

Suruhanjaya Komunikasi dan Multimedia Malaysia Malaysian Communications and Multimedia Commission Off Persiaran Multimedia 63000 Cyberjaya, Selangor Darul Ehsan Malaysia Tel: +60 3 8688 8000 Fax: +60 3 8688 1000

Website : www.mcmc.gov.my

For Immediate Release

MCMC: ON TRACK TOWARDS A SMART NATION

CYBERJAYA, 28 September 2015 --- Malaysia's mobile phone penetration rate has breached 148.5% while household broadband penetration stood at 70.2% at end of 2014, according to the Industry Performance Report 2014 released by the Malaysian Communications and Multimedia Commission (MCMC).

"We look to be on track in expanding the communication capacity and coverage as we approach 2020," said Head of Division for Market Regulation of MCMC, Laila Hassan.

Laila added that this is supported by the achievement of 27.8% of 4G LTE service population coverage which surpassed the 20% target of the year.

Connectivity has expanded pervasively in terms of fixed, mobile, and online, including digital broadcasting, she explained.

"We need to make sure that our networks can cope with the trend of delivering content and fulfilling e-transactions," said Laila.

"The coverage and connectivity offered by service providers have enabled consumers to always be connected to meet their various purposes and usage requirements."

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According to the report, the High Speed Broadband (HSBB) project, the public private partnership between the Government and Telekom Malaysia Berhad, has recorded a double digit growth at 21% to 810,000 subscription from 670,000 subscription in 2013. Meanwhile, mobile broadband remains the largest contributor of broadband subscriptions in 2014, with more than 85% of total broadband subscription (20.7 million).

"Concurrently, there is a paradigm shift in viewing trends from traditional TV to online and social networking platforms. In 2014, the growth of data services was between 25% and 40%. This shows that the investment in continuous rollout of 4G LTE and increasing throughput over our broadband infrastructure supports data demand growth. As a result, broadband network capacity will be driven significantly by intense usage including mobile video, which is expected to grow as much as 45% annually through to 2020," said Laila.

It is indeed critical at this juncture for Malaysia to reinforce the fundamentals in creative content production to capitalise on growing demand for such content over seamless online and mobile platforms. Today, games, data analytics, online TV, connected health, transport and other functionalities supported by applications or Internet connectivity are emerging trends in our increasing Malaysian digital lifestyle.

Similarly, the rise of social media platforms including mobile apps offers opportunity for e-commerce and online shopping to grow. This enables the postal and courier services to complement this emerging environment by offering logistics and products delivery. With that, postal services recorded a revenue growth of 12.6% to RM1.52 billion from RM1.35 billion.



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Meanwhile, the total revenue for major courier service providers showed an increase of 10% to RM2.4 billion in 2014. The physical delivery system is beginning to enable the communication service providers to grow their value chain to integrate the communications sector with financial services and other sectors such as online retail.

"The next phase of growth from 2015 onwards is to increase emphasis on affordability, usage and innovative services. The Communications and Multimedia industry is expected to continue investing in both fixed and mobile high speed broadband catering to individual and business usage as well as take on opportunities arising from offering innovative services. Also, DTTB infrastructure and network facilities are expected to be developed in phases to support fully digitalised FTA stations by 2017," said Laila.

Businesses are encouraged to leverage on digital mobility for better productivity, better supply chain management and improved business agility to respond to customers.

The Communications and Multimedia industry performance was stable with overall revenue growth of 3% in 2014 to RM58.91 billion. Also, C&M contributed to 12.6% of the Bursa Malaysia market capitalization of RM1,651.17 billion. The telecommunications and broadcasting sectors contributed 78% and 10.5% respectively to the total C&M industry revenue.

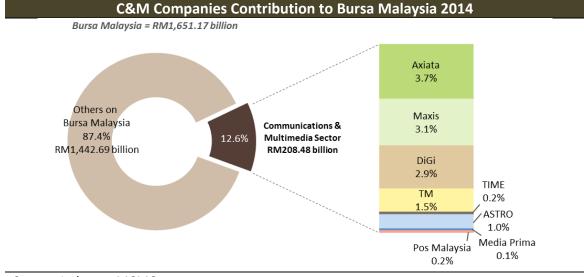
The Industry Report 2014 can be downloaded at <u>http://mcmc.gov.my/skmmgovmy/media/General/pdf/IPR2014 English.pdf</u>



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APPENDICES



Source: Industry, MCMC Figure 1: C&M Companies Contribution to Bursa Malaysia 2014

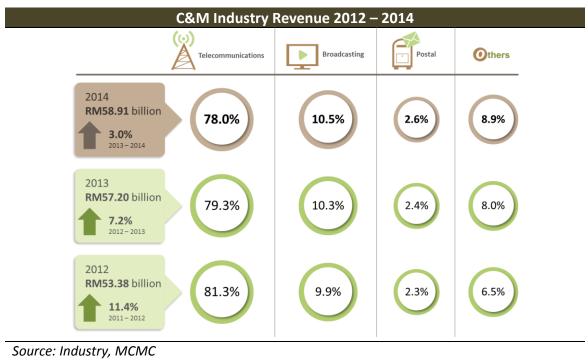


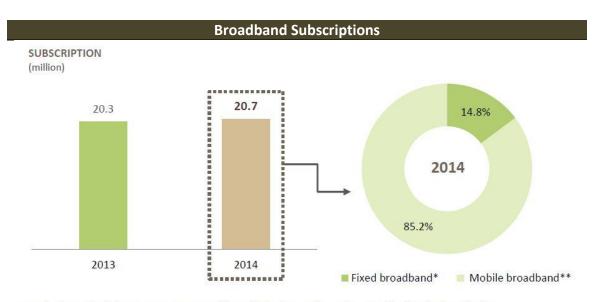
Figure 2: C&M Industry Revenue 2012 – 2014



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Note: * Refers to fixed subscriptions to ADSL, SDSL, fibre, cable modern, satellite and terrestrial fixed wireless broadband ** Refers to the active handset-based and computer-based (USB/dongles) mobile broadband subscriptions, including Pay per use, Prepaid, 4G LTE and 1Malaysia Netbook.

Source: MCMC Figure 3: Broadband Subscriptions

End

Mengenai Suruhanjaya Komunikasi dan Multimedia Malaysia (MCMC)

MCMC adalah sebuah badan berkanun ditubuhkan di bawah Akta Suruhanjaya Komunikasi dan Multimedia Malaysia 1998 yang melaksana dan mempromosikan matlamat dasar kebangsaan Malaysia bagi sektor komunikasi dan multimedia. MCMC mengawalselia dan menggalakkan pembangunan industri komunikasi dan multimedia yang merangkumi bidang telekomunikasi, penyiaran, dan juga aktiviti dalam talian, perkhidmatan pos dan pensijilan digital. Akta Komunikasi dan Multimedia mengadakan peruntukan kepada MCMC peranan melaksanakan dasar, manakala dasar membuat keputusan adalah diperuntukkan kepada Menteri. Menteri boleh juga mengeluarkan arahan mengenai dasar kepada Suruhanjaya.

Untuk maklumat lanjut, layari www.mcmc.gov.my dan untuk penjelasan lanjut, sila hubungi:

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