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[Skype Goes To China With TOM Online](#)



The joint venture holding structure will be 51% and 49% by TOM Online and Skype

Just a few days ago Skype has signed a partnership with the German company, E-Plus. Now Skype is looking to conquer China. TOM Online, China's leading wireless Internet company, and Skype have signed an agreement to establish a joint venture to further cement their strategic partnership in China's rapidly growing online communication market. Working together will allow an even deeper level of integration between Skype's award-winning software and services with TOM Online's over 70 million wireless Internet users. The joint venture will leverage TOM Online's mobile and Skype's Internet communications expertise to further develop advanced communication and community features for mobile Internet platforms. Skype and Tom Online launched their relationship in November 2004 with a customised simplified Chinese version of Skype, which was co-developed by the companies. The co-branded software has attracted about 3.4 million registered users to date, making China one of Skype's top three markets. The latest version incorporates a TOM Online tab, which makes TOM Online's leading wireless products and the contents of its popular media portal directly accessible from within the Skype experience. The joint venture holding structure will be 51% and 49% by TOM Online and Skype, respectively. Under the agreement, this joint venture company will develop, customise and distribute a simplified Chinese version of the Skype software and premium services to Internet users and service providers in China. China is the world's largest mobile phone market by users with more than 360 million subscribers at the end of June, 2005. Its number of Internet users is expected to grow to approximately 154 million by 2007, representing a compound annual growth rate of 18% since 2003, according to technology consultancy IDC. In addition, the demand for broadband grew by more than 140% to almost 43 million users in January 2005 from a year earlier. With the convergence of mobile and Internet technologies, Skype and Tom Online's joint venture is uniquely positioned to drive even more broadband uptake and capture the growth opportunities in China's substantial communications market, which was valued at RMB 572.6 billion (or about US\$70.8 billion) for the year 2004, according to government statistics. Terms of the deal were not disclosed.