

**DIGITAL SERVICES MAKING INROADS**

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**TECHNOLOGY**

# Digital services see revenue soar by 37%

Sector set to expand to 690 billion baht

**KOMSAN TORTERMSASANA**

Thailand's digital services market is expected to be worth more than the hardware sector by the end of this year, with a value of 690 billion baht by 2024, according to a survey by the Digital Economy Promotion Agency (Depa) and research and technology training provider IMC Institute.

The survey, conducted last year, examined the revenue and employment outlook for software, hardware and smart devices through the use of big data analysis, said Kasititorn Pooparadai, senior executive vice-president at Depa.

The entire digital industry generated revenue of 898 billion baht last year, up 25% from a year before.

Digital services saw the highest revenue growth with an increase of more than 37%, aligning with the number of people employed in the sector, which climbed more than 26% compared to 2020.

The digital services sector was worth 346 billion baht last year, the survey indicated. Online media, including YouTube and Facebook, showed strong growth in terms of advertising revenue.

Thailand is moving towards a digital services platform ecosystem, Ms Kasititorn said.



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**KASITITORN POOPARADAI**

Senior executive vice-president, Depa

The value of the hardware and smart devices sector was 386.8 billion baht in 2021, a 20% growth from 2020, while the software sector was worth 164 billion baht, a growth of 13% from 2020.

Software firms' value in the Thai market was 121 billion baht, with a growth rate of 14%.

The survey found that most software firms were still small companies with fewer than 10 employees, and over 90% had revenue of less than 10 million baht.

There were 129,544 software employees in 2021, compared to 123,805 in 2020, an increase of 4.64%.

The telecom sector was worth 1.58 trillion baht in 2021, with an annualised growth of 14.33%, reflecting the fact that all digital industry segments are exponentially rising, Ms Kasititorn said, citing research from the National Broadcasting and Telecommunications Commission.

"People are shifting to e-retail services, online media and e-logistics. The most outstanding sectors are e-logistics, such as online delivery and e-retail with 57% and 44% growth, respectively," she said.

Ms Kasititorn said the increasing value of these digital services was in line with a rising number of IT and non-IT workers joining the digital industry.

The survey also found that last year the digital services sector's workforce grew to 84,683, an increase of 26.5%.

The hardware and smart device sector's 20% rise in value was due to more than 53% of computers being imported into Thailand, or more than 5.8 million of them, resulting in the computer market's value exceeding 100 billion baht.

Thanachart Numnonda, executive director of the IMC Institute, said the sector with the highest growth in 2022-2024 is expected to be digital services.

"Within the next three years, with the growth rate of digital service platforms, digital services will have the largest share of the digital industry, with a value reaching 690 billion baht in 2024," he said.