

Digital Technology Industries

GARENA ONLINE (THAILAND) CO., LTD.

A Booming Internet Platform Provider



Background

Garena Group is a leading consumer internet platform provider for the Asia-Pacific region. Established in 2009 in Singapore, it has become one of the biggest internet companies in Southeast Asia. The parent company presently has 6 offices across Southeast Asia and Taiwan, and has been recognized as one of the region's most valuable technology start-ups based on the amount of funds it has raised from global investors, such as a recent investment from the Ontario Teachers Pension Plan (OTPP), who valued the company at over US\$ 2.5 billion.

Garena first became established in Thailand in 2012. Originally it offered several well-known world-class PC and mobile games, serving millions of users across the country. Revenues from its online games were largely from game top-ups used for in-game item

purchases. Over the next two years, as consumers began relying more on online platforms, the company launched a new online payment platform called “AirPay” in order to provide gamers an easy online system for game top-ups. Today AirPay has evolved into a service that can also be used to pay for other goods such as bill payments, show ticketing and e-commerce purchases. In 2015, Garena launched Shopee, which has since become one of the largest eCommerce marketplaces in Southeast Asia and Taiwan.

“Thailand offers a very attractive market landscape with its market size together with promising growth opportunities. In the gaming industry, Thailand’s market size is around 9,000 million baht (US\$ 257.14 million), with annual growth of 10-15% in recent years. Garena Thailand currently operates three successful business lines with only 100 employees,” said Ms. Maneerut Anulomsombut, Chief Executive Officer of Garena Online Thailand.

“More so with Thailand than with other countries, we have put in a tremendous effort here in order to develop the market model for AirPay before applying it to those other countries,” she added. Ms. Maneerut further explained that as Thais are always willing to adapt to new products, so it’s an opportunity for the company to use Thailand as a model for testing and retooling its product features.

Why Thailand

The key factors that made Thailand a key market for Garena were the government’s initiatives towards the digital industry, along with its solid infrastructure and high Internet penetration, having over 46 million internet users representing almost 67% of the adult population.

Vision for the Future

As the Internet continues to evolve, so do the products that the Garena Group offers. A wide range of exclusive and popular game titles are offered on their online portal for both PC and mobile customers. Their online shopping portal (Shopee) has evolved from its original concept of a consumer to consumer (C2C) marketplace to a hybrid business to consumer (B2C/C2C) provider. Whatever direction of the Internet of the future takes, Garena Group will be among the first to take advantage of the new opportunities available.

“With a 67% Internet penetration as of 2016, Thailand ranks among the top leaders in Southeast Asia.”

Ms. Maneerut Anulomsombut

Chief Executive Officer of Garena Online Thailand

Supporting Policies from the Government

As part of the Thai government's vision for creating a new digital “Thailand 4.0”, The National Legislative Assembly approved the establishment of the new Ministry of Digital Economy and Society on September of 2016, which is largely responsible for shaping, planning and developing Thailand's future digital economy. The Software Industry Promotion Agency (SIPA), together with the Ministry of Information and Communication Technology (MICT), also play an important role in supporting businesses in the software industry. Additionally, two new agencies

have been set up, the National Digital Economy Committee and the Digital Economy Promotion Agency. They are tasked with fostering an environment geared to innovation, technology and creativity in the digital age.

Attractive BOI Incentives

The Thailand Board of Investment (BOI) offers a wide range of tax and non-tax incentives for projects that meet national development objectives.

Tax-based incentives include an exemption or reduction of import duties on machinery and raw materials, as well as corporate income tax exemptions of up to eight years. Non-tax incentives include permission to bring in expatriates, own land and take or remit foreign currency abroad.

Recognizing the importance of the digital economy, the BOI gives priority to investments that are beneficial to the digital sector and the country's technological development. Particularly, high-tech, creative, and service industries that support the development of the digital economy and industries that utilize local resources for that purpose. For example, the BOI offers attractive and extensive investment promotion incentives for embedded software development, enterprise software development, digital content production, high value-added software, and other digital or cloud based services.

Additional information about specific activities relating to the digital technology industries can be found by clicking [here](#) or contacting the BOI's Investment Promotion Division 5.
