

China Mobile profit down on tougher competition

October 22 2013

China Mobile Ltd., the world's biggest phone carrier by subscribers, said its latest quarterly profit tumbled 8.7 percent due to tougher competition.

Profit in the three months ended Sept. 30 was 28.4 billion yuan (\$4.5 billion), down from 31.1 billion yuan a year earlier, the state-owned carrier said.

"The group experienced severe difficulties and challenges arising from increasingly complex competition," China Mobile said in a statement.

Beijing restructured China's phone industry in 2008, creating three carriers each with a mix of mobile and fixed-line assets, to spur competition and innovation.

Since then, China Mobile and rivals China Telecom Ltd. and China Unicom Ltd. have suffered reduced [profit margins](#) despite rapid growth in new customers, especially for third-generation service.

China Mobile's revenue for the quarter rose 11.3 percent to 159.9 billion.

The total number of 3G subscribers was 169.5 million as of Sept. 30, up from 137.9 million a year earlier.

The company said it expects both new opportunities and more competitive pressure once Beijing begins to roll out fourth-generation

services.

© 2013 The Associated Press. All rights reserved.

Citation: China Mobile profit down on tougher competition (2013, October 22) retrieved 24 April 2024 from <https://phys.org/news/2013-10-china-mobile-profit-tougher-competition.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.