

DTAC prepares for 3G launch in June

DTAC is preparing to introduce third-generation (3G) trial service next month with a budget of 100 million baht.

The country's second-largest mobile operator says nationwide service would take two to four years to roll out at a cost of 20 billion baht.

CEO Tore Johnsen said DTAC would begin by upgrading 40 base stations in inner Bangkok, targeting 2,000 to 3,000 business customers. It will upgrade its analogue 850 Megahertz (MHz) bandwidth to high-speed packet access (HSPA) technology to provide the high-speed voice, data and multimedia service.

CAT Telecom, which holds DTAC's concession, on Wednesday approved 3G trial service for six months with a maximum of 100 base stations.

However, Mr Johnsen said the trial could be shorter than three months if the National Telecommunications Commission (NTC) approves a licence for full 3G commercial services.

He said the company intended to invest about 5 billion baht a year to continue expanding the service on both 850 MHz and the new 2100 MHz frequency.

Upgrading the analogue bandwidth allows DTAC to offer wider coverage capacity at a lower investment cost and serve rural areas with lower population.

The 2100 MHz frequency would be used in high-density urban areas.

Mr Johnsen had modest expectations for 3G revenue, which could be 10-20% of total revenue in the next two years. "3G would take up to 10 years to be able to generate revenue on par with current voice earnings," he said.

The company also spent 1.3 billion baht expanding its 2G network and upgrading IT systems and operating centres in the first quarter, compared with 11 billion baht in 2008. Mr Johnsen said DTAC expected to have 1.5 million new subscribers this year out of a total of 4-5 million new customers in the market.

DTAC yesterday introduced a new promotional campaign called Tosakan.

Customers pay 299 baht a month in exchange for 10 free calls to all networks anytime with a limit of three minutes per call. Calls made over the limit cost 1.10 baht a minute.

Chief marketing officer Thana Thienachariya said DTAC expected its average revenue per postpaid customer to rise 3% this year, from 540 baht currently and 500 baht at the end of December. The company has 2.3 million postpaid users, contributing almost 30% of total revenues, out of a total customer base of about 20 million. DTAC's larger rival Advanced Info Service, is already providing limited 3G service 900 MHz band. AIS president Wichien Mektrakarn said there was a high possibility of interference if DTAC began offering full commercial service on the nearby 850 MHz frequency.

Source: Bangkok Post

