



## **Market News Snapshots**

### **China's 3G Build-Out to Boost Telecom Equipment Spending despite Recession**

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A new report from Pyramid Research, the telecom research arm of the Light Reading Communications Network, reportedly says that despite this recession, network operator spending on telecom equipment in the Asia/Pacific region will rise slightly over the next two years.

The key driver will be deployment of 3G networks in China.

The report, "Capex in Asia/Pacific: Driven by 3G in China, Spending to Rise Despite Global Downturn," aims to provide insight into the drivers that make investing in infrastructure imperative for operators in Asia/Pacific.

It puts the revenue generation from the Asian region in a global context and visualizes future capex in emerging and developed markets in the region. The report also provides details on technology suppliers that are likely to win contracts in the competitive Asia/Pacific market, and includes three case studies on NTT DoCoMo, China Mobile, and Bharti Airtel, the major operators in Japan, China, and India, respectively, with metrics on capex, as a percentage of service revenue.

Despite the downtrend GDP for most countries in the region, operators have stuck to their overall investment plans taking 4G and national broadband network investments high in the agenda.

"Markets such as Japan, Singapore, and South Korea are seeing an ever-increasing appetite for higher-bandwidth applications on mobile networks and increasing mobile broadband adoption rates," said Tae-Hyung Kim, analyst at Pyramid Research and author of the report. "On the fixed side, governments of these developed markets are pushing operators to improve fiber access to households. In fact, these governments view spending on telecommunication infrastructure as a prudent long-term investment."

Chinese telecom operators will show the world's largest capex spending increases in 2009, Kim says. According to him, all three operators China Mobile (News - Alert), China Telecom and China Unicom are not only extending 3G infrastructure to rural areas but also provisioning tens of billions of dollars for rolling out their new 3G networks. These trends will greatly benefit Chinese vendors such as Huawei and ZTE (News - Alert).



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The second report in Pyramid Research's Telecom Insider Report Series is "Capex in Asia/Pacific: Driven by 3G in China, Spending to Rise despite Global Downturn." This report is published monthly for each of the world's most dynamic regions. These reports include details of trend analysis, industry best practices, market sizing and forecasting, competitor analysis, and case studies, providing information on how customers can leverage to make better business decisions.

Source:TMCnet