


**Suruhanjaya Komunikasi dan Multimedia Malaysia**  
 Malaysian Communications and Multimedia Commission

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## CONVERGENCE (2):

### Institutional and Legal Aspects in Mongolian Context with recommendations ?

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## Map of Mongolia



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## Basic facts (1)

### Fixed telephony market

- The fixed telephony service is carried out by 2 operators such as Mongolia Telecom Co., Ltd., and Railway Authority. Mongolia Telecom Co., Ltd., is an incumbent operator in the fixed telephony market of Mongolia.
- Revenue proportion**

Total revenue:	29863,9 million tugs
Ulaanaabaatar city	-78,8 %
Provincial Telecom offices	- 21,2 %
- Penetration rates**
  - Mixed but relatively low

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## Basic facts (2)

### Mobile telephony market

- The cellular telephony service is carried out by 2 operators. Mobicom Co., Ltd is the first cellular telephony service provider in Mongolia and has started its service in 1996. Skytel Co., Ltd, the second operator of the cellular telephony service has started its activities in July, 1999.

Cellular telephony market share by the number of subscribers



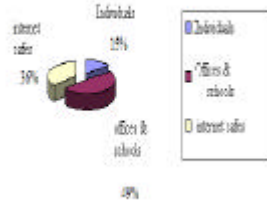
Operator	Market Share (%)
Mobicom	81%
Skytel	19%

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### Basic facts (3)

First internet service is provided by Datacom Co., Ltd and it has started its service in 1994. At present, 6 ISPs are engaged in data services.

- Micom
- Mobinet
- Datacom
- Bodicom
- ??S???
- Railcom
- CSMS /Erdemnet –education sector network



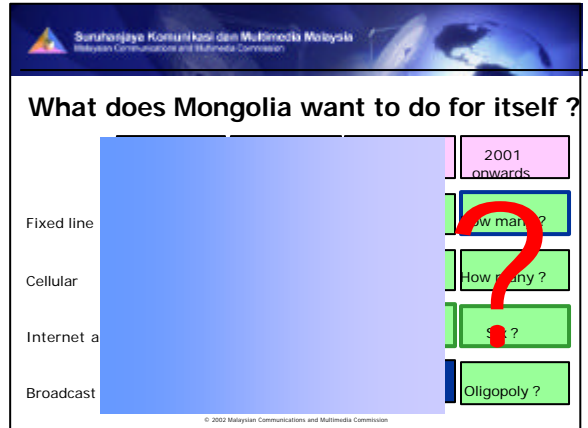
- Preparations for convergence
- Comparative lessons

### Evolution of market structure in Malaysia

	1980-85	1986-90	1990-95	1996 onwards
Fixed line	Monopoly	Monopoly	Two players	Five players
Cellular	Monopoly	Two players	Five players	Eight players
Internet access		Monopoly	Monopoly	Five players
Broadcast	Two players	Two players	Three players	Five players

### Evolution of market structure in Mongolia

	1985-89	1990-95	1995-2000	2001 onwards
Fixed line	Monopoly	Monopoly	Two players	How many?
Cellular			Two players	How many?
Internet access		Monopoly	Six players	Six?
Broadcast			Oligopoly	Oligopoly?



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- ### What does Mongolia want to do ?
- What is not always a good thing ?
    - Competition for the sake of competition
    - Interconnection for the sake of interconnection
    - Access for the sake of access
    - Convergence for the sake of convergence
  - Must have a national strategy
    - what is the goal ?
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### The MCMC was formed as part of the government's C&M strategy

Why the Malaysian Communications and Multimedia Commission came into being

Vision 2020 – to make Malaysia a developed nation

Knowledge is the driver of the New Economy

Government wanted to leapfrog economic growth in the early 1990s

C&M related activities would be at the core of the new engine of growth.

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## What was the TSPS's aims ?

What was the strategic aim of the country ?

MoI Telecom sector policy statements 1994, 1998 & 2001

The government policies are :

- Establishment of telecommunication development strategy
- Development of sector structure and management
- Privatization
- Introduction of fair competition
- Sector legislation
- Mobilization of financial resources
- Development of human resources

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## MALAYSIA HAD A NATIONAL AGENDA

**Agenda:** Move Malaysia into the K-Economy

Formulate National Convergence Policy Objectives

Design an institutional framework for convergence sector

Design a convergence regulatory framework

- A few cyber-laws were introduced.
- The Malaysian Communications and Multimedia Act 1998 (CMA) was a key legislation to facilitate the growth of convergence activities.
- The Commission was formed on 1 Nov 98 to implement the CMA.
- The scope of the Commission's responsibilities was later extended to include postal services and digital signature.

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## The 10 NPO for C&M sets the direction and priorities of the MCMC in the sector

Developing industry capabilities

Creating a robust applications environment

Nurturing local content and culture

Promoting safe and secure networking

Promoting access and equity

Efficient allocation of resources

Building a civil society

Long-term benefits of end-users

Nurturing user-confidence

Malaysia:  
A Global  
Hub

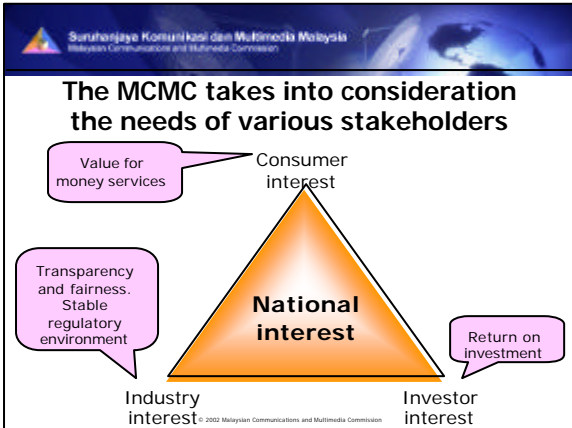
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## Changes to facilitate convergence

<p>Redefinition of the Ministry's functions and formation of MCMC</p> <p>Replacement of sectoral Acts by a convergence Act</p> <p>Sectoral regulators replaced by a convergence regulator</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Ministry of Energy, Telecommunications &amp; Post</p> <p>Telecommunications Act 1998</p> <p>Postal Services Act 1997</p> <p>Digital Signature Act 1997</p> <p>TMCM (CMA)</p> <p>Postal Department</p> </div> <div style="width: 45%;"> <p>Ministry of Energy, Telecommunications and Multimedia</p> <p>Malaysian Communications and Multimedia Commission Act 1998</p> <p>Malaysian Communications and Multimedia Commission</p> </div> </div>
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### MCMC's Vision for the Future

A globally competitive, efficient and increasingly self-regulating communications and multimedia industry generating growth to meet the economic and social needs of Malaysia.

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### Is Mongolia striving for the same ?

- Mongolia is in unique position
  - Can do more than Malaysia
- Convergence of all communications matters ?
  - Telecoms, broadcast, internet, postal and railways ?
- Why consider it ?

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## Is Mongolia striving for the same ? (2)

### DISCUSSION

- Telecoms (mobile and cellular), broadcast, internet and postal ?
- What are similarities ?
  - All are communications
  - All are networked
  - All have rights of way and access issues
- Just different platforms
  - think about it !



## Why can Mongolia consider it ?

### DISCUSSION – Institutional & Legal

- Mongolia has the basic regulatory framework
- Ministry of Infrastructure has wide jurisdiction over railway, telecoms, internet etc.
- Let's explore !



**Thank you**