Media Statement

SELECTION OF U MOBILE SDN BHD AS THE SECOND 5G NETWORK PROVIDER

CYBERJAYA, 6 November 2024 -- The Malaysian Communications and Multimedia Commission (MCMC) is committed to ensuring that Malaysia's second 5G network meets the highest standards of quality, reliability, and accessibility. To achieve this, a rigorous selection process was conducted, with evaluation criteria emphasising the provider's ability to offer diverse and affordable 5G services enabling Malaysians to enjoy high-speed connectivity at an affordable price.

The selection of U Mobile Sdn. Bhd. was made based on a combination of factors, including the submitted business and technical plan, complaint rates and customer satisfaction track records, and their performance in delivering other infrastructure initiatives. This includes significant contributions to the Universal Service Provision (USP) projects such as JENDELA Phase 1 and 4G Upgrading projects, which align with MCMC's commitment to enhancing user experience and service excellence.

Through this selection, regulatory responsibilities for U Mobile Sdn. Bhd. can be enforced in accordance with established compliance requirements. In cases of non-compliance, penalties will be imposed. As the second 5G network provider, U Mobile Sdn. Bhd. is permitted to collaborate with other ecosystem partners, subject to MCMC approval. MCMC will continuously monitor and assess these partnerships to ensure their benefits are enjoyed by all Malaysians. MCMC is aware of U Mobile Sdn. Bhd.'s current foreign shareholding. It is the license holder's responsibility to inform MCMC of any changes in the company's foreign ownership. This safeguards due benefits provided for all Malaysians.

With the establishment of a second 5G network, MCMC is paving the way for greater service flexibility and inclusivity. This development encourages competition and strengthens industry resilience, enabling Malaysians to enjoy high-speed connectivity at an affordable price. MCMC will continue to monitor quality standards among all service providers to ensure a robust and reliable telecommunications landscape for the nation's future.

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Frequently Asked Questions (FAQ) on Malaysia's Second 5G Network

1. **What is the 'Second 5G Network,' and why does Malaysia need it?**
   The second 5G network refers to an additional 5G infrastructure that complements the existing Single Wholesale Network (SWN) model provided by Digital Nasional Berhad (DNB). This dual network (DN) approach introduces more competition in the telecommunications landscape, driving innovation and enhancing service quality. With the second 5G network, Malaysia can diversify service options, ensuring that consumers have access to more competitive prices and improved coverage. This step is crucial for bridging the digital divide and boosting economic growth through better digital infrastructure and wider reach, especially in underserved rural areas.

2. **What is SWN, and why does Malaysia need a Dual Network?**
   The Single Wholesale Network (SWN) is a model that uses Digital Nasional Berhad (DNB) as the operator to manage and provide 5G network services to all mobile network operators (MNO) on a wholesale basis. This model was introduced to accelerate the implementation of 5G technology in Malaysia.

   However, the need for a dual network emerged from the desire to encourage competition that can drive better services, innovation, and more affordable prices for consumers. The dual network approach also reduces risk by ensuring continuity and resilience of services, benefiting the country's telecommunications infrastructure overall.

3. **What was the selection criteria for U Mobile to be awarded the second 5G network?**
   MCMC makes decisions based on aspects such as the business plan, network technical plan, as well as the performance of the telecommunications company in carrying out its duties and responsibilities to the Government and customers. Furthermore, MCMC also considers aspects of enhancing competition for a better user experience.

4. **Will there be a monopoly with this second network?**
   No, this second network is seen as enhancing competitiveness in the provision of the country's 5G network, thereby offering more choices to the public.

5. **Will DNB maintain its current role and responsibilities?**
   Yes, DNB will remain operational as part of the dual 5G network arrangement.

6. **Does the development of the second 5G network involve public funding or incur costs to the Government?**
   No. No government funds will be allocated for the provision of the nation's second 5G network, it will be wholly privately owned. U Mobile Sdn. Bhd. will be allocated the necessary 5G spectrum bands to build the second 5G network. U Mobile Sdn. Bhd. will also incur related fees, in accordance with the Communications and Multimedia Act 1998 and the Communications and Multimedia (Spectrum) Regulations 2000.

7. **Will the selection of a second 5G network serve as a catalyst for the rapid development of the industry and society as a whole?**

   Yes, MCMC's goal is to ensure coverage and accessibility across the country. With the introduction of the second 5G network, competition in the telecommunications industry will increase, encouraging service providers to offer high-quality and innovative services at more competitive prices. This not only benefits consumers but also drives growth in sectors such as manufacturing, information technology, and digital economy.