W-CDMA market sees dynamic growth

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The market for W-CDMA handsets is forecast to see dynamic growth in the next few years, resulting in more than 1 billion handsets being shipped between 2006 and 2012.

According to a recent report from IMS Research, â€œThe Worldwide Market for Cellular Handset Shipments & Features â€“ 8th Editionâ€•, the market for WCDMA handsets will have a CAGR of 22% over the next five years, despite competition from alternative 3G technologies, such as WiMAX.

â€œThe growth is fuelled by both the GSM and CDMA markets. Operators continue to see W-CDMA as a powerful upgrade path for their networks, and a springboard to HSPA technologies in the future.â€• Stated report author Bill Morelli, â€œNaturally, handset manufacturers are responding with a wide range of handsets to meet this growing demand.â€•

A key differentiator of the W-CDMA technology is its broad appeal across multiple standards. It is in the unique position of having support from operators, manufacturers, and infrastructure providers in both the GSM and CDMA camps. The upgrade path for GSM/GPRS/EDGE networks uses WCDMA as a stepping stone to HSPA and beyond. At the same time, WCDMA is still based on many of the underlying CDMA technologies, allowing operators with 2G CDMA networks to migrate to WCDMA as a 3G solution.. This dichotomy highlights the strength of the WCDMA technology and reinforces the predictions for strong growth.

The regions that are expected to show the strongest W-CDMA growth are the Americas and the Middle East/Africa. As detailed in the report, there are a number of key factors that will accelerate growth in these regions. Overall, W-CDMA is expected to show a CAGR of greater than 20% for the period from 2006 to 2012. Although this is impressive by itself, it is important to note that W-CDMA implementations will also drive increased HSDPA and HSUPA upgrades.

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