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Sophisticated requirements will propel wireless, broadband growth

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THE telecommunications landscape, which has undergone tremendous changes over the past decade, is poised to enter new dimensions as the playing field shifts from traditional voice to VoIP and cellular.

Mobile phone customers will benefit most as companies step up efforts to tap potential markets in the high-growth segments of cellular, multi-media, Internet and data businesses.

The migration towards cellular and wireless networks is creating a new demand for mobile services and will affect the future of voice and data markets as well as the explosion of Internet usage and the widespread availability of affordable and efficient broadband access and services.

Demand for data services from multinational corporations and organisations will also accelerate as they vie to become more dynamic, operating in a borderless world.

The future of voice and data markets will also be influenced by various trends: the importance of value-added services as a source of revenue, new and innovative business models emerging from fierce competition and dramatic changes in the industry value chain, which places greater emphasis on content, aggregation and applications providers than network and services providers.

The Asia Pacific region has been projected to contribute one-third of the world's telecommunications service revenue come 2005.

Demand is high for the deployment of infrastructure to universalise service: new networks tending to leapfrog to the highest level of technology, especially in cellular with the migration to 2G+ and 3G (second and third generation) networks.

Wireless penetration will continue to increase around the world. Wireless networks, less expensive to instal than wireline, therefore, will influence infrastructure build-up in regions with a low fixedline penetration.

Handheld devices will soon become the predominant means of access to the Internet.

In Malaysia, there is a need for a continued development of telecommunication services and sector.

Competition will differ in the coming years as mergers and takeovers have reduced the number of players to three mobile phone operators.

However, Malaysians will grow more sophisticated in their requirements and the future engines of growth are wireless and broadband.

It comes as no surprise to find that the telecommunication category has fuelled the growth of the country's advertising expenditure during the first quarter of the year, overtaking the financial and insurance category.

Yet a survey of mobile phone coverage by major telecommunications operators has shown that it is concentrated mainly in cities, towns and highdensity areas.

Prime Minister Datuk Seri Dr Mahathir Mohamad had said that this kind of a situation did not augur well for the country's technological abilities and efforts.

He also challenged the telecommunications operators to work together to provide blanket cellular telephone coverage nationwide, ensuring that not a single area in the country, even at the foot of high mountains, was excluded from coverage.

Almost all the service providers have included domestic roaming to complement each other's quality of coverage in selected areas.

Early this month, Celcom (M) Bhd, Maxis Communications Bhd, and DiGi.com Bhd and TimeCel Sdn Bhd, the four cellular phone operators, sealed an agreement for common infrastructure sharing, one which includes agreeing to rent 100 telecommunication towers.

This move by the Government to encourage infrastructure sharing among telcos is to improve cellular phone coverage nationwide.

About 40 per cent of the 24 million population own a cellular phone.

Celcom and Telekom Malaysia Bhd's TM Cellular have now merged, ensuring better network quality, wider and enhanced network coverage. The purchase of Time by Maxis, the country's No 1 mobile phone operator, is part of an industry-wide consolidation that will result in three key cellular groups headed by Maxis and dominant fixed-line operator Telekom Malaysia.