

Nokia borrowed \$ 560 million to pump the slowing down of the 5G network business

The amount of up to 561 million USD has been disbursed by European Investment Bank (EIB) to Nokia, promising to help Finnish technology firm accelerate in the 5G network race with rivals such as Huawei or Ericsson.

Along with Huawei and Ericsson, Nokia is one of the leading providers of telecommunications equipment and 5G networks today. But even if Huawei is struggling because of a U.S. ban, Nokia cannot take advantage of this wonderful opportunity. This is all because the Finnish technology company doesn't have the financial resources needed to develop 5G network technology.



That's why Nokia had to borrow up to \$ 561 million to promote the development of 5G network technology.

Nokia previously signed a loan with the European Investment Bank (EIB) in August 2018. The average loan term is 5 years, the loan cannot be withdrawn and will be disbursed from 24/2.



Nokia said the company needs a large sum of money to invest in developing the 5G network. However, borrowing such a large amount of money also put Nokia in a very difficult position. Since the end of 2019, Nokia has stopped paying dividends to shareholders and the financial situation has always been closely monitored.

Last week, Nokia appointed president and CEO of Fortum Energy Group as the new chairman and CEO. It expects the appointment of a new person to revive its slowing 5G business.

Huawei, Ericsson and Nokia are currently the major providers of 5G networks in the world. As of last month, Huawei had 91 contracts to commercialize 5G networks worldwide. Ericsson, meanwhile, has 81 contracts and Nokia has 68 contracts.

Since March 2019, Nokia's stock has fallen about 46% when it was surpassed by other competitors in the race to deploy 5G networks.

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