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Cellular operators Idea and Spice to merge

Idea Cellular and Spice Communications are to merge under a deal that will see Idea buy 40.8 percent of Spice Communications from Spice chairman Bhupendra Kumar Modi for Rs77.30 per share Rs5,440m (\$US127m) and offer Telekom Malaysia's international arm, TM International, which holds a 39.2 percent stake a 14.99 percent stake in the merged company for R156.96 (\$US3.66) per share.

Idea and TMI will offer to acquire the remaining 20 percent of Spice shares at Rs77.30 per share. The boards of Idea and Spice have approved the merger which will take place through a scheme of arrangement.

According to Idea the deal will give it access to the contiguous wireless markets of Punjab and Karnataka, which account for 11 percent of India's total wireless subscribers. The combined entity will have 4.4 million subscribers, a 15.1 percent market share in the two service areas and will be the number two wireless operator in Punjab with a 22.3 percent market share. It will be number one in three service areas and in the top three in five more service areas. Idea's operations in the 900MHz GSM band will increase from the current seven service areas to nine service areas, driving scale economies and operational synergies resulting in lower operating and capital expenditure.

Idea is rolling out operations in Mumbai, Bihar, Orissa, and Tamil Nadu (including Chennai) service areas and will also roll out in the remaining service areas of Kolkata, West Bengal, Assam, North East and Jammu and Kashmir after receipt of spectrum.

Idea and TMI will develop areas for business co-operation to leverage TMI's presence in 10 Asian markets, including neighbouring countries like Sri Lanka and Bangladesh where TMI is a market-leader. TMI's experience of operating 3G in similar markets will be of value to Idea, as also the convergent interests of the two companies in areas extending from international traffic to roaming, to mobile value added services etc. Idea and TMI plan to sign a business cooperation agreement to this effect.

Orange Business gets Indian long distance licence

Orange Business Services, the enterprise communications arm of France Telecom, has received a licence to provide national and international long-distance telecommunication services across India.

Orange said in a statement that the licence would "significantly increase our business growth in the country. More importantly we will now be able to serve our global and Indian customers more effectively." Services will be rolled out through the company's joint venture, Equant Network Services India Pvt Ltd.

Orange also plans to offer a variety of connectivity and network-related services in India, including IP-VPN, MPLS, network-related managed services and adaptive network solutions for enterprises. Orange employs more than 2,000 people in India, serving more than 680 Indian and multinational clients, including Pfizer, Citibank NA, Standard Chartered Bank, Deloitte Touche Tohmatsu and WNS Holdings.

Tata to take control of South African telco, Neotel

Tata Communications has entered into an agreement with South African state-owned enterprises Eskom and Transnet to acquire their 30 percent interest in Neotel, the second telecommunications network operator in South Africa.

When the deal is completed Tata Communications together with Tata Africa will hold an effective 56 percent stake in Neotel. The other shareholders are Nexus, Communitel and Two Telecom Consortium.

Tata Africa Holdings is the investment arm of the Tata Group of companies in South Africa. It has operations in eight countries. Neotel is South Africa's first converged communications network operator. It provides a range of value-added voice and data services for businesses, wholesale network operators and providers, including consumers. Using its pure-IP next generation fibre optic network Neotel connects the major centres in South Africa to each other and to the world, directly linking the country into Tata Communication's global tier 1 network.

Transnet is the custodian of port, rail and pipeline infrastructure in South Africa. Eskom is a vertically integrated state owned business that generates, transmits and distributes electricity.

Data centre market booming but facing challenges

According to consulting company and data centre market specialist BroadGroup, the India data centre market will be worth more than \$US1.5 billion by 2010 but power supply remains a critical challenge.

BroadGroup has released a profile of 34 players which it says reveals that, while growth is occurring at unprecedented levels, challenges remain particularly those relating to infrastructure, power – and the quality of power – and land availability.

"Technical space will nevertheless more than double over the next two years. Fuelled by offshoring, overseas MNCs, and domestic demand...new build and plans for new build are well advanced producing a spike in space that will more than double current capacity.

"The scale and capacity of the international ambitions of the top five players is supported by significant and growing demand from the local market. Although global MNCs are becoming selective about the robustness of power supply, security and green credentials, overseas systems integrators and consultancies are sustaining and expanding their investments in India."

According to Frank Booty editor of Data Centre News, "India's language capabilities, skill levels, culture and governance are suited to the country becoming a global hub. It also has a resilient economy driving domestic demand for services. Until now much of the data coming out of India has been stored on servers in the US."

However, BroadGroup says that data centre build over the coming years will need to reflect the green standards increasingly included in corporate RFPs, and there is an urgent need to address how the infrastructure will cope with the levels of power demanded by these plans. Corporates will also need reassurance about data loss and disaster situations.

China

Fujitsu wins first major order from China Mobile

China Mobile has selected Fujitsu's Sparc enterprise Unix servers, Eternus storage equipment and Primecluster middleware for its core information system to be deployed in all 31 provinces, cities, and autonomous regions in mainland China.

Fujitsu will also set up 24 x 7 maintenance support sites across mainland China and dispatch personnel and supply maintenance components to the sites as part of a support network to keep the system running smoothly.

China Mobile Communications' core IT system encompasses its billing, network management and other critical systems, all operating 24 x 7. To enable this core IT system, Fujitsu won an order for 200 Sparc Enterprise Unix servers, including its top-of-the-line M9000 and mid-range models, 30 units of its storage equipment, primarily consisting of the high-end Eternus8000 model 2100, and one installation of its Primecluster middleware package to ensure overall system reliability.

The complete order, worth ¥2 billion (\$US19m), is scheduled to be deployed over the next five months. It represents Fujitsu's first large-scale order for an IT platform from China Mobile and the first for any Japanese vendor. Fujitsu says it was selected because of the enhanced maintenance and support network being provided, its track record in China's telecommunications sector and its partnership with Linkage Technology, which teamed up with Fujitsu to bid for the project. Fujitsu says it plans to work with Linkage Technology in the future to win additional business in China.

In April 2006 Fujitsu established the Platform Solution Centre in Shanghai, its largest platform verification facility outside of Japan, and began full-scale sales of its platform products (servers, storage, and middleware) in China at the same time. The centre allows customers and partners, including China Mobile and Linkage Technology, to conduct operational verification prior to deployment.

Inspur to distribute and support VMware in China

Inspur has struck an OEM agreement with VMware to boost the adoption of VMware's virtualisation technology in China.

Inspur will sell, distribute and support VMware's data centre virtualisation and management suite, VMware Infrastructure, on Inspur server systems. The two companies will collaborate on market development, sales, training and customer acquisition and technical services. Customers will be able to purchase Inspur servers bundled with VMware Infrastructure with full support from Inspur. According to Inspur, "the relationship enables both companies to develop virtualisation solutions that meet China's market demands, leveraging the performance and scalability of Inspur servers with VMware virtualisation to reduce capital and operating expenses, improve business continuity, strengthen security and reduce energy consumption."

"China's rapid economic growth and increased focus on conserving energy have spurred the need for customers to adopt the best solutions for meeting business demands while enabling a green data centre," said Diane Greene, president and CEO of VMware. "VMware virtualisation addresses this need with solutions that consolidate servers and jump ahead to the next stages of virtualisation: aggregating IT resources in virtualised pools and automating the management of these resources. VMware virtualisation combined with Inspur's expertise in local customer requirements offers a way to quickly cut operating and capital costs by as much as half, deliver applications faster and more reliably in virtual machines, improve information security, and run a more flexible and eco-friendly IT environment."

Inspur claims that its servers are the number one brand in China's server industry, widely adopted across finance, telecommunications, education, scientific research, government, transportation, and manufacturing. Inspur has ranked first for sales, revenue, and market share in China for 12 consecutive years.

- **PowerUnique Technologies joins VMware partner programme**

PowerUnique Technologies Co, the newly acquired subsidiary of China VoIP & Digital Telecom has joined the VMware Technology Alliance Partner program that helps technology vendors integrate their products with VMware virtualisation software to deliver joint solutions to mutual customers. The VMware TAP program has more than 600 members worldwide and works with these to provide them a comprehensive set of VMware technical and marketing services, support, tools and expertise.

Cisco China signs two collaboration deals

Cisco China has signed two major cooperation agreements in China: with China Mobile Communications and China Construction Bank (CCB).

China Mobile will look to purchase data network equipment and services from Cisco and will work with Cisco on a project involving IP over wavelength-division multiplexing and on the deployment of the Cisco TelePresence system in China. CCB, one of China's 'big four' banks, will collaborate with Cisco on the construction of a data centre at its head office and on a new core network for the bank.

According to John Ng, senior vice president and general manager, service provider operations for Cisco China, "Cisco has cooperated with CMCC and CCB over the years, and is committed to becoming a trustworthy partner of local customers. The two deals signed today have further proved that Cisco's leading technologies, products and solutions have been fully recognised by customers and also demonstrates Cisco's strong commitment to the Chinese market and customers in the long run."

Thomas Lam, president of Cisco China, said: "Cisco will further implement its \$NZ16 billion multiyear innovation and sustainability initiative in accordance with our corporate strategy in the country over the next stage. We will actively participate in and help with the development of the information industry in China, in order to achieve a win-win with the local industry."

Indonesia

Indonesia leads CDMA2000 market

According to the CDMA Development Group (CDG) Indonesia is now leading 3G CDMA subscriber growth in South East Asia with more than 16.3 million CDMA2000 subscribers.

"Indonesia has emerged as a prime showcase of CDMA2000's core value proposition," said Perry LaForge, executive director of the CDG. "With a dynamic combination of ultra low-cost handsets and value-added broadband services, Indonesia's six CDMA operators have boosted their revenue streams and propelled the region into the spotlight for mobile telephony and Internet growth."

Indonesia's CDMA2000 operators are Telkom Flexi (PT Telkom), StarOne (Indosat), Smart Telecom, Fren (Mobile-8 Telecom), Esia (Bakrie Telecom) and Ceria (Sampoerna Telekomunikasi Indonesia or STI). By March 2008, the total number of CDMA2000 subscribers among all six carriers exceeded 16.3 million, up from 14.4 million at the end of 2007 and 7.8 million at the end of 2006, representing annual growth rates of 53 percent and 85 percent, respectively. Indonesia now has the highest number of CDMA subscribers in Southeast Asia.

- **CDG concludes open handset tests**

The CDG has also announced the conclusion of Open Market Handset (OMH) proof of concept trials in Indonesia in cooperation with Bakrie Telecom and Mobile-8 Telecom. The OMH program is part of the CDG's overall Global Handset Requirements for CDMA (GHRC) initiative, which specifies a common set of requirements based on standards to procure CDMA2000 devices in an open-device and open-application environment.

Open Market Handsets enable both operator-specific configuration information and subscriber-specific provisioning information to be moved from the CDMA handset's onboard memory into a next-generation removable user identity module (R-UIM), or smartcard. By doing so, the handset becomes a generic device that can be sold on the "open market" and used in multiple operator networks.

The goal of OMH trials is to prove that all subscriber, service and network provisioning data can be stored on new OMH-compliant R-UIM smartcards rather than existing on both the cards and the handsets. The successfully-tested solution allows OMH-enabled CDMA handsets to serve as open devices for any packet data application provisioned on the R-UIM card and on any CDMA network, since all user, network and service configuration data is stored on the removable cards.

"Indonesia is benefiting from 3G services available on very low-end CDMA2000 handsets," said LaForge. "The OMH initiative will further reduce handset costs by providing greater flexibility in delivering new open market devices and services that are independent of the network and the device. Commercial availability of these generic devices this year will further stimulate the tremendous growth of CDMA in Indonesia, and its supply chain advantages will be duplicated in other emerging markets around the world."

The three-day proof of concept trials used OMH-enabled R-UIM smartcards provided by Eastcompeace, Gemalto and Oberthur Card Systems on prototype handsets developed by Huawei and ZTE. The Open Market Handsets were provisioned for full-fledged 3G data capabilities across operators. Features tested included SMS, MMS, BREW, WAP/browser, backward compatibility, voice (with authentication), CDMA2000 1X packet data (SIP with CHAP and PAP) and R-UIM-based carrier customisation.

Similar trials have already been undertaken in India by Tata Indicom and Reliance Communications and the CDG says it has received strong interest from CityCell in Bangladesh and from other Indonesian operators Indosat and Telkom Flexi.

Vietnam

Motorola to expand and upgrade VinaPhone's GSM net

Motorola has announced contracts worth \$US28 million with Viet Nam Posts and Telecommunications (VNPT) for the expansion of the VinaPhone GSM network across 12 northern provinces.

More than 1,000 cell sites will be deployed in northern Viet Nam. Motorola will deliver its GSM infrastructure and a range of services including network optimisation, operations and maintenance to expand VinaPhone's cellular network and mobile services in suburban and rural area.

This is the latest development in the collaboration between Motorola and VNPT which started more than 12 years ago and Motorola's second GSM network expansion project with VNPT in six months. Shipment of the equipment will begin in Q3 2008 and the project is expected to be completed in 2009.

Motorola and VinaPhone signed contracts in December 2007 to expand and enhance VinaPhone's GSM network in Viet Nam's major cities, including Hanoi and Ho Chi Minh City. The two companies are also cooperating in expanding GPRS coverage and providing Edge services in Viet Nam. VinaPhone currently provides coverage in 64 provinces and cities in Viet Nam and has links with mobile operators in more than 60 countries and governed territories.

Thailand

AIS, DTAC, and TrueMove launch MCN's Triggered Search

Mobile operators AIS, DTAC, and TrueMove have selected Mobile Content Networks (MCN) to launch text message-triggered search using a common short code.

Users text 4530111 to initiate real-time search connections to hundreds of thousands of downloadable content items in popular mobile content categories like music,

images, and games, and can get the content they want in two or three clicks direct from local content sources. The new SMS Triggered Search services build on WAP-based search applications that MCN has provided for the three operators since early 2007.

"For over a year we've shown our unique ability to provide direct, real-time, high value WAP search results for each partner in Thailand under their own brand and business rules," said MCN CEO Marc Bookman. "With SMS Triggered Search we now dramatically expand the addressable market for transaction-focused digital content discovery not only in Thailand but also across dozens of other emerging and mature mobile markets...MCN plans to be at the heart of a new generation of SMS-based digital content discovery applications throughout the region, and the globe."

MCN claims to have pioneered real-time federated search management and to reach more than 200,000,000 mobile users worldwide in partnership with mobile network operators, portals, handset makers, and content providers.

MCN launched MobileSearch.net services in Finland in November, 2005 and these are now used by more than 20 mobile operator and portal search applications worldwide, including services in Japan for Yahoo! Japan Mobile, and NTT DoCoMo, Scandinavia's Tele2, Elisa, and DNA, and other customers in Asia, Europe, and the US.

Indonesia

PT Excelcomindo selects Alcatel-Lucent for carrier ethernet

Cellular network operator, PT Excelcomindo (XL), has chosen Alcatel-Lucent to provide carrier ethernet services in Jakarta's business district.

The network will enable it to offer IP/MPLS-based virtual leased line (VLL) and virtual private LAN services as well as circuit emulation services. XL will deploy Alcatel-Lucent's 7750 service router, 7450 ethernet service switch and the 7250 service access switch, all managed by the 5620 service aware manager. The contract also includes consultation, design project management, application/ software, installation and commissioning maintenance services.

New Zealand

Tech Mahindra to transform Telecom NZ retail

Telecom NZ has appointed Tech Mahindra to help revamp its retail business.

It has describe the move as "a significant step forward in the transformation of Telecom." The contract, for what Telecom NZ calls its Next Generation Telecom (NGT) retail transformation programme, is worth between \$NZ20m and \$NZ30m.

It will see Tech Mahindra taking responsibility for programme management and end-to-end systems integration on the NGT programme as part of Telecom NZ's \$NZ1bn a year investment plan covering fibre-to-the-node, a new mobile phone network, a transition to IP-based services and completion of operational separation.

The NGT programme is expected to run for a number of years, with customers starting to see new products and services within two years.

Tech Mahindra is a global systems integrator and business transformation consulting joint venture between Indian conglomerate Mahindra & Mahindra and BT. It is India's sixth largest software exporter and serves telecom service providers, equipment manufacturers, software vendors and systems integrators.

Commerce Commission seeks feedback on NGN

New Zealand's telecommunications commissioner, Ross Patterson, has released a questionnaire seeking feedback on issues likely to be relevant to the Commerce Commission's study into next generation networks.

The move follows the release of the NGN Study terms of reference in May 2008. Patterson said: "The responses to these questions will provide a valuable input to the NGN study, along with a planned set of Commission meetings with key market players as well as industry and consumer groups. The study focuses on understanding the key technological developments that will emerge during the next five years and their impact on the commercial and competitive environment for telecommunications services."

Telecom NZ to face accounting separation

New Zealand's Commerce Commission has released a draft paper on the principles and regulatory reporting requirements for the accounting separation of Telecom NZ.

These will complement the non-financial reporting required by the operational separation undertakings. Telecom will be required to prepare financial information about several of its business units including the Retail, Wholesale, Chorus (fixed network access) and other fixed network services. This information will be publicly available.

July 2008 to June 2009 will be a transitional year with the first financial information released in the second half of 2009. Full reporting will be required for the year from July 2009. Separate from the accounting separation requirements, the operational separation undertakings also require Telecom NZ to prepare a statement of assets controlled by Chorus as at 1 July 2008.

Submissions to the draft are required by Friday 18 July and the Commission expects to release a final version in August 2008.

New general counsel for Telecom NZ

Tristan Gilbertson has been appointed group general counsel of Telecom New Zealand.

CEO Paul Reynolds, said: "He understands the challenges of sustaining business growth in complex regulatory environments [and] brings deep insight into the telecommunications industry, with several years of experience as a senior legal adviser and in-house counsel to companies such as Vodafone, Telstra and Cable and Wireless...[He] is a recognised international expert on telecommunications law and regulation.

His appointment completes Telecom NZ's executive line up which now comprises: Matt Crockett (Telecom Wholesale), Alan Gourdie (Retail), Russ Houlden (CFO), Trisha McEwan (human resources), Frank Mount (chief transformation officer), Chris Quin (Gen-i), Mark Ratcliffe (Chorus), and Rod Snodgrass (Strategy).

Pan Asia

The ITU's recurring dream: connect the world

The head of the International Telecommunication Union, Hamadoun Touré met up with the newly retired chairman of Microsoft, Bill Gates last week for a little chat about improving communications in developing countries.

He told Gates: "My dream is to connect the world" It's been the unfulfilled dream of every one of his predecessors over the past two decades.

Back in 1984 the ITU issued a landmark document, the Missing Link, produced by the Maitland Committee. Its key recommendation - that by 2000 every person on earth should have access to a telephone - became almost the mantra for the ITU and others seeking to bridge the communications gap between rich and poor nations, along with "half the population of the world has never made a telephone call."

To achieve the Maitland goals, the ITU set up the Centre for Telecommunications Development which later became the Bureau for Telecommunications Development. Neither was very successful and the ITU's World Telecommunications Advisory Committee set up in 1992 resulted in the formation, in 1995, of WorldTel, a body designed to channel private equity into telecommunications projects in developing countries. It was hoped that with the support and encouragement of the ITU, investors would see WorldTel as a unique vehicle for accessing telecommunications markets in developing countries.

That did not work. And Utsumi was quite frank about the ITU's failure. He told the ITU's 2002 World Telecommunications Development Conference in Istanbul: "My message today is that the telecommunications sector must take urgent steps to bring basic telecommunications to all the world's inhabitants. We must take a fresh look at our policies, and modify them to fast track our objectives. As we review our programmes and their implementation, we should do some honest introspection and ask ourselves, has the telecoms fraternity been working to bridge the digital divide, or is it unwittingly and systematically contributing to widening the divide?"

However what the world's oldest international organisation has been unable to achieve is fast becoming reality thanks largely to technology and free markets. Coincidentally this week, market research firm Strategy Analytics issued a forecast: "More than half of the world's population will be using mobile phones by early 2010, up from 40 percent at the start of this year." It said that worldwide mobile subscriptions would rise from 3.9 billion in 2008 to 5.6 billion in 2013.

}So, we've gone in a quarter of a century from half the world never having made a phone call to half the world owning their own phone, and with this achievement so too have the ITU's goals changed: from simply ubiquitous availability of communications to making effective use of this underlying capability. "Connectivity must be our focus for the coming years to empower people everywhere with access to information on healthcare, agriculture and the environment," Touré said.

The uptake of cellphones opens up huge possibilities for providing such information to developing nations, but whether the ITU will this time be able to successfully channel the resources of member nations and multinational corporations into achieving anything meaningful remains to be seen.

The ITU said Touré had "discussed ways to cooperate with technology companies like Microsoft to explore the options for shared access and inexpensive ICT devices, including mobile smartphones and low-cost notebooks and it added that "The ITU delegation also visited the Bill & Melinda Gates Foundation to discuss future collaboration." That philanthropic organisation is now the world's largest and is reported to be the main focus of Gates' energies. Maybe Gates will be able to help Touré to make more progress towards the ITU's development goals than any of his predecessors.

NEC and Tyco start building Unity trans-Pacific cable

NEC and Tyco Telecommunications (US) have started construction on the Unity trans-Pacific submarine cable system that will link Los Angeles to Chikura, Japan.

The contract for the project was signed in February with the Unity consortium comprising Bharti Airtel, Global Transit, Google, KDDI, Pacnet and SingTel. Unity is a

multi-fibre pair system with each fibre pair capable of carrying up to 960Gbps. Tyco and NEC will each manufacture a portion of the undersea system. Tyco will install the cable from the US end and NEC will install from the Japan end and the two cables will be joined in mid ocean.

Telenor picks Alcatel for global network upgrade

Telenor Global Services, the international business of Norwegian carrier Telenor, has selected Alcatel-Lucent to provide an IP next generation network (NGN) to deliver voice, video, data and IP services worldwide.

Telenor Global Services provides international interconnect services to Telenor's 140 million mobile subscribers in Asia and Europe. The first phase of TGS's IP transformation project involves points of presence in Oslo, Hong Kong and Singapore and will cover the need for international voice and mobile services in the Asia region.

Gradually the project will include new countries. Telenor has contracted Alcatel-Lucent to design and integrate the total multivendor network including project management, installation and commissioning.

Technology

Symbian backers unite to lead handset software market

Leading handset vendors, led by Nokia, and mobile network operators AT&T, NTT DoCoMo and Vodafone have banded together to unite the Symbian handset OS and the platforms its supports to create a new open mobile software platform.

Founding members are Nokia, AT&T, LG Electronics, Motorola, NTT DoCoMo, Samsung, Sony Ericsson, STMicroelectronics, Texas Instruments and Vodafone. The move will be a powerful counter to the Google backed Android, the Linux based LiMo platform and Microsoft Windows Mobile. To achieve this goal Nokia will acquire all of Symbian from its other shareholders and with these partners will form the Symbian Foundation to develop and licence the Symbian OS.

Nokia is offering to pay Euro264 million to take all of Symbian of which it owns 48 percent at present. Of the other shareholders, Sony Ericsson, Ericsson, Panasonic Mobile Communications and Siemens have already accepted the offer. They represent 91 percent of the shares not held by Nokia. The sole remaining shareholder, Samsung, is expected to accept Nokia says.

Symbian OS is claimed to be the market-leading open operating system for mobile devices. It sits underneath a number of user interfaces including S60 from Nokia, MOAP from NTT DoCoMo and UIQ, designed by UIQ Technology, a joint venture between Motorola and Sony Ericsson.

Nokia intends to unite the Symbian OS and these user interfaces to create one open mobile software platform. A full platform will be available for all foundation members under a royalty-free license, from the Foundation's first day of operations. Essentially this means open to anyone: membership of the foundation is available to all for a nominal \$US1500 per year.

In addition to the announced founding members, the foundation's web site lists: Broadcom, digia, EAmobile, Freescale, Fujitsu, Orange, Plusmo, Teleca, T-Mobile and Wipro a being members of "a wide ecosystem committed to Symbian Foundation," but does not elaborate on what this means.

First software release in 2010

The Foundation is expected to start operating during the first half of 2009, subject to the closing of the acquisition of Symbian Ltd by Nokia. The first complete software

release is expected in the first half of 2010 and the platform software will move to being open source over the following two years. However selected components will be available as open source at launch.

Nokia CEO, Olli-Pekka Kallasvuo, claimed that these two initiatives would "undisputedly [make Symbian] the most attractive platform for mobile innovation. This will drive the development of new and compelling, web-enabled applications to delight a new generation of consumers."

He claimed that "the wide support for this initiative, uniting the industry around the Symbian platform, reflects the strong gravitational pull it has for application developers and other ecosystem players. We will drive efficient, open innovation by unifying the platform and simplifying the software supply chain, leveraging our experience from mobile devices."

Mobile devices based on Symbian OS are claimed to account for 60 percent of the converged mobile device segment and Symbian OS to represent approximately seven percent of all mobile device sales in 2007, up from five percent in 2006. To date, more than 200 million Symbian OS based phones have been shipped: over 235 models, from eight vendors and on more than 250 mobile networks around the world. More than four million developers are engaged in producing applications for Symbian devices, Nokia says.

According to Adam Leach, principal analyst, Ovum, fragmentation within the software platform market is the biggest single barrier to mobile data services and revenues. "There are currently many initiatives to try and solve this. The two most promising candidates to make a real difference are, in Ovum's view, the LiMo Foundation and, now, the Symbian Foundation. Together with Microsoft's growing presence in the market there is a real opportunity for the industry to start to coalesce their activities around these platforms."

Positive response from analysts

Leach added: "In the longer term there is the larger opportunity for the Symbian and Linux communities to become closer and indeed join together; this would make a significant impact on service providers' ability to derive revenue from mobile services...Linux has become a real threat to Symbian's business with a number of Linux initiatives gaining serious momentum (e.g. LiMo and Google's Open Handset Alliance)...The model that Nokia and others have adopted for the Symbian Foundation is essentially the same as that of LiMo. This is an endorsement of LiMo's approach and demonstrates that Nokia believes that this is part of its success.

Leach added that, "Despite a promising start and later becoming the leading third party operating system Symbian has not established itself as an industry standard. This was due to a number of factors but a crucial part of this was Nokia's ownership of Symbian and OEMs being reluctant to license key software components from their biggest competitor. Symbian's commercial success has been driven by Nokia and its adoption of the Symbian OS as part of the S60 platform, which it has deployed widely within its device portfolio."

Bad news for Android & Microsoft

Bonny Joy, analyst at Strategy Analytics, added, "Lower costs for the Symbian operating system spell bad news for licensable rivals, such as Google Android and Microsoft Windows Mobile. They will impact Android on volume and Microsoft on value. Symbian will match Android on zero-dollar pricing, and this diminishes one of [Android's] major competitive advantages. For Microsoft, the pressure will surely mount to cut the price of its license fees to handset vendors, which we estimate to be a relatively high \$US14 per unit worldwide in 2008."

LiPS Forum to merge with LiMo Foundation

Following the announcement of the Symbian Foundation, the LiPS Forum one of two organisations set up to develop Linux-based open handset platforms, has joined the other, the LiMo Foundation.

The Linux Phone Standards (LiPS) Forum said that its activities and membership would be folded into LiMo Foundation immediately. "This pooling of efforts and resources reflects the industry-wide trend towards unification of Linux-based mobile telephony platforms and will serve to accelerate the emergence of common mobile Linux specifications and implementation," it said. "It will also bolster the emerging mobile Linux developer community and support the creation of a range of new applications, services and end-user experiences."

The move will encompass LiPS Forum members from across the mobile ecosystem including chipset suppliers, Linux OS and mobile stack vendors, handset designers and OEMs and regional and global wireless operators. It follow separate announcements this week by individual LiPS members that have joined the LiMo Foundation: ACCESS, ARM Limited, Azingo, France Telecom / Orange, Huawei Technology, MontaVista Software, Inc., NXP Semiconductors, Open-Plug, Purple Labs and Texas Instruments.

"LiPS Forum is proud of our standardisation efforts, development activities and other achievements of the last three years," said Haila Wang, LiPS Forum president and CTO of Orange Labs in Beijing. "Today, our membership agrees that LiPS' greatest impact can be realised by adding our members' expertise and resources to LiMo Foundation. Together, the member companies can better strive for a unified and ubiquitous Linux-based mobile platform."

The LiPS Forum was founded in November 2005 to help accelerate the adoption of Linux in fixed, mobile and converged devices. Founding members, lead by France Telecom came from across the mobile ecosystem: ACCESS, ARM Limited, Cellon International, Esmertec, France Telecom / Orange, Huawei Technologies, MIZI Research, MontaVista Software, Open-Plug and VirtualLogix. Its goal was to "promote development and deployment of applications and services on Linux phones through standardisation."

The LiMo Foundation was founded in January 2007 by Motorola, NEC, NTT DoCoMo, Panasonic Mobile Communications, Samsung Electronics and Vodafone. In April 2008 it released, on schedule, the LiMo Platform Release 1, claiming it to be the world's first globally competitive, Linux-based software platform for mobile devices.

Executive director, Morgan Gillis said: "With Release 1 of the LiMo Platform now completed, LiMo Foundation has established a scalable and sustainable mobile device platform that will spur rapid innovation and contributions from all LiMo member."

This week he welcomed formation of the Symbian Foundation saying: "This development is not at all unexpected and we are pleased to see another organisation recognising that openness and collaboration are undeniable forces that will enable the next generation of mobile devices, applications and services."

Taking Symbian out of proprietary ownership is a natural evolution for the organisation because the future of the handset OS is far more about governance than technology – the role of the handset OS is now to mediate the inter-operation of diverse technologies, content and business models seeking to converge upon the device and this simply cannot happen under traditional commercial governance."

Meanwhile the other main contender in the open handset platform stakes, the Google-backed Android, is said to be running late.