

# MARKET OPPORTUNITY

## Thailand



INFORMATION &  
COMMUNICATION  
TECHNOLOGIES

### OVERVIEW

- Thailand is the second largest buyer of ICT products and services in the ASEAN region. It is geared for future growth through increased consumption and urbanisation, as well as a growing middle class.
- Thailand is a Fast Grower Market in South-East Asia with 84.8M mobile connections.
- Thailand is a gateway to the Cambodia, Laos and Vietnam emerging markets.
- Thailand market is highly dominated by hardware spending, followed by services and software. IT services dominates the spending in public sector, while hardware does in private sector.

### Key business opportunities for EU companies

- Offering IT hardware.** IT hardware spending in Thailand is growing at 3.7% CAGR (2014-2019) to reach €11.5 billion by 2019, with spending pre-dominantly on hardware. Enterprise hardware spending is largely on servers, enterprise networks, and telecommunication equipment.
- Offering mobile-related products & services.** Telecoms-driven spending in Thailand is growing at 6.9% CAGR (2014-2019) to reach €10.4 billion by 2019. This trend is driven mainly by mobile spending, with wireless data and wireless voice constituting 35.4% and 36.4%, respectively, in 2016.
- Offering IT services and solutions for enterprises.** Growth in IT services will continue in support of increasing trends in outsourcing non-core operations. There is high demand for companies specialised in hardware/software implementation as well as operations management companies.
- Offering solutions, services and technologies within the value chain created by the government's National Digital Economy Master Plan.** The Thai government is making a strong push for ICT development in the following areas: hard infrastructure, digital economy acceleration, digital society, service infrastructure, digital workforce and soft infrastructure.

### Sector characteristics

- The Thai government has acknowledged the need to undergo digital transformation in the public sector. Under the concept of a "holistic smart government", efforts are being made to identify digital solutions to increase access to public services, as well as digital literacy. This will increase demands on integration and delivery platforms; e.g. public services being delivered through mobile applications.
- Top 3 local IT services players and their respective market shares: CDG (40%), MFEC (12%), and Loxley (11%).
- Majority of local systems integrators (SI) are very traditional in nature. Most have started off as "box-sellers" and have just begun to position themselves into services. The majority of SIs are part of a business group being a parent company or subsidiaries but the services offered are not limited to only within the group.
- End-users tend to value a relationship with SIs more than product or services innovations.



- Country:** Thailand
- Capital City:** Bangkok
- Population:** 68.86 million (2016 est.)
- GDP per capita:** 5,907 USD (2016 est.)
- Currency:** Thai Baht (THB)
- Official Language:** Thai



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Sources:

- World Bank, Thailand (2016), <https://data.worldbank.org/country/thailand>
- MDEC, Executive Summary Thailand ICT Market Landscape Study (2016), <https://mdec.my/assets/migrated/pdf/TH-MDEC-Executive-Summary-vF.pdf>

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- Slowing economic growth could affect IT investment or large spending for companies that see it as a cost-reduction measure. However, there is a shift towards a higher IT utilisation to optimise workflows and add value to business operations as well as products and services across the Thai market.

### Key players: IT

	CDG Group is a professional service provider of IT solutions in Thailand with wide range of services.
	MFEC Public Company Limited (PCL) is an IT service provider specializing in network computing and e-business.
	Loxley Public Co. Ltd. Provides IT services, operating through the following segments: Technology, Trading and Services.
	Metro Systems Corporation Public Company Limited provides enterprise servers, personal computing products, and storage systems
	SVOA Public Company Limited provides integrated information technology (IT) products and services in Thailand.

### Key players: Communications

	TOT Public Company Limited is a Thai state-owned telecommunications company offering connectivity services as well as various online services
	CAT Telecom Public Company Limited is the state-owned company that runs Thailand's international telecommunications infrastructure
	Total Access Communication Public Company Limited (DTAC) is the 2nd largest GSM mobile phone provider in Thailand (after AIS)
	Advanced Info Service Public Company Limited (AIS) is Thailand's largest GSM mobile phone operator
	True Corporation Public Company Limited (TRUE) is a communication conglomerate in Thailand

### Key sectors: IT

1.	Systems integration
2.	Hardware deployment and support
3.	Network consulting and integration
4.	Big Data and Cloud services
5.	Government e-Services

### Key sectors: Communications

1.	Mobile telecommunications
2.	Mobile devices
3.	Broadband
4.	Telecoms Infrastructure
5.	Pay TV