

PCG#12(04)25

GSA Report to 3GPP PCG #12

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Contributions to the market

GSA plays a significant and expanding role in promoting GSM/EDGE/WCDMA world-wide. Adding value through focused global and regional programs, GSA's reports, research papers, events, seminars and discussion form a contribution to the continuing success of the wireless industry.

Value propositions to members of GSA

- Bringing together all influencers within government, regulatory bodies, operators, vendors and others to further strengthen and drive the GSM/EDGE/WCDMA success.
- Providing the Global Mobile Dialogue™ as a platform for exchanging information, deepening understanding and sharing global experience.
- Maintaining the GSM web site as a one-stop shop for market news, data, trends, surveys, opinions for improved decision making.
- Organizing the GSM Evolution Forum as a unique opportunity for high-level interaction between network operators and the GSA.
- Improving information sharing, dialogue, networking and lobbying through regional GSA Chapters.
- Providing opinion papers voicing the suppliers' perspectives on major industry topics – awareness of business aspects, technology issues and the user experience.
- Supporting start-up companies within the New Ventures Program (NVP) and enabling easy access to the global GSM/EDGE/WCDMA market.
- Hosting exclusive briefings for media and analysts.



2003 - Another Good Year for GSM

GSM customer growth was close to 200 million in 2003 and gaining 80% market share of net additions globally. GSM grew by a monthly average of 75 million new subscribers, outperforming the market and underlining GSM's position as the global service and standard for mobile communications. The strongest growth in subscriber numbers was in Asia Pacific, while China maintained its position as the world's largest mobile market. Most operators of TDMA and CDMA networks committed to implementing GSM-GPRS overlay, primarily in the Americas where GSM is growing strongly. One billion subscribers are expected to be using GSM globally by early 2004.

The basic and key enablers are in place for the continuing evolution to third generation services using GSM/EDGE/WCDMA. By the end of 2003 there were close to 2.8 million WCDMA subscribers and several networks were offering commercial services, or in pre-commercial phase. Strong industry take-up of EDGE extended to all regions of the world as most GSM operators

came to appreciate the complementary attributes of GSM/EDGE and WCDMA as the most efficient and flexible approach to 3G.

3G Services Launched with GSM in 2003

As the representative organization for the GSM/3G supplier industry worldwide, GSA coordinated in several regional areas during the year to support the continuing development of mobile services in new and existing markets, to assist the evolution to 3G with GSM/EDGE/WCDMA.

The leading GSM/3G suppliers are member companies of GSA. The New Ventures Program (NVP) assists many of the start-up applications development companies as well as SMEs in the mobile industry also depend.

The widespread acceptance of EDGE was a major breakthrough during the year, with strong growth

not only in the Americas but also in Asia and Europe. GSA engaged in high-level industry dialogue and communications programs globally, including sponsorship of the EDGE Operators' Forum, to explain the global reality of EDGE, and how EDGE-enabled infrastructure and devices deliver new revenue growth with 3G services by exploiting the increased capacity, higher bitrates and other performance enhancements enabling enhanced data services. Five Forum meetings were held during the year, two in Europe and one each in North America, South America and Asia, on a bi-continental basis. These attracted over 500 operators and vendors in constructive dialogues. Services enabled by EDGE were demonstrated at some meetings, and the first EDGE international roaming service was launched at the Bangkok event.

By the end of 2003, GSA confirmed that 84 operators in 44 countries globally had committed to deploy EDGE for trial or commercial services, with several EDGE-enabled devices and platforms shipping or announced. Several operators had launched commercial services enabled by EDGE by the end of the year.

GSA

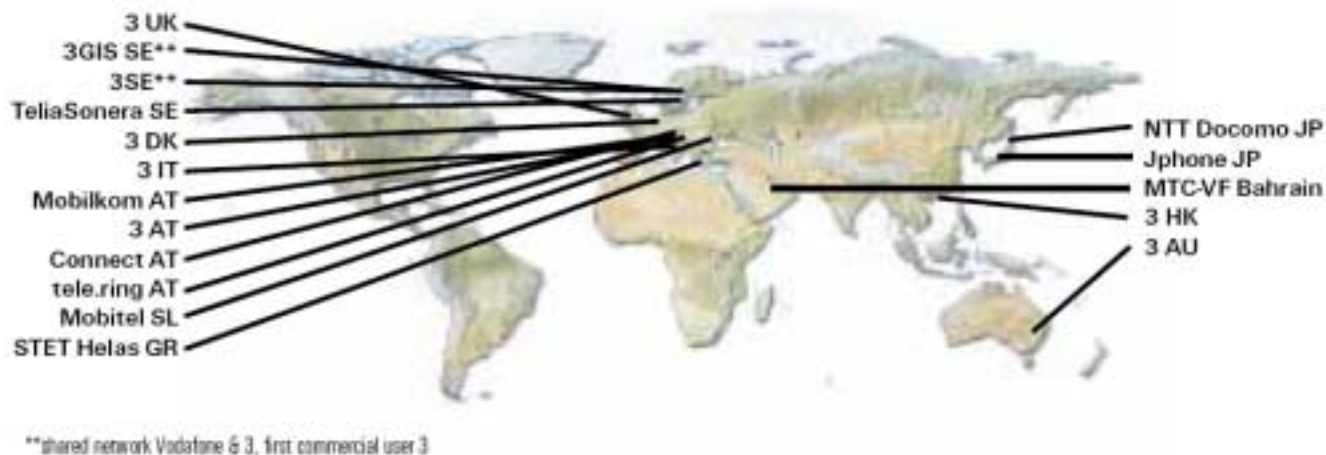
Regional programs



Regional Chapters for:

- ▶ Improved information sharing, dialogue, networking and lobbying
- ▶ Assisting development of local markets and export opportunities
- ▶ Action plans tailored for local needs
- ▶ Initial contributors are Alcatel, Ericsson, Nokia, and Siemens
- ▶ Website *www.gsacom.com/chapters*
- ▶ Seminars, workshops, briefings, exhibitions, conferences, newsletter (India)
- ▶ GSA India Chapter: Rakesh Malik, Chairman, and Vice President, GSA
- ▶ APAC Chapter: Thailand, Indonesia, Philippines
 - ▶ John Lipp, Chairman, and Vice President, GSA
- ▶ Latin America - includes activities under European Commission @LIS program

Rollout of 3G with WCDMA and GSM/EDGE is the main focus in 2004



4.1 m WCDMA customers - March 04

16 commercial WCDMA networks; 25 pre-commercial WCDMA networks

Experiences:

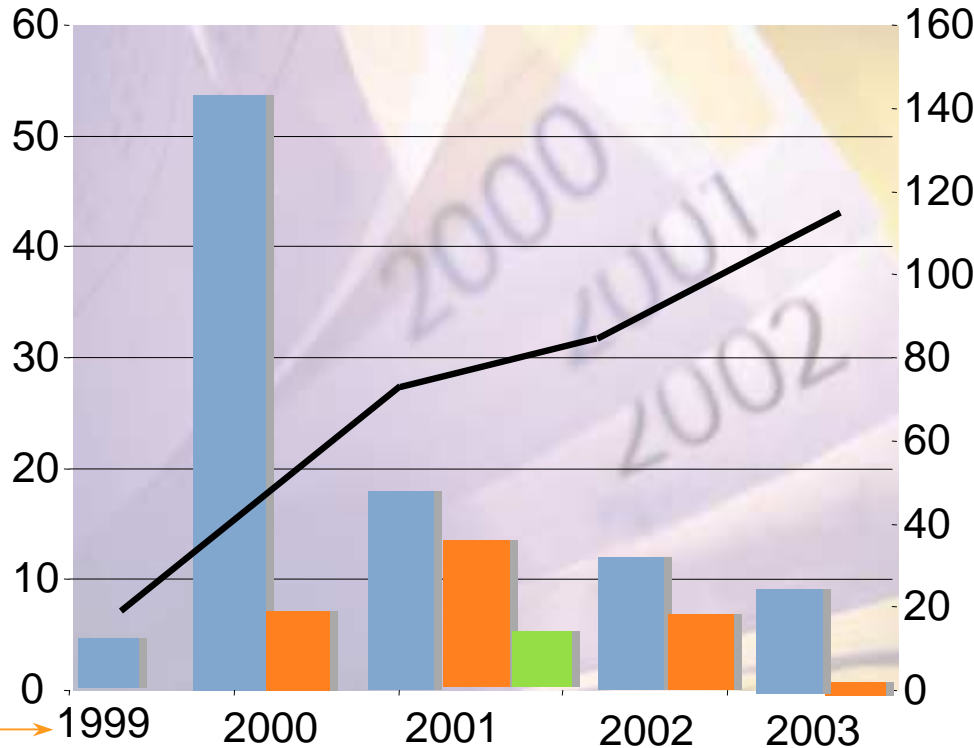
3G data ARPU higher than 2G; 3G voice + data ARPU higher than 2G

120 WCDMA licences awarded by March 2004



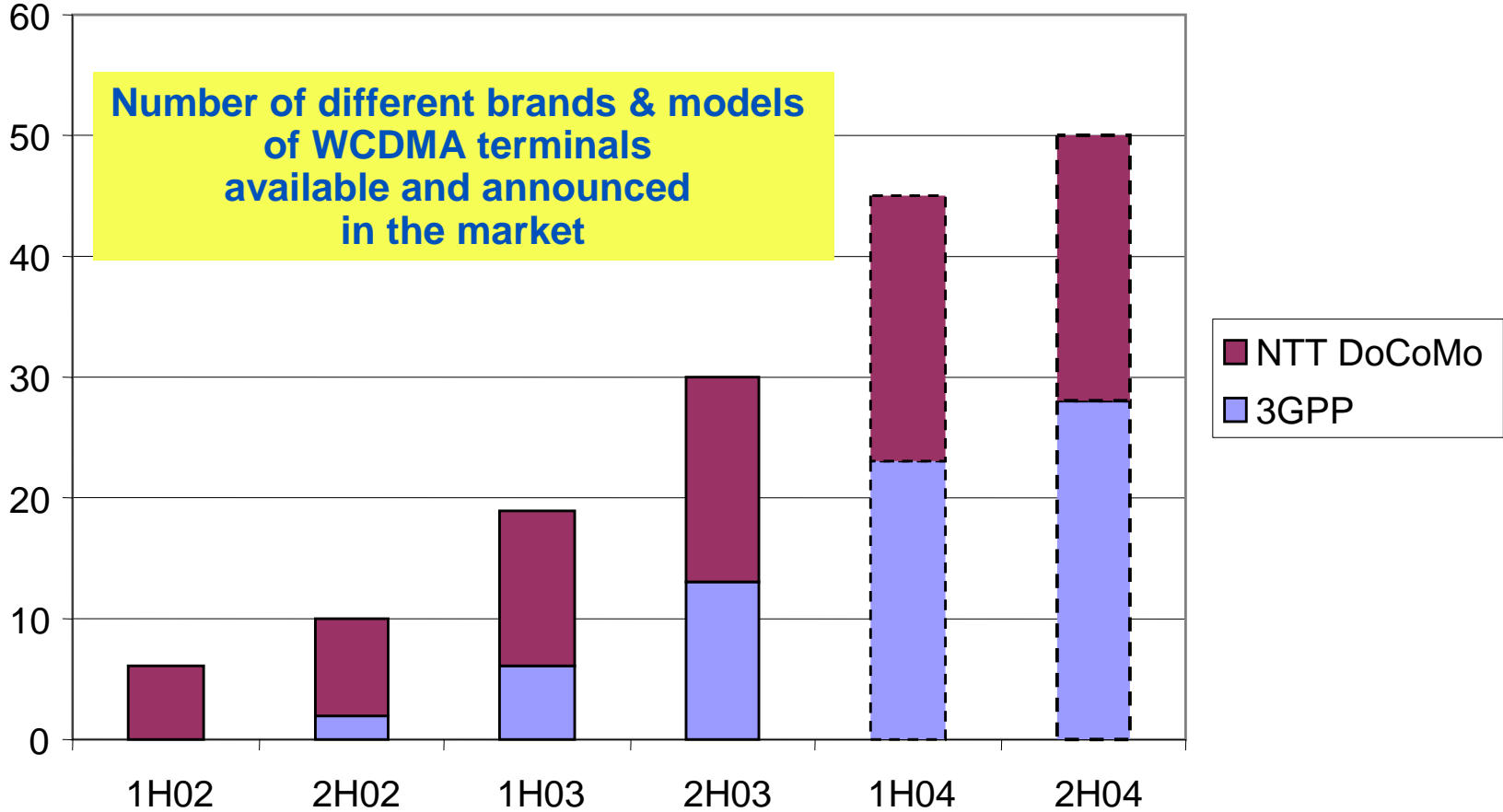
number of licenses

cumulative number of licenses



There are now 120 WCDMA licenses in IMT-2000 band awarded worldwide in 40 countries.

WCDMA terminals picking up



Source: press and other public sources

WCDMA 3GPP terminals



SonyEricsson Z1010



Nokia 6650



Nokia 7600



Seiko VF connect card VC701SI



Sharp V-801SH



Samsung SGH-Z105



Siemens U10



Siemens U15



LGE U8100/
U8150



Motorola A831

Motorola A835



Motorola A845



Vodafone datacard

NEC V-N701



Motorola A1000



Motorola V1000



Motorola A920



Motorola A925



Sanyo V-801SA



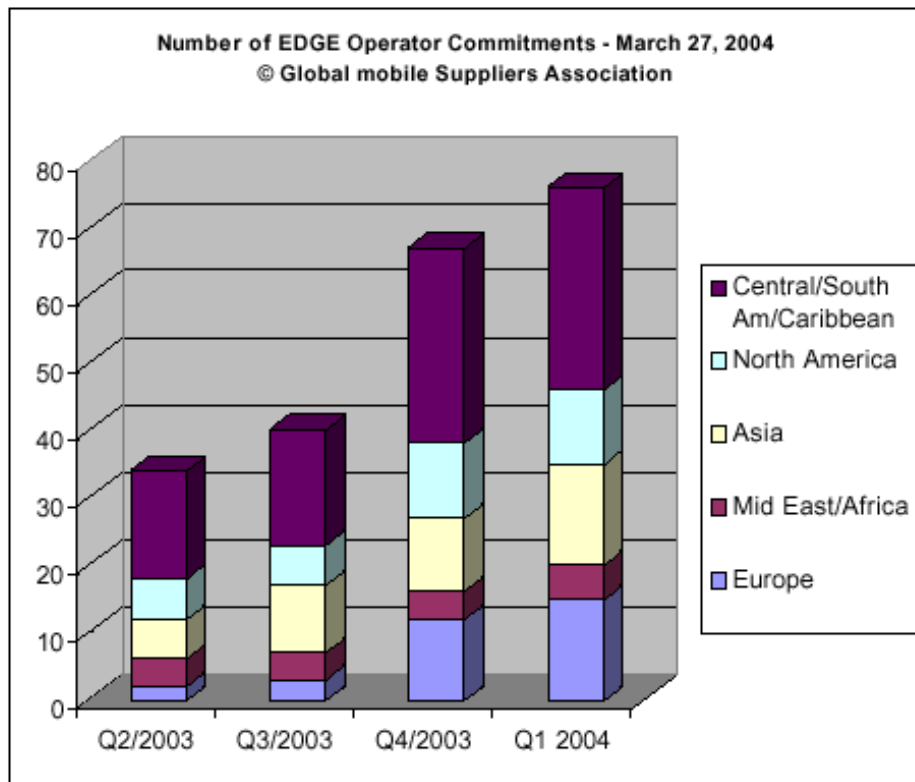
Sanyo V-SA701

EDGE and WCDMA are complementary

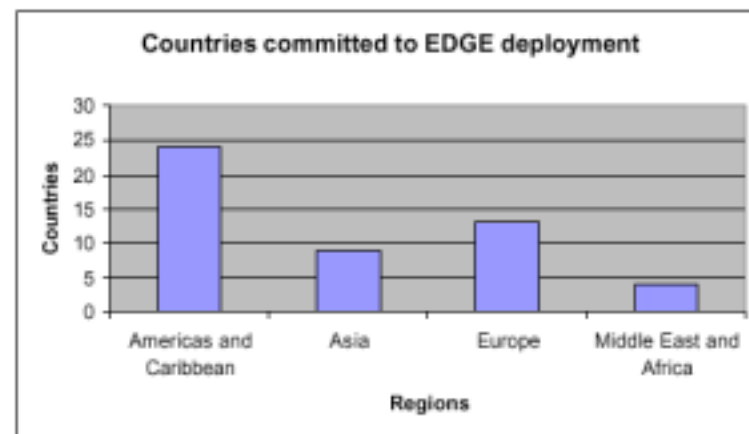


- ▶ High GSM investment re-usability; complementary to GPRS/EDGE
- ▶ Gradual investment; step-by-step evolution
- ▶ Simple service migration - GSM/EDGE/WCDMA for similar user experience/ service continuity, including roaming
- ▶ Builds on existing applications/service portfolios
- ▶ EDGE in all new GPRS/WCDMA dual-mode terminals by end-2004
- ▶ Growing number of operators committed to WCDMA/EDGE deployment:
"Absolutely complementary" - TIM

EDGE - strong take up globally



76 operators in 50 countries committed to EDGE deployment



~20 EDGE devices shipping or announced

EDGE devices shipping or announced

- covers all market segments globally
- industry is committed to EDGE



Sony Ericsson

Coming soon



MOTOROLA
intelligence everywhere™

GSM Evolution Forum®



- ▶ Global program from GSA to assist the industry, especially operators, for evolution to 3G. Meetings in Europe, India, Asia, Latin America
 - ▶ Focuses on the business drivers, technology, and user experience in the evolution to full mobility 3G services with GSM/EDGE/WCDMA
 - ▶ Enables dialogue between GSM/3G operators and GSA members (suppliers) using closed “by invitation” format
 - ▶ Supported by the leading GSM/EDGE/WCDMA vendors - Alcatel, Ericsson, Lucent Technologies, Nokia, and Siemens

GSM/EDGE/WCDMA updates from GSA

- register at www.gsacom.com



- ▶ News alerts/updates
- ▶ Market data, updates and developments
 - ▶ Operator and vendor announcements
 - ▶ White Papers
 - ▶ Press reports, articles, and interviews
- ▶ Information on seminars, e.g. GSM Evolution Forum