



# Digital Ecosystem in Thailand

Thailand Board of Investment  
June 2022



# Opportunities for **Digital Business** in Thailand

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# Thai population has high adoption rate of digital activities

**Total  
Population**



**66.1  
million**

**Mobile  
Subscription**



**90.7  
million**

**Internet  
Users**



**48.6  
million**

**Active Social  
Media Users<sup>1</sup>**



**55.0  
million**

**E-commerce  
users**



**33.7  
million**

**Mobile Banking  
Accounts**



**57.7  
million**

**Urbanisation:  
51.8%**

**% of population:  
129.7%**

**% of population:  
69.5%**

**% of population:  
78.7%**

**% of population:  
48.2%**

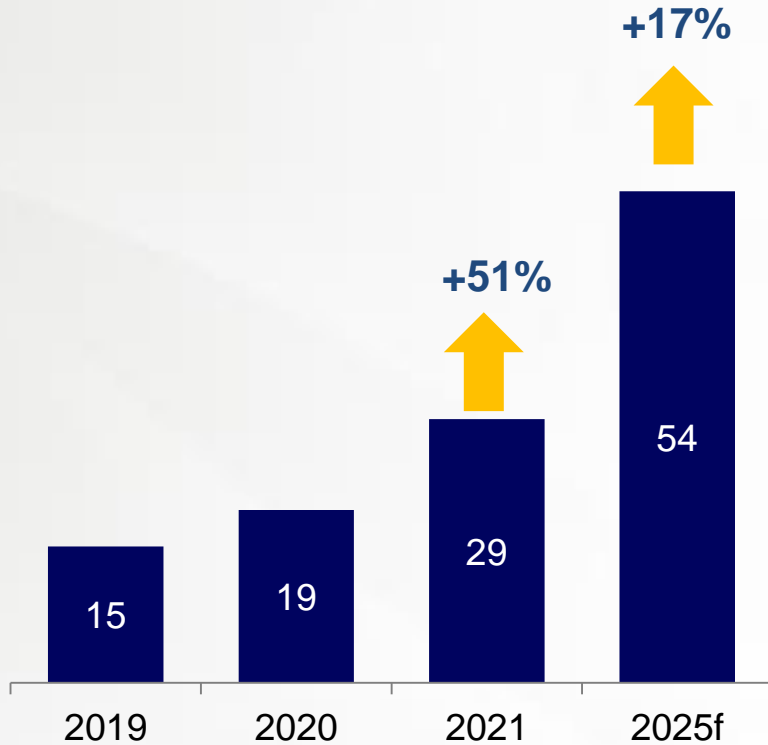
**% of population:  
82.5%**

Note: <sup>1</sup>The number of active social media users is higher than the number of internet users, as 1 internet user can have more than 1 social media account.

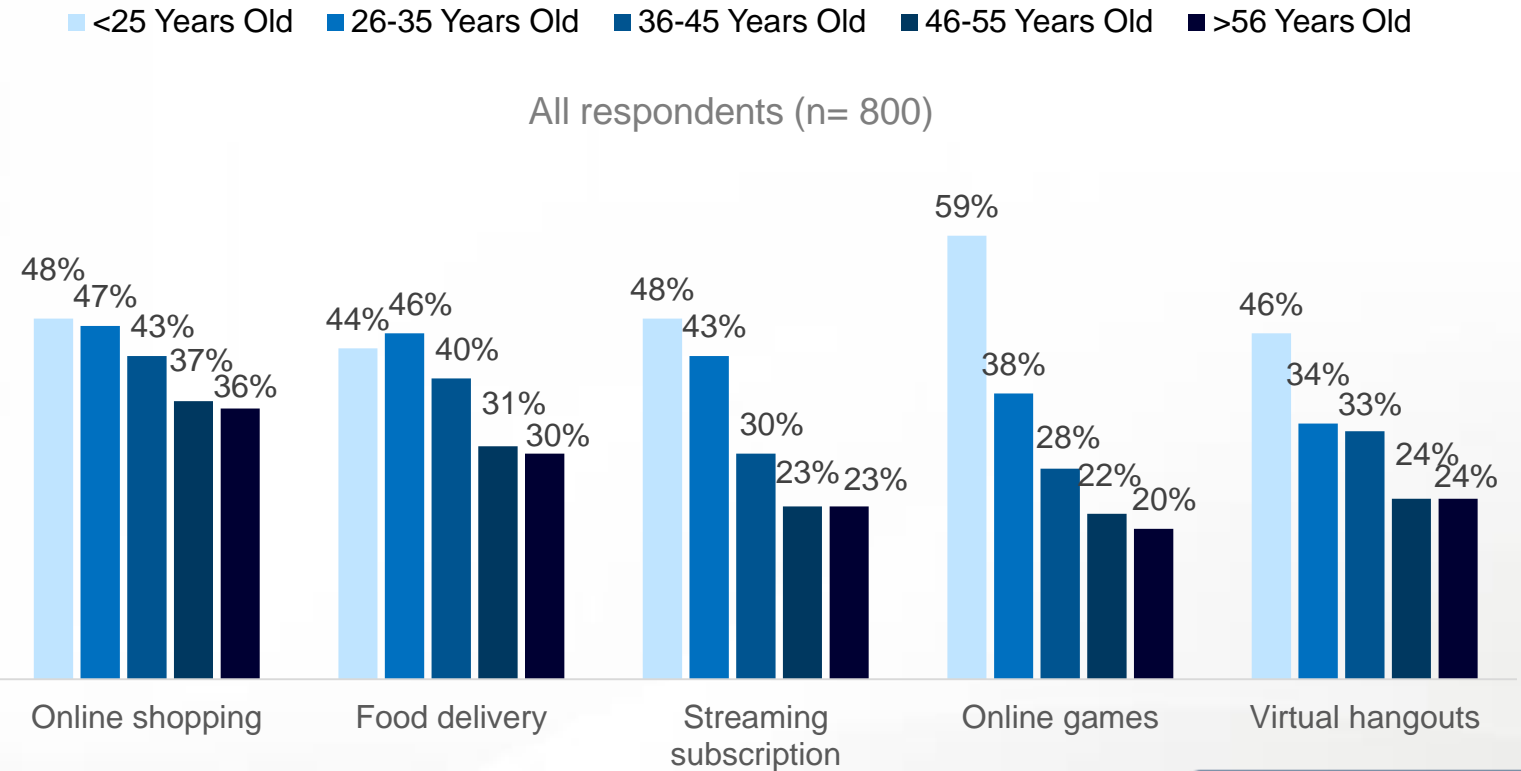
# Sizable digital market and skyrocket growth accelerated by COVID-19

**25%** of contribution to Thailand's GDP by 2027 from digital sector

## Internet economy by GMV [In billion EUR]



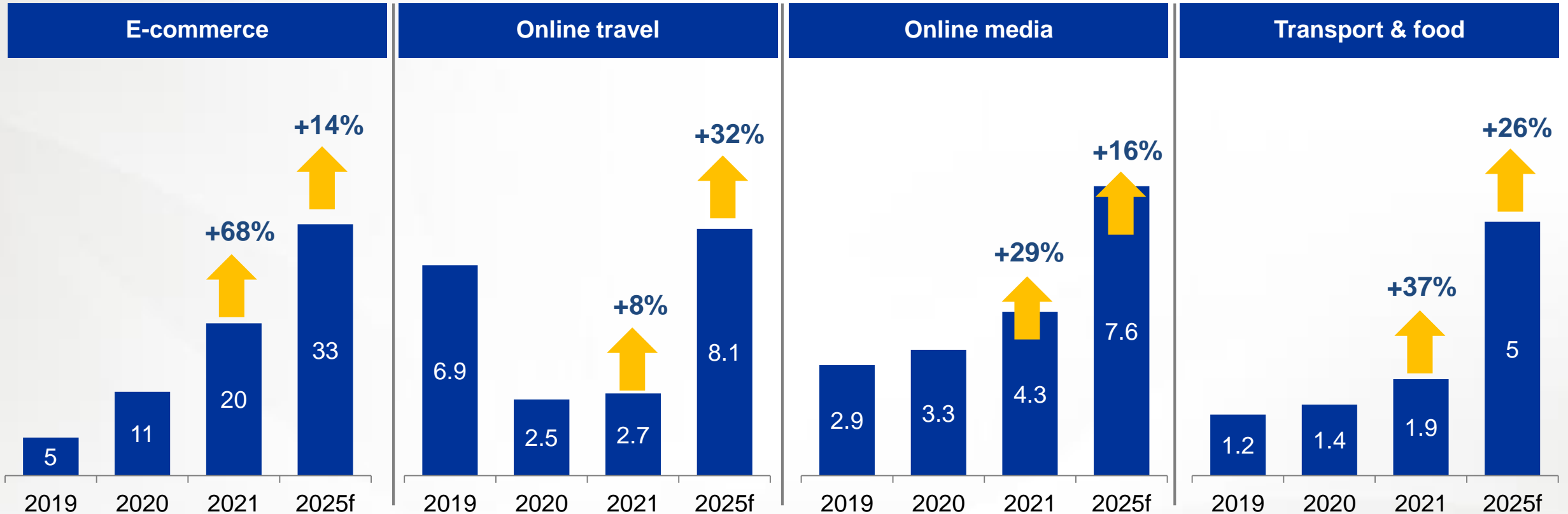
## Thai Consumer Claims on Higher Consumption of Digital Products & Services after Covid-19



# Sizable digital market and skyrocket growth accelerated by COVID-19

## GMV per sub-sector

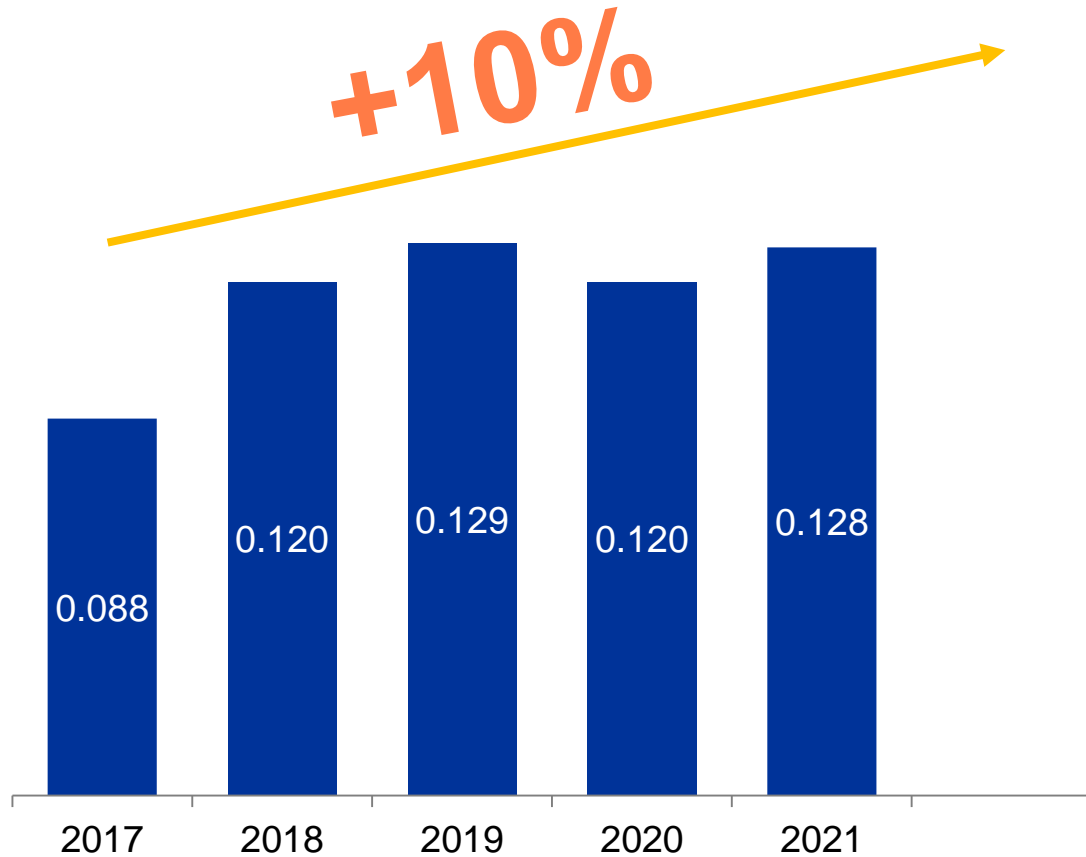
[In billion EUR]



# Thailand ranked 1<sup>st</sup> for B2C e-commerce value in ASEAN for 6 consecutive years, with impressive growth

## Thailand e-commerce value

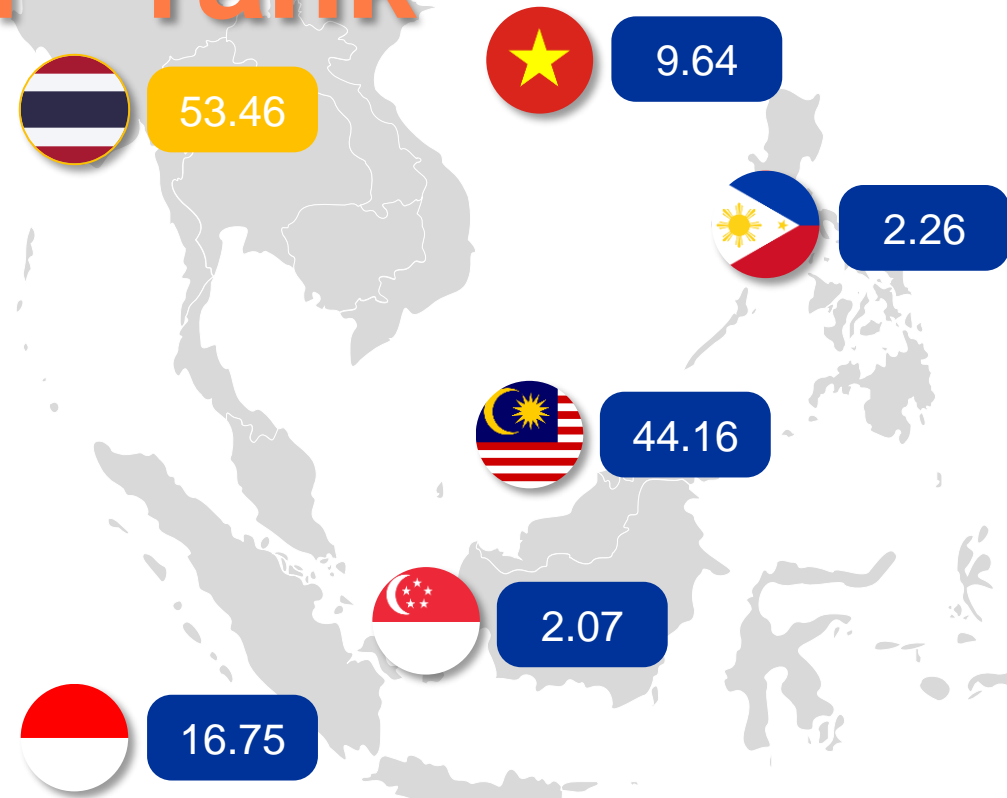
[trillion EUR] \*Include B2C, B2B and B2G



## B2C E-commerce value, by top ASEAN country

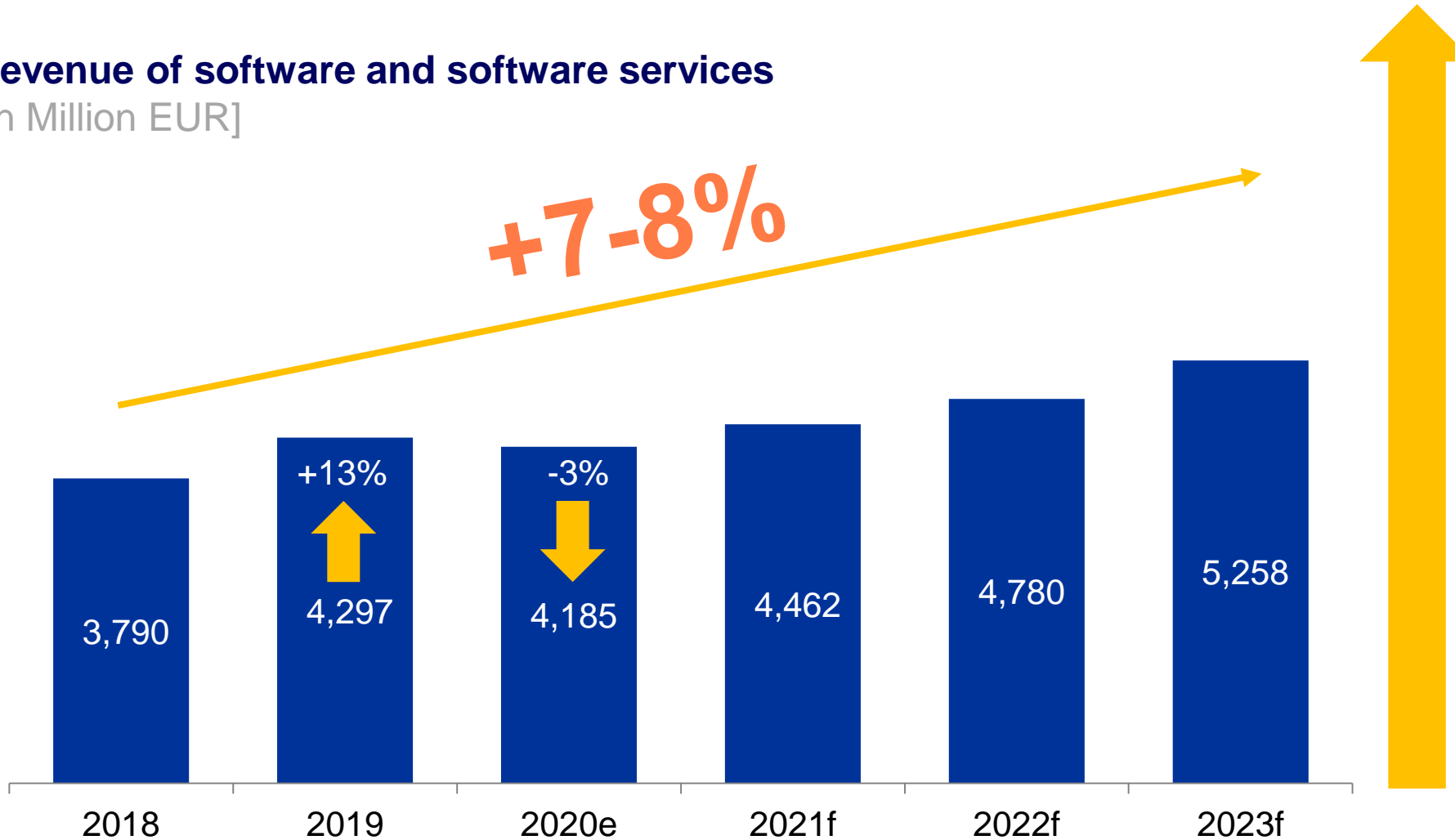
[thousands million EUR]

# 1<sup>st</sup> rank



# Expected positive prospects of software businesses

Revenue of software and software services  
[In Million EUR]



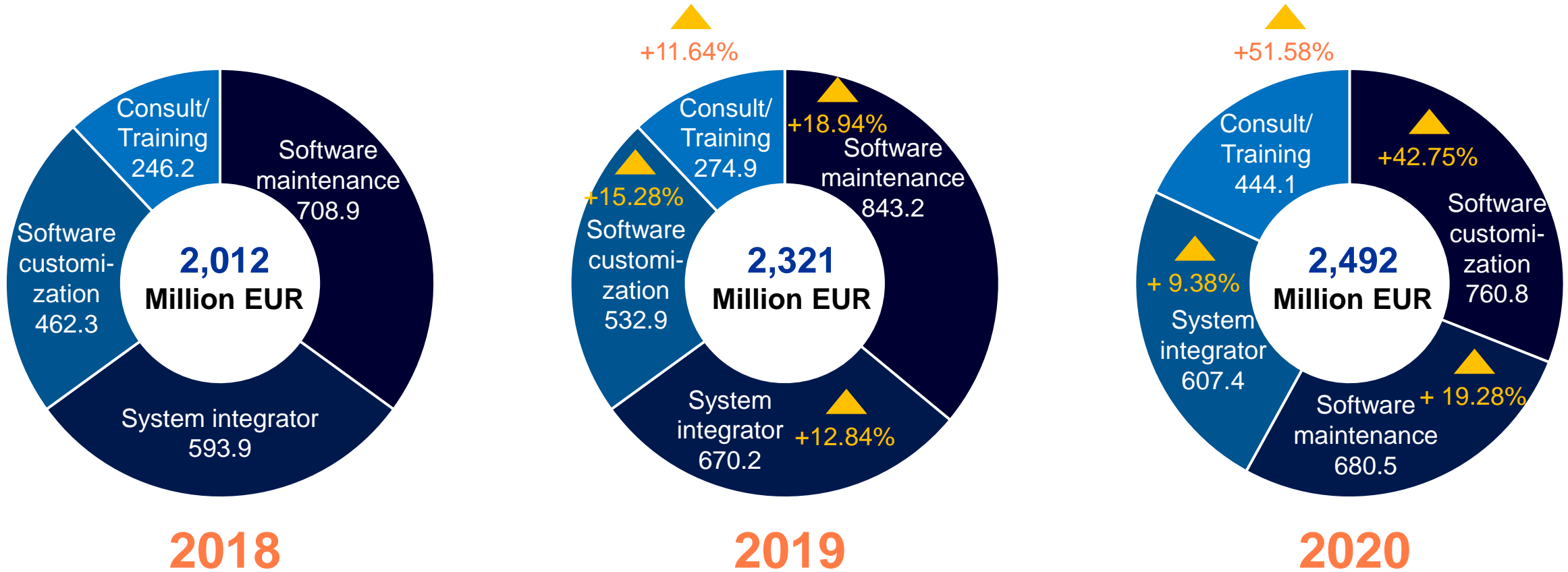
## Key drivers

- Strong government support e.g. investment in cloud IT, reimbursement of software expense for SMEs
- Digitalization & technology
- Covid-19 accelerates digital transformation

# Double-digit growth in every sub-segments

## Value of software services, by sub-segments (2020)

[In million EUR]







# Thailand's **Digital Ecosystem**

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# Improvements in digital infrastructure boost digital readiness

## Hard infrastructure

### 5G Adoption

with investments from Thai firms and MNEs

### 74,987 villages

nationwide to be equipped with internet access

Government aims to increase network bandwidth, as well as upgrade existing networks, and construct new submarine cable systems

## No. 3

country with the fastest fixed internet connection speeds globally

## Soft infrastructure

### Digital Law

e.g. Data protection law, Cybersecurity Act

### Government e-service

e.g. BizPortal, PromptPay

Government is focusing on launching several flagship projects to accelerate digital transformations, e.g. Data Center Modernization, Government Data Analytics Centre

# Strategic location for data center and cloud facilities with double-digit growth

26%

CAGR growth of Thailand's data center and cloud market in 2019-2025

29 data centers 53 cloud service providers

## Thai players



## MNEs players



# More pool of digital talents to support the investment

No. of talents  
(2020)



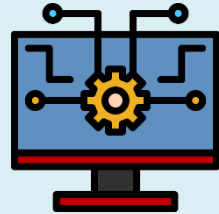
Students



Newly Graduate



Employment

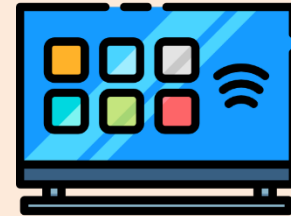


Software

16,112

12,985

98,932



Hardware &  
Smart Device

7,871

5,242

312,460



Digital Content

21,159

15,544

5,221

# Vibrant startup and technology ecosystem to kickstart the investment

### Government

### Incubator/ accelerator

### Investors (VC, Angel group)

### Event

### Tech Media

### Venture builder

### Association

### Education and mentor

Sources: Techsauce



# Incentives for **Digital Business**

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# Digital Industry Investment Promotion



## Incentive

Up to **8-Year** CIT Exemption  
+ Additional Incentive if conditions are met

### Software:

- Application
- Software Development

### Digital Service Platform:

- Platform Service
- E-marketplace
- FinTech
- MedTech

### Digital Content:

- Game
- Animation
- AR/VR

### Digital Infrastructure:

- Digital Park
- Data Center
- Cloud Services
- Submarine Cable

### Digital Ecosystem:

- Innovation Incubation Center
- Maker Space/Fabrication Laboratory
- Co-Working Space

# Incentives for the development of software, digital service platform, digital content



## Major Criteria

- The expenditure on salary for Thai IT personnel must be at least THB 1.5 million (47,800 EUR) per year
- Must have significant development in Thailand



## Incentives

- **8-Year** Corporate income tax exemption
- The yearly ceiling of CIT exemption is calculated on following basis:
  - Salary expenses for Thai IT personnel
  - Training expenses for Thai IT personnel
  - Expense for obtaining international standard certificate such as CMMI level 2 or ISO 29110
- Non-Tax Incentives



# Advanced Technology Training Grant



## Condition

- ✓ Must be skills development courses in targeted industries for **Thai employees with vocational qualification or higher.**
- ✓ The training participants must be **≥ 10% of the total number of employees or at least 30 employees.**
- ✓ Training courses:
  - **Advanced Technology Skills Development Courses** which are approved by MHESI (*Ministry of Higher Education, Science, Research and Innovation*).
  - The proposed HRD expenses are not supported by other agencies/measures under the same project
  - Training must be completed within 2 years.



## Financial Support

- ≤ 50% of training expenses
- ≤ 100,000 Baht / employee  
(approx. 2,700 Euro / employee)
- ≤ 5 Million Baht / company  
(approx. 134,100 Euro / company)

## Targeted Industries



# Supporting Measures for Digital Industry

Agency	Activity	Supporting Measures
Revenue Department	Upskill/Reskill	Corporate Income Tax Exemption 250% of Training Costs, valid until 31 December 2022.
	Hiring Talent	Corporate Income Tax Exemption 150% of salary expenses of high-skilled personnel not exceeding 100,000 baht (approx. 2,700 Euro) per person, valid until 31 December 2022
	Capital Gains Tax	Foreign and Domestic Investors is exempted from capital gain tax until 30 June 2032.
Stock Exchange Thailand (SET)	Secondary Market	New Exchange for Start-ups and Small-Medium Enterprises – Live Exchange
Securities and Exchange Commission (SEC)	Convertible Debt	Start-ups are qualified for the issuance of convertible shares to investors, only SMEs with revenue not exceeding 300 million baht per year.
	Crowd Funding	Ability to raise funds from the public in the form of shares, limiting to 40 million baht of raised amount.

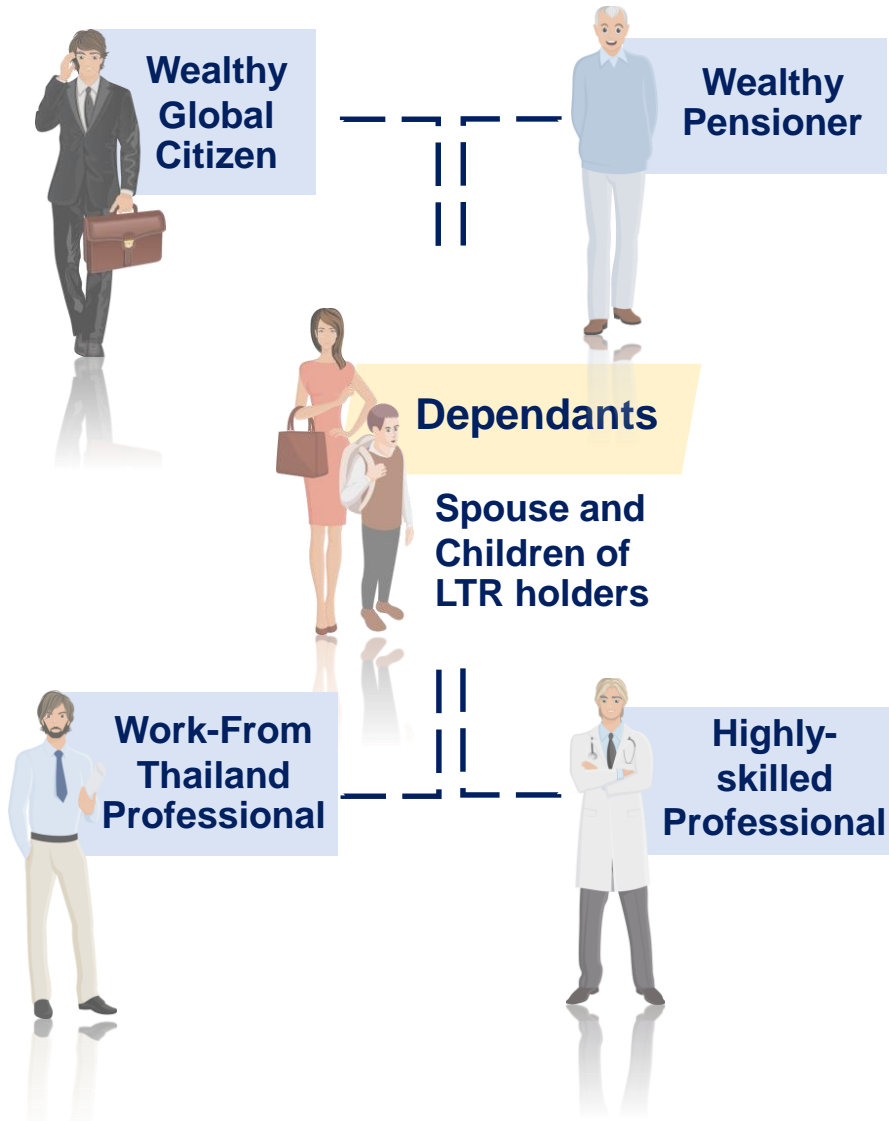
# Supporting Measures for Digital Industry

Agency	Activity	Supporting Measures
Digital Economy Promotion Agency (DEPA)	Digital Manpower Fund	Cover up to 100,000 baht (approx. 2,700 Euro) per person of digital personnel over a course of 1 year. Cover up to 300,000 baht (approx. 8,100 Euro) per person of managing digital personnel over a course of 1 year.
	Digital Technology and Innovation Support	Grants of up to 200,000 baht (approx. 5,400 Euro) per community located within the Smart City Area
National Innovation Agency (NIA)	Enhancement of Innovation System	Helps accelerates both universities and private sector through incentives such as funding and grants.
National Science and Technology Development Agency (NSTDA)	National Economic and Social Development	Supports the development of science, technology, and innovation. Enhances the country's competitiveness through research and development, and improves infrastructure of the country.
Software Park Thailand	Technology and IT Promotion	Promote and support the development of IT professionals and organizations, offer IT counselling services and provide technology and management seminars.
Thailand Institute of Scientific and Technological Research	Innovation and Technology Support	Provide services in analysis, testing, calibration, inspection, certification of quality management systems. Conducts R&D in science and technology and innovation in driving value-added products and services.
Office of High Education Science Research and Innovation Policy Council	Enhancement of research and innovation	Help design policies in supporting scientific research and innovation as well as supporting higher educational institutions.

# Soon to be Launched: Long-Term Resident Visa (LTR)

NEW

## Long – Term Resident Visa Privileges



10\* years renewable visa for applicant and maximum 4 dependants including spouse and children (under 20 years old)



90-day report extended to 1-year report and exemption of re-entry permit



Exemption from 4:1 employment ratio



Permission to work in Thailand  
*(Digital Work permits will be granted to the visa holder and spouse)*



Access to immigration and work permit services at One Stop Service Center for Visa and Work Permit



Other benefits i.e. 17% Personal income tax for High-skilled professionals

# SMART VISA

Taking Thailand to New Heights  
with **Foreign Talent** and Technology



## Privileges for **SMART** Visa



Maximum 2 years visa  
(for Smart S)

No re-entry required



Permission to work with  
no work permits required

Fast Track Service at  
International Airports



# Thailand - Startups' Springboard to ASEAN



- ✓ Sizeable domestic market
- ✓ Excellent location as a launching pad into the regional market
- ✓ Ease of doing business i.e. SMART visas for startups
- ✓ Potential for collaboration with Thai startups and larger companies
- ✓ Strong government supports
  - Special tax rates
  - BOI incentives scheme for SMEs
  - Grants
- ✓ VC/CVC



## Examples of Deep Tech Startups Supported by NIA & BOI



### MedTech



Implant materials e.g. Orthopedic implants & Bone plate



Biotechnology, biopharmaceutical drugs and protein expression platform



Artificial heart valves and structural heart closure devices



### AgTech



Smart farm management system with IoT technology such as shrimp farms



Providing robotics and unmanned aerial vehicles (drones) for agriculture



Big data platform for agricultural sector analysis



### AriTech



Research and development of robots and automation



Providing platform for the auto parts industry's analysis and forecasting



For More Information



For one-on-one BOI Online Clinic  
Consultation via Zoom



THERE ARE COUNTLESS REASONS TO  
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