



[National](#)
[Business](#)
[ខេត្តកំពង់ចាម](#)
[中文新闻](#)
[Khmer Times TV](#)
[Editorial](#)
[Opinion](#)
[Property](#)
[Sport](#)
[Press Releases](#)
[Supplements](#)
[More](#)

Business February 3, 2015

Internet Market Ripe for Consolidation

Ismail Vorajee and Muny Sithyna / Khmer Times

Menu

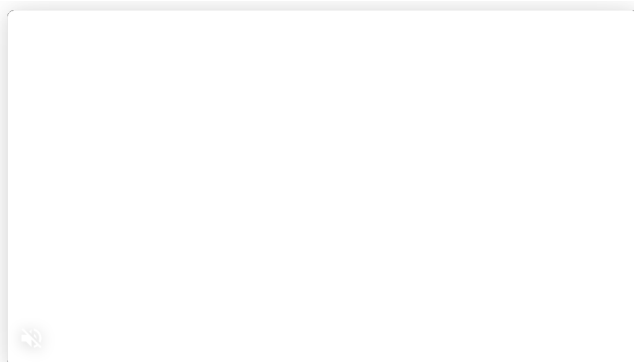
x



A Cambodian youth surfs the Web on his personal computer. (KT Photo: Jonathan Pannetier)

[Click here to get Khmer Times Breaking News direct into your Telegram](#)

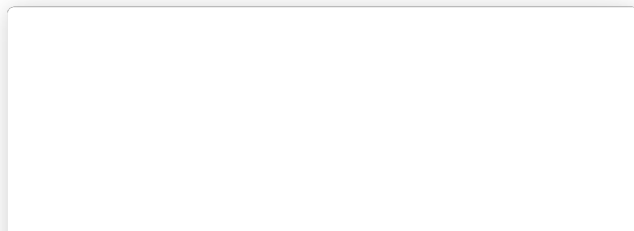
PHNOM PENH (Khmer Times) – Fierce competition between Cambodia’s 29 internet service providers (ISPs) has brought broadband subscription fees down to as little as \$10 per month, but the long-running price battle may be harming investment in the sector, experts warn.



[i](#) [x](#)

Sok Puthyvuth, head of the Information, Communication and Technology Federation (ICTF), a representative body for Cambodia’s ICT sector, said competition is healthy in any new market but there comes a time when smaller players must either merge or bow out.

“Before, our [ISP sector] was expanding, but now it’s time to consolidate,” he said. “This is normal in competition.”



[i](#) [x](#)

Menu

x

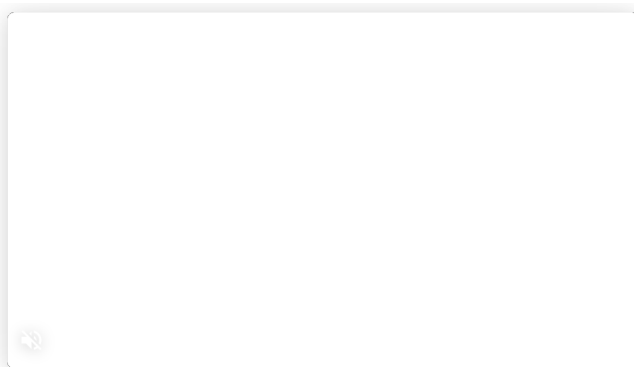
Mr. Puthyvuth said that while competition among ISPs has delivered low prices to consumers, the price war has discouraged investors from sinking capital into upgrading the country's antiquated telecommunications infrastructure.

Increasing Bandwidth

The cost of internet use has fallen dramatically since the Kingdom's first ISP launched in May 1997. At that time, e-mail messages had to be stored on a local server and forwarded over long-distance telephone lines – which wasn't cheap. In a now infamous incident, one journalist based in Phnom Penh received a message from a friend with a 400k image attachment of her daughter. The e-mail cost him \$160.

As Cambodia's Internet infrastructure has improved, and the number of users has grown, the cost of Internet access has made service far more affordable. Yet the penetration rate remains low, with 40,000 broadband subscribers in a country of 15 million.

Oversaturation in the marketplace has seen a raft of startups open for business and close soon after. Many of Cambodia's 29 ISPs have relied heavily on steep discounts and promotions for their marketing, generating low returns sufficient to survive but not enough to invest in infrastructure improvements. They have also lost subscribers to mobile telecom providers, which offer basic Internet data plans for as little as \$3 a month.

[i](#) [x](#)

Healthy Competition

Laura Sam, Marketing Communications Manager at MekongNet, sees value in competition. She said the primary benefit of a crowded ISP market is that it prevents market stagnation, forcing players to respond to customers' needs and providing a mechanism for weeding out inferior service providers.

"Competition promotes economic efficiency and is beneficiary to users [in that it offers them] multiple providers and choices," she said. "Customers should be able to compare offers on pricing. The absence of competition would mean monopolization and reduce pressure on [the major ISPs] to improve quality."

She said MekongNet has aimed to distinguish itself from other ISPs by focusing on providing high-quality services to corporate clients instead of aiming at the mass market. If consolidation comes, she predicts that smaller downstream service providers flogging cheap subscriptions will be the first to fall.

"The demand makes large networks more attractive than smaller ones, which limits the number of viable firms in the marketplace," she told Khmer Times. "So there are possibilities that there will be changes in the ISP sector – especially if [products] offered do not meet the standards. Many companies offer affordable Internet, but that does not mean quality."

Songkeng Meng, deputy managing director of Online, expressed similar sentiment. He said as the Kingdom's ISP market has grown more crowded, service providers have differentiated according to their target clientele. Upstream providers and those with more capital invested in infrastructure have leaned toward serving corporate users, leaving the smaller downstream providers to battle for the larger, but more price-conscious, home market.

"The mass market sector has become more competitive as the priority of [home customers] is on saving money rather than quality and service," he said. "However, corporate customers still consider quality and service as the most important [criteria in selecting an ISP]."

Infrastructure Growth

Upstream provider Ezecon, one of the few ISPs invested heavily in infrastructure, is continually expanding its broadband cable network. CEO Paul Blanche-Horgan said the company has laid down over 3,000 kilometers of fiber-optic cable, extending the country's 12,000-kilometer data network.

"Actually we're better covered than some other countries; even Thailand is not covered that well in remote areas," he said. "Because we started so late, we were in a position to go straight in with fiber and leapfrog over other countries."

[< PREVIOUS ARTICLE](#) [NEXT ARTICLE >](#)
Greece Has Started Debt-Swap Talks With IMF **SE Asia Stocks Fall; Tourism Shares Weak After Bangkok Bombing**



① ×

Top Cloud Computing Com

receptix

Menu

x



Khmer Times is now available on iPhone and Android.

Download the app and keep up with real time news from Cambodia and the world.

Global Money Transfer
via SWIFT

Lowest fees
+ Free cable fees



CAB
BANK

We focus on you

www.cab.com.kh

@CABBank

(855) 23 980 000/ 023 980 001

cabinfo@cab.com.kh

customerservice@cab.com.kh

Opinion



How could migrant workers contribute to Cambodia's future economy?

With over one million of migrant workers, if one of them send home \$100 a month, the annual remittance to Cambodia's economy would be at least \$1.2 billion annually.



To deal with climate change, China-US cooperation is important and sensitive

China and the US issued a joint statement on Sunday after the two countries' special envoys for climate change held talks from Thursday to Friday in Shanghai, which emphasised strengthening cooperation to tackle the climate crisis.



Could Japan cancel Tokyo Olympics over coronavirus?

A poll conducted by Japan's Kyodo news agency released on Monday showed that 39.2% of Japanese people believe the Olympics and Paralympics should be canceled outright.



Covid-19: Cambodia unfairly singled out!

What I don't understand is that why the UN rapporteurs criticised the Government of Cambodia for "the necessary measures" to protect the lives of its people?

Features



Climate risk management critical for Cambodia's food security

This blog is part of the Benefits of Climate Risk Management blog series that aims to provide evidence-based deep dives into USAID case studies.



Khmer New Year at home: Not too bad!

Here are some suggestions for you to help you enjoy your holiday, despite being at home.



Menu

x

Footwear, handmade with love

Cambodia is reeling in pride, as the footwear company “Kingdom of Wow” has successively captured the limelight of various international fashion magazines and the recent New York Fashion Week held in February this year.

Good Times2**An on-again, off-again year for Siem Reap's arts**

Siem Reap's 2020 arts and lifestyle coverage kicked off the year on an optimistic note that, with the wisdom of hindsight, turned out to be somewhat ironic.

**Remaining sane while you care for your baby**

Because our baby is now at the centre of our life, it has been mentally challenging since even getting a good night's sleep or a decent meal has suddenly become a real task.



បញ្ជីសន្សំ ការប្រាក់ខ្ពស់
សុវត្ថិភាព ងាយចាត់ចែងសាច់ប្រាក់

សូមអនុវត្ត «3 ការពារ 3 កុំ» បង្ការឆ្លងកូវីដ-19

086 999 911

[Contact Us](#) | [About Us](#) | [Advertising](#) | [Privacy Policy](#) | [Job Opportunities](#) | Site Design by Samaki Media

Copyright © 2021 Virtus Media Pte., Ltd. (Khmer Times)