

02/02/2007 : MYEG eyeing rival MYSpeed.Com

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PETALING JAYA: MY E.G. Services Bhd (MYEG) is poised to take over its main competitor, MYSpeed.com Sdn Bhd, which would place it in a dominant position in the Government-to-citizens (G2C) component of e-government services, sources say.

Discussions were at an advanced stage and might be finalised soon, they added. A combination of the two G2C players would strengthen MYEG's competitive position and enable it to achieve economies of scale in terms of volume sales expansion using the same infrastructure.

This would be an early coup for MYEG, which was listed on the Mesdaq Market on Jan 16.

When the Government launched the G2C application, it granted concessions to three consortiums that became the three service providers in this sector.

The three are MYEG, MYSpeed and Konsortium Multimedia Swasta Sdn Bhd (KOMMS), which is owned by second board-listed Paxelent Corp Bhd, a Practice Note (PN) 17 company that has unsatisfactory finances.

MYEG operates its G2C portal via its website, *myeg.com.my*, while MYSpeed's portal is *speed.com.my* and KOMMS operates *rilek.com.my*.

MySpeed is owned by Pernec Corp Bhd (a subsidiary of Permodalan Nasional Bhd), Telekom Malaysia Bhd and HeiTech Padu Bhd.

The shareholders of MySpeed are believed to be considering selling the business because it is too small for them, especially when the shareholding is quite fragmented.

These portals enable the public to pay for various government services electronically.

MYEG, for instance, electronically links the public to Government agencies such as police (to pay summons), Road Transport Department (theory tests and driving licences), City Hall (compounds and licence payments).

The range of services was not preset and it was left to each of the concessionaires to come out with services that could be useful to the public and improve the government delivery system.

Hence, it is up to the business development departments and entrepreneurial skills of each of the concessionaires to expand the range of their service.

They were not, however, given a captive market. The public has a choice. If people do not find it economical or more convenient to use their services, they can go to the counters at the respective Government agencies to make their payments. They need the market to accept them.

MYEG seems to be gaining market acceptance.

Its revenue expanded from RM12.1mil for the year ended June 30, 2005 (FY05) to RM19.3mil in FY06 and has a forecast of RM22.2mil for FY07.

The company registered a net profit of RM2.5mil in FY05, which grew to RM4 mil in FY06, and is forecast at RM7mil for FY07.

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