

BUILDING CORE COMPETITIVENESS OF MOBILE INDUSTRY CHAIN WITH SUPPORT FOR INDEPENDENT INNOVATION OF DOMESTIC ENTERPRISES

Shenzhen is the core region of mobile industry chain as well as the center of mobile innovation in China. Many high-tech enterprises, such as Huawei, ZTE and Coolpad, were established in Shenzhen and became world-known from here. On May 19, Li Changchun, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China, visited innovation-driven enterprises, in particular smart phone enterprises and cultural innovation enterprises, in Shenzhen. During his visit to Yulong Coolpad, a leading smart phone brand in China, Li Changchun said that innovation-driven enterprises like Coolpad shall advance their research and development of self-owned operating systems to build the core competitiveness of China's mobile industry chain. He also said that he hoped Coolpad will become a leading brand in the world. Head of Yulong Coolpad indicated that it will fully implement national guidelines on industry policies and allocate more resources to independent innovation, and expected the number of its patent applications to reach 5,000 with the research and development costs of more than RMB1 billion in 2012.

State leader encourages enterprises like Coolpad to participate in the research and development of self-owned operating systems of China

It is reported that while China's own patented technologies continue to develop, the operating systems, the core of the smart phone industry, remain controlled by foreign enterprises. On his visit to Yulong Coolpad, Li Changchun went to Coolpad's mobile research and development center, where he asked with great interest about Coolpad's innovation in technologies and products. He spoke highly of Yulong Coolpad's invention of dual SIM technology, which is a core technology independently developed by a domestic enterprise and represents the first world-leading self-owned mobile technology in China. Li Changchun also showed strong interest in Yulong Coolpad's cool cloud (cloud computation) technology, and emphasized that China must have its own technologies in mobile security areas. He further indicated that given the domestic mobile enterprises' lack of influence over operating systems, being the core competitiveness of the mobile industry chain, the

kernel of operating systems must be owned by domestic enterprises that shall develop self-owned operating systems for mobile terminals.

Capturing the industrial opportunities brought by LTE to facilitate the progress of internationalization

In order for China to shift from Made-in-China to Invented-in-China and build world-class enterprises, it must have its own world-leading industry standards. LTE presents such a historic opportunity to Chinese enterprises. When watching Coolpad's newest LTE terminals, Li Changchun said, "Chinese enterprises must have strategic plans and establish their own technologies and standards in the world as soon as possible. We are already left behind in terms of 2G, 2.5g and 3g standards, and LTE brings us a good opportunity. In an effort to rapidly become world-leading in such area, our country pins hopes on Shenzhen. In Shenzhen, we have to focus on Coolpad, Huawei and ZTE, which are set to become the world's top class enterprises."

Shenzhen-based enterprises are spearheading the high-tech industry framework. Early in 2010, three enterprises in Shenzhen, being Huawei, ZTE and Coolpad expanded into LTE terminals and launched several LTE products. In particular, Yulong Coolpad introduced its LTE terminals in 2010 Shanghai World Expo, which received compliments from Wen Jiabao, China's Premier.

As the creator and inventor of Dual SIM technology, Yulong Coolpad has built a positive image in high-end market, and is the only high-end domestic mobile brand. As a result of the breakthroughs it made in respect of Dual SIM technology, which international brands cannot achieve in two years and which is the first leading mobile communication technology owned by Chinese enterprises, it has won the State Science and Technology Advancement Award (Class II), the top honor for China's mobile industry.

According to a recent statistics published by SINO Market Research, Coolpad ranks second, behind Samsung and followed by international brands such as Nokia, MOTO and Apple, in terms of the share of China's 3G smart phone market in April, which represents a major breakthrough for Coolpad in the 20 years since its inception. As stated by Coolpad's head, for international expansion, Coolpad focuses on middle- to high-end products and adopts the strategy of co-operation with

international carriers, unlike Huawei and ZTE who have chosen to expand overseas through low-end products.