

TELECOMMUNICATIONS

Two panels vote against True-DTAC merger deal

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At least two out of the four subcommittees set up by the telecom regulator to assess the impact of the planned merger of True Corporation and Total Access Communication (DTAC) voted against the deal, according to a source close to the regulator's board.

The two panels voting against the deal are in the fields of law and consumer protection. Another two on the fields of technology and economics did not conduct the voting but only gauged the impact.

All eyes are now on how the National Broadcasting and Telecommunications Commission (NBTC) will handle the merger deal.

According to the source who requested anonymity, the four subcommittees have finished their study and analysis papers concerning their respective fields.

The source said the panels in the fields of law and consumer protection allowed their members to vote either in favour or against the merger while the other two panels only conducted the study of the impact.

The law subcommittee voted 10-1 against the merger and the consumer protection panel voted 6-2 against the deal with two abstentions, the source said.

The subcommittee in the economic field did not vote on the deal as it was led by commissioner Suphat Supachalasai, who has the power on the board to decide the fate of the merger.

However, the subcommittee in the economic field recently unveiled its study that shows the merger could dent GDP growth by 0.05%-1.99%, depending on the level of collusion by the major operators after the merger takes place.

According to the study, the merger could also drive up the 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%.

The findings by the four subcommittees will be submitted to the NBTC management, who also has to draw up an executive summary to be sent to the board.

The management will also have to draft the details of remedy measures governing the deal to be forwarded to the board for consideration.

The findings of the four subcommittees are expected to be seen by the board next week.

The source said the NBTC board decided to set up the four subcommittees to vet the deal as it wanted to deal with the issue cautiously as the planned merger is under close scrutiny by the public.

The board has also organised the hearing of three focus groups, covering academics, consumers and related businesses, on the planned merger.

True and DTAC submitted the notification of their planned amalgamation to the NBTC on Jan 25.

An NBTC rule requires telecom operators seeking to merge to report to it at least 90 days before executing the merger.