

Maxis to focus on 3G coverage in key areas

■ By ADELINE PAUL RAJ

MAXIS Communications Bhd, which estimates having over 7,000 initial users for its third-generation (3G) services launched last month, aims to focus on the quality of 3G network coverage in three key areas in Malaysia before going nationwide with it.

The company currently has 300 3G base stations serving the Klang Valley, and aims for 3G coverage to be extended to Penang and Johor Baru by the year-end and to the greater Klang Valley by early 2006.

Yesterday, the telco signed a three-year framework agreement with Siemens Malaysia Sdn Bhd to help expedite its 3G roll-out in the country.

"Our strategy is to make sure we have better quality coverage within those (three) areas rather than spread ourselves too thin. Quality is our focus now," said chief executive officer Datuk Jamaludin Ibrahim.

It may take an additional two to five years before coverage goes nationwide, depending on the success rate in the three key



FRAMEWORK AGREEMENT: Jamaludin (left) addressing a press conference yesterday. Looking on is Michael Kuehner, senior vice-president of Siemens Malaysia.

areas, he added.

Maxis, with its 3G investment totalling RM400 million this year, plans to have 750 3G base stations by the year-end and 1,500 by end-2006.

Under its contract, Siemens will provide Maxis with full turnkey supply and installation of base stations in addition to providing support, maintenance and network optimisation of

its equipment.

Jamaludin said 3G is expected to reach critical mass within the next three years, and is encouraged by the strong interest and queries about its 3G services from all levels of society.

He said that while there are "easily more than 7,000" initial users of its 3G services, it was still too early to quantify actual numbers as many people were still

testing out 3G phones and buying SIM cards. He declined to disclose Maxis' internal targets for 3G subscribers.

Nevertheless, the company is looking to launch 3.5G services in the second half of next year. This new service, also known as High Speed Download Packet Access (HSDPA), will enable data transfer speeds of up to 1-2 Mbps, which is up to five times faster than existing 3G speeds.

Trials for HSDPA, which forms a strategic component for a successful 3G model, are expected to begin at the year-end.

Jamaludin said investment for HSDPA technology will be smaller than that for 3G.

On another front, he said Maxis would want to be a major telco player in Indonesia if a consolidation of the overcrowded telco market took place. Maxis has a 51 per cent stake in Indonesia's PT Natrindo Telepon Seluler.

"Based on what we've seen in other markets, we think it's possible it will happen in Indonesia over the next few years.

"If at all it were to happen, we want to be a major player in that consolidation," Jamaludin said.