

Thailand raises \$1.4 bln in 3G mobile auction

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A Thai official walks past a sign of the 3G spectrum auction at the National Broadcasting and Telecommunications Commission (NBTC) in Bangkok. Thailand raised 41.6 billion baht (\$1.4 billion) Tuesday in a long-awaited auction of third-generation (3G) mobile telephone operating licences, regulators said.

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Leading telecom firms Advanced Info Service, Total Access Communication (Dtac) and True Move all secured licences in the sale, which critics tried to block because of fears of a lack of competition in the bidding.

A business dispute meant that as other nations move to introduce faster 4G technology, Thailand has yet to roll out a proper 3G service, more than a decade after it was first launched in Japan.

The government sold all 45 megahertz of bandwidth on offer. It had set a minimum price of 4.5 billion baht for each five-megahertz block.

AIS submitted the highest bid at 14.6 billion baht for three blocks, while Dtac and True Move offered the minimum of 13.5 billion baht each for the same number, the National Broadcasting and Telecommunications Commission said.

The slow pace of progress has frustrated smartphone users, but people in some areas of Thailand are now expected to be able to start using 3G within six months.

In 2010 a court halted a 3G licence auction at the last minute after state-owned telecoms giant CAT argued that the then-regulator, the National Telecommunications Commission, had no authority to conduct the bidding.

Investors appeared nervous that the outcome of the auction could trigger fresh legal action.

"The fact that the auction sailed through and the bidders paid only a small premium to get the licenses should be considered as a positive factor," said Prasit Sujiravorakul, a telecom analyst at Bualuang Securities.

"But we're seeing all their shares falling, which means people in the market are still wary about potential legal challenges against the auction."

AIS shares fell 3.5 percent to 195 baht while Total Access lost 3.7 percent to 85 baht and True Corp dropped 0.9 percent to 5.55 baht.

Dtac is already looking further ahead by starting a technical trial of 4G

in part of Bangkok. It expects to complete a nationwide network update by the end of 2012 to prepare for an eventual official launch.

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