



Who's Really Leading the 5G Race in Canada?

Description

We all have been reading about the emerging 5G technology for quite a while now. While all the three biggest telecom players in the country have been boasting about launching 5G, Canadians will likely have to wait a little longer to get a real taste of this new technology.

It is quite certain that 5G, or “fifth-generation” technology, will open new gates of opportunities not just for wireless companies but to the range of industries and sectors. According to the Swedish telecom and networking giant **Ericsson**, global data traffic is expected to [grow](#) eight times by 2024. Thus, 5G will fill this need for higher spectrum utilization. Along with lightning-fast speed, 5G will ensure minimal latency and no congestion.

5G in Canada

Rogers Communications ([TSX:RCI.B](#))([NYSE:RCI](#)) was the first to launch the 5G network in Canada early this year. It started rolling out 5G in Toronto, Ottawa, Montreal, and Vancouver in January and plans to extend it to 20 more markets by the end of 2020.

At the same time, **Telus** ([TSX:T](#))([NYSE:TU](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) are expected to launch 5G later this year. These three players dominate a major chunk of the Canadian wireless market.

The primary reason Rogers is ahead of peers is its 5G equipment vendor. Rogers has partnered with Ericsson for its 5G launch. BCE has associated with Nokia, while Telus is accompanied by Huawei. BCE clarified last month that it might want to collaborate with Huawei and Ericsson as well.

As Huawei is facing allegations of spying, it is still unclear whether it will be allowed to roll out 5G in Canada or not. Many countries have banned Huawei in building 5G infrastructure. The regulatory constraints causing delays in laying out 5G will likely have an adverse impact on telecom companies.

Notably, Chinese company Huawei is known to be one of the most reliable 5G equipment vendors at competitive prices. It has worked to deploy 3G and 4G infrastructures in the country in the past.

Rogers leads the pack

Laying out 5G infrastructure will be no doubt a capital-intensive task. Rogers, the largest of the three in terms of the number of subscribers, intends to spend around \$2.9 billion on capital investments this year. A large chunk of this could be invested in [5G deployment](#). Telus and BCE also expect higher investments to deploy 5G this year. Rogers is also the fastest growing among these three.

Even if Rogers is the first to launch 5G in Canada, its network still uses the 4G core for it. Thus, Canadians who want to try the real 5G will have to wait for at least a year.

Investors should note that telecom is a slow but stable industry. The emerging 5G technology holds immense growth potential for them in the future. Interestingly, it might not matter much who launched 5G first in the country after a few years. How these wireless companies play the opportunities emerging out of the new technology will be interesting to see.

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