

Swedish telecoms manufacturer Ericsson, with CEO Carl-Henrik Svanberg, said Saturday it is buying a North American chunk of Canada's failed Nortel Networks for 1.13 billion dollars.



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In a statement, Ericsson said it will take over the carrier networks division of Nortel relating to CDMA and LTE technology in North America -- a deal that includes contracts with the likes of Verizon and Bell Canada.

CDMA is a mobile phone standard widely used in North America, where the global GSM standard is less commonplace. LTE is a next-generation standard for bigger and faster mobile phone networks.

The acquisition -- at a firesale auction of Nortel assets in New York on Friday -- will make North America the biggest region within Ericsson, which last year reported sales there of 2.7 billion dollars (1.9 billion euros).

"The transaction is expected to have a positive effect on Ericsson's earnings within a year after closing," the company said.

Once Canada's largest company, Nortel has been struggling since the [dot.com](#) collapse. It filed for bankruptcy protection in both the United States and Canada in January as it faced 107 million dollars in interest on its debt.

Ericsson buys a North American chunk of Nortel

Written by AFP / The Swedish Wire

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In June, it had announced an agreement to sell most of its wireless business to Nokia Siemens Networks for 650 million dollars, before a court order was issued for the assets to be auctioned instead.

In Montreal, Nortel hailed the anticipated sale to Ericsson as "a very positive prospect for our customers who will be able to continue their relationship with a long-term partner" as well as for its employees, said president Mike Zafirovski in a statement.

It added that Nortel would continue to seek buyers for its other businesses.

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