



Summary

Thailand's GDP growth rate is expected to reach approximately 4-5 percent in 2007 and will grow 5-6 percent in 2008 and 2009 as government spending and private investment recover. In the last quarter of 2006, the fundamentals of the economy remained sound, as official reserves stood at \$ 59.4 billion, three times higher than short-term debts. In addition, the unemployment rate was at a low of 1.4 percent.

The television and radio broadcasting sector in Thailand falls under the control of three major government bodies, the Mass Communications Organization of Thailand (MCOT), the Public Relations Department of Thailand (PRD), and the Royal Thai Army Radio and Television (RTA). These three largest players own more than two-third of the airwaves nationwide. Moreover, the government actively supports development of communication technologies, investing in two north-south fiber-optic cable networks, international submarine links with several countries in the region, and domestic satellite communications.

Although at the time of this writing Thailand is operating under an interim government, this government realized the advent of digital technology and the resulting convergence of media. Bureaucratic and media reform is now under way in Thailand. An independent regulator will be formed to regulate new functions, including issuing licenses for free T.V and satellite stations and monitoring territorial stations. There will be opportunities for U.S. suppliers in the broadcast industry in providing digital-ready transmission links, encryption technology, and decoder hardware.

Market Demand

Thailand's GDP growth rate is expected to reach approximately 4-5 percent in 2007 and will grow 5-6 percent in 2008 and 2009 as government spending and private investment recover. In the last quarter of 2006, the fundamentals of the economy remained sound, as official reserves stood at \$ 59.4 billion, three times higher than short-term debts. In addition, the unemployment rate was at a low of 1.4 percent.

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Thailand is currently operating under an interim constitution issued by the leaders of the September 19, 2006 military coup d'etat. According to the interim constitution, a new constitution will be written and ratified within approximately one year of the coup to replace the constitution promulgated on October 11, 1997. Despite these political circumstances, the interim government has realized the advent of digital technology and the resulting convergence of media. Bureaucratic and media reform is now underway in Thailand and an independent regulator will be formed. The new regulatory body is expected to allocate broadcasting licenses to a variety of bidders under guidelines laid out in the new broadcasting law. For instance, with digital television, Thai viewers will see the number of local free television channels jump from six to sixty channels. Digital television is expected to reach the market within a year or two from now. Giving the operators more

time to prepare for the future. These developments are creating great opportunities for U.S. broadcast suppliers to provide digital-ready transmission links, encryption technology, and decoder hardware.

Major Telecom Indicators (as of 2006)

	Fixed-Line		Cellular Phone		Internet		Broadband Internet		Cable TV	
Population/ Households	8.9 M	13.9%	38 M	59.3%	12 M	18.75%	0.8 M	1.25%	3 HH	4.6%

Notes: M - Millions, SS - Subscribers, P - Penetration, and HH - Households.

Source: IDC (Thailand)

TOT Plc., Ltd.

True Visions

DTAC

Thai Cable TV Association

The media and broadcasting industry is growing along in tandem with the growing consumer market in Thailand. There are five major media formats that are used for advertising campaigns in Thailand

- o T.V. (60%)
- o Radio (10%)
- o Magazines (7%)
- o Outdoor advertising (6%)
- o Movie Theatres (2%)

Market Data

Television and radio are the key sub-sectors covered in the broadcasting industry. Thai TV channels are controlled by state enterprise and military-controlled companies, which own nearly all the country's radio and television stations. At this moment, television is based on an analog system. In the near future, Thailand is expected to transfer to a digital television platform after the national regulatory is formed.

T.V. penetration rate in 2006

	Bangkok	Urban	Rural	Total
% Penetration	99	99	98	98

Source: AC Nielsen Media Research

Thailand is expected to have as many as 60 channels as a result of station plans to spin off new sub-channels with the contribution of digital-compression technology. Therefore, digital T.V. infrastructure, including transmission platforms, encryption technology, and decoder hardware, are areas of opportunity for U.S. companies to enter the broadcasting segment.

Free television in Thailand is mostly commercialized and generally appeals to popular taste. Each free television channel produces its own programs ranging from news to soap operas. Entertainment broadcasts may be Chinese, Japanese, British or American but usually with a Thai soundtrack dubbed in.

Variety and talk shows are among the most popular, with some imports of these as well as situation comedies from U.S. series, along with Chinese dramas and Japanese cartoons. Equally popular are the locally produced serialized drama and quiz game shows. Among the younger audiences, the U.S. and Japanese cartoons have won a sizable market. Moreover, sports programs, particularly local and overseas soccer, boxing matches,

golfing and snooker from local sources, and live telecasts from overseas, are among some of the items that attract a large audience among the Thai public.

Program ratings of recommended viewing ages has been introduced on all free television stations since December 2006. This rating has helped viewers gauge the content of shows. There are four Thai letters will be used to rate the programs as below:

Dor: Programs suitable for children between the ages of two and twelve

Thor: Programs suitable for a general audience

Nor: Programs that require parental guidance

Chor: Programs inappropriate for children and youth

Free Television Channel Operators

Channel	Operators
3	Bangkok Entertainment (Private Operator Licensing from Mass Communication Organization of Thailand)
5	Royal Thai Army Broadcasting Television (RTA)
7	Bangkok Broadcasting Television (Private operator licensing from RTA)
9	Mass Communication Organization of Thailand (MCOT) (Government Owned)
11	Public Relations Department (PRD), Government Owned
ITV	Independent Operator (Major share holders are SCB, Shin Corp.)

The largest players in the Thai Television industry are MCOT, a former state enterprise of which the government still owns a 77 percent stake, and the Royal Thai Army, which retains ownership of numerous broadcast frequencies. The only commercial station not subject to the control of MCOT or the army is ITV which belongs to Shin Corporation, a communication conglomerate controlled by Temasek Holding of Singapore.

The inevitable next move in digital networking is full-resolution television transmission via internet broadband technology. This is highly practical for audiences living in Bangkok and the greater Bangkok areas. Special interest programs such as competitive sports programs or reruns of recent broadcasts are the main content for IP T.V.

Apart from free television operators, Thailand has several CATV, MMDS and Satellite television providers. The most significant player in the market is TrueVision controlled by the Charoen Pokphand (CP) Group, a massive Thai business conglomerate. TrueVision has awarded concessions from MCOT to operate CATV services in greater Bangkok and encrypted digital satellite TV (DSTV) services across the country.

Broadcasting Rules and Regulations:

- Censorship is necessary prior to airing
- Minimum commercial length is 15 sec.
- Average 10 minutes advertising time per hour
- Submit script and storyboard for pre-censor at least one day in advance
- Results will only be reported on Tuesday and Thursday. Results are not available on the same day of submission

Post Censor

- Submission is Monday, Wednesday, and Friday
- Attach pre-censored script together with 11 copies of final script and TV commercials for post-censorship
- If pre-censorship was approved with conditions, the final script must correspond to the revised version; otherwise the censor board will reject the document
- Any product which required “FDA” approval must go through “FDA” prior to submission for TV censorship

Material Required:

- All channels use beta-cam

Pay T.V

Presently, TrueVisions, formerly called Universal Broadcasting Corporation (UBC), is the most significant player in providing pay television services in Thailand. Moreover, there are the estimated around 350+ cable operators in the provinces operating without the necessary licenses. These operators employ small, provincial cable systems. Unofficial estimates are that these operators service between 1-1.5 million homes.

Channel	Transmission system	Language	Number of subscribers (as of 2006)	Accept commercial
UBC	DSTV, Digital Catv, RNT	Thai, English	558,860	Sponsorship

Radio:

Thailand has 611 radio stations nationwide, 252 of them are on AM, while 359 are on FM. The three largest radio operators are the Public Relation Department with 147 stations, followed by the Royal Thai Army with 127 stations, and the Mass Communication Organization of Thailand with 62 stations respectively. AM radio tends to appeal to popular tastes, especially with rural listeners, while FM radio offers more popular music as well as jazz and classical music, English-language newscasts, and original soundtracks of certain foreign films shown on local television.

Rules & Regulations

- No limit to advertising time
- Minimum spot length is 30 sec.

Material Deadlines

- Loose spots and program spots:
Bangkok At least 2 working days before ad break
Up-Country At least 1 week before ad break

Material Required

Either tape reel or cassette tape

Number of radio stations in 2006

	AM	FM	Total
Bangkok	38	40	78
Central	70	89	159
North	51	72	123
North East	50	79	129
South	43	79	122
Total	252	359	611
%	41%	59%	

Best Prospects and Key suppliers

Presently, most broadcast communication equipment is imported. Products from the United States, Germany, and Japan are more popular than products from other parts of the world. This is based on the customer perceptions about the latest technology and quality of broadcast communication devices.

For broadcast communication equipment, competitors are Itelco (Italy), Rohde&Schwarz (German), Sony (Japan), and NEC (Japan), Dayang (China), and Sobey (China).

U.S. best selling products in Thailand include:

- Transmission
 - Radio
 - Television
- Console (Radio)
- Studio Equipment
 - Radio
 - Television
- Software systems such as automation and advertising solutions
- Microwave communication equipment

The major U.S. players in the Thai broadcast market are below:

- Harris Corporation through its distributor, Loxley Plc. Co., Ltd.
- Broadcast Electronics through its distributor, Broadcast and Studio Co., Ltd.

Market Entry

In Thailand, approximately 90% of broadcast and radio equipment is imported from overseas. U.S. suppliers are encouraged to select an agent thoroughly familiar with the product and prospective buyers. The relatively small numbers of prime target users in the broadcasting industry are mainly

government/military own enterprises. Therefore, relationship building is very important. Normally, purchases fall at the end of the fiscal year (September).

Trade Events

Bangkok ICT Expo
August 1-5, 2007, Bangkok, Thailand

Communic and Broadcast Asia
June 19-22, 2007, Singapore, Singapore

Resources & Key Contacts

The U.S. Commercial Service
U.S. Embassy of Bangkok
302, Diethelm Tower A, Wireless Road, Bangkok 10330
Tel: 662-205-5090
Fax: 662-255-2915
URL: www.buyusa.gov/thailand
Contact: Mrs. Oraphan Boonyalug, Commercial Specialist

Public Relation Department (PRD)
Rama VI Road, Soi 30, Bangkok 10400
Tel: 662-618-2323 ext 1700
Fax: 662-618-2358
URL: www.prd.go.th
Contact: Mr. Pramroj Rathavinij, Director-General

Mass Communication Organization of Thailand (MCOT)
63/1 Rama 9 Road, Huay Kwang, Bangkok 10320
Tel: 662-201-6000
Fax: 662-245-1435
URL: www.mcot.net
Contact: Mr. Pongsak Payakvichien, Acting President

Royal Thai Army Radio and Television
210 Phaholyotin Rd., Sanampao Phayatai, Bangkok 10400
Tel: 662-278-1697i'm
Fax: 662-615-2066
URL: www.tv5.co.th
Contact: Lt. Gen. Vudtichai Phornphiboon, Director

For More Information

The U.S. Commercial Service in [Bangkok/Thailand] can be contacted via e-mail at:
[oraphan.boonyalug@mail.doc.gov, Phone:662-205-5090; Fax: 662-255-2915] or visit our website:
www.buyusa.gov/thailand

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