

2022 Risk Radar: Telecommunications Sector

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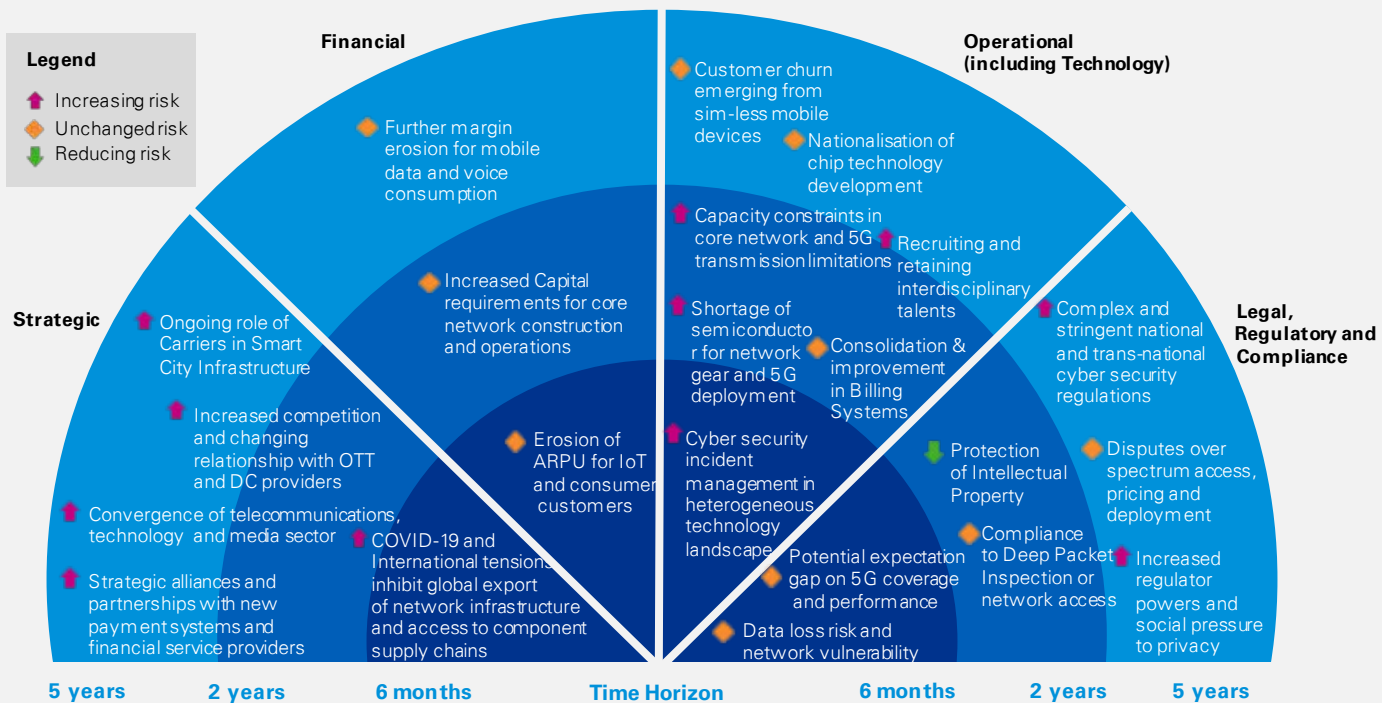


Global component supply chain challenges and a global semiconductor shortage have impacted the progress of capacity expansion plans of 4G networks as well as 5G deployments. In addition, with accelerated digital transformation across industries and enterprises, we are observing a talent shortage in the market, particularly interdisciplinary talent. For example, talent in the artificial intelligence (AI) and Big Data fields are crucial for enterprises to develop 5G-enabled technology applications.



Key trends observed in the market impacting the industry in the Greater China region:

- Considering the global shortage of semiconductors and component supply chain challenges, it is anticipated that capacity expansion plans of 4G network will be delayed, resulting in network congestion. In addition, the chip scarcity is also likely to impact ongoing 5G deployments.
- With the deployment of 5G technology and collaboration among different sectors, demand for interdisciplinary talents has increased significantly. A lack of talent in relevant fields could delay expansion progress and overall application.
- The threat of security and data breaches continues to increase with businesses relying more than ever on the cloud to share and manage information. Coupled with "work-from-home" arrangements as a result of the pandemic, the risk of confidential data leakage remains significant.



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