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**Manufacturing is waiting for 5G, with two-thirds of industrial firms planning to use the network within the first two years of availability, a new report has found.**

It's a shiny, high-speed network which boasts faster connectivity, greater reliability, enhanced security, and lower latency. So, it comes as no surprise that 5G has gained a lot of attention in the industrial world.

A new report, *5G in Industrial Operations: How telcos and industrial companies stand to benefit*, by Capgemini focuses on the latest developments in cellular networks and how industry is set to be catapulted by a 5G adoption.

Connectivity remains a significant challenge in manufacturing. The research found that 44% of respondents thought it affects their overall digital transformation. And when leaders at industrial firms were asked which technologies will be vital to their digitalisation over the next five years, 80% selected 5G (second only to cloud computing).

5G solves many of manufacturing's connection challenges: coping with the exponential growth of connected devices and data traffic, reducing energy consumption, and increasing security and connectivity performance.

## **5G for industry**

The report found that two-thirds of industrial companies want to use 5G within two years of its availability. But, despite this eagerness to move quickly, telecom players will need three years, at the very least, to roll out all 5G features.

One in three manufacturing companies are planning to apply for their own 5G license. This demand is being driven by urgency and autonomy, and this interest is more common among larger firms.

Industrial companies are also willing to pay more for premium services. Despite uncertainties around the speed of deployment, 74% of industrial companies will pay more for enhanced mobile broadband speed and increased capacity, yet only around half (53%) of telecom operators think there is appetite for this.

## **Driving transformation**

5G offers a wide variety of use cases, ranging from shop floor to supply chain to product and service management. It will support the reliable, secure, real-time, high-speed transmission of data, and this will transform the way businesses work.

Because of its features, 5G can eventually become the standard communication technology, replacing current infrastructure.

However, companies need remember that it is an emerging technology, and features such as network slicing or guaranteed quality of service will not be immediately available. Also, 5G's coverage could take many years to reach that of 4G networks.

Industrial companies believe in the transformative potential of this technology and will adopt it quickly when it does become available to them.