

Biz News Flash

Cisco confident on long-term growth

By Wang Dabao (China Daily)
Updated: 2010-06-18 09:14



John Chambers, chairman and chief executive officer of Cisco, said that he had a "high perspective" for China. [Provided For China Daily]

SHANGHAI - Network equipment maker Cisco Systems Inc is optimistic about its long term development in China, and sees huge growth potential in the nation's massive urbanization process.

"Cisco has a long-term commitment to China, and is the only multinational IT company with a stand-alone pavilion at the 2010 Shanghai World Expo," said John Chambers, chairman and chief executive officer of Cisco, the world's biggest maker of routers and switches.

Chambers said he had a "high perspective" for China and expects Cisco's business to grow by 15 to 20 percentage points faster here compared with its global business growth over the next 10 to 20 years.

In 2007, Cisco committed to invest \$16 billion in China to expand its procurement, manufacturing and research and development capacity.

In November 2009, the company agreed to buy the set-top box business of Hong Kong-based DVN Holdings Ltd for \$44.5 million, which was Cisco's first acquisition in China.

□

Related readings:

- ✦ [Cisco leapfrogs rivals with faster router](#)
- ✦ [Cisco to keep up pace of acquisitions in 2010](#)
- ✦ [Cisco helps train more IT talents in China](#)
- ✦ [Cisco provides future at Expo](#)

It also signed a memorandum of understanding in September last year with Chongqing municipal government to help the city develop its telecom and IT manufacturing capability. China's urbanization process will also provide huge market opportunities for Cisco, Chambers said.

During the next 10 to 20 years, over half of China's 1.3 billion population are expected to move from rural areas to cities. That will increase demand for networking equipment in areas like healthcare, transportation and education.

education.

Net sales of Cisco increased 27 percent year-on-year to \$10.4 billion for the third quarter ending May 1. The company said it has witnessed a return to strong balanced growth between geographies, products and customer segments that Cisco hasn't seen since the global economic challenges began.

In January, Cisco said it was elevating the status of the China market to a higher level as part of the company's efforts to grow in the country. Under the new arrangement, the mainland, Hong Kong and Taiwan will fall under the company's new Greater China Theater, "which is the only theater that consists of only one country among Cisco's five theaters", Chambers said.

Chambers said that refocusing on China's market is the most important decision that he has ever made since he started to lead Cisco in 1995.

He said the company did not come to China just for sales, but also for manufacturing, procurement and research and development.

Copyright By chinadaily.com.cn. All rights reserved