



## Siemens Breaks Into Chinese IPTV

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[Siemens Communications Group](#) has edged its way into the fast-developing Chinese IPTV market that has so far been dominated by indigenous vendors such as [ZTE Corp.](#) (Shenzhen: 000063 - [message board](#); Hong Kong: 0763). (See [Hong Kong: An IPTV Hotbed?](#) and [China Expands IPTV Coverage.](#))

Andreas Müller-Schubert, president of fixed network solutions at Siemens Communications, says his firm is providing [China Telecommunications Corp.](#) (NYSE: [CHA](#) - [message board](#)) subsidiary Shanghai Telecom with a full range of IPTV-enabling technology for a trial that will involve 5,000 homes by next February. (See [Siemens Wins IPTV Deal.](#))

Rival vendor [UTStarcom Inc.](#) (Nasdaq: [UTSI](#) - [message board](#)) is also engaged with Shanghai Telecom in IPTV trials. (See [UTStarcom Sells IPTV to China.](#))

Siemens is providing: its own set-top boxes and IPTV middleware (the Myrio system); head-end encoding equipment from [Tandberg Television](#); video servers from [C-COR Corp.](#) (Nasdaq: [CCBL](#) - [message board](#)); and digital rights management technology from [Verimatrix Inc.](#). Financial details were not released. (See [Siemens Snaps Up Myrio, C-COR Completes nCube Buy, Siemens, Verimatrix Integrate, and Siemens Gears Up for IPTV.](#))

The Siemens man says the project is notable in that only MPEG-4 encoding, which allows twice as many video streams to be pumped across an access connection than with MPEG-2, is being used. Nearly all IPTV deployments today use MPEG-2 technology.

Using the latest MPEG-4 technology, also known as H.264, allows Shanghai Telecom to "provide very high quality pictures across a 1.5-Mbit/s connection," says Müller-Schubert.

Shanghai Telecom plans to provide video on demand, personal video recorder (PVR), video telephony, and gambling services, as well as broadcast TV streams, to the broadband users involved in the trial.

Siemens is bullish about the growth potential of the Chinese IPTV market as the country looks to bolster its domestic technology infrastructure in advance of the 2008 Olympic Games. At a press conference this morning in Shanghai, Müller-Schubert cited statistics from a recent [Light Reading Insider](#) report that estimates China's IPTV subscriber base will hit 16 million, almost a quarter of the estimated global base of 65 million, by 2010. (See [IPTV's Economic Realities.](#))

And Müller-Schubert tells [Light Reading](#) that Siemens was also involved in as yet unannounced IPTV trials with [China Netcom Corp. Ltd.](#) (NYSE: [CN](#) - [message board](#); Hong Kong: 0906) and other companies in China, "but I can't provide you with any more details at this stage," he says.

China Telecom and China Netcom are both engaged in multiple IPTV trials with various vendors as they figure out the optimum technology mix and best business case approach for such services. Neither carrier has yet been awarded an official government license to provide IPTV, and so have been forced to partner with the only license holder to date, [Shanghai Media Group \(SMG\)](#), in all their trials.

— Ray Le Maistre, International News Editor, [Light Reading](#)

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*The report, **IPTV: Where the Money Is**, is available as part of an annual subscription (12 monthly issues) to Light Reading Insider, priced at \$1,350. Individual reports are available for \$900. For more information, or to subscribe, please visit: [www.lightreading.com/insider](http://www.lightreading.com/insider).*