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TNB enters broadband market

Firm to run pilot project in Melaka to test viability of providing services

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JASIN: Move over Telekom Malaysia Bhd (TM). The leading electricity provider in the country, Tenaga Nasional Bhd (TNB), wants a share of the fixed-line, high-speed broadband (HSBB) market that is now the domain of TM.

In relation to this, TNB will run a pilot project in Melaka to test the viability of providing broadband services through its fibre optic network.

TNB's entry could potentially signal the end of TM's monopoly in the fixed-line HSBB space and bring about competition at the network access level.

According to an industry executive, if TNB is successful in its venture, it would see the entry of more players offering broadband services, and this could eventually lead to more competition and falling prices

for high-speed packages.

TNB has an extensive fibre optic network spanning across the nation with over 12,000km of fibre access, poles and ducts. It has access to over eight million customers.

TNB's reach will come in handy to cover the lack of HSBB access to certain segments of the population.

Yesterday, TNB said it would start a pilot project in Jasin this month to assess the technical, safety and commercial viability of using its electrical infrastructure for the government's National Connectivity Plan (NCP).

TNB chairman Tan Sri Leo Moggie said the initiative would allow faster, cheaper and wider Internet connectivity.

He said the project, which would be completed by the end of 2018, would involve 1,100 out of 4,300 houses in Taman Merbau, Taman Maju and Felda Kemendor.

"The households will gain access

to a HSBB network that would be made available through TNB's fibre optics, which form part of our existing communication network," said Moggie here yesterday.

Moggie said that through the pilot project, TNB would explore the potential of utilising the available capacity of TNB's telecommunications assets for the NCP without compromising the safety, security and reliability of the electricity supply network.

He said TNB would leverage on the outcome of the pilot project for a decision on the commercial viability for it to embark on possible larger-scale NCP participation nationwide.

"This pilot project will be the platform to test the concept of open access. The platform is expected to stimulate active participation from new and existing providers in backhaul and retail broadband that would create competition that

should push broadband prices down for the benefit of Malaysians," he said.

Globally, electricity company assets, be it fibre, poles or ducts, are used to provide broadband services.

In its June 2018 report, the World Bank Malaysia's Economic Monitor cited a serious lack of competition as the reason for high prices and low speeds for broadband.

Despite there being 2.6 million fixed broadband subscribers as at end-March, Communications and Multimedia Minister Gobind Singh has said that there is plenty of room for more access.

Apart from TM, TIME dotCom Bhd and Maxis Bhd offer fast broadband services in the country, while Axiata Group Bhd plans to make a major investment in the fixed broadband space next year. Maxis relies on TM's network for its broadband access.