

17/06/2000

Dr M non-committal on NTT-Telekom deal

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PRIME Minister Datuk Seri Dr Mahathir Mohamad hopes negotiations between Japanese telecommunications company Nippon Telephone and Telegraph (NTT) and Telekom Malaysia Bhd can be finalised soon.

Dr Mahathir said he would not be able to say when the deal will be closed but added "I hope so" when asked whether it can be closed by the end of the year.

He was earlier asked to comment on whether Motorola Malaysia's new software centre in Cyberjaya, which among others will explore Code Division Multiple Access (CDMA) technology, can pave a new way for the talks between NTT and Telekom Malaysia.

CDMA is a system which is widely used in Japan but has yet to be implemented in Malaysia.

"I think it may contribute in a certain way but there are other factors...I think NTT is very interested in Telekom Malaysia. The problem we have is that Malaysians, they do not believe that they can do anything that is world class.

"It will take other people to tell them before they can (believe)," the Prime Minister told reporters after signing the plaque of the new software centre in Cyberjaya yesterday.

Motorola has invested US\$10 million (US\$1 = RM3.80) in the centre.

Dr Mahathir said it showed the company's commitment to invest in Malaysia.

"This investment by Motorola is a strong belief by the company that the MSC (Multimedia Super Corridor) can prosper and excel," he said.

Motorola's software centre is currently located in Tropicana. It is expected to move its operation to Cyberjaya in 2002.

NTT has completed its due diligence process and is said to have already put in an offer for a stake of 15 per cent to 20 per cent in Telekom Malaysia to Khazanah Nasional Bhd at an undisclosed price.

Asked to name the amount of stake involved in the negotiations, Dr Mahathir said: "It is a small percentage actually. They (NTT) do not want to take a very big percentage."

Telekom Malaysia, which now has a 98 per cent share of the fixed line market in the country, is currently pumping in resources to upgrade and improve the quality of its cellular network. It aims to attain 30 per cent share of the cellular market.

Meanwhile, NTT's most valuable asset is said to be its cellular phone company, NTT DoCoMo, which is reputed to be one of the best in the world and also one of the forerunners in the third generation cellular technology.

In reply to the Kuala Lumpur Stock Exchange query on the status of negotiations with NTT recently, Telekom Malaysia had said: "... regarding the signing of the memorandum of understanding between Khazanah, NTT Communications Corp and NTT Mobile Communications Network, we understand that Khazanah is currently considering the proposal by NTT to acquire shares in Telekom."

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