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## MCMC approves Celcom-Digi merger



KUALA LUMPUR: Axiata Group Bhd and Digi.com Bhd received approval from the Malaysian Communications and Multimedia Commission (MCMC) for the proposed merger between Celcom Axiata Bhd and Digi.

In a joint statement Wednesday, the telcos said the parties have received a Notice of No Objection from MCMC to proceed with the proposed merger of Celcom's and Digi's telco operations (MergeCo).

The merger application for Celcom and Digi was submitted to MCMC in July 2021. The issuance of the notice follows a substantive assessment of the proposed merger application, and due consideration of Axiata's and Digi's response to MCMC's statement of issues (SOI) released earlier in April 2022.

The Notice signifies that MCMC does not object to the proposed merger and that the parties to advance to the next phase of the proposed transaction.

The merger could result in the creation of the largest mobile service operator in Malaysia. Digi and Celcom are currently the second and third largest mobile service operators in the country, MCMC said.

"Axiata and Digi are positive about the prospects of the proposed merger have passed a significant milestone in the ongoing approval process.

"Upon completion of the transaction, the parties look forward to realising the potential of the proposed merged company, which is expected to culminate in a stronger capacity to drive digitalisation in society broadly, for consumers, businesses, the partner ecosystem and for the development of local talent," it said.

The telcos said the MergeCo will provide better network quality and coverage as it will be primed to invest in network expansion to support the growing demand for data and digitalisation.

In addition, as societies and businesses increasingly turn to digitalisation for productivity and efficiency gains, MergeCo will be well-placed to drive 5G solutions, catalyse new growth opportunities for large enterprises and SMEs, and attract and partner global digital giants in support of JENDELA and MyDigital aspirations.

The MergeCo will also leverage on combined economies of scale to deliver benefits to customers through strengthened core distribution, improved network operations, and efficiencies realised from operational activities.

“In further unlocking the nation’s digital potential, MergeCo has proposed to invest up to RM250mil over five years to build a world-class innovation center in KL to keep Malaysia at the forefront of the global digital evolution.

“The Innovation Center will be pivotal in advancing extensive research and development leveraging 5G, AI and IOT technology. In addition to catalysing and nurturing a knowledge-based workforce in line with Malaysia’s digital aspirations, local digital startups will be also able to leverage the platform to leapfrog their technology and innovation capabilities,” it added.