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DNB to charge less than 20 sen for each GB 5G service to telcos - Tengku Zafrul

PRESS CITATIONS | 25 NOVEMBER 2021



KUALA LUMPUR, Nov 25 – Digital Nasional Bhd (DNB) will charge less than 20 sen per gigabyte (GB) for 5G service to telecommunication companies (telcos), Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said today.

"In comparison, this is much cheaper than the current incremental cost per GB of 4G service produced by telcos at a rate of between 45 and 55 sen per GB," he said during a question and answer session at Parliament today.

The Malaysian Communications and Multimedia Commission (MCMC), as the regulator, will ensure that the prices set are fair and based on cost recovery, and not to generate profits.

"I have been informed that the 5G pricing process is almost complete, and it is very different and much lower than the cost per GB of 4G service by telcos."

Therefore, the Finance Minister said he believed that telcos would welcome the pricing when informed later.

Telcos will pay DNB RM3.5 billion-RM4 billion within 10 years

Tengku Zafrul said DNB would also implement a 5G network through the Single Wholesale Network (SWN) model for

taken steps to ensure that the same mistakes do not happen in Malaysia."

Through this model, each telco is expected to pay DNB between RM3.5 billion and RM4.0 billion over the next 10 years, or about an average of RM350 to RM400 million a year.

This is much lower than the RM1.0 billion capital expenditure for 4G invested by telcos each year.

"This means they will get savings of more than 50 per cent, and those savings can reduce the price of services charged to customers or consumers, and at the same time, they can also pay more dividends to their respective shareholders," he said.

Aside from lower costs and no significant capital expenditure, telcos will also be able to deliver 5G services sooner than if they tried to launch them themselves. This will definitely bring huge benefits to the people, businesses and the government.

"Most importantly, the people will be able to enjoy the expected speed 100 times faster at a very affordable price. At the same time, telcos can maintain their profit margins," he said.

"I would also like to emphasise that the cost of implementing this 5G network will be financed through a combination of deferred financing to vendors, trade financing and working capital, as well as sukuk programmes that will be issued in the national capital market."

It will also not involve any government guarantee or funding, indirectly or with permission, off-balance sheet, as claimed by some.

DNB will obtain such financing through financial services such as banks and this will be repaid through sales proceeds generated from the wholesale sale of capacity.

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