

# CHAIRMAN'S STATEMENT

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**DR. FADHLULLAH SUHAIMI ABDUL MALEK**

**Chairman**

Malaysian Communications and Multimedia Commission

The year 2019 was an inflection point for the communications and multimedia (C&M) industry, characterised by digital disruptions, digital transformation and industry challenges. Services delivered by the C&M industry are increasingly central to the social and economic lives of all Malaysians as we immerse ourselves in the digital culture.

Under these challenging environments, I would like to praise the commendable effort made by service providers to embrace sustainable practices, including implementing digitalisation initiatives across the businesses in order to capitalise on new growth opportunities and improve digital experience for consumers. Amid volatile economic conditions, the C&M segment of the Malaysian capital market remained resilient. In 2019, the C&M industry represents 8.4% or RM144.01 billion of Bursa Malaysia total market capitalisation of RM1,711.84 billion as at end 2019 (2018: 8.1% or RM137.73 billion). In this dynamic environment, the MCMC continued to deliver on the priorities and strategies for high quality and affordable digital experience towards our journey to become a high-income nation.

2019 marks a milestone in Malaysia broadcasting history. After 56 years, Malaysia switched over its analogue TV transmission to digital TV transmission, joining 60 other countries worldwide. The transition was implemented in four phases comprising regions in Peninsular Malaysia which completed its switchover in October 2019 while Sabah and Sarawak in November 2019. Viewers can now enjoy digital TV broadcast “myFreeview” which offers better and clearer audio and picture quality. DTT has a 95% population coverage with 44 transmitter sites nationwide.

Broadband Internet access is the crux of today’s digital age connectivity. Internet connectivity dictates individual lifestyle and for businesses, connectivity is competitiveness. As Malaysia is propelling towards digital economy, a high speed

broadband connectivity is crucial as it determines a country’s digital economy. Various initiatives undertaken by MCMC and the government including the service providers, resulting in Malaysia achieving broadband penetration rate at 131.7% per 100 inhabitants, from 99.7% in 2015, which is equivalent to 7.2% of average annual growth. As at 31 December 2019, 3G and 4G LTE network expanded to 95.5% and 82.2% respectively, of coverage in populated areas.

As the first wave of the fifth-generation mobile technology-5G implementation is taking place in some countries, Malaysia is also gearing up for its 5G deployment. The deployment of 5G would redefine connectivity in Malaysia and bring positive impact to the economy. Based on the study conducted by Malaysian Institute of Economic Research (MIER) on the Economic Impact Analysis on the Implementation of 5G Services in Malaysia, 5G-related economic activities are estimated to contribute an additional RM12.7 billion to the GDP and almost 39,000 new jobs will be created between 2021 and 2025.

The journey is continuous as the industry remains vulnerable to quickening shifts in technology cycles, competition and, customer needs and behavior. We must move swiftly ahead of these challenges. Through our commitment and joint collaboration, each of us can do our part to help the industry weather the storm.

It is my honour to present the Industry Performance Report 2019.