

## 3G Shipments Drive China's Data Card Market

SKU: IN0904377CCM  
Analyst: Ashley Liu  
Ashley.liu@instat.com.cn  
+8610.6642.2042  
June 2009

### Report Summary

Cellular data cards have become a hot topic with the deployment of 3G networks in China. Among the currently used 2.5G data cards, the CDMA2000 1X mode has dominated the Chinese market since 2007. However, according to an In-Stat consumer survey conducted in April 2009, more than 60% of current 2.5G data card users are dissatisfied with network access speeds. Deployment of 3G networks is strongly supported by the Chinese government. Total 2.5G subscribers in China numbered 634 million as of 2008; therefore, there is still plenty of room for transferring subscribers from 2.5G to 3G in 2009 and beyond.

The Chinese market is ready for 3G data cards, but network service fees and limited bandwidth are major concerns for potential users of 3G data cards.

To fully understand the Chinese data card market from the operator, vendor, and consumer sides, In-Stat interviewed several industry specialists from operators and data card vendors and then conducted an online consumer survey in China in April of 2009, with a total of 600 respondents, including current and potential users.

With the results of our research, this report presents the current status of the Chinese data card market and the user base, as well as outlines the development of the 3G market. Then the report explains why China needs 3G data cards, with conclusions supported by our consumer survey analysis and industry analysis. Finally, data card shipment forecasts, based on analysis of drivers and barriers, is presented.

#### HIGHLIGHTS

- Development of 3G networks will be the major driver of the data card market in China.
- About 99% of current data card users express interest in buying 3G data cards within two years.
- In-Stat believes that the turning point for the 3G data card market will come in 2010, with shipments of 7.1 million, including embedded and external modems.

For more information or to purchase, see the [report online](#) or call 1.480.483.4441.

**Table of Contents**

|   |    |   |                    |
|---|----|---|--------------------|
| Executive Summary.....                                    | 1  | Increasing Mobile Bandwidth Drives 3G Data Card Market.....         | 14                 |
| Definitions.....  | 4  | 3G Mobile Broadband and ADSL Fixed Broadband are Complementary..... | 14                 |
| Data Cards.....   | 4  | Data Card Operator Strategy Analysis.....                           | 15                 |
| Data Card Classification.....                             | 4  | Market is Ready for 3G Data Cards.....                              | 16                 |
| By Connection Mode.....                                   | 4  | Data Card Market Barriers.....                                      | 20                 |
| By Network.....   | 4  | Major Vendor Analysis.....  | 23                 |
| China's Data Card Market Status.....                      | 5  | Huawei.....   | 23                 |
| Subscribers.....  | 5  | ZTE.....  | 23                 |
| Development of China's 2.5G Data Card Market.....         | 8  | Sony Ericsson.....  | 24                 |
| GPRS Data Cards.....                                      | 8  | Vtton.....  | 25                 |
| EDGE Data Cards.....                                      | 9  | Market Forecast.....  | 26                 |
| CDMA2000 1X Data Cards.....                               | 10 | 3G Subscriber Forecast, by Operator.....                            | 26                 |
| Development of China's 3G Market.....                     | 11 | 2.5G Data Card Shipment Forecast.....                               | 26                 |
| TD-SCDMA.....   | 11 | 3G Data Card Shipment Forecast.....                                 | 28                 |
| WCDMA.....  | 11 | Research Methodology.....   | 29                 |
| CDMA2000 EV-DO.....                                       | 12 | Survey Demographics.....  | 30                 |
| Why Does China Need 3G Data Cards?.....                   | 13 | Glossary.....   | 39                 |
| Increasing Use of Mobile Internet and Mobile Devices..... | 13 | <a href="#">List of Tables.....</a>                                 | <a href="#">41</a> |
| Large Mobile Internet User Base.....                      | 13 | <a href="#">List of Figures.....</a>                                | <a href="#">41</a> |
| Multiple Mobile Internet Devices.....                     | 13 |   |                    |

**List of Tables**

---

Table 1. Huawei Data Card Product List.....23

Table 2. ZTE Data Card Product List.....24

Table 3. Sony Ericsson Data Card Product List.....24

Table 4. Vtion Data Card Product List .....25

Table 5. China’s 2.5G Data Card Shipment Forecast, 2007–2013 (in Millions) .....27

Table 6. China’s 3G Data Card Shipment Forecast, 2007–2013 (in Millions) .....28

[Return to Table of Contents](#)

**List of Figures**

---

Figure 1. China’s 3G Data Card Shipment Forecast, 2007–2013 (in Millions) .....2

Figure 2. China’s Data Card Subscribers, 2006–2008 (in Millions) .....5

Figure 3. Which Network Do You Use to Connect Your Data Card?.....6

Figure 4. Which Brand of Data Card Do You Use?.....6

Figure 5. Data Cards, by Brand.....7

Figure 6. How Much Did You Pay for Your Data Card?.....7

Figure 7. Who Pays for Your Data Card Service? .....8

Figure 8. China’s Shipments of GPRS Data Cards, 2006–2008 (in Millions) .....9

Figure 9. China’s Shipments of EDGE Data Cards, 2006–2008 (in Millions) .....9

Figure 10. China’s Shipments of CDMA2000 1x Data Cards, 2006–2008 (in Millions).....10

Figure 11. China’s Cellular Network Development Timeline.....11

Figure 12. Internet Users in China, 2008 .....13

Figure 13. China’s Notebook, Netbook, and MID Shipment Forecast, 2008–2013 (in Millions).....14

Figure 14. Are You Satisfied With Your Current Data Card Network?.....17

Figure 15. Are You Interested in Buying 3G Data Cards in the Future?.....17

Figure 16. Which 3G Data Card Connection Do You Prefer?.....18

Figure 17. Do You Plan to Use Data Cards in the Future? .....18

Figure 18. Are You Interested In Buying a 3G Data Card in the Future? .....19

Figure 19. When Do You Plan on Buying a Data Card? .....19

Figure 20. Which 3G Data Card Connection Do You Prefer?.....20

Figure 21. What Is Your Required Bandwidth for a Data Card? .....20

Figure 22. Reason for Not Using a Data Card .....21

Figure 23. Which Factors Are Most Important to You in Buying a Data Card? .....21

Figure 24. How Much Are You Willing to Pay for a Data Card? .....22

Figure 25. How Much Are You Willing to Pay per Month for Data Card Network Service?.....22

Figure 26. China Mobile’s, China Unicom’s, and China Telecom’s Official 3G Subscriber Growth Plans, 2009–2011 (in Millions) .....26

Figure 27. China’s 2.5G Data Card Shipment Forecast, 2007–2013 (in Millions) .....27

Figure 28. China’s 3G Data Card Shipment Forecast, 2007–2013 (in Millions) .....28

Figure 29. Respondent Distribution.....30

Figure 30. Respondent Ages.....31

Figure 31. Employment Types .....32

Figure 32. Monthly Income .....33

Figure 33. Days of Business Travel per Month .....33

Figure 34. Buying Patterns.....34

Figure 35. Preferred Device to Access Internet .....34

Figure 36. Notebook Brands .....35

Figure 37. Average Time Spent on Internet .....36

Figure 38. Principal Internet Activities.....37

Figure 39. Have You Used Mobile Internet Service? .....37

Figure 40. Number of Times Using Mobile Internet per Month .....38

Figure 41. Principal Mobile Internet Activities .....38

[Return to Table of Contents](#)

# ORDER FORM



Report Title: \_\_\_\_\_

SKU: \_\_\_\_\_

Price: \_\_\_\_\_

Customer Name: \_\_\_\_\_

Business Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Country: \_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Cell: \_\_\_\_\_

**Payment Method:**    Check Enclosed    Check Number: \_\_\_\_\_

                         Please Bill Me – PO Attached    PO Number: \_\_\_\_\_

                         Credit Card    Type: \_\_\_\_\_

Card Number: \_\_\_\_\_

Exp Date: \_\_\_\_\_

**Credit Card Information:**            Same As Above

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

**Signature:** \_\_\_\_\_

Please print the order form and fax to: 303-265-2181

Additional Contacts | [epotter@reedbusiness.com](mailto:epotter@reedbusiness.com) | [chris.murray@reedbusiness.com](mailto:chris.murray@reedbusiness.com) | 480-483-4440