

Global Trade & Transport Logistics Perspectives

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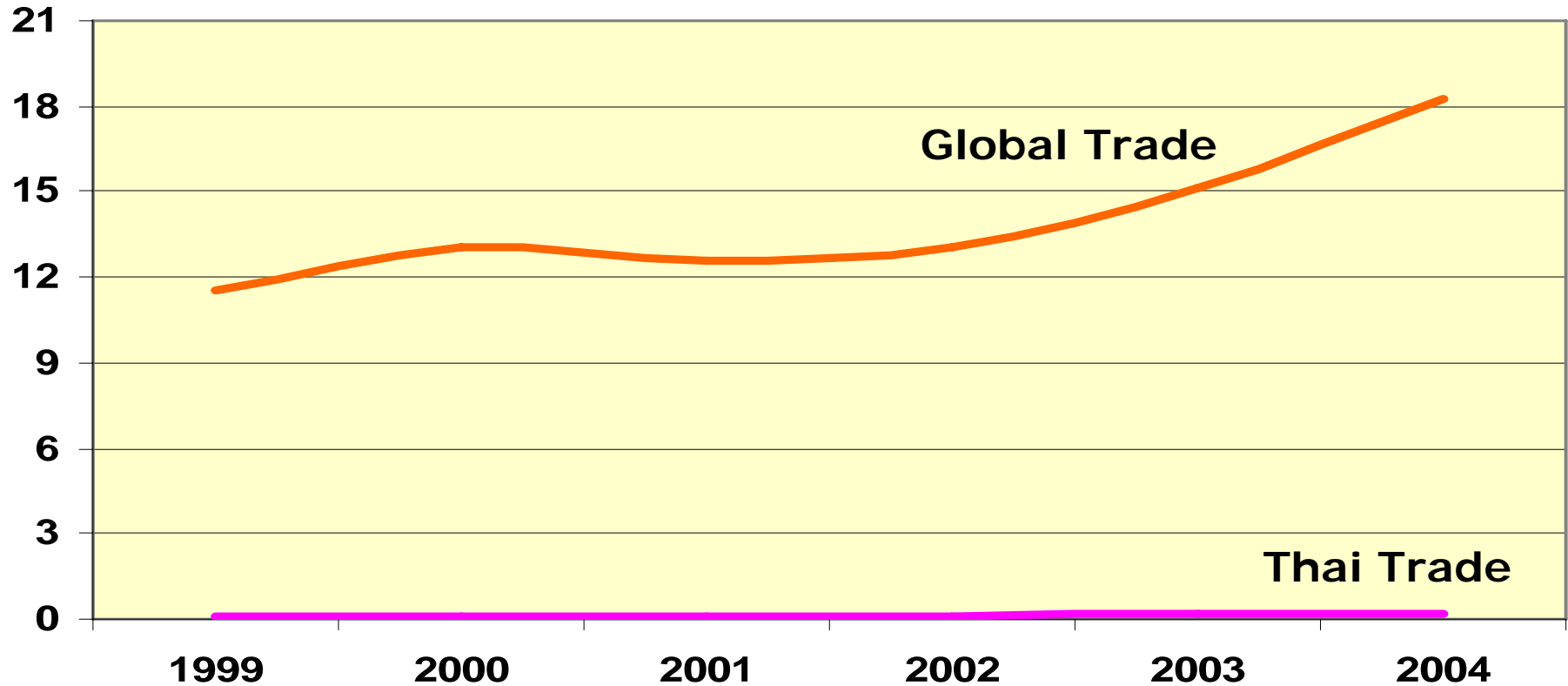
Thai Federation on Logistics

Agenda

- ◆ New Trend of International Business
- ◆ Logistics and Business Competitiveness
- ◆ Logistics in Future Trend
- ◆ Logistics Development in Thailand
- ◆ Conclusion

Global Trade & Portion of Thai Trade

Trillion US\$



| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|----------|------------|------------|------------|------------|------------|------------|
| World | 11,546,186 | 13,068,763 | 12,557,853 | 13,081,733 | 15,175,061 | 18,220,268 |
| Thailand | 108,782 | 130,981 | 126,660 | 132,753 | 156,138 | 192,767 |

New Trend of International Business

- ◆ **Economy of Speed**
Speed will be primary driver of supply chain design, development, implementation and evaluation.
- ◆ **Customers more demanding**
The pressure to continuous improvement.
- ◆ **Products more varieties but shorter life cycle**
More complexity and rapidly movement.

New Trend of International Business

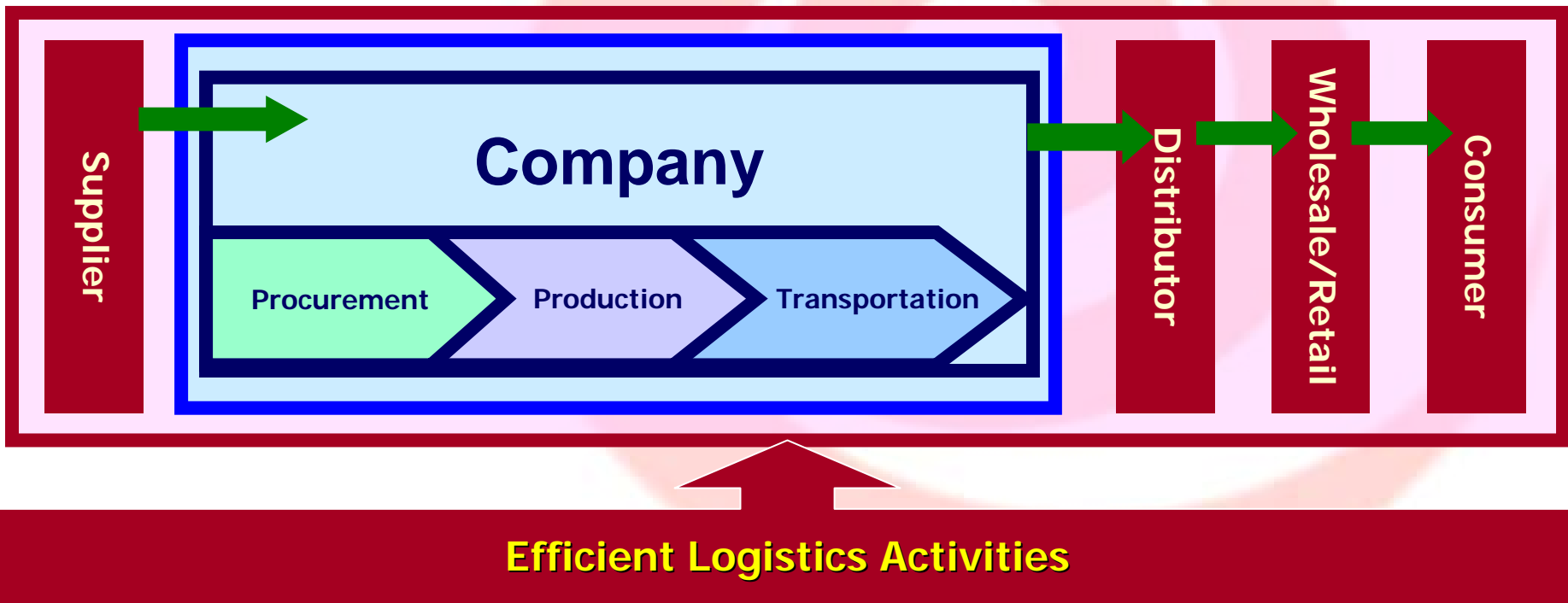
- ◆ Competitors more agile and stronger
Need more efficiency in business process.
- ◆ FTA and Economics Blocs.
Multilateral agreement on trade is expanding.
Thailand has already concluded with China, Australia, New Zealand and Bahrain. And in the process of negotiation with US, Japan, India and Peru.
- ◆ More Non-tariff barriers
Environment, Safety, Securities and health consciousness are more strict.

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Logistics and Business Competitiveness

- ◆ Efficiency in Logistics activities makes company and Supply Chain process smooth.



Logistics and Business Competitiveness

- ◆ Logistics is *key driven factor* to improve ability to compete in global market.



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Logistics in Future Trend

- ◆ **Better-Faster-Cheaper**

Customers' require more efficiency in lower cost.

- ◆ **Continuous improvement**

Customers' expectation continuous increase.

- ◆ **Require more flexibility to response to customer need**

Process and result can adapt to customer requirements.

Anywhere is office, anytime is working hour.

Real-time information in shipment, inventory level etc.

Logistics in Future Trend

- ◆ **Expand reverse logistics**

More concentrate in product return activities.

- ◆ **Improvement in Maritime Transportation**

Increases vessel capacity and speed.

Increases productivity in port operation.

- ◆ **Integrates inbound and outbound logistics**

Uses same transporter for economies of scale, reduce empty run and containers' box shortage

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NESDB logistics master plan 2005-2009

Upgrading Thailand's Logistics System

Cost Efficiency

Reliability
and Security

Responsiveness

Logistics
Management
In
Real Sector

Development of
New Trade Route
And
Integration of
Transportation
Network

Enhancing
Competitiveness
of LSPs

Trade Facilitation

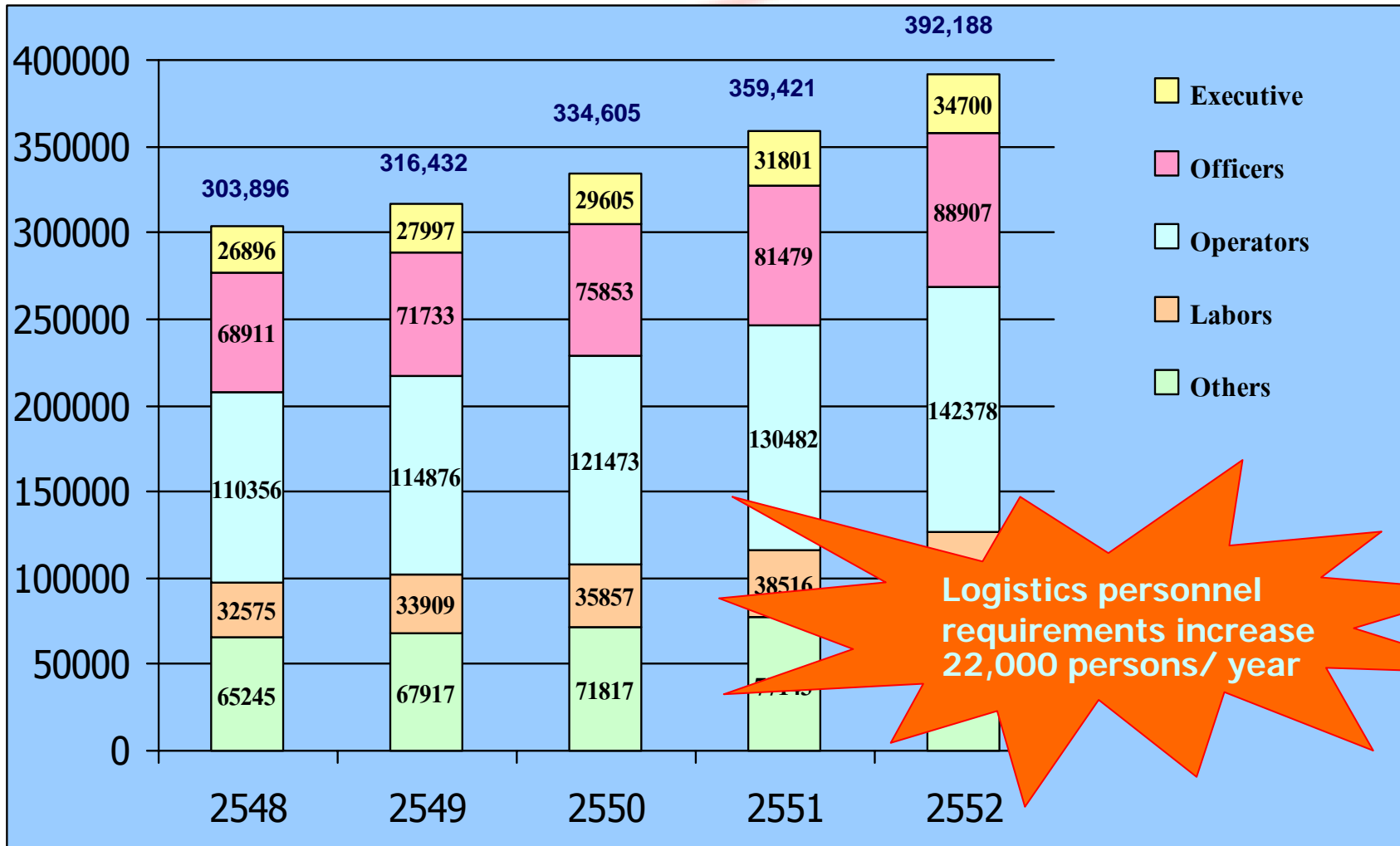
Capacity
Building

Logistics Activities

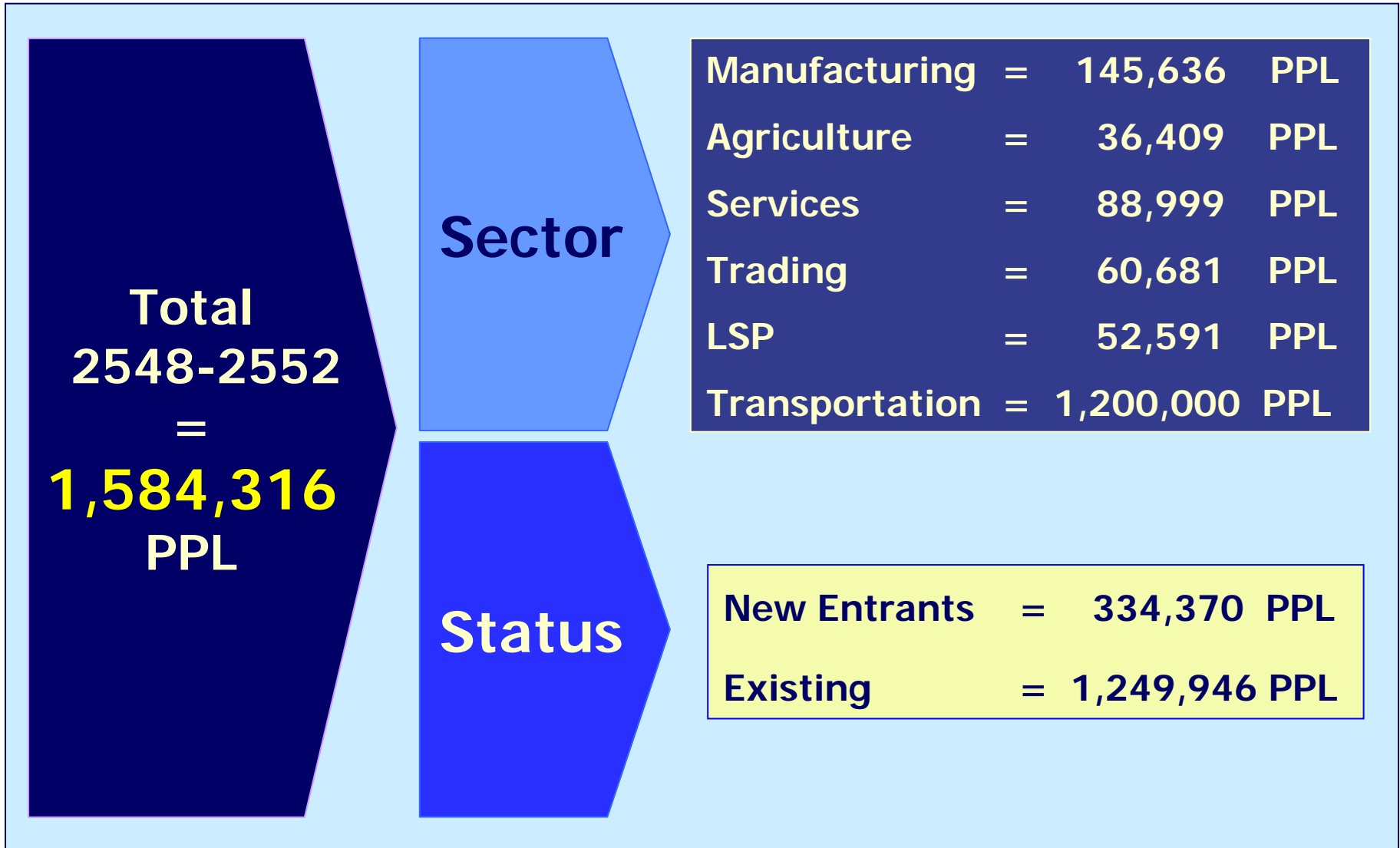


Logistics Personnel: Demand

Source : TDRI



Logistics Personnel: Demand



| 2549-2553 | Total Demand | | DSD | CHE | VEC | DLT | OCSC | Total Supply |
|---------------------------|--------------|------------|----------------|---------------|---------------|---------------|-----------|----------------|
| Industry (mostly SMEs) | New | Exec | | | | | | - |
| | 100,000 | Mng./Prof | | | | | | - |
| | | Opt. | | 1,750 | 3,000 | | | 3,000 |
| | Upgrade | Exec | | | | | | - |
| | 125,000 | Mng./Prof | 3,200 | 5,000 | | | | 8,200 |
| | | Opt. (New) | 2,000 | | | | | 4,500 |
| | | (Exist) | 63,300 | | | | | 60,800 |
| LSPs | New | Exec | | | | | | - |
| | 285,000 | Mng./Prof | | | | | | - |
| | | Opt. | | 5,000 | 9,000 | 96,000 | | 105,000 |
| | Upgrade | Exec | | | | | | - |
| | 1,230,000 | Mng/Prof | 48,000 | | | | | 48,000 |
| | | Opt. (New) | 2,950 | | | | | 2,950 |
| | | (Exist) | 112,000 | | | | | 112,000 |
| Training for the trainers | | | 1,200 | 120 | | | 50 | 1,370 |
| Total Supply | | | 232,650 | 11,870 | 12,000 | 96,000 | 50 | 352,570 |

!!Total Supply is less Than Demand!!

Logistics Capacity Building

◆ People

- Awareness
- Mindset
- Knowledge & Skill
- Commitment

◆ Learning Organization

- System & Process Improvement
- Sustainable Development



Capacity building is
the most important
for long-term efficiency

Logistics Development in Thailand

◆ Need Support from government

More efficiency infrastructure both in gateway and IT.

More choices of transportation modes

- inland-waterway
- coastal transportation
- upgrade rail-services to the world standard both in scheduling, facilities and infrastructure.

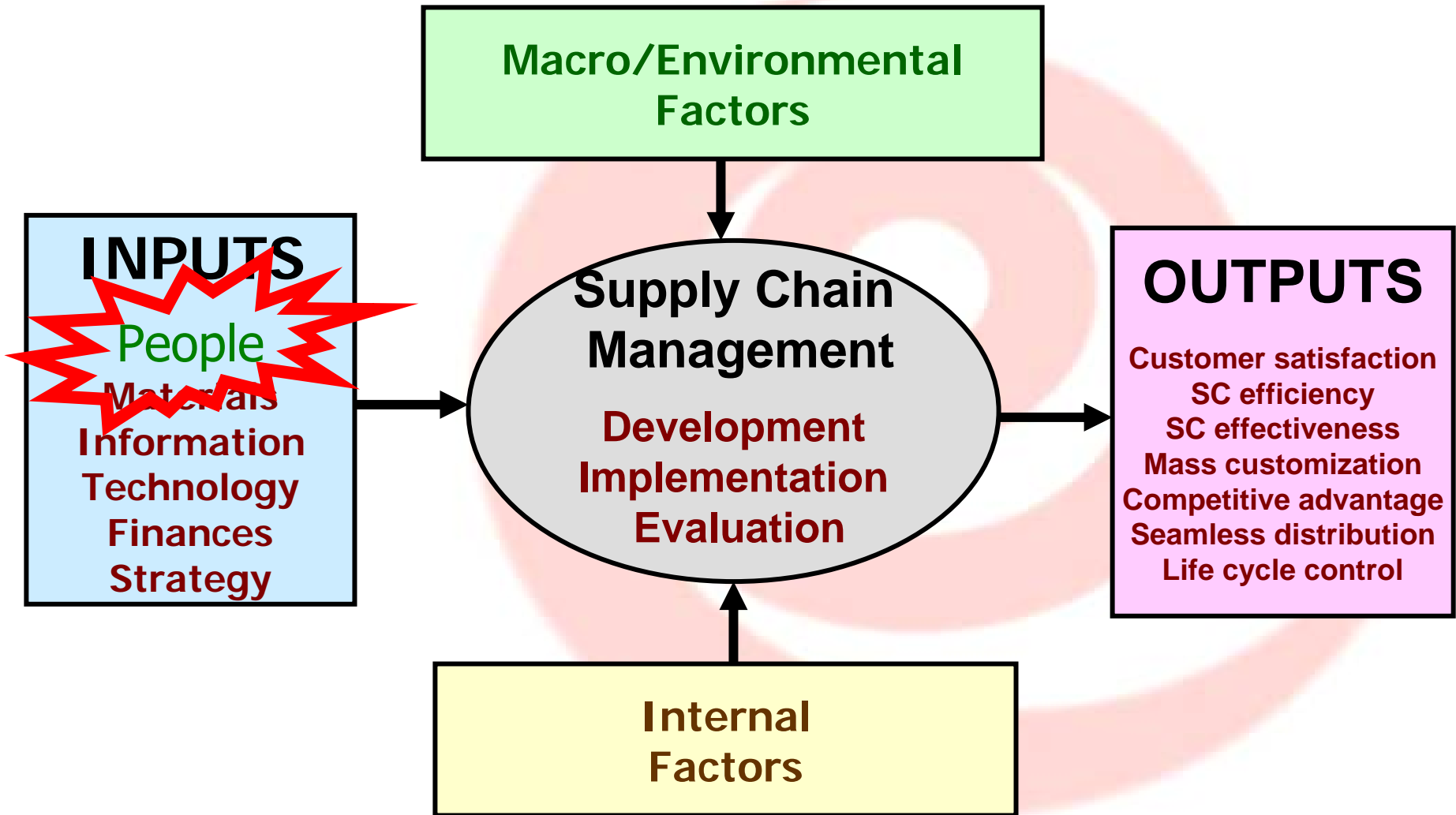
Deregulation and make more user-friendly.

24 Hours services in custom and ports.

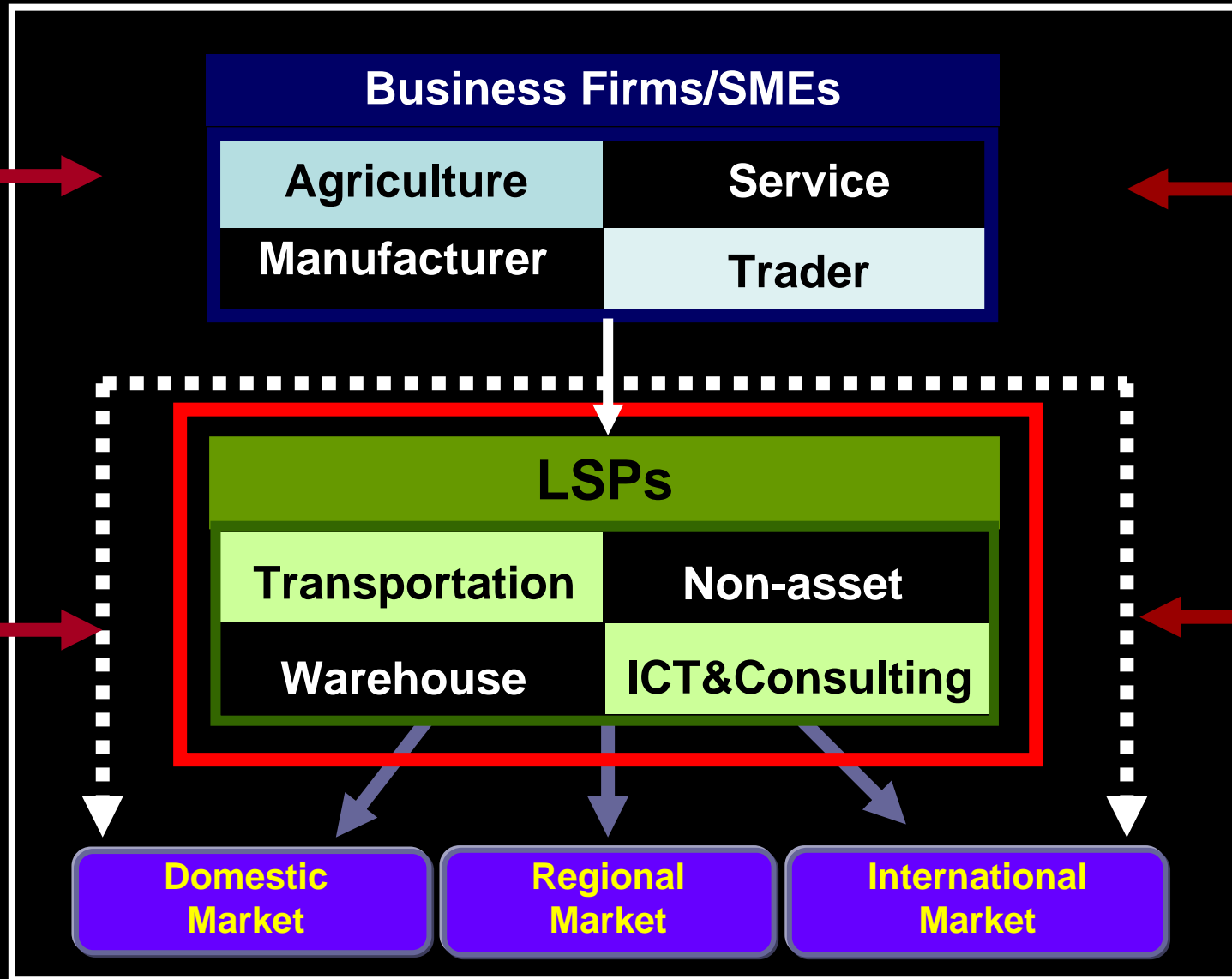
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Capacity Building is a factor to sustainable development.



Logistics Platform



Thai Federation on Logistics

1. Thai National Shippers' Council
2. Board of Trade of Thailand
3. The Federation of Thai Industries
4. The Thai Bankers' Association
5. Thai International Freight Forwarders Association
6. Bangkok Shipowners and Agents Association
7. Thai International Cargo and Container Terminals Association
8. Thai Air Freight Forwarders Association
9. Thai Shipowners' Association
10. The Thai Licenses Customs Brokers Association
11. The Transportation Association
12. Thai Logistics and Production Society
13. Airline Cargo Business Association
14. The Association of Thai Software Industry
15. The Charter Institute of Logistics and Transport
16. Purchasing and Supply Chain Management Association of Thailand

Thai Federation on Logistics

TFL is the platform of the private sectors who are involved in logistics contexts in Thailand for national logistics development.

TFL Structure includes 6 working groups:

Infrastructure

Laws and Regulations

Trade facilitation

Capacity Building

Information Technology

Logistics Service Providers

Question and Answer.

Thank you.

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