

China Mobile's TD-SCDMA tender goes to Chinese companies

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The third TD-SCDMA tender by China Mobile is again won, for the most part, by domestic suppliers. It is estimated that Chinese companies got 88% share of the tender.

The largest share went to ZTE (34%), followed by Huawei (22%) and Datang (21%). Big international vendors were left with single-digit deals: NSN got 7% and Ericsson about 6%. Their low numbers are understandable since international telecom giants did not regard TD-SCDMA as an important technology. Indeed, it was questioned whether TD-SCDMA networks would ever get deployed. Ericsson, NSN and Alcatel-Lucent covered their TD-SCDMA portfolios mainly by joint enterprises with Chinese TD-SCDMA developers.

However, TD-SCDMA networks are now being deployed by China Mobile. Since China Mobile is the largest mobile telecom operator in the world with approximately 500 million customers, these tenders are huge; the third tender was worth USD 1.26 billion. Even more importantly, China Mobile regards TD-SCDMA technology as a stepping-stone to LTE and current tender winners are the most likely candidates for updating these networks to LTE compatible in the future; in China Mobile's plans LTE will get launched in 2010.