

IMC predicts strong ICT market growth

4G roll-out, big data, IoT will drive sector.



Telecommunications and banking will be the two biggest local ICT spenders next year, says IMC Institute director Thanachart Numnonda.

Thailand's information and communications technology (ICT) market can expect double-digit growth in a market worth 500 billion baht next year, says the IMC Institute, a tech training and consulting firm.

The fourth-generation (4G) network roll-out, growing adoption of big-data analytics and cloud computing, and the emerging technology of the Internet of Things (IoT) will be major growth drivers for the local ICT industry next year.

Telecommunications and banking will be two biggest local ICT spenders next year, as 2016 will be a year of 4G competition, while banks accelerate their transition towards digital banking, "said Thanachart Numnonda, director of the IMC Institute and president of the Association of Thai ICT Industry (ATCI).

Recent years have proved stagnant for the ICT industry and telecommunications sector due to sluggish economic growth and weak exports, resulting in a sharp fall in investment. The government's ICT investment projects including construction of national data centres and a national broadband network have also slowed down.

Mr. Thanachart said overall tech spending would show signs of life in 2016 thanks to 4G network investment by mobile operators, which is expected to account for 60% of total ICT spending.

The availability of 4G is also expected to drive the number of smartphone users to 40 million in 2016 from 30 million this year.

The "Cloud Computing Readiness in Thailand" survey conducted between Oct 1 and Nov 15 shows enterprises have a high level of readiness when it comes to cloud computing.

Some 55% of the 156 respondents said they would embrace cloud-based services next year, up from 45% in last year's survey.

Cloud computing has been credited with increasing competitiveness through cost reduction, greater flexibility, elasticity and optimal resource use.

Respondents cited software as a service, infrastructure as a service and platform as a service, private cloud and big-data analytics as areas where cloud computing would enhance the ability to achieve business goals.

Email servers, storage systems and desktop synchronisation are the top three cloud services.

Local small and medium-sized enterprises are turning to cloud-based services as alternatives because of low upfront costs, Mr Thanachart said.

He also said big-data analytics would gain traction next year, mainly in the telecommunications, finance and banking, insurance and retail sectors.

"We expect there will be 9 million mobile banking accounts in Thailand in 2016, up from 6 million this year," Mr Thanachart said.

The imminent Asean Economic Community is also driving IT spending, as companies are investing in technologies to deal with greater business competition and expand online channels and communications.

Mr Thanachart said the emerging IoT presented considerable opportunities for systems integrators due to the increasing adoption of connected devices in robotics, intelligent utilities and factories.

Pathom Indarodom, an adviser to the ATCI, said 5G wireless broadband service was expected to launch commercially in global markets in 2020.

