

By : DATO' SRI MOHD NAJIB TUN ABD RAZAK
Venue : SUNWAY LAGOON RESORT HOTEL, PETALING JAYA
Date : 17-05-2005
Title : LAUNCHING OF 3G SERVICES CELCOM (M) BERHAD

SPEECH BY YAB DATO' SRI MOHD NAJIB BIN TUN ABDUL RAZAK
DEPUTY PRIME MINISTER OF MALAYSIA
AT THE LAUNCHING OF 3G SERVICES CELCOM (M) BERHAD
SUNWAY LAGOON RESORT HOTEL, PETALING JAYA
17TH MAY 2005, TUESDAY, 8.30 PM

Y.Bhg. Tan Sri Dato' Ir Muhammad Radzi Mansor,
Pengerusi Celcom (Malaysia) Berhad;

Y.Bhg. Dato' Abdul Wahid Omar,
Ketua Pegawai Eksekutif Telekom Malaysia (TM);

Y.Bhg. Dato' Ramli Abbas,
Ketua Pegawai Eksekutif Celcom (Malaysia) Berhad;

Y.Bhg. Tan Sri-Tan Sri, Dato'-Dato', Tuan-tuan dan Puan-puan sekalian.

Assalamualaikum W.B.T. dan Selamat Sejahtera.

1. Terlebih dahulu, saya ingin merakamkan setinggi-tinggi kesyukuran ke hadrat Allah S.W.T. kerana dengan limpah kurnia dan keizinanNya, dapat saya bersama-sama tuan-tuan dan puan-puan di majlis Perasmian Pelancaran Perkhidmatan Celcom 3G ini.

Ladies and Gentlemen,

2. Today, we take yet another significant stroke in painting the country's digital and technological landscape. What we celebrate today is not only Celcom's triumph, but also Malaysia's achievement. We are where we are today because we - the government and the people - dared to dream big.

3. The country currently enjoys strong economic fundamentals. We have evolved from a country dependant on agriculture and cottage industries to become a manufacturing giant in Asia within one generation. Our economic indices remain strong and consistent with one of the healthiest GDP growths in the region in the past years. Generally, our economy has broadly been solid, with the manufacturing and services sectors forecast to generate good returns to the economy.

4. With all these economic fundamentals in place, the government has now turned its attention to ICT as an engine of growth, promoting both the use of ICT to increase productivity and wealth as well as developing Malaysia into an ICT hub for the region. Towards this end, the government has undertaken a number of initiatives such as the establishment of the MSC, revamping of the regulatory and institutional framework for the communications industry and many others to promote the use of

ICT.

5. However, the Government alone cannot achieve these objectives and needs support and contributions from the industry. Telecommunications facilities and service providers play an important role in this process. In an increasingly competitive world, the cost and quality of telecommunications services play a key role in establishing the attractiveness of the country as an investment centre. Investors are a very demanding lot and will seek the best place in terms of service and costs. Service providers should benchmark themselves against world standards to ensure that not only tariffs and rates offered are competitive but also to ensure that the quality of service offered meet best practices. Through this process we can ensure the efficiency and competitiveness of our telecommunication companies (telco's) vis-à-vis other countries.

6. Mobile telecommunications has seen rapid expansion in Malaysia. From 2.5 million subscribers in 1999, there are now more than 14.5 million subscribers of mobile telephones. This represents a penetration rate of almost 60% compared to the world average of 21.9% Source: International Telecom Union (ITU) 2004. I am told 12% of Malaysian households have more than one mobile telephone. The rate of deployment continues to grow and has now exceeded the penetration of fixed line services. Today the mobile telephone has reached even the remotest parts of the country and continues to grow. The launch of 3G is bound to create new excitement and this will further boost penetration. In this context, we should be brave enough to target 100% penetration within the next few years.

7. The roll-out of 3G services represent a significant milestone in the development of telecommunications in the country, just as was the launch of 1G in 1975 and 2G in 1995. While the roll-out and use of new technology is lauded and certainly encouraged, the implementation of 3G raises concerns in three areas.

8. Firstly, the introduction of new technology has the potential to accentuate or aggravate the digital divide that already exists, particularly in the areas of affordability and access. The pricing of 3G should not be too high so as to put it beyond the means of ordinary citizens. 3G should not become an exclusive service to be enjoyed only by the rich. It must be sufficiently cheap and accessible so that it can be enjoyed by the average Malaysian. The Government has been mindful of the price factor when the allocation of 3G spectrum was made. It has deliberately kept the cost of 3G spectrum low so as to allow for cheaper roll-out. I hope that this benefit will be passed on to consumers.

9. On the question of access, I am told that Celcom has committed itself to initially providing access to 30% of the population through the deployment of infrastructure in 480 sites. 3G must not become an elite service limited to only parts of the country or sections of society. There must be progressive roll-out throughout the country so that the conveniences of mobile broadband can be enjoyed by more Malaysians.

10. Generally, the increasing use of mobile telephones and the relatively lower cost of mobile roll-out vis-à-vis fixed lines have made it an attractive option for the industry and is now the main form of access in many areas. Besides its mobility, it also has more functionalities and services that make it attractive to users. I would like to call upon the telco's to leverage on this to increase roll-out to further improve connectivity as there are still many areas in the country without access to telecommunications.

11. The second area of concern is the availability of content, especially local content. One of the critical success factors of 3G, is the availability of content. 3G represents the convergence of telecommunications, media (such as television and radio) and computing. In addition to this, it will also allow access to the Internet. It thus opens many avenues for the development of the local internet-based content industry. It is hoped that 3G will give an impetus to the local content industry, especially the production of content that represents local values and cultural aspirations that can contribute towards the enlightenment of our society. In this regard, I would like to call upon 3G service providers to help nurture and develop local content resources through the fostering of win-win relationships with content providers.

12. Mobile telecommunication is not just about short messaging service (sms), downloading of ring-tones, images and videos; it can also be a powerful medium for access to information services, especially in locations that do not have access to fixed line services. In this regard I would like the mobile operators, to seriously consider providing improved information services at affordable prices to the people, especially those in non-urban areas where fixed line infrastructure is lacking.

13. Although it cannot be denied that entertainment type content by its very nature would continue to be dominant, I would like 3G services and content providers to strive for high levels of governance in the provision of their entertainment-based services to ensure that 3G services contribute positively to the social and economic development of the country. Do not resort to "games, gaming and girls", the three other Gs, as an easy way out to realise profits.

Ladies and gentlemen,

14. Celcom is one of the two companies that have been awarded 3G spectrum. The government is currently holding 2 more blocks of 3G spectrums and in order to create a more competitive environment may consider awarding it in the near future.

15. Celcom, I believe, has lived up to its challenge and mission admirably over the course of its history. As a company it has evolved over the years, reinventing itself and remaining relevant to a constantly changing marketplace. With the introduction of its 3G services today, Celcom has once again demonstrated its willingness and ability to embrace new challenges and risks in taking the development of the Malaysian telecommunications industry to new heights.

16. I am confident Celcom will continue to grow and bring more innovations from the world of mobile technology to Malaysians of all walks of life. I urge Malaysians to reach out and embrace technologies that are now readily available as well as rekindle the desire to want to know more, be curious, imaginative and ambitious.

17. At this juncture, I congratulate the management of Celcom on their achievement today, and applaud the company for the efforts and innovations unrolled over the years to help paint Malaysia's digital landscape. I urge you to continue to innovate and search for new and exciting offerings that will enhance the way we live, work and play.

18. Dengan lafaz Bismillahirrahmanirrahim, saya dengan sukacitanya merasmikan pelancaran Perkhidmatan Celcom 3G dan berharap semoga Celcom akan terus berjaya dalam inisiatif ini.

Wabillahitaufik wal hidayah W.B.T.

Thank you.