

Risk Management

In 2016 is still the challenging year as before for CAT Telecom PCL. The telecommunication industry is having more intense competition, starting from the licensing of spectrum 900 MHz and 1800 MHz from the auction in the end of 2015 and service providers in the market are growing their network both domestic and international to provide full service. From those events, CAT Telecom PCL's main telecommunication services which are mobile phone service, data communication service, and internet service, are effected by both reduction of the market share and price. Various risk factors occurred in which CAT Telecom PCL have distributed risks to all main services. Risk factors which could affect significantly are listed as follows;

1. Strategic Risk : CAT Telecom PCL had set the strategy focusing on the wireless communication business in Wholesale service and my service. As CAT Telecom PCL did not participate in the spectrum auction in the end of 2015, CAT Telecom PCL is having a service disadvantage. However, CAT Telecom PCL has proceeded the countermeasure by effectively expand the existing wireless network by finding more MVNO customers and expand the customer base for my. Furthermore, the international telephone business, which is the main business of CAT Telecom PCL, has developed the service quality standard to be equivalent to other service providers, but due to intense competition, customers might choose the service of competitor. So, CAT Telecom PCL are promoting the sales to keep and expand the customer base. For the Broadband business, the FTTx service is focused. From those countermeasure, the overall business for CAT Telecom PCL are still gaining profit.

2. Operational Risk from the cooperation of both internal and external, which could affect the operations according to the business plan, rules/regulations, procurement and hiring process, managing departments. Those risks are;

- Delay of network installation for international communication service
- Inadequate IT support system to support the wholesales service of other MVNO
- NBTC might not agree with the expenses of CAT Telecom PCL to proceed according to NBTC announcement B.E.2556 (2013), Temporary Service Provider Protection Measure
- Human resources management is not compatible to the organization's business operation
- CAT Telecom PCL could not repurchase signaling equipment from BFKT

3. Compliance Risk which is risk from non-compliance of TRUE with the business agreement. As TRUE understands the service information of CAT Telecom PCL differently, CAT Telecom PCL could not collect the cumulative income, according to the target, affecting to the liquidity of the company and generate one more complex financial risk