

PRESS STATEMENT

Petaling Jaya, 9 March 2010

Government to Reconsider Compulsory Broadband Facilities

Referring to the recent announcement made by the Deputy Prime Minister, Tan Sri Muhyiddin Yassin to amend the existing law under the Uniform Building By – Law 1984 requiring the provision of broadband facilities at all new commercial and residential areas, the Real Estate and Housing Developers' Association Malaysia (REHDA) lauds the government's decision as the move will help tremendously in the advancement of IT.

Whilst not denying the benefit of the broadband facilities to the public, REHDA also raised concern on the consequence of the mandatory requirement on developers. "We applaud Government's decisions to increase the internet broadband usage in the country, but making it mandatory for developers to install the service will involve a huge amount of capital as developers will have to come out with an agreement with the Internet Service Provider companies (ISP). Datuk Ng Seing Liong, JP, REHDA President said. REHDA is of the view that compulsory provision of the facility is punitive to the developers. "While the Internet Service Provider companies will be able to reap profits via the subscription, developers on the other hand, will have to fork out extra cost to provide the facility", added Datuk Ng.

"Not all house buyers are going to subscribe to the broadband service especially in rural and small town areas. We must also look at this angle as most of the population is living in these areas. There could be some other alternative measures or rewards to encourage the house buyers to subscribe to the broadband service instead of pushing the task to developers" state Datuk Ng. In view of limited provision of telecommunication facilities, the responsibility should be

undertaken by the Internet Service Provider as they have the proper facilities.
added Datuk Ng.

REHDA Malaysia earnestly hopes that the Government will understand the industry's predicament as the compulsory provision means extra cost to developers who are already burdened with other utility contributions to be paid. Instead, the government should undertake a thorough cost benefit analysis study on the system before it is being made mandatory on a broader basis and at the same time, try to find a solution that will benefit all parties without solely burdening developers and finding a win-win situation in this issue.

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