

GTL, Ericsson in mobile network pact

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TELECOM network services provider GTL is aiming at a slice of the managed network infrastructure (MNI) services market in the UK. The company, which earned Rs 980 crore during the 15 months ended June 2007, announced a strategic alliance with Ericsson UK on Tuesday to jointly cater to the rapidly-growing MNI portion of the telecom industry in the UK.

"We are estimating an initial business potential of £90-100 million for GTL out of this alliance in the next

two-three years," GTL chairman & MD Manoj Tirodkar told ET. He expects that this might even extend to £200 million based on the growth in the UK's mobile services market.

Ericsson provides managed network services to large mobile operators in the UK and across the globe. With this tie-up, GTL will be in a position to offer infrastructure-related services to the clientele of Ericsson in the UK. Ericsson would integrate GTL's services in the pre-bid stage and generate opportunities for managed infrastructure. "The alliance will utilise GTL's infrastructure capabilities with Ericsson's

expertise in managed network services. This would lead to high quality, cost efficient solutions for our clients," said Bradley Mead, MD, Ericsson Services.

GTL is eyeing the global pie of MNI business through strategic tie-ups and acquisitions. It had undertaken three acquisitions in the recent past. The move is expected to improve share of its overseas revenue, said Mr Tirodkar. "We expect the overseas revenue to contribute over 50% of topline," he said. Currently, domestic revenue contributes around 80% to the total sales.

Under the alliance, Ericsson plans to outsource engineering design,

support and infrastructure management to GTL. The potential in the UK market is likely to increase following 3G initiatives and growth in data segment. As part of the tie-up, Ericsson has an option to invest in the alliance over a period of time. The GTL management, however, denied providing further information, citing that it would be premature to put things in perspective.

When asked about the human resources capabilities, Mr Tirodkar said: "The recent takeovers helped us have the right kind of the resources that can be deployed for this alliance."