



## Overview of the Telecom Industry

Guangdong Province continues to lead in the development of China's telecom industry. Although Guangdong generated an impressive 12% of China's GDP in 2008, its telecom industry generated a whopping 16% of national telecom output.

- Guangdong's major telecom business revenue reached \$17.8 billion in 2008, constituting 15% of the national total;
- Guangdong's mobile phone users reached 83.96 million, constituting 13% of the national total;
- Guangdong's fixed phone users reached 35.73 million, constituting 10% of the national total;
- Guangdong's internet subscribers reached 45.54 million, constituting 15% of the national total. Over 40% of them surf the internet with their cellular phones.
- In addition to the three basic telecom carriers, there are over 20,000 value-added telecommunications service providers in China, and 5,328 of them are located in Guangdong. They provide all kinds of services based on telecommunications networks, such as VAN, VPN, internet, email, online database search, call centers, EDI, e-fax, etc.



### Opportunities in the 3G Deployment Campaign

China finished the restructuring of its state-run telecom industry in 2008 and issued the long-awaited 3G licenses to the three newly restructured telecom carriers in January 2009.

The procurement of 3G network equipment will be decided by the three telecom carriers' headquarters in Beijing. It is estimated that the carriers will spend about \$50 billion on the 3G network infrastructure in the next 3 years. About 280,000 to 370,000 base stations will be built. In Guangdong Province alone, it is estimated that over 18,000 base stations will be built with an estimated investment of \$2.63 billion.

It is believed that domestic telecom manufacturers like Huawei (<http://www.huawei.com/>) and ZTE (<http://www.zte.com.cn/>) will account for the highest market share in the construction of the 3G networks. Huawei and ZTE are the top two telecom equipment manufacturers in China, and both are based in Shenzhen, Guangdong Province. The latest news reported that 75% of the 3G networks have been given to



## South China Snapshot:

Telecommunications Sector

### Major Trade Shows in 2010:

#### IIC-China

Shenzhen, March 2010

Shenzhen Hi-Tech Fair Exhibition Center

<http://www.english.iic-china.com/>

#### China International Optoelectronic Expo

Shenzhen, September 2010

Shenzhen Hi-Tech Fair Exhibition Center

<http://www.opto-china.com/ENGLISH/facts/fair-overview/>

ZTE, Huawei, Datang (<http://www.datang.com/>) and their joint venture affiliates. Foreign companies are probably not in a position of advantage when competing with Chinese companies in 3G network construction. However, Chinese companies source a lot of electronic components and technologies abroad, such as automatic data processing machines and units, storage units, digital automatic data processing machines, semiconductor devices, wafers, electronic integrated circuits, flat panel displays, digital program-controlled switching apparatus, radio navigational aid apparatus and remote control apparatus. Manufacture of such components presents abundant opportunities for U.S. firms to get involved in China's 3G Campaign.

### For More Information Contact:

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