

## KERATAN AKHBAR

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### Govt maintains SWN for 5G



THE government has decided to maintain the implementation of the 5G network as a single wholesale network (SWN).

This was announced yesterday by the Communications and Multimedia Ministry (KKMM) and the Finance Ministry (MoF).

It will open space for telecommunications companies (telcos) that hold equity in Digital Nasional Bhd (DNB) with 70% of DNB equity to be offered to telcos, while the government continues to hold 30%.

Ownership, equity value and other aspects related to this proposed equity participation are subject to negotiations between DNB and the telcos, where the agreement is targeted to be finalised in the future.

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

This decision was made following various engagement sessions with MPs of both sides, telcos and civil society organisations.

The government has decided that the DNB-led SWN model is based on a “cost recovery” and “supply-driven” mode, along with equity participation.

Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz (*picture; left*) said DNB will be regulated by KKMM through the Malaysian Communications and Multimedia Commission (MCMC), while MoF will continue to monitor DNB in terms of governance and as a shareholder.

“Maintaining the SWN model symbolises Malaysia’s strong public-private partnership model, as well as a robust private sector financing ecosystem, all of which will boost investor confidence in Malaysia,” he said in a press conference yesterday.

The participation of telcos in the DNB enables them to be involved in the implementation of the country’s 5G network.

The experience of telcos in developing the 3G and 4G networks can also help in launching the implementation of 5G networks in Malaysia.

Additionally, the SWN model will ensure that there are no additional financial implications on the contract that has been entered into with the appointed network hardware provider, namely Ericsson (M) Sdn Bhd, which has drawn up an implementation plan by optimising contract work and services for local vendors, with an estimated 61% of them being able to benefit Bumiputera interests.

The implementation of 5G networks and infrastructure is a key pillar towards realising the country’s digital economy aspirations, as contained in the Malaysian Digital Economy Blueprint (MyDigital) and the 12th Malaysia Plan (12MP).

Tengku Zafrul said the Malaysia Family public-private partnership approach will also facilitate DNB to achieve its target of covering 80% of the country’s population by 2024, when 5G will be supplied at a wholesale price of less than 20 sen per GB, lower than the current cost of producing 4G.

“The digital economy provides tremendous new opportunities for Malaysia, especially in accelerating connectivity across the country in this post-pandemic era, to facilitate recovery efforts and the achievement of high-income country status.

“The implementation of 5G will drive the country’s socio-economic transformation, and this is estimated to contribute RM650 billion to the value of GDP until 2030. The maintenance of the SWN model is also the government’s firm stance on the continuity of policy in Malaysia,” he added.

Citing the savings from the implementation of the DNB-led SWN model, the government is confident that by aggregating all the spectrum identified for 5G for DNB’s exclusive use, industry players who subscribe to the service wholesale will be able to provide high-quality service.

KKMM Minister Tan Sri Annuar Musa said people should enjoy access to high-quality 5G services fairly, equitably and at an affordable price, especially to help accelerate Malaysia’s post-pandemic economic recovery in the coming years.

“The SWN model will help bridge the urban-rural ‘digital divide’ to enable all Malaysians to enjoy high-quality 5G services that will be widely provided to them through telcos,” he said at the same press conference.

The retention of this SWN directly continues all the planning, equipment purchase and appointment of local companies in carrying out network development work.

It will also maintain contracts with equipment suppliers selected by open tender based on international best practices.