



POLICY IN ACTION

Infrastructure Sharing Agreements in China Support 5G Deployment

Market context

Significant investment is required to satisfy the coverage and capacity needs of 5G customers. This burden is worsened by the complexity of maintaining multiple generations of mobile technology in the network, higher density of sites for using higher frequencies such as the C-band and mmWave, and the impact of the COVID-19

pandemic. To stay competitive, mobile operators need greater efficiencies to mitigate the rising costs of network deployment — especially in China, where the geography and population to be covered are vast, requiring literally millions of base stations.

Policy or regulatory action

Following the first set of C-band spectrum assignments (3.4 – 3.6 GHz) to China Unicom and China Telecom, the Ministry of Industry and Information Technology encouraged the operators to jointly deploy a C-band 5G network under a commercial arrangement, with extensive sharing of infrastructure and spectrum. The result would be a more capital-efficient network allowing both operators to focus more on services, while using a contiguous 200 MHz spectrum block, enabling higher speed and capacity and an enhanced customer experience. Similarly, when the

700 MHz band was assigned for 5G to China Broadcast Network (CBN), a new player in the mobile market, the Ministry provided regulatory flexibility for its infrastructure sharing agreement with China Mobile. This arrangement will enable CBN to leverage China Mobile's extensive experience to start building the 700 MHz 5G network while gaining access to a mature nationwide 2.6 GHz network. CBN will be able to offer its own services more quickly and, at the same time, China Mobile can tap into the premium sub-1 GHz band to further improve its network coverage.

Why this is good practice

This is a practical example of the government providing regulatory flexibility and facilitation, enabling mobile operators the freedom to discuss infrastructure sharing deals that suit their business needs. This achieves the government's policy objectives to drive greater network coverage and capacity, and mobile operators' needs to

reduce deployment costs and focus on improving service quality. The end result is that China has now achieved the most extensive 5G population coverage globally — 480 million 5G connections in the first two years of 5G deployment.

Read more at:
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