



Thailand: The HUB of SE Asian Logistics

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vision
ZERO



Lindsay Fox started with one truck in Australia in 1956...



Linfox Logistics

Key facts

3.2m²
warehousing



23,000+
people



Multi-billion
revenue



5,000+
vehicles



10+
countries



Privately
owned



Sector focus – Asia

Country	FMCG	Retail	IND	Started
Australia	✓	✓	✓	1956
NZ	✓	✓	✓	1956
India	✓		✓	2006
Thailand	✓	✓	✓	1993
Malaysia	✓	✓	✓	1992
Vietnam	✓		✓	2006
Indonesia	✓	✓		2001
China	✓	✓	✓	1984

Fox Group, other activities

Airports

Property Group

Armaguard

Classic Car Collection



We work with some of the world's best brands

Linfox Asia

Linfox Australia and New



Greater Mekong Sub-Region





Infrastructure Overview

Countries	Railway (in KM) ¹	Roadway (paved in KM) ¹	Sea Port ¹	International Airports ²
Cambodia	690	2,492	1	2
Laos	-	530	-	3
Malaysia	1,849	116,169	5 (17.93 mill TEU)	7
Myanmar	5,031	34,377	2	2
Indonesia	5,042	283,102	9 (5.61 mill TEU)	14
Thailand	4,071	180,053	5 (7.03 mill TEU)	8
Vietnam	2,632	148,338	5 (4.08 mill TEU)	9



Source:

1 The CIA World Fact Book June 11, 2015

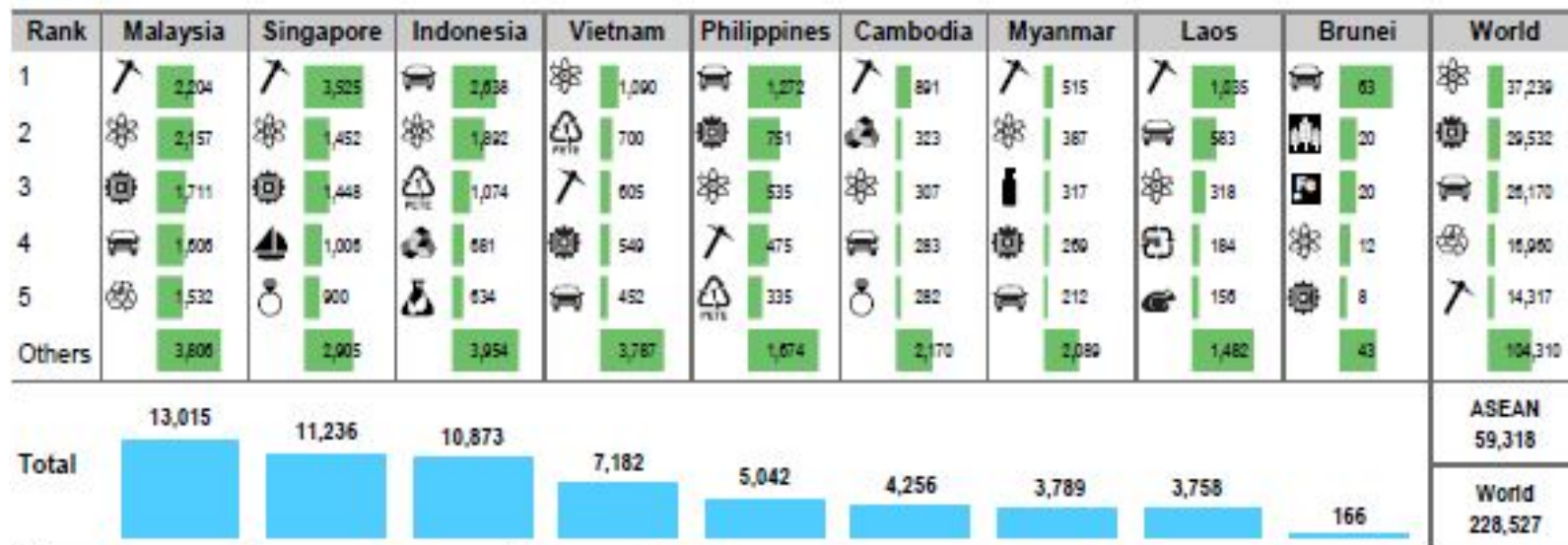
2 Wikipedia

Source: Transport Intelligence



Thailand's Exports To ASEAN and rest of the World

USD mn



Articles of iron or steel; Beverages, spirits and vinegar; Cereals; Electrical machinery and equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles; Iron and steel; Meat and edible meat offal; Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes; Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof, imitation jewellery, coin; Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof; Organic chemicals; Rubber and articles thereof; Ships, boats and floating structures; Sugars and sugar confectionery; Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof;

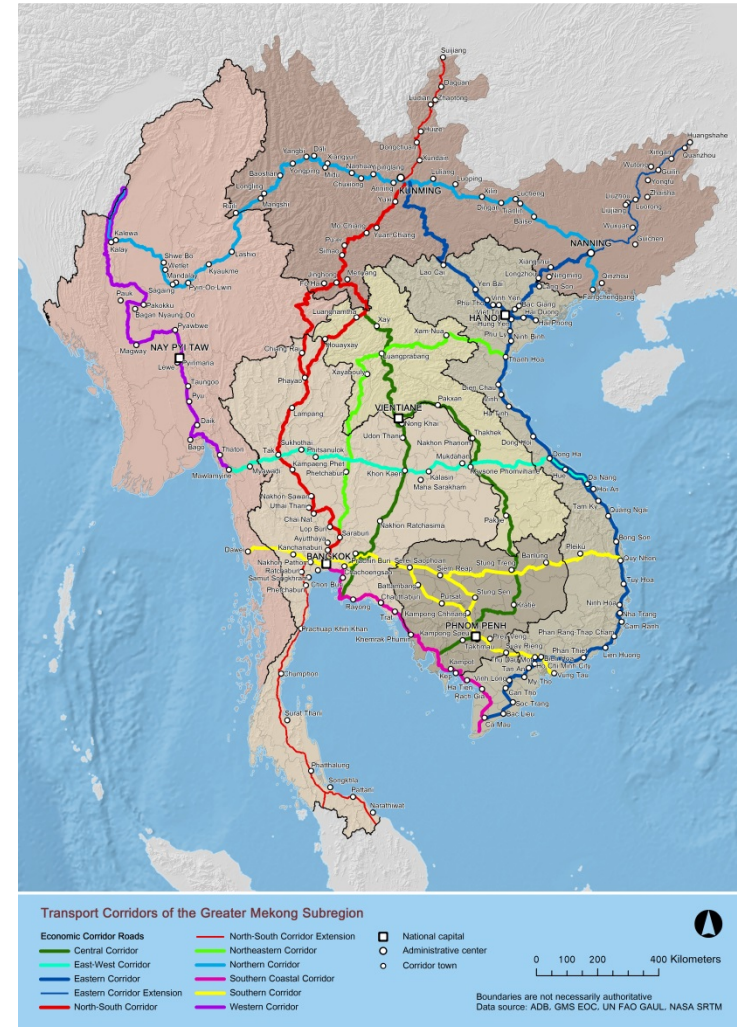
Source: UNCOMTRADE, Standard Chartered Research

Source: ASEAN Growth in the fast lane, Standard Charter Bank 2014



GMS Corridors

- GMS corridors favor the Thai geography
- The North-South Corridor, East-West Corridor, and South Corridor all take advantage of Thailand's position as a nexus of overland trade.
- Thai trade with CLMV countries comprised up to 9.1% of Thai exports in 2014, up from 5.7% in 2008.
- As of 2013, Thai border trade accounts for 10% of all exports, mostly with Malaysia.





Infrastructure Development Plans

- **US\$ 75 billion between 2015 and 2022**
- **78% to be spent on railway development**
- **Seek to reduce logistics costs from 15.2% to 13.2%**
- **Create 1.6 million jobs**
- **Road Projects**
 - Southern Economic Corridor: Bangkok to Ho Chi Minh
 - East West Economic Corridor: Myanmar to Da Nang
 - North South Economic Corridor: Bangkok to Kunming



Costs of representative shipment

Table 3.1: Detailed Overview of Time and Costs along the Southern Economic Corridor

- Transport (trucking and river crossing) and transshipment expenses accounted for 48% of total costs
- Documentation costs accounted for 47% of total costs
- Police checkpoints accounted for 4% of total costs

Process	Bangkok to Phnom Penh		Phnom Penh to Ho Chi Minh City	
	Time (minutes)	Cost (\$)	Time (minutes)	Cost (\$)
Pre-shipment process				
Deliver original documents		40.00		0
Obtain documents	2–3 days	350.00	1–2 days	110.00
Process documents		20.00	240	90.00
Trucking	724	869.22	289	338.36
River crossing			30	15.00
Police checkpoints	0	40.00	0	80.00
Weigh bridges	20	0	10	0
Transshipment (TEU)	60	80.00	60	80.00
Border process, incl. local customs	570	465.00	210	80.00
Final clearance	60	200.00		
Total	1,434	\$2,064.22	839	\$793.36

TEU = twenty-foot equivalent unit.

Note: All numbers provided are for both countries along the section of the corridor. More details for each country can be found in Tables 3.2 and 3.3.

Source: Authors' estimates.

Source: ADB and Australian Aid: Trade and Trade Facilitation in the Greater Mekong Subregion (2012)



Logistics Friendliness Indicators

LOGISTICS FRIENDLINESS INDICATORS	BRUNEI	CAMBODIA	INDONESIA	LAOS	MALAYSIA	MYANMAR	PHILIPPINES	SINGAPORE	THAILAND	VIETNAM
CUSTOMS PROCEDURES AND INSPECTIONS	1.69	1.92	2.53	1.83	1.91	2.00	1.88	1.29	1.97	1.80
MODE-SPECIFIC (REGULATORY) SCORE	1.11	1.23	1.36	1.20	1.34	1.27	1.30	1.23	1.21	1.30
<i>MARITIME (REGULATORY) SCORE</i>	1.14	1.23	1.50	NA	1.32	1.24	1.46	1.35	1.23	1.43
<i>AVIATION (REGULATORY) SCORE</i>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.02	1.00
<i>LAND TRANSPORTATION (REGULATORY) SCORE</i>	1.20	1.54	1.46	1.46	1.86	1.71	1.29	1.20	1.40	1.37
REGULATORY SCORE	1.41	1.59	1.96	1.64	1.64	1.65	1.60	1.26	1.60	1.56
LABOUR SCORE	1.11	1.46	1.51	1.46	1.51	1.46	1.40	1.11	1.54	1.46
CROSS-SECTORAL INVESTMENT SCORE	1.26	2.29	2.63	2.29	2.63	2.29	1.26	1.26	2.63	2.29
LICENSING AND TRANSPARENCY SCORE	1.63	1.63	2.06	1.69	2.17	1.54	1.46	1.20	1.86	1.71
FOREIGN INVESTMENT SCORE	1.36	1.65	1.91	1.67	1.96	1.61	1.40	1.17	1.83	1.69
MARITIME (INFRASTRUCTURE) SCORE	2.29	2.00	2.51	NA	1.71	1.83	2.51	1.46	1.83	2.69
AVIATION (INFRASTRUCTURE) SCORE	1.63	2.01	1.82	1.94	1.79	2.08	1.65	1.50	1.45	1.91
LAND TRANSPORTATION (INFRASTRUCTURE) SCORE	2.63	3.06	3.06	3.06	3.49	3.06	3.06	1.34	3.06	3.06
INFRASTRUCTURE SCORE	1.96	2.12	2.19	2.13	1.95	2.10	2.10	1.47	1.75	2.30
OVERALL SCORE	1.50	1.72	2.03	1.75	1.75	1.74	1.69	1.25	1.66	1.72
Logistics Friendliness classification	B	C	D	C	C	C	C	A	B	C

Source: Logistics Barrier in ASEAN, The Logistics Institute –Asia Pacific



Conclusions:



1. Situated in the center of gravity for GMS Economic Corridors
2. Good infrastructure and continued development and investment
3. Intra-ASEAN trade constituted about 26% of ASEAN's total trade in 2013
4. Will benefit from FTA to remove import taxes
5. Will benefit from neighboring country economics growth
(estimated at 5-8% comparing to world economics growth rate at 1-2%)
6. Will benefit from ASEAN agreement on facilitation of Goods in transit
and AEC free flow of goods, services, investment, skilled labor and capital.
7. However, efforts to improve trade facilitation **MUST** accompany
infrastructure development

