

N. America network spending, revenue up

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Telecommunications operators in North America have invested more and profited more from wireless networks, a research group said Thursday.

London-based Ovum-RHK, which specializes in the information-technology sector, found in its latest report that in the third quarter ended Sept. 30, North American network operators saw revenue from mobile operations rising 15 percent from a year ago to \$30.24 trillion, while capital expenditure increased by 10 percent to \$4.83 trillion.

Meanwhile, wireline revenues dipped 2 percent to \$45.82 trillion even though capital expenditure for wirelines increased by 14 percent to \$6.78 trillion.

"These are bang-up results," Ovum-RHK Vice President for Forecasting John Lively said in a news release. He added that the group anticipates "full year 2005 mobile (capital expenditure) to come in 20 over the 2004 level."

He also said that wireline spending is up despite no significant change in revenue trends, reflecting the commitment of operators to invest money in new revenue-generating services. The completion of the AT&T-SBC and MCI-Verizon mergers should also spur investment, as both AT&T and MCI had cut back during the merger process.

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