GC Telecom: 5G BTS deployment decreased; March telecom service revenues down by 2% YoY

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5G base station deployment in March 2026 was 49k units, down 30% YoY, leading to an accumulated base station deployment of 5.0mn units as of March 2026. Newly added 5G base stations stood at 120k units in 1Q26, tracking at 22% of our estimate for new 5G base stations in 2026E (vs. 1Q tracking at 29% of new 5G base stations in 2023-25 on average). **Base station production was up 71% YoY in March 2026, and export volumes maintained strong momentum:** 1) China's telecom service industry revenue was down 2% YoY in March to Rmb149bn (per MIIT); 2) new 5G base station deployment decreased YoY in Mar 2026 to 49k units, vs. 70k units added in Mar 2025; and 3) 5G subscriber growth accelerated, to +19mn in Mar 2026, vs. +17mn in Mar 2025. Export values of BTS, PCB, CCL, and fiber cables all saw positive YoY growth in Mar 2026, indicating strong overseas demand. Read more: Review of China telcos' 10 key metrics.

Key data points in Mar 2026

5G base station deployment decreased YoY: Mar 2026 5G base station deployment was 49k units, vs. 70k in Mar 2025. In 1Q26, newly added 5G base station stood at 120k units, vs. 144k units in 1Q25, tracking at 22% of our estimate for new 5G base stations in 2026E (vs. 1Q tracking at 29% of new 5G base stations in 2023-25 on average). For macro 5G base stations, we expect to see 540k new 5G base stations in 2026E (vs. 588k new 5G base stations in 2025, per MIIT). China's telecom base station production was up 71% YoY in Mar 2026 (vs. flat YoY in Jan-Feb 2026).

** Note that the MIIT changed its counting method for indoor 5G base stations from the number of Base Band Units (BBU) to the number of Remote Radio Units (RRU), leading to a much higher number from March 2023 to date compared with the same period in 2022.*

Base stations, fiber cable, CCL, and PCB growth mixed

For fiber cables, the key indicator is production volume, which includes shipments both locally and overseas. Mar 2026 fiber cable production was down 6% YoY, and the overseas export volumes were up 20% YoY in Mar 2026 (vs. +64% YoY in Feb 2026 vs. +59% YoY in Mar 2025).

- **Fiber cable export volumes were up 20% YoY in Mar 2026, while export value (in US dollar terms) increased by 263% YoY in Mar 2026.** The export volume of 3,224 tons in Mar 2026 (vs. 3,780 tons in Feb 2026) represents a decrease in overseas demand post the Jan-Feb demand pull-in (Jan / Feb export volumes up

48% / 64% YoY).

- **Fiber cable production was down by 6% YoY in Mar 2026 (vs. +3% YoY in Jan-Feb 2026)**.
- **Fiber preform (a key raw material for fiber cables) import volumes were up 118% YoY** (vs. +14% MoM from Feb 2026) to 36 tons in Mar 2026 with a higher ASP (+10% MoM).
- **BTS export volumes increased 11% YoY in Mar 2026, andthe export value was up 40% YoY; export volumes were up 34% MoM, and export value was up by 21% MoM.** ASP was down by 9% MoM to US$6,960, normalizing post the strong growth in Feb (+52% MoM in Feb).
- **China CCL (copper clad laminate) export prices were up by 60% YoY in Mar 2026 (or +15% MoM).** PCB export value increased 40% YoY; PCB net export value (exports minus imports) increased by 55% YoY in Mar 2026, compared to 37% in Feb 2026, representing the continued YoY growth momentum.
- **5G subscribers reached 1.3bn:** +19mn in Mar 2026 vs. +17mn in Mar 2025, per MIIT.
- **Taiwan telecom aggregate revenue was up 6% YoY to NT$47bn in Mar 2026** (aggregate revenue of Chunghwa Telecom, Far EasTone, and Taiwan Mobile).
- **Accumulated 5G users:** The accumulated 5G users of China Mobile/ China Unicom reached 668m/ 314m units by the end of 1Q26, representing a 5G user penetration rate of 66%/ 71%.

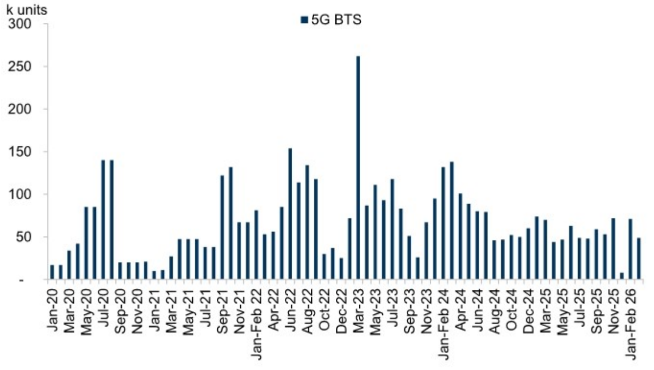
Unless otherwise noted, all production data is sourced from NBS, and trade data is sourced from China's General Administration of Customs.

Exhibit 1: We expect 540k 5G base stations to be added in 2026E

5G macro base stations in China	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
Volume estimates	**150,000**	**620,000**	**654,000**	**887,000**	**1,065,000**	**874,000**	**588,000**	**540,000**	**500,000**
5G BTS on 2.1G/ 2.6G/ 3.5G/ 4.9G	150,000	620,000	454,000	437,000	565,000	574,000	338,000	340,000	350000
5G BTS on 700MHz/ 900MHz			200,000	450,000	500,000	300,000	250,000	200,000	150,000
Growth rate		313%	5%	36%	20%	-18%	-33%	-8%	-7%

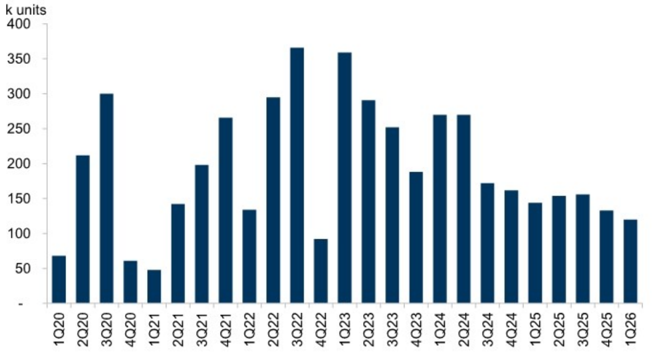
Source: Company data, MIIT, Goldman Sachs Global Investment Research

Exhibit 2: Monthly new 5G base station additions: Mar 2026 deployment at 49k units, or -30% YoY



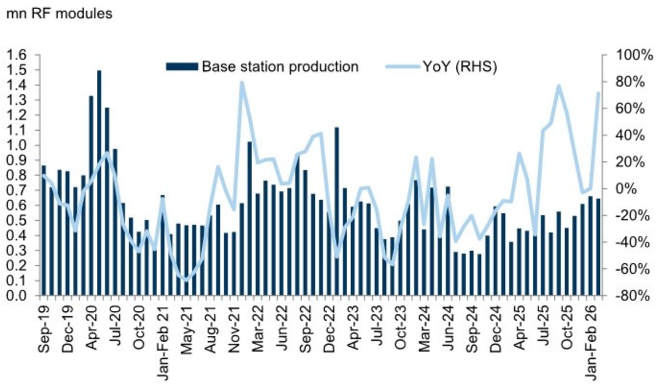
Source: MIIT

Exhibit 3: 5G base station deployment by quarter: 1Q26 deployment decreased QoQ



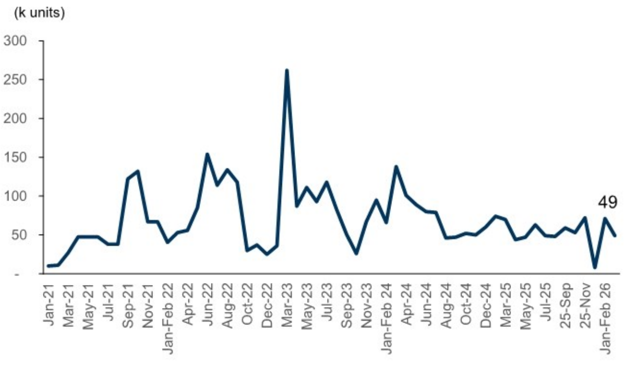
Source: MIIT

Exhibit 4: Base station production was +71.3% YoY in Mar 2026



Source: NBS

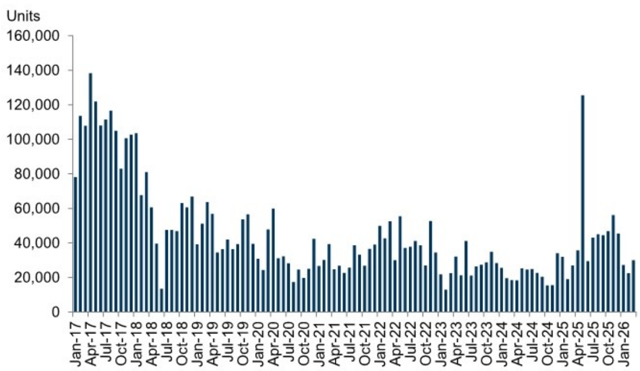
Exhibit 5: The number of newly installed 5G base stations in China was down to 49k units in Mar 2026 from 71k units in Jan-Feb 2026



* From Mar 23, 5G indoor base station numbers are estimated based on the number of Remote Radio Units (vs. counting based on the number of Base Band Units before).

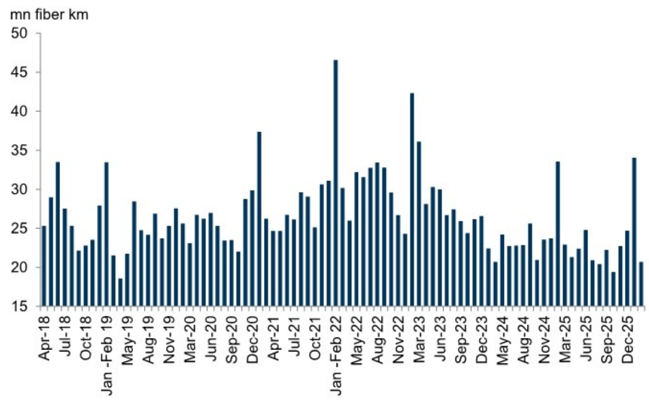
Source: MIIT

Exhibit 6: Mar 2026 base station export volumes were +11.4% YoY



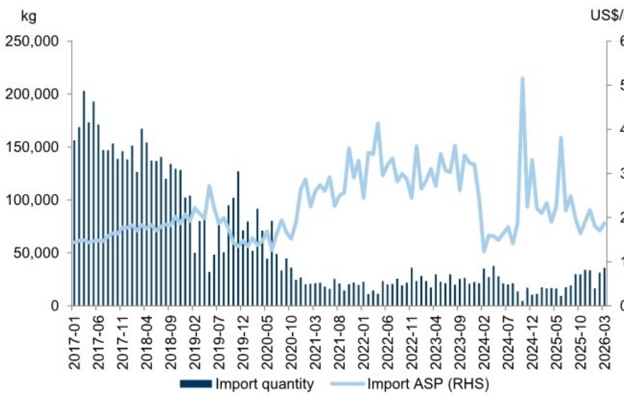
Source: China Customs

Exhibit 7: Fiber cable production was down 6% YoY in Mar 2026



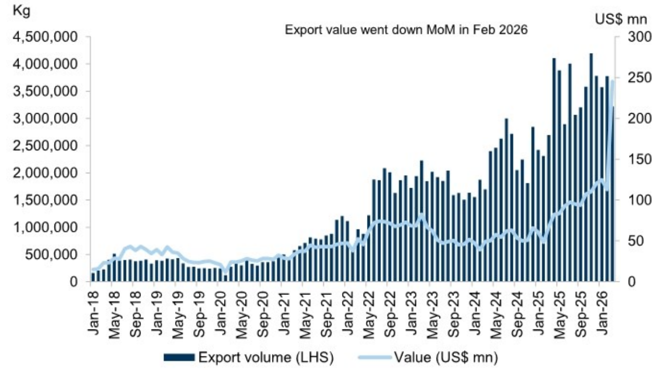
Source: NBS

Exhibit 8: Fiber preform import volume increased 14% MoM to 36 tons in Mar 2026



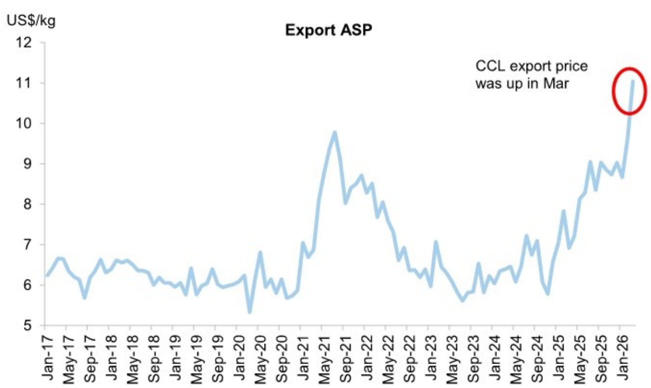
Source: China Customs

Exhibit 9: Fiber cable export volumes were up 20% YoY to 3,224 tons in Mar 2026



Source: China Customs

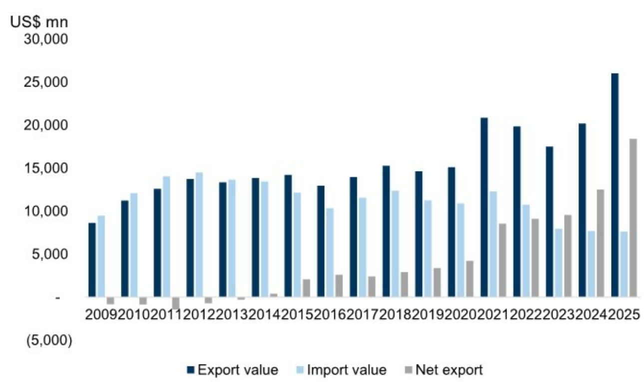
Exhibit 10: CCL export ASP increased 60% YoY or increased 15% MoM in Mar 2026



Source: China Customs

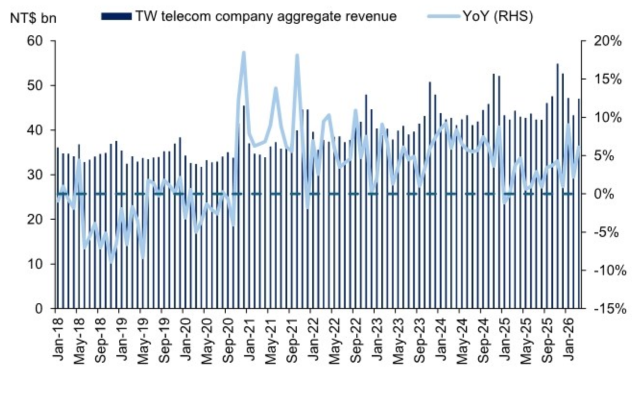
Exhibit 11: China's PCB net export volume is expected to rise as domestic PCB production capacity increases

PCB net exports were +47% in 2025



Source: China Customs

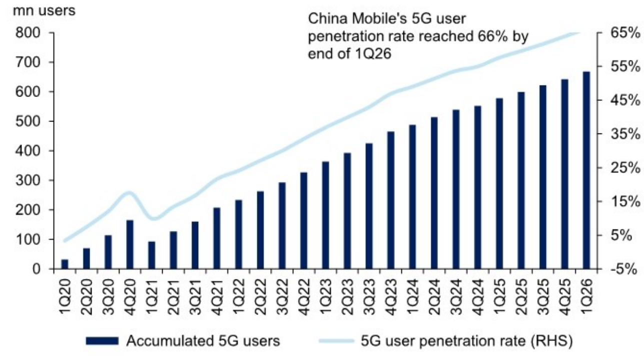
Exhibit 12: Major TW telecom companies' aggregate revenue was +6% YoY in Mar 2026 (vs. +2% YoY in Feb 2026)



Aggregate revenue of Chunghwa Telecom, Far EasTone, and Taiwan Mobile

Source: Company data

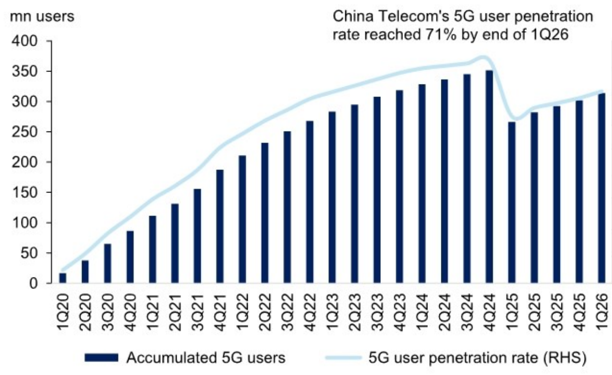
Exhibit 13: China Mobile's 5G user penetration rate reached 6% by the end of 1Q26



We use the company's restated 5G user number from 1Q21 onwards

Source: Company data

Exhibit 14: China Telecom's 5G user penetration rate reached 71% by the end of 1Q26



We use the company's restated 5G user number from 1Q25 onwards

Source: Company data

Exhibit 15: Telecom industry revenue and ARPU summary

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Feb-26	Mar-26
	Jan+Feb											Jan+Feb	
Total telecom revenue (Rmb bn)	295.0	151.9	151.6	150.3	156.7	137.6	139.0	144.9	140.0	142.6	140.4	290.4	149.0
YoY	0.9%	0.3%	2.0%	2.7%	0.8%	-2.6%	0.9%	2.0%	1.2%	1.0%	-3.4%	-1.6%	-1.9%
MoM			-0.2%	-0.9%	4.3%	-12.2%	1.0%	4.2%	-3.4%	1.9%	-1.5%		
Mobile services													
Mobile data traffic (MB bn)	55,390	32,260	32,250	33,800	33,000	33,300	33,400	34,000	35,800	35,500	37,100	66,670	37,730
YoY	13.6%	16.8%	18.0%	18.2%	17.4%	16.0%	17.2%	18.1%	18.5%	18.3%	19.7%	20.4%	17.0%
DOU (MB/sub/mo) - reported	16,639	20,560	20,430	21,300	20,750	20,910	20,870	21,230	22,210	22,000	23,040	19,310	23,400
YoY	11.2%	13.7%	14.6%	14.9%	14.3%	12.9%	14.3%	15.5%	15.7%	15.1%	17.0%	16.1%	13.8%
Mobile subs ('000)	1,793,000	1,800,000	1,803,000	1,807,000	1,810,000	1,815,000	1,819,000	1,828,000	1,830,000	1,828,000	1,827,000	1,826,000	1,836,000
YoY	2.7%	2.6%	2.5%	2.5%	2.4%	2.4%	2.3%	2.4%	2.3%	2.1%	2.1%	1.8%	2.0%
Fixed line services													
Fixed broadband subs ('000)	674,766	678,048	679,920	681,990	684,090	685,620	688,680	694,690	696,840	701,886	691,000	694,000	697,000
YoY	4.9%	4.8%	4.8%	4.6%	4.6%	4.5%	4.4%	4.3%	4.3%	4.7%	3.2%	2.9%	2.8%
5G services													
5G uerss (mn)	1,051.0	1,068.0	1,081.0	1,098.0	1,118.0	1,137.0	1,154.0	1,167.0	1,184.0	1,193.0	1,204.0	1,235.0	1,254.0
Net add	37.0	17.0	13.0	17.0	20.0	19.0	17.0	13.0	17.0	9.0	11.0	31.0	19.0

Source: MIIT

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Reg AC

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