

CHINA: Netcom and China Telecom show 3G readiness

Capabilities include video streaming and positioning

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Mainland fixed-line operators China Telecom and China Netcom demonstrated their ability to launch commercial third-generation services this month as they await a government decision on the introduction of the home-grown TD-SCDMA 3G service.

The government is expected to issue three licences for 3G services, which allow fast mobile-phone downloads of video and other data, in the first half next year. At least one will be for use of the country's own system.

The mainland is already capable of starting a 3G service based on TD-SCDMA, according to United States-based Dilithium Networks, a vendor of mobile video software.

Chief executive Paul Zuber said that through an alliance with TD-SCDMA chipset developer Datang Telecom Technology, Dilithium's mobile video software would come pre-installed in the chipsets sold to various handset makers. The deal also delivers royalties to Dilithium.

"We have a close relationship with various handsets vendors. When the TD-SCDMA commercial service launches, major handset vendors such as Nokia, Motorola and Samsung should have compatible handsets," Mr Zuber said.

China Telecom and China Netcom used the ITU Telecom World conference in Hong Kong this month to demonstrate to visitors 3G services such as video streaming, calling and positioning.

China Netcom, the smaller of the two carriers, proclaimed its readiness to offer the services, shunning a taboo that has seen mainland telecommunications players maintaining a low profile on 3G issues.

The company's management has publicly said that it would get a mobile licence.

China Netcom demonstrated video streaming with football and drama clips using handsets provided by Huawei of China and Nokia of Finland. The company, which owns 20 per cent of PCCW, also showed off its mobile broadband ability, taking advantage of its Hong Kong network.

China Telecom adopted a relatively low profile, demonstrating its fast mobile offerings under the term "personal communication service", rather than "3G service".

The company has indicated previously its readiness to offer 3G services, including one called Best Tone, which helps users search for information. China Telecom also produces a version of its internet portal Vnet, offering news streaming and music downloads to customers.

Dilithium, whose largest market is Europe, is seeking to expand sales in Asia by offering video ring-back tone services to carriers in South Korea and Singapore. Mr Zuber said the solutions allow users of 3G mobile phones or of video fixed-line units to see a short video from advertisers or one selected by users when waiting for a call to be connected.

"This should help carriers to generate more value-added service income and help create differentiation among users," he said.