That’s no bad thing, of course. But the global music industry should be wary of drawing easy conclusions about Thailand. For a start, the country’s digital infrastructure has historically been weak. Thailand had only 22.1m internet users and 5.4m broadband households in 2015 according to IFPI figures, which is low for a country of 67.7m people. Meanwhile, 4G is just entering the market, with the second 4G spectrum auction taking place in December 2015.

Indeed, a recent TelecomAsia report claimed that Advanced Info Service (AIS), the country’s biggest telco, has some 1m 2G customers: that’s hardly an inspiring figure for the country’s digital music prospects. It is perhaps no surprise that as recently as 2012, mobile personalisation accounted for more than half of Thailand’s digital music revenues. Even in 2014, mobile personalisation brought in $6.5m, more than the revenue from downloads ($5.8m) and ad-supported streaming ($4.7m).

Subscription streaming is on the rise, albeit moderately, with revenue up from $8.9m in 2013 to $9.3m in 2014, as is ad-supported streaming. But, for the moment, these modest increases are nowhere near enough to compensate for plunging revenue from mobile personalisation and downloads, with digital income as a whole falling sharply year-on-year – slipping from $34.1m in 2013 to $27.4m in 2014.

Overall, the Thai recorded music market nosedived by 21.7% in 2014, its fifth successive year of decline. Industry expectations are that this decline continued into 2015, with the physical market down approximately 10-15% and the digital market flat.

That all makes for some pretty depressing reading. But the Thai music industry is, in fact, in a relatively upbeat mood as 2016 winds into gear, with a recent report on Thai news website The Nation claiming that 2015 has been “a truly golden year” for the industry.

The reason: the rise of social media and especially YouTube. “We became far more actively involved in social media in 2015 than in previous years because we recognised that channels such as Facebook, Instagram, YouTube, iTunes Music Store, KKBox and Line Music help fans communicate easily and closely with our artists,” Wichian “Nick” Rerkpaisan, EVP of music production and promotion for Genie Records (part of Thai entertainment giant GMM Grammy), told The Nation.

(It’s worth noting, incidentally, that GMM Grammy’s music arm recorded a 14.4% rise in revenue in 2015, to $92.7m, although this was apparently due to a “reorganisation”, rather than a stellar performance.)

Notable YouTube successes in 2015 included Getsunova’s ‘Klai Khae Nai Khue Kla’ becoming the first Thai song to pass 100m views on the platform (it has since doubled that), with the band’s ‘Yoo Trong Nee Nan Kwa Nee’ and ‘Kham Tham Sueng Rai Khon Tob’ also passing the same milestone. That may sound like relatively small fry to a global music industry that has grown accustomed to YouTube views in the hundreds of millions. But it’s an encouraging start for a market that, most observers...
agree, has been slow to catch on to the possibilities of digital music.

Piset Chiyasak, director of Thai recorded music group TECA, says that streaming services like YouTube and Apple Music (which arrived in Thailand as part of its global launch last year), are starting to make a significant impact in the country, leading consumers away from downloading and mobile personalisation.

“It is just like a new toy being given to a kid - they love it and thus throw away the old one,” he says. “Also, the internet infrastructure of 3G is fully implemented and we are transforming to 4G; this makes a connection steadier and faster.”

Thailand, then, is undergoing the same painful digital transition from downloading to streaming that we have seen in most global music markets. And, as in many markets, the process has raised many questions.

Chiyasak says that 2015 may well have been a “golden year” for Thai music lovers and indie labels. But the same could not necessarily be said for the larger labels.

“It depends on who you stand for,” says Chiyasak, who stresses he is speaking from a personal viewpoint.

“If you are a user, yes, there is lots of music to choose to listen to. It is great. And if you are an indie, it is a good opportunity to introduce yourself with a lower cost to huge new generation audiences on the internet.

But if you are an established music label, you might think YouTube's deal is not a fair one. It is what we call a value gap, allowing users to upload illegal content at the beginning."

As well as YouTube, Chiyasak says that the largest digital music services in Thailand are Apple Music and iTunes, which launched in June 2012, with Jook from Chinese ISP Tencent, “coming to rival those old faces,” after its launch in November thanks to its cheaper subscription fee. Deezer, which has a partnership with telco DTAC, and Line Music, which launched last year in Thailand, are said to be of lesser importance.

Overall, Chiyasak is confident about the future of digital music in Thailand thanks to a more stable political environment (following the political crises of 2013-14), the government’s digital economy policy and improvements in digital infrastructure.

“With the penetration of mobile phones [97.1m of them in the country] outnumbering the population of Thai people, there is no doubt that the internet infrastructure has improved in the last year,” Chiyasak concludes. “And, with 4G being auctioned in December last year, it is anticipated that the internet will surely contribute a vital part and a key success in both the Thai economy and the digital economy.”

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