

## News release

### FOR IMMEDIATE RELEASE

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### **Deloitte unveils TMT Predictions 2023 in Luxembourg**

#### **Technological growth through a conscious use of resources**

**Luxembourg, 3 February 2023** — Deloitte Luxembourg presented the Global Technology, Media & Telecommunications (TMT) Predictions report at its annual TMT Conference on Thursday, 2 February 2023. The Deloitte annual report provides an outlook on technology, media, and telecommunications trends that may disrupt and transform the business and consumer ecosystems worldwide. This year's edition focuses on innovation advancement with conscious, inclusive, and resourceful technologies.

*"The TMT industry is characterized by its continuous dynamic development", says David Osville, Technology, Media & Telecommunications Industry leader at Deloitte Luxembourg. "The catchphrase for 2023 is that consumers and businesses will have to do more with less as inflation, supply chain issues, and other global events continue to cause economic uncertainty".*

Some of the key findings of the report include:

#### **5G networks to transform enterprise connectivity.**

By introducing virtualized cloud-centric capabilities, 5G standalone (SA) networks are inspired to drive disruptive change. Deloitte expects the number of mobile network operators (MNOs) investing in 5G SA networks to increase by the end of 2023, unlocking 5G's benefits and opening the door to disruptive use cases that can boost productivity, enhance operational efficiency, and increase cost optimization.

#### **Introducing the accessible US\$99 5G smartphone.**

Billions of people around the world lack access to any kind of smartphone at all, let alone one with 5G. For many, cost has been the major barrier—until now. Deloitte predicts that 5G phones under US\$100 are set to bring advanced wireless services to consumers worldwide with software, ads, and content driving profits.

## **Global growth in streaming services includes AVOD increase.**

Deloitte Global foresees major streaming services that have been ad-free could opt for advertising video-on-demand (AVOD). By the end of 2023, major subscriptions video-on-demand services may launch an ad-funded tier to complement ad-free options.

## **Broadband satellites will need to navigate a crowded sky.**

Deloitte envisions that more than 5,000 broadband satellites could be in low-Earth orbit (LEO) by the end of 2023. The forecast would see two working constellations providing high-speed internet to nearly a million subscribers on all parts of the planet, no matter how remote.

## **Semiconductor companies turn to AI and high-power materials to design future chips.**

Deloitte predicts that the world's leading semiconductor companies could spend US\$300 million on internal and third-party AI tools for designing chips in 2023, and that number may grow by 20% annually for the next four years. AI design tools enable chipmakers not only to save time and money, but also drag older chip designs into the modern era.

## **Virtual production integrates into real life.**

The tools and techniques of virtual production are transforming cinema, shortening production times, and bringing real-time computer-generated imagery and visual effects onto real-life sets. According to the Deloitte Global prediction, the market for virtual production tools will grow to US\$2.2 billion in 2023—up 20% from an estimated US\$1.8 billion in 2022.

## **Growth in the emerging enterprise edge computing market.**

Cloud, telco, equipment, and platform companies are vying for a share of enterprise investments in edge services and products that make computing faster and cheaper. Deloitte predicts that the enterprise market for edge computing will grow 22% this year.

## **Gaming M&A is growing on the back of consolidation, portfolio plays and game tech.**

Deloitte Global forecasts that in 2023 the number of video game company mergers and acquisitions will continue to increase by around 25%. Video game services, experiences, and business models are innovating, and console supply chains are adapting themselves to meet pent-up demand for next-gen experiences.

## **Shopping goes social, trending past US\$1 trillion in annual sales.**

The social commerce market is outgrowing traditional e-commerce. This year, Deloitte Global predicts that spending for goods and services on social media will surpass US\$1

trillion globally. As the Deloitte Global survey displays, Generation Z and Millennials are more likely to admit that their buying decisions are affected by social media influencers.

## **Tech commits to faster climate action.**

The technology industry has set ambitious deadlines for achieving net-zero. Operational efficiencies, sustainable products, and tech innovations can help it get there. According to the Deloitte Global CxO sustainability survey, tech companies are working harder and faster to impact climate change and are 13% more likely to target net-zero by 2030 than non-tech companies.

The findings of the annual TMT Predictions report were presented at the TMT Conference on Thursday. It was accompanied by a panel discussion on cloud and sustainability between Paul Lee, Deloitte Partner and TMT Global Head of Research; Paul Konsbruck, CEO of LuxConnect; and Vincent Pedrini, Co-founder of Nomoko; and moderated by Francesca Messini, Deloitte Luxembourg Partner and Sustainability Leader. The key issue addressed in the debate was the relevance of cloud workloads and the measuring of its impact from a sustainability angle.

Discover more insights from the 2023 TMT Predictions on our dedicated webpage at: [www2.deloitte.com/lu/tmt-predictions-2023](http://www2.deloitte.com/lu/tmt-predictions-2023).

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