

THAILAND CULTURAL INDUSTRY REPORT



BROADCASTING INDUSTRY IN THAILAND



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Abstract

Historically, Thai broadcast media operations were based on state and business control. Due to limited national resources, radio and television frequencies were allocated and managed by the state agencies. The frequency regulator that had the duty to issue licences was the Posts and Telegraphs Department (PTD) while the Public Relations Department (PRD) of the Prime Minister's Office controlled program content and retained a central role in Thai broadcasting. The three major operators in Thailand were the Ministry of Defence, the PRD and the Mass Communication Organization of Thailand which has since become the MCOT Public Company Limited. However, under Section 40 of the 1997 Constitution and its 2000 NBC Act, broadcasting operations were supposed to be controlled by the NBC (National Broadcasting Commission). The broadcasting industry in Thailand at present is in a transitional period of reform and there will be a new independent regulatory body to control broadcasting and television business. Accordingly, this research aims to analysis the government regulation and structure of broadcasting industry in relation to culture and business. For this task, documentary research and in-depth interviews were the principal research methods. The result of this study will lead to the understanding of the mechanism and competition in broadcast business so as to prepare for the reform of the industry in the future, as well as provide cooperative ways for future development of the regional broadcasting industry in Southeast Asia and Korea.

The study found that radio and television stations had two levels of control; control by legal ownership of the state, and operational control by entrepreneurial managements. As the owners, the state agencies would retain their power to define the overall goals and scope of the corporation, while media entrepreneurs would exercise their power in program production. The majority of radio and television frequencies were granted as concessions by the legal owners to private operators who, then, became the management decision makers. Also, cable TV operators operate under the control of the MCOT, as the legal owner, and the PRD, as the regulator. The pay-TV market is dominated by the UBC that is permitted to operate CATV on behalf of MCOT and that became the dominant cable TV operator covering the service area of the whole country via satellite transmission and fiber optic links.

Competition in the Thai broadcast business has become very intense since the major revenues of the media operators come from advertising fees of which the viewing/listening time of audience reflect the cost. They have to adjust program formats and presentation styles to constantly increase their rating points. In addition, giant media companies have consolidated the entertainment industry through vertical and horizontal integration so they can control the whole process of entertainment business and operate different types of media. There also has been a trend in forming partnerships between prominent program producers and broadcasters to increase reliability and strengthen the station's program contents. Since music, drama series, and sport programs are the most popular programs of Thai audience, the major program types on the broadcast media, therefore, rely more on entertainment than education and documentaries. Commentary, news analysis and children shows are rarely presented on broadcast media. Consequently, radio and television has become an effective channel to promote and sell cultural commodities produced by a few conglomerate media companies to audiences who now are the target consumers.

บทคัดย่อ

การกระจายเสียงไทยในอดีตที่ผ่านมาอยู่ภายใต้การกำกับดูแลของภาครัฐและการดำเนินงานของภาครัฐกิจเอกชน เนื่องจากคลื่นความถี่วิทยุและโทรทัศน์ถือเป็นทรัพยากรของชาติที่มีอยู่จำกัด รัฐโดยกรมไปรษณีย์โทรเลขดูแลการจัดสรรคลื่นความถี่ และกรมประชาสัมพันธ์รับผิดชอบการบังคับใช้กฎหมายและระเบียบว่าด้วยกิจการวิทยุกระจายเสียงและวิทยุโทรทัศน์รวมถึงการนำเสนอเนื้อหาและการโฆษณา สถานีวิทยุและโทรทัศน์ส่วนใหญ่ในประเทศไทยเป็นของหน่วยงานรัฐบาลสามหน่วยงานหลักคือ กรมประชาสัมพันธ์ซึ่งขึ้นตรงกับสำนักนายกรัฐมนตรี กองทัพบกขึ้นตรงกับกระทรวงกลาโหม และ องค์การสื่อสารมวลชนแห่งประเทศไทย ที่ปัจจุบันได้แปรรูปเป็นบรรษัทมหาชน มีกระทรวงการคลังเป็นผู้ถือหุ้นใหญ่ อย่างไรก็ตามจากบทบัญญัติในมาตรา 40 ของรัฐธรรมนูญฉบับปัจจุบัน และพระราชบัญญัติองค์การจัดสรรคลื่นความถี่ปี พ.ศ. 2543 ระบุให้มีองค์กรของรัฐที่เป็นอิสระในรูปแบบของคณะกรรมการจัดสรรคลื่นความถี่ ดำเนินการจัดสรรคลื่นความถี่ที่มีอยู่ทั้งหมดใหม่และกำกับดูแลการดำเนินงานการกระจายเสียงของชาติให้สอดคล้องกับประโยชน์ของสาธารณะชนทั้งในระดับชาติและท้องถิ่น ดังนั้นสภาพการณ์ของการกระจายเสียงไทยในปัจจุบันจึงอยู่ในช่วงเปลี่ยนผ่านสู่การปฏิรูปซึ่งจะนำไปสู่การเปลี่ยนแปลงครั้งสำคัญของธุรกิจนี้ ในการวิจัยเรื่องธุรกิจการกระจายเสียงในประเทศไทยได้มุ่งศึกษาองค์กรของรัฐที่เกี่ยวข้องกับอุตสาหกรรมการกระจายเสียง รวมถึงโครงสร้างของธุรกิจเพื่อความเข้าใจโลก และสภาพการแข่งขันที่เป็นอยู่ในปัจจุบัน อันสามารถยังประโยชน์ให้กับการพัฒนาอุตสาหกรรมนี้ในอนาคต กอปรกับยังเป็นข้อมูลพื้นฐานให้กับองค์กรจัดสรรคลื่นความถี่วิทยุและโทรทัศน์แห่งชาติ หรือ กสท. ที่กำลังกำเนิดขึ้น ในการแสวงหาแนวทางความร่วมมือกับประเทศในภูมิภาคเอเชียตะวันออกเฉียงใต้และประเทศเกาหลี เพื่อการพัฒนาอุตสาหกรรมนี้ในระดับนานาชาติต่อไป การวิจัยนี้เป็นการวิจัยเชิงคุณภาพที่ศึกษาและวิเคราะห์ข้อมูลจากเอกสารและการสัมภาษณ์เชิงลึกและอภิปรายผลด้วยวิธีการพรรณนา

ผลจากการศึกษาพบว่าสถานีวิทยุและโทรทัศน์ไทยมีการควบคุมในสองระดับคือ ระดับนโยบายจากผู้ถือครองกรรมสิทธิ์ และระดับการดำเนินงานจากผู้ประกอบการที่บริหารสถานี ที่ผ่านมาหน่วยงานของรัฐที่เป็นเจ้าของตามกฎหมายได้เข้ามากำกับดูแลในระดับนโยบายของสถานี ส่วนผู้ประกอบการภาคเอกชนเข้ามาควบคุมด้านเนื้อหาและการตลาด สถานีวิทยุและโทรทัศน์ส่วนใหญ่ได้ให้สัมปทานระยะยาวกับผู้ประกอบธุรกิจสื่อไปดำเนินงานและกลายเป็นผู้มีอำนาจในการตัดสินใจระดับการดำเนินงานของสถานี ส่วนสถานีวิทยุที่ออกอากาศในระบบเคเบิลนั้นก็อยู่ใต้การกำกับของภาครัฐเช่นกัน โดยสมท.เป็นเจ้าของสัมปทานและกรมประชาสัมพันธ์เป็นผู้กำกับดูแลให้การดำเนินการเป็นไปตามกฎระเบียบการออกอากาศ ในปัจจุบัน บริษัท ยูบีซี เป็นผู้ประกอบการรายใหญ่ที่สุดที่ครองตลาดธุรกิจเคเบิลทีวีและครอบคลุมพื้นที่ให้บริการทั่วประเทศทั้งการออกอากาศในระบบดาวเทียมและเคเบิลใยแก้ว การแข่งขันของอุตสาหกรรมการกระจายเสียงในประเทศไทยเป็นไปอย่างเข้มข้นโดยรายได้หลักของผู้ประกอบการมาจากอัตราค่าโฆษณาซึ่งถูกกำหนดจากค่านิยมของคนดูและคนฟังรายการ ดังนั้นผู้ผลิตจึงต้องมีการพัฒนาและปรับปรุงรายการอย่างสม่ำเสมอเพื่อให้รายการได้รับความนิยมอยู่ในระดับสูงอย่างต่อเนื่อง ปัจจุบันตลาดการกระจายเสียงตกอยู่ในมือของผู้ผลิตสื่อรายใหญ่เพียงไม่กี่ราย จากการศึกษาพบว่าบริษัทได้รวบรวมกิจการทั้งที่เกี่ยวข้องกับธุรกิจบันเทิงและไม่เกี่ยวข้องทั้งแนวระนาบและแนวตั้ง เพื่อคงความสามารถในการควบคุมธุรกิจบันเทิงให้เกิดรายได้สูงสุด จึงพบว่ารายการวิทยุและโทรทัศน์ในปัจจุบันเต็มไปด้วยรายการบันเทิงและโฆษณามากกว่ารายการเพื่อการศึกษาและสารคดี รายการวิเคราะห์ข่าวหรือรายการเด็กแทบไม่ปรากฏทางสื่อกระจายเสียง ดังนั้นสื่อวิทยุและโทรทัศน์ไทยจึงกลายเป็นสื่อที่นำเสนอขายสินค้าวัฒนธรรมให้กับคนดูและคนฟังที่กลายเป็นผู้บริโภคสินค้าของผู้ผลิตรายการ

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Table of Contents

Table of Contents.....	A
List of Tables.....	C
List of Figures.....	E
Abbreviations.....	F
I. The Broadcasting Industry in Thailand.....	1
1. Overview of the broadcasting industry in Thailand.....	1
2. Broadcasting industry regulation and roles of government.....	2
<i>2.1 Government policies.....</i>	<i>2</i>
3. Structure of the three major broadcasters.....	9
<i>3.1 The Public Relations Department.....</i>	<i>9</i>
<i>3.2 The Mass Communication Organization of Thailand.....</i>	<i>11</i>
<i>3.3 The Royal Thai Army</i>	<i>14</i>
II. Terrestrial Broadcasters.....	16
1. Business structure.....	16
<i>1.1 Public TV broadcaster.....</i>	<i>17</i>
<i>1.2 Commercial TV broadcasters.....</i>	<i>17</i>
<i>1.3 Network of TV stations.....</i>	<i>24</i>
<i>1.4 Subsidiaries/Business units.....</i>	<i>25</i>
2. Financial position and performance.....	27
<i>2.1 Source of revenues.....</i>	<i>27</i>
<i>2.2 Changes in Revenue of the terrestrial broadcasters.....</i>	<i>28</i>
3. Number of employees and organization chart of Thai terrestrial operators.....	30
4. Production capacity.....	33
5. Analysis of viewing rate.....	36
<i>5.1 Viewing rate by channels.....</i>	<i>36</i>
<i>5.2 Annual top 20 programs by viewing rate – total programs.....</i>	<i>38</i>
<i>5.3 Annual top 20 programs by viewing rate – by genre.....</i>	<i>40</i>
6. Analysis of major program type.....	44
<i>6.1 News programs.....</i>	<i>45</i>
<i>6.2 Documentary programs.....</i>	<i>45</i>
<i>6.3 Drama and entertainment programs.....</i>	<i>46</i>

Table of Contents (2)

III. Cable TV Operators.....	48
1. Business structure.....	48
2. Financial position and performance.....	51
<i>2.1 Changes in revenue and profit.....</i>	<i>51</i>
<i>2.2 Change in advertising revenue.....</i>	<i>52</i>
<i>2.3 Change in number of subscribers and subscription fees.....</i>	<i>53</i>
<i>2.4 Subscription fees.....</i>	<i>55</i>
3. Human resources.....	55
4. Infrastructure and operation.....	56
5. Program production.....	56
IV Radio Operators.....	60
1. Business structure.....	61
2. Financial position and performances.....	63
3. Human resources and infrastructure.....	67
4. Management structure of three radio networks.....	67
5. Program production.....	70
6. Listening rate.....	72
V. Program content production.....	75
1. Business structure.....	75
<i>1.1 Programs produced and procured by the stations.....</i>	<i>75</i>
<i>1.2. Programs co-produced with the station alliances.....</i>	<i>76</i>
<i>1.3. Programs produced by airtime renters.....</i>	<i>77</i>
2. Financial analysis.....	78
3. Production capacity.....	79
4. Relationship between terrestrial operators and program providers.....	79
VI. Market Analysis	82
1. Total market value of television and radio breakdown by years	82
2. TV penetration rate – of total population.....	85
<i>2.1 Penetration rate – of total household.....</i>	<i>85</i>
<i>2.2 PC penetration rate.....</i>	<i>86</i>
Bibliography	87

List of Tables

Table II.1: Thai television stations including their names and licence categories.....	16
Table II.2: Goals and planning of Thai television in 2005.....	23
Table II.3: Comparative characteristics of six television channels in Thailand....	24
Table II.4: Names and types of business activities of subsidiaries/ affiliates/ concessionaires of each terrestrial broadcaster.....	26
Table II.5: Amount and sources of revenues of each terrestrial broadcaster in 2004	28
Table II.6: Change in Thailand terrestrial broadcaster’s revenue 2002-2004.....	29
Table II.7: Approximate number of employees of each terrestrial broadcaster in Thailand.....	30
Table II.8: Number and percentage of in-house and outsource programs of each terrestrial broadcaster.....	35
TableII.9: Hour and number of programs produced in different genre of each terrestrial broadcaster	35
Table II.10: Prime time TV rating during 6.00 – 10.30 p.m.....	36
Table II.11: Percent of audience share of December 2004.....	37
Table II.12: Compared shares of viewers during the last six months of 2003 and the first six months of 2004 during 7.30 pm-8.20pm.....	37
Table II.13: Compared shares of viewers during the last six months of 2003 and the first six months of 2004 during 8.00am-10.00am,Saturday and Sunday.....	38
Table II.14: Top 20 programs of 2001 by viewing rate.....	39
Table II.15: Top 20 programs of 2004 by viewing rate.....	39
Table II.16: Top 20 dramas by viewing rate in 2001.....	40
Table II.17: Top 20 dramas by viewing rate in 2004	41
Table II.18: Top 20 news and current affairs by viewing rate 2001.....	41
Table II. 19: Top 20 news and current affairs by viewing rate 2004.....	42
Table II.20 :Top 20 documentary and informative programs by viewing rate 2001.....	42
Table II.21: Top 20 documentary and informative programs by viewing rate 2004.....	43
Table II.22 :Top 20 entertainment and show programs by viewing rate 2001.....	43

List of Tables (2)

Table II.23: Top 20 entertainment and show programs by viewing rate 2004.....	44
Table II.24: Program type of Thai TV in 2005.....	44
Table III.1 : Revenue structure of the UBC in 2002- 2004.....	52
Table III.2 : Change in revenue of the UBC in 2002-2004.....	52
Table III.3: Household income distribution of each region.....	53
Table III.4: Changes in number of the UBC Cable’s subscribers from 2003 to 2005.....	54
Table III.5 : Current subscription fee among CATV operators.....	55
Table IV.1: Ownership of radio stations in Bangkok area and other provinces...	60
TableIV.2: Number of frequency and lists of type of program and ownership.....	63
Table IV.3: MCOT’s consolidated financial statement during 2001-2003	62
TableIV.4: Revenue structure of the GMM Media Public Co., Ltd., R.S. Promotion Public Co., Ltd. and BEC World Group Public Co. Ltd. during 2002-2004	65
Table IV.5: Type of Program and number of FM. radio stations in Bangkok.....	71
Table IV.6: Top of FM radio stations in Bangkok by target Group	74
Table V.1: Company name and program type produced by ITV’s alliances in 2004	76
Table V.2: Name and type of major business of entertainment public companies in Thailand,2005.....	78
Table VI.1: Break down of advertising expenditures by media types.....	82
Table VI.2: TV gross advertising rates compared during prime time from 6.45-10.30 pm.....	84
Table VI.3: Advertising spending expenditure estimates period from 2001-2005	85
Table VI.4: TV & PC penetration rate – of total population & household.....	85

List of Figures

Figure I.1: The organizational structure of the Public Relations Department.....	11
Figure I.2: The organizational structure of the MCOT Company Limited.....	14
Figure I.3: The organizational structure of Royal Thai Army Radio and Television Channel 5.....	15
Figure II.1: Structure of the BEC World Group.....	21
Figure II.2: Revenue of Channel 7, 3 in 2003 compared to other countries.....	30
Figure II.3: The organizational structure of the Bangkok Entertainment Co.,Ltd. (TV Channel 3).....	31
Figure II.4: The organizational structure of Bangkok Broadcasting Television Company Limited. (TV Channel 7)	31
Figure II.5: The organizational structure of ITV Public Company Limited.,(ITV Station).....	32
Figure II.6: The organizational structure of the Public Relations Department (TV Channel 11)	32
Figure II. 7: The audience of Asian series program on Thai TV in 2004.....	46
Figure III.1:Thailand cable TV operators industry structure with NBCT.....	49
Figure III.2: Thailand cable TV operators industry structure with NBC.....	50
Figure IV. 1: Management structure of the Public Relations Department.....	68
Figure IV. 2: Management structure of the MCOT Public Company Limited.....	69
Figure IV. 3: Management structure of the Royal Thai Army.....	69
Figure IV. 4: Radio stations ranked by average persons in 2005.....	73
Figure VI.1 : Advertising expenditure by TV stations.....	83

Abbreviations

BBTV	Bangkok Broadcasting & Television Company
BEC	Bangkok Entertainment Public Company
BNT	Broadcasting Network Thailand Company
CATV	Cable Television
DSTV	Cable-to-Satellite Television Services
MCOT	Mass Communication Organization of Thailand
NBC	National Broadcasting Commission
NBCT	National Broadcasting Commission of Thailand
NBEB	National Broadcasting Executive Board
NBT	National Broadcasting Services of Thailand
NGO	Non-Government Organization
NTC	National Telecommunication Commission
PRD	Public Relations Department
PTD	Post and Telegraphs Department
RTA	Royal Thai Army
TDRI	Thailand Development and Research Institution
UBC	United Broadcasting Corporation Public Company

I. The Broadcasting Industry in Thailand

1. Overview of the broadcasting industry in Thailand

Historically, Thai broadcast media operations were based on state and business control. Due to limited national resources, radio and television frequencies were allocated and managed by the state agencies. The frequency regulator that had the duty to issue the licences was the Posts and Telegraphs Department (PTD) of the Ministry of Information and Technology (ICT), at present. While the Public Relations Department (PRD) of the Prime Minister's Office controlled program content and retained a central role in Thai broadcasting as the secretary of the current regulatory body, the National Broadcasting Commission of Thailand (NBCT). The three major operators in Thailand were the Ministry of Defence, the PRD and the Mass Communication Organization of Thailand which has since become the MCOT Public Company Limited.

In 1998, when 523 radio frequencies were available, the PRD owned 145, the Army 128, MCOT 62, the Air Force and the Navy had 36 and 21 respectively, while the rest were owned by other state universities and agencies. Those three state agencies (the Military, the PRD and the MCOT) owned approximately 75 percent of the total radio stations in Thailand. Most of them are operated by private companies and earn revenue from advertisements. For television, five national television channels are also owned by the state agencies. The Army owns Channels 5 and 7, MCOT owns Channels 3 and 9, and the PRD Channel 11, except for Channel ITV that is owned by the ITV Public Company Limited, whose major shareholder is Shin Corporation. Channels 3 and 7 are leased out to two private operators, Bangkok Entertainment Public Company Limited (BEC) and Bangkok Broadcasting Television Company (BBTV) respectively.

Accordingly, two types of ownership were developed: legal ownership, and management ownership. Consequently, radio and television stations had two levels of control; control by legal ownership of the state, and operational control by entrepreneurial managements. Strategically, as the owners, the state agencies would

retain their power to define the overall goals and scope of the corporation and determine the general way they deployed their productive resources (Ubonrat, 1992: 94), while media entrepreneurs would exercise their power in program production. In sum, the Thai broadcasting system could be divided into two types -- the state system and dual system. While some radio stations and television channels were managed and operated by the state agencies as the legal owners in the state system, the majority of radio and television frequencies were granted concessions by the legal owners to private operators who, then, became the management decision makers.

2. Broadcasting industry regulation and roles of government

The broadcasting business in Thailand is subject to political, legal and regulatory conditions that differ in certain significant respects from those prevailing in other countries with more transparent political systems and more developed economies. Business and operations are subject to the changing economic and political conditions prevailing from time to time in Thailand. The government has frequently intervened in the Thai economy and occasionally made significant changes in policy. The Government's policies have included, among other things, wage and price controls, capital controls and limits on imports, business, and financial conditions. The results of broadcasting operations may be adversely affected by these changes in government policies.

Broadcasting was initially regulated by the 1955 Broadcasting Act and subsequent government decrees. These limited radio and television transmissions to 11 state agencies and made the PRD and the Military the major operators. The PRD operated a non-commercial network, while the Military's radio network was run commercially. Under the 1968 Radio Regulation, the first regulatory body for commercial radio (The National Radio Authority) was set up to oversee the general policy of radio stations and to regulate advertising time. In 1974, it was renamed the National Broadcasting Authority as to include television and its regulatory body was called the National Broadcasting Executive Board (NBEB). The Prime Minister was the chairman of this board and the PRD served as its secretariat. Its major functions were: to set the conditions and standards for the establishment of radio and television stations, to set the conditions for programming, advertising as well as technical standards for transmission, and to advise, control, and monitor all radio and television stations to

ensure that they abided by the NBEB Regulations. There were 11 sub-committees engaged in different tasks, such as, broadcast programming, technical control, presenters screening, and censorship of radio and television advertisements. However, the Board received criticism from many groups including the media entrepreneurs and academics for its conservatism and bias on the representation of political issues on the electronic media. It also retained the power to censor the programs, revoke licences and close the stations (Ubonrat, 1996).

Restrictions on program content were imposed after the political crisis of 1976. According to the Revolutionary Order No. 15, it imposed controls on all types of programs to suppress opposition broadcasting. It also prescribed that all broadcasters had to have both announcer licenses and producer licenses as well as the applicants must be employees of the stations. Therefore, the NBA could control the persons who become broadcasters.

According to the 1992 broadcasting regulations, the National Broadcasting Commission of Thailand (NBCT) was then replaced the former commission [NBEB]. Its establishment showed responsive attitude to the public demand for freedom of speech and expression. Even though its major functions remained the same as those of the predecessor, it, most of all, opened up room for academics and representatives of non-government organizations (NGO) to be Board members. It delegated the censorship function to individual radio and television stations and ensured that the NBCT had greater regard for the rights of broadcasters. The NBCT's Board was comprised of 20 members who were representatives from different state agencies, such as the Department of Defence, University Affairs, the Council of State, the National Culture Commission, and also included three NGO representatives concerned with issues about women and children and consumer protection. While the PRD was responsible for the NBCT's administration work (Lewis, 2005).

Under Section 40 of the 1997 Constitution and its 2000 Act, broadcasting operations were supposed to be controlled by the new NBC (National Broadcasting Commission). The principles of Section 40 were developed from the media reform campaign led by media professionals, media academics, and NGOs originally because of the distortion of broadcast news reporting in the 1992 Bloody May's crisis (Surat, 2002). Therefore, Section 40 was a significant means of media reform that would

transfer the state-owned broadcast frequencies to the private and people's sectors. Additionally, freedom of speech of media professionals and journalists, including government broadcasting officers, was protected by Sections 39 and 41 in the same chapter of the Constitution.

As promised by the current Constitution, all frequency bands had to be re-allocated by an independent regulatory body for the public benefit in education, culture, security, and other public interest. Article 26 of the 2000 National Broadcasting Commission (NBC) Act specified that each province must have at least one local radio and television station. The frequency bands for broadcasting had to be allocated in the ratio of 40-40-20 to the state, the private and the people's sectors respectively. For the community, programming must be produced by non-profit or public interest associations. The NBC will have powers and duties to prepare a broadcasting business master plan, determine the description and categories of the business, consider giving permission, and supervise the frequencies' uses. In addition, there will be a Joint Committee consisting of the NBC and the National Telecommunication Commission (NTC) to manage frequencies and other obligations as provided in the NBC Act. As a result, its enactment is regarded as a significant progress of Thai broadcasting and telecommunication legislation as well as ultimate changes in the rules relating to broadcasting and television businesses.

By law, the Senate would select the seven NBC Board members from 14 nominees short-listed by the NBC Selection Committee. Among the 17 representatives on the Selection Committee, five seats belonged to state agencies, and four were media academics from both government and private universities. The four representatives were from large broadcasting corporations and the other four were the NGO seats (The Nation, 28 August 2001). After the NBC has been appointed, all duties of the PRD, the NBCT, the PTD and other state agencies who control broadcasting businesses will be transferred to the new NBC.

The uncertainty had arisen from the absence of details of the rules and conditions, as well as enforcement mechanisms, since neither the master plan of the frequencies management, nor the law on the undertaking broadcasting businesses, has been launched. As a result, the implementation of media reform according to the 1997

Constitution remained far behind schedule. The broadcasting industry in Thailand was therefore in a transitional period of reform as promised by the current Constitution. So the government did not pursue special policies toward this business as they might intervene in the media reform process, but they indirectly supported the NBCT as the present regulator under the supervision of the PRD overseen by the Minister of the Prime Minister's Office. After the NBC Act was launched, the NBCT's board was charged with the following operations. Firstly, it disseminated the principles of media reform according to Section 40 and its significance to broadcasting business to the state, private and people sectors through the PRD's media. These public forums across the country were endorsed by the Board as to urge different types of media operators, including local people groups, to prepare for the tremendous shifts in the industry. Secondly, the NBCT arranged and facilitated the public hearings for the consideration of the draft of the broadcasting operation and business's Act which now was around 90 percent completed. Thirdly, a database for the industry was prepared by the Board for the uses of the in-coming NBC members (Krisanaporn Sermpnich, interview 12 October 2005).

According to the 14th Ministerial Regulations in 1990 within the 1987 Broadcasting Act, the Director and the Programming Board of each television operators is solely responsible for monitoring and censoring their programs broadcast in accordance with the legislation. Section 3 of the 14th Ministerial Regulation stipulates that the program contents will not do any of the following: defame the royal family, the state, the government or state officials; discriminate against any religion, or other nations; defame places of worship or persons; create disharmony among Thai people or damage good relationships with other countries; threaten the national security as well as national morality, the national culture or traditions; show nudity and sex in a way that provokes sexual desire or is obscene; exhibit cruelty that lacks humanity; present misleading and deceitful stories that may mislead children and youth and urge them to imitate wrongdoing; or show the behavior of criminals that may support criminal acts. Television advertising, including other business service contents on the broadcast media, need to be approved by the Advertising Board whose members are made up of representatives from each station. Similarly, the advertising producers/agencies have to be aware of and observe these restrictions. In addition, the broadcast programs' hosts and moderators have to be of Thai nationality and have knowledge and experience in broadcasting including an announcer's license from the PRD that

requires them to speak clear Central Thai. According to a 1996 Announcement of the PRD about the proportion of broadcast airtime and program schedules, for radio, the three major types of programs -- news and information, entertainment, and advertisements -- must be presented in the ratio of 25, 58, and 17 percent respectively. For television, each station has to present news and information programs of not less than 15 percent, and of entertainment and advertising more than 65 and 20 percent respectively. TV stations must present children's and youth programs of at least 30 minutes daily between 4.30 and 6.30 pm., except at weekends. To broadcast foreign languages as well as to transmit foreign programs outside Thailand or deliver Thai programs for broadcast outside the nation requires approval by the PRD. There is no additional legislation for censorship of foreign programs but the same standards required of local programs must be observed. It is the responsibility of each station to promote the preservation of the local cultural heritage. Television and radio stations also must not be foreign owned.

However, in practice, the Programming Board of each station has the entire authority to implement the regulation which makes the degree of control different and rely on a policy and the identity of each station. The public broadcasters, Channel 11, and the state-operated stations, Channel 5 and Modern Nine, are more strict on program contents and presentation than the private-operated stations like Channel 3 and 7 which are more concerned with achieving higher ratings.

2.1 Government Policies

There is not as yet legislation concerning HDTV. However in October 2004 True Corporation, one of Thailand's largest telecom companies, formerly known as Telecom Asia, and part-owner of UBC, began trialing the delivery of digital TV programs to its high-speed ADSL internet subscribers (The Nation, 30 October 2004).

Because of the fact that all free-to-air Thai programs use the Thai language, there has been little or no exporting of Thai television programs. Some popular imported programs on Thai-free-to-air TV have been Chinese historical melodramas and more recently Japanese and Korean family and teen dramas. However these are all dubbed with Thai voiceovers. There is no policy limiting the amount of such program imports.

There are no national policies promoting the development of Thai broadcasting. There is no national film or television school, although the major universities have their own programs and Kantana, a TV production company, has its own training academy. However there are co-production deals done from time to time between the large private broadcasters and some foreign companies or agencies. For example, there have been several Hong Kong-Thai Television co-productions deals involving Channel 3. In October 2004, MCOT announced that it would cooperate with its Malaysian counterpart in making a new soap opera to promote tourism in southern Thailand and Northern Malaysia and counteract the region's recent negative international media coverage (Radio Thailand, 12 October 2004). There have been periodic but as yet unsuccessful attempts to provide a Thai English-language news service. In 2004 MCOT flagged a new international English-language Channel modeled on the lines of China's CCTV to promote Thailand to the world (Bangkok Post, 12 May 2004; The Nation, 27 June 2004).

Otherwise, Channel 5, the military owned and operated channel, has at times cooperated in ASEAN based attempts to produce a regional news service, with irregular news programs, in conjunction with Malaysian national television. Also Thailand's only international television broadcaster is run by the military. In January 1998, Channel 5 launched a new international service, the Thai TV Global Network (TGN), to broadcast to 155 countries, costing 180 million Baht annually. The Channel was intended to attract overseas Thais and viewers in Thailand's neighbors (Krungthep Thurakit, 13 July 1998; Bangkok Post, 25 January 2004). In short, there is no on-going integrated policy for promoting Thai Broadcasting.

Thailand has no formal television or film rating system. Film censorship in particular has been seen as a major problem by local producers, as the film censorship board is usually composed of senior police officers. There is a lese-majesty law that prohibits any criticism of the royal family and sometimes this law has been used to silence opponents of the government. Censorship has also been directed at foreign media imports that are taken to be insulting to Buddhism, the Thai national religion.

The current government since 2002 has pressured television operators to introduce family viewing times in the early evening, in which more family-friendly programs would be shown. Scenes of nudity or explicit sex are rarely shown on Thai TV, and

when nudity is shown, the offending body parts will also be screened out by pixilation. Unlike in film, there is no formal mechanism for television censorship, but each channel operator is responsible for censoring their own programs.

There has been an increasing degree of moral censorship on Thai programs in recent years. Either on the free-to-air channels, or on UBC the main pay-TV operator, when scenes show people drinking alcohol, smoking cigarettes, or pointing guns, these are now pixilated out by computer. Thai films and television traditionally have shown more violence than sex, but in recent years, though brutally violent scenes are sometimes still shown, the pointing of guns is now regularly blurred out on-screen. Political censorship of news and current affairs programs on both television and radio also arguably has increased.

There are no formal program restrictions on the amount of foreign programs that can be screened on Thai TV. In practice, the cultural screen of the Thai language, and the practice of voice-over dubbing of all foreign programs, keeps the use of foreign programs to a low level. No majority foreign holding in either Thai radio or free-to-air television is permitted.

There is an extremely strong emphasis on the preservation of the Thai cultural heritage. Different agencies are involved here, with the National Culture Commission, and the Education Department playing the largest role. Another agency that is important is the Tourism Authority of Thailand, which emphasizes the Thai cultural heritage regularly in its tourism promotion programs and advertising, many of which are screened on Thai TV. These themes of preserving Thai national and local cultures are ever-present on the State broadcasting channels (11 and Modern Nine) and on the Military Channel 5. The community radio movement also has advocated the use of community radio programs for the promotion of local small business and preservation of local knowledge.

The most current legislative concern affecting Thai broadcasters is what the actions of the newly appointed national broadcasting commission will be. Promised by the 1997 people's Constitution, the NBC was not appointed until September 2005 after a long hiatus and much controversy. The most immediate issue the new commissioners will have to deal with is the re-regulation of local community radio and also local cable television operators. In the hiatus period between 1997 to 2005, many community

radio stations were created and the future role of these stations and of the local cable-TV operators remains unclear. State agency officials usually see community radio as a potential threat to national security whereas civil society groups see it as potential means of bolstering direct democracy in Thailand.

The new chair of the NBC is General Thongchai Kua-Sakul, a former advisor to the army's radio and television stations (Bangkok Post, 28 September 2005). Media reform activists have criticized the composition of the new NBC, and now it remains to be seen what their actions will be. Also the upcoming legislations have not been passed in the parliament yet and now are in the process of amendment and reconsideration. Therefore they have not yet been revealed to the public, and it remains to be seen what the outcome of the amendments will be.

3. Structure of the three major broadcasters

3.1 The Public Relations Department

The PRD is a government body under the supervision of the Office of the Prime Minister. Its mission is to promote the national interest and national security and create public understanding of the government's policy. Its responsibilities are grouped into three main areas: media operations involved with broadcasting, print and electronic; public relations for government agencies; and media policy planning and administration in public relations centers across the country.

Firstly, as a media operator, the PRD operates the national radio and television networks called "Radio Thailand" and "Television of Thailand" (Channel 11), which collectively are known as the "National Broadcasting Services of Thailand" (NBT). The PRD is the biggest national radio operator and owns 144 radio stations, (87 FM and 57 AM), in 60 provinces. Almost all radio stations have to relay official news reports from the Radio Thailand news bureau daily at 7 AM and 7 PM. Secondly, as a public relations and media policy planner, the PRD's National Public Relations Policy and Planning Office serves as the secretariat of the National Public Relations Commission which gives advice on public relations matters to all government agencies, and monitors and evaluates public relations projects implemented by them. Also, the Broadcasting Division Board directs broadcasting management and

programming and serves as Secretary to the NBCT which regulates broadcasting. Lastly, as a network administrator, the PRD has its head office in Bangkok with eight public relations centers in different parts of the country to oversee radio and television operations.

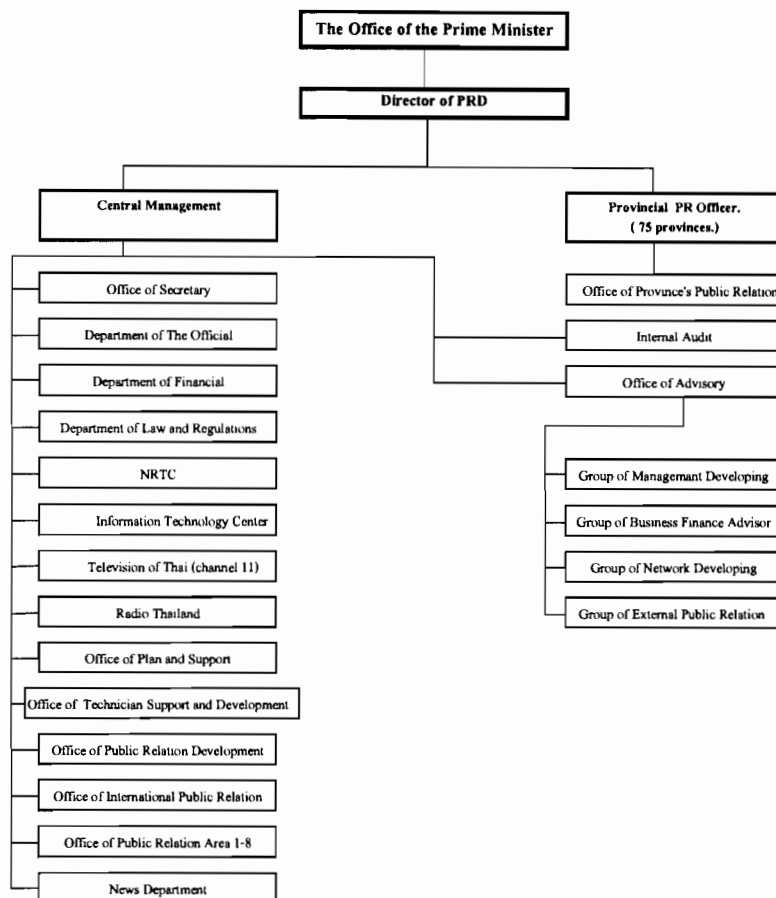
Radio Thailand serves as an official channel in disseminating news and information about government policies and supporting the administration. Instead of being a neutral state media organization, Radio Thailand is a tool for promoting the government's accomplishments as well as positive images for the Cabinet and the Prime Minister. Because of the policy of bureaucratic reform since 1996 changes to the PRD's structure also have been taking place. After the launch of Section 40 of the 1997 Constitution, the PRD's role as a regulator of national broadcasting should have changed to that of radio operator under the supervision of the NBC. However, this has not yet happened.

The PRD's local stations depended on government budgets and were under the administration of the PRD. The PRD controlled its management and operating funds, and employed station officers. The department also authorised its air time sales. The PRD's main policies for local radio administration were basically to publicise government policies, implement the National Public Relations Plan, the Broadcasting and Telecommunication Master Plan, and provincial plans. These policies included human resources and information technology development and the growth of national and local PRD networks. In regard to the Public Relations (PR) Master Operation Plan (1999-2001), apart from disseminating national news and government policies, PRD local radio had to stimulate local people to participate in their operations for local development purposes and to create two-way communication between stations and communities.

The regional centers in eight provinces, namely, Chiang Mai, Pitsanulok, Khonkaen, Ubonratchathani, Suratthani, Songkhla, Chantaburi, and Kanchanaburi were under the direction of the PRD's central office. Each center oversaw the PRD's radio and television operations and cooperated with local stations and provincial PR officers in implementing PRD policies. These local stations also worked in cooperation with the provincial public relations units to administer the policy of the central administration via the provincial governor. The Bangkok office distributed budgets to each regional

center for their administration as well as directly to the local station. The organizational structure of the PRD is illustrated in the following Figure I.1 below.

Figure I.1: The organizational structure of the Public Relations Department



Source: www.prd.go.th

3.2 The Mass Communication Organization of Thailand

According to the Royal Decree that established MCOT on March 26, 1977, its major objectives were to conduct mass communication and other related business both locally and internationally. Also, its aim was to disseminate information and promote the people's quality of life, morals and national security. Apart from providing news according to professional standards, the MCOT has to provide financial support, personnel and technologies to other government organizations in the mass communication business. Its charter concerned seven areas: 1) policies; 2) broadcasting operations; 3) marketing; 4) investments; 5) organizational development and management; 6) personnel management; and 7) technologies. The aims of its marketing policy were to seek the highest income, develop marketing

channels and utilize new technology for revenue increases. The MCOT emphasised profit-oriented investments and competition with the private sector. The MCOT made huge profits (more than 3,500 million baht or AU\$140 million) during its 24 years of operation (1977-2001), 50 percent of which was transferred to the government. From 2001 to 2003 the Company's income has continually risen at a compounded annual growth rate at 5.1 percent per annum (MCOT's annual report, 2004).

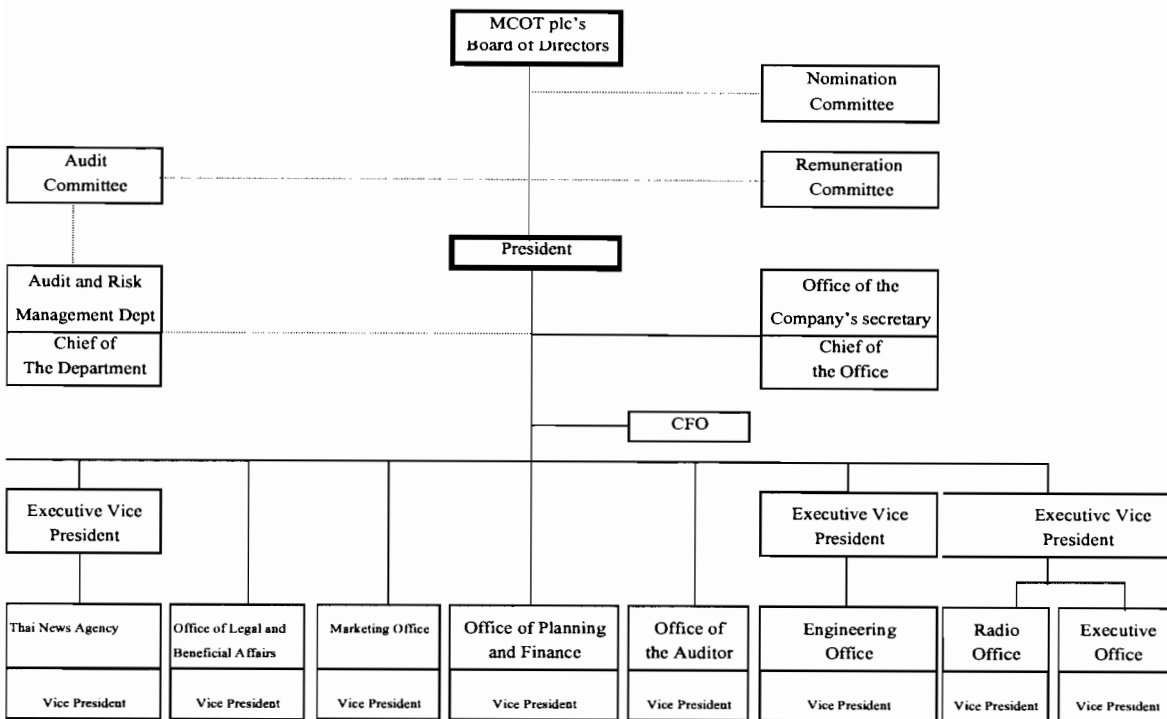
The MCOT had been a state enterprise within the Office of the Prime Minister. The Deputy Prime Minister and the Minister of the Office of the Prime Minister oversaw MCOT's policy matters, while the Management Board supervises its operation. The majority of Board members, who are senior bureaucrats selected by the government, choose MCOT's Director (About MCOT, online). In the past the Board members appointed the Director from MCOT's senior personnel. Since 1994, professional administrators and media academics can apply for the position of Director. The current directors have been experienced in media business and marketing administration. It has also usually been a high-profile public appointment. In 2002, Mingkwan Saengsuwan, a successful public relations manager of the Thailand Toyota Company, who had worked for Thaksin's government in promoting tourism, became the tenth MCOT director.

From 2004, MCOT was corporatised pursuant to the 1999 State Enterprise Corporatisation Act and become a public limited company in which the Ministry of Finance was the major shareholder. MCOT is a large mass media operator with its own radio and television channels including a news agency called Thai News Agency, the MCOT's major program producer. TV Channel 9, presently renamed "Modern Nine TV" is owned and operated by the MCOT from the host broadcasting station in Bangkok to 36 network stations in various provinces around the country. The organization owns 7 F.M. Bangkok radio stations, 53 F.M. local stations and 2 A.M. stations, with the service areas covering nearly the entire country. The "Thai News Agency" acts as a center to produce, compile, archive, analyse, and disseminate news and information for broadcasting through the MCOT's various media. Moreover, the Company jointly conducts two major businesses with private operators; namely, Thai TV Channel 3 with the BEC Entertainment Public Company, and pay TV with the United Broadcasting Corporation Public Company (UBC).

Since late 2002, TV Channel 9 has changed its operation by modifying its program schedule and recreating a different character under the concept of “Modern Television” which focuses more on news and edutainment (education and entertainment) programs and new technology in production. In addition, in May 2004, the MCOT has modified its radio stations under the concept called “Modern Radio” by pursuing a policy to manage all radio stations by itself. It has been firstly implemented with the Bangkok radio stations where the format and program contents are designed for clear segmentation of target listeners. The Company’s regional radio stations would emphasise programs for local public interests together with those for national interests that are broadcast from the central station. Moreover, interactive programs would allow local people to express their views and complain about public problems in segments called “MCOT for Community”, that would be promoted on the MCOT regional radio hourly.

As a public company, MCOT pursued a market-oriented policy in station administration and had more flexible regulations than the PRD. The Directors had professional marketing backgrounds. The performance and social welfare of the employees were under the rules of the MCOT Union. The apex of the administrative structure of the MCOT’s radio stations was the MCOT Director. His subordinates are the Deputy MCOT Director and the Director of MCOT’s Radio Network. The Director of MCOT’s Radio Network supervises the Radio Production Division and the Local Broadcasting Division initiates operating plans and present these to the Assistant and the MCOT Director. The Radio Production Division is responsible for radio operations of the central station in Bangkok while the Local Broadcasting Division supervises local radio operations in the regional centers in five regions. In practice, authority was centralized in the MCOT’s central office. The regional center oversaw the local station’s operations and passed their monthly and yearly operating reports to the central office. If there was a complaint, the station manager reported the case to the regional center and it was passed to the Director of MCOT’s Radio Network. In practice, the concessionaires worked together with the Bangkok central office in airtime sharing and program scheduling. The station manager had a routine work to run the station in accorded with the regulation and the MCOT’s policies. The organizational structure of the MCOT is shown below (Figure I.2).

Figure I.2: The organizational structure of the MCOT Company Limited



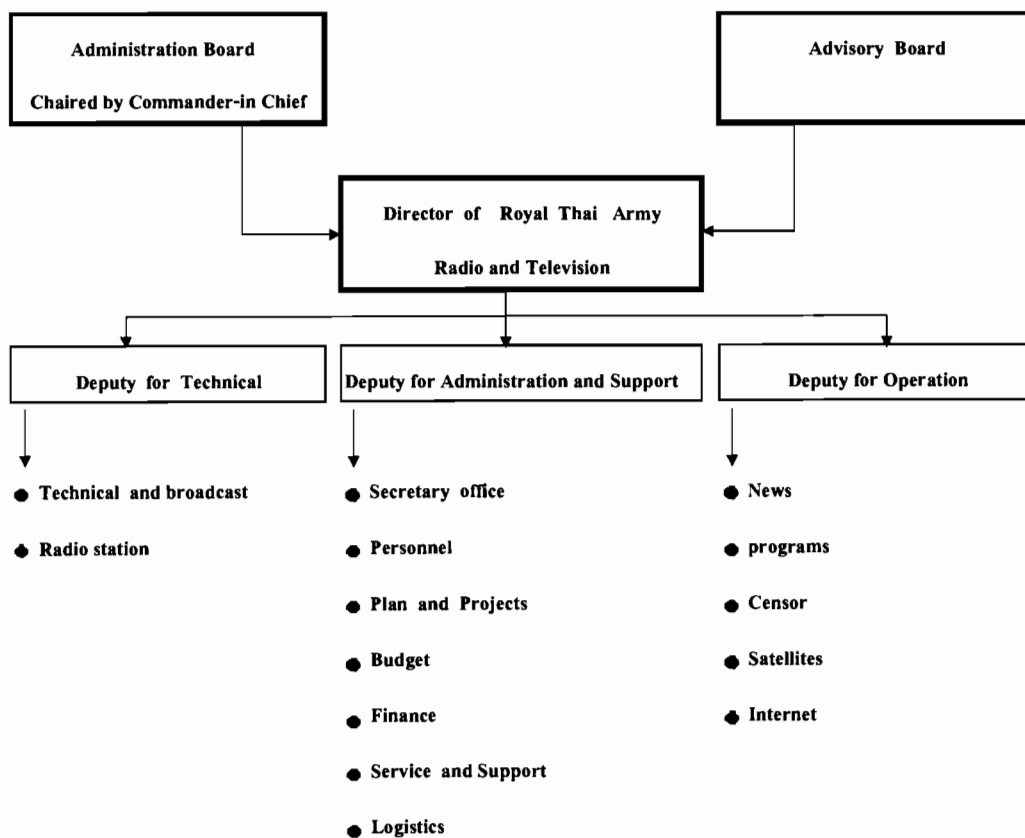
Source: MCOT Annual Report 2003.

3.3 The Royal Thai Army (RTA)

The Royal Thai Army (RTA) Radio and Television is a government agency under the direction of the Ministry of Defense's Minister. It is charged with promoting the national security and creating public understanding of the government's policy as well as the military agencies. Its major missions are to serve the Army's policies and activities while earning income from advertisements and airtime rentals. Unfortunately, the annual revenues from its broadcasting business have never been revealed to the public. The Director of RTA Radio and Television was assigned by the Administration Board chaired by Commander-in Chief with the advice from the Advisory Board. He then supervised three main departments; operation, technical and general administration. RTA owned 128 F.M. and A.M. Bangkok and local radio stations and also two television Channels 5 and 7. While Channel 5 was managed by the RTA, Channel 7 was granted to BBTv as a long-term concession. It also set up the Army News Centre to broadcast hourly 5-minutes news and daily 30-minutes evening talk program through the Army's local networks across the country.

Almost all of the RTA's radio and television stations were either awarded as concessions to big media companies or its airtime was rented to small-to-medium private operators. However, as the legal owner, the Army still retains the power to control program contents, especially on controversial political issues, as well as to select private operators. Unlike the PRD and the MCOT, the Deputy of its operational department controlled the RTA's local stations directly without the existence of a regional center. The station managers who were the RTA's officials had to work with the concessionaires or private operators in accord with the regulations on advertising time and broadcast technique. While the companies operated stations, produced programs, and did airtime marketing. The organizational structure of the RTA is illustrated in Figure I.3.

Figure I.3: The organizational structure of Royal Thai Army Radio and Television Channel 5.



Source: Royal Thai Army Annual Report 2003.

II. Terrestrial Broadcasters

1. Business structure

There are six television stations in Thailand. The television operators of broadcasting industry can be divided into two types; the state and the private. Accordingly the television broadcasters have been separated into two license categories - ownership and concession, as shown in Table II.1. The first type is the public service and business operators which the owners operate themselves. Here television Channel 5 by the Royal Thai Army and Channel 9 (Modern Nine) by the MCOT Public Company are the business operators, while the operation of Channel 11 by the PRD aims to provide a public service. The second type is related to joint business operations with private operators under agreements in return for a predetermined remuneration or a share of revenue. The television channels of this type are Channel 3 owned by the MCOT and operated by the BEC Entertainment Public Company, and Channel 7 owned by the Royal Thai Army and operated by the BBTV Company. Also, ITV Television Station, the only station broadcasting in the UHF system, is also of this type. Its operation is administered by the ITV Public Company and the Art ware Media Company, its subsidiary. The company was granted a “Build-Transfer-Operate” concession for 30 years from the Prime Minister’s Office.

Table II.1: Thai television stations including their names and license categories.

Television	License Category	Owner	Name
Channel 3	Concession	MCOT	Bangkok Entertainment
Channel 5	Ownership		Royal Thai Army
Channel 7	Concession	Royal Thai Army	Bangkok Television and Radio Company Limited
Channel 9 / Modern Nine	Ownership		Mass Communications Organization of Thailand
Channel 11	Ownership		Public Relations Department
ITV	Concession	Office of Prime Minister	ITV Public Company Limited

Source: ITV Annual Report 2004

Thai television therefore can be classified into two forms - the public service operators on Channel 11 by the PRD and the business operators on Channel 5 by the state agencies, Channel 3, 9 and ITV by the Public Companies, and Channel 7 by the private company.

1.1. Public TV Broadcaster

1.1.1 The Public Relations Department (PRD)

TV Channel 11 is a state run television network under the administration of the Public Relations Department (PRD) within the Prime Minister's Office. It was established by approval on 15 January 1985 to be a national television service with its major objectives to present programs on education, information and general knowledge, including news and current affairs and to disseminate government policies as well as national art and cultures to the public. The station had 10 regional networks across the country linked with the Bangkok central station by satellite system. The revenue of Channel 11 was partly from the annual government budgets and from airtime rentals. Commercial advertising is not allowed on this channel. The station produced programs by three means. Firstly, the station used government budgets to create programs for supporting democratic political system, disseminating government policies and providing different forms of classical arts. These were produced by the station's officers. Secondly, the station rented airtime to private operators who earned incomes from corporate advertising. Thirdly, the programs were co-produced by the station and private companies under certain conditions, for example, the company had to hire the station's officers to be program hosts or the program would hold the station's copyright.

1.2 Commercial TV Broadcasters

Commercial TV stations can be divided into two types; the state-operated and the private-operated stations. Those which are administered and run by the government agencies are Channel 5 and Modern Nine. Even though Modern Nine was privatised, its major shareholders still are government agencies. The others operated by concessionaires with commercial purposes are Channel 3, Channel 7 and ITV. For commercial stations, the airtime was managed in three ways - station's airtime, time-

sharing airtime, and renting airtime (see section V). Channel 7 and Channel 3 which are operated by BBTV and BEC World Group through a joint operating agreement with the Royal Thai Army and the MCOT respectively, can be considered as strong broadcasting businesses in Thailand. They have considerable influence on the mass viewers including the middle classes in Bangkok. These channels' broadcasters have full ownership of their airtime, and the company, therefore, is obliged to schedule programs, arrange and modernize their programming formats to attract the utmost viewers.

1.2.1 Royal Thai Army

The Royal Thai Army owns two television channels, Channel 5 and Channel 7. Both are under the administration of the Royal Thai Army within the Ministry of Defense. However, Channel 5 is a state run television network while Channel 7 is operated by a private company, BBTV under a joint operation agreement that pays an annual concession fee for the right to entirely operate the station. The major objectives of these two stations are to provide services to not only the public but also the soldiers as well as to create better understanding between the military and the public sectors.

Historically, both stations were used as the military's mouthpiece and to propagate the agencies' services. They regularly were used as a tool to counteract the Army's opposition parties. Channel 5 had regional networks, with more than 30 stations across the country broadcasting programs from the Bangkok Central station by satellite system. The Royal Thai army also owns 128 FM and AM radio stations in Bangkok and other provinces and runs the Army News Centre for disseminating military tasks and activities and building a good image for the military agencies. The Royal Thai army earned major revenues from three sources -- advertising income, airtime rentals, and annual concession fees from BBTV. However, its annual revenues have never been declared to the public.

1.2.2 MCOT Public Company Limited

The business activities of the MCOT (Company) can be divided into two types. The first type relates to business operations which the Company operates by itself, such as TV broadcasting, and radio broadcasting for Bangkok and regional areas of Thailand.

The Second type relates to joint business operations with private operators under agreements in return for a predetermined remuneration or a share of revenue.

One of the Company's principal businesses is Modern Nine TV station which has developed from Channel 4 of Thai Television Company Limited, the first black and white TV. Currently, Modern Nine TV provides 24-hour transmissions by broadcasting from the central station in Bangkok to 36 network stations located in regional areas. In addition, the Company plans to expand its TV network coverage to cover more areas nationwide in order to provide the population an equal access to news, information, entertainment and knowledge and to cover certain areas that signals do not currently reach. As such, the Company is currently reviewing a plan to build additional 52 relay stations in the region broadcasting mainly in UHF with partial broadcasting in VHF.

Modern Nine TV station is one of the business units generating substantial incomes for the Company. The responsibility of the TV station is to produce and air TV programs. The Department is divided into three sub-sections. The Program development and Promotion department's responsibilities include planning and producing advertisements, programming TV programs to attract viewers and increase popularity ratings, procuring and developing programs and preparing programming schedules to produce and broadcast. The Program Production and Graphic department, responsibilities include producing TV programs, documentaries and other programs as well as designing graphics. The Broadcast Operation Department is responsible for ensuring that TV broadcasting techniques are properly undertaken. It also provides support for broadcasting activities, editing television, movie or other tapes and dubbing for broadcasting and live broadcasting.

1.2.3 Three private operators

However, the three private operators; BEC Entertainment (Channel 3), BBTV (Channel 7), and ITV (ITV station), operate their stations under joint operation agreements with the legal owners, as shown in Table II.1. As subsidiaries, they have to pay annual compensation to the owners as well as transfer the property created and produced for the operation according to the 30-years "Build-Transfer-Operate" concession. They were required to build relay stations for color TV broadcasting in both the central and regional areas. In turn, the companies were entitled to utilize the

stations own airtime, and earn revenues. Both BEC and BBTV have amended the agreements for a third time with the owners and will continue to operate the stations until 2020 and 2023 respectively. ITV's contract will be firstly reconsidered in 2025. Of the three private broadcasters, BEC and ITV have now become public holding companies while BBTV is a private company. Similarly, they were originated from family business, the founders and major holders of BEC, BBTV, and ITV were the Maleenont, Ratanarat, and Shinawatra families respectively. Channel 7 and Channel 3 can be considered as strong broadcasting businesses in Thailand. They have considerable influence on the mass viewers including the middle classes in Bangkok.

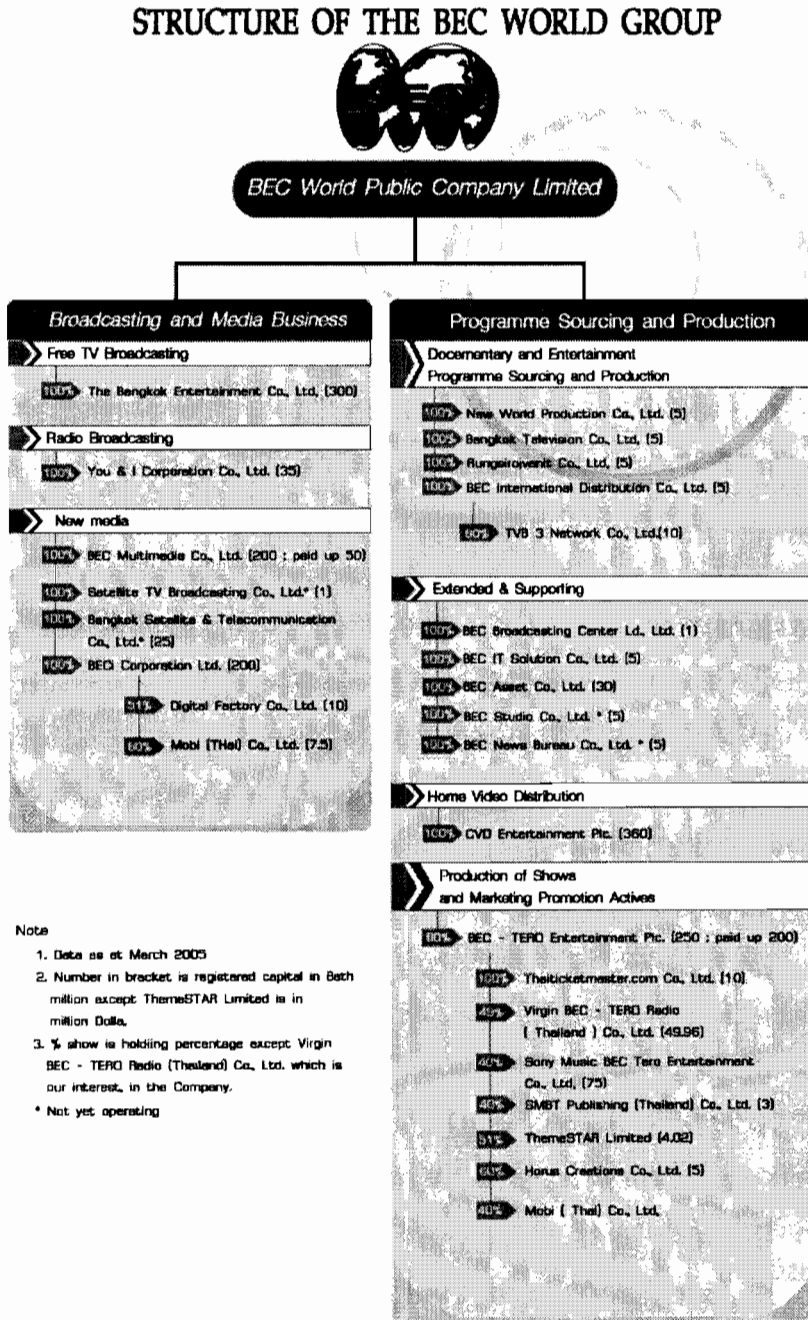
1.2.3.1 BEC World Group

Channel 3 was operated by Bangkok Entertainment Co., Ltd. which has now become a subsidiary directly held by the BEC World Group. The Group combined all of the "Maleenont" companies involved in broadcasting, media, TV program sourcing and production. At present, the Group is comprised of 27 companies which are BEC World Plc., 22 subsidiaries and 4 associates as shown in Figure II.1. BEC World Plc. is the parent company, having persons within the Maleenont family as majority shareholders. The businesses of the group are divided into the following units;

1. Broadcasting and media business comprises television broadcasting, radio broadcasting, and new media. The Group runs four Bangkok F.M. radio stations on behalf of its subsidiaries known as You & I Corporation.

2. Program sourcing and production comprised of documentary and entertainment program sourcing and production, production of shows, music and campaign activities, and extended and supporting business.

Figure II.1: Structure of the BEC World Group



Source: BECWG Annual Report 2004

Channel 3 has been operated by BEC entertainment for more than 35 years and has 32 relay broadcast stations to bring the station's networks to cover around 96 percent of total households. At present, it broadcasts in both VHF and UHF systems. There are 18 departments in charged with station administration and operation as shown in section 3 (Organization Structure).

1.2.3.2 ITV Public Company Limited

The ITV Company was originally founded on May 9th, 1995 as the Siam Infotainment Company Limited and then was changed to ITV Public Company in 1998. The Company was awarded a 30-year concession with the Prime Minister's Office and ITV operated the first UHF System Television Station in Thailand. The station was administered by a Board of Directors of which the members were experts in different fields. Among the Board members, one director would have experience in television broadcast station business and another in finance and accounting whereas neither should represent any group of shareholders. Its management structure is illustrated in section 3. At present, the Chairman of the Board is Boonklee Plangsiri, the present Director of Shin Corporation Plc that holds 53 percent of the Company's total shares. The Company's activities cover the operations of its television stations, management of station's time slots, program production and acquisition and sales of advertising time including rental of station airtime. The station has 40 relay broadcast stations in five regions which can bring ITV broadcasting network to cover 98 percent of the country's households.

1.2.3.3 Bangkok Broadcasting & Television Company Limited

Bangkok Broadcasting & Television Company Limited (BBTV) was established in 1967 to operate television broadcasting under a license from Royal Thai Army. Popularly known as Channel 7, it was the first station to transmit color television in Southeast Asia. Since then, Channel 7 has served the general public with information and entertainment programs. In 1973, Channel 7 installed its first ground network station in the provinces and expanded the facility to comprise 35 stations to date, obtaining whole country coverage including viewers in the border regions of neighboring countries. Channel 7 aims to inform, educate and entertain Thai people in all areas of the country. The Company also set up Regional News Centers with modern broadcasting equipment. Local and regional news and events are sent from nine Regional centers. At present, the Managing Director is responsible for seven departments of station administration and operation, as shown in section 3. Because of the intense competition in the television business in Thailand, each television station developed organization goals and operation plans in 2005, as shown in Table II.2.

Table II.2: Goals and planning of Thai television in 2005.

TV Channel	The Strategy
<i>Channel 3</i>	<ul style="list-style-type: none"> - Adjust airtime of early evening and before evening news - Increase airtime to 24 hours. - Produce midnight news program - Adjust and increase morning programs - Produce children programs for family target group
<i>Channel 5</i>	<ul style="list-style-type: none"> - Add airtime for variety entertainment after the evening news - Adjust regulations for presenting music video programs - Add drama program after evening news - Increase news and talks in morning program. - Emphasis on youth and children program.
<i>Channel 7</i>	<ul style="list-style-type: none"> - Emphasis on drama program to keep as a market leader. - Trim unpopular programs.
<i>Modern Nine TV.</i>	<ul style="list-style-type: none"> - Increase a co-produced and time sharing program - Employ the strength of news company alliances - Add drama after evening news
<i>ITV.</i>	<ul style="list-style-type: none"> - Develop prime-time program on weekend. - Concentrate on local news to favor the public. - Emphasis on kid, youth and sport program. - Differentiate programs from others. - Create brand communication to public consumer.

Source : Bangkok Business Newspaper, 15 Dec 2004.

The summary of six television channels in Thailand is illustrated below.

Table II.3: Comparative characteristics of six television channels in Thailand.

	Channel 3	Channel 5	Channel 7	Modern Nine TV	Channel 11	ITV
Major share holders / owners	56.64% Maleenont Group	100% Government Royal Thai Army	59% Rattanak family	More than 50%Ministry of Finance	100% Government	53.22% Shin Corporation Plc.
No. of Regional networks	32	31	35	36	32	50
Type of Business	- TV Broadcasting - Radio Broadcasting - New Media	- TV Broadcasting - Radio Broadcasting	- TV Broadcasting - Radio Broadcasting	- TV Broadcasting - Radio Broadcasting	- TV Broadcasting	- TV Broadcasting
No. of Employees	1,705	440	N.A.	1,083	N.A.	N.A.
Year of Establishment	1970	1957	1967	1977	1985	1996
Net profit (Million baht 2004)	1,600	58	1,694	1,056	300	204

Source: BECWG, RTA, MCOT, ITV annual report 2004; Somkiet, 2003 and BECWG, RTV, MCOT, BBTv, ITV business report 2004.

1.3 Network of TV stations

Each TV broadcaster invests in its regional network stations and has its own transmitters to broadcast programming covering almost the whole country. Channel 3, 5, 7, Modern Nine, 11 and ITV own 32, 31, 35, 36, 32 and 50 transmitters respectively. The major activity of all regional stations of each TV broadcaster is to relay programs from a transmitter at central office in Bangkok and occasionally to co-produce local news program with the central news office. Only regional network stations of Channel 11 in ten provinces, namely, Chantaburi, Kanchanaburi, Hadyai, Nakhon Srithammarat, Phuket, Chiang Mai, Pitsanulok, Khonkaen, Ubonratchathani, and Suratthani can also produce local news and variety programs, broadcast three hours daily to local audiences (Surin Plangprasopchok, interview 12 November 2005). The remaining regional stations of Channel 11, and all of the other five channels are only relay stations for the mother transmitters in Bangkok central office since they lack personnel and equipments for local program production.

With TV stations nationwide, MCOT' TV network now covers approximately 87.0 percent of Thailand, comprising 61,832 villages or approximately 885 percent of the population living in the service areas. While the broadcasting network of ITV covers 98% of the country's households according to its 2004 annual report. ITV runs

the terrestrial broadcasting transmission antenna from its master station in Bangkok , 100 kilometers coverage which covering greater Bangkok and the surrounding vicinity of 17 provinces. Further more, ITV 's current broadcasting technology enables simultaneous broadcasting of different programs for different coverage areas. For instance, while program A is broadcasting in the northern region, program B can be broadcast in the northeastern region and program C in the southern region. Additionally, all three programs A, B and C can also be simultaneously broadcasted ; this particular technique is normally used in reporting of regional news. Unfortunately, details of service areas of the other four operators are not available.

1.4 Subsidiaries/ Business units

Each terrestrial broadcaster has different business structures and operations varied by its identity. The Table below shows that Channel 3 by the BEC World Group has consolidated its entertainment business as to become an empire of media operators and content providers. While Channel 5 by the Royal Thai Army now has a plan to privatize its broadcasting business by setting up three companies, namely RNT Production Company, RNT Marketing Company, and WOW Radio Company, to operate broadcast media, produce news programs as well as do program marketing. MCOT, which has successfully been privatized since 2002, set up a TV production company, Panorama Worldwide, to produce in-house programs. MCOT also has the joint operation agreements with both the largest free-to-air TV operators, BEC, and pay-TV operators, UBC. On the other hand, ITV offers two famous TV production companies, Kantana and Born & Associated, to hold the company's shares and co-operates in program production. Channel 11 by the PRD produces news and public service programs in cooperation with around 50 to 60 independent producers and production houses (Surin, interview 12 November 2005). Currently there are no details of business activities of subsidiaries/affiliates of Channel 7 by BBTV company revealed to the public.

Table II. 4 :Names and Types of business activities of subsidiaries/affiliates/
concessionaires of each terrestrial broadcaster.

Business Activities of subsidiaries / affiliates / concessionaires	Ch. 3	Ch. 5	Ch. 7	Ch. 9	Ch.11	ITV
Media operation	-The Bangkok entertainment co.,ltd. - You&I corporation co.,ltd	-WOW radio com		-Bangkok entertainment co.,ltd		
Content Productions and air-time sales	- Rungsirojvanit co.,ltd. - New world production co.,ltd. - BEC Broadcasting center co.,ltd - BEC international distribution co.,ltd - BEC news bureau co.,ltd. - Bangkok television co.,ltd. - BEC-TERO entertainment public company limited - TVB 3 network co.,ltd - Virgin BEC-TERO radio (Thailand) ltd. - MOBI (Thai) co.,ltd.	-RNT production		-Panorama worldwide company limited		-Kantana group -Born & Associated
Facility / infrastructure Management	- BEC studio co.,ltd.					
Advertising/TV Commercial Management/ marketing	- Thaiticketer.com co.,ltd.	-RNT marketing				
Investment Management on CATV/Satellite	-Bangkok satellite&telecommunication co.,ltd. - Satellite broadcasting co.,ltd. -					
Cable/Satellite TV Programs				-UBC		
Internet portal / mobile service and Information technology	-BEC IT solution co.,ltd. -BEC corporation ltd. -BEC multimedia co.,ltd -Digital factory co.,ltd.					
Others	- Theme Star ltd. - Sony music BEC TERO entertainment co.,ltd -SMBT publishing (Thailand) co.,ltd -CVD entertainment public company limited					

Source: BECWG, MCOT, ITV annual report 2004; Channel 3, 5, 7, 9, ITV business report 2004; Surin Plangprasopchok, interview 12 November 2005.

2. Financial positions and performances

2.1 Source of revenues

The core revenues of commercial television stations are derived from several major sources:

1. Advertising incomes. These accounted for more than half of the annual total revenues and were mainly generated from two activities:

- Internally produced programs, for which advertising sales were fully managed and marketed by the broadcasters.
- Co-produced programs, whereby production costs were absorbed by strategic producers who benefited from the sharing of revenues and allocated advertising airtime.

2. Airtime rentals. Stations rent airtime slots to production houses or program arrangers. Airtime rentals may be quoted and collected on an agreement upon a lump-sum payment basis.

3. Studio rentals. Program producers may rent production studios including technical equipments from the station.

4. Concession fees. The owners of the television stations namely, MCOT and the Royal Thai Army, gained certain annual concession fees from the companies under Joint Operation Agreements. BEC World Group, that jointly operates Channel 3 with the MCOT, is obliged to pay approximately Baht 3,356 million throughout the term of agreement. There are no details of payments available to the public between BBTB and Royal Thai Army for an agreement to jointly operate Channel 7.

The Table II.5 shows that only Channel 11 receives one-third of its annual revenue from the government budget, and also has earnings from corporate advertising as well as airtime rentals (Surin, interview 12 November 2005). While the major sources of revenue of the other five free-to-air broadcasters come from advertisements, the most popular television stations, Channel 3 and 7, do not declare separately the income from airtime rentals. Also only Channel 9 reveals the revenue from concession fees (from UBC and BEC) while there is no detail of payments available to the public between the Royal Thai Army and BBTB for an agreement to jointly operate Channel 7. In addition, each television broadcaster does not show revenue from program sales but some reveal amount of revenues from program copyrights and other services.

The research did not discover changes in revenue of Channel 5, 7, and 11 because their financial situations could be obtained only for 2004.

TableII.5 : Amount and sources of revenues of each terrestrial broadcaster in 2004

	Channel					
	Channel 3	Channel 5	Channel 7	Modernine TV	Channel 11	ITV
1. Government Budget	-	-	-	-	≅100.00	-
2. Corporate Advertising	-	-	-	-	≅130.00	-
3. Advertising Incomes	5,339.02	53.00	4,180.31*	192.56	N.A.	1,418.53
4. Airtime Rentals	N.A.	21.00	N.A.	28.10	≅170.00	403.00
5. Studio Rentals	N.A.	N.A.	14.79	N.A.	N.A.	14.93
6. Programs Copyright And Others	82.60	N.A.	535.75	33.00	N.A.	N.A.
7. Concession Fees	N.A.	N.A.	N.A.	65.88	N.A.	N.A.

Source: BECWG, MCOT, ITV annual report 2004; Channel 3, 5, 7, 9, ITV business report 2004; Surin Plangprasopchok, interview 12 November 2005.

2.2 Changes in revenue of the terrestrial broadcasters

Competition in the TV business has become very intense so that every channel adjusts its programming schedule as well as its presenting style with the hope to constantly increase its ratings. This is because the station's popularity is one of the main deciding factors for advertisers or advertising agencies to determine whether or not to advertise through the channels, which, of course, is the main source of revenue for a TV station. In addition, the reliability and strength of the station's programs are its quality and contents. According to the companies' annual reports, the net profit of BEC World Group for the year 2004 was lower than that of the last year as the costs and expenses were increased at a higher rate and more intense competitions reduced the growth of ad-spending. In contrast, ITV's revenues have increased continually since the Company rescheduled its broadcasting timetable to introduce a variety of news programs as well as increasing entertainment and variety program. The station still retained its reputation as the news station, especially during the Tsunami tragedy in Thailand when the station took out regular programs as to update the news situation. These made the station become the most watched news prime time program during the end of December 2004.

Modern Nine Television also earned more income within the last three years as the MCOT succeeded in positioning the image of the station as a knowledge-based channel for knowledgeable middle-class people. Its schedule of TV programs under the edutainment concept focused on quality and creative programs that would lead to a positive response from viewers as well as advertising agencies. Table II. 4 shows the changes of revenues of these three television stations from 2002 to 2004. Unfortunately, the research did not discover the financial situation of the other three channels, Channel 5, 7, 11 because they do not reveal their information to the public.

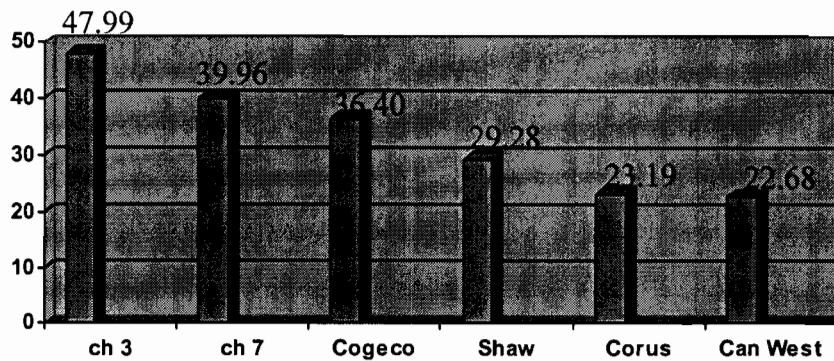
Table II.6: Change in Thailand terrestrial broadcaster’s revenue 2002 – 2004 (Million Baht)

Years	TV Stations		
	<i>Channel 3</i>	<i>Modern Nine TV</i>	<i>ITV</i>
2002	N.A.	1,868	1,467
2003	1,970	1,962	1,701
2004	1,602	2,015	1,839

Source : ITV, MCOT and BECWG Annual Report 2004

However, according to the research by TDRI on the topic of “Structure of broadcasting and television market in Thailand” (2003), the private-operated television channels, Channel 7 and 3, both gained audience shares of around 75 percent of total viewers and earned incomes of approximately 53 percent from total advertising expenditures. Also, the revenue of Channel 7 (48%) and Channel 3 (40%) in 2001 were still higher than those of the television stations in other countries (Somkiet, 2003).

Figure II.2: Revenue of Channel 7, 3 in 2003 compared to other countries



Source: Somkiet, 2003

3. Number of employees and organization chart of Thai terrestrial operators

This research could reveal only an approximate number of employees of each terrestrial broadcaster as shown in the Table below. Data on changes in the number of employees and in the structure of the organizations over a period of at least 5 to 10 years are unobtainable. Also no research has been undertaken on the topic of human resources in media business.

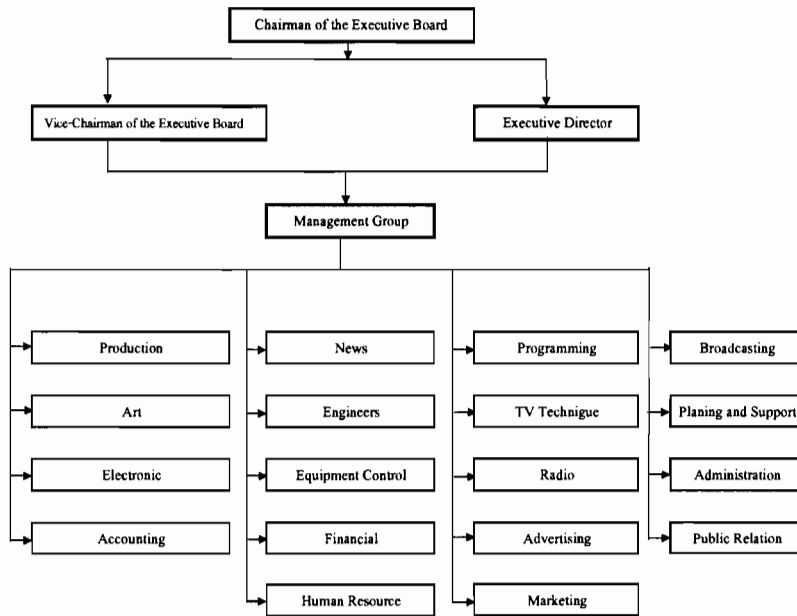
Table II. 7: Approximate number of employees of each terrestrial broadcaster in Thailand

Channel	Number of Employees (Total)	Number of Employees (Bangkok Only)
Channel 3	≈1,100	≈900
Channel 5	≈1,200	≈900
Channel 7	≈973	≈690
Modern Nine TV	≈1,041	≈700
Channel 11	≈748	≈335
ITV	≈944	≈600-700

Source : Mass Communication Media, Culture and Society 2004

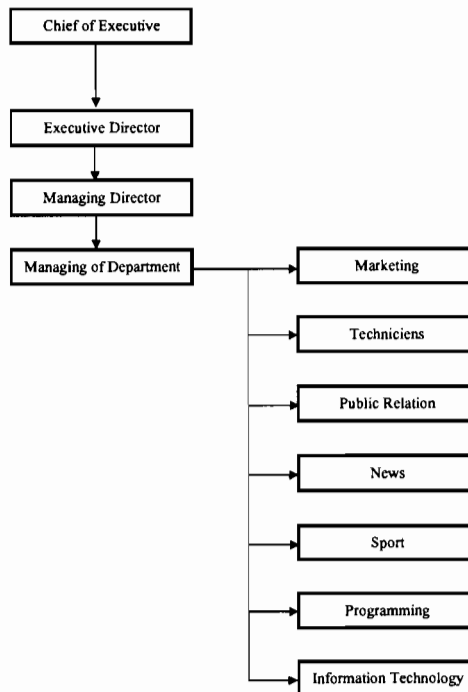
Below is illustrated the organizational structure of the four terrestrial television operators in Thailand. (See Figure I.2, I.3 for organizational structure of Channel 5 and Modern Nine TV).

Figure II.3: The organizational structure of the Bangkok Entertainment Co.,Ltd. (TV Channel 3)



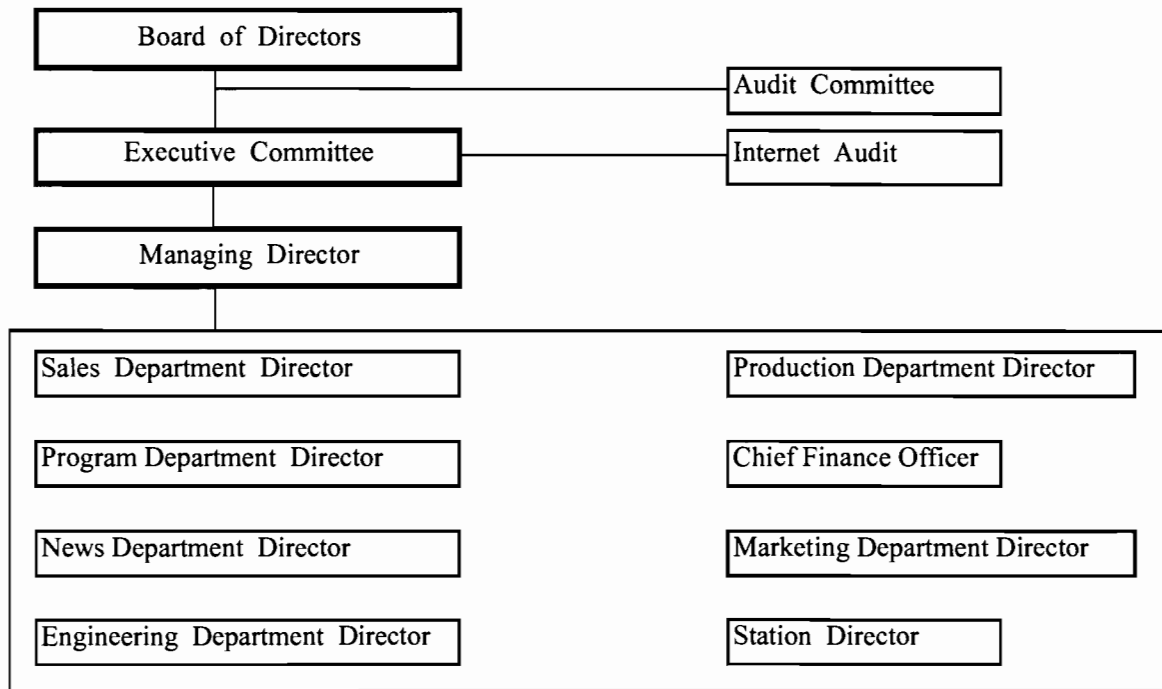
Source : www.thaitv3.com

Figure II.4: The organizational structure of Bangkok Broadcasting Television Company Limited. (TV Channel 7)



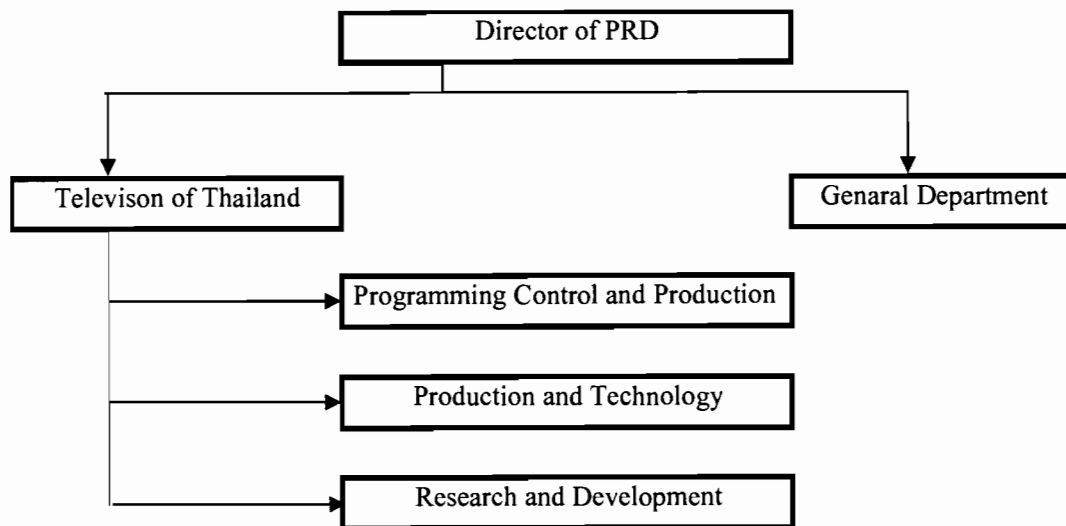
Source : www.tv7.com

Figure II.5: The organizational structure of ITV Public Company Limited., (ITV Station)



Source: ITV Annual Report 2004.

Figure II.6: The organizational structure of the Public Relations Department (TV Channel 11)



Source : source : www.prd.go.th

4. Production Capacity

Even though each channel has different stand points, competition is inevitable. Each station modernizes its broadcasting by the use of new technology, which, altogether has helped increase the stations' popularity among viewers. Production capacity is viewed from the production studio capacities of in – house production. Unfortunately, numbers of recording and editing studios are unobtainable, therefore, the study can briefly explain production capacity of each TV stations based on the annual reports of some stations and their public documents.

Channel 7, Bangkok Broadcasting & Television Company Limited. was the first station to transmit color television in Southeast Asia. It pioneered ground network stations in the province and expanded that facility to comprise 40 stations to date, obtaining whole country coverage including viewers in the border regions of neighboring countries. Entering the satellite age by linking up with the signal of Indonesia's PALAPA satellite, Channel 7 enabled simultaneous reception over the whole of Thailand. Via Intelsat, television airing from all over the world is transmitted through Channel 7's local ground network station. To televise important regional events, Channel 7 uses Outside Broadcasting Vans (O.B. Vans) as temporary host stations. In cases of outside reporting, a more compact broadcasting equipment uses higher frequency on Ku Band to communicate directly with satellite and give audiences on-the-spot images and information.

In addition to network stations Channel 7's O.B. vans have been regularly assigned to locations; and smaller vans equipped with Ku-Band facility can access difficult terrains all over the country, sending images and reporting events when and where they happen. Its networks stations all have set up Regional News Centers with modern broadcasting equipment around the country. For example, local and regional news and events of Channel 7 are sent from nine such centers, situated in Khonkhen, Nakorn Rachasima, Ubonratchathani, Chiangmai, Nakorn Sawan, Hatyai, Surat Thani, Phuket, and Rayong. Regional centers at Nakorn Rachasima, Chiangmai, Hatyai, and Rayong act as Channel 7's main regional news centers where a team of reporters, announcers, and a broadcast studio are ready on a daily basis to report regional events.

Channel 5 offers Global Network broadcasts worldwide by satellite system and operates a 24hours – a – day service like Modern Nine TV do in the country. Modern

Nine TV broadcasts from the host broadcasting station in Bangkok to 36 network stations in various provinces around the country. Focusing on the success of ITV as the top rating news station, ITV Sky News presents different perspectives on news by their airborne crew teams on helicopter flights. So far, the program has been able to be the very first to reach the news scenes. Viewers can directly contact Channel 3,5,7,9,11 and ITV through their Internet websites at www.thaitv3.com, www.tv5.go.th, www.ch7.com, www.mcot.go.th, www.prd.go.th, and www.itv.co.th, respectively.

The table II.8 shows the numbers and proportions of the in-house and outsource productions of each terrestrial broadcaster in September 2004, analyzed by observation and study of the program schedules of each broadcaster. The in-house programs can be divided into three sub-categories: station-produced, subsidiaries/affiliates/alliances-produced (not the time and revenue sharing), and purchasing programs by station (see Section V.1). Most of the news and sport programs on each television channel are station-produced. Thai dramas are produced by production houses or TV producers who are hired by the stations which solely retain authority to sell advertising times and receive income from such sales. In addition, foreign drama series are in-house productions since they are purchased by the stations. On the other hand, most variety, game and talk shows, documentaries and children programs are out-sourced productions.

These results also relate to the number of hours and programs produced in different genre of each terrestrial broadcaster (see Table II.9). It shows that Channel 11 and 9 (Modern Nine) which rely on news and current affairs (around 60 hours) have more in-house productions at 84 and 44 percent respectively. While Channel 3 and 7 which rely on Thai dramas and foreign series (each around 50 hours) produced in-house programs nearly a half of the total number of stations' program production. On the other hand Channel 5 and ITV have more out-sourced productions since most of their programs are entertainment. Even though data relating to number of recording and editing studios is unobtainable in this research, the number of programs produced in different genre can indicate the production capacity of Channel 11 and 9 in news and current affair programs production, and Channel 3 and 7 in drama productions.

Unfortunately the research could not uncover details of program purchases from foreign producers. There is no supporting data available from actual broadcasters because such information is confidential and they use it for strategic marketing and

media plans. Thus, no research has been conducted on this topic as it is hard to access or obtain such information.

Table II.8 : Number and percentage of in-house and outsource programs of each terrestrial broadcaster.

Channel	In-house		Outsource		Total
Ch.3	40	(40%)	59	(60%)	99
Ch.5	18	(13%)	123	(87%)	141
Ch.7	47	(46%)	56	(54%)	103
Ch.9	53	(44%)	67	(56%)	120
Ch.11	107	(84%)	21	(16%)	128
ITV	41	(28%)	106	(72%)	147

Source: Channel 3, 5, 7, 9, 11 and ITV program schedules, September 2548

TableII.9: Hour and number of programs produced in different genre of each terrestrial broadcaster

Channel	Thai Drama		Foreign Drama		Children		Entertainment*	
	Hour	Number	Hour	Number	Hour	Number	Hour	Number
Ch.3	24.55	13	28.0	10	1.40	3	47.10	42
Ch.5	4.40	1	1.5	1	5.25	7	77.40	84
Ch.7	39.15	9	22.20	6	6.55	8	32.35	38
Ch.9	6.00	5	-	-	10.20	8	59.10	53
Ch.11	-	-	-	-	5.00	11	7.15	10
Itv	8.05	2	3.00	1	5.14	5	69.20	75

Channel	News		Sport		Documentary		Others*	
	Hour	Number	Hour	Number	Hour	Number	Hour	Number
Ch.3	45.53	9	8.10	8	3.40	9	1.50	5
Ch.5	35.14	12	4.20	3	2.55	3	16.10	30
Ch.7	28.20	8	8.50	10	1.55	4	4.05	19
Ch.9	61.05	16	5.00	8	14.20	15	15.00	15
Ch.11	69.05	31	5.25	4	22.25	43	15.25	29
Itv	39.05	10	3.00	6	11.58	21	16.41	27

Source: Channel 3, 5, 7, 9, 11 and ITV program schedules, September 2548

- Entertainment = Variety/Talk Show/Game Show
- Others = TV Shopping/ Cooking etc.

5. Analysis of viewing rate

5.1 Viewing rate by channels

As for the prime time TV rating of 6.00 – 10.30 p.m. (see Table II.5), which is the time slot mostly desired by purchasers as it is the most watched period during the day, ITV's popularity rating showed a continued growth of 172% and its ranking also improved from the fifth position in the fourth quarter of 2004 to the third in the fourth quarter of 2004.

Table II.10: Prime time TV rating during 6.00 – 10.30 p.m

Station	Prime Time TV Rating (%TVR) during 6.00 – 10.30 p.m.								% Growth 4Q03 VS 4Q04
	2003				2004				
	Quarter				Quarter				
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	
ITV	1.39	1.33	1.29	1.55	1.71	2.41	2.94	4.22	172%
CH 3	6.87	5.96	6.99	5.06	5.84	6.21	5.66	5.12	1%
CH 5	1.68	1.85	1.83	1.94	1.92	1.41	1.32	1.21	-38%
CH 7	10.71	10.32	11.39	11.86	10.99	9.41	11.61	10.69	-10%
CH 9	1.40	1.61	1.92	2.55	2.23	2.24	2.33	2.78	9%
CH 11	0.40	0.39	0.36	0.74	0.49	0.54	0.55	0.58	-21%

Source : Nielsen Media Research (ITV Annual Report 2004)

The survey of “Audience Share” (see Table II.6) compiled by the Nielsen Media Research, which is a calculation of the number of viewers watching any particular program as a ratio to overall numbers of viewers watching all broadcasting stations, from the period of 1 December 2003 to 31 December 2004, showed the Channel 7 in the first rank, followed by the Channel 3 in the second rank, and ITV in the third rank. The dramatic increase in ITV's audience share last year pushed its overall ranking for the year from fifth in 2003 to third in 2004.

Table II.11: Percent of audience share of December 2004.

Time	% Audience Share as of December 2004					
	CH 3	CH 5	CH 7	CH 9	CH 11	ITV
06:00-24:00	23%	7%	38%	11%	3%	18%
06:00-15:00	28%	9%	37%	10%	3%	13%
15:00-18:00	23%	9%	30%	10%	5%	24%
18:00-22:30	21%	5%	40%	12%	2%	20%
22:30-24:00	19%	14%	35%	14%	3%	15%

Source: Nielsen Media Research (ITV Annual Report 2004)

However, for the timeslot of 7.30-8.20 pm, based on information of viewer shares during the last six months of 2003 and the first six months of 2004, the result shows that although Channel 7 and Channel 3 still dominated viewer's interest as No. 1 and No. 2, respectively, Modern Nine TV managed to significantly increase its share. The percentage of its viewers during the first six months of 2004 rose to 18.6 percent from 16.9 percent during the last six months of 2003. Before the drama series time aired by other channels, Modern Nine TV aired the *Game Tossagun* Show and the Evening News Program, which were well received by viewers. Details are shown in Table II.7 as follows.

Table II.12 : Compared shares of viewers during the last six months of 2003 and the first six months of 2004 during 7.30 pm-8.20pm

Channel	Average monthly viewer shares between July-December 2003	Ranking	Average monthly viewer shares between Jan-June 2004	Ranking
<i>Channel 7</i>	40.6	1	37.7	1
<i>Channel 3</i>	21.1	2	22.1	2
<i>Modern Nine TV</i>	16.9	3	18.6	3
<i>ITV</i>	6.6	5	10.1	4
<i>Channel 5</i>	12.3	4	9.3	5
<i>Channel 11</i>	2.6	6	2.3	6

Source: AC Nielsen (MCOT Annual Report 2004)

From a comparison of information of viewers share for viewers between 6-14 years old, Modern Nine TV has its best viewer shares among children during 08.00am-10.00 am on Saturdays and Sundays. Children are the targeted group of viewers during weekend mornings when Modern Nine TV broadcasts cartoons for kids and is very popular. During the period, Modern Nine TV was ranked No 2, closely behind Channel 7. According to viewers shares in the group of 16-14 years old during the last six months of 2003 and the first six months of 2004, it was found that Modern Nine TV's viewers were as high as 37.2 percent for the first six months of 2004, which was a little lower than Channel 7's 44.2 percent (No.1). This was the period when Modern Nine TV broadcast Modern Nine Cartoons for kids, which proved very popular among viewers in the 6-14 years old age bracket group during weekend's mornings.

Table II.13: Compared shares of viewers during the last six months of 2003 and the first six months of 2004 during 8.00 am -10.00 am, Saturday and Sunday.

Channel	Average monthly viewer shares between July-December 2003	Ranking	Average monthly viewer shares between Jan-June 2004	Ranking
<i>Channel 7</i>	46.4	1	44.2	1
<i>Modern Nine TV</i>	35.8	2	37.2	2
<i>Channel 3</i>	13.2	3	12.8	3
<i>Channel 5</i>	2.5	4	3.3	4
<i>ITV</i>	1.6	5	2.1	5
<i>Channel 11</i>	0.6	6	0.5	6

Source: AC Nielsen (MCOT Annual Report 2004)

5.2 Annual top 20 programs by viewing rate – total programs

Based on the viewing rate, the media research company published a report of most popular programs of years based on the viewing rate. The tables below show that dramas and sport programs by Channel 7 were the most popular programs of Thai viewers. This helped Channel 7 to earn the greatest market share of advertising expenditures and to monopolise the industry.

Table II.14 : Top 20 programs of 2001 by viewing rate

Rank	Name	Genre	Broadcaster	Viewing rate (%)
1.	Mhor Lum Summer	Drama	Channel 7	16.8
2.	Karmathep Tua Noi-2	Drama	Channel 7	15.9
3.	So..Sa Neh Ha	Drama	Channel 7	15.5
4.	Mae Khun Uey	Drama	Channel 7	15.4
5.	Li Key Li key	Drama	Channel 7	15.3
6.	LB-Sea Games'03	Sports	Channel 7	15.2
7.	Kaew Ta Wharn jai	Drama	Channel 7	15.0
8.	LB-Football Nad Pi-Sed	Sports	Channel 7	15.0
9.	Cha Cha Cha Tah Rak	Drama	Channel 7	14.8
10.	Bussaba 3 Cha-1	Drama	Channel 7	14.7
11.	Mue Puen Poh Look Ti	Drama	Channel 7	14.6
12.	Yhiew Sao Mue Mai	Drama	Channel 7	14.6
13.	Phee Khee Nghao-1	Drama	Channel 7	14.2
14.	Phee Khee Nghao	Drama	Channel 7	14.2
15.	Bussaba 3 Cha	Drama	Channel 7	14.1
16.	Karmathep Tua Noi-1	Drama	Channel 7	13.9
17.	Khun Jaew Ka-Phao	Drama	Channel 7	13.9
18.	Fun Klang Ta-Wan-2	Drama	Channel 7	13.8
19.	LB-Tennis Wimbledon	Sports	Channel 7	13.8
20.	LB-Asian Cup Soc.-2	Sports	Channel 7	13.6

Source : AC Nielsen, 2001

Table II.15 : Top 20 programs of 2004 by viewing rate

Rank	Name	Genre	Broadcaster	Viewing rate (%)
1.	Phak-Bung Kab Kung-Nang	Drama	Channel 7	19.0
2.	LB-Tiger Cup (THA+MAL)-2	Sports	Channel 7	18.0
3.	Hong Hun	Drama	Channel 7	17.0
4.	20.00 News-2	News	Channel 7	16.0
5.	LB-Tiger Cup (THA+MAL)-1	Sports	Channel 7	16.0
6.	Benja Kita Kwam Rak	Drama	Channel 7	16.0
7.	Mae Aai Sa-Auen	Drama	Channel 7	15.0
8.	LB-World Cup Qua.	Sports	Channel 7	15.0
9.	Khun Poh Rab Jarng	Drama	Channel 7	15.0
10.	Sa-Phai Za Mae Ya Hien-2	Drama	Channel 7	15.0
11.	Aun Ai Rak	Drama	Channel 7	15.0
12.	Duean Dued	Drama	Channel 7	15.0
13.	Sa-Phai Za Mae Ya Hien-1	Drama	Channel 7	14.0
14.	Yhod Nam Nai ta-Wan	Drama	Channel 7	14.0
15.	LB-King's Cup Soc.	Sports	Channel 7	14.0
16.	Mae Pra TorraNee	Mini Series	Channel 7	14.0
17.	Sa-Phai Za Mae Ya Hien	Drama	Channel 7	14.0
18.	Hua Jai Hor Bai Tong	Drama	Channel 7	14.0
19.	Fai Nai Wa-Yu	Drama	Channel 7	13.0
20.	LB-World Cup Qua.	Sports	Channel 7	13.0

Source : AC Nielsen, 2004

5.3 Annual top 20 programs by viewing rate – by genre

The following tables show the most popular TV dramas, news and current affairs, documentary and informative and entertainment and show programs in 2001 and 2004. The tables below illustrate the dominance of Channel 7 in Thailand's television business since each type of their programs all received the highest rating points and ran in the top five for many years. While some programs of Channel 3 and Modern Nine TV in variety and entertainment and news and current affairs genre were in the annual top 20.

Table II.16 : Top 20 dramas by viewing rate 2001

Rank	Name	Broadcaster	Viewing Rate (%)
1.	Mea Jam Pen	Channel 7	21.0
2.	Look Lhong	Channel 7	20.0
3.	Rak Kerd Nai Talard-Sod	Channel 7	19.0
4.	Dao Lhong Fah Phu Pha Si Ngerm	Channel 7	18.0
5.	No-Rah	Channel 7	18.0
6.	Nai Hoy Thamin	Channel 7	17.0
7.	Hongfah Kab Somwang	Channel 7	17.0
8.	Mae-Kah	Channel 7	17.0
9.	Mae-Kah	Channel 7	17.0
10.	Khumsab Maenam Kwai	Channel 7	17.0
11.	Keb Phaendin	Channel 7	16.0
12.	Petch-Tad-Petch	Channel 7	16.0
13.	Kam-Nan Ying	Channel 7	16.0
14.	Kom Payabath	Channel 7	16.0
15.	Mae Mod Yord Yung	Channel 7	16.0
16.	Khumsab Maenam Kwai	Channel 7	16.0
17.	A-Tee-Ta	Channel 7	16.0
18.	Tarnng Paan Kamathep	Channel 3	15.0
19.	Thong 5	Channel 7	15.0
20.	Thong 5-2	Channel 7	15.0

Source : AC Nielsen, 2001

Table II.17 : Top 20 dramas by viewing rate 2004

Rank	Name	Broadcaster	Viewing Rate (%)
1.	Phak-Bung Kab Kung-Narng	Channel 7	19.0
2.	Hong Hun	Channel 7	17.0
3.	Benja Kita Kwam Rak	Channel 7	16.0
4.	Mae Aai Sa-Auen	Channel 7	15.0
5.	Khun Poh Rab Jarng	Channel 7	15.0
6.	SA-Phai Za Mae Ya Hien-2	Channel 7	15.0
7.	Aun Ai Rak	Channel 7	15.0
8.	Duean Dued	Channel 7	15.0
9.	Sa-Phai Za Mae Ya Hien-1	Channel 7	14.0
10.	Yhod Nam Nai Ta-Wan	Channel 7	14.0
11.	Sa-Phai Za Mae Ya Hien	Channel 7	14.0
12.	Hua Jai Hor Bai Tong	Channel 7	14.0
13.	Fai Nai Wa-Yu	Channel 7	13.0
14.	Rak Kern Pi-Kad Khaen	Channel 7	13.0
15.	Narng Sao Jing Jai Kab Naai...	Channel 7	13.0
16.	Baan Phu Ta-Wan	Channel 7	13.0
17.	Sao Noi Nai Ta-Kieng Kaew 2	Channel 7	13.0
18.	7 Pra-Kal	Channel 7	13.0
19.	Nah-Kark	Channel 7	13.0
20.	Nhee Cheewit	Channel 7	13.0

Source : AC Nielsen,2004

Table II.18 : Top 20 news and current affairs by viewing rate 2001

Rank	Name	Broadcaster	Viewing Rate (%)
1.	LB-Samosorn Sanibate	Channel 7	15.0
2.	SP-King Birthday	Channel 7	14.0
3.	Attack on USA News-3	Channel 3	13.0
4.	Attack on USA News-3	Channel 7	13.0
5.	LB-King's Birthday	Channel 7	13.0
6.	20:00 News	Channel 7	12.0
7.	Kwamjing Prated Thai	Channel 7	11.0
8.	LB-Fon Dao-Tok	Channel 7	11.0
9.	Attack On USA News-2	Channel 3	11.0
10.	Attack On USA News-4	Channel 3	11.0
11.	19:30 News.	Channel 7	10.0
12.	Khao Ded 7 See 6 th	Channel 7	9.0
13.	Attack On USA News-1	Channel 3	8.0
14.	LB-Queen Ovation	Channel 7	8.0
15.	19:30 News-2	Channel 3	8.0
16.	News Flash	Channel 7	7.0
17.	News Flash.1	Channel 3	7.0
18.	Attack On USA News-2	Channel 7	7.0
19.	20:00 News	Channel 3	7.0
20.	19:30 News	Channel 3	6.0

Source: AC Nielsen, 2001

Table II. 19 : Top 20 news and current affairs by viewing rate 2004

Rank	Name	Broadcaster	Viewing Rate (%)
1.	20:00 News-2	Channel 7	16.0
2.	LB-Na Yok Tha-Laeng	Channel 7	13.0
3.	LB-Queen	Channel 7	12.0
4.	20:00 News	Channel 7	11.0
5.	LB-Samosorn Sanibate	Channel 7	11.0
6.	20:00 News-1	Channel 7	11.0
7.	LB-King's Birthday	Channel 7	10.0
8.	LB-Liang Nak Keela	Channel 7	10.0
9.	Lueaktang Phoo-Wah	Channel 7	10.0
10.	Koh Tid Kluean Yak	Modern Nine TV	10.0
11.	LB-Queen Lighten	Channel 7	9.0
12.	19:30 News	Channel 7	9.0
13.	LB-5 Tanwa MahaRacha	Channel 3	9.0
14.	Khao Park Kam 19:40	Channel 7	9.0
15.	Khao Park Kam 19:40	Channel 7	8.0
16.	Khao Park Kam 19:40	Channel 7	8.0
17.	ITV Hot News-1	ITV	8.0
18.	Lueaktang Phoo-Wah	Channel 3	7.0
19.	Khao Ded 7 See 4 th	Channel 7	7.0
20.	20:00 News-2	Channel 3	7.0

Source: AC Nielsen, 2004

Table II.20 : Top 20 documentary and informative programs by viewing rate 2001

Rank	Name	Broadcaster	Viewing Rate (%)
1.	SP-Queen Birthday	Channel 7	12.0
2.	Special Document.2	Channel 7	9.0
3.	Special Document.3	Channel 7	8.0
4.	Thai Thiew thai	Channel 7	8.0
5.	Koo Hoo Koo Bahn	Channel 7	8.0
6.	Assajan Bantuek	Channel 7	8.0
7.	Rueng Naroo Koobahn	Channel 7	7.0
8.	Anamai Krob	Channel 7	7.0
9.	1 Nai Mueang Thai	Channel 7	6.0
10.	Poh Mae Mue Mai	Channel 7	6.0
11.	Khun Mae Mue Mai	Channel 7	6.0
12.	81 pee Bantao Took	Channel 7	6.0
13.	Special Document.2	Channel 3	6.0
14.	Roipaed Phankao	Channel 7	6.0
15.	Nueng Nai Jai	Channel 7	6.0
16.	SP-Queen Brithday	Channel 3	5.0
17.	Special Document	Channel 7	5.0
18.	Saeng Tien	Channel 7	5.0
19.	Loke See Keo	Channel 7	5.0
20.	Soot Lab Wai	Channel 7	5.0

Source : AC Nielsen, 2001

Table II.21 : Top 20 documentary and informative programs by viewing rate 2004

Rank	Name	Broadcaster	Viewing Rate (%)
1.	SP-Queen Birthday	Channel 7	13.0
2.	108 Idea	Channel 7	8.0
3.	Ying Arn-Ying Keng	Channel 7	7.0
4.	Khun Mae Mue Mai	Channel 7	7.0
5.	Kao Raek Haeng Rak	Channel 7	6.0
6.	Kum Krong Kum Kah	Channel 7	6.0
7.	Koo Hoo Koo Bahn	Channel 7	6.0
8.	Koo Hoo Koo Bahn.1	Channel 7	6.0
9.	Raeng Jai Mai	Channel 7	6.0
10.	Baan Perfect	Channel 7	6.0
11.	Koo Hoo Koo Bahn	Channel 7	6.0
12.	Kledlab Fun Dee	Channel 7	6.0
13.	Krob Krua For Fun	Channel 7	6.0
14.	Perd Krua Chef	Channel 7	6.0
15.	Pluk Baan Srang Suk	Channel 7	6.0
16.	Pluk Rak Srang Suk	Channel 7	6.0
17.	Krob Krua Run Mai	Channel 7	6.0
18.	Special Document.3	Channel 7	6.0
19.	108 Idea	Channel 7	6.0
20.	Rueng Baan	Channel 7	6.0

Source : AC Nielsen, 2004

Table II.22 : Top 20 entertainment and show programs by viewing rate 2001

Rank	Name	Broadcaster	Viewing Rate (%)
1.	Ka-Dee Ded	Channel 7	9.0
2.	LB-MS.Thailand Universe	Channel 7	8.0
3.	Sisan Ban Taerng	Channel 3	8.0
4.	Game Set Thi	Channel 3	8.0
5.	LB-Miss Universe	Channel 7	8.0
6.	LB-Kongt	Channel 7	8.0
7.	SudYord	Channel 7	7.0
8.	Champion	Channel 7	7.0
9.	LB-Cheer	Channel 7	7.0
10.	SP-Open	Channel 7	7.0
11.	Suriyothai	Channel 7	7.0
12.	Plod Nhee	Channel 7	6.0
13.	Pok Pok Pok	Channel 7	6.0
14.	Movie	Channel 7	6.0
15.	LB-Mahasajan...	Channel 7	6.0
16.	Sang-Kom Banterng	Channel 3	5.0
17.	Rueng Jing Parn Jor	Channel 7	5.0
18.	Pok Pok Pok-1	Channel 7	5.0
19.	Ra-Bred Therd-Therng	Channel 5	5.0
20.	TV Champion Thailand	Modern Nine TV	5.0

Source: AC Nielsen, 2001

Table II.23 : Top 20 entertainment and show programs by viewing rate 2004

Rank	Name	Broadcaster	Viewing Rate (%)
1.	LB-MS.Thailand Universe	Channel 7	9.0
2.	Senthang Bantoeng	Channel 7	9.0
3.	Ka-Dee Ded	Channel 7	8.0
4.	Model TV	Channel 7	7.0
5.	LB-34 Anniversary Ch.3	Channel 3	7.0
6.	Sod Sai Palang 2	Channel 3	7.0
7.	Sisan Banterng	Channel 3	7.0
8.	Sisan Banterng.2	Channel 3	6.0
9.	English Minute	Channel 3	6.0
10.	Sud Yod Ka-Dee Ded	Channel 7	6.0
11.	Game Todsakan	Modern Nine TV	6.0
12.	Model Camping	Channel 7	6.0
13.	Plod Nhee	Channel 7	6.0
14.	Sisan Banterng.1	Channel 3	6.0
15.	6TH ANN.Sanya Party	Channel 7	6.0
16.	English Minute Gang	Channel 3	6.0
17.	Ruam Ded Saked Khao-2	Channel 7	5.0
18.	LB-Miss Universe	Channel 7	5.0
19.	Game 1000 Nah-2	Channel 7	5.0
20.	Ruam Ded Saked Khao	Channel 7	5.0

Source : AC Nielsen, 2004

6. Analysis of major program type

Table II.19 below displays the proportion of three program types, news and current affair, entertainment, and advertisings on Thai television channels in 2005. Each television station has its own identity. Those identities provide the image and the focus of each channel to have their own specific reputed genre. Channels 7, 3, and 5 rely more on entertainment, while Channels 11, ITV, and Modern Nine emphasis news and documentary programs. There are no major changes of the focuses of each broadcaster (Krisanaporn, interview 25 October 2005). Unfortunately, the proportion of three program types of each TV station of previous years has not been collected by the relevant agencies.

Table II.24 : Program type of Thai TV in 2005

Channel	Time	News & Current Affair	Entertainment	Advertising	Total
Channel 3	24 Hrs.	33.29%	47.07%	17.64%	100%
Channel 5	24 Hrs..	45.89%	40.23%	13.88%	100%
Channel 7	22 Hrs.	33.83%	50.19%	15.98%	100%
Modern Nine TV	24 Hrs.	50.91%	33.59%	15.50%	100%
Channel 11	24 Hrs.	91.97%	01.59%	6.44%	100%
ITV	24 Hrs.	51.55%	30.75%	17.70%	100%

Source : NBCT, 2005

6.1 News programs

Channel 5 under the Royal Thai Army is the main channel to serve the national security while Channel 11's news program serves government policy. While the ITV, in the name of the people's media station -- at least before it was taken over by the Shinawatra group - tended to be the channel to present the citizen's interest of the government movement. Hot News at 9.40 p.m. of ITV still represents ITV's image as Thailand's top News Station.

In the past few years the Thai television broadcasting industry has been significantly changed. New forms of competition have occurred to attract various audience groups as for ITV, they have tried to broaden their programs' scope while offering an example to other station channels. They initially positioned themselves and successfully achieved some recognition as a favorite news station. ITV news programs begin with morning business news at six o'clock, followed by noon time and 6.00 PM news programs, whereas breaking news is reported every hour. This approach is not much different from other channels, since frequent news is popular nowadays. Channel 3 also presents news programs in the form of talk shows, in which television hosts summarize and narrate news stories from daily newspapers. Also some news programs which are more like casual talk shows on Channel 3 have reached many viewers. This type of talk show is also presented on Modern Nine and ITV and has changed the traditional style of formal form of news presentation of the last decade. Modern Nine Television today is challenging and focuses on news and edutainment [educational/entertainment] programs. Since late 2002, MCOT has changed the operation of its TV station by modifying its program schedule and by recreating a new and different character, or identity, for the station.

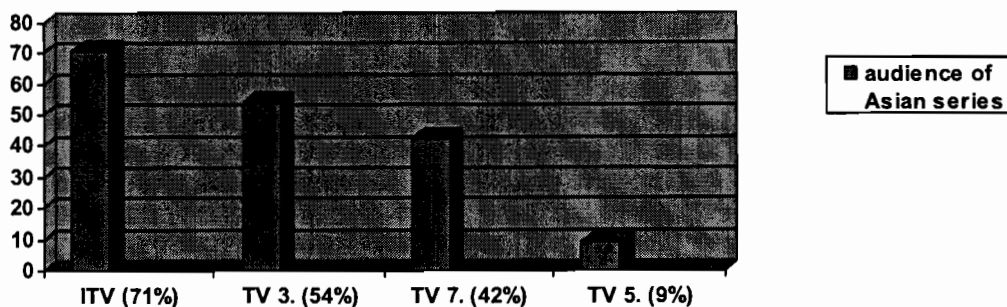
6.2 Documentary programs

Today Thai audiences pay more attention to new types of documentary programs like "*Kon Kon Kon*" (Human, Human, Human) of Modern Nine TV which has added dramatic and emotional factors in the narration. Documentary programs, such as "*Yon Roy*" (Back to the Future) of ITV serve the nostalgic mood of Thai society about its earlier ways of living. While the critical narration of "*Tod Rahad*" (Unlock the Code) has also retained a good reputation among the audiences of ITV.

6.3 Drama and entertainment programs

Although Channel 5 and ITV are firstly well-known for their news and documentary programs, but today variety shows and drama have also been added Thai drama series. Popular Thai drama programs are also available on Channel 7, while drama and entertainment programs are also the entry point of Channel 3. The difference between these two channels is their target audience. Thai drama series on Channel 3 are popular among middle class women in Bangkok as well as women's programs which represent middle class tastes. In contrast, the drama programs on Channel 7 seem to widely serve the majority of Thai people in all areas of the country because Channel 7 focuses on the rural and remote regions of Thailand, and facilitates two-way information flows between the urban and rural areas. However, reality shows and imported drama series especially from Asian countries are other programs which have become popular. The Asian drama series of Channel 3 are originally from Hong Kong and Taiwan, while those imported series of Channel 5 firstly are from Japan. Today Korean series have made a hit on Channels 7 and ITV. Since ITV has offered airtime for broadcast Asian series, these have helped the station win the highest rating points among viewers who like Asian series (see Figure II.8).

Figure II. 8: The audience of Asian series program on Thai TV in 2004



Source: Krungthep Turakit, 17 March 2004

However, according to the TDRl research on the structure of broadcasting and television market in Thailand, the existing structure of television industry cannot produce an optimal outcome for the society. During the last five years (1998-2002), the broadcasting time was devoted to entertainment programs rather than education and documentary programs. Certain viewers' groups who did not have purchasing power, such as children and the elderly, were ignored by the television program

operators and distributors. There was also the lack of balanced presentation of different viewpoints, especially in controversial political issues, on commentary programs. News analysis and investigative news were rarely presented on Thai Television (Somkiet, 2003).

III. Cable TV operators

1. Business structure

In Thailand, cable TV operators are operated under the control of two state organizations as follows:

1. The Mass Communication Organization of Thailand, the state enterprise, currently (2005) has been reformed to be a public company, owns Television Channel 9 and 3 a free air terrestrial service. This organization operates mass media business both internally and externally of the kingdom of Thailand, including issuing licenses for free-to-air, CATV, MMDS, and pay television.

2. The Public Relations Department of Thailand, under supervision of the Prime Minister's Office, owns television Channel 11 and operates national radio and television networks called "National Broadcasting Services of Thailand (NBT)". The PRD runs the National Radio and Television Broadcasting Businesses Commission (NBCT) which is responsible for licensing and monitoring a radio and television broadcasting business in both cable and non-cable stations. The NBCT also regulates and control according to technical license condition.

Under the control of the state, the cable TV operators are separated into three categories.

1. A large CATV operator, a subscription cable TV, the only one operator which operates on behalf of the Mass Communication Organization of Thailand (MCOT), the United Broadcasting Corporation Public Company (UBC). The UBC was permitted to operate as a cable TV operators on behalf of MCOT from 1989 to 2014. This is currently the biggest cable TV operator that covers the area of the whole country via satellite transmission and fiber optic links.

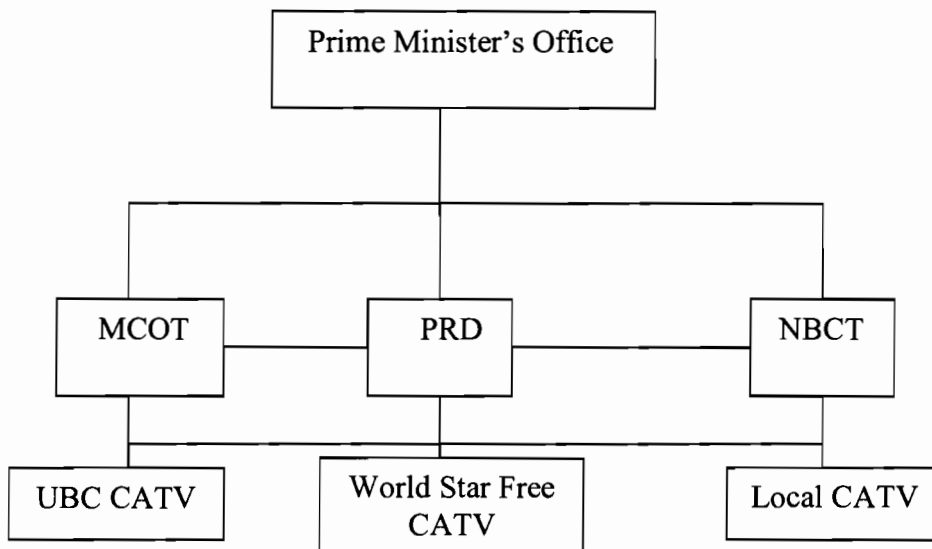
2. The small local cable TV operators, a subscription cable TV service, which operates in any area, including in the rural areas. They may have or have not the permission from the Public Relations Department of Thailand. There are 78 licensed local cable TV operators all over the country excluding UBC, and approximately 420 local cable TV operators operate illegally. The local cable TV operators transmit through cable lines that are laid down along the electricity or telegraph poles to their subscribers in villages. With a low subscription fee, these

local cable TV services have become popular and are important competitors in the cable TV business.

3. A free cable TV operator, the only one that operates on behalf of the Department of Public Relations, is The World Star Company. This company operates a free cable TV in MMDS system by the use of a very high frequency channel. Its transmission covers only Bangkok metropolitan area. The World Star Company has just provided service for a few months. This service is excluded in this report.

In the near future, all categories of cable TV operators are supposed to be run under the supervision of the National Broadcasting Committee (NBC) but the committee is still being established so the NBCT remains in force.

Figure III.1 Thailand cable TV operators industry structure with NBCT

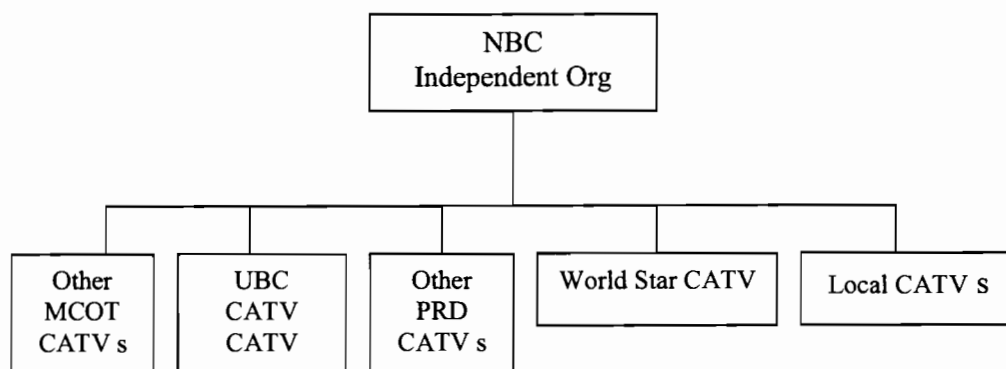


Source : UBC Annual Report 2004

Figure III.1 shows that the Prime minister's Office is the major authority in controlling the MCOT, PRD, and NBCT including all CATV operators. The NBCT regulations require that all programs broadcast by cable TV have to be censored by the station authorities themselves. Today, the cable TV operators have to censor all programs that are broadcast and advertisements are not allowed to be shown in subscription cable TV programs. For instance, UBC has to monitor and censor all imported programs such as movie content from HBO or Cinemax including screening out all advertisements before relaying those programs to its subscribers. This self censorship requirement is also applied to all cable TV operators.

However, the Constitution of the Kingdom of Thailand B.E. 2540, which came into force in 1997, laid the framework for a new broadcast regulatory regime. The establishment of the independent regulator, the National Broadcasting Committee (NBC) currently (October, 2005) was elected and approved by the Senior Council. By the Frequency Act and the Broadcasting Act, the NBC, as an independent organization, is responsible for setting national broadcast media master plans, allocating a radio and television frequencies, granting licenses to carry on broadcasting business, state information services and a community services. It is expected that the number of CATV operator will increase following the establishment of the NBC. The de-regulation will be applied for the whole CATV industry soon in order to support the requirement for freedom of communication, as stated in the 1997 Constitution. The NBC in the near future will shape not only the business climate for Thai radio and television business, but also for cable TV. (See figure III.2)

Figure III.2 Thailand cable TV operators industry structure with NBC



Source: Researcher.

From figure III.2 demonstrates that all categories of the CATV operators are under control by an independent organization, the NBC.

The business structure of CATV operators under the supervision of NBC will be divided into three categories;

- 1) CATV operators for government or educational services,
- 2) CATV operators for community services, and
- 3) CATV operators for commercial services.

All CATV operators will provide contents at their own accountability. The self-regulated organization will be promoted heavily to all CATV operators and any broadcasting regulations which become obstacles to the promotion of the freedom to

communication will be de-regulated. Hopefully, the CATV operators in all categories will increase in great number.

2. Financial position and performances

2.1 Changes in revenue and profits

CATV in Thailand has slowly developed as a business enterprise. The overall financial picture of small local CATV operators is not available but the development of UBC Cable can somewhat explain the overall picture of Thai CATV business. In 1989, the Mass Communication Organization of Thailand (MCOT) and UBC (formerly known as IBC, the International Broadcasting Corporation Public Company Limited), entered a joint venture agreement for the provision of subscription television services. Under the UBC Concession, UBC is permitted to operate subscription television on behalf of MCOT until 2014 with multi-transmission technologies. UBC provides the direct-to-home services to the whole country by using a satellite technology and provides cable and MMDS in the provincial areas including the use of satellite to provide services to hubs in provincial areas and, then through local cable networks, on to subscribers.

In 1993, MCOT and Telecom Asia made agreement to set up the UBC cable as a public company to operate cable television services in Bangkok Metropolitan areas. Similarly, the UBC launched its Direct- to- Satellite television service (DSTV). There were then three major operators; UBC, UBC Cable, and Thai Sky including numerous small or provincial cable operators. The devaluation of the Baht in June, 1997 then brought Thailand into a severe economic recession. Thai Sky, one of a major CATV operator had to cease their operations by the end of 1997.

In 1998, the UBC was merged with UBC Cable and raised its capital to a total of Baht 5,860.4 million in order to clear all outstanding debts and provide a cash fund for business growth. A year later, UBC discontinued its analogue MMDS service. It then focused on DSTV and CATV platforms” (www.ubctv.com., October, 2005). The UBC’s subscribers are required to buy or rent a decoder box and satellite dish from UBC to be able to receive the transmitted signals. Currently, UBC Cable has launched a digital cable service and delivers domestically the same content on digital cable as is offered by UBC on its satellite platform.

It is an NBCT regulation, that CATV cannot run any advertising messages, so the only major income sources of the UBC comes from their own subscribers. More subscribers mean more profits. The use of a digital and a satellite technology helped UBC to gain more subscribers and make a profit in 2003 for the first time in CATV business, as shown in Table III.1 and Table III.2, Table III.1 shows that approximately 90 % of the UBC's income derives from subscription fees.

Table III.1 Revenue structure of the UBC in 2002- 2004

Type of Revenue	2002(%)	2003 (%)	2004 (%)
Subscribers base TV service	87.9 %	90.0 %	90.0 %
Sales and others service	3.2 %	2.0 %	1.8 %
Equipment Installation	5.4 %	4.5 %	4.0 %
Other Income	3.5 %	3.5 %	4.2 %
Total	100.0 %	100.0 %	100.0 %

Source: www.ubctv.com. October, 2005.

Table III. 2 Change in revenue of the UBC in 2002-2004

	Unit	2002	2003	2004
Total revenues	million Baht	6,779	7,178	7,706
Total expenses	million Baht	6,588	6,689	6,487
Net profit (Loss)	million Baht	(259)	131	845

Source: www.ubctv.com. October, 2005

In Table III.2 the business size of the UBC is around 8,000 million Baht and growing steadily. The company has made a profit of 131 million Baht since 2003.

2.2 Change in advertising revenue

The majority of revenues generated by both the large CATV operator and a small local CATV operators are subscription fees collected from their subscribers. Other incomes are from the equipment installation, sales and other services. Revenue from commercial air time sale is non-existent because according to the current broadcasting regulations, CATV cannot carry any advertising messages.

2.3 Change in Number of subscribers and subscription fees

The numbers of CATV subscribers in Thailand are separated into two major groups.

2.3.1. The growing number of CATV subscribers that live in Bangkok and metropolitan areas including in cities around the country. The increase in the number of the UBC subscribers shows the overall picture. The main target customer group of the UBC CATV operator is those with household incomes that exceed 20,000 Baht a month. UBC is interested in household income instead of an individual income because UBC tries to provide a service that appeal to the household as a whole by giving an extensive variety and depth of programming. Programming appeals to all age groups from cartoons for the kids and music for the young, to infotainment for the adults, and to movies and sport for the entire family. Unlike UBC, small CATV operators target their customer groups as minority groups in big cities and those who live in remote and rural areas.

Table III. 3 Household income distribution of each region.

Province	No of households	<15,000	15,000-19,999	20,000-29,999	>30,000
Bangkok	3,158,200	46.9 %	14 %	15 %	24.1%
Central region	3,318,300	73.6 %	9.6 %	9.8 %	7.0 %
Northern region	3.353.400	85.7 %	5.5 %	5.5 %	3.3 %
Northeastern region	5,395,700	89.3 %	4.5 %	2.6 %	3.6 %
Southern region	2,204,300	81.9 %	7.0 %	5.7 %	5.4 %

Source : www.ubctv.com. October, 2005.

Table III.3 demonstrates that in provincial areas, most household incomes do not exceed Baht 15,000 a month. In the Bangkok area, more than 75 % of households have a monthly income of under Baht 30,000. This characteristic is the core focus for local CATV operators. It is where a low subscription fee rate could apply effectively. In the meantime, the UBC concentrates on those households with an income of 20,000 Baht a month or more.

Number of UBC subscriber is very flexible due to different causations. Starting from 1998, after the merger process of the two companies was completed (UBC and UBC Cable), customers who previously took both services now only needed to subscribe to

one, as the programming was arranged to be the same under both platforms. The number of subscribers of UBC was then around 291,391. At the end of 1998, the company shut down its analogue MMDS service and 9,700 subscribers were added to the total number of 301,091 subscribers. Since then, the growth number of the UBC's subscribers has considerably increased. One major cause that affects the increasing number of subscribers is the increasing rate of the subscription fee.

In 1999, the UBC had informed their subscribers a 19% adjustment of its subscription fee. The announcement declines number of UBC's subscribers. Two years later, the subscription fee was increased again (2001) and subscribers were shrunk and then grew on the back of a strong marketing. In 2003, the subscribers' base decreased considerably as a result of increased competitive actions by small provincial cable operators, who were pirating UBC's content. In addition, in May 2003 the Nation Channel, another UHF free TV, had launched and created an impact to the number of subscriber. Currently, the subscriber base has increased primarily due to the supply of UBC contents through the appointed agent (RNT), for the subscribers of small provincial cable operators. The number of subscribers can be observed in Table III.4 below.

Table III.4 Changes in number of the UBC Cable's subscribers in Thailand from 2003 to 2005

	2003	2004	2005
Subscriber No Quarter 4	434,815	457,542	-----
Quarter 3	425,755	447,720	-----
Quarter 2	420,643	439,928	464,211
Quarter 1	437,589	436,193	460,806

Source: www.ubctv.com, October, 2005

Table III.4 demonstrates that number of subscriber of the UBC in Thailand increased dramatically from 434,815 in 2003 to 464,211 subscribers in quarter 2 of 2005.

2.3.2. The CATV subscribers live in many areas, including in Bangkok metropolitan, where the small local cable operators are operated. There are currently 78 CATV operators operating in provincial areas and more than 350 local cable operators operating without licenses. These operators employ small, local cable

systems. Unofficial estimates are that these operators together with the 78 licensed operator's services between 1-1.5 million homes.

2.4 Subscription fees

The subscription fee varies among CATV operators according to their size as shown Table III.5 below.

Table III.5 : Current subscription fee among CATV operators

CATV operator	subscription fee			
	Package I	Package II	Package III	Package IV
UBC	2,000	1,412	750	700
Small local CATV operators	-----350-----			

Source: UBC's annual report, 2004.

Table III.5 shows the difference between the subscription fees among CATV operators. The subscription fees of 700 - 2,000 per month, is the CATV fee service from UBC. The low - flat rate of subscription fees of 350 per month is the CATV's fee service from local CATV operators.

3 Human resources

The official detailed data for the change in number of employees of UBC and other local CATV operators is not available. A large CATV operator like UBC has their own production studios in order to produce the programs broadcast for its 11 channels while the rest of the programs are imported from major world program distributors. In contrast, local CATV operators, in order to keep their costs as low as possible, rarely produce their own programs. All programs broadcast in local CATV services are delivered by local program distributors. It can be assumed that a large CATV operator requires a large number of staff for their production, technical and research activities, including sales and marketing. On the other hand, there are rarely more than 10 personnel for each small local CATV operator.

4. Infrastructure and operation

UBC, as a large CATV operator, relies on high end technologies. One technology is known as digital CATV which the UBC describes as it is ...the transmission of signals using a fiber optic technology and Coaxial System that can carry many signals over long distances without losing quality of picture and sound. The technologies allow subscribers to be able to access many channels with excellent pictures and sound. In addition, it allows subscribers for interactive communication from subscriber's home to UBC station. Another high end technology is known as DSTV. It is transmission of digital television signals via Thai COM communication satellite. This technology allows greater channel capacity and coverage throughout Thailand and provides crystal-clear picture and sound (www.ubctv.com. October, 2005). It is to understand that the foot print of Thai COM communication satellite cover the area of the whole kingdom of Thailand and some part of neighboring countries like Cambodia, Laos, Myanmar, and Malaysia. For the DSTV transmission and with a decoder box and signal receiver dish, it is possible to receive UBC signal in those countries. The UBC business in other countries is not included in this study.

A large CATV operator like UBC produces its own local programs and broadcasts these on 11 different channels. It has many production studios with adequate equipment. The small local CATV operators instead rely on a cheaper technology available in the local market. Most of them buy CATV programs from many local distributors. Only a few local operators that have a great number of subscribers can afford to produce a news program themselves.

5. Program Production

Characteristics of the program by genre

Currently most CATV operators in Thailand, including the largest CATV operator, UBC, operate their service for 24 hours a day, except for some un-licensed local CATV operators that may deliver their services in shorter hours. Most of the CATV program content is divided into four areas as following.

- 1) Entertainment programs
- 2) Sport programs
- 3) News programs
- 4) Edutainment programs
- 5) Other programs

UBC broadcasts entertainment programs for 10 channels as following.

1. The HBO Channel provides a Hollywood movie from Blockbuster distributor including live concerts of world super star performers.
2. The Cinemax Channel provides movies from smaller producers.
3. The Star Movies Channel provides movies from Fox, Dreamworks, Polygram, and Orion and other movie distributors.
4. Turner Classic Movies Channel presents old and popular movies made between 1920-1980.
5. The MGM Channel presents movies from MGM distributors.
6. The Hallmark Channels presents movies that were produced for television broadcasting only.
7. The UBC Series presents movies and situation-comedy from the United States and England.
8. The AXN Channel provides action movies and series movies from its Sony distributor.
9. The UBC Film Asia Channels presents Asian movies and series.

The sports programs consist of six channels, namely ESPN, Star Sports, Super Sport, Super Sport Action, UBC Soccer, and UBC Sport.

1. The ESPN Channel presents live reports of major sport events from England and the United States.
2. The Super Sport Channel provides a different kind of live report on sports events around the world.
3. The Super Sport Action Channel presents a live report of different kind of sporting events that occur in Thailand.
4. The UBC Soccer Channel provides the inside story of football, including an analysis report of major football tournaments in England, France, Scotland, and the Netherlands.
5. The UBC Sport Plus Channel presents a live telecast of world major football tournaments.
6. The Star Sports Channel provides live telecasts and reports on different kind of sports in Asia.

The news programs broadcast by UBC are local and international news reports. There are 4 international news channels: CNN, CNBC, Bloomberg, BBC World and the local news channel, UBC News.

1. The CNN Channel provides world news reports around the clock by the well known USA cable news channel, CNN.
2. The BBC Channel presents world news reports by the BBC.
3. The Bloomberg Television Channel presents economic news reports, including money reports and analysis around the clock.
4. The CNBC Asia Channel presents Asian business news with financial reports and analysis by financial experts.
5. The UBC News Channel presents international and local news report in Thai.

The UBC also provides world quality programs for edutainment. There are the following;

1. The Discovery channel presents feature programs for education.
2. The National Geographic channel presents documentary program that focus on environmental geography, wild animal life and adventures, including many cultures in different locations.
3. The Animal Planet Channel presents nature stories and animal life in documentary programs.
4. The History Channels Channel provides a world history feature program.
5. The Adventure One Channel presents adventurous and exciting programs produced by the National Geographic Channel.

Other channels for kids are also available in UBC CATV. They are as follows.

1. The UBC Spark Channel presents cartoon animation and children programs in Thai.
2. The Cartoon Network Channel presents cartoon movies from the USA.
3. The Animax Channel presents cartoon animation from Japan.

Other UBC Channels also provide programs for the young and minorities.

1. UBC X-Zyte Channel presents entertainment programs for the young.
2. UBC Inside Channel presents an inside story news and report on Thai celebrities.
3. Channel V Thailand presents popular music videos.

4. Chic Channel presents an international and local fashion design and fashion exhibitions.
5. E Channel presents inside stories of world celebrities.
6. The Sound Track Channel presents songs from the movies from all over the world.
7. The DMX Channel presents different kinds of songs.
8. The NHK Channel presents television programs and news from Japan.
9. The KBS World channel presents television programs from Korea.
10. The TVB He channel presents Chinese movies from Hong Kong.
11. The BBC Prime Channel presents a variety of entertainment programs (including a night stand shows' programs) from England.

Most local CATV operators provide cable programs to their subscribers in the same pattern of programming as a large CATV operator but in different quantity and quality. In the early days, in order to keep operating costs as low as possible, most local CATV operators violated copy-right law by copying some of the UBC programs and free-TV programs to rebroadcast them to their subscribers.

Today, local CATV operators can provide their own subscribers with legal copy right programs provided by local program distributors. Also, some of the programs produced by UBC are provided by the RNT, the UBC related company to many local CATV operators at a reasonable cost.

It is obvious that the large CATV operator, UBC, provides world class programs for the different groups of their subscribers. The modern and best quality program is required for local CATV operators.

We could not analyze more on a cable viewing time and a viewing rate of CATV program in a large and local CATV operators because at this moment of writing this report, data of those is not available.

IV Radio Operators

1. Business structure

In 1998, 523 radio frequencies were available, the PRD owned 145, the Army 128, MCOT 62, the Air Force and the Navy had 36 and 21 respectively, while the rest were owned by the state universities and agencies as shown in Table IV.1 There were 40 FM and 35 AM radio stations broadcast within the Bangkok Metropolitan area where the radio business was most competitive. While the 173 FM and 272 AM were available in urban and rural area throughout Thailand. All stations were owned by government agencies from whom operators leased airtime for producing their programs. The leases were for the whole day or the partial time.

Table IV.1: Ownership of radio stations in Bangkok area and other provinces

No.	Organization Holder	Bangkok Area			Another Provinces			Total
		AM	FM	Total	AM	FM	Total	
1.	Office of The Royal Household Department	1	1	2	-	-	-	2
2.	Public Relation Department	5	6	11	55	79	134	145
3.	MCOT	2	7	9	-	53	53	62
4.	Office of The Under-Secretary of a Ministry of Defence	1	1	2	1	-	1	3
5.	Headquarters of supreme commander	1	2	3	6	5	11	14
6.	Royal Thai Army	12	12	24	65	39	104	128
7.	Royal Thai Navy	1	3	4	6	11	17	21
8.	Royal Thai Air Force	3	1	4	15	17	32	36
9.	Mobile Radio Stations for Special purpose	-	-	-	11	-	11	11
10.	Ministry of Foreign Affairs	1	-	1	-	-	-	1
11.	Ministry of Agriculture and Co-operatives	1	-	1	-	-	-	1
12.	Ministry of Education	1	2	3	-	-	-	3
13.	Bureau of University	2	1	3	3	6	9	12
14.	Post and Telegraph Department	2	2	4	4	4	8	12
15.	Department of Meteorology	1	-	1	-	5	5	6
16.	Fisheries Department	-	-	-	1	3	4	4
17.	Harbor Department	-	-	-	-	1	1	1
18.	Bangkok Metropolitan	1	-	1	-	-	-	1
19.	House of Parliament	1	1	2	-	14	14	16
20.	Police Department	2	1	3	6	35	41	44
	Total	38	40	78	173	272	445	523

Source: NBCT 2003

Radio ownership structures and management can be classified into three types. First, the staff of the state agencies both managed and ran the stations which were financed by an annual budget. The PRD station and public university stations were this category. Second, the state agencies as legal owners, who privately managed and operated the stations, allowed both individuals and private companies to buy air time and operate radio programs. The station revenues mainly came from advertisements. The military radio, such as the Army, the Navy and the Air Force stations fitted this category.

Last, the stations owned by the state agencies or the Mass Communication Organization of Thailand (MCOT), a former state enterprise located in the office of the Prime minister which was supervised under a management board. Each MCOT station was operated by one media company under a long-term concession contract. Advertising and air-time leasing were the MCOT's major income (Khwanruean, 1983: 117; Saitip, 1988: 48). However, after the MCOT was privatised in 2004, it emphasized more its own production programs and reduced the proportion of programs by private operators so the Company could generate more revenues. Six F.M. radio stations in Bangkok were operated by the Company in the form of format stations with clear target listeners. Programs on all its 53 regional radio stations will be co-produced by the Company, while private operators under a joint operation agreement about airtimes and advertising revenues will be shared in an equal ratio.

Since the 1960s, in practice, media companies and advertisers rapidly expanded their economic power through a system of privileged concessions which were classified into four types. First, the station staff could directly sell unlimited advertising time to advertising agencies or production companies. Second, private companies or freelance producers could lease partial airtime with monthly payments. Third, these companies could sign 5-10 year contracts for an overall airtime lease with lump sum installments and pay a percentage share of monthly revenue to the legal owners. In this way, airtime would be subleased to small-scale producers under a brokerage system. Fourth, the owners signed BOT (build-operate-transfer) or BTO (build-transfer-operate) contracts granting ten-year concessions to private licencees. They had to pay a lump sum installment and a percentage share of monthly or annual revenue. Further, the concession processes were based on patron-client relationships. However, after the

long delay of Section 40 of the 1997 constitution, the concessions were granted yearly only on the basis of monetary compensation and the operator's financial status. Large-scale local traders or businessmen who had a close relationship with soldiers or senior civil servants might win the concessions to operate more than 10 stations from the state agencies as the legal owner (Ubonrat, 1992).

The arrangements between the military and the media entrepreneurs in the 1960s and the 1970s changed from interdependency to competition after the late 1980s. An open bidding system was introduced by MCOT and then Radio Thailand (controlled by the PRD) granted 3-5 year concessions to operate radio stations. However, this opened an opportunity for large-scale media companies to dominate because, under the open bidding process, the legal owners were more concerned with asset values than programming quality. Consequently, the earlier groups of media entrepreneurs, comprising of local businessmen, small brokers and program producers, changed to new groups of conglomerated media companies in entertainment, advertising and telecommunications (Ubonrat, 1999).

According to the TDRI's recent research on the structure of the broadcasting market, the radio industry was dominated by a few capitalists over a long period because private companies were restrained by short-term concessions and the right of the legal owner to cancel the contracts. Moreover, there were neither transparency of concession grants nor standards of concession assessment (Somkiat and Thanawit, 2003: 192-4). Unsurprisingly, the concessions of approximately 500 FM and AM radio stations in Bangkok and upcountry were granted to only 15 business groups (Prachachart Thurakit, 4 March 2002: 1, 13). Among 40 FM radio stations in Bangkok, 18 stations or around 40 percent of the total were operated by five media companies, namely MCOT, A-time, Sky-high Network, BNT, and Virgin Radio Thailand. They all were the subsidiaries of the giant entertainment public companies in Thailand; MCOT, GMM Media, RS Promotion, Broadcasting Network Thailand, and BEC World Group respectively. Unsurprisingly, 25 Bangkok FM stations used a music format (See Table IV.1).

Table IV. 2: Number of frequency and lists of type of program and ownership

Frequency	Name of Programs	Type of Programs	Ownership
87.5	House of Parliament	News and Talks	House of Parliament
88.0	Peak FM	Music	GMM Media (Public) Co., Ltd.
88.5	FM Max	Music	Sky-High Network Co., Ltd.
89.0	Banana FM	Music	GMM Media (Public) Co., Ltd.
89.5	Sweet FM	Music	JS Broker Co., Ltd.
90.0	Virgin Soft	Music	Virgin BEC-TERO Radio Ltd.
90.5	Nation News	News and Talks	Smart Bomb Co., Ltd.
91.0	Sor Wor Tor	News and Talks	Wilai Center Co., Ltd.
91.5	Hot Wave	Music	GMM Media (Public) Co., Ltd.
92.0	-	Education	Education Radio
92.5	Radio Thailand	News and Talks	Public Relation Department
93.0	Cool FM	Music	Sky-High Network Co., Ltd.
93.5	EFM	Music	GMM Media (Public) Co., Ltd.
94.0	Business Radio	News and Talks	GG News Network Co., Ltd.
94.5	Love FM	Music	BNT Co., Ltd.
95.0	Luktung Mahanakorn	Music	MCOT
95.5	Virgin Hitz	Music	Virgin BEC-TERO Radio Ltd.
96.0	RDCK	News and Talks	INN Co., Ltd.
96.5	Modern Radio	Music	MCOT
97.0	Trinity Radio	News and Talks	Trinity Radio Co., Ltd.
97.5	Seed Radio	Music	MCOT
98.0	Luktung Ruk Thai	Music	BNT Co., Ltd.
98.5	Breeze FM	Music	Sujira Enterprise
99.0	Sport Radio	News and Talks	MCOT
99.5	FM One	Music	We are One Co., Ltd.
100.0	Jor Sor 100	News and Talks	Pacific Corporation Co., Ltd.
100.5	TNT	News and Talks	MCOT
101.0	News Channel	News and Talks	We are One Co., Ltd.
101.5	Chula Station	News and Talks	Radio of Chulalongkorn University
102.0	Kor Sor Tor Bor Radio	Mix	Transportation of Thai Army
102.5	Get Radio	Music	Click Radio Co., Ltd.
103.0	Luktung FM	Music	Virgin BEC-TERO Radio Ltd.
103.5	Big Radio	Music	Preaw Co., Ltd.
104.0	Or Sor Station	Education	Dusit Royal Palace
104.5	Fat Radio	Music	Click Radio Co., Ltd.
105.0	Smooth Radio	Music	Virgin BEC-TERO Radio Ltd.
105.5	Eazy FM	Music	Virgin BEC-TERO Radio Ltd.
106.0	Life FM	Music	Sky-High Network Co., Ltd.
106.5	Green Wave	Music	GMM Media (Public) Co., Ltd.
107.0	Metropolis FM	Music	MCOT

Source: NBCT 2003

2. Financial position and performance

The development of radio broadcasting reflected the increasing influence of commercialism in the broadcasting system. The three main radio networks comprised Radio Thailand by the PRD, the MCOT radio, and the Military Radio. The state agencies relied on the revenues from the concession fees and let the media entrepreneurs and advertisers control the broadcasting business of these stations.

The customers of the radio business could be divided into two groups; advertising agencies and direct customers. The advertising agencies, that advised and planned all advertising concepts for customers, and purchased advertising time from program operators. Currently, 70 percent of all sales in this business were from them. While the remaining 30 percent were through direct customers who purchased advertising time directly from the program operators for their own uses.

In the early 1980s, the nation-wide coverage of television put pressure on radio marketing. Advertisers gave more of their advertising expenditures to the visual medium. As 1984 audience research for radio showed that the regular audience of AM radio was “poor peasants, urban working class and other down market groups” who “lacked spending power for advertisers” (Ubonrat, 1992: 97). Hence, advertising expenditures on AM radio stations decreased dramatically and rapidly shifted to FM stations that reached the upper to middle class listeners with more income. Accordingly, the growth of the commercial FM sector pressured the military’s army radio (mostly AM bands) to introduce an open bidding system to attract media entrepreneurs (Ubonrat, 1992: 97). After that, this system was introduced by MCOT and Radio Thailand.

Since then, a few large media operators have consolidated their control over the broadcast business. Generally, big media companies consolidated the entertainment industry through vertical and horizontal integration. Vertically, they could control the whole process of the entertainment business from production, distribution (in both wholesale and retail), and promotion. They also diversified to other related industries. For example, telecommunications companies attempted to invest in the entertainment and media industry. Horizontally, these companies were owned or were affiliated with other media, for instance television, multimedia, publishing, and the internet. As a result, radio became an effective channel to promote and sell their cultural commodities (music) to listeners who now became target consumers. Not only did the concentration of media operators take place in the entertainment industry, it also reproduced the dominant ideology of capitalism (Ubonrat, 1999).

For example, from 2001 to 2003, the MCOT, as the only one radio network broadcaster that revealed its revenue structure to the public, earned revenues from

radio business of around 300 million Baht or 17 percent of the total nearly 2000 million Baht as shown in Table IV.3. After the MCOT had been privatized and managed the Bangkok FM radio stations by itself, the radio business's revenues increased significantly to 15 percent in the first 6-month period of 2004 which were close to the 2003 annual revenue. However, the major income of the Company came from television business.

Table IV.3: MCOT's consolidated financial statement during 2001-2003

Type of Revenue	2001		2002		2003		6-month period ended March 31,2004	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from TV business	814.4	45.8	895.0	47.9	1,030.5	52.5	819.5	62.4
2. Revenue from Radio business	294.1	16.5	323.4	17.3	321.6	16.4	198.0	15.1
3. Revenue from joint operation	549.4	30.9	595.5	31.9	549.1	28.0	280.0	21.3
4. Other revenues	119.3	6.7	54.1	2.9	60.8	3.1	16.4	1.2
Total revenues	1,777.1	100.0	1,868.0	100.0	1,962.1	100.0	1,313.9	100.0

Source: MCOT Annual Report 2004.

The BEC World Group was involved in radio broadcasting through its subsidiaries, Bangkok Entertainment and You & I Corporation, and ran four Bangkok FM radio stations. Virgin BEC-TERO Radio Services (Thailand), an associate of BEC-TERO Entertainment Plc, (see Figure II.1) engaged as commercial airtime reseller and advisor on programming improvement. However, the company's advertising income mainly came from television -- around 83 percent while only three percent were from radio business.

GMM Media Plc. (changed from A-time Media Company) and its subsidiaries engaged in airtime leased, radio and television production and publishing. It operated five FM radio stations in Bangkok and had approximately 45 different television programs, such as music, game shows, drama, varieties, broadcast on five television channels including its own publishing group, Image Publishing Co. Approximately 60 percent of its income came from radio business.

Sky-high Network is the subsidiary of RS Promotion Plc. that produces music radio programs on three Bangkok FM radio stations. RS Promotion also consolidated other media and entertainment business namely music, television production, publishing,

film and event marketing. Its major annual revenues in 2003-2004 came from music which was around 60 percent and 15 percent from media business.

Table IV.4: Revenue structure of the GMM Media Public Co., Ltd., R.S. Promotion Public Co., Ltd. and BEC World Group Public Co. Ltd. during 2002-2004

<i>Company</i>	<i>2002</i>		<i>2003</i>		<i>2004</i>	
	<i>Million Baht</i>	<i>%</i>	<i>Million Baht</i>	<i>%</i>	<i>Million Baht</i>	<i>%</i>
<i>1. GMM Media (Public) Co., Ltd.</i>						
- TV Business	644.22	17.1	966.43	41.4	1,245.40	49.1
- Radio Business	796.29	78.4	1,164.37	49.9	1,050.23	41.4
- Publishing Business	45.34	4.5	203.66	8.7	239.69	9.5
<i>Total</i>	<i>1,015.58</i>	<i>100.0</i>	<i>2,334.46</i>	<i>100.0</i>	<i>2,535.32</i>	<i>100.0</i>
<i>2. RS Promotion (Public) Co., Ltd.</i>						
- Media Business (TV / Radio / Publishing)	-	-	323.5	16.5	341.7	14.4
- Music Business	-	-	1,098.1	56.0	1,447.0	60.8
- Others	-	-	539.7	27.5	589.2	24.8
<i>Total</i>	<i>-</i>	<i>-</i>	<i>1,961.3</i>	<i>100.0</i>	<i>2,377.9</i>	<i>100.0</i>
<i>3. BEC World Group (Public) Co., Ltd.</i>						
- TV Business	4,721.50	85.22	5,304.87	85.03	5,339.02	82.48
- Radio Business	160.51	2.90	158.66	2.54	154.36	2.39
- Others	658.02	11.88	775.5	12.43	979.34	15.13
<i>Total</i>	<i>5,540.03</i>	<i>100</i>	<i>6,239.03</i>	<i>100</i>	<i>6,472.72</i>	<i>100</i>

Source: GMM Media, RS Promotion, BEC World Annual Reports 2004.

3. Human resources and infrastructure

Key factors in radio productions were; radio announcers/ disc jockeys (DJs)/ host including general staff, and studio network and broadcasting technology.

3.1 Program hosts or DJs could be classified into three types. First, the media company's employees worked on fixed salary or hourly wage. Radio business by big media companies relied on this type of human resources. Most of them had been with the company for an extended period of time and trained to be professionals. They become the company's presenters or logos and might work in other media sectors of the company as music artists, television stars or publishing columnists. Second, they were part-time radio hosts who worked independently on hourly wage. Many experts in different areas become radio hosts of news and talk programs to share knowledge and experiences from their professions. Third, they were entrepreneurial radio producers who bought airtime, produced the programs and earned from sponsorship. This type of radio presenters who also were the program producers mostly worked on AM and FM local radio stations.

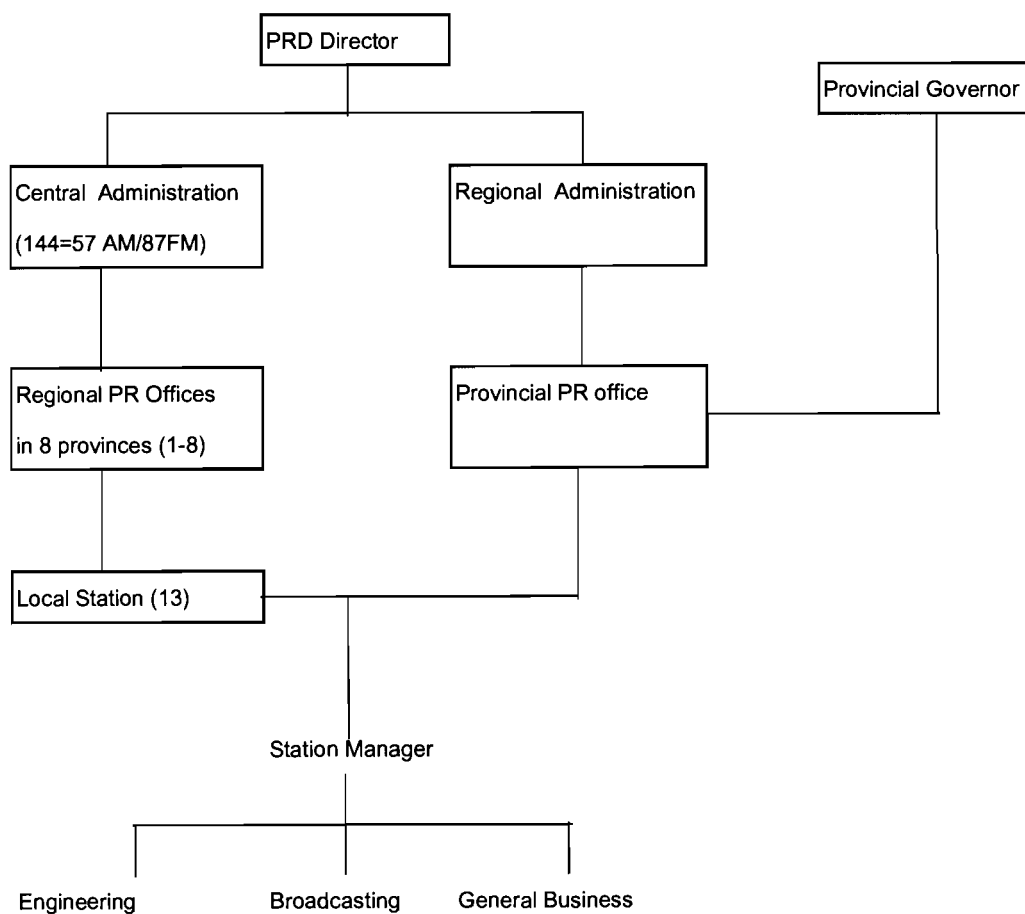
3.2 To broadcast programs at central radio stations, the broadcasters employ studios, master control room and network control room which are in an operational building located within the head office area. The broadcasting of FM frequencies is made by connecting signals from the studio at the head office through fiber optic to an FM transmission advice while AM stations are broadcasted by connecting signals at the head office through the satellite to AM transmission device. For regional radio stations, radio frequencies will be broadcasted from the studio and FM transmission signal will cover the city centers of the province where the station is located. However, to broadcast programs from central network via regional radio stations, signals will be uplinked from the host broadcaster to the satellite and downlinked to a transmission device at each regional station's studio.

4. Management structure of three radio network

The management structure of the PRD, RTA, and MCOT's radio stations was centralized by the Bangkok Central office (details in I.2) that retained the power to control program productions in compliance with relevant orders and regulation,

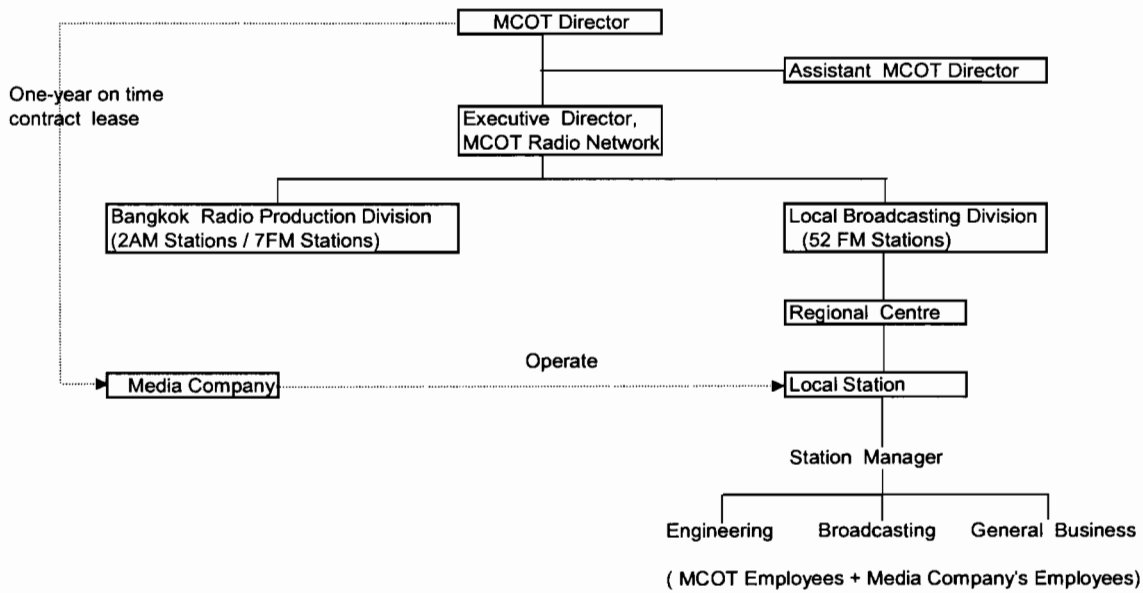
especially the regional radio stations. The central office was solely authorised to make air time sales and grant the concessions to private operators. Changes in the station’s management and programs came mainly from the owners’ policies or the Board at the central office. The PRD and MCOT’s local stations were under the control of regional broadcast centers while the RTA’s central office directly controlled its local stations through their station managers. In cases where the station airtimes were leased to private operators, the daily program log and commercial placements were designed by the leaseholder. The station manager was not involved in marketing and sales, but examined the program schedules and times of commercial spots in line with the agencies rules and regulations. The organizational structure of the central and regional administration of the PRD, MCOT, and RTA local stations are illustrated in the following Figure IV. 2 below.

Figure IV. 1: Management structure of the Public Relations Department



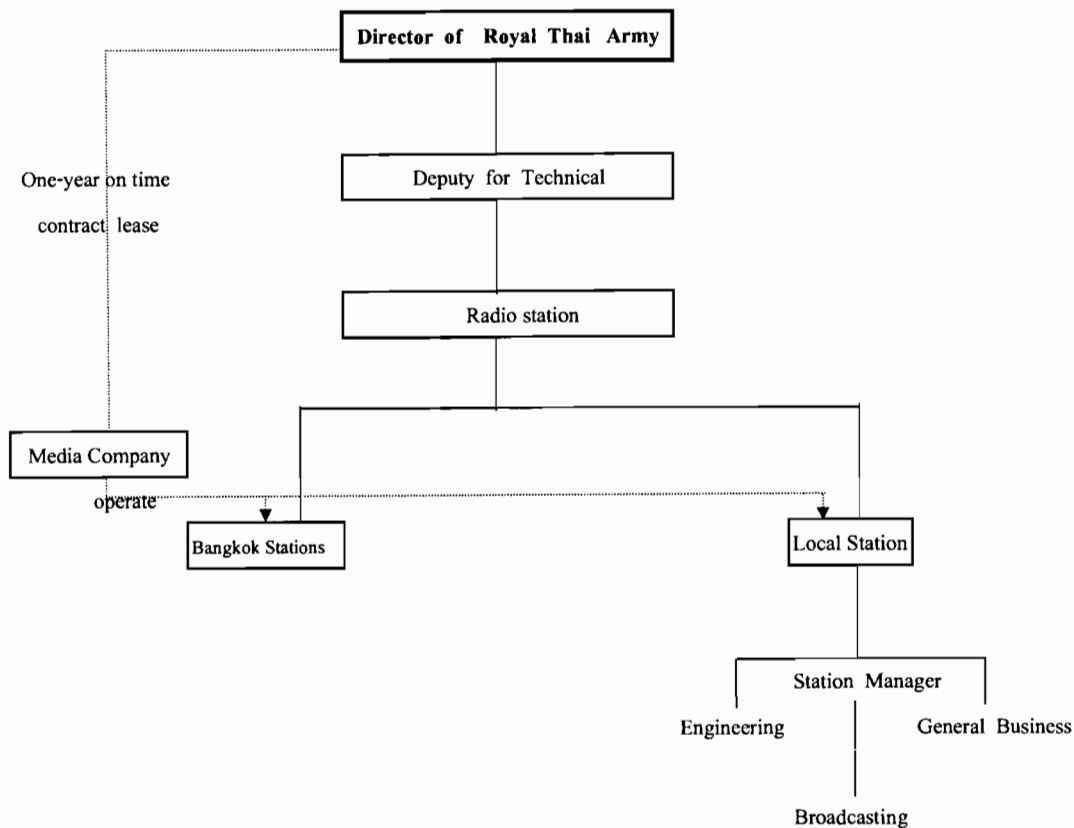
Source: Lucksana, 2005

Figure IV. 2: Management structure of the MCOT Public Company Limited



Source: Lucksana, 2005

Figure IV. 3: Management structure of the Royal Thai Army



Source: Lucksana, 2005

5. Program Production

In the 1960s, radio productions had been dispersed to independent producers under the brokerage system. A great number of commercial stations boosted the growth of advertising in broadcast media and media brokers' businesses, rather than developing the quality of radio programs. According to the concession contract, the major responsibilities of leaseholders' companies were to invest in transmission hardware, broadcasting equipment and initial installation, but not program production. Therefore, the state agencies usually earned their profits by selling air time to independent producers without any responsibility for program quality. Since their main income was from advertising and sponsorship and there was no regulation on advertising time, producers gained more profits by mainly providing product announcements and entertaining programs. Some businessmen assumed all the roles of manufacturer, radio entrepreneur, and producer, in a single person. Many producers played songs via a hire agreement with music companies, known as "queue la pan, wan la phleng" (1,000 baht per song per day) (Ubonrat, 1992: 99).

According to Saitip (1988), media advertising had enormous influence on the consumption patterns of the rural people. She observes that "In some cases, families clearly could not afford them [the goods advertised], but advertisements played on their minds and enticed them to buy on credit terms" (p.62). A number of agencies dominated program content and format by producing their own "advertiser-created programs" instead of using media professionals. Most radio programs became marketing and promotional channels for consumer products.

The advertising industry also influenced the rapid growth of music programs on the air waves. Providing easy-listening content and style, music programs could easily reach the mass and quickly achieve popularity. This increased opportunities for products to be publicized widely to the mass market. According to Ubonrat (in Somsuk, 1995: 97), when combined with advertising programs, 80-85 percent of total airtime was music-advertising programs. Apart from that, other popular programs were news and talks which were operated by both government agencies and private companies. The Number of Bangkok FM radio stations divided by program type as updated in October 2004 in Table IV.5 shows that music still was the most popular program on Thai radio stations.

Table IV.5: Type of Program and Number of FM. Radio Stations in Bangkok

Type of Programs	Number of Station
1. News and Talks	12
2. Music	25
3. Education	2
4. Mix	1
Total	40

Source: NBCT 2003

In producing radio programs, the operator must be ready in terms of capital, experience and expertise, and must have adequate competent professionals since the competition in Bangkok radio industry in 2004 is more intense compared to prior years. The advertising spending for the industry increased marginally compared to other forms of media. Moreover, radio concession owners such as MCOT started to operate their own stations, while both existing operators and new entrants were still trying to capture market share through aggressive moves, including improving radio formats, organizing more promotion activities or increasing new radio stations. Each radio operator tried to maintain their existing audience as well as attract new audience. They designed the segment of listeners clearly to make the program attractive for advertising customers. Any radio programs which are popular and have customer loyalty find other competitors entering their segment to share the market. As a result, advertising agencies selected to purchase advertising during prime time from radio stations with high rating. Also advertising through marketing activities increased attractiveness of the products.

Children's programs, news analysis and education programs were rarely presented on radio stations. Additionally, some groups were marginalised. They were excluded because of their low buying power or their individual tastes. The four main excluded groups included the non-regular income earners, low income earners, the illiterate and uneducated and the non-native Thai speakers. In contrast, the major target audiences were the regular income earners, high-to-average income earners, the higher educated and the non-native Thai speakers with high incomes (Ubonrat, 1999).

6. Listening rate

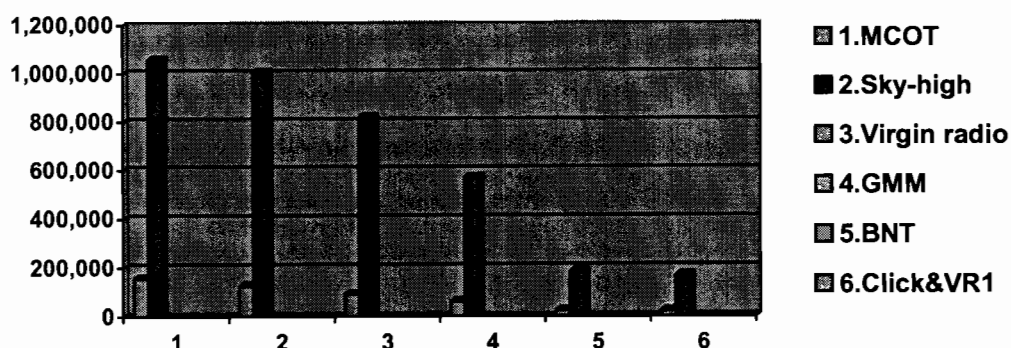
Many surveys about radio listeners showed that the role of radio had declined since Thai people now watched more television. Also, local radio was exclusively for entertainment. The survey by AC Neilson Company on media exposure of Thai consumers showed that they watched television the most (86%) and then listened to radio (36%) and read newspaper (21%) respectively (Somkiet, 2002). Total advertising expenditures in 2003 compared to 2004 had an increase of 17 percent. In 2004, advertising expenditure through the radio industry saw very small growth as the industry faced uncertainties in changes of radio programs and frequencies. In additions, advertisers had more options from new media which become more attractive. Radio advertising expenditure was the third largest, behind only television and newspapers.

A survey on the behavior of local listeners by a media planning company in 2003 found that the top three groups who frequently listened to radio were teenagers, housewives, and workers. Most of them liked to listen to music programs (Phujadkan Weekly, 24 June 2002). In contrast, the majority of Bangkokian listeners were workers (62% and teenagers (38%). Further, a survey by Ogilvy in 2003 about media consumption of middle class in rural areas, showed that 84 percent of its sample watched television daily, especially before and after evening news programs. In contrast, more than half (64%) said that they never or hardly listened to radio programs because they preferred watching television (The Nation Weekend, 6-13 July 2003). It would seem that one of the reasons that radio became less popular was because of the lack of diversity of program content on local radio.

Within the last ten years (from 1992-2002), the Thai broadcasting advertising market grew enormously. TDRI research in 2002 revealed that more than 40,000 million baht was shared among station owners, concessionaires and advertising agencies (Somkiat and Thanawit, 2002). Competition between the 78 FM and AM Bangkok radio stations was much higher than among the 446 FM and AM regional or local radio stations (Wittayu Phuthorn) when comparing the costs of spot advertising (Bangkok 2000-3000 baht/30 second; Local 200-250 baht/30 second).

Accordingly, the competition of FM radio market in Bangkok was intense. A rating analysis of the Tapscan Company showed that the top-five radio operators in Bangkok gaining the highest rating points in 2005 were; MCOT, Sky-high network (by RS Promotion), Virgin Radio Thailand (by BEC World Group), GMM Media, and BNT radio (by BNT Group) respectively. The MCOT had six stations, Sky-high had three, Virgin had five, A-time got five and BNT run two stations. The listening rating is showed in Figure IV.4. However, when divided by age as show in Table IV.6, the top three FM radio stations in Bangkok were all music stations, except Jor Sor 100 which was a traffic news station operated by Pacific Corporation, owned by three giant entertainment companies namely, BEC World Group, GMM Media, RS Promotion and MCOT.

Figure IV.4: Radio stations ranked by average persons in 2005



Station	AVERAGE PERSON	AVG RTG	AVG SHR	CUME PERSONS	CUME RTG	TSL (QH)	TURN OVER	AVG COMP
1 MCOT	156,600	2.50%	26.10%	1,055,400	16.50%	74.8	6.7	100.00%
2 Sky-High	126,200	2.00%	21.10%	1,055,300	15.70%	63.3	8.0	100.00%
3 Virgin Radio	92,100	1.40%	15.40%	820,400	12.80%	56.6	8.9	100.00%
4 GMM Media	61,500	1.00%	10.30%	570,700	8.90%	54.3	9.3	100.00%
5 BNT	24,300	0.40%	4.10%	183,600	2.90%	66.7	7.6	100.00%
6 Click&VR1	21,600	0.30%	3.60%	168,700	2.60%	64.5	7.8	100.00%
MARKET LEVEL	599,500	9.40%		5,004,100	78.30%	60.4	8.3	100.00%

Source : TAPSCAN Ratings Analysis System(Sky-High Network, 2005).

Table IV.6: Top of FM radio stations in Bangkok by target group

Target Group (Age)	Radio Stations	Company
15 – 19	Virgin Hits (F.M. 95.5 MHz.)	Virgin BEC-TERO Radio (Thailand) Co., Ltd.
	Hot Wave (F.M. 91.5 MHz.)	GMM Media (Public) Co., Ltd.
	Banana FM (F.M. 89.0 MHz.)	GMM media (Public) Co., Ltd.
20 – 29	Virgin Hits (F.M. 95.5 MHz.)	Virgin BEC-TERO Radio (Thailand) Co., Ltd.
	Cool FM (F.M. 93.0 MHz.)	Sky-High Network Co., Ltd.
	Green Wave (F.M. 106.5 MHz.)	GMM Media (Public) Co., Ltd.
30 – 39	Green Wave (F.M. 106.5 MHz.)	GMM Media (Public) Co., Ltd.
	Life FM (F.M. 106.0 MHz.)	Sky-High Network Co., Ltd.
	Cool FM (93.0 MHz.)	Sky-High Network Co., Ltd.
40 – 49	Look Tung Mahanakorn (F.M. 95.0 MHz.)	MCOT
	Jor Sor 100 (F.M. 100 MHz.)	Pacific Corporation Co., Ltd.
	Life FM (F.M. 106.0 MHz.)	Sky-High Network Co., Ltd.

Source : Insight by Far East DDB (www.thaibja.org)

V. Program contents production

1. Business structure

Generally, broadcast programs on television are from three major types of program production -- in-house production, programs co-produced with alliances, and programs produced by air time renters.

The arrangement of program timetable starts with an annual scheduling of major programs of which approval from the Prime Minister's Office is required while the allocations of program nature and time are also subject to applicable concession rules.

1.1 Programs produced and procured by the stations

These programs are internally produced by the stations or hire others to produce while the stations sell advertising time and receive incomes from such sales. The stations made a decision which program to produce in relating to broadcasting policy and the personality of programs based on programming schedules. Most in-house programs were news and talk shows.

According to the MCOT annual report in 2004, the Company invests and produces or hires others to produce where the Company will sell advertising time for the programs and receive all of its broadcasting time, policy and personality of the programs based on its programming schedules in relation to the concept of Modern Nine TV, the news and knowledge station. Programs mainly produced by the Company are news programs made by the Thai News Agency. The programs produced by the Company is approximately 44.2 percent of the total air time [excluding advertising times and business service time]. In addition, the Company also produces documentaries and edutainment programs such as Thung Look Thung Kon and Bai Ni Mee Kam Tob. The former is a good example on a program produced by the Company, because it is successful with high popularity.

In addition, some stations like MCOT also buy the copyright to broadcast both local and international programs and gain incomes from advertisings. For example, the Company has a licence from TOEI Animation Entreprises Ltd, to broadcast the cartoon “Doraemon” which become a big hit among young Thai viewers.

1.2. Programs co-produced with the station alliances

Generally, after the stations agree to co-produce with professional producers, the stations will determine the personality of a program, check scripts, and choose actors or television hosts. The station may provide equipment to the allied producers. The co-produced programs can be classified into two types -- time sharing and revenue sharing. First, the producer as program provider is the sole party who invests in the program production then both producers and stations will share rate of advertising time in proportion as agreed. Therefore, both will earn advertising income from their own time slot. Second, the producers invest for program production and are responsible for the sale of advertising time. They have to share incomes from the sales with the station at an agreed proportion.

ITV worked and co- invested with producers who were fully in charge of the production and the marketing and sales of advertising airtime. The company is entitled to the sharing of the programs revenues as per the mutually agreed conditions. Production of programs under this category for 2004 includes:

Table V.1: Company name and program type produced by ITV’s alliances in 2004

Company name	Program type	Program
Born& Associated Co.Ltd.	variety show	Twilight Thai Look Thung
	variety show	Chuan Chen Café
Kantana Group Public Co, Ltd.	variety show	Bupha Fan Club
	variety show	Lady’s Zone

Source: ITV Annual Report 2004

With professional producers who are business alliances, MCOT agrees to co-produce by determining personality of a program, choose original screenplay, check scripts, and choose actors or MC, other supporting actors and relevant characters so that the programs have right personality as the Company desires. It may also support

equipment to the allied producers, if necessary. Besides, the Company will check and control program quality before broadcast.

The co-production can be made in two different styles as follows.

a. Time sharing

This is where the producer, the Company's alliance, is the sole party who invests in the production of a program. The producer and the Company will share rate of advertising time in the proportion as agreed and each will enjoy ad incomes from their own time slot.

b. Revenue sharing

This is the case where the producer, the Company's alliance, invests for the production of the program and is also responsible for the sale of advertising time. Producers in this category will share incomes from advertising sales with the Company at an agreed proportion.

1.3. Programs produced by airtime renters

These are programs invested and produced solely by renters who rent airtime from the stations. The renters will sell advertising time for their program and receive all advertising revenues before paying the airtime rental to the stations at an agreed rate.

ITV allowed outside producers to rent appropriate broadcasting airtime set in accordance with the Station's policies. Presently its average renting airtime accounts for 44% of the total airtime schedule, most of which are non prime time slots. Presentation pattern, program content, and production quality are the main criteria used in judging the appropriateness of programming schedules for rented airtime and its suitability to the Company's internal policy.

While 37.9 percent of the MCOT's program airtime [excluding advertising times and business service] has been rented, most of which after midnight. MCOT will determine the program's personality and contents based on its policy regarding airtime and programming schedules. It will also check overall quality and the program's suitability before broadcast. Examples of programs produced by airtime renters are Thailand Weekly, LG Quiz, Journal of the World, etc.

2. Financial analysis

It is hard to pinpoint numbers of program content producers for television as well as their revenues since there is no registration with the current regulator, NBCT. However, the program content producers who have abilities in production technology, capital, and human resources with a successful profile have opportunity to win a rental contract or be hired to produce more programs on television. Also, the different personality of each producer may best suit the goal and policy of certain stations identity.

In Thailand, GMM Media, RS Promotion, Matching, Traffic Corner, BNT and Work Point Entertainment are program content producers for television broadcasting which are registered as public holding companies. In contrast, the BEC World Group and UBC are both terrestrial and cable (for UBC) operators and program producers. The names of the entertainment public holding companies are shown in Table V.1 The main revenues of these producers came from fees from advertising agencies who pay for their airtime slot in television programs.

Table V.2: Name and type of major business of entertainment public companies in Thailand, 2005

	Name of Public Holding Company	Type of Major Business
<u>BEC</u>	BEC World Group	Channel 3 TV Operators
<u>BNT</u>	BNT Entertainment	Radio operators and Cable producers
<u>GMM</u>	GMM Media	Radio operators and Television producers
<u>GRAMMY</u>	GMM Grammy	Music and Television producers
<u>ITV</u>	ITV	ITV station operators
<u>MATCH</u>	Matching Studio	Production house and TV producers
<u>MCOT</u>	MCOT	Radio and Television owner and operator
<u>MEDIAS</u>	Media of Medias	Radio operator, Cable and Television producers
<u>RS</u>	RS Promotion	Radio operators and television producer
<u>TRAF</u>	Traffic Corner	Radio operators and television producer
<u>UBC</u>	United Broadcasting Corporation	Cable operator
<u>WORK</u>	Work Point Entertainment	Television producers

Source : www.set.or.th.

3. Production Capacity

Key components in producing radio and television programs are personnel and broadcasting equipments. For radio, radio hosts/ Disc Jockeys and radio staff are mainly employees of the big media companies. The companies also invest in broadcasting equipment such as production studios, sound booths, transfer room and machine room. Some companies, which run music business like GMM Media and RS Promotion, produce programs with computer automation system where songs are kept in centralized computer file so DJs from every radio programs can access the library of songs. For television, actors, actresses, show hosts and production staff are selected by the producers with appropriate personalities for each program. Big media companies have advantage where the required celebrities belong to their parent company. However, as investments of television production studios are high and usually not financial feasible, program producers rent shooting locations from third parties or television stations where broadcast studios including production equipment such as cameras, image and sound editing computers are for rent.

4. Relationship between terrestrial operators and program providers

Media empire companies like the BEC World Group have consolidated Thai media business to become the country's leading television operator. It operates Channel 3 through its subsidiaries, BEC entertainment. 100 percent of documentary and entertainment programs of Channel 3 are produced by these networks of the BEC group (See Figure II.1): BEC World Public Co., Ltd., Rungsirojvanit Co., Ltd., New World Production Co., Ltd., BEC International Distribution Co., Ltd. TVB 3 Network Co, Ltd. Bangkok Television Co., Ltd. and Bangkok Drama, Bangkok Comedy, and Film Bangkok of BEC-TERO Entertainment Plc. Other extended and supporting businesses of Channel 3 are provided by several subsidiaries mostly for internal use. BEC IT Solution Co, Ltd. provides information technology services. The BEC Broadcasting Center Co. Ltd. provides broadcasting facilities. BEC Asset Co. Ltd. provides asset management services and leases. The company plans to provide a wide range of production services, including studio and equipment rental and post-production services by BEC Studio Co. Ltd. The company also plans to make the

news departments of both Thai TV Color Channel 3 and You and I Radio Stations autonomous, but also use them for selling stories to others news agencies.

In program sourcing and production, Channel 3 has expanded into live performance and film production. The company focuses on the distribution of Thai films to other countries. While the organization of live performance is quite diverse, the company has expertise in organizing international performance in which there are only a few meaningful players. The company has a strong track record, extensive marketing and promotion network and its own variety of media. Consequently, the BEC World has become one of the leading players in not only media business but also the entertainment industry.

MCOT currently has become a public company and the Royal Thai Army plans to privatise its broadcasting business to have more flexibility in media business investment and operations. MCOT now more emphasises producing its own programs to avoid the business risk factors that around 55 percent of the Company's programs rely on independent operators. Because of fierce competition and several consolidations among television station operators and production companies, the Company may lose certain alliances and, as a result, affect its ability to procure programs.

However, television station operators still cooperate with both local and international alliances as program content producers since they are able to produce attractive and popular program to target viewers. Big entertainment companies, such as GMM Media, RS Promotion, and Work Point Entertainment produce more than 70 entertainment programs on different stations. While Traffic Corner's television business depends on purchasing licences to live broadcast international football matches and any sports highlight since these programs receive high interest from Thai viewers. The Company then sells commercial airtime to major sponsors.

However, there is some room for independent program producers who receive some contract jobs with terrestrial TV in the form of outsourcing. They are likely to increase since the terrestrial TV broadcasters are rationalising their spending on production and profit margins seem more attractive on out-sourced productions. For

example, ITV is willing to offer independent producers' opportunities for presenting new ideas for program production, if such ideas suit the station's goal and policy.

Competition in the television business has become very intense so that every channel adjusts its programming schedule as well as its presenting style with the hope to constantly increase its ratings. This is because the station's popularity is one of the main deciding factors for advertisers or advertising agencies to determine whether or not to advertise through the channels, which, of course, is the main source of revenue for a TV station. In addition, there has been a trend in forming partnerships between prominent program producers and television stations to increase reliability and strengthen the station's program quality and contents.

VI. Market Analysis

1. Total market value of television and radio breakdown by years

Total market value is calculated from the advertising spending collected by five television channels having commercial films advertising on:- Ch.3, Ch.5, Ch.7, Modern Nine and Ch. ITV. Each channel has different rates of advertising fee due to the viewing rating of the audience. Most of the advertising fee comes from the rating and viewing time. In Thailand the viewing time of the audiences reflects the cost of advertising fee; prime-time means the high viewing rate during the late evening to late night while non-prime time is the low viewing rate, usually during the day time.

The total advertising market size has been significantly increasing every year. This growth relates to the rate card increasing every year even though Thailand has been affected by its GDP reduction. Presently the rating surveys conducted by the Nielsen Media Research are used by local sponsors and agencies, due to the fact that this research house is the only prime rating agency operating in Thailand. Its statistical surveys are reported on the basis of the sample viewer groups ages 4 and above.

Based on the survey results of the Nielsen media Research, (see Table VI.1) the combined value of advertising expenditures, all media included, increased from Baht 61,212 million in 2002 to Baht 71,449 million in 2003, or a 16.72% growth. In 2004, the value surged to Baht 84,072 million, or a 17.67% growth.

Table VI.1 Break down of advertising expenditures by media types

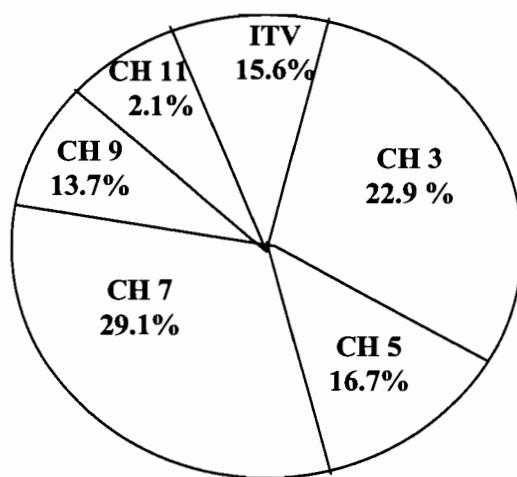
Media	2002	2003	2004
Television	37,339	42,290	47,172
Radio	6,170	6,662	6,850
Newspaper	11,116	13,342	18,030
Magazine	3,640	4,560	6,064
Other media	2,947	4,595	5,956
Total expenditures	61,212	71,449	84,072

Source: Nielsen Media Research (ITV Annual Report 2004)

Television is the major media which took the largest share of advertising expenditures in comparison to other media, or 56.1% of overall total advertising expenditures. Moreover, advertising expenditure on television increased continually from Baht 37,339 million in 2002 to 47,172 million in 2004. According to the research by TDRI, during the last ten years, from 2534-2545, the growth of the broadcasting business in Thailand had a 4.4 time higher than the growth of GDP. This growth level was considered the same as those in China, Malaysia, India, and Korea (Somkiet,2003)

From the graphic presentation shown in Figure VI.1, the Nielsen Media Research has estimated revenues of each local station. The outcome showed that Channel 7 possessed the highest market share (29.1%), followed by Channel 3 (22.9%), Channel 5 (16.7%), ITV (15.6%), Channel 9 (13.7%), and Channel 11 (2.1%), respectively. ITV's market share increased by 2% in 2004, compared with 2003.

Figure VI.1: Advertising expenditure by TV stations



Source : Nielsen Media Research (ITV Annual Report 2004)

Television stations, especially Channels 7 and 3, have strong bargaining power in determining advertising rates and setting the conditions of program production and distribution. Independent operators have difficulties getting into this business because of three main reasons. They were: firstly the limited numbers of free-to-air television channels; secondly the high cost of investment in broadcasting equipment as well as national networks expanding; and lastly the large numbers of viewers on popular television channels. The survey of television viewers' behaviors by AC Nielsen

always showed that the top two channels received the highest ratings were Channels 7 and 3 respectively. They mainly relied on soap operas, serials, game shows and sport news which were the most popular television programs. As a result, major operators could sustain a relatively high return on investment.

The advertising rates of television spot announcements, especially of Channels 7 and 3, grew enormously and regularly because soap operas and other entertainment programs on both channels received the highest rating points. Advertising rates of the prime time (after evening news) of two channels were much higher than other channels by around 56 to 68 % as shown in Table VI.2. In addition, according to the regulations, pay television (UBC) was not allowed to have advertising as well as the advertising time on free-to-air television is limited to 10 minutes hourly. The top two high-rating television channels, therefore, had more power to set up the advertising rates. This made the Thai television industry become a duopolistic market dominated by two big media operators (Somkiet, 2003).

Table VI.2: TV gross advertising rates compared during prime time period from 6.45 -10.30 pm.

TV Station	Gross Advertising Rates For August 2004 (Baht/Minute)
<i>Channel 3</i>	260,00-420,000
<i>Channel 5</i>	135,000-260,000
<i>Channel 7</i>	300,000-450,000
<i>Modern Nine TV</i>	150,000-220,000
<i>Channel 11</i>	-
<i>ITV</i>	200,000-250,000

Source: MCOT Annual Report 2004

The total market value for radio is calculated from two radio systems, FM and AM. Mostly the advertising spending comes from stations which have different fee charges due to the popularity of their stations, while the local stations in rural areas do not

have a standard of advertising rate. The total advertising market size has been increasing every year, especially from year 2003 to 2004 due to the national economic growth rate not achieving the target GDP as shown in Table VI.1. Radio is one of the alternative media besides the TV.

Table VI.3: Advertising spending expenditure estimates period from 2001-2005 (Currency: Million Baht)

	Y2001	Y2002	Y2003	Y2004	Jan-Aug 2005	Grand Total
<i>TV</i>	32,880	37,343	42,289	47,173	32,999	192,683
<i>Radio</i>	5,136	6,170	6,662	6,850	4,488	29,306

Source: AC Nielsen, Thailand 2001 (August 2005)

2. TV penetration rate – of total population

For the TV penetration rate in Thailand, the population recruits as the media viewer target which is 6+ years up that will not cover the whole population in Thailand. The table below shows the TV penetration rate against total viewer population, it has achieved almost 100% penetration rate. The penetration rates are from nationwide.

Table VI.4: TV & PC penetration rate – of total population & household

	Population in Thousand %		Household in Thousand %	
	53,034	100	18,464	100
<i>TV</i>	51,590	97.3	17,614	95.3
<i>Computer</i>	5,644	10.6	875	4.7

Source: AC Nielsen (Thailand) 2001 (August 2005)

2.1 Penetration rate – of total household

The number of household in Thailand in term of media data, collected by legal registration, not include the building, apartment and other form of residences without legally registration number. The TV penetration rate compares from households reflect the same direction as cf. population. Almost 10% of household has TV set as well as radio receivers. Since radio listeners can access radio programs in many forms, not only directly from the receivers but also through internet and mobile phone, it is

difficult to present the radio penetration rate because of the changes of media technology.

2.2 PC penetration rate

In the matter of ownership, the Thai people's life style is not familiar to view the broadcasting via PC so PC is used for information search and personal entertainment in terms of games etc. There was no data presenting the PC penetration rate.

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Krisanaporn Sermpanich, Former Director of National Broadcasting

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Surin Plangprasopchok, Director of Channel 11, Bangkok, 12 November 2005