

08/05/2004

Merger of Jaring and TMNet is off: Lim

By CINDY YEAP

THE anticipated merger of Malaysia's two main Internet service providers, Jaring and TMNet, will not happen.

Energy, Water and Communications Minister Datuk Seri Dr Lim Keng Yaik said yesterday if the two providers were to merge, there would be no more competition.

Dr Lim told newsmen this after witnessing some service updates for Telekom Malaysia Bhd's third-generation (3G) trial network by China's Huawei Technologies and local partner Silver Ridge Sdn Bhd.

"Healthy competition is important, people want (both) good service and cheaper (pricing)," he added.

The Jaring-TMNet merger was announced by former Prime Minister Tun Dr Mahathir Mohamad during the tabling of Budget 2004 last September.

TMNet is owned by Telekom Malaysia.

Dr Lim could not confirm a recent Reuters report, citing Ministry of Finance documents dated March 19, that Malaysia had hired bankers at Avenue Capital Resources Bhd to study a possible merger between the state-owned Jaring and broadband provider AtlasONE Sdn Bhd.

Instead, Dr Lim said he will soon meet Jaring chief executive Dr Mohamed Awang Lah to further understand issues.

"I see no reason Jaring should not be granted a licence (to provide residential broadband services using wireless broadband)," Dr Lim said.

Last month, Mohamed Awang said Jaring, managed by Mimos Bhd, only needed a licence from the Malaysian Communications and Multimedia Commission to deploy its wireless broadband service nationwide.

It is understood that Jaring needs a network facilities provider licence to build infrastructure needed to provide the service, and a network service provider licence to provide the wireless broadband service.

Telekom Malaysia officials were not present at the media conference.

Dr Lim also said the Government wants Malaysians to be able to benefit fully from the Internet. He added that the ministry is in the process of formulating a National Broadband Plan (NBP) to expedite and facilitate that.

The NBP is aimed at improving the quality of life, bridging the digital divide, enhancing national competitiveness, improving delivery of critical public services, provide sustainable development and supporting Malaysia's aspiration to promote a knowledge-based society. He did not say when the plan would be presented to the Cabinet.

To hasten the broadband reach, Dr Lim said, the Government has also identified certain communities to be connected via broadband.

They are government departments via EGNNet, schools (SchoolNet), universities and research institutions via the Malaysian Research and Education Network (MyREN), hospitals and clinics through the Telehealth network, trade facilities as well as telecentres and the general public through higher bandwidth public networks.

(END)