Globe Talk: Intel's WiMax push

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From being able to go online at the local Starbucks to surfing the World Wide Web from an airport, there's no denying that once you get connected wirelessly, there's no going back.

But while many users are happy enough with the high-speed broadband access they can get from WiFi hot spots available in an increasing number of places, some companies are pushing hard to make mobile broadband connectivity even better.

That's certainly an objective of Intel, which has been at the forefront of developing WiMax, or worldwide interoperability for microwave access. While similar to WiFi, WiMax is supposedly more reliable and powerful than wireless fidelity, especially in applications such as Voice over Internet Protocol that require high bandwidth as well as consistent service quality. In addition, WiMax allows users to be further away from

a hot spot than WiFi, thus making it a popular option, at least in theory.

Indeed, Intel announced earlier this week that it had signed agreements with Egypt's Orascom Telecom and Enertel Holding of the Netherlands to develop WiMax, which the chipmaker heralded as a milestone in furthering the network.

"Intel Capital is a leader in promoting the deployment of low-cost WiMax based Internet access," said Arvind Sodhani, president of Intel Capital, the venture-capital arm of the chipmaker that is funding the investments. "These latest agreements build on the foundation of existing Intel Capital investments to bring the benefits of low-cost, high-bandwidth broadband Internet access to consumers around the world."

Specifically, the newly created Orascom TelecomWiMax will concentrate on working with governments as well as companies across the Middle East and parts of Asia to obtain spectrum licenses so that WiMax can be used in the long run. Meanwhile, by investing in Worldmax, the joint venture with Enertel, Intel is hoping to make WiMax connectivity a reality in the Netherlands in the not-too-distant future.

Certainly, Enertel is upbeat about the joint venture's prospects.

"We see the creation of this new wireless service provider as an incredible opportunity to provide new services to major cities in the Netherlands," said Cees Meeuwis, Enertel's executive chairman. "Worldmax will offer wireless access and services through a wholesale relationship with a number of resale channels in the Dutch market. This wireless broadband access service will uniquely complement the existing fixed-line broadband access services already offered in the Netherlands."

Similarly, the head of Orascom Telecom WiMax, Francon Grimaldi,

said the move was "an exciting first step towards brining the advantages and opportunity of Internet connectivity to the people of the Middle East and beyond, many of whom have never had such an opportunity before."

That may well be. The problem, however, is that in many parts of mature telecommunications markets in particular, there is less of an incentive for companies to invest in WiMax, if at all. After all, major carriers in well-developed markets worldwide have been investing heavily in third-generation networks and its successor, the 3.5G, which gives users broadband-equivalent speed in wireless connectivity. If that it successful, then there is little incentive for those companies to invest in WiMax as well, since it would merely replicate the 3.5G network.

In markets where phone networks are still in second-generation mode, though, investing in WiMax instead of advanced 3G may well make sense, particularly as WiMax is expected to be more effective in providing Internet telephone services, which is becoming increasingly popular. What's more, they will have some powerful supporters in their pursuit of developing WiMax, most notably from Intel.

"As WiMax gains momentum in full deployments, homes and businesses gain the ease and power of cost-effective wireless networking," said Scott Richardson, general manager of Intel's broadband wireless division. "We are now delivering the promise of WiMax -- high-speed, cost-effective wireless broadband access -- to businesses and consumers in cities and suburbs around the world."