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## Emerging Asia's Telecom Companies Face Regulatory Risks And Stiff Rivalry, Says S&P Report

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MELBOURNE (Standard & Poor's) Aug. 27, 2015--Emerging Asia's large population, GDP growth, and voracious appetite for data services will boost revenues across most of the region's telecom markets. That's according to Standard & Poor's Ratings Services in a report published today, titled, "Emerging Asia Telecom: Low Leverage Outweighs Stiff Competition And Regulatory Risks". An enhanced pdf version of the article can be found [here](#).

"Strong growth in emerging Asia's telecom markets has lured substantial capital investment and ramped up competition. And the region faces significantly greater country and regulatory risks compared to developed markets," said Standard & Poor's credit analyst Paul Draffin.

We consider the most hotly contested of the emerging Asian telecom markets to be Bangladesh, Pakistan, and Sri Lanka, closely followed by India, Indonesia, Philippines, and Thailand. These markets remain vulnerable to periodic bouts of intense price competition that can undermine returns and investment. From a regulatory perspective, we view the greatest risk to telecom operators to be in Bangladesh, India, Pakistan, Sri Lanka, and Thailand, although proposed

reforms could help to moderate risks in some of these markets, such as India and Thailand.

Nevertheless, we expect telecom companies to maintain relatively low debt levels, moderating the risks and sustaining their credit quality in the next few years. This fiscal prudence is likely to continue even as telecom operators fund ongoing network investment, spectrum payments, and mergers and acquisitions in the pursuit of growth.

The report is available to RatingsDirect subscribers on the Global Credit Portal at [www.globalcreditportal.com](http://www.globalcreditportal.com) and RatingsDirect subscribers at [www.ratingsdirect.com](http://www.ratingsdirect.com). Ratings information can also be found on Standard & Poor's public Web site at [www.standardandpoors.com](http://www.standardandpoors.com); under Ratings in the left navigation bar, select Find a Rating. Members of the media may request a copy by contacting Richard Noonan, at [richard.noonan@standardandpoors.com](mailto:richard.noonan@standardandpoors.com), or tel: (613) 9631 2152.

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