INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS
POLICIES IN THAILAND

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Abstract: The infrastructure problems in the area of telecommunications really inhibit the
economic development in Thailand. Telecommunication infrastructure in Thailand still exists the
disparities between the urban and rural areas. Concentration of telephone lines in the urban area
is much higher than the rural. This creates the obstacles in the advancement of information
technology and Internet use for the whole population because more than 60 percent of the
population in Thailand are based in the rural area. This research focuses on fundamental change
in the information technology and telecommunication policies. The privatization policy is in
consideration with the new regulatory organization setup in hoping that it will result in the better
business competition. In the long run, it is hoped that new policy formulation will create the
healthy economic development, evenly technology diffusion throughout the country.

INTRODUCTION
Telecommunications enhance national productivity by reducing costs, improving
marketing information and accelerating the diffusion of knowledge (Antonelli, 1991: Greenstein &
Spiller, 1995) Thus, it generates better revenue to the government and results in a better public and
private interests.

So far, there have been quite a few studies on the experiences of telecommunication
changes in Thailand, especially in the privatization and roles of new regulatory body setup. In the
United States, Federal Communications Commission (FCC) has successfully established as an
independent agency to regulate and deregulate the telecommunications and information technology
related issues, thereby resulting in a great benefit to American people.

Regulatory reform of telecommunications in Switzerland in the implementation of
Telecommunication Act (FMG98) concerning the license regime, universal service, and
interconnection, has led to fundamental change in the regulatory policy. However, transitional rules
appear to promote excessively slow adjustments in the current industry configuration. (Stefan
Buhler, 1998)

A research study in telecommunication development in the Republic of Korea has shown a
grate success in the introduction of the privatization and liberalization. Korea’s experience shows
that the dynamics expansion of the telecommunication sector has been fostered in past by
liberalization, but the governments has played a guiding role throughout. This study shows that
liberalization or privatization per se does not guarantee development; rather, government must
ensure that a form of liberalization suited to the conditions of the country is adopted.

Thailand is in the stage of privatizing the telecommunications in order to achieve t he
healthy competition. Several principle laws concerning telecommunications and information
technology have been revised and initiated. The very recent significant laws, Frequency Allocation,
Radio, Television and Telecommunication Regulatory Agency Act ..(year).. has been considered by
the Parliament of Thailand. This new regulatory agency will initiate a major change in the
telecommunications and information technology.

This research will focus on this transitional period of change and hence will provide
recommendation for better privatization to achieve prosperous economic development.

THE EXISTING STRUCTURE
The Ministry of Transport and Communications (MOTC) holds all the telecommunications power and supervises three main agencies, namely: the Post and Telegraph Department (PTD), the Telephone Organization of Thailand (TOT), and the Communications Authority of Thailand (CAT), under the Act of each organization. The National Economic and Social Development Board (NESDB) and the MOTC have a primary responsibility in drafting the master telecommunication plan.

FIGURE 1. THE TELECOMMUNICATIONS ORGANIZATION STRUCTURE OF THAILAND

PTD controls and manages radio frequencies, regulates and coordinates domestic communication via satellite through integrated ground stations. It also seeks the international and regional cooperation for all postal and telecommunication activities.

TOT operates and oversees all domestic telephone and communication services.

CAT provides and regulates the international telecommunications and postal services.

Private sector in Thailand has a certain limited participation. The monopoly exists under current laws that allow the private sector joining the state telecom agencies in term of the Build-Operate-Operate (BTO) contract.

THE MONOPOLISTIC LAWS OF TELECOMMUNICATIONS

Laws related to telecommunication services in Thailand, so far, is primarily monopolistic, as shown in the following:

1. The Telegraph and Telephone Act 1934: monopolizes the provision of all Telegraph and Telephone services.
2. The Postal Act 1934: manages all postal services.
3. Telephone Organization of Thailand Act 1954: replaces the Telephone Act 1934 in supervising and providing all domestic telecommunication services.
4. Radio-communication Act 1955: gives the authority to PTD to manage and allocate radio frequencies.
5. The Communications Authority of Thailand Act 1976: supervises and provides international telecommunication and postal services.

A NEW LAW ON RADIO, TELEVISION, AND TELECOMMUNICATION

Recently, the Parliament of Thailand has been considering the draft of Frequencies Allocation, Radio Broadcast Supervision, Radio, Television, and Telecommunication Regulatory Agency Act ..(year).. This Act results in fundamental change in the areas of mass communication and telecommunication under the current Constitution of Thailand 1997, Article 40 and 78. Article 40 states clearly on the radio and television broadcast and frequencies allocation for public shall be under the Independent Regulatory Agency. Article 78 forces the state to provide all the basic information technology infrastructure under the decentralized authority and empowering local governments concept.

The new Telecom Regulatory Act ..(year)..< is to establish the independent agency to administer all the mass communication and telecommunication activities. The organization of this agency has been split up into two parts, namely: The National Broadcasting Commission (NBC) and The National Telecommunications Commission (NTC). Each commission is made up of 7 people which is named by The King under the recommendation of the House of Senates.
The NBC authorizes all mass communication activities including master plan and policies approval, frequency allocation and management, radio and television operator approval, pricing structure dictation, and consumer protection in case of the broadcasting conflicts.

The NTC authorizes all telecommunication businesses including master plan and policies approval, telecommunication business operator approval, pricing structure dictation, anti-monopoly enforcement, liberalization and competition promotion, R & D promotion in telecommunications, and consumer protection in case of telecommunication conflicts arising.

The revenue of these two commissions is operated by the fund from government and the operator approval tariff. Each Commission is active for 6 year term.

CONCLUSION AND RECOMMENDATION

Even the new regulatory law of radio, television broadcasting and telecommunications is going to be issued in the near future, Thailand is still in the embryonic transition. The purpose of this is to promote the private sector participation in the broadcasting and telecommunication business in hoping that this will result in the healthy business competition in this high technology circle. Along the way in the execution of this law, the commission has full authority to develop and promote the broadcasting and telecommunication business activity in the future. Learning from the successful case of Korean experience, I believe that the government intervention is important because Thailand does not own its telecommunication technology. Most of Thai telecommunication equipment are imported. Investment in Research and Development in this area is very rare for commercial. More important, this new Broadcast and Telecoms Act ..(year).. does not define clearly on the information technology. The big gap for new laws related to Electronic Commerce and all Internet-related business is still in the brainstorming and discussion.

I would suggest the new Regulatory Act on Information Technology and Electronic Commerce. In the discussion with many members of Parliament, I hope that the new Regulatory Act is possible.

The future high technology business is very promising for Thailand. Some Internet-related businesses show a great success. In the next four years, after all the high technology laws, such as, Frequency Allocation, Radio Broadcast, Radio and Television and Telecommunications regulatory Act ..(year).., and the new Information Technology Regulation Act ..xxxx.., would have been implemented, the great economic development of Thailand will happen. It is expected that this high technology business will generate a greater revenue to the Government of Thailand and will also give rise to the widespread public interests.