

PM: Exemption will benefit nation

Anwar tells why Tesla and Starlink are allowed to operate without local equity

KUALA LUMPUR: Elon Musk's Tesla and Starlink Internet Services Malaysia Sdn Bhd were allowed to operate as 100% foreign-owned companies after taking into account the benefits they could bring to the nation, says Datuk Seri Anwar Ibrahim.

"The exemption was given to Starlink by the Communications and Digital Ministry through the Malaysian Communications and Multimedia Commission (MCMC) to provide satellite internet ser-

vices to Malaysian users," the Prime Minister said in a written parliamentary reply dated Oct 31.

Starlink Malaysia obtained the Network Facilities Providers (NFP) (I) and Network Services Provider (NSP) (I) licences on July 17, 2023, and these will be in effect for a period of 10 years.

Anwar said under the Communications and Multimedia Act 1998 (Act 588), the foreign equity holding of the NFP (I) and NSP (I)

licence holders was limited to 49%. This, he said, was imposed as a special condition for the licences.

"Nevertheless, the Communications and Multimedia Minister has the right to allow licence holders to hold 100% foreign equity based on the recommendations and evaluation of MCMC.

"Starlink had applied for this exemption," he added.

As for Tesla, he said this was in line with the government's deci-

sion to allow 100% foreign ownership for new projects, project expansion and diversification in the manufacturing sector by existing and new companies.

Tesla Sdn Bhd, the Malaysian arm of the well-known American electric vehicle (EV) manufacturer Tesla Inc, officially began operations in Malaysia on July 20.

Anwar was responding to a question from Datuk Seri Hamzah Zainudin (PN-Larut), who asked the government to justify why it

did not enforce the requirement for local equity holding and why the two companies were given exemption in what seems to be a "liberal" approach.

In an announcement on July 20, Communications and Digital Minister Fahmi Fadzil said that Malaysia issued the licence to allow Starlink to provide Internet services locally.

Malaysia is now the 60th nation to receive service from the Musk-owned satellite constellation.