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TDRI slams DTAC-True merger plan

POST REPORTERS

»Somkiat Tangkitvanich, president of the Thailand Development Research Institute (TDRI), has slammed a decision by the National Broadcasting and Telecommunications Commission (NBTC) regarding the planned merger of True Corporation and Total Access Communication (Dtac).

He said it would only harm consumers and lead to more monopolies.

The five-member NBTC late Thursday said it voted 3:2 to "acknowledge" the plan for a merger between True Corp and Dtac, but with conditions attached. It has long maintained it does not have the power to approve the move, but can set conditions.

The decision came after the board spent more than 10 hours discussing the scope of its authority to approve a merger plan, five points of concern over the plan, and post-merger measures.

Consumer protection groups, state enterprise labour unions and civic groups were rallying at the NBTC office during the meeting to voice their opposition to the merger which, they claim, may lead to market control and unfair competition.

The Thailand Consumers Council (TCC) said the NBTC merely acknowledged the planned merger and did not exercise its power. Mr Somkiat posted a message on his Facebook account yesterday saying the decision by the

majority of NBTC members was a "disgrace".

"The NBTC intended to curb its own power and failed to carry out its duties in line with the law.

"This will cause serious damage to the public as it will only increase the monopoly in the mobile phone industry," Mr Somkiat wrote.

He added that academic studies show consumers may have to pay higher service fees of up to 120-244% if price collusion takes place between the mobile

operators that remain after the merger. Moreover, GDP will shrink by 0.5-0.6% as a result, he added.

Mr Somkiat insisted the Administrative Court had ruled the NBTC has the legal authority to consider approving or rejecting the planned merger.

He supported the move by the TCC to ask the Administrative Court to

issue an injunction against the merger and rule on the matter, as well as ask the National Anti-Corruption Commission to look into whether there was any dereliction of duty by the NBTC regarding the merger.

Mr Somkiat called on MPs to scrutinise the work of the NBTC and amend the law governing the regulator to push for reform in the agency.

The megadeal was announced by Norway's Telenor, the parent of Dtac, and conglomerate Charoen Pokphand (CP) Group, the parent of True, last November.



Somkiat: Predicts serious harm