



EIC sees no disruption to big picture after suspension of 900-MHz spectrum license auction

Event

- The National Broadcasting and Telecommunications Commission (NBTC) is to propose a suspension of a planned 900 MHz license auction to its subcommittee on telecom affairs after a public hearing reflect concern over possible signal interference with the band allocated for high-speed train services.

Analysis

- EIC views the suspension of the 900-MHz band license auction will not have much impact on the telecommunication industry as mobile network operators have sufficient bandwidth for their service provisions and NBTC is planning to put additional spectrum such as 2600-MHz and 700-MHz on auction for telecommunication purposes. To provide 5G services, EIC believes spectrums like C-Band (3.4-3.8 GHz) and millimeter wave frequencies (24.25-27.5 GHz) will also be auctioned in future.
- Given such, DTAC may need to put more investment for the network expansion. After the current concession expires, DTAC will hold only high-frequency spectrum including 15x2MHz of the 2100-MHz band and 60x1MHz of the 2300-MHz band, which is expected to sign a contract with TOT by early this year. Due to high-frequency spectrum propagating shorter distance than lower frequency spectrums, DTAC will need to invest more in building cell towers to be able to ensure adequate service coverage. EIC assesses that the 3 mobile operators will need to make additional investment in equipment, cell towers and small cells in total of 120 billion baht during 2018-2021 to be able to accommodate growth of data usage, which is expected to triple within just the next 3 years.

Implication

- The rules and plans of future spectrum auctions should be closely watched as they remain uncertain, whilst keeping in mind other factors such as recruitment of new NBTC board, which will finalize by May 2018 and the progress of high speed train investment plans. The latter will need to be watched as NBTC requires the allocated 900-MHz spectrum for high speed train services to begin use by 2020. Therefore, exceeding such deadline may cause the NBTC to reallocate the bandwidth for telecommunication use as originally planned.

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