

equipment and point-of-sale terminals, finds that it adds up to 17 sen per transaction on a permanent virtual circuit; he thinks 5 sen per transaction is an acceptable amount. This present high cost makes it uneconomical for merchants (retail outlets which accept credit cards or bank cards for payment) to use credit authorisation terminals. Needless to say banks are lobbying for reduced charges.

In the same vein, the impending launch of another packet switching network called Majlis (where charges are based on time) is expected to be met with nonchalance. 'With existing level of charges, I don't think anyone will use it,' says one banker.

**SUBJECTIVE EVALUATION.** Overseas telephone call charges that have not been reduced are still a subject of discontent. The rate is considered high, but this is a rather subjective evaluation. It is natural to compare against others and when Malaysians do this they find rates very much cheaper in Singapore. STM executive director Dr Syed Hussein comes to the defence. He explains it is unfair to compare with Singapore since it is an island and that requires far less investment in telecommunications

infrastructure. He admits there is an element of cross-subsidisation between overseas and local calls, which are now free for the first 100 calls. But he points out that the rates in Malaysia are not at all expensive when compared to those in countries like Japan and Switzerland.

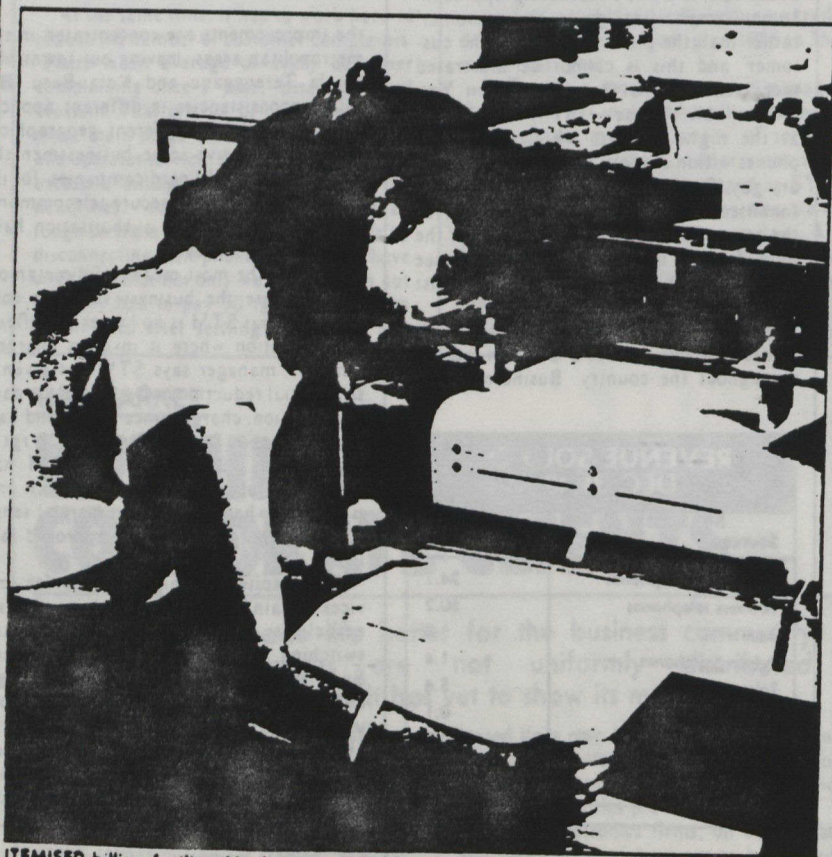
Charges aside, many are pleased they can now make calls to 115 destinations world-wide. By the end of November they will be able to reach 165. The move towards IDD (international direct dialing) is also welcomed.

For businesses, international connections via satellite was given a boost when STM started the Intelstat Business Service (IBS) last year. This establishes communication links with countries in the Pacific region, especially the United States of America. However, this service is only available in Penang and Kuala Lumpur. Hence, only eight customers have access. One foreign bank applied and was disappointed when told to wait for a channel.

In terms of reducing technical faults, STM has yet to achieve a tip-top and reliable image. Downtime for business telecommunication lines and networks are still not up to mark. One can't blame users who

## TELEFAX USERS AUG 31, 1988

Area	No of customers
SABAH	665
SARAWAK	1,090
Johor	800
Malaka	143
N Sembilan	59
SOUTH	1,002
Selangor	1,708
Fed Territory	3,234
CENTRAL	4,942
Kelantan	102
Pahang	145
Terengganu	136
EAST	383
Kedah	126
Perak	487
Perlis	21
Penang	1,104
NORTH	1,738
MALAYSIA	9,820



ITEMISED billing facility: Much appreciated by corporate clients

expect 99.9 per cent uptime. Financial institutions, for one, cannot afford very high downtime since their business depends a lot on electronic fund transfers. This has led some banks to engage their own maintenance staff to speed up repairs. And this is partly why banks rely more on private leased circuits than switching facilities. Leased lines are considered one of STM's golden geese — small in volume but high in profitability.

For back-up and added security, banks usually have two lines per branch. But getting connected to East Malaysia via leased circuits is still considered a luxury, even for banks. This has slowed down the nationwide link of automated teller machines between the peninsula and Sabah and Sarawak. Although pioneered by Hongkong Bank, it was only recently that Bank Bumiputra, Malayan Banking, Chartered Bank and Bank Simpanan Nasional could follow suit. 'Since it is actually the same country, there should be some subsidy to reduce the costs to banks,' says one bank manager.

**CORRUPTED FAX.** For text communications, telefax is fast winning over more customers than the telex. As at end August, there were 9,820 telefax customers — almost as many as the 10,328 telex customers. But inconsistent quality of service has created some dissatisfied customers.