

BROADCASTING

Regulator warns TV channels

KOMSAN TORTERMOVASANA

The National Broadcasting and Telecommunications Commission (NBTC) has urged digital TV operators to adjust their business models to cope with the prospect of declining ad spending on TV this year and challenges from over-the-top (OTT) platforms.

Ad spending on TV is projected to account for less than 50% of total ad spending, compared with 70-80% the past few years, said NBTC secretary-general Takorn Tantasith.

His remarks came after Mono 29, the country's No.3 digital TV channel after Channel 7 and Channel 3 HD, announced it was laying off more than 200 employees of its news division and customer services last Friday.

Mr Takorn said he was aware of the layoff.

"The challenges for digital TV channels have not ended," he said.

"They have to adjust their business models and partner with other players to ensure sustainable operations."

Mr Takorn indicated the ad budgets for TV channels are decreasing

because of intense competition from OTT platforms.

The government, through the NBTC, has assisted digital TV channels three times since 2016, most recently in April last year.

"The remaining 15 digital channels cannot hope for more assistance," he said.

Mr Takorn said TV channels choosing to exit the business now will not be entitled to any compensation from the regulator.

"They can return their licences and quit the business without any financial penalties because all remaining licence payments and rental fees for broadcasting networks were already waived under previous assistance packages," he said.

A media industry source who requested anonymity said the restructuring and layoff stems from intense competition that pushed down the revenue of Mono Technology Plc, the operator of Mono 29, in the third quarter of last year.

Patompong Sirachairat, the chief executive of Mono, could not be reached for comment yesterday.

Pisut Ngamvijitvong, a senior analyst at Kasikorn Securities, said Mono 29 may face increasing costs for the movies and programmes it buys the rights to air.

Mr Pisut said only purchasing movies and programmes to broadcast on Mono 29 may not be sustainable in the long run.

"It can enjoy the results in the beginning of the year, but could face increasing costs if its rivals do the same," he said.



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TAKORN TANTASITH
Secretary-general, NBTC