

# Public & private

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**P&P 02**  
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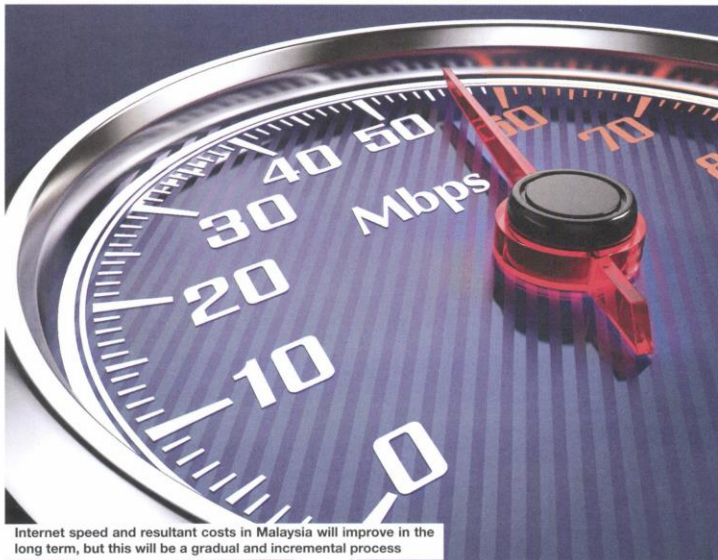
## One node to rule them all

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# One node to rule

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Internet speed and resultant costs in Malaysia will improve in the long term, but this will be a gradual and incremental process



Chiew emphasises that the MyIX team is constantly seeking to get more local businesses on board through their contacts in the local Internet and technology scene

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Most Malaysians are so used to the existence and prevalence of the Internet that it would be next to impossible to imagine our lives without this service. A ubiquitous part of everyday life, it is now indispensable to both businesses and individuals alike.

With the increasing availability and accessibility of the Internet, it has become easier than ever for an increasing number of individuals and corporates to make use of this tool to simplify and catalyse the various aspects of their lives.

In the world of business, the introduction and adoption of the Internet has expedited and provided unparalleled productivity to a wide variety of businesses across the economy, while allowing various new sectors and specialisations in the economy to mushroom as well.

The prevalence of the Internet among Malaysians of all facets of society can be appreciated, while most have also reached a level of dependence for which the removal

of the Internet would make it near impossible for any number of activities to be undertaken.

But beyond the screen of our laptops and computers from which we access the Internet on an almost daily basis, there is so much that goes on “behind the scenes” as it were.

#### One node for one Malaysia

MALAYSIA SME® spoke to Malaysia Internet Exchange (MyIX) chairman Chiew Kok Hin to get a better understanding of what happens behind the scenes of the Internet in Malaysia and the systems that go into keeping the World Wide Web flowing through Malaysian shores.

He said, “Previously, Malaysian website and content providers had to channel their information through a node in the US in order to connect from one website to another, even in instances where both websites were from a local provider.

“Such a process was the status quo in the country since the introduction of the Internet to Malaysian shores back in the early ‘90s and most website and con-

tent providers accepted this as it is, while focusing on improving and growing their own operations.

“But, the use of a US-based node, particularly for communication between websites that are both Malaysian in origin, was wasteful both in terms of costs and speed, as information had to be channelled from Malaysia to US and back again to Malaysia.”

As highlighted by Chiew, this led to the creation of the MyIX portal back in 2006 which was designed to be the first Malaysian node that would serve local website and content providers, allowing them to transfer and communicate information among one another.

MyIX is a collaborative effort between the various local internet service providers as well as government authorities and has been up and running for 10 years now. Simply put, MyIX is a testament to public-private partnership done well.

However, despite the respectable track record of the MyIX node over the last decade, they are still facing various challenges and dif-

Frankly speaking, the MyIX node serves the needs of local website and content providers much better on the two core measurables, which are speed and costs, so an increasing number of local companies are beginning to see the benefit of using the local node.”

—Chiew

facilities which will need to be addressed in the years to come.

#### One provider at a time

The Internet has been in existence in Malaysia since the early ‘90s and for the longest time since then, most content and website providers have been using the US-based node for the transmission, with the MyIX node only coming into existence some 10 years ago.

As such, the use of this node is

voluntary and there is no regulation or compulsion that requires local websites and online content providers in the country to shift over to the MyIX or maintain use of the US node.

Given this dynamic, it is then necessary for MyIX to actively raise awareness on the existence of its node in order to get content and website providers to transmit their information using the Malaysian-based MyIX node. ▶

# them all



helped us in reaching out to them.”

Despite the healthy uptake that MyIX has seen with local content and website providers, this is not the end of the equation for the promotion and growth of the MyIX node in the years to come, as there is another target segment for MyIX to consider.

Foreign websites and international content providers are another target segment as these players also transmit information from their websites over the Malaysian Internet space, so there is a case to be made for these players to use the local MyIX node.

But, as Chiew pointed out, many of these providers are still hesitant about the use of the Malaysian-based node given the relatively short track record that the local node has compared to other counterpart nodes that have been around for much longer.

He said, “One good example of this is the US-based content provider Netflix, which currently uses the Internet node based in Singapore for transmission of its content to Malaysian users, which is a relatively common practice among large foreign players.

“The longer track record and stability that the Singaporean node has displayed over the years makes it seem like a much better choice for such foreign players, as compared to the relatively new Malaysian node which is still in its infancy.

“But, despite such notions that

are present in the marketplace, MyIX is still moving forward and we are actively approaching various foreign players to push for the Malaysian node on the basis of faster speeds and lower costs.”

#### More bang for your buck

Faster internet speeds at cheaper cost is something that all Malaysians pine for, whether they are business users or individual users.

Chiew said that while it is obvious that this is the sentiment of the marketplace, there are many considerations that need to be taken into account when it comes to costs and speeds associated with making the internet available in Malaysia.

He said, “For better or for worse, the reality of the situation in Malaysia when it comes to Internet connectivity is that it is mostly run by the private sector and as such, cost and business pressures may prevent the widespread availability of fast Internet connections in Malaysia just yet.

“Many of these providers are in steep competition with one another, whereby margins in this industry are razor-thin and entry costs and maintenance costs are extremely high, so the reduction of overall Internet cost may take some time.

“Of course, this does not mean that the costs and speeds of Internet will never improve in Malaysia, but rather, it will be a relatively slow and gradual process that will progressively improve over the years and decades

to come for Malaysia.”

#### The internet for businesses

The internet has become more readily available for a variety of businesses at a relatively low cost. This is one of the reasons starting a business has become more accessible to a larger cross-section of the public.

Chiew said that more businesses across the country should look into how they are able to utilise and integrate the Internet into their businesses to help them become more productive and efficient in their businesses and delivery to customers.

Even for smaller businesses, he said that at the very least, these businesses should be looking into the possibility of creating a website for their businesses which can be done at an almost negligible cost.

“The benefits from the use of a website is exponential as it can open businesses up to a whole range of new customers and markets, at very low cost, almost in the blink of an eye.

“For more established and tech-savvy businesses that are looking to grow and develop their businesses even further, they should look into developing an e-commerce arm in their existing business.

“Again, the same principles apply as the website as the cost for stating up such an operation is relatively low, but on the other hand, the benefits that it can bring to the long-term growth and development of the local business is almost exponential,” he said. **MSME**



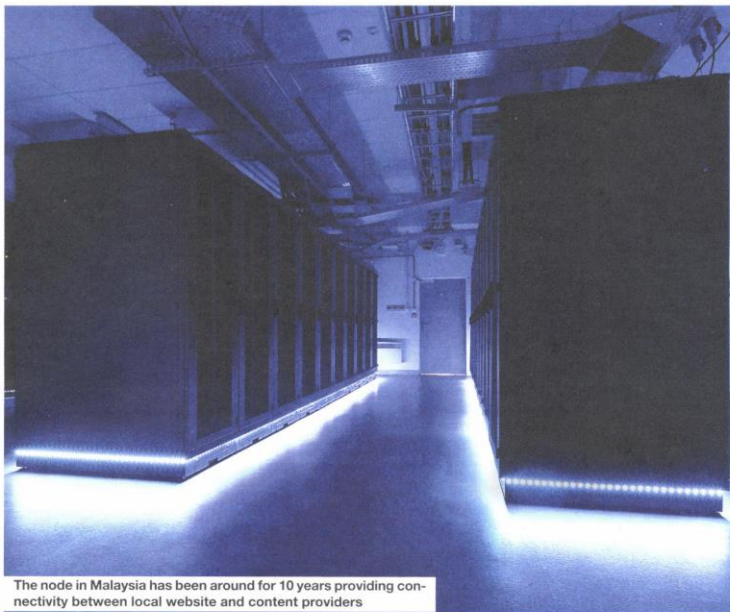
Chiew says that the use of the Malaysian-based node will provide greater costs savings and speed efficiency

► Chiew said, “We realise that it is our responsibility to go out and inform other content providers about the existence of the MyIX node and why they should probably decide to switch over to the local node, given its implications for the businesses in the long-term.

“Frankly speaking, the MyIX node serves the needs of local website and content providers much better on the two core

measurables, which are speed and costs, so an increasing number of local companies are beginning to see the benefit of using the local node.

“This will be an ongoing process for us in the years to come, but we have made significant headway in this over the years that it has been up and running. The technology and Internet circle in Malaysia is relatively small and close-knit, so this has also



The node in Malaysia has been around for 10 years providing connectivity between local website and content providers