Thailand Logistics Development: Yesterday, Today & Tomorrow

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Agenda

2. Thailand’s Logistics Costs 2011-12
3. Supply Chain Corridor Connectivity & Assessment
4. National Single Window
To have a world-class logistics system to support being a center of business and trade in the Indochina Region

1. To enhance trade facilitation with an aim to increase cost efficiency, customers’ responsiveness and reliability and security
2. To create value-added for the logistics and other supporting industries

1. Business Logistics Improvement
2. Transport and Logistics Network Optimization
3. Logistics Service Internationalization
4. Trade Facilitation Enhancement
5. Capacity Building

Responsibility:

Industry
Agricultural Mins

Transport Min

Commerce Min

Finance Min

Education/Labour Mins/ NESDB

Sub-Committee:

Industrial Logistics Development Sub-committee

Agricultural Logistics Development Sub-committee

Infrastructure and Economic Development for the Western Gateway Sub-committee

Integrated Information and Database Development for Logistics

Task Force:

Task Force for the 2nd National Logistics Development Strategies and Plan
The Logistics industry contributes about 10 Billion US$ to the economy, accounting for 3 percent of the total GDP and providing 3.5 million employment.

Thailand has a downward trend of logistics cost per GDP over the past decade; from 18.8% in 2000 to 17.8% in 2006 and 15.2% in 2010.
Logistics Cost Efficiency

Transportation and Inventory Handling Cost

- Transportation Cost: 47.2%
- Inventory Holding Cost: 44.0%
- Logistics Administration Cost: 8.8%

Source: NESDB

- Road: 82.6%
- Rail: 9.5%
- Coastal: 5.7%
- Inland Waterways: 2.2%
- Air: 0.02%

Source: Ministry of Transport
Success Stories: Corridor Connectivity Development under GMS and ASEAN

- Traffic Right Exchange between Thailand-Laos-China and 4th Friendship Bridge
- Border Trade Development
- Dawei Deep Sea Port and Industrial Zone Development
- Hadyai-Sadao Motorway

High Speed Train Thailand – Laos – China
Train project connecting Singapore-China

ASEAN Political and Security Community
ASEAN Economic Community
ASEAN Socio-Cultural Community
A supply chain is only as strong as the weakest link
Domestic Factors Causing Supply Chain Disruption

The Ratchaprasong Intersection Closure in 2010
From 12 March to 23 April 2010 which extensively disrupted the nation’s administration, the public’s daily life and tourism as well as impacted investors’ confidence in the economy

Suvarnabhumi Airport Closure
From 24 November to 3 December 2008, which caused a major disruption for commercial airlines, both domestic and international, impacting 779 flights/day and freight transportation of 1,600 tons/day

Disastrous floods in late 2011
Thailand’s worst floods in 50 year-history, devastated 33 provinces and drastically impacted 7 industrial estates, causing a major supply chain disruption both nation and worldwide as well as impacting investors’ confidence

Unanticipated risk?
Development of National Single Window (NSW)

Current Status

- The Customs together with related agencies have formulated the NSW National Action Plan 2011-2015.
- Related laws and regulations are in the process of getting amended.
- The back-office system of 35 government agencies responsible for licensing and permit issuance is being implemented and connected while the B2G service has also been initiated.

Source: Ministry of Information and Communication Technology and INOVA, Kasetsart University
# Success Story on Trade Facilitation Enhancement

Trading across Border Index (by World Bank)

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Source: World Bank, [www.doingbusiness.org](http://www.doingbusiness.org)
Thank you for your attention

Comments & Questions are welcomed...