

Telecommunications - Taiwan

Government to review 4G policy as Intel dissolves WiMAX taskforce

Contributed by [Shay & Partners](#)

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According to an official of the Industrial Development Bureau (which operates under the Ministry of Economic Affairs), following Intel's unexpected move to dissolve its taskforce on worldwide interoperability for microwave access (WiMAX) technology, the Taiwanese government plans to review its national fourth-generation (4G) wireless policy. Although Taiwan is one of the strongest supporters of WiMAX technology, equipment makers and operators are concerned about the rise of Long-Term Evolution (LTE) technology – its 4G rival.

On July 1 2010 Intel Corp, the world's largest chip maker, declared its intention to integrate its WiMAX Programme Office into the company's other business units. However, it claimed that the organisational change would not impact on its commitment to the development of WiMAX. Intel is one of the leading WiMAX service providers in Taiwan and in 2008 promised to invest US\$500 million over five years in the sector as part of a deal with the Ministry of Economic Affairs.

In recent years WiMAX and LTE technology have been competing to become the mainstream 4G telecommunications technology. Both have strengths and weaknesses. WiMAX allows greater coverage and open platforms, while LTE magnifies the low cost of base stations and has the backing of leading telecommunications firms such as Nokia and Vodafone.⁽¹⁾ Taiwan provides between 80% and 90% of the world's WiMAX customer premise equipment.

In 2007 the government elected to support WiMAX technology and issued six WiMAX licences. The National Communications Commission has not come up with a clear plan to auction LTE licences for local telecommunications operators. Meanwhile, certain telecommunications giants (eg, Verizon and AT&T in the United States and Japan's top mobile operator, NTT DoCoMo) plan to launch LTE services by the end of 2010. These market developments have forced the Taiwanese government to reconsider its 4G policy, despite that fact that WiMAX technology has had a three to four-year technological head start over LTE technology. According to statistics provided by the Consortium of Mobile Broadband, the number of global WiMAX subscribers is expected to rise to over 7.2 million in 2011 from 4.7 million in 2010, while the number of LTE users is expected to reach the 1 million benchmark in 2011, up from fewer than 10,000 in 2010.

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Endnotes

(1) For further details please see "[Fourth-generation technology at a crossroads: WiMAX or LTE?](#)".

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