

15 SEP 2003

MOGGIE-MERGER

MOGGIE: JARING & TMNET MERGER WILL NOT CREATE MONOPOLY

KUALA LUMPUR, Sept 15 (Bernama) -- The merger between two Internet service providers (ISPs), JARING and TMnet, will not create a monopoly Internet business in Malaysia as there are other licensed Internet operators in the country, said Energy, Communication and Multimedia Minister Datuk Amar Leo Moggie today.

"The fact that they (other licensed Internet operators) may not have done that (actively servicing) probably because they have their own commercial judgement," he told reporters at the launch of the Celcom Prepaid Recharge Service Via Post Offices here.

Moggie was asked on the recent 2004 Budget where Prime Minister Datuk Seri Dr Mahathir Mohamad, who is also the Finance Minister, announced the merger of the two ISPs to ensure wider and more efficient Internet services in the country.

TMnet was formed to spearhead all Internet related services in Telekom Malaysia Bhd following the company's appointment as an Internet Service Provider (ISP) in Malaysia.

JARING, an acronym of the Joint Advanced Research Integrated Networking project, was Malaysia's first and main Internet access and was developed and managed by MIMOS Bhd.

"By merging the entities, it (the move) would create a dominant player and a single entity that would have much better access to provide network throughout the country," said Moggie.

"But most importantly, how would the price benefit consumers The merger would definitely include the ability to offer cheaper rates to consumers" he added.

When asked how much cheaper the rates could be, Moggie said, "Budget 2004 has already indicated the price range. We would make sure that Telekom Malaysia would implement those price structures."

During the 2004 Budget, Dr Mahathir said in order to ensure wider access to the internet at a lower cost, Telekom Malaysia would reduce Internet access charges as well as the access to broadband Internet.

Telekom Malaysia will provide a 50 percent discount for industrial and corporate packages, beginning with 30 percent for Phase I and a further 20 percent for Phase II.

For other users, a 30 percent reduction will be given for consumer broadband Internet charges.

When asked about the deadline of lowering the rates, Moggie said the government would like it to be done as quickly as possible.

He said the government also expected TMNet to increase its investment in infrastructure support to provide better coverage and quality of services.

Moggie said the enlarged ISP would not only have to lower the rates but also provide quality service.

Asked to comment on TMNet's ability to provide quality service against the backdrop of the frequent service interruptions to its Streamyx's broadband service in March this year, Moggie replied, "During that time, their infrastructure was not yet able to handle that type of demand.

"They probably under estimated the demand. Now the demand is huge...we expect them to increase their capital expenditure for infrastructure."

TMnet Streamyx is a high-speed access service which provides "always on" connection to the Internet with speed/bandwidth from 384k up to 2Mb/s.

On another note, Moggie said his ministry had yet to receive a detailed

report from Tenaga Nasional Bhd on the power outage which hit the northern part of Peninsular Malaysia on Sept 1. -- BERNAMA
MAS SHY