

Thailand Contribution for GSR 2009

In order to cope with convergence trend, the level of development of telecommunication market needs to be categorized. Telecommunication market can be categorized as developed market and developing market. The developed telecommunication market is the market that most people in the country can access to telecommunication infrastructure with the acceptable quality of service and at affordable price. On the other hand, the developing telecommunication market is the market that still has been found the problems which need to be resolved in term of ability to access to telecommunication infrastructure and quality of service.

The emerging of convergence trend impacts both markets. For the developed market, the convergence is an opportunity rather than a threat as in developing market. The convergence trend brings huge benefit to all stakeholders in developed market. The operators, which already have reached full capacity of their networks, have more opportunities to innovate new services. The telecommunication service in developed countries, voice communication service has no longer generated revenue whereas non voice service has become main stream revenue for the operators. The emerging of convergence trend will encourage both operators and users to focus more on non voice service. Moreover, new entrants in developed market do not need to focus on how to survive in the market because the regulations have already well developed so that the new entrants can focus more on how to earn the benefit from convergence trend.

In contrast, there still have some problems in the developing telecommunication market such the inability to access telecommunication service of some group of people, anti-competitive behavior, Quality of service, etc. The emerging of convergence becomes an additional problem, particularly for new entrants. Those new entrants in developing market still have to struggle to be survive in the market. They have already been facing with the anti-competitive behaviors such as refuse to interconnect, access to essential facilities, price squeeze, bundle of sale, etc. which prevent them from paying more attention for opportunity of convergence trend. Thus, the incumbent will take advantage on this point to push new entrant out the market. For example, the incumbent may choose to roll out GPON network which technically not feasible to share the network with the others.

The regulation in convergence era should be designed based on the nature of market in each country. There has no one solution for all. In the developed telecommunication market, the aim of countries is to foster facility based competitions in high potential geographic market and to expand the network to low potential area. Then, the regulation should focus on how to encourage every operator in the market to roll out network.

On the other hand, the regulator in the developing telecommunication market should help the new entrant able to survive in the market. This may start with service based competition. The new entrant should be able to access to the incumbent infrastructure. As a result, the access to and interconnection regulation is really needed. Local Loop Unbundling (LLU) regulation with Ladder of investment concept is to be enforced. The merit of LLU regulation will help the new entrant to be able to compete with incumbent and hopefully the new entrant will be able to roll out their own network in the future.

In conclusion, in order to foster investment and stimulating growth in the ICT sector in a converged world, the following approaches should be considered;

A. Not only the regulatory body but also the government that play critical role in the convergence era.

B. The legacy regulations are needed to be revised to suit new market structure such as access to and interconnection regulation, market definition, etc.

C. The establishment of a single regulator to regulate both telcom and ICT and broadcasting, and

D. An appropriate licensing scheme, such as unified license.
