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WIWIRE TELCOTALK

The Malaysian Cost Of WiMAX

Prohibitive Site Acquisition Practices

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One of Malaysia's four WiMax 2.3GHz service providers, AsiaSpace Amax will be starting service coverage in Technology Park Malaysia, Bukit Jalil which is currently home ground to over 5000 users across 160 technology-driven companies. Asiaspace has awarded Chinese vendor Huawei, contract to supply an end-to-end WiMAX solution but in TPM, Amax WiMAX service will also be deployed with WiWi, a hybrid WiMAX-WiFi wireless router for last mile connectivity. WiWi was developed by local applied research company MIMOS Berhad which in 1998, created Jaring, the first ISP in Malaysia.

In 2008, Asiaspace had announced that they were confident of covering 40-percent of the Malaysian population by 2010 and up to 80-percent population coverage come 2011. Almost two years later, their estimates are a little bit more conservative as they have covered only 20-percent of the Klang Valley population. Asiaspace Chairman, Datuk Abdul Ghani Abdullah said, "We hope we cover all of Klang Valley by end of

this year, but... will the local authorities help us?"

Abdul was referring to applications for base station sites which could take local councils, up to four years to approve. Also, besides having to deal with site relocations because residents have voiced out against base stations being health hazards, industry sources have revealed that rental for base station sites have gone up as much as 800-percent in just three years.

One unnamed Malaysian state was also found to be involved in prohibitive practices, not allowing base stations to be set up, unless it is via a state company. An anonymous source pointed out, "Wireless broadband is faster to deploy than fixed broadband... if we are not in Malaysia." Asiaspace Amax has developed a cluster-by-cluster roll out strategy. "This is because we don't want to disappoint people. At least with clusters, we will ensure that the cluster has good coverage," said Abdul.

Besides being a WiMAX license holder, Asiaspace Sdn Bhd. was appointed by the government to build telecommunications towers for use by cellcos under the infrastructure sharing concept. Abdul shared Asiaspace already has set up 60 base stations in the Klang Valley, with another 70 tower base stations upcoming in other parts of peninsular Malaysia.

Abdul said, "For wireless broadband, the pricing is heavily influenced by three factors. One is the cost of base stations, then the cost of backhaul which will kill us. Another one is cost of access to the Internet cloud. These are the three major costs, and it can go into millions."

He added, "More so if we want to go to rural areas, we have to create a backhaul from KL to Penang. So you can imagine how much the cost is. As it is, we are paying RM200,000 a month. And we haven't even covered the whole of Klang Valley." According to Abdul the cost for Amax to connect to the Internet cloud was about RM50,000 per month and a WiMAX base station for Amax has a one-time cost of about RM400,000.

