Lightning-fast mobile hits speed bump in Europe

February 25 2013, by Emmanuelle Trecolle

Customers look at mobile phone accessories at a shop on November 27, 2012 in Paris. Lightning-fast fourth generation mobile networks are spreading rapidly worldwide, led by the United States, Japan and South Korea, but Europe lags behind and its economic crisis could brake investment, an industry report said Monday.

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Next generation Long Term Evolution, or LTE, networks promise download speeds to mobile phone users as fast as fixed broadband connections, opening the way to new mobile services such as high-definition videos with no buffering lag.

But the new networks need significant new investment by operators, and Europe has fallen behind, industry analysts IDATE said in a 2013 report.

By mid 2012, 26.5 million people were subscribing to LTE services, it said.

US operators led by Verizon Wireless had 13 million customers on the new LTE networks, South Korean operators had 7.5 million subscribers and Japanese operators 3.4 million, it said.

But the report, released on the opening day of the world's biggest mobile fair in Barcelona, Spain, showed the biggest users of LTE networks in Europe were Germany and Sweden with 300,000 each, while Austria logged just 180,000.

"LTE technology has now been adopted in all areas of the world and is growing rapidly," the report said

An even faster technology, known as LTE Advanced, or True 4G, is expected to be rolled out this year with the United States, Japan and South Korea once again the front-runners, it said.

Some 350 mobile operators were now investing in LTE in 104 countries, the report said.

"With the LTE ecosystem growing so rapidly, IDATE forecasts that

there will be more than 912 million LTE subscribers worldwide by the end of 2016."

In 2016, Asia-Pacific nations would still be leaders, it predicted, with 41 percent of the world's LTE customers compared to 21 percent for North America and 16 percent for Western Europe.

A mobile phone mast on the rooftop of a residential building in Paris, December 10, 2012. Next generation Long Term Evolution, or LTE, networks promise download speeds to mobile phone users as fast as fixed broadband connections, opening the way to new mobile services such as high-definition videos with no buffering lag.

Europe had once been a leader, with TeliaSonera launching the first fourth-generation network in Sweden and Norway at the end of 2009.

But no longer.

"Macro-economic constraints are slowing down rapid investments in LTE networks in Europe," the industry research house said.

Operators in Europe may choose to share the same LTE network so as to curb investment costs, it said.

"LTE is now a 'must have': operators which do not adopt the technology will lose ground in their market and will not benefit from the economies provided by LTE," IDATE warned.

Most operators were investing in LTE to gain additional capacity and drive down costs, it said.

"It has lots of advantages and will make a big difference in financial terms for operators, though not necessarily right away, without mentioning the faster speeds and new services," IDC frequency specialist Frederic Pujol told AFP.

A new generation of smartphones was now available in all main markets with the capacity to link to the new networks, removing a key obstacle to growth, IDATE said.

But the technology is not universal, with some 15 different bandwidths being used for fourth generation services, hampering international roaming.

IDATE notes that Apple's iPhone 5, for example cannot link to two fourth-generation frequencies used by several European nations—800 MHz and 2.6 GHz.

"Chip manufacturers are integrating more and more frequency bands into the chipset but you also have to integrate the antennas into the handsets," said Pujol.

"Some are not making the effort, like Apple with the iPhone 5, which does not support two of the three European bandwidths. But the problem for Apple should be fixed with the next iPhone," he said.

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