

China Telecom profit up 20 percent on 3G users

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State-owned China Telecom, the country's third-biggest mobile phone operator by subscribers, said Monday that quarterly profit grew by a fifth as it continued to benefit from spending by new users of data-hungry iPhones.

China Telecom profit in the July-September quarter rose to 4.5 billion yuan, up 20 percent from a year earlier. Revenue rose 12 percent to 86.7 billion yuan.

The Beijing-based company started offering Apple's popular smartphone in March 2012, becoming the second Chinese mobile phone company to do so.

Internet access and data services continued to have "robust growth momentum," offsetting the decline in traditional fixed-line voice service, Chairman Wang Xiaochu said in a statement.

China Unicom, the other carrier offering the iPhone, reported last week that quarterly profit jumped by half, while China Mobile, which operates a third-generation network that doesn't support iPhones, said profit fell 9 percent.

China Telecom added 9.15 million third-generation customers in the latest quarter, bringing the total to 96.48 million. With a loss of 2G customers factored in, total mobile subscribers grew by 6.64 million to more than 181 million

China's three state-owned mobile phone companies are ratcheting up competition as they spend heavily to build faster fourth-generation networks to support the latest smartphones and tablets.

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