



# **The Privatization of Thailand's Telecommunications Sector: Little Chance for Competition**

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## **I. Introduction**

During the past two decades, Thailand's economy has moved from state-domination and quasi-socialism to vigorous capitalism. Its growth rate now ranks among the highest in the world. At a time when information is the most valuable commodity, efficient communications mechanisms are essential to maintaining economic growth. Many nations have tried to transfer the responsibility for providing telecommunications services from the government to the private sector in an attempt to improve efficiency and ensure innovation. The worldwide trend of privatization in conventional telecommunications reached Thailand in the late 1990s. However, Thailand's effort to privatize its state-owned telecommunications enterprises holds little promise of securing the advantages of free-market competition.

Section II provides a brief history of Thai telecommunications monopolies, and Section III summarizes the Thai government's Master Plan for privatization. In Section IV, the delays and disappointments of the privatization effort are outlined. Section V utilizes the example of Japan's telecommunications industry to point out that privatization does not solve the problems of monopolistic state-owned enterprises unless it is accompanied by full deregulation. Section VI concludes that the hope of free-market competition in Thailand's conventional telecommunications markets is remote. Even so, technological advances still hold the promise of lower prices and better service for consumers because the monopolized industries may simply become outdated.