

UK raises less than hoped from 4G mobile auction

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A man talks on a smartphone in central London on October 17, 2012. The British government raised a less-than-expected amount from its 4G mobile auction that will result in five companies providing the country with super-fast mobile Internet services, a watchdog said Wednesday.

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Telecoms watchdog Ofcom said the total bidding came to £2.341 billion (\$3.615 billion, 2.692 billion euros), significantly less than the £3.5 billion forecast last year by the government. The licence fees cover a period of 20 years.

"After more than 50 rounds of bidding, Everything Everywhere Ltd, Hutchison 3G UK Ltd, Niche Spectrum Ventures Ltd (a subsidiary of BT Group plc), Telefonica UK Ltd and Vodafone Ltd have all won spectrum," Ofcom said on Wednesday.

"This is suitable for rolling out new super-fast [mobile](#) broadband services to consumers and to small and large businesses across the UK," it added in a statement.

Vodafone, which successfully bid £790 million for its licences, welcomed the outcome.

"We've secured the low frequency mobile phone spectrum that will support the launch of our ultra-fast 4G service later this year," Vodafone UK chief executive Guy Laurence said in a separate statement.

"It will enable us to deliver services where people really want it, especially indoors."

Deputy Prime Minister Nick Clegg said ministers were not to blame for the total bids coming in below expectations, claiming that the £3.5-billion estimate was made by the Office for Budget Responsibility, the government's economic-forecasting body.



A Vodafone store in central London on May 22, 2012. The British government raised a less-than-expected amount from its 4G mobile auction that will result in five companies providing the country with super-fast mobile Internet services, a watchdog said Wednesday.

"The figure that (finance minister) George Osborne talked about wasn't plucked out of thin air. This was actually verified by the independent Office for Budget Responsibility," Clegg said on Wednesday.

Britain had in fact launched 4G services in October last year, allowing the country to catch up with the global roll-out.

Everything Everywhere—formed by the merger of the Orange and T-[Mobile networks](#) in Britain—went live with the service ahead of the full auction result.

4G, which operates five times faster than the current 3G network, allows

users to download large e-mail attachments quickly, watch live television without buffering, make high-quality video calls and play live games on the go.

The service is available on Apple's iPhone 5 and 4G phones from HTC, Samsung, Nokia and Huawei.

Britain has meanwhile lagged behind the global roll-out of 4G, with about 45 countries—including the United States, Germany and parts of Asia—already offering the super-fast service to businesses and consumers.

Ofcom on Wednesday added that there had been failed 4G bids from MLL Telecom Ltd and HKT (UK) Company Ltd.

Britain's government meanwhile earned a huge £22.5 billion in 2000 from its 3G licence sales, which came at the height of the dotcom bubble.

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