



IDC Forecasts 5G Network Infrastructure Revenue to Reach \$26 Billion in 2022 as Network Build-Outs Progress and 5G-Enabled Solutions Gain Traction

FRAMINGHAM, Mass., November 6, 2018 – A new report from International Data Corporation ([IDC](#)) presents IDC's inaugural forecast for the worldwide 5G network infrastructure market for the period 2018–2022. It follows the release of IDC's initial forecasts for [Telecom Virtual Network Functions \(VNF\)](#) and [Network Functions Virtualization Infrastructure \(NFVI\)](#) in September and August 2018, respectively.

With the first instances of 5G services rolling out in the fourth quarter of 2018, 2019 is set to be a seminal year in the mobile industry. 5G handsets will begin to hit the market and end-users will be able to experience 5G technology firsthand.

From an infrastructure standpoint, the mobile industry continues to trial innovative solutions that leverage new spectrum, network virtualization, and machine learning and artificial intelligence (ML/AI) to create new value from existing network services. While these and other enhancements will play a critical role, 5G NR represents a key milestone in the next mobile generation, enabling faster speeds and enhanced capacity at lower cost per bit. Even as select cities begin to experience 5G NR today, the full breadth of 5G's potential will take several years to arrive, which will require additional standards work and trials, particularly related to a 5G NG core.

In addition to 5G NR and 5G NG core, procurement patterns indicate communications service providers (SPs) will need to invest in adjacent domains, including backhaul and NFVI, to support the continued push to cloud-native, software-led architectures.

Combined, IDC expects the total 5G and 5G-related network infrastructure market (5G RAN, 5G NG core, NFVI, routing and optical backhaul) to grow from approximately \$528 million in 2018 to \$26 billion in 2022 at a compound annual growth rate (CAGR) of 118%. IDC expects 5G RAN to be the largest market sub-segment through the forecast period, in line with prior mobile generations.

"Early 5G adopters are laying the groundwork for long-term success by investing in 5G RAN, NFVI, optical underlays, and next-generation routers and switches. Many are also in the process of experimenting with the 5G NG core. The long-term benefit of making these investments now will be when the standards-compliant SA 5G core is combined with a fully virtualized, cloud-ready RAN in the early 2020s. This development will enable many communications SPs to

expand their value proposition and offer customized services across a diverse set of enterprise verticals through the use of network slicing," says [Patrick Filkins](#), senior research analyst, IoT and Mobile Network Infrastructure.

The report, [Worldwide 5G Network Infrastructure Forecast, 2018-2022](#) (IDC #US44392218), presents IDC's inaugural forecast for the 5G network infrastructure market. Revenue is forecast for both the 5G RAN and 5G NG Core segments and each of the three related sub-segments (NFVI, Routing Backhaul, and Optical Backhaul). The report also provides a market overview, including drivers and challenges for communications service providers and advice for technology suppliers.

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