

## THREE-FIRM GROUP EXPLORES ENTRY INTO PHILIPPINES TELECOM MARKET

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### Asia

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Inframation

Three firms, including two Malaysian companies, are exploring whether to launch a consortium to enter the Philippines telecom tower market, a spokesperson for one of the parties told *Inframation*.

The group will take a decision within the next three months, the spokesperson for engineering firm Kejuruteraan Asastera Bhd (KAB) said.

KAB and tower builder ATS Venture Group (ATV) signed a memorandum of understanding (MoU) with Philippines conglomerate LCS Holdings to build and operate towers in the country, KAB said in a [statement](#) yesterday.

“Going forward, we intend to invest and build 300 telecommunication towers with each tower being 45 meters tall,” KAB Managing Director Lai Keng Onn was quoted as saying in the statement.

The decision comes as more companies seek to enter the Philippines tower market after the government [liberalized](#) the sector last year and increased competition [pushes up](#) demand for better coverage.

Partners Group allied with local investor Aboitiz InfraCapital to [establish](#) a telecommunications infrastructure platform in the country in April, and private equity firm KKR in November last year [said](#) it had invested in telecom tower company Pinnacle Towers.

KAB will be in charge of the financial arrangements, ATV will be the lead technology partner and LCS will communicate with local authorities and stakeholders to acquire land for the tower sites, the statement said, without providing more details.

The spokesperson said that due diligence for the project was ongoing, declining to provide details on the project cost or its capital structure.

“We remain prudent in maximising our investments. The financial funding structure will depend on the market sentiment,” the spokesperson added.

The telecom towers will be leased to telecom operator DITO Telecommunity Corporation for a period of 15 years, with an option to extend the lease for 10 more years, the spokesperson said.

DITO, which started operations in March, [said](#) last year that is planning to spend PHP 27bn (USD 538m) to develop a total of 5,000 towers across the country.

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