

TELECOMS

State mulls mobile operators' petition

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The government will continue to seek a solution to the petition by the top three mobile operators asking for a delay on the last payment of bid fees for the 900-megahertz spectrum auction, following a failure yesterday to reach a resolution.

Deputy Prime Minister Wissanu Krea-ngam said the government is considering helping mobile operators, whether it be by invoking Section 44 or some other measure, depending on the degree of assistance needed.

"There are two solutions that involve invoking Section 44, depending on whether the government wants to fully comply with their request or provide partial assistance," Mr Wissanu said.

He said the government is expected to hold several more meetings after acknowledging the proposal.

Yesterday he called in all related parties to discuss the proposal, including the National Broadcasting and Telecommunications Commission (NBTC), Advanced Info Service (AIS), True Corporation, Total Access Communication (DTAC) and the Digital Economy and Society Ministry.

After the meeting, NBTC secretary-general Takorn Tantasith said the government should invoke Section 44 to help two of the mobile operators before the general election.

Mr Takorn said that if the government denies the proposal, mobile operators will not have the capital to invest in

5G infrastructure.

"They reported that their investment in 3G and 4G has yet to reach a break-even point, and they have already used all the money borrowed from banks," Mr Takorn said. "They will not have any capital to invest in 5G, which is expected to cost around 100 billion baht each, excluding the roughly 100 billion baht in bidding fees."

He said the government should make a decision before the general election.

Meanwhile, a source inside the meeting said the main factor contributing to the indecision was how the Finance Ministry would handle the annual budget in 2020 if it loses a significant amount of money from the deferral of a combined 120 billion baht in bid fees.

"One thing that could ensure the resolution is if the mobile operators agree to commit to participate in the next planned auctions this year, in exchange for assistance with the 900MHz payment extension," the source said.

Mr Takorn said that if Thailand is unable to invest in 5G by 2020, the country may lag behind neighbouring countries in competitiveness and it could have a drastic impact on industrial development, especially the development of artificial intelligence and the Internet of Things, as well as smart city and smart farm infrastructure.

He said Thailand lagged behind its peers by a decade as a result of the delay in 3G investment, and by eight years because of 4G investment being bogged down.

"Without assistance to major operators, it will not only affect the 5G roadmap, but also fail to address the chronic problem of digital TV operators," Mr Takorn said.

He said that if Section 44 is invoked the state will still get reasonable interest rates from the three companies through the 900MHz licence payment instalment plan. Meanwhile, the state will get money from other planned auctions of several spectrum ranges serving 5G.



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PORNTHAP JUBHANDHU
Senior vice-president, SCB Securities

RISING SPECULATION

ADVANC shares yesterday rose 0.55% to close at 182 baht per share, and TRUE shares rose by 0.97% to close at 5.20 baht.

Meanwhile, shares of InTouch Holdings Plc, a major shareholder of ADVANC, rose 1.84% to close at 55.25 baht per share.

Pornthep Jubhandhu, senior vice-president of SCB Securities (SCBS), said the shares of the two telecom operators, TRUE and ADVANC, are expected to have a positive response if the government decides to extend the deadline for their 900MHz spectrum payment licences.

"The extension can be compared to funding," Mr Pornthep said. "If this occurs, the companies will have lower cost of funding, borrow less, or they might not need to borrow if they have sufficient operating cash flow to repay the frequency expenses.

"The extension of 4G frequency will allow companies to invest in their existing networks and 5G technology."

Mr Pornthep said the impact on the companies remains neutral if the government does not renew the licence payment, as SCBS has assessed the telecom operators based on the assumption that the payment deadline will not be extended.

From the macro point of view, the main concern is about the next spectrum licence auction, Mr Pornthep said.

If the auction is not managed carefully or if the auction price is too high, the country may have the highest cost of 5G in the world, he said.