Challenges and Opportunities of SMEs in FEALAC's Digitalizing Economies
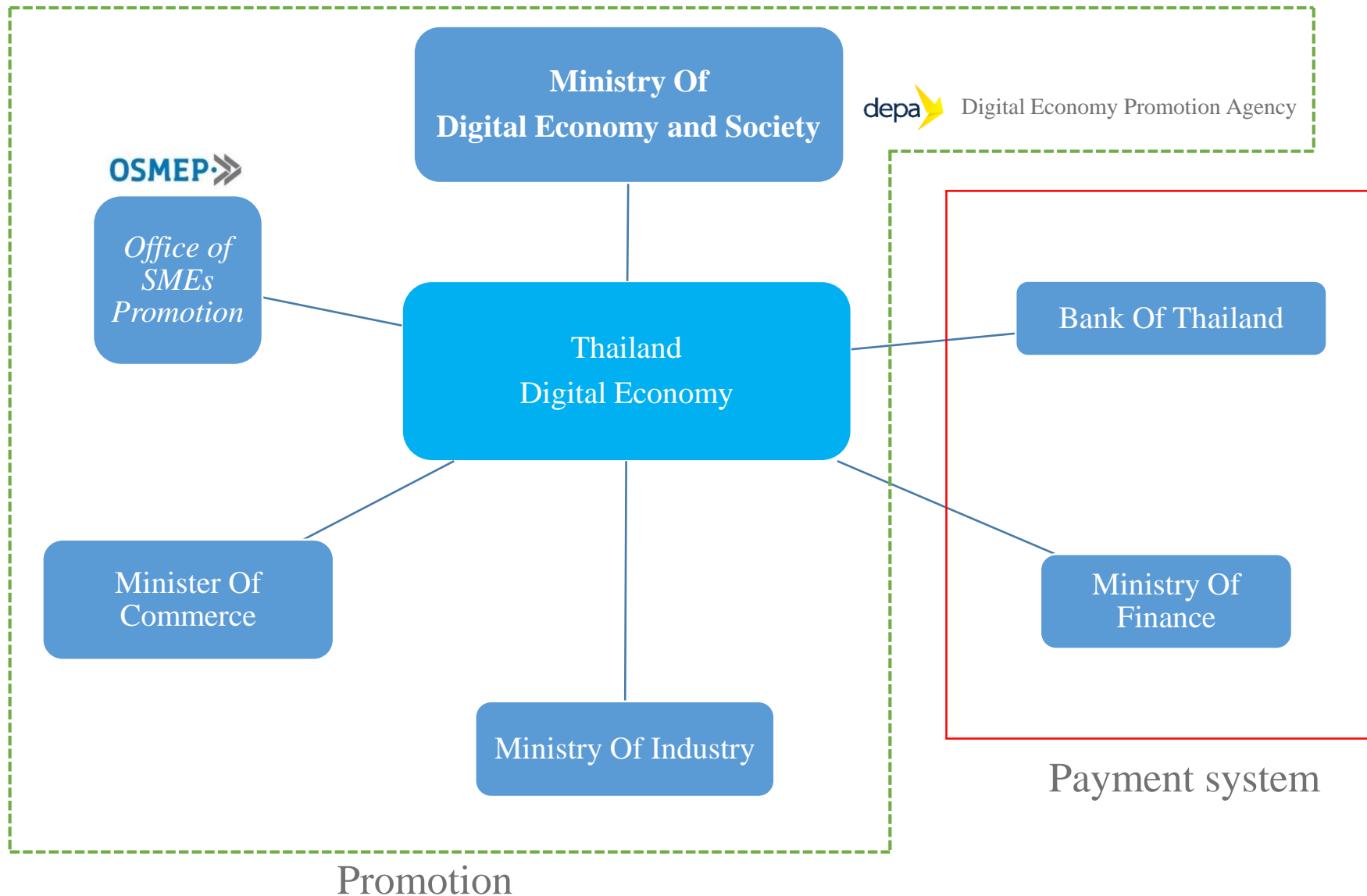
Dr. Wimonkan Kosumas
Deputy Director-General, Office of SMEs Promotion
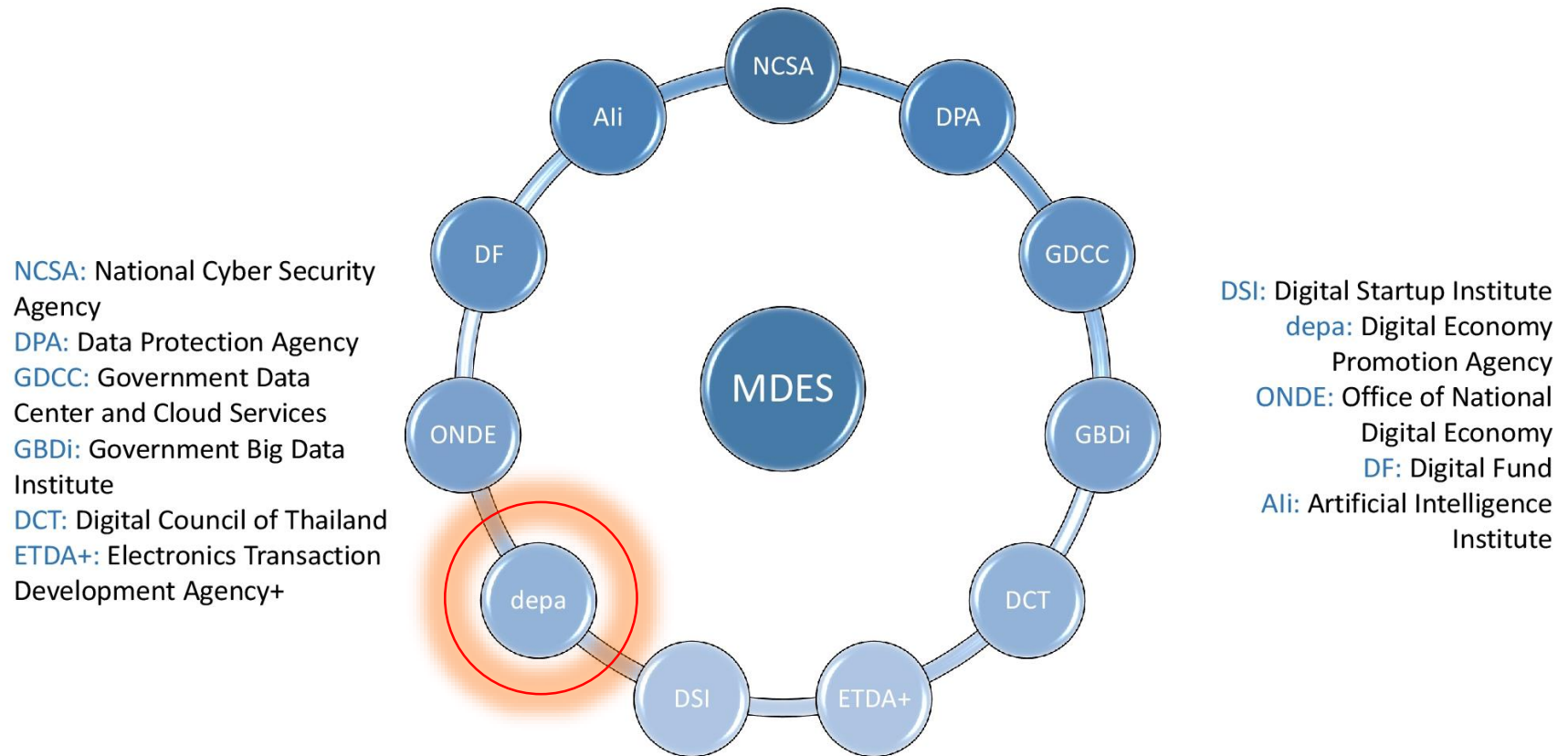
2019
FEALAC
TITM Seminar on Trade and SMEs

OSMEP Office of Small and Medium Enterprises Promotion

Thailand's Digital Economy

Thailand's Digital Economy

Thailand's Digital Economy

Ministry Of Digital Economy and Society : MDES

NCSA: National Cyber Security Agency
DPA: Data Protection Agency
GDCC: Government Data Center and Cloud Services
GBDi: Government Big Data Institute
DCT: Digital Council of Thailand
ETDA+: Electronics Transaction Development Agency+

DSI: Digital Startup Institute
depa: Digital Economy Promotion Agency
ONDE: Office of National Digital Economy
DF: Digital Fund
AIi: Artificial Intelligence Institute

Ministry Of Digital Economy and Society : MDES

❑ **Develop the base for digital economy.**

❑ **Develop and promote digital economy and society in order to increase the country's competitiveness and to heighten the people's well-being.**

❑ **Promote creating of digital services.**

❑ **Promote and build up the efficiency of meteorology's management and warning with digital technology.**

Source: mict.go.th

Digital Thailand

Source : Pichet Durongkaveroj, Minister of Digital Economy and Society
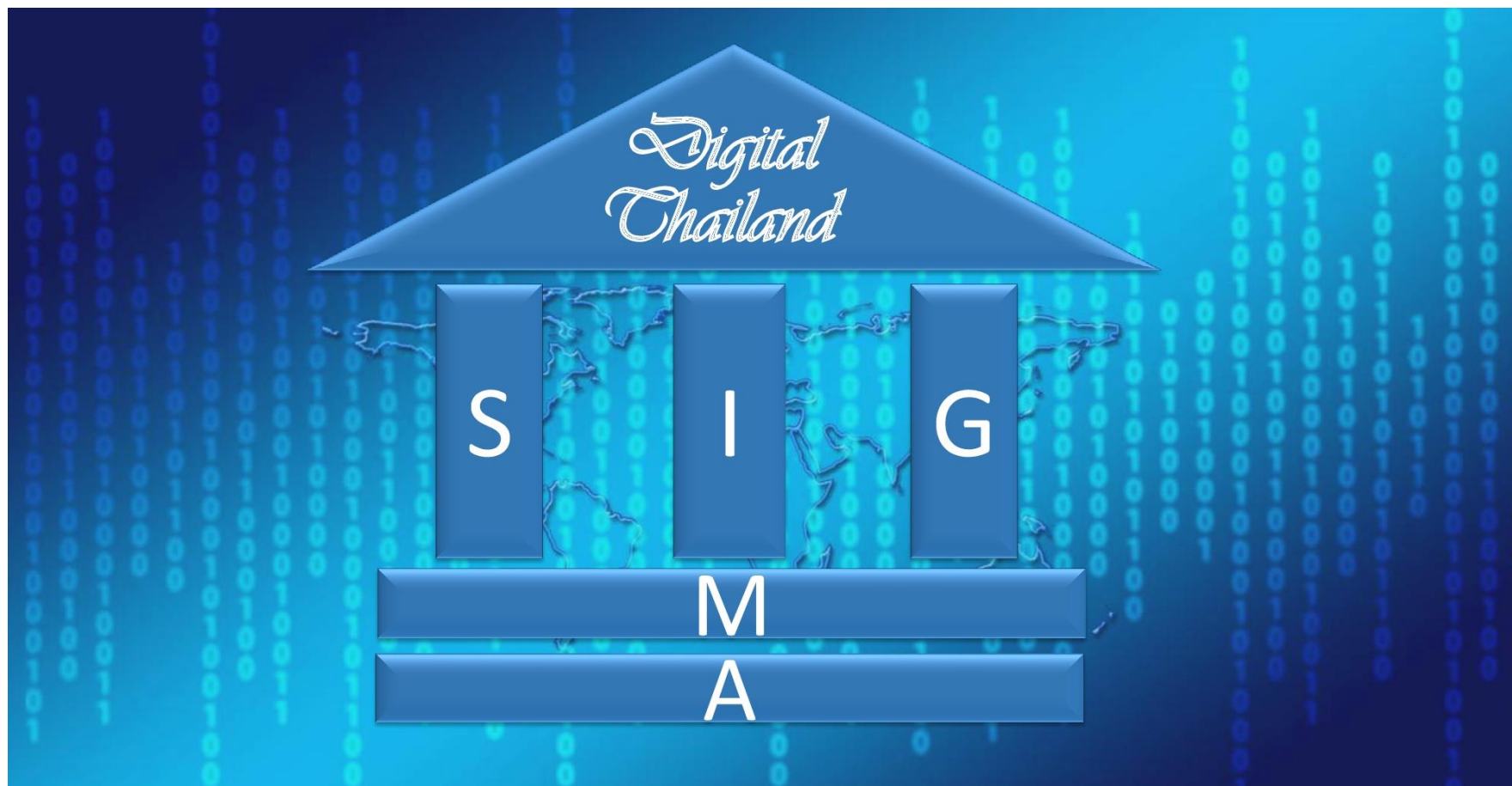
Cyber *S*ecurity

Cyber Security Law

National Cyber Security Agency

Computer Emergency Response Teams

ASEAN – Japan Cyber Training

Source : Pichet Durongkaveroj, Minister of Digital Economy and Society

Digital *I*nfrastructure

Village Internet

Submarine Cable Expansion

Digital Laws

Smart Cities

Source : Pichet Durongkaveroj, Minister of Digital Economy and Society

Digital Manpower

Community Digital Literacy

Digital Workforce

Coding Thailand

Village Digital Volunteers

Source : Pichet Durongkaveroj, Minister of Digital Economy and Society

2019
FEALAC
TITM Seminar on Trade and SMEs

Digital *A*pplications

Digital Park Thailand	**IoT Institute**
Smart Cities	**Digital ID**
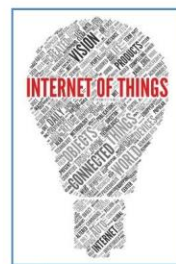
Source : Pichet Durongkaveroj, Minister of Digital Economy and Society

Digital Thailand

Thai Digital Economy

2 0 1 9

May 2019

Competitiveness

	WORLD ECONOMIC FORUM — GCI 4.0		WORLD BANK — EoDB		IMD WCR	
	2017 Rank	**2018** Rank	**2017** Rank	**2019** Rank	**2018** Rank	**2019** Rank
	40	38	46	27	30	25
	From 135 Countries	From 140 Countries	From 190 Countries	From 190 Countries	From 63 Countries	From 63 Countries

DIGITAL

	UNITED NATIONS — EGDI		ITU — IDI		WORLD ECONOMIC FORUM — GCI 4.0 (ICT Adoption)		IMD DIGITAL		IMD WCR (Tech Infra)	
	2016 Rank	**2018** Rank	**2016** Rank	**2017** Rank	**2017** Rank	**2018** Rank	**2017** Rank	**2018** Rank	**2017** Rank	**2018** Rank
	77	73	79	78	74	64	41	39	36	36
	From 193 Countries	From 193 Countries	From 175 Countries	From 176 Countries	From 135 Countries	From 140 Countries	From 63 Countries	From 63 Countries	From 63 Countries	From 63 Countries

Total Population	Mobile Cellular Subscription	Mobile Broadband Subscription	International Internet Bandwidth	Internet Users	Fiber to the home FTTH Availability of all 75,000 villages	E-Commerce Value	Creating Digital Workforce
66.4 mil.	187%	108%	6.6 Tbps	57 mil.	80%	99.1 Billion USD	180,000
(DOPA 2018)	(NBTC 2019)	(NBTC 2019)	(As of May 2018, NECTEC)	(Hootsuit Digital Report 2018)	(ONDE 2019)	(ETDA 2019)	- Robotics - Smart Electronics - Digital Content/Big Data (depa 2019)

Source : Pichet Durongkaveroj, Minister of Digital Economy and Society

Thailand's Digital Economy

depa DIGITAL**TRANSFORMATION** depa **FUND** >>> **Transformation Funds for SME and Mini Voucher**

Intelligent Technology	Digital Technology	Integration Technology
- Artificial Intelligence - Machine Learning - Intelligent Applications - Internet Of Things	- Virtual Reality - Digital Twin - Block Chain	- Digital Platform - Mesh Applications and Service Architecture : MASA - Adaptive Security

Grant

T1	Conceptual Plan	>>>	Maximum $1,600 (5,0000 Baht)/SME *1 year*
T2	Digital Transformation	>>>	Maximum $32,600 (1 million Baht)/SME *3 year*

Source : Digital Economy Promotion Agency (depa)

Thailand's Digital Economy

depa mini Transformation **Voucher**   **Coupon for transformation software**

SME	Farmer	Digital Provider
- $ 327 (10,0000 Baht)/SME	- $ 327 (10,0000 Baht) /famer	- each company sells to SME not over 20% of total coupons

Source : Digital Economy Promotion Agency (depa)

Source : Digital Economy Promotion Agency (depa)

Thailand's Digital Economy

depa Transformation IN ACTION 2018

Chiang Mai
Phitsanulok
Khon Kaen
Ubon Ratchathani
Bangkok
Chonburi
Rayong
Phuket
Songkhla

	mini Transformation Voucher	DIGITAL TRANSFORMATION FUND	Value (MB)	Impact (MB)
Northern	300	3	6.9	145.67
North eastern	300	3	6.9	145.67
Central	500	20	28.75	364.17
EEC	1,200	15	31.05	301.03
Southern	300	4	8.05	157.67
Total	2,600	45	81.65	1,114.21

- ❑ **SME GO ONLINE**
- ❑ **Promote and develop e-market platforms**
- ❑ **SME & OTOP transformation**

Promoting e-commerce for SMEs in 2017

Platform for SMEs to reach broader market

THAILAND ECOMScape

2017

by ecommerceIQ

f ecommerceiq.asia   ecomIQ   in ecommerceiq

BRANDS

CUSTOMERS

ECOMMERCE PLATFORMS

B2B
Alibaba.com, OfficeMate, pantavanij, 2CHECKOUT

C2C

MARKETPLACE
weloveshopping, TARAD.com, PRAMOOL.COM, blisby, Shopee, Chilindo, PChome Thai

CLASSIFIEDS/P2P
TARAD Plaza, Facebook, LINE, Instagram, C.MCLUB, NovaBizz, hipflat, one2car.com, Talad ROD, Kaidee, THINK of LIVING, ThaiSecondhand.com, craigslist, PantipMarket.com, izito

B2C

CROSS-BORDER
AliExpress, Alibaba.com, amazon, ebay, ezbuy, Taobao.com, VCANBUY, ThaiTambon

MARKETPLACE
LAZADA, wemall, 11, Shopee, OokbeeMALL, SE-ED Online Shopping, HARKETPLACE, true SHOPPING

ETAILER
CMART, Central.co.th, TESCO Lotus, Tops, 24Catalog, TV direct, watsons, SHOPPING, TSURUHA, TVD, makroclick, Robinson, SHOP24

VERTICALS

FASHION & APPAREL
LOOKSI, Pomelo, WearYouWant, REEBONZ, ZARA, CARNIVAL, ShopSpot, TOPSHOP, THE OUTLET24, adidas, UNIQLO, Zilingo, CPS CHAPS, SEASON, LNW MALL

BEAUTY
Konvy, SEPHORA, IFEELPURE, MAYBELLINE, ESTÉE LAUDER, L'OCCITANE, MAC, BOBBI BROWN, CLINIQUE, Kiehl's, Jo Malone LONDON, COSZI, Strawberrynet

FOOD & GROCERY
foodpanda, HappyFresh, honestbee, Paleo Robbie, PASSIONDELIVERY.com, chefsXP, M, eatigo, wongnai, Dr.Food Delivery, McDonald's, Pizza Hut, OpenRice, WE SERVE, OISHI, MK, POLPA

HOME & LIVING
DIRECT, Central.co.th, HomePro, ufudi, HW, Indexlivingmall, IKEA

ELECTRONICS & GADGETS
JIB, Advice, Store.com, IT CITY, ITDIX, HeadDaddy, topvalue, SiamPhone

WOMEN & BABY
Orami, bebebe

LIFESTYLE & TRAVEL
agoda, THAI, Booking.com, Expedia.co.th, tripadvisor, skyscanner, airbnb, traveloka, Hotels Combined

OTHERS
Kinokuniya THAILAND, ASIA BOOKS, Ookbee, naiin.com

MARKET RESEARCH
nielsen, Ipsos, FORRESTER, dunnhumby, KANTAR WORLDPANEL, AtVantage, ecommerceIQ, SurveyMonkey, fiverr, Global Industry Analysts, Inc.

CONSULTING
McKinsey&Company, BAIN & COMPANY, FROST & SULLIVAN, ATKearney, BCG, aCommerce, ecommerceIQ, DEVATON, SSPL, Bolliger&Company, MERCURY Consulting, ICS

ECOMMERCE ENABLER
aCommerce, ascend, Seven Digital

ECOMMERCE SOFTWARE
aCommerce, Magento, salesforce commerce cloud, SAP Hybris, LNW SHOP, Bento, shopify, WOO COMMERCE, ecwid, UFIDA, RingZero, DNNDirect, DIGITHAI, rfsmart

MARKETING

EMAIL MARKETING
ematic, MailChimp, Campaign Monitor, BLUECORE, emarsys, sendinblue, taximail, Wise Target, nipamail, THAIBOMB MAIL

PRICE COMPARISON
Priceza, Shopsmartly.co, Priceprice, Compare.asia, pricepanda, iprice, checkraka, StreetDeal, hotdeal

AD NETWORKS
Google, ADWAYS, YENGO, MATOMY, Taboola, komli, Mobvista, BUMQ, AD, START/APP, Clix do

RETARGETING
Google, criteo, AdRoll, Vizury, AppsFlyer

CONTENT MARKETING
Jeban.com, Pantip, nuffnang, Gushcloud

SOCIAL MEDIA
Facebook, LINE, Instagram, YouTube, WhatsApp

SEARCH ENGINE
Google, Baidu, Bing, YAHOO!

CASHBACK
dealcha, SHOPBACK, DeeDee Cashback, UP

AFFILIATE MARKETING
aCommerce, INTERSPACE, ACCESS TRADE

PAYMENTS

PAYMENT GATEWAY
adyen, PayPal, Omise, siampay, 2C2P, PAYSBUY, PAYMENT GATEWAY, Merchant iPay, PAYMENT, AirPay, Pay Social, true money, digio, ISO, Treepay

MOBILE WALLET

BANK
SCB EASY, citibank, Netbank, UOB, PROMPT PAY, CIMB Clicks

TELCO
true money, JAEW WALLET

OTHER
rabbit LINE Pay, digio, AirPay, Alipay

SHIPPING AGGREGATOR
smartship, GIZTIX, SHIPPOP, AIR SEA BUSINESS CO., LTD., TNT, MyUS.com, ZIM, SMESHIPPING

LOGISTICS

3PL
KERRY EXPRESS, DHL, korea express, WICE, aCommerce, TNT, WP Logistics, NIKO's, CNT, sendit, NIM EXPRESS, Lazadaexpress, alpha, JNCL, KWC, aramex, CES, LEO GLOBAL LOGISTICS, VERTEX, AIA LOGISTICS, JWD GROUP, SCG EXPRESS, BJCLogistics

ON-DEMAND DELIVERY
LALAMOVE, GRABBIKE, deliveree, Rush Bike, SKOOTAR, OF factory, deliveroo, DHL, sendit

FULFILLMENT
aCommerce, alpha, Quantium SOLUTIONS, SOK CHAN, Shipyours, aden, KERRY, MY CLOUD, Siam Outlet, DHL, YAMATO LOGISTICS

To find more data and insights about ecommerce in Southeast Asia, visit www.ecommerceIQ.asia

V1 © ecommerceIQ 2017

Thailand's Digital Economy

e-Commerce Market Value

+14.04 %

90,007 Million USD

78,929
Million USD

2017   2018

SMEs 17,344 Million USD

B2G 18%

B2C 28%

B2B 54%

Thailand's Digital Economy
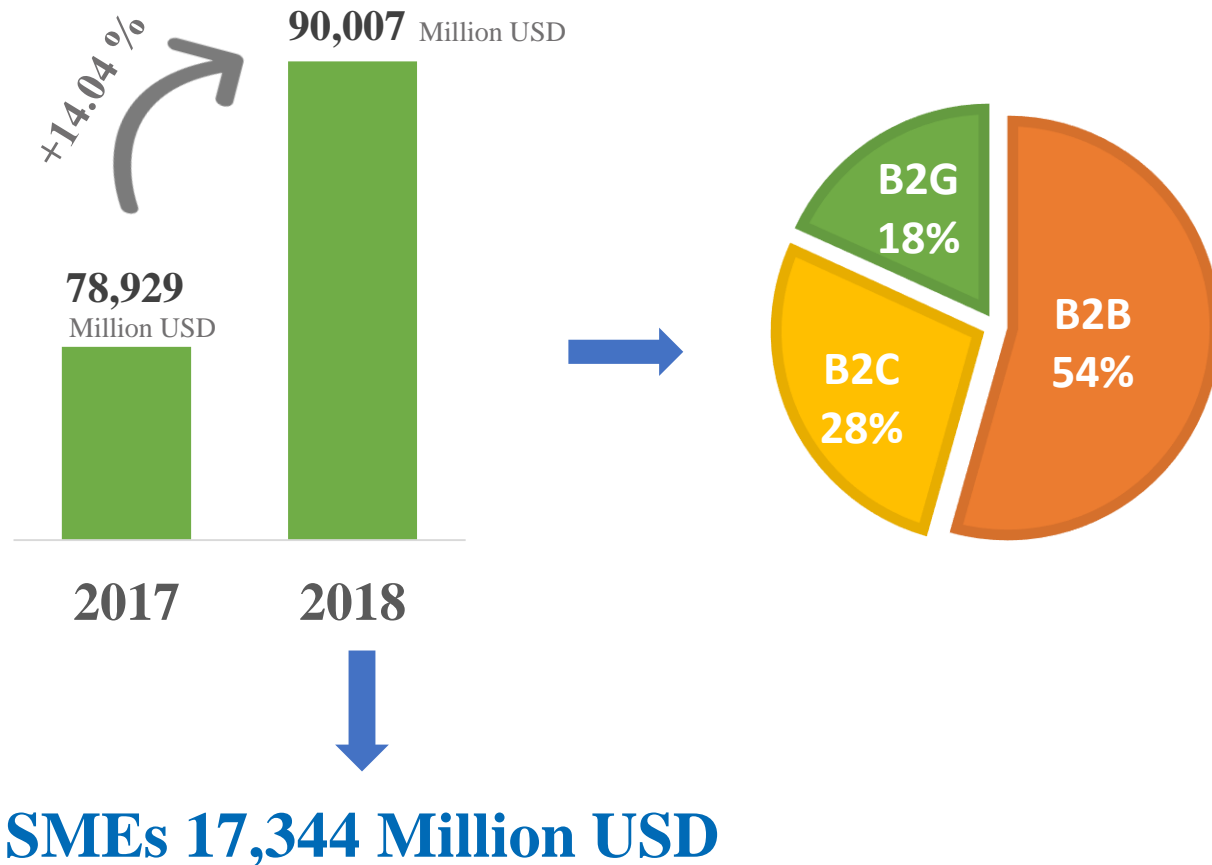
Software Market Value in 2017

USD
1,269
Million

391 Million USD
31%

878
Million USD
69%

■ Production value   ■ Import value

Source : Digital Economy Promotion Agency (depa)

Thailand's Digital Economy

Game Market Value in 2017

IP Owners
5%

Outsourced
Service   **22%**
Providers

USD
375
Million

Distributor, Importer
and Licensing Agents

66%
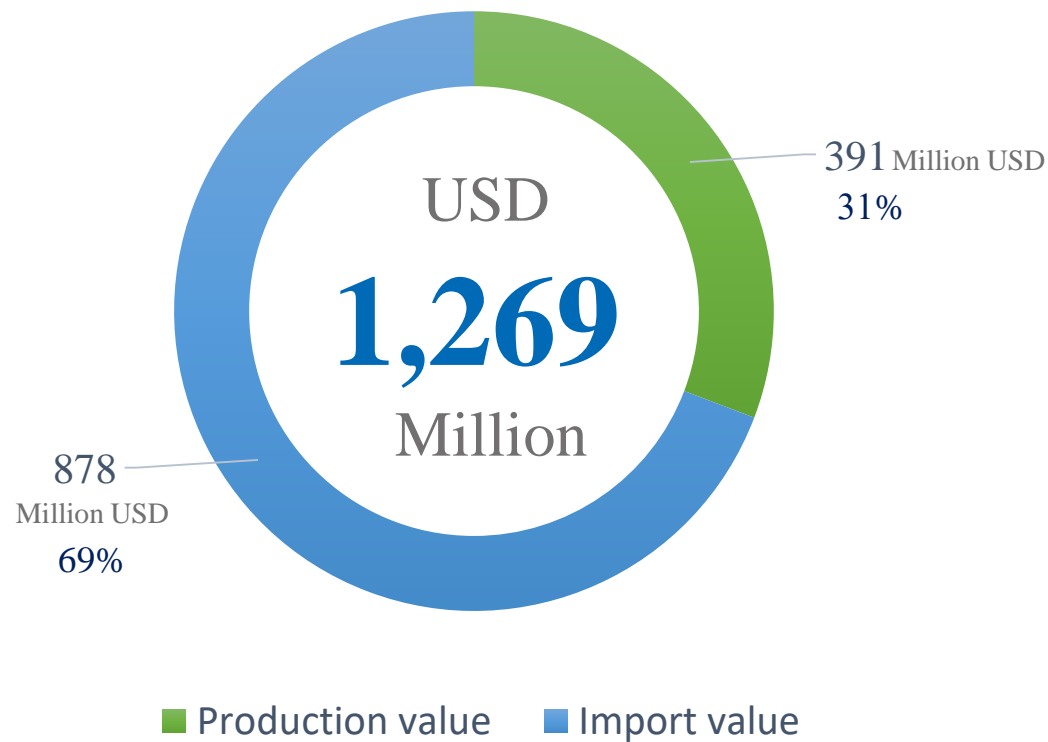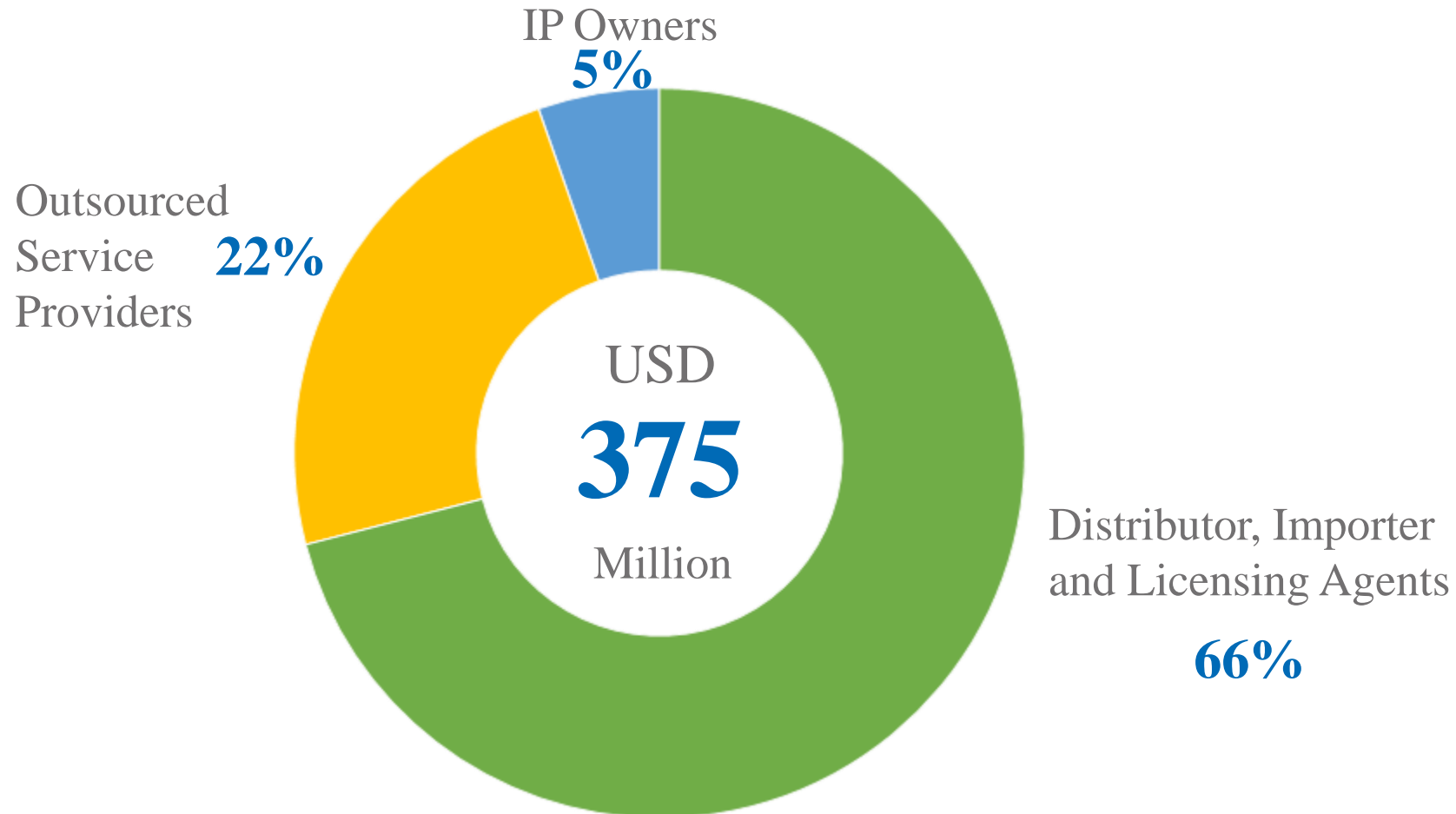
PromptPay : Payment Innovation

For cross-border payment	❑ introduces better user experience for fund transfer services across countries ❑ strengthen the financial linkages between countries ❑ the boom in tourism and trading within the region provides lot of opportunities for growth in cross-border QR Code payments as an alternative retail cross-border payment solution
For merchants	❑ Be able to receive both domestic and international payments ❑ Be able to accept funds from various payment instruments including bank account, credit card, debit card, and e-wallet account with one QR Code ❑ Ease operational burdens and reduces business costs

Source: Bank of Thailand (BOT)

PromptPay : Payment Innovation

Source: Bank of Thailand (BOT)