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► Government decides to maintain model, mobile operators can take up to 70% equity interest in Digital Nasional Bhd

PUTRAJAYA: The government has decided to maintain the implementation of the 5G network as a single wholesale network (SWN) and offer telecommunications companies up to 70% equity stake in Digital Nasional Bhd (DNB).

In a joint press conference, Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz and Communications and Multimedia Minister Tan Sri Annuar Musa said the DNB-led SWN model based on "cost recovery" and "supply-driven", with equity participation of telcos was the best solution to accelerate the deployment of 5G network rollout with the objective of encouraging the use of 5G by the people.

"The participation of telcos in DNB will enable them to be involved in the implementation of the country's 5G network.

"Telcos' experience in developing 3G and 4G networks in Malaysia can also help the launch of the implementation of 5G network in Malaysia."

Tengku Zafrul said maintaining the SWN model is testimony to the government's firm stand on policy continuity. "It also symbolises Malaysia's strong public-private partnership model, as well as a strong private sector financing ecosystem, all of which will boost investor confidence in Malaysia," he said at the joint press conference held at the Ministry of Finance.

The implementation of the SWN model will ensure that there are no additional financial implications on the contract that has been entered into with network hardware provider Ericsson (Malaysia) Sdn Bhd, which has drawn up the implementation plan by optimising contract work and services for local vendors, of which 61% will cater to bumiputra interests.

Tengku Zafrul said the Cabinet has agreed that the government, which now holds 100% equity in DNB, will offer up to 70% of the stake to Mobile Network Operator (MNO) telecommunication companies.

"With the new ownership structure, the government will hold 30% equity. DNB will be regulated by KKMM (the Ministry of

Communications and Multimedia) as the ministry responsible for the communications industry through the Communications and Multimedia Commission, like other telcos.

The MoF will continue to monitor DNB in governance and as a shareholder, he said.

The ownership, value of equity and other aspects related to the proposed equity participation are subject to negotiations between DNB and the telcos, whereby the equity offering process will commence no later than June.

Tengku Zafrul said this Keluarga Malaysia public-private partnership approach will facilitate DNB towards achieving its target to cover 80% of the country's populated areas by 2024.

"DNB is projected to keep the current wholesale price of 5G at less than 20 sen per gigabyte. This is expected to make 5G more affordable, encourage consumption among consumers and enterprises, and reduce the cost of living and cost of doing business in Malaysia."

He said the digital economy provides tremendous new opportunities for Malaysia. "The implementation of 5G will drive the country's socioeconomic transformation and this is estimated to contribute RM650 billion to the country's gross domestic product until 2030." - Bernama