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Will a further 5G spectrum auction be needed in 2022?

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In February 2020, the Taiwan government held a competitive auction to release the 5G spectrum in the 3.5 and 28 GHz bands, with total bids reaching NT\$142.191 billion (approximately \$4.7 billion) (for further details, please see "[5G spectrum auction ends and real competition begins](#)"). The government planned another auction to release the 5G spectrum in the 4.4-5.0 GHz bands and 37-40 GHz bands no later than 2023. The mobile incumbents, however, have been hesitant in this regard in light of high costs and rising market competition.

Upon the government's announcement of a long-term spectrum release plan made in June 2020, the five mobile incumbents responded with reservation. There was apparent disagreement between the incumbents and the government on which frequency bands to prioritise for the next release. Taiwan Mobile strongly suggested that the n78 band (ie, 3.3-3.8 GHz) should be the first choice, followed by the n77 band (ie, 3.3-4.2 GHz) and the n79 band (ie, 4.4-5.0 GHz). FarEasTone (FET), the other leading mobile operator in the market, commented that the 5G spectrum awarded has been more than enough for the deployment of 5G applications.

In December 2021, despite the relentless lobbying by the mobile incumbents, the Ministry of Transportation and Communications finalised its draft release plan to offer 100 MHz in the 4.7-4.8 GHz band and another 100 MHz in the 4.9-5.0 GHz band, to be auctioned in the second half of 2022 and later transferred to the new Digital Ministry (for further details please see "[Technology, media, and telecoms trends to watch in 2022](#)").

However, in the market, things have been quite the opposite. On 4 September 2021, FET and APT jointly announced a 20-year strategic alliance to facilitate their shared use of the 3340-3520MHz (n78 new radio) band assigned to FET and enhanced merger by 30 June 2022 (for further details, please see "[NCC approves first application for 5G spectrum sharing](#)"). On 31 December 2021, Taiwan Mobile announced that it will merge 100% of Taiwan Star by share swap upon approvals given respectively by the National Communications Commission and the Fair Trade Commission. Competition in the mobile broadband market is thus reducing, which ironically implies that fewer competitors will make high bids for the further 5G spectrum planned to be released by 2023.

The first decision of the new Digital Ministry could thus be whether or not a further 5G spectrum auction is needed in 2022.

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