# Telecommunications industry set for transformative growth in 2025



The Telecommunications, Media, and Technology (TMT) industry is gearing up for an expansive year in 2025, characterised by innovative growth strategies and the integration of advanced technologies. According to recent projections, leading European telecommunications companies are expected to achieve top-line growth of two to three per cent, with earnings before interest, taxes, depreciation, and amortisation (EBITDA) expected to grow by up to five per cent and a remarkable double-digit increase in free cash flow.

This anticipated growth is largely attributed to transformative changes within the European telecommunications sector, including the widespread adoption of artificial intelligence (AI), cloud computing, and other emergent technologies. These innovations are unlocking new business models, enhancing customer experiences, and driving operational efficiencies. The Liberty Global analysis highlights several key areas to monitor as the sector prepares for a pivotal year.

AI integration is set to play a paramount role in the evolution of the telecommunications industry. AI-driven automation is expected to optimise network management, enhance operational efficiency, and bolster customer service processes. Automated systems, including AI-powered chatbots and virtual assistants, are slated to offer faster and more personalised support, while advanced algorithms will analyse customer data to tailor services accordingly. A significant development noted in the report includes the collaboration between telecommunications companies and AI firms, leading to scalable distribution channels for consumer AI products and innovative partnerships for service bundling and API integrations.

Furthermore, the push for improvements in 5G networks has prompted numerous pilots and collaborations with industry heavyweights such as AWS and Nokia. AI's role in managing complex 5G deployments is crucial for ensuring seamless connectivity, preventing bottlenecks, and facilitating the rollout of ultra-low latency services essential for the digital economy. The report also mentions upcoming trials showcasing AI's potential to enhance cybersecurity by proactively identifying and responding to threats.

Emerging business models, including Network-as-a-Service (NaaS), are gaining traction, providing customisable connectivity services across various sectors. This model offers functionalities such as quality on-demand mobile and fixed services, enhancing operational efficiency for telcos while creating new revenue streams in industries like financial services, healthcare, and entertainment.

The expansion of Low Earth Orbit (LEO) satellite technology is also making waves, with key partnerships between telecommunications operators and mobile device manufacturers looking to integrate satellite connectivity directly into smartphones. Significant advancements were reported in 2024 with collaborative efforts to launch services, including those involving Starlink and Globalstar, creating opportunities to address connectivity challenges, particularly in cellular dead zones.

Another strategic shift within the industry is the delayering of organisations into two entities—NetCo and ServCo—designed to enhance value and improve investment appeal. This trend has already witnessed significant movements, such as the launch of Telenet's Wyre in Belgium and Telecom Italia’s sale of its NetCo to KKR. Liberty Global has announced plans to partner with Virgin Media O2 and Telefónica to establish a national fixed NetCo in the UK, which is poised to become a formidable competitor in the fixed network landscape.

While advancements towards 6G technology are being pursued, 2025 is anticipated to see further developments in 5G networks, significantly enhancing user experience. Research from Ericsson forecasts that global 5G subscriptions will grow to 6.3 billion by 2030, representing 67 per cent of all mobile subscriptions. The initial steps towards 6G networks will focus on integrating AI in network management, enhancing connectivity, and preparing for technologies such as augmented and virtual reality.

Lastly, the increasing emphasis on sustainability within the telecommunications sector is shaping the approach to data centre functionality. As data centres are expected to double their energy consumption by 2030 due to the growing reliance on technologies such as AI, there is a pressing need for the telco industry to explore sustainable practices. Innovations such as liquid cooling, renewable energy integration, and collaboration with cloud service providers are being highlighted as crucial to powering these centres efficiently and sustainably.

Overall, advancements and practical implementations in AI automation and emerging technologies are not just transforming the telecommunications industry but are also driving significant growth opportunities across various sectors. As we approach 2025, the TMT sector remains poised for unprecedented change and development.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

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* <https://www.libertyglobal.com/blog/tmt-trends-set-to-shape-2025/> - Discusses the improvements in 5G networks, AI's role in managing complex 5G deployments, and upcoming trials on AI-enhanced cybersecurity.
* <https://www.libertyglobal.com/blog/tmt-trends-set-to-shape-2025/> - Explains the emerging business models such as Network-as-a-Service (NaaS) and its benefits for telcos and various sectors.
* <https://www.libertyglobal.com/blog/tmt-trends-set-to-shape-2025/> - Details the expansion of Low Earth Orbit (LEO) satellite technology and key partnerships to integrate satellite connectivity into smartphones.
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