

# NBTC: Telecom market value to fall 2.3%

## SUCHIT LEESA-NGUANSUK

Thailand's telecom market value is expected to fall 2.3% to 605 billion baht this year, pressured by the pandemic and the economic slowdown, says the National Broadcasting and Telecommunications Commission (NBTC).

The telecom regulator thinks the market can recover by next year.

"The pandemic will push down Thailand's telecom market, which includes telecom equipment and services, by 2.3% to 605 billion baht this year, from 619 billion baht in 2019," said NBTC deputy secretary-general Suthisak Tantayothin. "This is not worse than other sectors, as telecom remains crucial infrastructure for digital transformation, playing a part in moving the country forward."

The telecom equipment segment is expected to see a 4.8% year-on-year drop in value to 250 billion baht this year. The telecom service market is estimated to face a drop of 0.4% to 355 billion baht.

Although the 5G roll-out began in the first half of 2020, the pandemic-induced lockdown caused the delay of network equipment installation, Mr Suthisak said, adding that telecom operators remain cautious about 5G network investment.

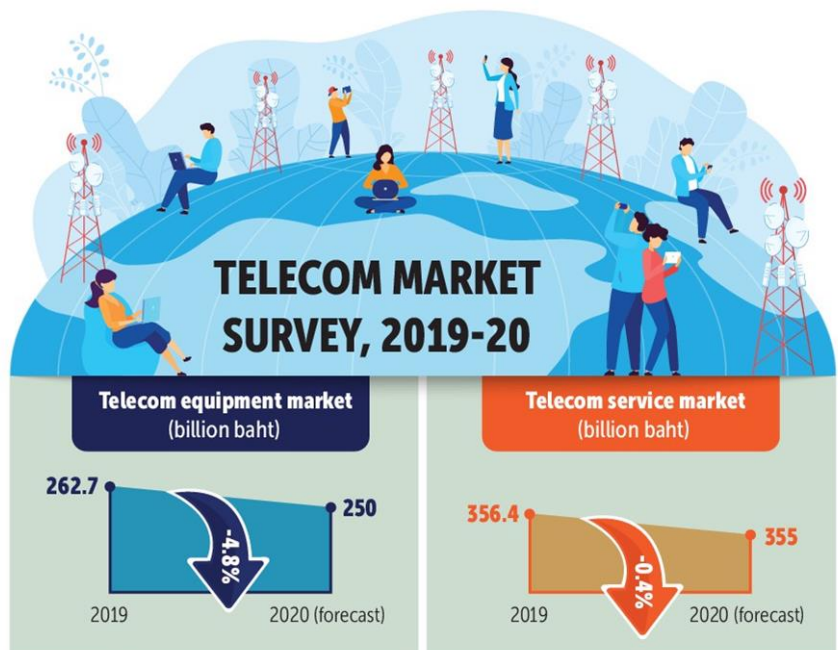
Commercial 5G services are expected to gather steam in October when the 5G network covers 60-70% of Bangkok and major cities, along with the Eastern Economic Corridor areas, Mr Suthisak said.

"This also helps other business sectors better provide online services," he said.

In the region, Thailand is among the

top two countries in terms of 5G network, along with Singapore, Mr Suthisak said.

"Even though the data traffic in the fixed telecom network surged 400-500% during the pandemic, the telecom service revenue did not increase much due to intense competition among operators," he said.



Source: NBTC

BANGKOK POST GRAPHICS

The loss of tourists during the pandemic also caused a drop in revenue from SIM cards, Mr Suthisak said.

The overall telecom market is expected to bounce back to growth next year, he said.

The telecom service market contributes roughly 1.5% of the country's GDP.

Nittaya Soonthonsiripong, research consultant leader at the Centre for International Research and Information (CIRI), said the contraction in the telecom market was caused by economic woes and the pandemic.

The delay of the underground cable conduit project in Bangkok also took a toll on the segment, Ms Nittaya said.

Based on the telecom service market in 2020, fixed telephone service is expected to see an 11.5% year-on-year drop in value to 7 billion baht, she said.

Mobile service value is projected to fall 1.1% to 254 billion baht, the first drop in three years.

International phone services are expected to fall 41% to 2 billion baht this year, triggered by the drop in tourists.

Referring to the telecom equipment segment, Suparatana Tanthanongsakun, a research consultant at the CIRI, said the combined market for fixed telephones and mobile phones could see an 8.1% year-on-year drop to 111 billion baht this year.