.”



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CITIC Telecom CPC chief technology and innovation officer Daniel Kwong likewise stated that the trend towards enterprise adoption of digital business



SmarTone CTO Stephen Chau

technologies such as IoT, data analytics, edge computing, 5G, blockchain and AI will continue apace in 2019.

“Due to the complex integration and control issues of an increasingly distributed infrastructure, however, this poses challenges to telecoms sector in Asia, especially on the data security and handling aspects. Changes of customers’ perspective and expectations are issues that services providers should look into, too,” he said.

## IoT, AI, VR/AR create new opportunities

But these and other technology trends are also expected to open up a range of new opportunities for the Asia-Pacific telecoms sector.

SmarTone CTO Stephen Chau said IoT, artificial intelligence and virtual or augmented reality will stimulate the market in 2019.

“In the era of 5G, the increasing network capability will open up immense opportunities for innovative applications for both consumers and enterprises,” he added.

CITIC Telecom CPC’s Kwong noted that Asia Pacific is driving the growth of the rapidly emerging IoT segment, which will bring a number of opportunities for the region’s operators.

“According to *Forbes*’ ‘Roundup of Internet of Things Forecasts’ published in December 2017, it is anticipated that 50 billion things will be connected by 2020,” he said. “This represents a 23% CAGR between 2014 and 2020, of which 40% is expected to come from the Asia Pacific region.”



HKBN director of network architecture and technology Danny Li

Operators in the region will also be able to capitalize on the fast-growing mobile payment market and the ongoing migration of business functions to the cloud, he said.

HKBN director of network architecture and technology Danny Li added that there are significant opportunities for the telecoms industry in the maturing cloud market.

“The opportunities for telcos are to capitalize on the demand and

be able to provide flexible cloud services. Cloud services no longer only include mainstream services like IaaS, SaaS, PaaS, but also cloud-based managed security services like [cloud security operations centers], security audits and assessments,” he said.

“The telco advantage is that we are able to offer the fundamental connectivity services for all the different cloud services... Customers can connect to different cloud service providers with a secured direct connection, an advantage which ordinary system integrators simply cannot provide.”

But operators’ ability to grasp these opportunities will depend on how well they can capture the emerging cloud managed services market, help customers transition to the cloud, and optimize their own cloud usage and expertise, he said.



Kenny Koo, executive director and CEO of Hutchison Telecommunications Hong Kong

Kenny Koo, executive director and CEO of Hutchison Telecommunications Hong Kong, said digital transformation will set the most critical foundation for all different tech trends be it 5G, AI or IoT.

“As customers increasingly become digital citizens, it is necessary for operators to go digital

in order to enrich the customer experience, drive subscribership and revenue growth,” Koo said. “A new digitalized operating model will also enable rapid access to fast data to deliver digital services in the impending 5G era.”

**5G is a catalyst to changes**

The Hong Kong respondents to the survey agreed that cloud computing, IoT and AI will be the technologies that are most likely to have the biggest influence on the telecoms sector in 2019.

But KT SVP and head of 5G business Lee Yong-Gyoo said he expects the biggest technology influence – at least in the South Korean market – to be 5G. The South Korean operator successfully trialed 5G technology during the 2018 Winter Olympics in February, and the country plans to be one of the earliest adopters of the new standard.

“KT believes 5G technology will provide customers with innovative services based on ultra-high speed, low latency and massive connectivity. As a core driver of the Fourth Industrial Revolution, 5G will also help create many new business-to-business opportunities,” he said. |



KT SVP/Head of 5G Business Lee Yong-Gyoo