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NAVIGATING THAILAND'S DIGITAL ECONOMY PROPOSAL

Over the last few months the Thai government released its plans to transform Thailand into a "Digital Economy". Our article looks to provide an update on the status of the digital economy initiative and analyzes how the digital economy will affect businesses in Thailand.

A digital economy refers to an economy that is based on digital technologies and the internet with the aim of creating smarter cities. In recent times, due to the high penetration technology has on our lives, the distinction between a "normal" economy and a "digital" economy has become blurred.

Despite high levels of mobile broadband penetration, Thailand is poised to be remodeled as a digital economy and the government is jumping at the opportunity of a technologically capable economy with a slew of legislation. The forging of Thailand's digital economy implies the passing of ten new bills. The relevant legislation package includes, among others, the National Digital Committee for Economy and Society Bill, Ministry of Digital for Economy and Society Bill, Electronic Transaction Bill (amendment), Computer-related Crime

Bill (amendment), Cybersecurity Bill, Personal Data Protection Bill and the Broadcasting and Telecommunication Regulator Bill (amendment).

The proposed Thai digital economy platform is characteristic of digital economy plans around the world in its focus on economic growth, innovation and a desire to bolster private company investment with government support to ensure mutual benefits for both business and citizenry.



Lessons learned from successfully implemented digital economies show that the success of a digital economy is dependent on two critical factors, being: (a) the efficient deployment of broadband networks and having an appropriate structure for the telecommunication sector (which is considered to be the foundation of any digital economy); and (b) an effectively governed and trusted internet to

harvest innovative potential and secure usage of new services.

The initial digital economy package had been subject to much criticism from the public. The main concern was that the package predominantly addressed cyber security and was open to an abuse of power by granting enormous leeway to government officials to access private information of businesses and the public without their knowledge or permission.

The initial package was drafted by the Electronic Transactions Development Agency, which has recently reconsidered its position and revised the package to address public concerns. Kroekrai Chiraphaet, the head of the committee proposing the digital economy agenda, explained that the existing digital economy proposal will be remodeled to rely on digital connectivity where every sector of the population makes use of the internet.

The revised proposal has not yet made it into the public realm but as of September 2015 the revised digital economy package is now expected to be lodged to the National Legislative Assembly for its consideration and is expected to be in effect early next year.



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As a digital economy is comprised of technology which connects entrepreneurs, fosters innovation, and increases the connectivity throughout the entire Kingdom, the plan bodes well for businesses interested in launching digital platforms for consumer services or accessing reliable integrated networks to connect with suppliers.

To achieve these plans, the government has launched the following initiatives under the digital economy plan: (i) creation of a Digital Economy Master Plan (2016 – 2020) to replace the current ICT Ministry plan; (ii) abolish the Ministry of Information and Communications Technology and create the new Ministry of Digital Economy and Society; (iii) basing the Digital Economy Master Plan on five platforms; (iv) creating a national broadband system; (v) creating the biggest data center in ASEAN; and (vi) allowing distant learning through online portals.

The proposed Ministry of Information and Communication Technology Reform Bill will set up the Digital Economy Ministry and abolish the Information and Communications Technology Ministry. The Digital Economy Ministry will oversee the planning, promotion and development of the digital economy in accordance with the Digital Economy Master Plan.

In the creation of Digital Economy Master Plan, a five-platform approach has been utilized to drive the economic sectors of the Digital Economy. The five platforms focus on the governments' relationship with the private sector and educating Thais to leverage the increased access to reliable internet service.

The five platforms used as a basis for the creation of the Digital Economy Master Plan are:

(a) Hard Infrastructure

Focusing on the government's

cooperation with the private sector to provide suitable information-technology infrastructure to support a digital economy, such as high-capacity broadband Internet, various data centers, and digital gateways.

(b) Soft Infrastructure

Focusing on boosting business owners' and consumer confidence regarding online transactions such as verification systems to identify individuals online and cybersecurity in order to encourage e-commerce activities in Thailand.

(c) Service Infrastructure

The Service Infrastructure platform will be propelled by the Electronic Transactions Development Agency's plan to introduce e-documents in the hopes government-run offices offer more efficient services to the public, including digitized document search. Laws will be

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pushed to create connectivity among offices. The plans involve the establishment of a centralized "ICT Law Center" to provide better information to every party involved in online businesses and transactions.

(d) Promotion and Innovation

The sector focus of Digital Economy Promotion has the government sights set to develop the digital skills of entrepreneurs to improve their efficiency. It will utilize digital tools to support the business growth in sectors such as banking, services and manufacturing.

(e) Society and Knowledge

Finally, the Digital Society and Knowledge Resource sector will provide universal access to online channels, ensuring everyone can access the internet at an affordable price. The govern-

ment has promised to establish internet connectivity for over 1,500 schools in Thailand by the completion of the Digital Economy Master Plan in 2020.

While we can comment on how the digital economy will affect Thailand we cannot at this stage comment on how effectively the legislation will be implemented in practice. One thing is clear given the publicly available information in regard to the inception of the digital economy; if implemented efficiently, the beneficial effects on the Thai economy will be significant. The targets set by the government seem, on their face, achievable. Only time will tell how the new legislative instruments impact specific sectors of the economy, it is recommended that businesses operating in Thailand closely follow the implementation of the digital economy.

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