Ercole Rovida's Newsletter

March 2026

MESSAGE FROM THE AUTHOR

March 2026, the month of Mobile World Congress. I'm sure that most of you knows very well this event. **Mobile World Congress (MWC) 2026** is the world's largest and most influential event for the mobile and connectivity ecosystem. It is organized by **GSMA** and brings together telecom operators, device manufacturers, cloud providers, AI companies, policymakers, startups, and investors from around the world. This event is a great reference for the market and marks every year its technological trends. What about this year? MWC 2026 is framed around the headline theme "The IQ Era", which reflects the convergence of connectivity and intelligence, with artificial intelligence embedded across networks, devices, enterprises, and services. GSMA positions this theme as a shift toward smarter connections driven by human ideas, commercial impact, and societal progress. The event content is structured around **six official themes**, all aligned with "The IQ Era":

Intelligent Infrastructure

Focuses on the evolution of digital infrastructure, including 5G, 5G-Advanced, private networks, cloud, edge computing, and satellite connectivity.

ConnectAI

Explores how AI is being embedded into telecom networks, enabling automation, AI-native operations, programmable networks, and new revenue models for operators.

AI 4 Enterprise Concentrates on practical, enterprise-grade AI use cases—productivity, risk reduction, governance, and sector-specific deployments rather than experimentation alone.

AI Nexus Addresses the convergence of advanced AI (including generative and multimodal AI), regulation, ethics, sovereignty, and governance frameworks.

Tech4All Focuses on inclusion, accessibility, sustainability, and closing digital divides through technology.

Game Changers Highlights disruptive and emerging technologies such as space-based connectivity, autonomous systems, quantum technologies, and next-generation interfaces.

In **MWC 2025**, the GSMA framed the event around **"Converge. Connect. Create."**, reflecting an industry in transition. The themes that year focused on *getting technologies to work together* and *moving from hype to practical impact*: 5G Inside was about monetising 5G roll-outs, Connect X about collaboration across complex ecosystems, AI+ about applying AI in realistic ways, and Enterprise Re-invented about adapting organisations to converging technologies. Alongside these, Digital DNA captured sustainability, ethics, and diversity as guiding values, while Game Changers pointed to early-stage technologies like quantum and XR as future bets.

By contrast, MWC 2026 adopts a more declarative stance with "The IQ Era", signalling that the transition phase is over and that intelligence is now assumed to be embedded everywhere. The themes evolve accordingly: Intelligent Infrastructure replaces a narrow 5G focus with a broader view of AI-ready networks, cloud, edge, and satellites; ConnectAI shifts attention from ecosystem cooperation to AI-native, programmable networks; and AI Nexus elevates questions of regulation, ethics, and sovereignty that were only emerging under AI+ in 2025. AI 4 Enterprise drops the language of reinvention in favour of execution and ROI, while Tech4All turns the values-led conversation of Digital DNA into concrete challenges of access and inclusion. Game Changers remains, but with a clearer emphasis on frontier areas such as space-based connectivity and autonomous systems.

In short, **MWC 2025 was about readiness and convergence**, asking how the industry could move from promise to practice, whereas **MWC 2026 assumes that shift has happened** and concentrates on how an AI-native connectivity ecosystem is governed, scaled, and made socially meaningful.

Let’s have now a deep dive on the MWC 2026 themes

Intelligent Infrastructure

What it is: Intelligent Infrastructure covers the digital foundations that enable connectivity and intelligence at scale. At MWC 2026, this theme addresses how networks, cloud platforms, edge computing, and satellite systems are being redesigned to support AI-driven services and real-time workloads.

Why it matters in 2026
GSMA and industry sources emphasize that infrastructure is no longer just about capacity or speed. Instead, it must be **adaptive, software-defined, and AI-aware**, capable of supporting private networks, industrial use cases, and non-terrestrial connectivity.

Key focus areas explicitly cited

- 5G and **5G-Advanced**
- Private and hybrid networks
- Cloud and edge integration
- Satellite and non-terrestrial networks (NTN)
- Infrastructure resilience and scalability

This theme is foundational: every other track depends on these systems being reliable, programmable, and globally deployable.

ConnectAI

What it is: ConnectAI focuses on AI embedded directly into connectivity itself—networks that can optimize, automate, and expose capabilities dynamically. GSMA positions this as a shift toward AI-native networks, rather than AI merely running on top of networks.

Why it matters in 2026
According to GSMA and analyst coverage, telecom operators are under pressure to move beyond pure connectivity and develop **intelligent, programmable platforms**. AI is framed as essential for network automation, efficiency, and new business models.

Explicitly highlighted areas

- AI-driven network operations
- Automation of planning and optimization
- Exposure of network capabilities via APIs
- Distributed and edge AI within networks

This theme directly links telecom evolution with enterprise and developer ecosystems.

AI 4 Enterprise

What it is: AI 4 Enterprise is dedicated to practical, deployable AI inside organizations. GSMA explicitly frames this track around productivity, risk management, and sector-specific outcomes rather than experimental or consumer-focused AI.

Why it matters in 2026

Industry commentary notes a shift away from AI hype toward measurable business value, governance, and ROI. MWC 2026 reflects this by placing enterprise AI as a central pillar, not a side topic.

Areas mentioned by GSMA

- AI for operational efficiency
- Industry-specific use cases (manufacturing, logistics, finance)
- Governance, trust, and security
- Integration of AI with existing enterprise systems

This theme attracts CIOs, CTOs, and enterprise architects rather than consumer-tech audiences.

AI Nexus

What it is: *AI Nexus* addresses the **convergence of advanced AI technologies with policy, ethics, regulation, and sovereignty**. It is where technical innovation meets governance and societal responsibility.

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Why it matters in 2026

Multiple sources highlight digital sovereignty, regulation, and ethical AI as dominant concerns for governments and large enterprises. GSMA positions AI Nexus as the forum for aligning innovation with responsibility.

Key dimensions explicitly referenced

- Advanced AI (including generative and multimodal AI)
- Responsible and ethical AI frameworks
- Regulation and global standards
- Sovereign AI and data governance

This theme strongly overlaps with the GSMA Ministerial Programme and policy discussions.

Tech4All

What it is: Tech4All is the inclusion-focused theme, addressing how connectivity and intelligence can reduce—not widen—social, economic, and geographic divides.

Why it matters in 2026

GSMA and partners consistently emphasize that billions of people still lack meaningful digital participation. MWC 2026 frames inclusion as a design and deployment challenge, not just a moral goal.

Explicit focus areas

- Accessibility and inclusive design
- Digital skills and talent development
- Sustainability and responsible innovation
- Expanding access to underserved regions

This theme connects technology with long-term societal impact.

Game Changers

What it is: Game Changers highlights disruptive and emerging technologies that could reshape industries over the next decade. It is intentionally forward-looking and exploratory.

Why it matters in 2026

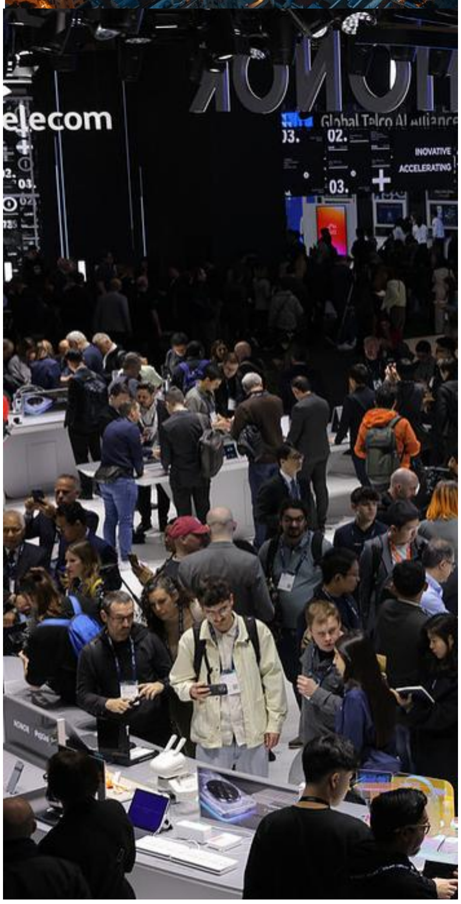
MWC's 20th anniversary edition places special emphasis on **what comes next**, beyond current market cycles. GSMA explicitly points to space, quantum technologies, and autonomous systems as areas of growing relevance.

Technologies cited

- Space-based and satellite connectivity
- Quantum technologies
- Autonomous and intelligent systems
- New human–machine interfaces

This track is where startups, researchers, and investors converge.

GSMA explicitly frames all six tracks under "The IQ Era", with AI as the unifying thread across infrastructure, networks, enterprises, policy, and society. Rather than standalone silos, the themes reflect different layers of the same transformation.



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GLOBAL MARKET SNAPSHOT

The global telecommunications industry remains structurally low-growth, with usage growth outpacing revenue growth, reinforcing margin pressure.

Global telecom service revenues are forecast to grow at ~2–4% CAGR through the second half of the decade, with ARPU broadly flat or declining across most regions.

Operators enter March with stable cash flows, but high capital intensity driven by:

- 5G standalone upgrades
- Fiber and fixed wireless expansion
- AI-driven data center demand.

Worldwide IT and ICT spending enters 2026 in a strong expansion cycle, led by AI infrastructure, cloud, software, and security.

Global IT spending is projected to reach ~US$6.15 trillion in 2026, growing ~10.8% YoY, with telecom-related communications services growing more slowly (~4–5%) than software and infrastructure.

Key Market Drivers Visible in March 2026

AI is the dominant investment driver across telco and ICT:

Data center and server spending growing >30% YoY

Hyperscaler demand for AI-optimized connectivity, fiber, and edge accelerating.

Telcos increasingly position themselves as AI-era infrastructure providers, not just connectivity players.

Shift from Connectivity to Platforms

Operators globally face a strategic fork:

Lean connectivity provider (cost leadership, simplification)

Digital / Techco platform (cloud, AI, cybersecurity, IoT, edge). [deloitte.com], [capgemini.com]

B2B ICT services remain a growth opportunity, but execution risk is high due to hyperscaler competition. [deloitte.com]

Cost & Efficiency Pressure

Margin protection is a top agenda item entering March:

AI-enabled operations (OSS/BSS, networks, care)

Portfolio simplification and legacy shutdowns

Vendor consolidation and Open RAN adoption.

Technology & Investment Hotspots (Telco + ICT)

➔ Networks & Connectivity

- 5G Standalone adoption continues but monetization remains uneven.
- Fixed Wireless Access (FWA) expands rapidly in enterprise and rural markets.
- Fiber investment remains core in North America, Europe, and parts of Asia.

➔ Cloud, Edge & Data Centers

➔ Security & Trust

MORE INFORMATION

PWC: Perspectives from the Global Telecom Outlook, 2025–2029

Gartner Forecasts Worldwide IT Spending to Grow 10.8% in 2026, Totaling $6.15 Trillion

Deloitte: 2026 Global Telecommunications Industry Outlook

Capgemini: Telecoms Predictions: Trends to watch in 2026

REGIONAL FOCUS – SPAIN AND EUROPE

Europe remains a mature, structurally constrained telecom market with low revenue growth but stable to improving cash flow.

Industry consensus entering 2026:

~2% revenue growth across major European operators

EBITDA growth slightly ahead of revenues, driven by cost rationalisation and automation rather than top-line expansion.

Key structural constraints:

Fragmented market structure

Low ARPU by global standards

High spectrum and regulatory costs, limiting reinvestment capacity.

Europe's ICT market enters 2026 in moderate but healthy growth mode:

Estimated ~USD 1.24 trillion in 2026, growing at ~5% CAGR through 2031.

Growth is uneven:

Stronger in software, cloud, cybersecurity, AI-enabled services

Weaker in traditional telecom services.

What Is Driving the European Market in March 2026

Investment vs. Competitiveness Tension.

European operators invested ~EUR 39 billion in Europe in 2024, yet capex per capita remains low vs. US and Asia, while capex **intensity remains high.** A widely shared concern entering March: Europe risks falling behind in AI-scale networks and digital infrastructure without regulatory reform.

Shift Toward Digital Sovereignty

Digital sovereignty becomes a core European theme: sovereign cloud

Control over data, AI infrastructure, and critical networks

Strong relevance for public sector and regulated industries.

Telecom operators increasingly position themselves as trusted national infrastructure partners, not just connectivity providers.

Cost Discipline and Selective Growth

Entering March, European telcos focus on:

- Copper switch-off
- Network automation
- AI-enabled customer operations

Capex is flattening but not collapsing, as 5G Standalone and fiber still require sustained investment.

Key Technology Themes in Europe

➔ Networks

5G Standalone becomes a priority after years of NSA focus.

Fiber consolidation accelerates as overbuild pressures force rationalisation, especially in Western Europe.

Satellite and NTN services increasingly seen as complementary rather than disruptive.

➔ Cloud, AI & Data

- European telcos invest selectively in:
- Cloud platforms
- Edge compute
- AI-enabled network operation

However, hyperscalers remain dominant; telco differentiation focuses on sovereignty, latency, and regulated workloads

Spain is among Europe's most competitive and price-pressured markets:

ARPU remains low compared to Northern Europe

High infrastructure competition in fiber and mobile. [think.ing.com]

Entering 2026:

Revenue growth remains modest

Margin stability depends heavily on cost discipline and consolidation rather than price increases.

Spain's ICT market shows stronger growth than European average:

~USD 67.7 billion in 2026

~7.6% CAGR (2026–2031).

Key growth engines:

- Cloud services
- Cybersecurity
- Public-sector digitalisation
- SME digitisation.

[Connect Europe: State of Digital Communications 2026](#)

[ING: Telecoms Outlook 2026: Communicate, Work and Play](#)

[Major telecoms trends for 2026](#)

[Mordor Intelligence - Spain ICT Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)](#)

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FEATURED STORY

Generative AI in Telco Customer Service: From Cost Center to Experience Engine

Customer service has always been one of the biggest OPEX drivers for telecom operators. Long call times, high churn risk, and fragmented channels make it hard to scale without increasing costs. Generative AI is now changing that equation — moving customer care from reactive support to predictive, automated, and revenue-aware engagement.

Why it matters now

Telcos sit on massive datasets: billing, network QoS, device data, location, and interaction history. Generative AI can finally unify these silos to:

- Resolve issues before the customer calls
- Automate Tier-1 and part of Tier-2 support
- Personalize offers in real time
- Reduce Average Handling Time (AHT)
- Improve First Call Resolution (FCR)

Operators deploying GenAI copilots for agents are already reporting 20–40% faster resolution times and double-digit CSAT improvements.

Key use cases gaining traction

1. Agent Copilots

Real-time assistance during calls:

- Suggested answers
- Next best action
- Automatic ticket summaries
- Knowledge retrieval

This reduces training time and enables junior agents to handle complex queries.

2. Autonomous conversational bots

New GenAI chatbots understand intent, context, and history — moving beyond scripted flows to true resolution engines.

Top impact areas:

- Billing disputes
- SIM activation
- Roaming issues
- Device troubleshooting

3. Proactive care

By combining network analytics + GenAI, telcos can notify customers about outages, offer compensation automatically, and prevent inbound call spikes.

4. Hyper-personalized upsell

GenAI can generate tailored plan recommendations during support interactions, turning service into a sales channel.

Architecture trends

Most deployments follow a **hybrid model**:

- LLM layer (often hosted in sovereign or private cloud)
- Retrieval-augmented generation (RAG) with telco knowledge bases
- Integration with CRM, BSS, and OSS
- Guardrails for compliance and hallucination control

Data governance and PII protection remain critical, especially in Europe.

Challenges to solve

- Hallucinations in billing or contractual topics
- Latency in real-time voice interactions
- Change management for human agents
- Regulatory constraints on automated decisions

Successful operators are starting with copilots (human-in-the-loop) before moving to full automation.

The business impact

Generative AI is shifting customer care from a pure cost center to a value and retention engine:

- Lower cost-to-serve
- Reduced churn through proactive support
- New revenue via contextual offers
- Better employee productivity

For telcos under ARPU pressure, this is one of the fastest ROI domains for AI.

Verizon adopts Google's Gemini AI to help customers solve 'complex' issues

TechNexus -how is generative AIoptimizing operational efficiency and Assurance?

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LISTEN ON THE GO

In this new edition of my newsletter I would like to talk about Steve Wozniak (Woz).

Born: August 11, 1950, San Jose, California, USA, Steve Wozniak showed an early talent for electronics and mathematics. Inspired by his father, an engineer, he began building electronic devices as a child. He studied at the University of California, Berkeley, focusing on electrical engineering and computer science, although his education was interrupted several times due to work and personal projects.

In 1976, Wozniak co-founded Apple Computer with Steve Jobs.

Creating Apple and the Apple I (1975–1976)

Steve Wozniak's time at Apple began before the company officially existed. In 1975, while attending meetings of the Homebrew Computer Club, Wozniak designed a simple but powerful computer on a single circuit board. This design became the Apple I. Steve Jobs saw commercial potential in Wozniak's invention, and in 1976 they founded Apple Computer together, along with Ronald Wayne. Wozniak was responsible for the entire technical design of the Apple I, including its hardware and basic software.

The Apple I was unusual at the time because it was built for individual users rather than companies or universities. Although it was basic and sold as a circuit board, it proved there was a market for personal computers.

Designing the Apple II (1976–1980)

Wozniak's most important contribution at Apple was the Apple II, introduced in 1977. He was the primary designer, creating a computer that included a keyboard, color graphics, and expansion slots. These features made the Apple II more practical and appealing than earlier computers.

The Apple II became one of the first commercially successful personal computers and was widely used in homes, schools, and businesses. Its success transformed Apple from a small startup into a major technology company. Wozniak's efficient and elegant engineering kept costs down while improving performance, which helped the Apple II reach a broad audience.

Apple's Growth and Public Offering (1980)

As Apple grew quickly, Wozniak remained focused on engineering rather than management. In 1980, Apple became a publicly traded company. This event made Apple's founders, including Wozniak, financially successful, but it also marked a shift toward a more corporate structure, which Wozniak did not enjoy.

Influence on the Macintosh and Plane Accident (1981)

From 1979 to 1981, Wozniak influenced early ideas behind the Macintosh, especially concepts related to user-friendly design.

"Never trust a computer you can't throw out a window"

However, in 1981 he was involved in a serious airplane accident that caused temporary memory loss. After this event, his active involvement at Apple decreased significantly.

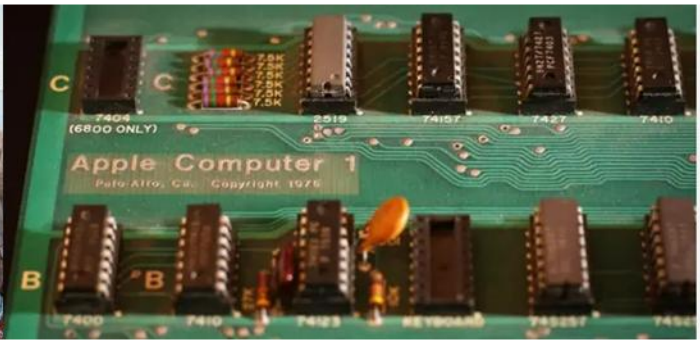
Leaving Apple (1985)

Wozniak officially left Apple in 1985. By this time, the company had become much larger and more business-driven. Wozniak preferred hands-on engineering and education over corporate leadership. Even after leaving, he maintained a positive relationship with Apple and remained conn e cted in a ceremo nial role.

Apple@50 Timeline

Wikipedia: Steve Wozniak

Britannica.com: Biography Stephen-Gary-Wozniak



COMPANY OF THE MOUNTH

CISCO SYSTEMS

Cisco Systems is an American multinational technology company that designs, manufactures, and sells networking hardware, software, telecommunications equipment, and technology services. The company is best known for its role in building and operating the infrastructure of the internet, especially through routers and switches that connect computer networks.

Cisco was founded by two Stanford University computer scientists who developed technology that allowed different computer networks to communicate with each other. This innovation helped shape modern local area networks (LANs) and wide area networks (WANs). Cisco went public in 1990 and grew rapidly during the expansion of the internet in the 1990s.

Today, Cisco serves enterprises, governments, service providers, and educational institutions around the world and is considered a global leader in networking and cybersecurity.

Cisco's portfolio is organized around networking, security, collaboration, data center, software, and services. The company offers integrated solutions rather than single standalone products.

https://www.cisco.com/

1. Networking Portfolio

Cisco's largest and most well-known portfolio is networking infrastructure. It includes products that connect devices, data centers, and cloud environments.

2. Security Portfolio

Cisco provides a comprehensive cybersecurity portfolio that protects networks, users, endpoints, email, and cloud environments.

3. Collaboration Portfolio

Cisco's collaboration tools support communication and teamwork, especially for hybrid and remote work.

4. Data Center and Cloud Portfolio

Cisco provides solutions for modern data centers and hybrid cloud environments, including:

- Unified Computing System (UCS)
- Data center switching
- Cloud and multicloud networking
- Storage and virtualization support

These solutions help organizations run applications efficiently across on-premises and cloud environments.

5. Software and Observability Portfolio

Cisco offers a wide range of software platforms that manage, automate, and monitor IT environments.

6. Services and Support

Cisco also provides technical services, consulting, training, and certification programs, helping customers design, deploy, and operate their technology environments.

Why Cisco: The Critical Infrastructure for the AI Era

Cisco positions itself as a provider of critical infrastructure for the AI era by delivering the networking, security, silicon, and software platforms required to run AI at scale. As artificial intelligence drives massive growth in data, traffic, and machine-to-machine communication, Cisco focuses on building secure, high-performance, and scalable networks that connect data centers, clouds, workplaces, and users.

EVENTS

- ***Mobile World Congress (MWC) 2026 & 4YFN** (March 2–5, Barcelona, Spain): The premier global mobile and tech event focusing on "Infinite AI" and next-gen connectivity.*
- ***Data Centre World** (March 4-5, London, UK): Focused on data center infrastructure and management.*
- ***NVIDIA GTC AI** (March 16-19, San Jose, CA): Key conference for AI, data centers, and accelerated computing.*

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I'd love to hear from you!