



MEDIA STATEMENT

IMPLEMENTATION OF THE NATIONAL FIBERISATION AND CONNECTIVITY PLAN (NFCP) APPROVED BY MALAYSIAN CABINET

- **Five-year plan to spearhead development of digital infrastructure and increase competitiveness**
- **In line with government's 'Shared Prosperity' initiative, equal focus on both urban and rural areas to narrow the digital gap**
- **Implementation cost estimate of RM21.6 billion expected to be big boost to national economy**

The Ministry of Communications and Multimedia wishes to announce that the implementation of the National Fiberisation and Connectivity Plan (NFCP) has been approved by the Malaysian Cabinet.

This five-year plan (2019–2023) is expected to cost RM21.6 billion and will provide nationwide digital connectivity that is robust, pervasive, high-quality and affordable for all Malaysians.

In line with the government's aspiration, the NFCP will bring together the people and businesses in its mission to develop the Malaysian digital economy in the

Fourth Industrial Revolution (IR 4.0), narrow the digital gap and generate a constructive environment for new technologies such as 5G.

The NFCP focuses on fibre networks to enable greater digital connectivity. However, alternative technologies such as wireless networks and satellite technology will also be deployed wherever conducive. This is in line with the 'Shared Prosperity' initiative, in which rural areas will be able to enjoy high-quality and high-speed broadband access.

The NFCP's main targets include the provision of an average speed of 30 Mbps in 98% of populated areas and gigabits availability in selected industrial areas by the year 2020 and all state capitals by 2023. This comprehensive effort will enhance the economic competitiveness of the country especially in the following categories:

- i. State capitals and major cities;
- ii. Rural areas and underserved groups to bridge the digital gap;
- iii. High-impact areas, eg. industrial areas;
- iv. Mobile coverage area without fiber network connection to telecommunication tower (to support 3G, 4G and 5G services);
- v. Schools, hospitals, libraries, police stations and post offices;
- vi. FELDA community and indigenous community;
- vii. Sectors like small and medium enterprises, education, health and agriculture as well as major transport facilities.

The RM21.6 billion cost of implementing the NFCP will involve the infrastructure projects in targeted areas that are expected to provide a positive boost to the country's economy, especially to service providers, small contractors and suppliers.

This amount will be funded through the provision of the Universal Service Provision (USP) Fund, regulated by the Malaysian Communications and Multimedia Commission (MCMC), and commercially by the service provider.

The methods of financing via USP Fund that would be considered are in the form of full fund, matching fund or partial fund to eligible parties.

These financing methods will help reduce the expenditure of the service provider and the cost savings will benefit consumers through the provision of affordable services.

In line with the government's objective to recognise access to the internet as a basic right, NFCP projects will ensure equal access to the internet for both urban and rural residents. The new digital infrastructure will also benefit those who may otherwise not have the opportunity to participate in the digital economy, for example, farmers, fishermen and the Orang Asli community.

The government views NFCP as a crucial infrastructure project as well as a strategic effort to enhance the competitiveness of the country and the people of Malaysia in this digital age. The government hopes that through the NFCP, more people and businesses will be able to enjoy the benefits and advantages of the digital economy not only within the country and regionally, but globally too.

Among other things, Malaysians will be able to reap the benefits from digital education, e-health and e-sports services. The business community will stand to gain from e-commerce platforms, enabling them to penetrate new markets domestically and abroad.

Overall, the government hopes that through the NFCP, the living standards of the people will improve and new business models will emerge, leading to more high-paying job opportunities and career prospects.

A special task force chaired by the Ministry and comprising related agencies will be set up to coordinate the construction of digital infrastructure in schools, police stations, hospitals and libraries.

The task force will ensure that the existing digital infrastructure is optimised, while reducing duplication and cost of building new digital infrastructure in these selected institutions. Where necessary, the special task force will deliberate on the need for the provision of infrastructure in other areas, including best practices available for implementation.

A media briefing session and a launch ceremony of the NFCP project is expected to be held in mid-September. Further details will be given at the briefing.

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