

Press release

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5G, 3D printing and smart speakers ready to transform tech landscape in 2019

Deloitte's annual Technology, Media and Telecommunications report predicts the trends that will transform 2019.

Brussels, February 6, 2019 – 5G, 3D printing, smart speakers: these are a few of the technological innovations that will take hold in 2019, according to Deloitte's 18th edition of Technology, Media & Telecommunications Predictions. While Belgium may be slow to implement 5G or see smart speakers in every home, other predictions from the professional services firm including 3D printing and radio revenues are expected to hold true.

5G: the new network arrives

Fifth-generation (5G) wireless networks are expected to arrive in scale globally. The upgraded networks will provide faster connections for consumers and enterprises and create revenue opportunities for telecommunication companies.

"Wireless operators have been pouring resources into 5G network development," said Vincent Fosty, telecommunications, media & entertainment leader at Deloitte Belgium. "Currently, 72 operators are testing this offering – and Deloitte forecasts that in 2019, 25 wireless operators will launch 5G service, a figure that will likely double by 2020. In Belgium, mobile operators have announced that they will deploy 5G networks 2020 and 2021. Around half of Belgian consumers indicated that they would likely make a conscious choice to switch to 5G networks. However, only 13 percent of consumers would switch as soon as they become available," Fosty continued. With new network technology comes new devices, and Deloitte predicts that one million 5G handsets will be sold globally in 2019, and growing exponentially to 15-20 million units by 2020. However, this is a marginal number compared to the over 1 billion smartphones to be sold in 2019.

3D printing growth accelerates again

3D printing is also set to take off in 2019, according to the report: "The technology has reached a point of maturity that many companies are looking to add 3D printers in-house to eliminate constraints in their supply chains," said Fosty. Sales of enterprise 3D printers, materials, and services from large public companies will surpass \$2.7 billion in 2019 and top \$3 billion in 2020, growing 12.5 percent annually each year. The list of possible 3D-printable materials has more than doubled in the last five years, which (along with other improvements) has led to a rebound in the industry's growth potential.

AI: from the lab to the home

An accessible AI-based device, the smart speaker market is also expected to expand – along with functionalities – in 2019. While Belgium hasn't seen these devices take off yet, the market is sizeable: Deloitte expects devices like the Google Home and Amazon Alexa to generate US\$7 billion in 2019 globally, nearly double the 2018 figure of US\$4.3 billion. In Belgium, these devices have not taken off yet; only 3 percent of Belgians have access to a smart speaker. However, 26 percent of Belgians use voice assistants on their smartphone, and a quarter of them do so on a daily basis, so it is only a matter of time.

In the corporate environment, Deloitte predicts that companies will further accelerate usage of cloud-based artificial intelligence (AI) software and services in 2019. Among companies using AI, 70 percent will obtain AI capabilities through cloud-based enterprise software, 65 percent will create AI applications using cloud-based development services, and by 2020, the penetration rate of enterprise software with AI built in, and cloud-based AI development services will reach an estimated 87 and 83 percent respectively

Media to watch in 2019

Looking at the media landscape, Deloitte's report predicts several trends for 2019: a strong link between sports betting and live TV viewing and radio's reach and revenues to remain strong.

What is new is how important TV sports watching is for 18–34-year-old men, how frequently some of them gamble, and how close the relationship is between gambling frequency and watching more TV sports. It seems probable that this driver of TV watching may make TV watching more resilient than some critics expect. Live TV sports watching motivated by gambling may boost overall TV-watching statistics among younger demographics, either slowing the decline somewhat, or perhaps even providing a floor.

From a radio perspective, Deloitte predicts that over 85 percent of the adult population will listen to radio at least weekly in the developed world (the same proportion as in 2018). Combined, nearly three billion people worldwide will listen to radio weekly.

Other trends

- **China's connectivity nurtures new digital business models** – Deloitte predicts China will have world-leading telecommunications networks in 2019 and most likely in the medium term. Its communications infrastructure will provide a foundation for at least three significant new industries, each of which could generate tens of billions of dollars in revenue annually by 2023.
- **eSports continue to surge** – The North American eSports market will expand by 35 percent powered by advertising, broadcast licensing, and franchise sales. North American eSports franchise leagues will expand into specific cities, following the professional sports model.
- **Evaluating quantum computing** – Quantum computing will emerge as one of the largest new technology revenue opportunities over the next decade, but are unlikely to replace classical computers. The future quantum computing market is expected to be comparable to that the supercomputer market – around \$50 billion per year by the 2030s.
- **China expands technological prowess** – Revenues for Chinese-manufactured semiconductors will grow by 25 percent to \$120 billion, solidifying China as a globally-significant player in manufacturing and AI development. China will also have world-leading telecommunications in 2019, expanding possibilities for enterprise capabilities and interpersonal communication.

About Deloitte Technology, Media & Telecommunications

To ensure sustained business growth, it is critical that organizations address the increasing disruption posed by emerging technologies. Deloitte's Technology, Media & Telecommunications (TMT) industry practice brings together thought leaders and trusted specialists to shape many of the world's most recognized brands in these fields. Through its work, the TMT team aids clients in creating competitive advantage and helps them succeed in an increasingly digital world.

Deloitte Global's annual TMT predictions serve as guideposts for future business strategy by providing a 1-5 year outlook on key trends in the global technology, media, and telecommunication industry sectors. The

trends are based on a global analysis of figures for each topic and help identify key challenges and areas of focus for the world's TMT brands as they navigate the impact of new technologies shaping the future of industry.

To learn more about Deloitte's TMT practice and its signature piece of thought leadership, connect with us on Twitter at @DeloitteTMT or at www.deloitte.com.

Deloitte in Belgium

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In Belgium, Deloitte has more than 4,000 employees in 12 locations across the country, serving national and international companies, from small and middle-sized enterprises, to public sector and non-profit organisations. The turnover reached 510 million euros in the financial year 2018.

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