

NATIONAL BROADBAND INITIATIVES IN MALAYSIA

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Establishing Broadband Strategies



National Broadband Plan (NBP)

Formation of Cabinet Committee on Broadband (CCB) and Broadband Implementation Strategy Launching of HSBB services,
National Broadband
Initiatives (NBI) Economic
Transformation Program
(ETP) and National Key
Economic Area —
Communications Content
Infrastructure (NKEA-CCI)

National Strategy Development

Implementation & Transformation

2004

2006

2007

2008

2010

Governance and Monitoring

MyICMS 886 High Speed broadband (HSBB) as the catalyst for broadband development HSBB Public Private Partnership (PPP) Agreement between Government and Telekom Malaysia

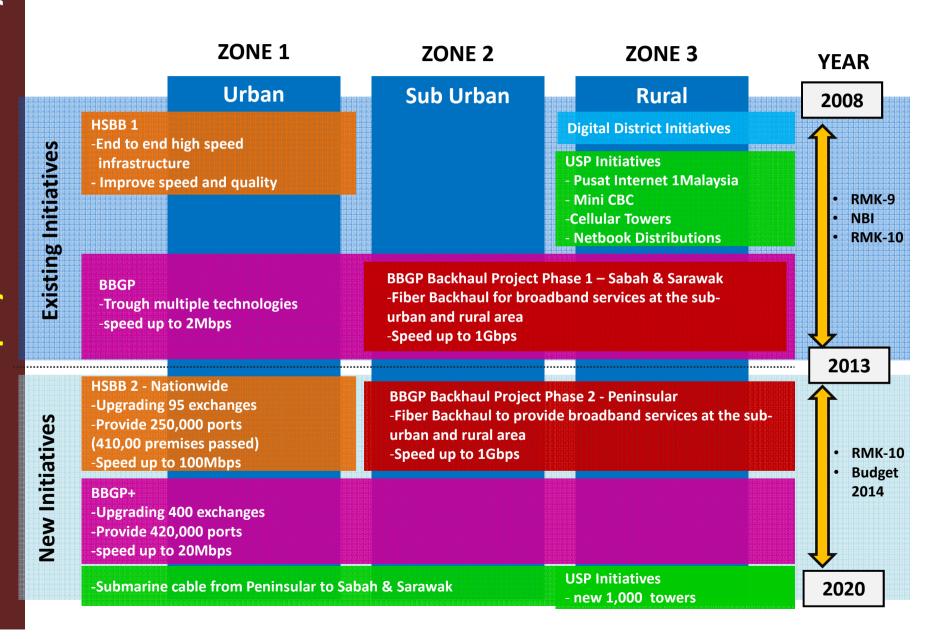
NATIONAL BROADBAND IMPLEMENTATION STRATEGY



Supply			Demand	
Broadband for General Population (BBGP)	Incentives and facility-based competition based on major technologies (xDSL, WiMAX and 3G/HSDPA)	1	Awareness	Continuous government and private sector awareness initiatives
	USP programs roll out (collective and individual access)	2	Attractiveness	Enhance and promote e- government, e-education and e-commerce initiatives
	Average speed of 2Mbps			Improve and align online content strategies and activities
High Speed Broadband (HSBB)	Target capitals, industrial areas and development regions			Leverage on development of traditional information resources
	Public Private Partnership (PPP) arrangement for infrastructure roll out	m	Affordability	Develop initiatives to reduce/ improve broadband access costs (PC, subscription etc)
	Speed exceeds 10Mbps			Widen community access facilities and deployment

HSBB & BBGP Deployment Plan





CONNECTING MALAYSIA WITH HIGH SPEED BROADBAND



Total Project Cost

- Total project cost RM11.3 billion
- Government funding of RM2.4 billion
- TM funding of RM8.9 billion

- Services provided will be based on fair and equitable access
- Open access whereby other service providers can use the HSBB network

Regulatory Framework

Project Scope

- end-to-end (access, core and international)
- 1.3 million premises passed by 2012
- speed 10Mbps and above
 - Project timeline 10 years (2008 2018)
 - Coverage: Inner Klang Valley, Industrial areas and Iskandar Malaysia)
 - High speed connectivity to Government Offices and IPTA/IPTS
 - Broadband package
 - Telecenters for specific group
 - Development of content platform
- Promotion and awareness program
- Revenue sharing

TM Undertakings

Revenue Sharing:

- Government will receive fix annual amount of RM 50mil. per year starting 2014 until 2017.
- Government also receive variable amount starting 2018 until 2025 based on the number subscription achieved by TM

HSBB

PROJECT

HSBB IMPLEMENTATION STATUS



Malaysia has move forward into advanced Internet technology and greater Broadband Experience

103 Areas Ready for Services and expanding



723,014 **HSBB** subscribers to date



51,343Fkm Fiber Optic Cable deployed Nationwide



1.74Tbps

Total International **Bandwidth Capacity** Improvement from 682Gbps





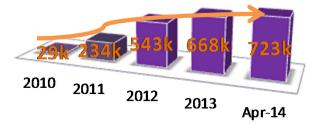
Service Partnership

Other Service Provider also enjoying network sharing:

25 Company signed for HSBB Transmission services

5 Operators signed for HSBB Access services

Fast Subscriptions Growth >500k subscribers within 3 Years



Source: HSBB Report, Telekom Malaysia *Data as of April 2014

HSBB PROJECT UNDERTAKING





Government Offices

Almost 6000 HSBB port provided for government offices connectivity



Jobs Creations

project tied with 1414 local vendors and 27 foreign vendors



IPTA/IPTS

Enable 83 Higher Education Institutions with High Speed network



ICT Training Programme

150,000 certificates have been awarded



Pusat Siber Rakan Muda

27 Internet centers built especially for the youth



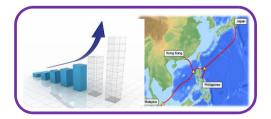
Broadband Packages

100,000 netbook inclusive with broadband package



Local Content Platform

development of a Content Service Delivery Platform, 274
Contentpreneur registered



Bandwidth Capacity Improvement

Bandwidth Capacity from 682Gbps to 1.74Tbps New Cable Landing System –Cahaya Malaysia



HSBB HAS RECEIVED RECOGNITION FROM VARIOUS INTERNATIONAL BODY

Amongst the **fastest fibre rollout** in the world – End-to-end infra in 18 months plus IPTV service in 6 months.

McKinsey & Co

We need to establish a world-class broadband infrastructure to compete with other nations around the world, like Malaysia and other Asian nations

Frank Mather European Commission DG

TM's choice of architecture ... made it one of the fastest and lowest cost HSBB deployments in the world

BT Telconsult

Tremendous take up – **25,000 new customers a month** and growing

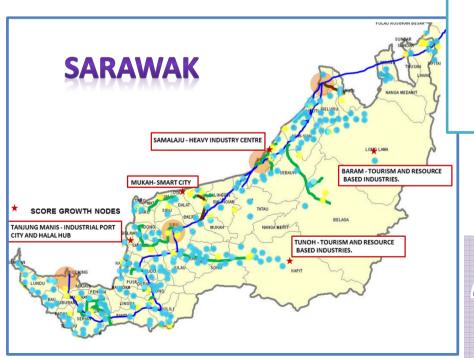
Malaysia is the **fastest growing FTTH market** in South East Asia and is a success
story for FTTH globally

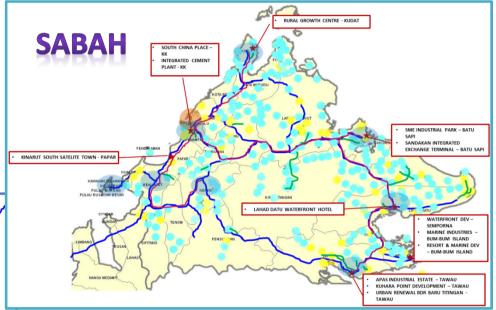
Frank Jaffer President FTTH Council AP

BBGP BACKHAUL PROJECT IMPROVING ... RURAL CONNECTIVITY



RM250m allocation under the 10th Malaysia Plan (RMK-10) to enhance Fiber Optics backhaul coverage and capacity at areas within populated towns and districts in Greenfield Areas.





Sarawak : 23 links (1,237 fkm) Sabah : 53 links (1,225 fkm)

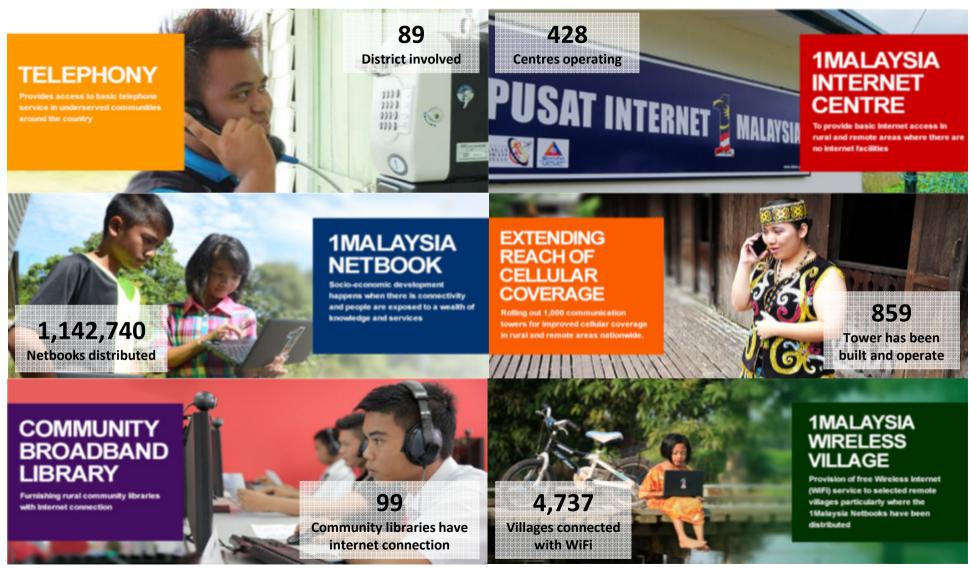
Started in 2012, completed end 2013



- Design, build, own & operate (DBOO) concept
- Open access network
- Min speed 1Gbps
- Supply driven low economic impact area

NATIONAL BROADBAND INITIATIVES (NBI)





Source: MCMC (Data as of April 2014)

Broadband Implementation Progress

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_	Progress	Impact			
HSBB HSBB Projects	 1,039,422 port HSBB HSBB-T Services to 14 companies (230 connectivity, 124GBps) HSBB-A services to Maxis, Celcom dan P1 Investment: RM2.4b from Government and RM8.9b from TM 	 15.6% HSBB coverage to household 173,300 subscriptions (71exchange's) 17% subscriptions compare to available port Contribution of 2.2% to broadband penetration 			
BBGP	Progress	Impak			
Broadband Centers	 2522 Broadband Center by multiple agencies 246 PJK, 99 PJL dan 38 mini PJK by SKMM Total Average investment under SKMM: RM1.4b 	23% coverage to populated rural areasContribution of 1% to broadband penetration			
Wireless Kampung (KTW)	■ Target: 3100 (2012) ■ In operation: 1408 ■ Total average investment: RM487 million	2.7% coverage to populated rural areas1% household coverage in rural areas			
Telco Tower	 Target: 1000 (2012) In operation: 326 Total average investment: RM1.5b 	■95% coverage in populated areas			
Komputer 1Malaysia	■ Target: 1 million (2012) ■ Distributed: 459,000 ■ Total average investment: BM1b	 Contribution of 4.2% to broadband penetration (current) Total contribution: 12% penetration 			

Total average investment : RM1b





DEMAND STIMULATION PROGRAMS





Awareness & Promotion

- Broadband Carnival
- Broadband & ICT Training (Basic computer, content development, hardware & software maintenance & troubleshooting
- Promotion through mass media

Affordability

- 1Malaysia Netbook Distribution
- Introduction of affordable broadband packages
- NKEA CCI EPP Smart Network





Attractiveness

- Initiative under Economic Transformation Programme (NKEA)
 Communications Content & Infrastructure : e-Gov, e-learning, e-health,
 Track and Trace and connecting 1MY
- Portal My1Content to encourage content development and commercialization
- Creative content development by MDeC /FINAS

GET MALAYSIAN BUSINESS ONLINE (GMBO)



Introduction & Objective

To assist entrepreneurs to increase online sales

To get more Malaysians businesses especially women online

Contribution towards economic development

• **RM50 million** from MCMC's fund to benefit 50,000 entrepreneurs with RM1,000 grant each



Grant Prerequisite

Malaysian especially women, between 18-65 years old

- Business license / Registered business or company;
- Registered domain name (.com.my/ .my/.edu.my/.net.my/.org.my) with an active website;
- Has a local bank account under the entrepreneur/business/company name; and
- Micro entrepreneur less than 10 full-time employees OR annual income of less than RM200,000

Use telecommunication services to promote business

- Subscribes to telephone /cellular AND broadband services under the entrepreneur/business/ company name; OR
- Member of 1Malaysia Internet Center (PI1M)





YOUTH COMMUNICATION PACKAGE



To 1.5 million eligible youth

- Youth Communication Package is a scheme under the Malaysian National Broadband Initiative that grants youth aged 21 to 30 with income below RM3,000 to get RM200 rebate off selected 3G smartphones from telco nominated registered dealers in 2013;
- This initiative, coordinated by the Malaysian Communications and Multimedia Commission (MCMC) with the total allocation of RM300 million, was announced by the Prime Minister as part of Budget 2013.

Eligibility:

- ✓ Malaysians aged 21 30 years
- ✓ Monthly income lower than RM3,000
- New or existing user subscribing
- ✓ Smartphone rebate will be given only once to eligible participants

Website: http://komunikasibelia.skmm.gov.my/



Current Indicators



67.4%

Household Broadband Penetration

'06-11%; '09-31.7%

19 mil

Internet User Nationwide '06-0.4m;'09-16.9m





6.425 mil

Total Broadband Subscriptions '06-0.89m; '09-2.6m





3.8 mil

Total Mobile Broadband Subscriptions '06-0.15m; '09-0.95m

84%

3G Coverage on Populated Area



97%

Cellular Coverage on Populated Area

18.09 mil

3G Subscriptions

'06-0.4m;'09-7.3m



43.1 mil '06-19.4m; '09-

Cellular Subscription 30.1m

143.7%

Cellular Penetration Rate

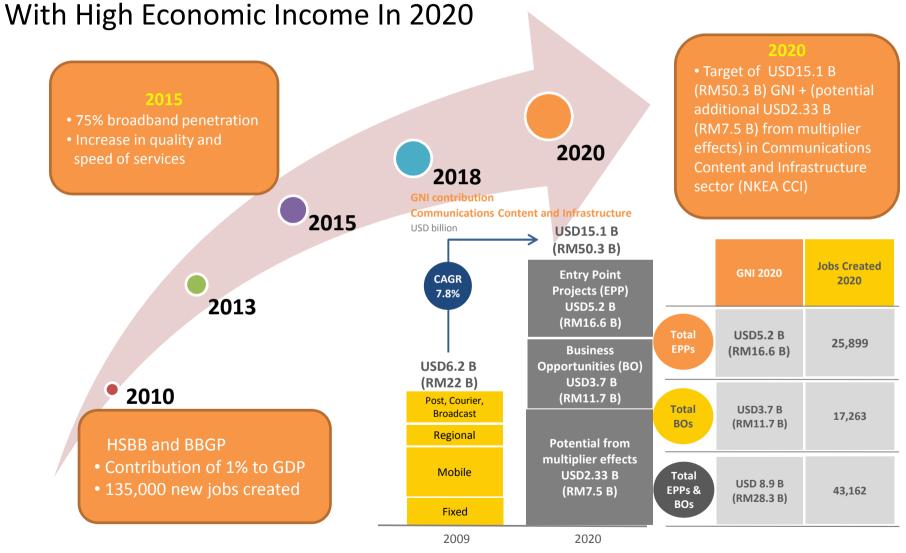
'06-72.3%; '09-105.4%

16

Source: MCMC Data as of Q1 2014



Increase In Broadband Penetration And Quality Of Services Will Support The Vision To Become Country



Moving Forward



1995-2000

WTO
Telecoms
Reference
Paper

WTO Commitments and Convergence Challenges

- Competitive safeguards
- Interconnection
- Universal Service
- · Licensing Criteria
- Independent Regulator
- Allocation and Use of Scarce Resources

- Telecommunications, Broadcasting, Internet
- Self-Regulation
- Consumer protection, technical regulation, content regulation, competition framework

Convergence

2000-2015

2015-beyond

Regulatory Obligation

- Licensing framework
- Resources management
- Consultative regulation
- Industry development

On-going initiatives

- Broadband roll-out / NBI
- Consumer protection
- · Cost-based access
- Infrastructure competition
- Demand and supply
- NKEA CCI initiatives

New Challenges

- Over-the-top services
- Social Media
- Lifestyle and demographic change
- Sustainable development

Global Challenges

- Big Data
- Data Protection
- · Co-regulation
- Resource maximization
- · Bandwidth demand
- Content, rights and value-chain



Services Sector

- Quantity to Quality
- From liberalization to integrated sectoral governance reform
- Internationalization of service providers
- Ch6 Thrust 4 Re-engineering economic growth
- Ch7- Thrust 5 ICT Infrastructure

National Policy For Development

- ✓ Sustainable regulation
- Competition and competitiveness
- ✓ Risk-based, performance driven

1.9



THANK YOU

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www.skmm.gov.my







