

Definitive data and analysis for the mobile industry

Mobile Economic Impact Thailand

February 2019



The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with nearly 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in Barcelona, Los Angeles and Shanghai, as well as the Mobile 360 Series of regional conferences.

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Summary

Part 1 State of industry

Many Thai consumers are digitally connected: 63% of citizens are mobile internet subscribers. 9 out of 10 subscribers use a smartphone.

4G penetration is higher than both the South-East Asian and Global average, providing high-speed internet connection on great part of the current connections.

Whilst Thai consumers are highly engaged in social media and instant messaging, the use of mobile financial services is well below that of developed economies .

Part 2 Economic impact in 2018



Total impact

In 2018 the mobile ecosystem generated **4.3% of GDP** or \$21.1 billion in value added.

This is forecasted to increase up to **\$24.5 billion** in 2023, due to productivity benefits from increasing mobile internet penetration.



Employment

Firms in the mobile ecosystem created almost **85,000 direct jobs** in 2018

Their activity also supported the indirect employment of over **115,000 people** .






Public funding

Their contribution to public funding equalled **\$2.3 billion**, close to 4.3% of government tax revenue.

Over one third of the value added by the mobile ecosystem is retained by the government in the form of taxation.

Summary

	 Total impact	 Direct employment	 Public funding
2018	\$ 21.1 billion	200,000 direct and indirect jobs	\$2.3 billion
2023	\$ 24.4 billion	220,000 direct and indirect jobs	\$2.6 billion*

Source: GSMA Intelligence analysis. *2023 government tax revenue based on ratio of tax to GDP in 2017 and forecast 2023 GDP.

1. State of the industry

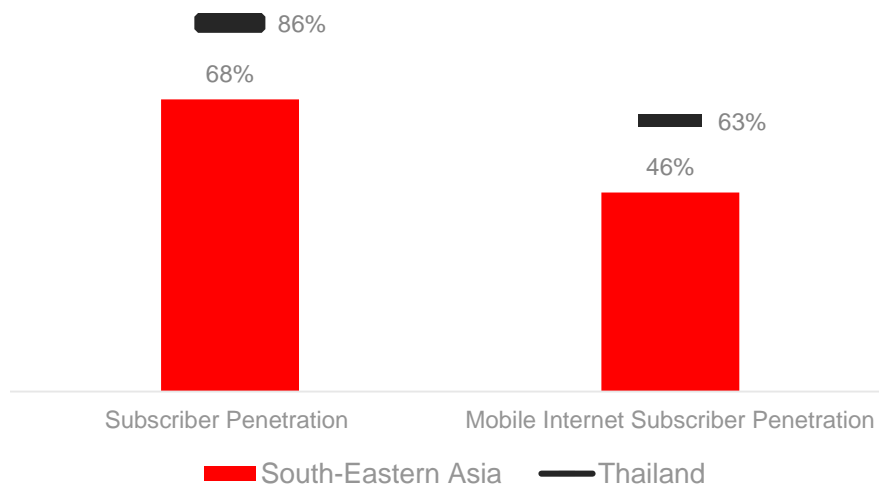
Mobile Economic Impact: Thailand

State of the industry

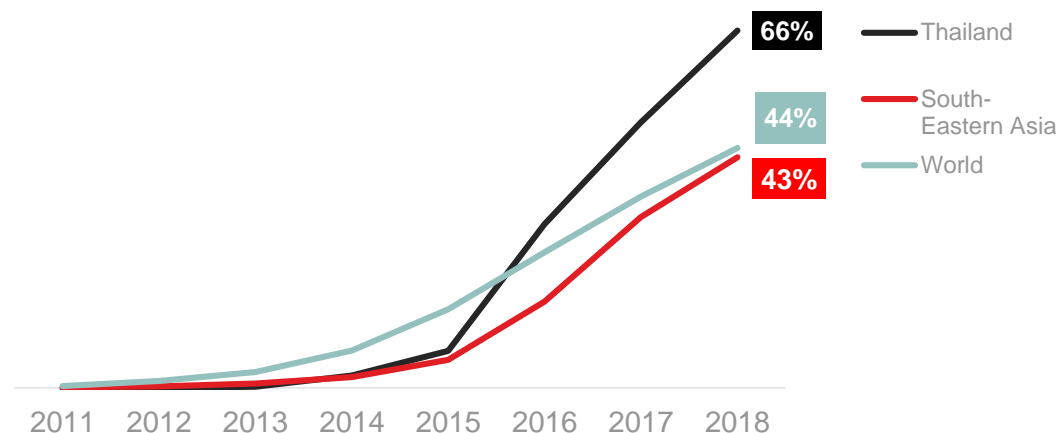
Penetration

Subscriber penetration, as well as mobile internet penetration, is higher when compared with South-East Asian countries.

Similarly, smartphone penetration in Thailand is higher than both South-East Asian and Global average, with **9 subscribers out of 10 using a smartphone**.



4G penetration



In 2015, Thailand overtook both South-East Asia and Global in terms of 4G penetration. This acceleration was partly due to a concerted effort to migrate subscribers from 2G to 4G in 2016.

As of 2018, there are 66 4G connections for every 100 people in Thailand.



Smartphone
penetration

World
61%

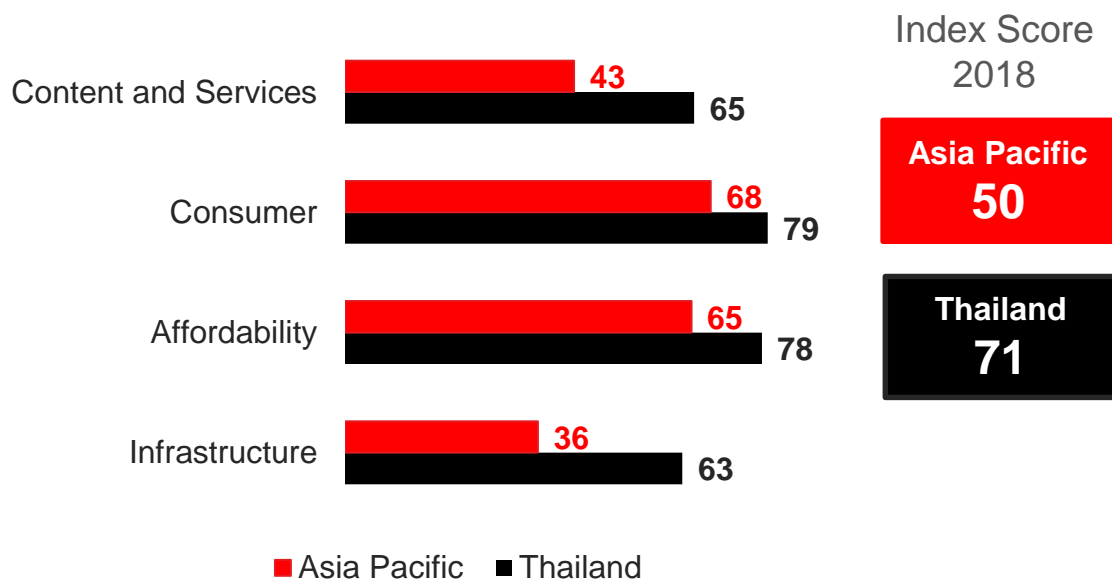
South-East Asia
79%

Thailand
92%



Connectivity enablers

Mobile Connectivity Index (MCI) *Enablers scores in 2018*



The score of each enabler can range from 0 to 100

Based on GSMA Mobile Connectivity Index (MCI) 2018, **Thailand's performance outweighed the ones of the South-East Asia's economies**, with **better scores** in all the four identified categories.

Thailand particularly scores well on infrastructure readiness and content and services. However, it could improve in the following areas:

Infrastructure

- Network performance
- Spectrum

Content

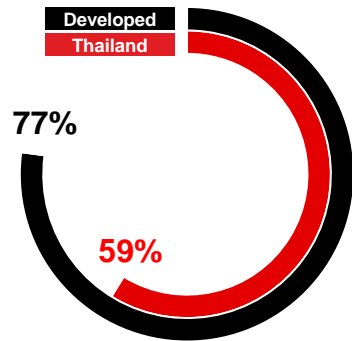
- Local relevance

State of the industry

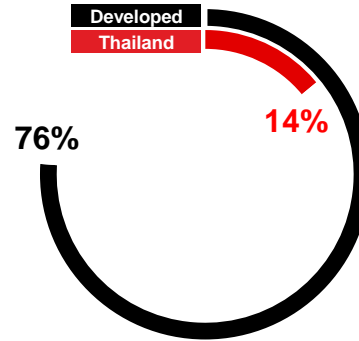


Consumer profile

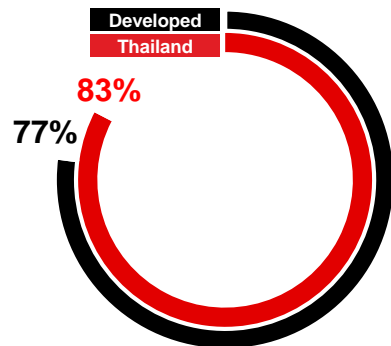
Use Instant messaging apps on a mobile phone



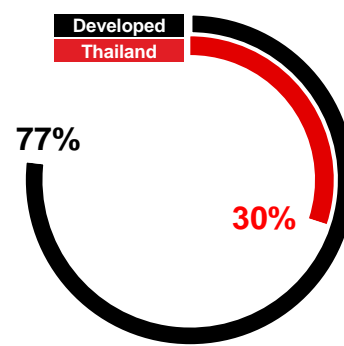
Send or receive emails on a mobile phone



Visit social networking websites on a mobile phone



Financial services on a mobile phone



Thailand

Developed Countries*

Thai consumers are **highly engaged** in the use of **instant messaging** apps on mobile phone, as well as on the **use of social networking websites**.

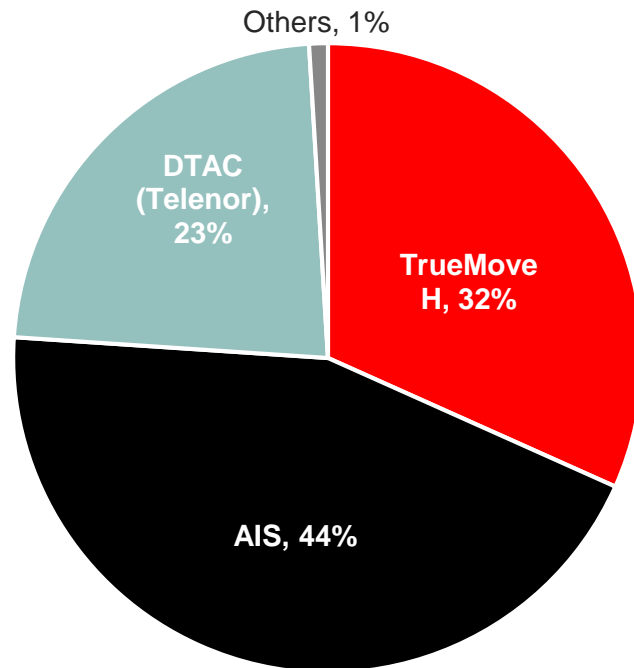
When compared with trends in developed countries, **Thailand is lagging behind the use of emails and use of financial services on mobile phone**.

State of the industry



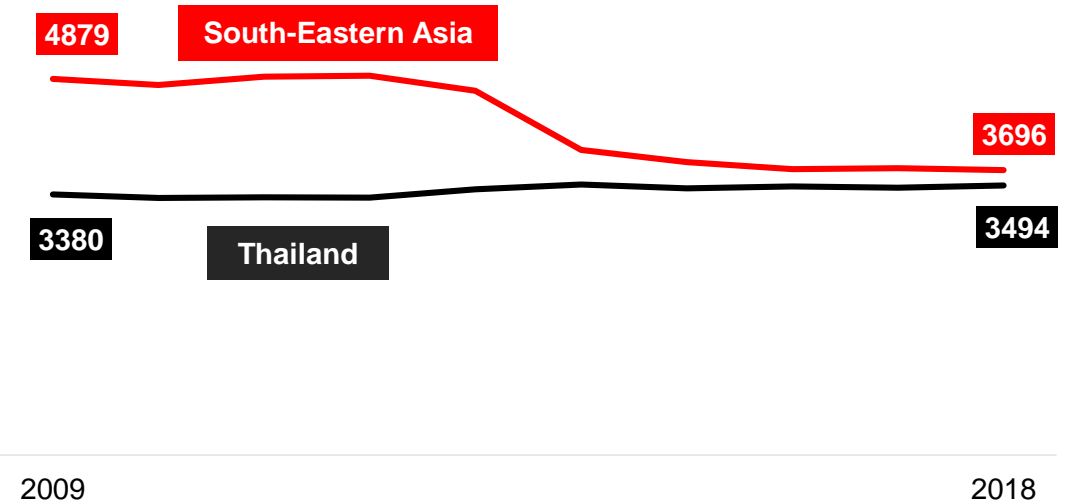
Market structure

As of Q4 2018, Thailand market leader is **AIS**, followed by **TrueMove H** and **DTAC**. Together, the big three operators account for 99% of total subscriptions.



Others include my CAT Telecom, TOT and WE PCT.

Herfindahl-Hirschman Index: measure of market concentration



Concentration in the Thai mobile market has been significantly lower than other South East Asian markets in the past. Concentration in other South East Asian markets has reduced over time, and is now more in line with the Thai market.

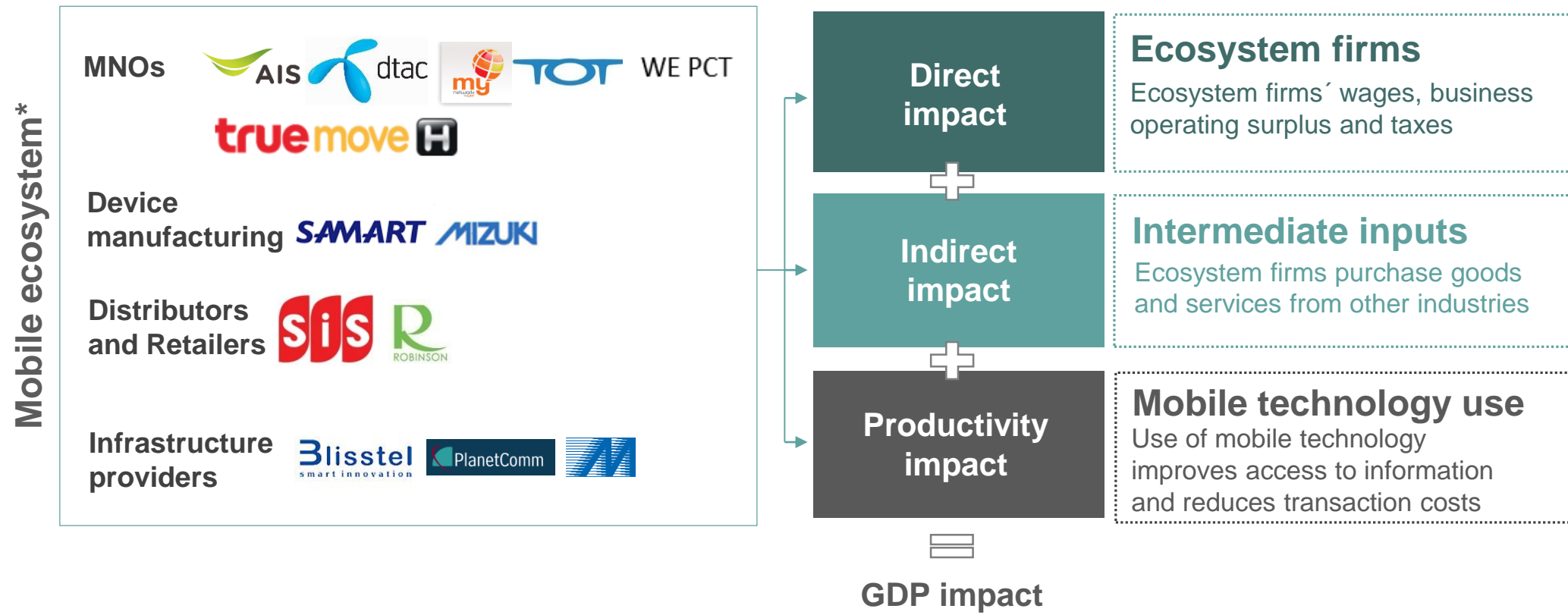
2. Economic impact of the mobile ecosystem

Mobile Economic Impact: Thailand

Economic impact of the mobile ecosystem in 2018

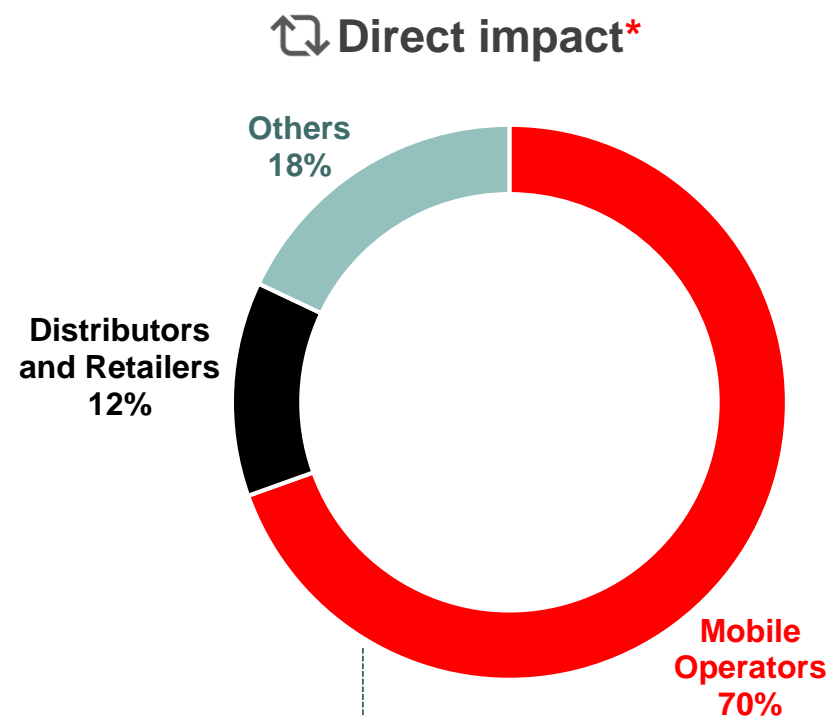
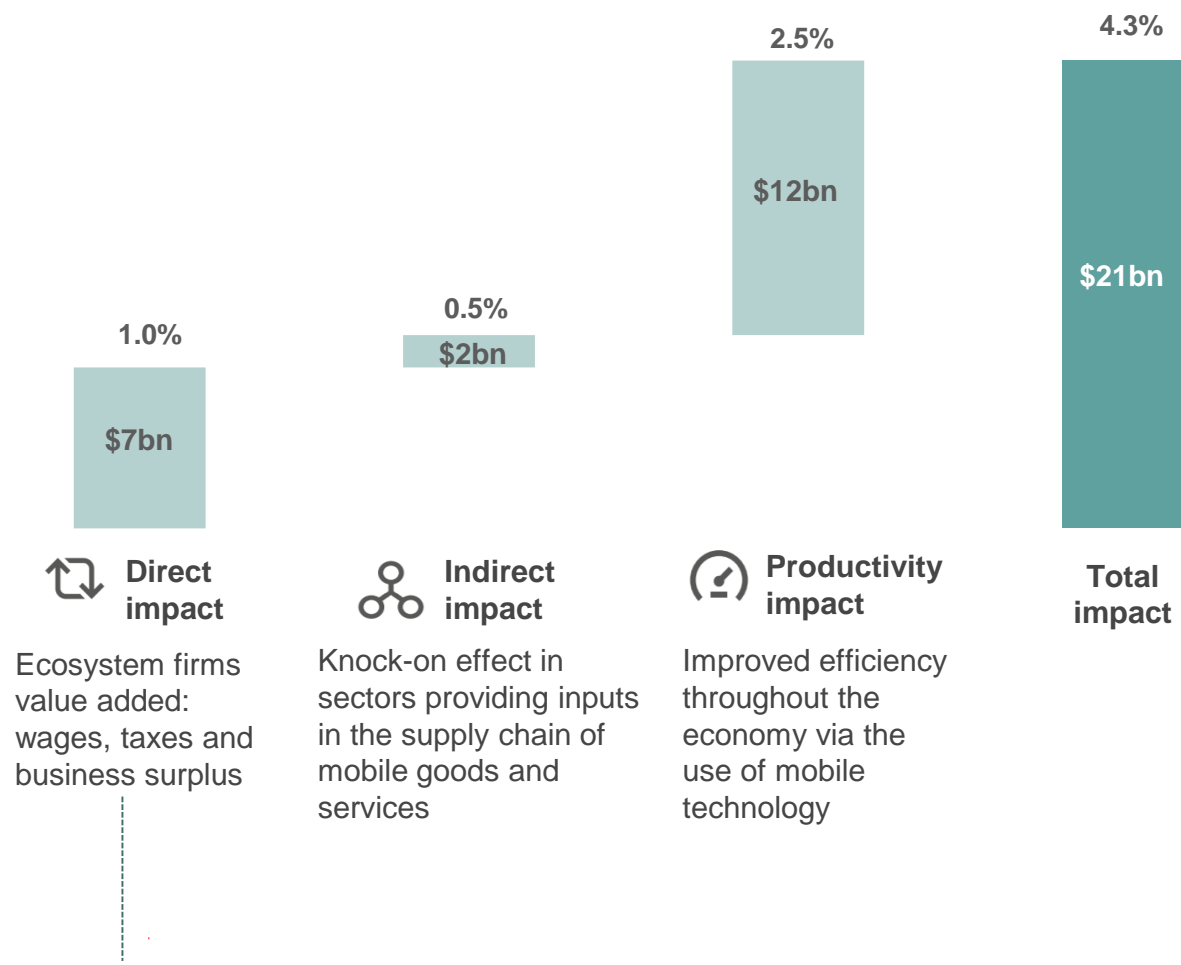
The mobile industry makes an important contribution to Thailand's economy

The economic value generated by the mobile ecosystem is through its direct, indirect and productivity impacts



* Selected firms

Economic impact of the mobile ecosystem in 2018

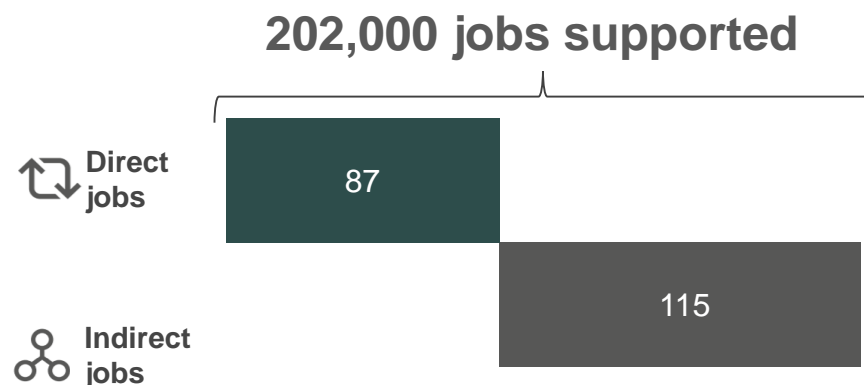


Economic impact of the mobile ecosystem in 2018

2. Employment impact

Mobile economic contribution to employment

Jobs (thousands), 2018



In 2018, the mobile sector and related industries directly supported more than 87,000 jobs in Thailand.

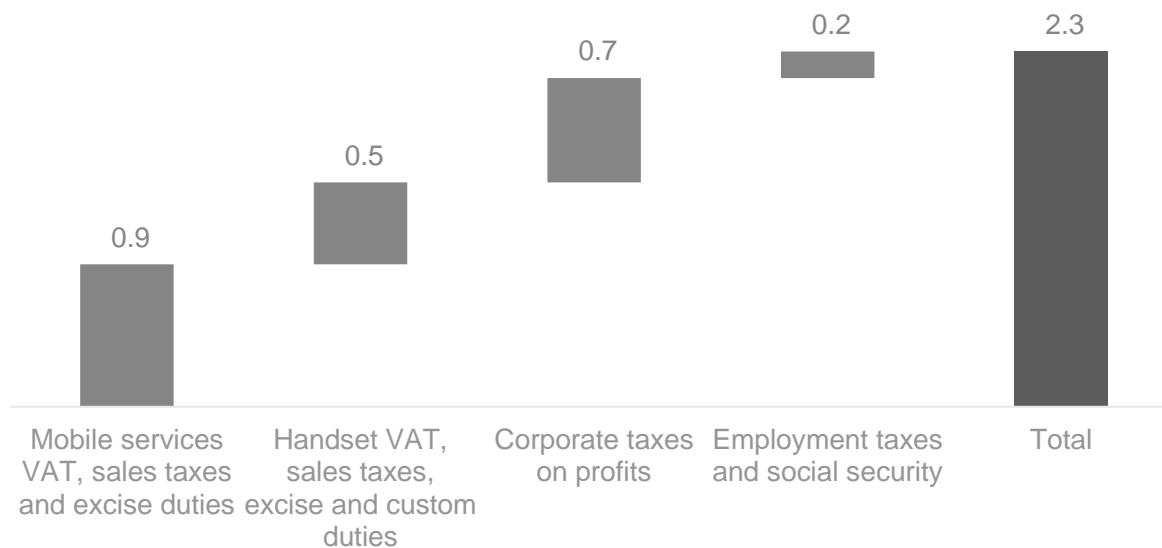
The mobile ecosystem buys goods and services from an extensive supply chain which in turn employs more staff. As these industries further interact with supply chains throughout the economy, this effect multiplies across Thailand and supports a further 115,000 jobs.

As a result – in total – the mobile ecosystem supports over 200,000 jobs directly and indirectly.

Economic impact of the mobile ecosystem in 2018

Mobile ecosystem fiscal contribution to government revenue

\$ billions, 2018



The mobile ecosystem decisively contribute to the fiscal income of Thailand, with a total of **\$ 2.3 billion** in direct and indirect taxes in the year 2018.




Most of the revenues are obtained through direct taxes on mobile services and handsets, including VAT, sales taxes and excise duties.

Corporate taxes and other indirect taxes, including employment related taxes, account for **\$0.9 billion** on 2018.

The total amount is equal to **4.3%** of total Thailand tax revenues for 2018.

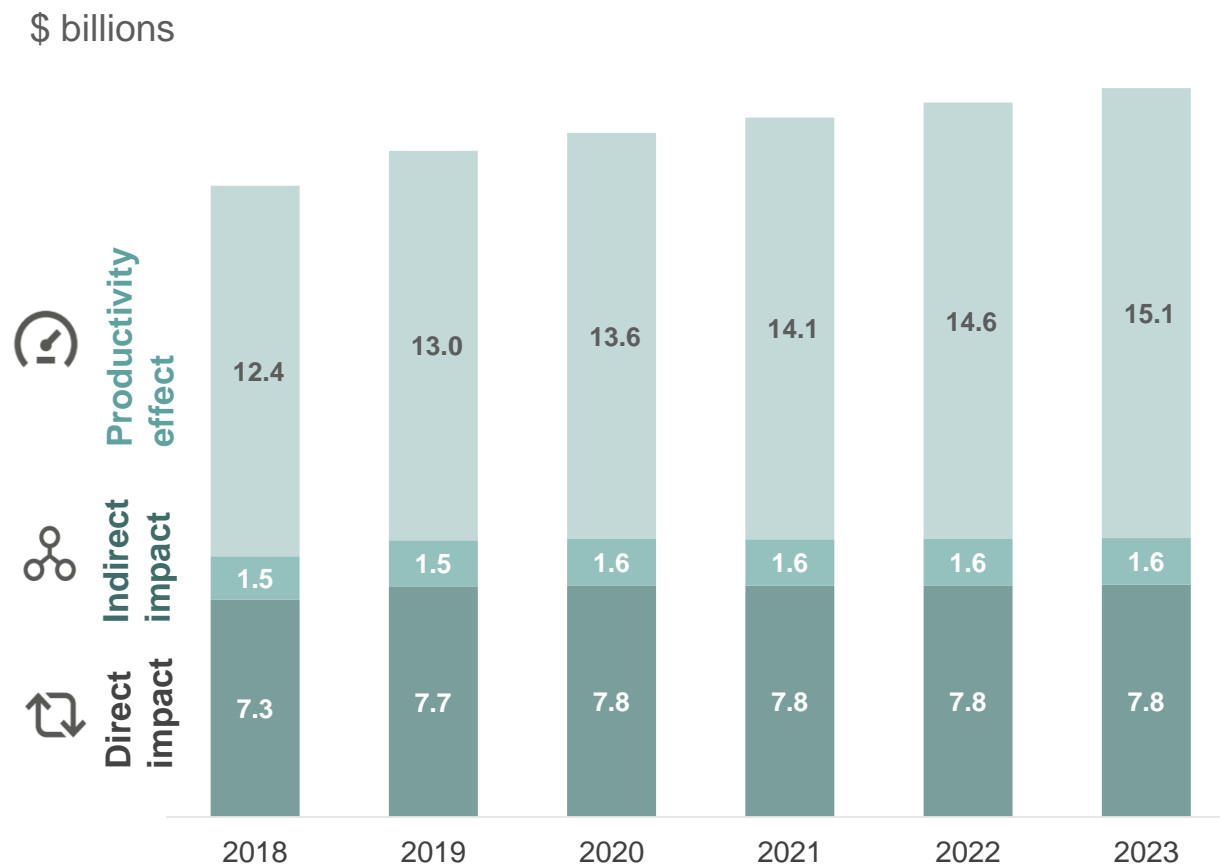
*Excludes spectrum payments, regulatory taxes and fees that are not based on mobile operator's revenue

Economic impact of the mobile ecosystem

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Economic impact of the mobile ecosystem

4. Forecast to 2023 (ii)



- The mobile ecosystem will continue to provide significant contributions to the Thai economy in the coming years
- This is mainly driven by the productivity impact, which will continue to increase due to the productivity gains by businesses using mobile internet.
- By 2023, mobile internet productivity impacts will account for \$9.8 billion of the total \$15 billion productivity impact in 2023.

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