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Battle for 5G is failing

Almost from the moment they seized power, Prime Minister Prayut Chan-o-cha and allies in the National Council for Peace and Order have spent time and treasure promoting their vision of the future. The two top meme titles are “Thailand 4.0” and “Digital Thailand”. As defined, both are excellent and worthy goals. Lack of planning, absent government supervision and poor performance make both elusive.

The latest problem to surface is whether the country can obtain a key necessity: 5G telecommunications. The world is beginning adoption of this new telecoms standard. The goal until recently was to have 5G up and actually running in Thailand in 2020. It features heavily throughout the government’s 20-year national strategy plan. Until very recently, it was generally assumed that government and the private sector were in sync. It turns out they were wrong, and perhaps deluded themselves.

A special report that leads today’s *Bangkok Post* Business section has the details. In short, those responsible for planning and establishing the on-ramp to 5G telecoms have failed spectacularly. In particular, the regime’s key player, the National Broadcasting and Telecommunications Commission (NBTC), has drained the coffers of private-sector companies charged with implementing 5G. However, it’s not all on the NBTC. The three key industry players — AIS, DTAC and True Move — also failed the public expectation that

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derives from the privileged position in keeping up with technology.

A series of bandwidth auctions by the NBTC are the root cause of the gathering panic over 5G. The commission took much

too literally its constitutional duty to regulate the airwaves in the public interest. In its auctions of spectrum for 3G and 4G upgrades, the NBTC has charged hundreds of billions of baht. This short-term focus on profits has not left any of the three main providers broke. But it has greatly impaired their ability to proceed with the huge investments needed for 5G service.

Takorn Tantasith, the NBTC’s first and only secretary-general, recognises this. After yet another failed auction on Aug 19 sold just two of nine spectrum blocks, Mr Takorn realised his auction terms weren’t working. As of today, he is looking at two solutions. One is to lower the extremely high prices he is charging for the public’s bandwidth. The other is to provide better payment terms — “better” for the companies, that is.

Both are worth considering, despite the predictable controversy this will cause. Critics often rap the NBTC for not squeezing more out of the providers. But the current inability of the big mobile phone companies to begin the transition to 5G speaks volumes. It may be more fair to say that the NBTC has put long-range telecoms and economic development at risk by going for the short-term profits. Of course the mobile phone companies also have shirked their duty of warning the public of the gathering storm.

Failure to put 5G phones and business networks in place by 2020 will have a cost. The costs will mount each year Thailand falls behind. According to a study from the NBTC itself, a 10-year delay would cost 20% of GDP — 2.3 trillion of today’s baht.

The government must treat this as a national problem. Several steps are obvious to get 5G installation on track and developing properly. Their first one is to make the NBTC whole again. The National Legislative Assembly promised in April to move “quickly” to name new commissioners and hasn’t moved since. It is unrealistic to expect the current NBTC members to take the strong steps necessary.

Investors are already on the sidelines waiting for elections. Inability to keep up with the region on new, lightning fast telecoms will be a deal-breaker for many. Thailand 4.0 and Digital Thailand are impossible goals without this basic telecoms development.