

THAILAND Focus 2024



“How Thailand is Transforming Its Supply Chain with Digital Innovation”

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Mr. Vatsun Thirapatarapong, Country Manager, Amazon Web Services (Thailand)

- AWS Asia Pacific Thailand Region, a world-class cloud computing infrastructure offering 200+ cloud services, is scheduled to begin operations in 2025. This will be the country's largest hyperscale data centre, offering secure storage and running applications in Thailand. AWS also plans to invest more than USD 5 bln in Thailand over the next 15 years.
- Factors AWS considered for its investment decision in Thailand include government adoption of digital technologies, energy stability, the country's strong network infrastructure, and a skilled workforce.
- AWS's investment in Thailand offers several significant benefits:
 - 1) Innovation: Network infrastructure is crucial for fostering innovation, enabling companies of all sizes to compete.
 - 2) Elevation: AWS will train and develop Thai professionals, enhancing their skills in AI, which are currently lacking in the market. Currently, 94% of employers in Thailand prioritize AI-skilled talents, and 64% are unable to find employees capable of using AI.
 - 3) Acceleration: AWS is dedicated to funding investments with partners to develop cloud technology.
- AWS current and future services in Thailand
 - Case studies of solutions for Thai businesses: cloud model for demand forecasting to prevent inventory shrinkage, optimizing merchandise placement on store shelves based on store profiles or pricing based on location, potentially saving up to 3% of inventory costs; and AI for insurance application.

- Future services: This phase focuses on technology requiring immediate response and instant decisions, such as military and agricultural drones. Solutions not only address data latency but also prioritize data sovereignty, especially in sectors like finance, government, and military, where data must remain within the country.
- For start-ups, AWS is committed to building infrastructure to support their development as born-in-the-cloud organizations. However, government action is needed to drive the start-up ecosystem further.
- For the future prospects, Thailand is advancing in digital transformation, and AWS aims to become the country's cloud hub, expanding its services across the region.

Mr. Pochara Arayakarnkul, CEO, Bluebik Group.

- Digital innovation help transform the way businesses operate. For example, supply chains are the backbone of business, and cost-saving is the key goal. To achieve this, companies need to integrate digital innovation into their supply chains, utilizing cloud technology and AI to enhance productivity and accuracy. Technology can improve business agility and stability. By transitioning to digital systems, time-to-market can be reduced, and production systems can become more stable and flexible, scaling up or down as demand changes. AI adoption is also crucial for business model development. AI can analyze historical data to identify areas for improvement and can be integrated into business processes, such as demand forecasting and production planning, which help optimize predictive maintenance. Logistics planning can also benefit from AI, improving transportation efficiency through route planning and waiting time predictions. Moreover, AI can be used to develop defensive business models to prevent internal fraud as well as simulate process and estimate the potential return on investment.
- Regarding startups, Thailand possesses the right ingredients for growth, including infrastructure, AI innovation, and a skilled workforce. However, major obstacles include challenging economic contexts, conglomerate dominance, and startups' narrow business plans that focus solely on the local market, potentially limiting their ability to attract investment from other countries. Nevertheless, in the future we might see partnerships between startups and large firms that could boost the growth of the start-up ecosystem.
- Over the next 5-10 years, Thailand will become more digitally oriented. The country is moving towards a digital economy alongside the global shift towards a borderless economy. This will drive companies to be more competitive and recognize the importance of integrating technology into their businesses.

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- Nowadays, becoming increasingly important for companies to be data-driven to achieve and sustain growth. 3 gaps found within organizations that hinder digital transformation are infrastructure gap, technology gap, and talent gap. Accenture aims to help clients bridge these gaps to reduce costs, improve efficiency, and manage change effectively. Accenture established an Intelligent Centre in Thailand to build talented workforce to support a variety of business services and functions in the digital economy.
- Thailand is an early adopter of technology, even embracing blockchain. A good case is the launch of blockchain technology for selling government bonds.
- While generative AI is gaining traction, its adoption within organizations remains slow, with data monitoring becoming a key concern.
- Cross-industry technology development is more commonly found as sectors like finance, telecommunications, and oil & gas increasingly adopt technology and cloud infrastructure to better serve customers in Thailand and other regions.
- To address the talent gap, Accenture has partnered with local universities to co-create technology-focused curricula, reducing onboarding challenges and it is crucial for workforce to constantly keep up with technology.
- Regarding startups, most Thai startups have significant growth potential. By leveraging digital and cloud infrastructures, they can expand to global markets and access more opportunities beyond the domestic market. Generative AI can be instrument in developing business models and achieve these goals.
- Three key considerations for businesses are: avoiding wasted time and money on proofs of concept, ensuring robust data protection, and carefully selecting cloud services that align with your needs.
- One of the critical aspects of technology use is responsibility; it is essential to ensure AI is used for the betterment of society and to drive a positive future.