

Future prospects. The opportunity of the Digital Single Market

The European Commission has been working on the Digital Single Market Strategy since 2015. The objective is to ensure that Europe's economy, industry and society take full advantage of the new digital era, so that citizens can shop online across borders and companies can sell online across the EU. Within the framework of this strategy, Cellnex plays a very important role in achieving its objectives through the deployment of new locations for telecommunications in rural and urban environments, as well as DAS nodes, which are located at points of high demand concentration.

DIGITAL SINGLE MARKET STRATEGY

Objective: at least one
city in each member state
of the EU can offer 5G
services by 2020

One of the objectives of this strategy is to prepare mobile networks for the arrival of 5G so that at least one city in each member state of the EU can offer 5G services by 2020, something for which Cellnex is working to position itself as a reference point in the market. It should also achieve the objectives of the Digital Agenda for Europe (DAE). This strategy aims for all Europeans to have access to much higher internet speeds (30 Mbps or above) by 2020, with 50% or more of European households subscribing to internet connections above 100 Mbps.

Furthermore, new European Code of Electronic Communications came into force at the end of 2018, and is the regulatory framework for electronic communications for the next decade, including the roll-out of 5G networks. The deadline for transposition into national law of the provisions of the Directive has been established as two years from the date of its entry into force. It is therefore expected that Member States will have approved the relevant legislation by the end of 2020.

The main objective of the Code is to encourage investment and innovation in high-capacity networks and services throughout the European Union, including rural and remote areas. Among other measures, the Code recognizes the figure of the independent infrastructure operator endowing it with a specific "light" regulation while proposing measures to promote and accelerate the roll-out of the 5G network throughout the territory, providing facilities for the physical deployment of Small Cells and the densification of the network. It also proposes a better management of the radioelectric spectrum, an improvement in the protection of data from smart phone users, and a reduction in the price of European calls.

European regulators are also assessing relevant market regulation. In this context, we will assess whether any emerging regulation could affect Cellnex's activity. To this end, the company continues to play an active role in this regard and participates in several associations in Brussels along with its peers and/or main competitors, allowing it to have an influence on the drafting of sector regulation with respect to policy-makers.

Cellnex's business model
consolidation in
telecommunications sector

In October – November 2019 the World Radiocommunication Conference. (WRC), organised by the International Telecommunication Union (ITU) was held in Egypt. During the WRC the global administration met to discuss spectrum usage and, the possibility of changing the Radio Regulations. These are an International Treaty establishing spectrum use and country-to-country coordination and have a considerable impact on developing worldwide telecommunications.

Cellnex was present during the WRC-19 and is actively involved in the ITU process to defend its interests. Depending on the results of the WRC, we envisage intensive studies and work, in the years to come until next WRC (2019-2023).