

Headline	Digi eyes fixed broadband space pending pilot projects' outcome		
MediaTitle	The Malaysian Reserve		
Date	15 May 2019	Language	English
Circulation	12,000	Readership	36,000
Section	Corporate Malaysia	Page No	6
ArticleSize	435 cm ²	Journalist	NG MIN SHEN
PR Value	RM 12,074		



Digi eyes fixed broadband space pending pilot projects' outcome

Prior to this, Digi's broadband offerings were limited to its wireless broadband plans, known as Digi Home Broadband

by NG MIN SHEN & SULHI KHALID

DIGI.COM Bhd is mulling a venture into the domestic fixed broadband space, with a firm decision pending the outcome of its pilot projects in Melaka and the Klang Valley.

Its CFO Inger Gloersen Folkesson said the telecommunications company (telco) is currently conducting trials in strategic locations, with data collected to be scrutinised before cementing its venture into the fixed broadband market.

"Based on those pilots, we will do an assessment and see what our strategy will be in that area going forward. The two projects are a result of the wholesale rates being regulated," she told reporters after Digi's AGM yesterday.

Folkesson was referring to adjusted wholesale rates as a result of the implementation of the Mandatory Standard on Access Pricing (MSAP) since



(From left) Kesavan, Folkesson and Loh speaking to reporters after Digi's AGM yesterday

June last year. The MSAP allows players to sell access to fibre broadband at regulated prices, making it easier and more lucrative for mobile operators to enter the fixed broadband space.

Digi first rolled out its Home Fibre plans to some 1,100 homes in Jasin, Melaka, as one of the eight retail service providers under the pilot project for the National Fibreisation and Connectivity Plan. The pilot project was utilising Tenaga Nasional Bhd's fibre cables.

In late March, Digi intro-

duced a second pilot run of its Home Fibre plans in selected areas: Bandar Sunway, Bangi, Kajang, Rawang, Shah Alam and Subang.

Prior to this, Digi's broadband offerings were limited to its wireless broadband plans, known as Digi Home Broadband.

Digi's CTO Kesavan Sivabalan said the telco is currently partnering other players in the marketplace for its pilot project in the Klang Valley, although he declined to reveal names.

"We are working with part-

ners, but we also have about 8,400km of fibre on the ground and we will definitely leverage as much as we can. This fibre was not built specifically for the home business — it has always been there," he said.

For its Home Fibre plans in the Klang Valley, the telco is offering a 50Mbps plan with 20Mbps upload speed, priced at RM99 per month, as well as a 100Mbps plan with 50Mbps upload speed, priced at RM129 per month.

Going forward, the telco acknowledged that times are challenging within the oversaturated industry, although it still sees opportunities in micro-segmentation by offering personalisation and expanding its digital base.

"There's a lot of upsell through the MyDigi app. There are different segments with different needs and expectations. "Yes, there's always challenges with newer technology, but as long as you go into micro segments, there are opportunities and that's what we've been working on last year," Digi's chief marketing officer Loh Keh Jiat said.

The telco has now moved beyond offering just connectivity to allowing customers to buy mobile game credits, as well as subscriptions to productivity softwares like Office 365 and video services such as Netflix.

It expects service revenue in the financial year ending Dec 31, 2019 (FY19), to be similar to the RM5.92 million achieved in FY18, while capital expenditure is projected to amount between 11% and 12% of the service revenue.

Folkesson said FY19 revenue will be boosted by continued efforts to drive prepaid to postpaid conversions, and high-value postpaid acquisitions with device bundle propositions.