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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

Global Forum on Competition

ROUNDTABLE ON BRINGING COMPETITION INTO REGULATED SECTORS

Contribution from Thailand

-- Session I --

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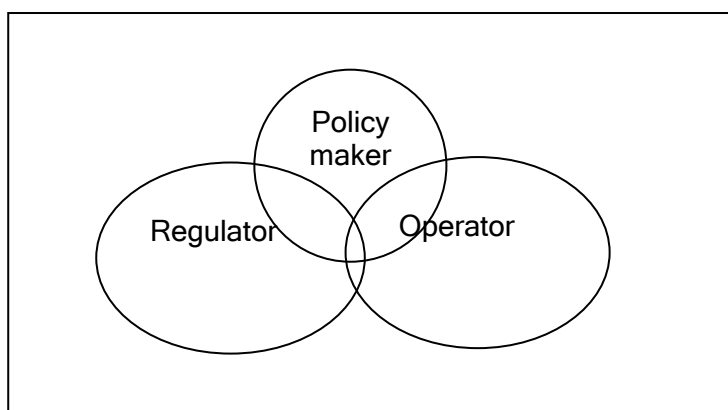
BRINGING COMPETITION INTO REGULATED SECTORS: FACT FROM THAILAND

1. Introduction

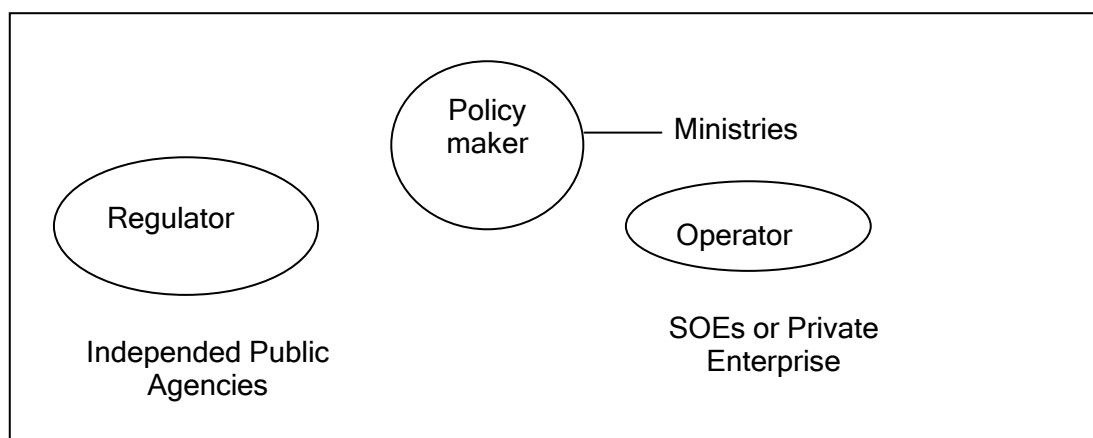
1. It has been recognised that Thailand just introduced the Competition Act in 1999. The Competition Act of 1999 is the legislation which provided Thailand with its first explicit competition policy. The main key of competition provision is to supervise conduct control of business practices for example abuse of dominant position, Mergers, Concerted Practices, and Unfair Trade Practices. During this early stage, Thai government has been bringing competition into regulated sector through the privatisation policy.

1.1 *The first Step: Reformation of the roles & structures of the regulators*

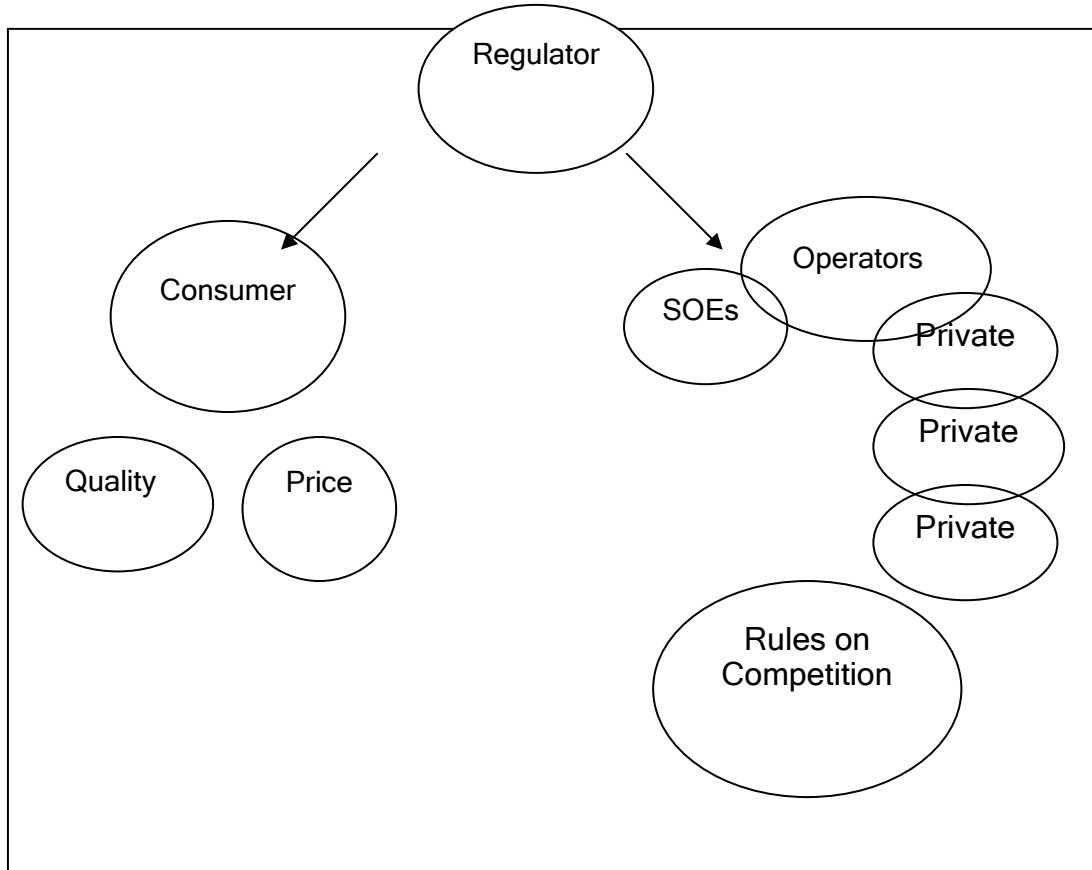
2. Before reformation, the regulators are responsible for policy making, regulation and operation. It means that the government acts as the policy maker, the regulator and the operator through SOEs. The figure I shows the unified roles of the government.



3. At present, the government clearly separates all the roles from each others. The ministries take the responsibilities of policy making. The independent public agencies take the responsibilities of regulation and the state owned enterprise take the responsibilities of business operation in competition with private enterprises. The figure II shows the separation of policy making, regulation and operation.



4. Independent Sector Regulator have a mechanism for the systematic control of monopoly power with a view to preventing corporatised entities from abusing monopoly power to the detriment of the consumer and other operator. The figure III shows the of mechanism Independent Sectors Regulator.



1.2 The second Step: The Industry-Specific Act prescribe the fair competition

5. The provisions of the Industry-Specific Act stipulates that the industry is subject to the Trade Competition Act. For example, The Telecommunications Business Act 2001 Section 21 prescribes that. *“Telecommunications business, in addition to being under the law on trade Competition, The NCT shall determine specific measures in accordance with the nature of the telecommunications business in order to prohibit the licensee to carry out any action that is a monopoly or that decreases or limits competition in the telecommunications business service in the following makers : (1) Subsidy of services (2) Taking over of business in the same arrive (3) Unfair usage of market power (4) Protection of small operators”* or sections 36 of the *Draft Bill on Broadcasting Business prescribes that. “Sound and television broadcast businesses in addition to being under the law on trade competition, in the case where the NBC deems appropriate to determine specific measures in accordance with the business, the NBC has the power to issue announcement prohibiting the licensee to carry out any action that is a monopoly or that decreases or limits competition in the sound and television broadcast business.*

6. Or the Draft Bill on Electricity and Natural Gas Business which state in Section 11 *“The Electricity and Natural Gas Business Commission shall have duties and powers as follows: (4) Determine measures for the promotion of competition and prevention of abuse of monopoly power.....”* And Section 57 *“The Controlled Energy Business Licensee shall not carry out any action*

that is an abuse of monopoly power or that reduces competition or limits competition in controlled energy business service as provided in the Trade Competition Act 1999 except where the Commission has granted approval.

2. Conclusion

7. This information shows the efforts of Thai government to carry out positive and meaningful actions of bringing competition to regulator sectors in order to promote greater competition with in the regulated industries and fair competition in the market place.