



The Big Shocks to Towers of China from ***China Tower***

Prepared for my college life

Prepared by

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Dear teacher:

I thank you for reading my report for maybe five minutes. I will give you a whole sight to the China tower and our homeland's telecom industry.

Thanks for your attention and your good guide to my life in the whole year.

Sincerely,

Jingxian Wang, your student

Encl.

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EXECUTIVE SUMMARY

I will list and analyse the influences on the China markets from the establishment of China Tower. Talk about the meanings that the reformation of telecoms about China Tower that China government take. Predict the future of China Tower.

Main points:

- Telecom operators (China Unicom, etc.)
 - Lose power.
- Telecom equipment manufacturers (Huawei, ZTE, etc.)
 - Income decreases
- Internet companies
 - Join to build basic telecom service.
- Consumers related to telecom
 - Service prices are expected to fall further and further improvement of the quality of service.

INTRODUCTION

In July 2014, the three carriers announced to have a joint investment of 10 billion yuan on the establishment of China Tower. Scopes of its business include: the main tower construction's maintenance and operation, power supply and other supporting facilities and indoor distribution systems' maintenance and operation.



FIGURE 1-TELECOM NETWORK

A. CHINA TELECOM

The company, China Telecom is China's giant state-owned communication enterprise, Shanghai world expo partners around the world, for many years to be included in the "the world top 500 enterprises", the main business of fixed telephone, mobile communications, satellite communications, integrated information services such as Internet access and application.

B. CHINA MOBILE COMMUNICATIONS CORPORATION

China Mobile was established in April 20, 2000, is a company based on GSM, mobile operators TD-SCDMA and TD-LTE network. According to the requirements of the national China Mobile Communications Corporation CMCC and the deployment of telecom system reform, state-owned enterprises set up in the basis of the former China Telecom mobile asset stripped on. May 16, 2000 officially listed. China Mobile Communications

Corporation CMCC is a wholly owned subsidiary of China Mobile (Hongkong) Group Co., Ltd., controlled by the China Mobile Limited (hereinafter referred to as the "listing Corporation") in 31 provinces (autonomous regions and municipalities directly under the central government, China) and Hongkong Special Administrative Region to set up a wholly owned subsidiary, and is listed on the HongKong and New York.

C. CHINA UNICOM

China Unicom has national coverage, communication network around the world, actively promote broadband fixed network and

mobile network, providing a full range, high-quality information and communication

services for the majority of users. In 2009 January, China Unicom has one of the world's most mature technology, the most widely used and the most perfect WCDMA system for the industrial chain of 3G license.



FIGURE 2 – BASE STATION

FIELD INVESTIGATION

- Telecom industry
 - Telecom operators (China Unicom, etc.)
 - Telecom equipment manufacturers (Huawei, ZTE, etc.)
 - Internet companies
 - Consumers related to telecoms

A. TELECOM OPERATORS

Overall, the three major challenges faced by traditional telecom operators maximum. Prior to the discussion of the impact of their OTT anyway how big, but at least the network access control in their own hands, but also retains the counter last killer. Individual analysis of the killer who is available when considered, depending on whether the channel network operators can always controlled. "Tower Company" rapid establishment of a clear answer to the traditional three operators are losing the killer. On network conditions, the future of virtual operators at the same level of competition online, and on the basis of network optimization capabilities, service innovation ability, the ability to differentiate and market levels, it may not be as virtual operators. This is the biggest worry.

Previously it was suggested that reform is too large, the three operators are facing death in the face, when hundreds of thousands of telecom businessmen how to do the job livelihood issues, and now it seems that with the development of the industry changes, this is not a problem. Traditional telecom operators have more alternative local businessman.

B. EQUIPMENT MANUFACTURERS

An important direct cause of the original three operators is to reduce the dispersion of a waste of resources caused by duplication of investment. According to some analysis now, you can save at least 50 billion yuan of wasteful duplication. This is part of the investment is mainly to Huawei, ZTE and other equipment manufacturers for market share among the delegates. Therefore, the next few years, this part of the decrease in investment for

equipment manufacturers is a huge worry. Of course, that is mixed, in addition to reducing the worry caused by outside investment, as well as focused investment and bring original decentralized network optimization into upgrading, and the subsequent expansion of investment. Therefore, Huawei, ZTE equipment manufacturers of these terms, the main focus should be on future upgrades and technical upgrading of their ability to enhance the device.

C. INTERNET INDUSTRY

Including Alibaba and some Internet giants had repeatedly appeared on the market and want shares of China Unicom and other operators. From the economic point of view, the Internet is clearly much higher than the level of profitability of basic telecommunications services, Internet companies seem to have pulled down into the basic telecom services ROI issues. However, we further analysis, if the assumed basic telecommunications services, such as universal service excluding social costs borne out, in fact, there are good economic benefits. In addition, the current Internet giants demand for network bandwidth is very strong, but often also subject to certain restrictions. Therefore, the "tower companies" have been established, but also on Internet companies to enter the basic telecom service opens a new imagination, especially those who have already made a virtual operator identity of Internet companies.

Objects	Benefit Relatives		
	Virtual Operators	Telecom Operators	Internet Industry
China Tower	Xiaomi	China Unicom	Jingdong
	Alibaba		Alibaba
	Jingdong	China Telecom	Sina
	Lenovo		Soho
	Haier	China Mobile	Tencent
	Guomei		Baidu

TABLE 1 - BENEFIT RELATIVES

D. CONSUMERS

On stakeholder body diagram does not display, it is because consumers with "iron ride company" is an indirect relationship, but, personally think that the whole "tower company" set up is a good thing for consumers, good focus reflected in the "tower

company" set up the traditional telecom operators originally inefficient, repetitive, do not have the comparative advantage of specialization are squeezed out, so the service is expected to further decline in prices, but to further enhance the level of service.

As for the "tower company," said the most disadvantages of questions about the new monopoly, personal opinion, this monopoly is to provide the basis for network services and value-added services downstream businesses, for the average consumer, because it kind of monopoly service quality may cause problems, is among those companies with the "Tower company" and the impact of "tower company" interest groups to contest the issue. As a consumer, I do not have the necessary rights to do anything with the "Tower Company" engage.

THE REFORMATION OF TELECOMS

Reform is getting into the deep water, the eighth Third Plenary further clarify the requirements and comprehensively promote the deepening of reform, but the interests of the so-called touch harder than touch the soul. In this case, deepening reform where to start is a primary issue. Has repeatedly reform, a relatively high degree of market interest pattern relatively good adjustment in the telecommunications industry is a priority choice.

In addition, the original three operators spread their resources together, that is to adjust the interest on the original basic telecommunications services from the perspective of government regulation, but also help improve the effectiveness of management. Therefore, the "tower companies" have been established for other important sectors of deepening reform, whether it is open to further development of mixed-ownership economy, and improve economic efficiency, have the effect of experimental plots.

CONCLUSIONS AND RECOMMENDATIONS

China Tower set up a challenge to the three major traditional telecom operators which are the backbones of telecom industry, if you use a word to summarize this effect, I think it should be like this: With the China Tower founded and the squeeze from virtual operators and Internet companies, telecom operators may be weak and must do effective adjustment in next three years.

- Telecom operators (China Unicom, etc.) will lose power.
- Telecom equipment manufacturers' (Huawei, ZTE, etc.) income decreases.
- Internet companies will join to build basic telecom service.
- Service prices are expected to fall further and further improvement of the quality of service whose consumers related to telecom,