

THE PLOT THICKENS

A legal NBTC panel determined the regulator can approve or prohibit the True-DTAC merger, differing from management. **B3**

Panel: NBTC can reject deal

Legal group presents its interpretation

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The legal subcommittee of the National Broadcasting and Telecommunications Commission (NBTC) has concluded the telecom regulator has the power to approve or prohibit the planned merger of True Corporation and Total Access Communication (DTAC).

This interpretation has been proposed to the NBTC board, which is set to consider it this week, according to an NBTC executive who requested anonymity.

This conclusion differs from a previous suggestion by NBTC management to the former NBTC board that the telecom regulator has no legal power to prohibit mergers and acquisitions, but can only prescribe measures to prevent acts that could cause monopoly or reduce competition.



The panel is convinced the intent of the 2018 rule that requires a merger notification to the NBTC is defined as seeking permission.

NBTC EXECUTIVE

The NBTC board now has to decide whether it will follow the subcommittee's recommendation.

Previously, the NBTC management indicated a 2010 regulation created by the National Telecommunications Commission (NTC) required merger deals to be approved by the regulator. The NTC was the country's telecom

regulatory body prior to the establishment of the NBTC.

But such power, according to the management, was abrogated by an NBTC regulation in 2018, which says those wishing to merge only need to notify the regulator, not seek its approval, while the NBTC has the power to prescribe measures to govern such a merger.

However, in the latest interpretation, the subcommittee is convinced the intent of the 2018 regulation that requires companies wishing to merge to notify the NBTC is defined as seeking permission from the regulator, the source said. This falls in line with the NTC's regulation on measures to prevent acts deemed to cause monopoly or unfair competition in the telecom business, which was put into effect in 2006.

In April, the new NBTC board resolved to set up four subcommittees to vet the planned merger. The panels are in the fields of law, consumer protection and civil rights, technology and economics.

The establishment of the four

subcommittees was seen as a cautious move by the new NBTC board, which came into office in April, as the merger deal is being closely watched by the public, with some academics and consumer advocates believing it would cause a monopoly, with consumers paying the price.

Last week, the panel responsible for gauging the economic impact of the merger indicated the deal could reduce Thailand's GDP growth by between 0.05% and 1.99%, depending on the level of collusion by the major operators after the merger takes place.

This would translate to a reduction in GDP growth valued at between 8.2 billion baht and 323 billion baht, based on the country's GDP in 2021. The panel's study was presented at the third focus group hearing involving participants from academic fields on June 7.

According to the study, the merger could also drive up the country's inflation rate by 0.05%-2.07%, depending on the degree of collusion, while mobile service prices after the merger could rise by 2.03% to 19.5%.