

Telenor vows to stay in Thailand

DTAC's biggest shareholder says it is going nowhere and expects the True merger to be finalised this month, write **Janine Phakdeetham** and **Srisamorn Phoosuphanusorn**

Telenor Group, the major shareholder in Total Access Communication Plc (DTAC), insists it has no plans to leave Thailand and is optimistic the planned merger with True Corporation will be completed in July.

Speaking yesterday at a press conference at DTAC's headquarters, Sigve Brekke, president and chief executive of Telenor Group, said the combined strength of two "weak" players in Thailand's telecom market would create real competition. This would yield the best results for consumers and the nation's continued advancement in the digital era, he said.

"Telenor is not going to leave Thailand. A lot of people have been wondering that. We entered Thailand two decades ago with a vision that all Thais should have access to cell phones. That's what we called the growth 1.0 model," said Mr Brekke.

"Growth 2.0 I call a perfect storm of technologies — 5G, AI, and IoT — that are coming together."

He said his vision was to transform DTAC from simply a telecommunications firm to a telecom-tech company.

REAL COMPETITION

The planned merger deal was announced by True and DTAC in November 2021 and given shareholder approval in April this year. It is awaiting approval from the National Broadcasting and Telecommunications Commission (NBTC).

"If we didn't think we had a very good case, we wouldn't have sent the application to the NBTC," Mr Brekke said.

"We are optimistic this will go through. I look at it from two angles — one is the competitors of AIS [Advanced Info Service], True and DTAC are the big global companies, not local players. The definition of competition in the telecom sector needs to be expanded.

"The other angle is real competition happens when strong players compete. That's why if one player is too strong and there are two weak players, that's not real competition."

The merger would leave the newly consolidated company with the most subscribers, roughly 50 million, surpassing AIS's customer base of 44 million.

PRICING CONCERN

Speaking alongside Mr Brekke, Jørgen Arentz Rostrup, executive vice-president and head of Telenor Asia, said concerns about higher prices following the merger were missing the point.

He said it is the regulator's responsibility to set up proper mechanisms such as a price ceiling.

"This merger is not about raising prices for our consumers. The competition between two strong players will continue to be fierce in this sector," said Mr Rostrup.

"In addition, the regulators have laws, regulations and practices. The regulator has pretty good experience in executing price ceilings and other mechanisms. The consumers are protected here."

He said the importance of this merger is the combined strength from the technical side to build a robust 5G network across the country and beyond.

Such a service would help Thai businesses and customers remain competitive and reinforce its position as a digital hub in Southeast Asia, said Mr Rostrup.

SPECTRUM DEBATE

Telenor also commented on its choice to purchase less spectrum than AIS, noting Thailand has some of the highest spectrum prices in the world. This consideration was also part of the rationale behind the consolidation with True.

"We have not invested enough in the spectrum and network over the last few years," said Mr Brekke.



Our commitment is to Thailand and the consolidated company — it's really about doing business in Thailand and being a part of creating that future digital ecosystem.

SIGVE BREKKE

President and chief executive, Telenor Group

"That's why I said we're weaker and it is one reason for the merger. We see a huge opportunity for the next growth wave.

"Our commitment is to Thailand and the consolidated company — it's really about doing business in Thailand and being a part of creating that future digital ecosystem."

Mr Rostrup acknowledged Telenor did not invest as much because it did not make sense financially.

"Thailand has one of the highest prices for spectrum in the world. Fortunately, it has affordable services compared with the amount of data consumers use daily," he said.

"Thailand is a really good market for consumers, and that part should remain, but it's really a tough market for getting spectrum."

Another reason Telenor agreed to the merger was the need for scale. The firm said it wanted to meet consumers' growing demands and expectations, as well as to harness the technological opportunities that lie ahead.

Telenor needs significant capital to establish and expand fixed infrastructure for a 5G network, said Mr Rostrup.

Meanwhile, Telenor completed a major merger in Malaysia this week when the country's regulators approved a deal to combine Telenor's Digi with Malaysia's oldest mobile telecommunication provider Celcom Axiata Berhad.