

TELECOMMUNICATIONS

DTAC hits back at critics of planned True merger

SET-listed mobile operator Total Access Communication (DTAC) has pushed back against criticism of its planned merger with True Corporation, saying the amalgamation will create a new firm that is more competitive against the market leader.

"Well-functioning regulatory oversight" will be key to reining in service prices, the country's third-largest mobile operator by subscriber base said in a statement.

According to DTAC, the merger would support a quicker and more comprehensive nationwide rollout of digital infrastructure, as well as the pursuit of emerging technologies.

"Both firms have been clear from the start — this is a technology-motivated transaction to bring Thailand the communications networks it needs and deserves to compete within Asean and beyond," DTAC said. "The amalgamation will facilitate the rollout of 5G and related technology in line with the Thailand 4.0 economic model."

The company's defence comes as the National Broadcasting and Telecommunications Commission (NBTC) is scheduled to hold a meeting tomorrow, with the agenda focused on resolutions to govern the telecom mega-deal.

DTAC has urged the regulator to allow itself and True to "engage" with the NBTC on the merger to ensure there are consumer safeguards and public benefits.

DTAC listed a number of aspirations for the newly merged firm, with the first being the provision of exceptional data services.

"In infrastructure-heavy industries such as telecom, larger investments and scale are required to compete. Having more players in the market does not necessarily make the market more competitive, especially if these players are weaker and unable to evolve their quality offerings to catch up with leaders," DTAC said.

The firm said the merger will enable a more symmetrical



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competitive dynamic between the new company and the market leader, with intense competition on price and service quality.

True and DTAC have respective market shares of 34% with 32.2 million subscribers, and 20% with 19.6 million subscribers, while their key rival Advanced Info Service has a market share of 46% with 44.1 million subscribers.

The second aspiration for the new telecom-tech company is to deliver a superior network experience for everyone.

"The merger intends to significantly enhance network capacity and empower a quicker and more comprehensive rollout of 5G nationwide, driving technological development amongst all communities," the company said.

Third, DTAC said the merged firm would deliver services and experiences that go beyond connectivity, providing the scale and expertise to be an attractive partner for global technology and digital providers, meaning Thailand will have early access to virtual reality, augmented reality, and engagement with the metaverse.

Fourth, the merged firm will gear up to support enterprises to capitalise on global technological advancements and set up a venture capital fund worth US\$200 million to stimulate local startups, said DTAC.