

Ambiguous rules and regulations main deterrent to healthy telecom regulatory environment, reveals perception study among key stakeholders in Thailand

Bangkok, 19 October 2009

A multi-country study on the telecom regulatory environment reveals in Thailand, ambiguous and discriminatory rules and regulations are among the biggest deterrents to a healthy regulatory environment, and hence future investment.

LIRNEasia, a regional ICT policy think-tank, conducted the perception-based study among key stakeholders in eight emerging Asian economies in the second half of 2008. The countries in the study were Bangladesh, India, Pakistan, Sri Lanka, Maldives, the Philippines, Indonesia and Thailand. Regulatory effectiveness was evaluated against seven dimensions, market entry, access to scarce resources, interconnection, tariff regulation, regulation of anticompetitive practices, universal service obligations and quality of service.

Findings reveal that although measures are being taken to increase competition in the broadband market, the same cannot be said in the mobile sector. On a Likert Scale of 1 to 5, 1 being highly unsatisfactory and 5 being highly satisfactory, Thailand received the highest scores for market entry in the broadband market (3.4). This finding reflects the liberal licensing regime approach adopted by the NTC, including the abolition of the international internet gateway (IIG) that has served as a boon to the broadband market. However, Thailand revealed some of the lowest scores for market entry in the mobile sector. This reflects the fact that no new mobile licenses have been issued since original concessions to three mobile service providers were granted. Furthermore, political wrangling and related legal problems have prevented (or at least significantly delayed) the roll out of 3G services.

Thailand, along with Sri Lanka, also received the lowest scores on interconnection, among the countries studied. This reflects the onerous and discriminatory nature of interconnection and concessionary rules in Thailand, whereby the Telephone Organization of Thailand (ToT) mandated the payment of fees on only two of the three mobile service providers in operation (DTAC and True Move), and not on its own concessionaire, AIS.

Ambiguous rules and regulation on the allocation of scarce resources, such as spectrum, are also reflected in low scores (2.6 for the mobile sector). Unlike several other countries in Asia, Thailand is yet to issue 3G licenses. The delay in auctioning such licenses has arisen from uncertainties surrounding the NTC's authority to allocate frequencies.

The TRE survey in Thailand was administered among 72 senior-level decision-makers and key informed stakeholders from the private sector, government, academia and informed public. A total of 416 responses were received from the eight countries studied. The survey was previously conducted in 2006.

About LIRNEasia

LIRNEasia is a regional ICT policy and regulation think tank active across the Asia Pacific. Its mission is to "improve the lives of the people of the emerging Asia-Pacific by facilitating their use of ICTs and related infrastructures; by



catalyzing the reform of laws, policies and regulations to enable those uses through the conduct of policy-relevant research, training and advocacy with emphasis on building in-situ expertise.” Additional information is available at <http://www.lirneasia.net>.

For any questions on the regional study, contact Helani Galpaya, Chief Operating Officer (helani@lirneasia.net, +94-773 600 766)

For any questions on the TRE study in Thailand, contact Deunden Nikomborirak, PhD at deunden@tdri.or.th or at the Thailand Development Research Institute at +66(02)7185460, ext. 308.

Event information:

The research will be discussed at an event at the Siam City Hotel, 477 Si Ayuthaya Road, Phayathai Bangkok, on the 19th of October 2009, starting at 2pm. Please confirm attendance with:

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