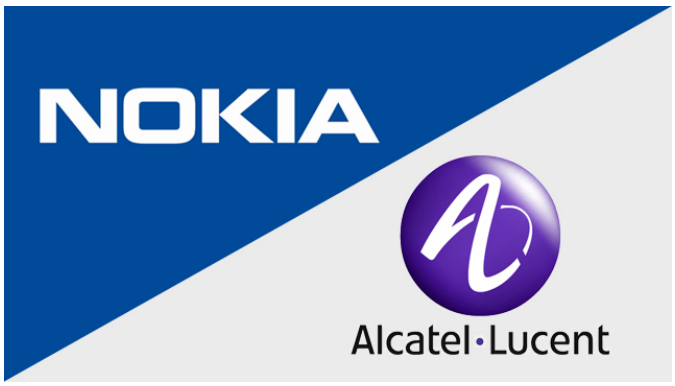
Nokia has the chance to become the second biggest telecom equipment maker in the industry since it plans to acquire Alcatel-Lucent in an all-share deal making the French company worth €15.6 billion.



The result will bring about a single company with sales reaching around €26bn, 114000 employees and global mobile equipment market share of 35%, following Ericsson (40%) and ahead of Huawei (20%), at least according to Bernstein Research. It also unites Alcatel-Lucent's famous Bell Labs with Nokia's FutureWorks, even if the Nokia Technologies research division will remain a separate entity.

"[T]he combined company will be in a position to accelerate development of future technologies including 5G, IP and software-defined networking, cloud, analytics as well as sensors and imaging," Nokia says.

Other Nokia gains include entry in the N. American market through Alcatel's lucrative AT&T and Verizon contracts, and a product portfolio complete with optical transmission and router technology.

However the deal depends on the French government-- according to Bloomberg Nokia is looking for State backing for the sale of Alcatel assets, but president Francois Hollande's government has already blocked similar corporate mergers in the country.

The deal is expected to be finalised by H1 2016.

Go Nokia and Alcatel-Lucent to Combine

Go Nokia in Advanced Talks to Acquire Alcatel-Lucent Assets (Bloomberg)