

Marvell tapped by China to develop mobile phone standard

August 12 2011, By John Boudreau

Chipmaker Marvell Technology Group Ltd., whose top management is based in Santa Clara, Calif., has been tapped to help China achieve the goal of creating its own mobile technology standards.

The company recently inked a deal with [China Mobile](#), the world's largest carrier by subscribers, to provide smartphone semiconductors based on a technology standard advocated by China. The standard, dubbed TD-SCDMA for 3G devices, is part of the country's efforts to become a major technology player by getting multinationals to sign on to its tech blueprints. The Chinese [mobile phone](#) standard, though, is not expected to become an international standard, such as WCDMA, the 3G technology used by AT&T and other carriers around the world.

"They want to prove to the world they are capable of developing their own standard," said [mobile technology](#) analyst Andrew Seybold.

For Marvell, it's a great opportunity to get its chips in millions of devices used by Chinese consumers.

One analyst believes Marvell's deal with China Mobile could boost revenue by as much as \$200 million this year, though the company has not revealed its own forecasts. Marvell is supplying a single-chip product that enables features such as Web browsing, live video streaming and 3-D gaming for devices in the \$100 to \$150 price range, Marvell co-founder Weili Dai said.

"I call it a super smartphone," she said. "It provides smartphone (features), as well as mobile TV, as well as advanced 3-D graphics for mobile gaming.

"We want to help the world to use smartphone devices," she added. "At the same time, they have to be very affordable. This is what we have accomplished. That is a breakthrough. China's overall customer base is more than 1 billion users."

China Mobile expects to have more than 100 million TD-SCDMA smartphones, made primarily by Chinese manufacturers, in the market by the end of the year, IDC analyst Sandra Ng said. China had hoped TD-SCDMA would gain acceptance outside the country, she added, but that hasn't happened.

However, China is working on its own version of the next-generation mobile network technology, Long Term Evolution, or LTE - China's standard is called TD-LTE - and that is being adopted outside the country, Ng said.

The TD version of the standard can be deployed more efficiently and allows for easier spectrum management, said Lu Chang, Marvell's senior product manager. Dai said her company is working on a mobile chip based on the TD-LTE standard.

Apple has reportedly agreed to build iPhones for China Mobile that are TD-LTE compatible, though the network isn't expected to be ready until the end of this year. Although making phones that can run on China-specific standards could add to device manufacturing costs, China's vast market is too alluring for companies such as Apple to ignore. China Mobile alone has more than 500 million subscribers.

"This is China asserting its market power," said Anna Han, a Santa Clara

University law professor who advises U.S. companies on doing business in China.

Having a hand in the creation of a new technology standard is a way to avoid being overly dependent on foreign technology, she added. "The government is pushing hard for innovation and wanting technology to be 'Chinese-created,' " Han said. "That includes setting standards. China was quite dependent on Soviet technology (decades ago) and when they pulled the support, China was left with outdated technology."

Chang, though, doesn't see TD-LTE as a China-only standard.

"The Chinese press says, 'This is our standard,' but it really is not," he said. Chang expects other countries to adopt the standard. In fact, China wants TD-LTE to be embraced internationally for reasons beyond bragging rights, he said.

"If it's widely adopted, the cost of equipment for infrastructure and (devices that run on the network) will be cheaper," Chang said. "There will be a lot more people using it and a lot more people working on it."

MARVELL:

-Founded: 1995

-U.S. corporate offices: Santa Clara

-Employees: 5,700

-Revenue for fiscal year 2011: \$3.61 billion

-Products: The company ships more than 1 billion chips a year. Marvell specializes in microprocessor architecture and digital signal processing.

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