
Regulatory Reform in Supply Chain Connectivity and Logistics Sector: The Thai Experience



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Agenda

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Thailand's National Logistics Development Plan (2007 – 2011)

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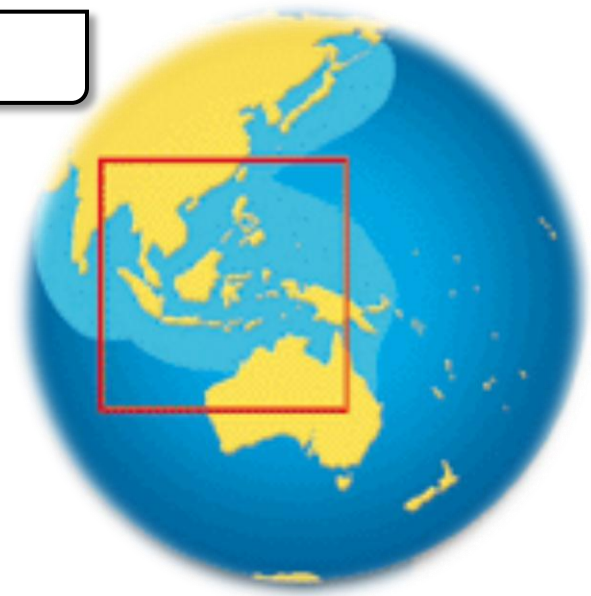
Thailand's Logistics Costs 2011-12

3

Thailand Macro-Logistics Framework

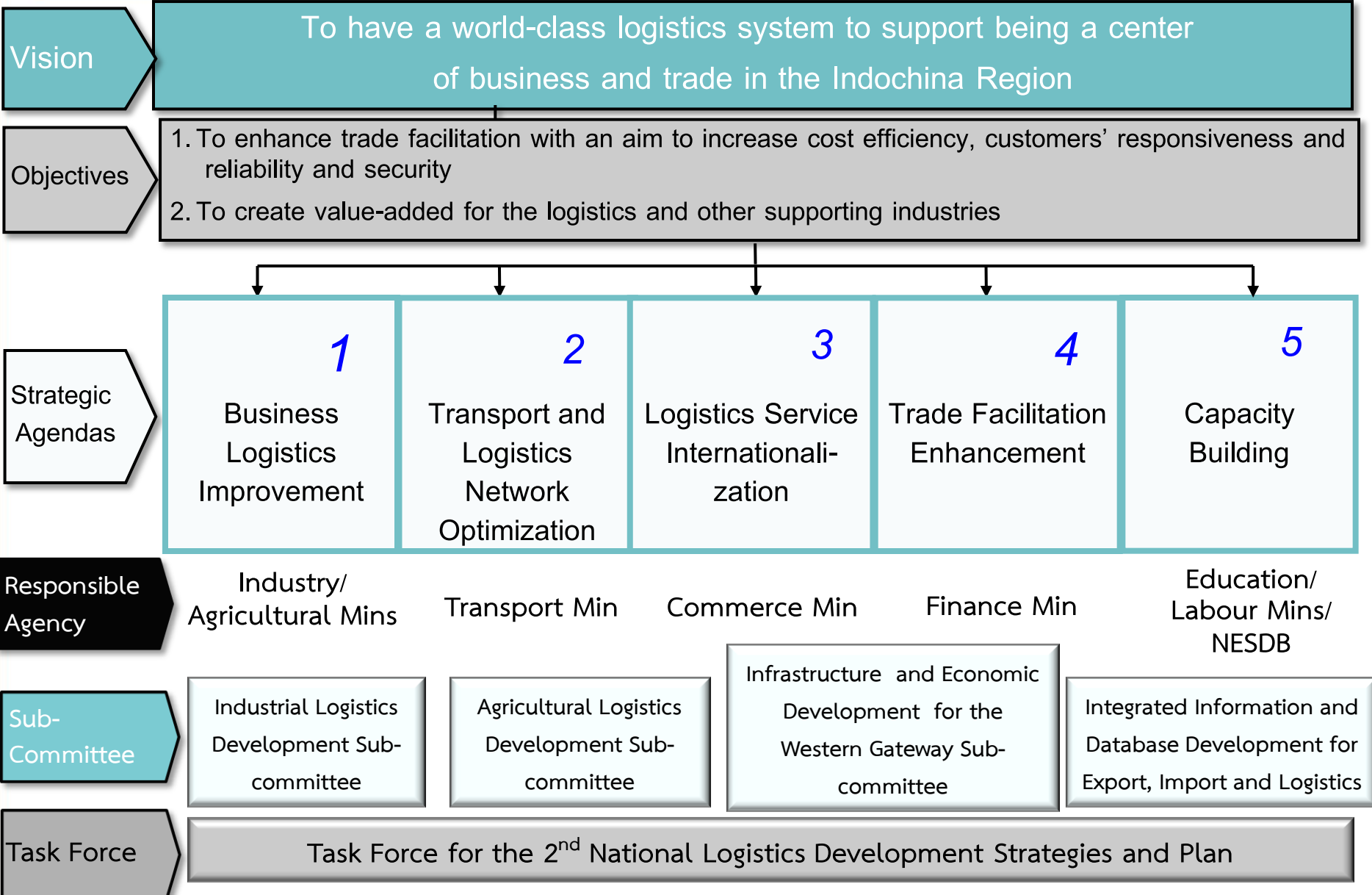
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Final Observation



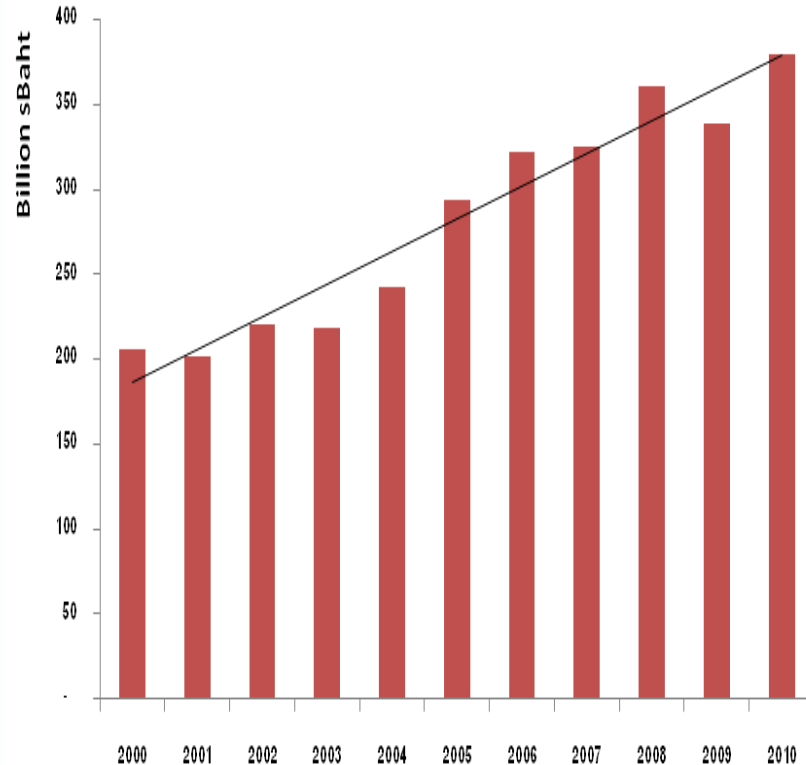
Thailand's National Logistics Development Plan (2007 – 2011)

Endorsed on February 27, 2007

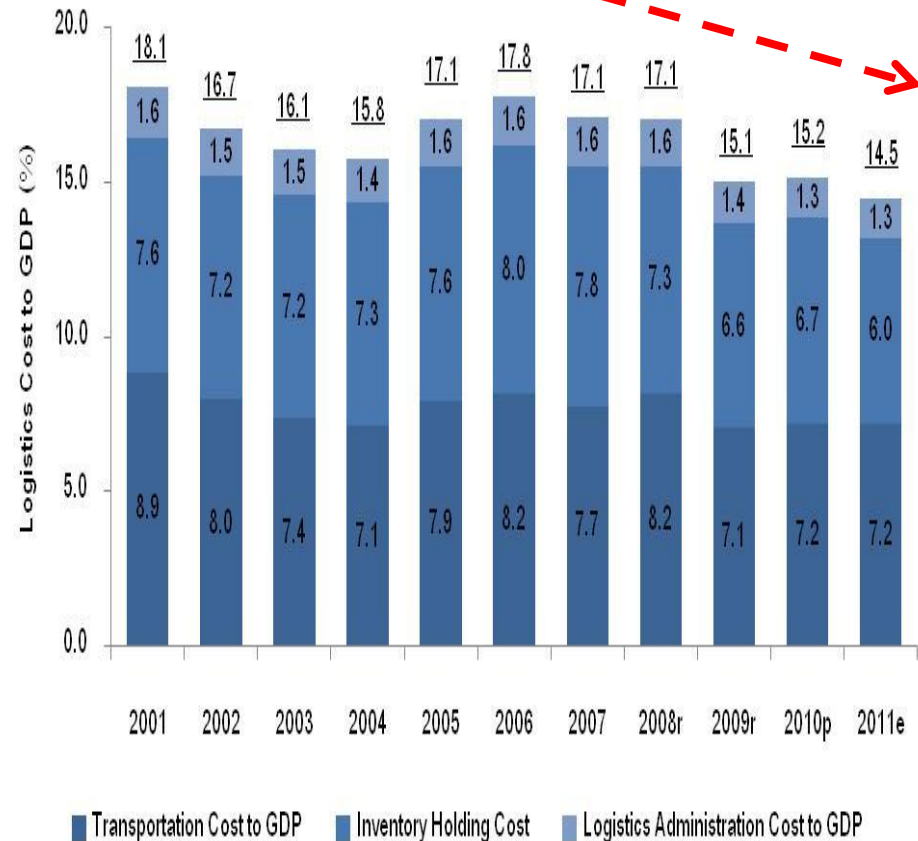


Logistics Cost Efficiency and Value Added by Logistics Industry

Logistics Industry's Value Added



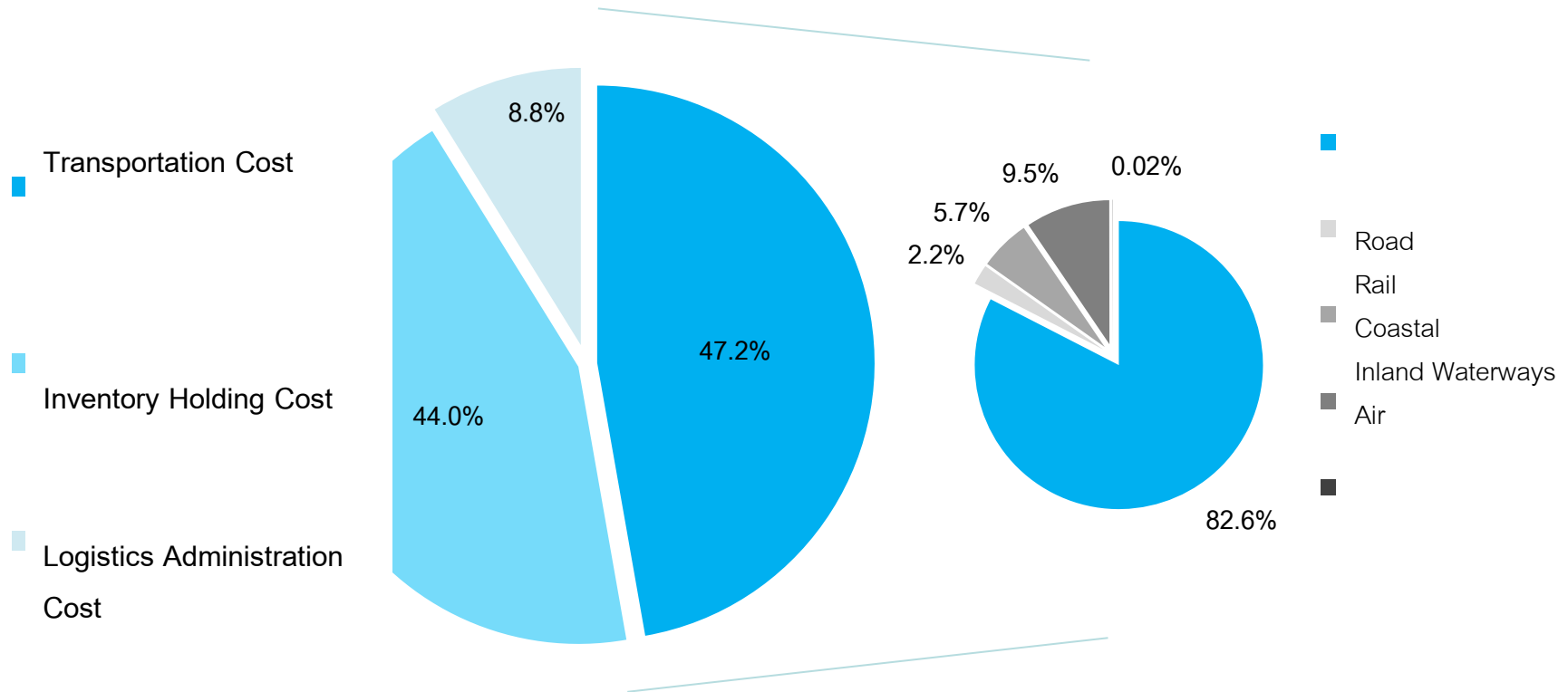
Thailand's Logistics Cost per GDP from 2001-2011



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.

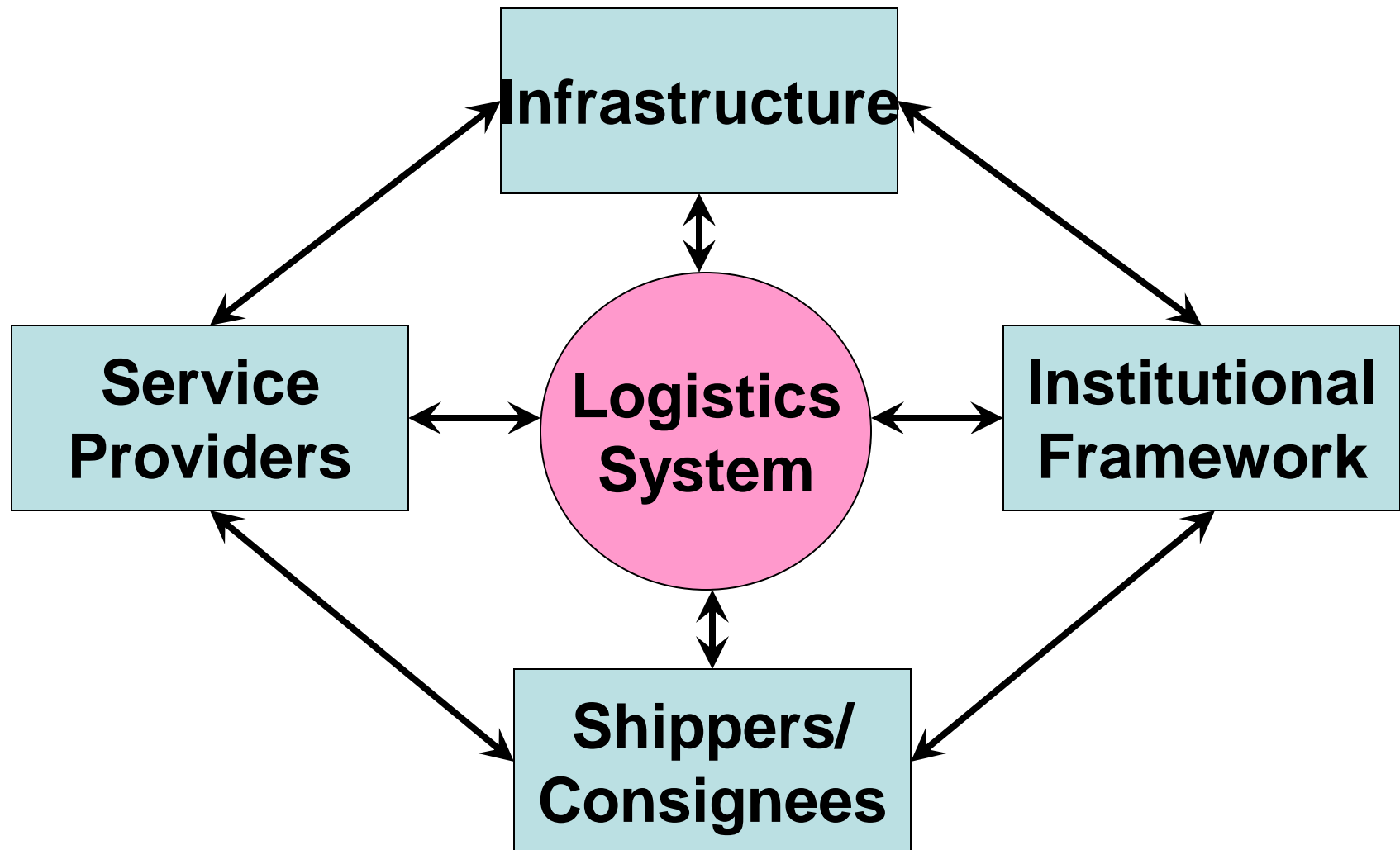
Transportation and Inventory Handling Cost



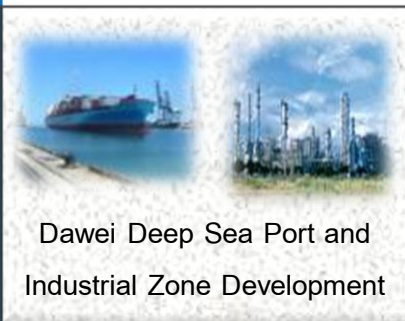
Source: NESDB

Source: Ministry of Transport

Macro Logistics System Dimensions



Infrastructure



ASEAN Political and
Security Community
ASEAN
Community

ASEAN
Economic
Community



ASEAN
Socio-
Cultural
Community



Institutional Framework

- National Logistics Committee
 - Regulatory reforms difficult due to long gestation period
 - Difficulties with ASEAN agreements as has to go through parliament
- Reforms are not holistic but focused on the requirement of each agency
 - Commerce/Transport/Industry/Customs/Agriculture
- Overlap between agencies
 - Trucking standard (Commerce vs Transport)
 - LSP (Commerce) vs MTO (Transport)
 - NSW (Customs vs ICT)
 - Logistics performance (Industry/Commerce/Transport)

Success Story on Trade Facilitation Enhancement

Trading across Border Index (by World Bank)

Trade across Borders	2006	2007	2008	2009	2010	Singapore (2010)
Rank		108	50	10	12	1
Document for export (number)	9	9	7	4	4	4
Time for export (days)	24	24	17	14	14	5
Cost to export (US\$ per container)	848	848	615	625	625	456
Documents for import (number)	12	12	9	3	3	4
Time for import (days)	22	22	14	13	13	3
Cost to import (US\$ per container)	1042	1042	786	795	795	439

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.

Stage III (2006-2008)

Stage IV (2008-2015)

Stage V (2015 -)

**Cross-border
Electronic
Transaction
&
ASEAN
Single Window**

**National
Single Window**

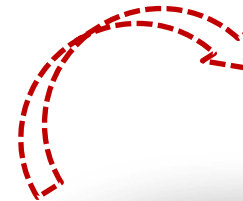
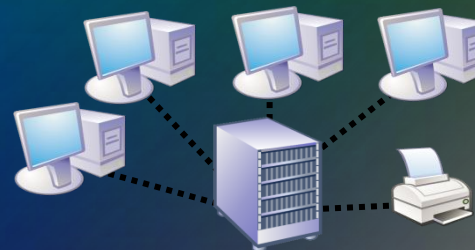
**Customs
Paperless Services**

**Customs
EDI Services**

**Manual
Operations**

Stage II (1998 -2006)

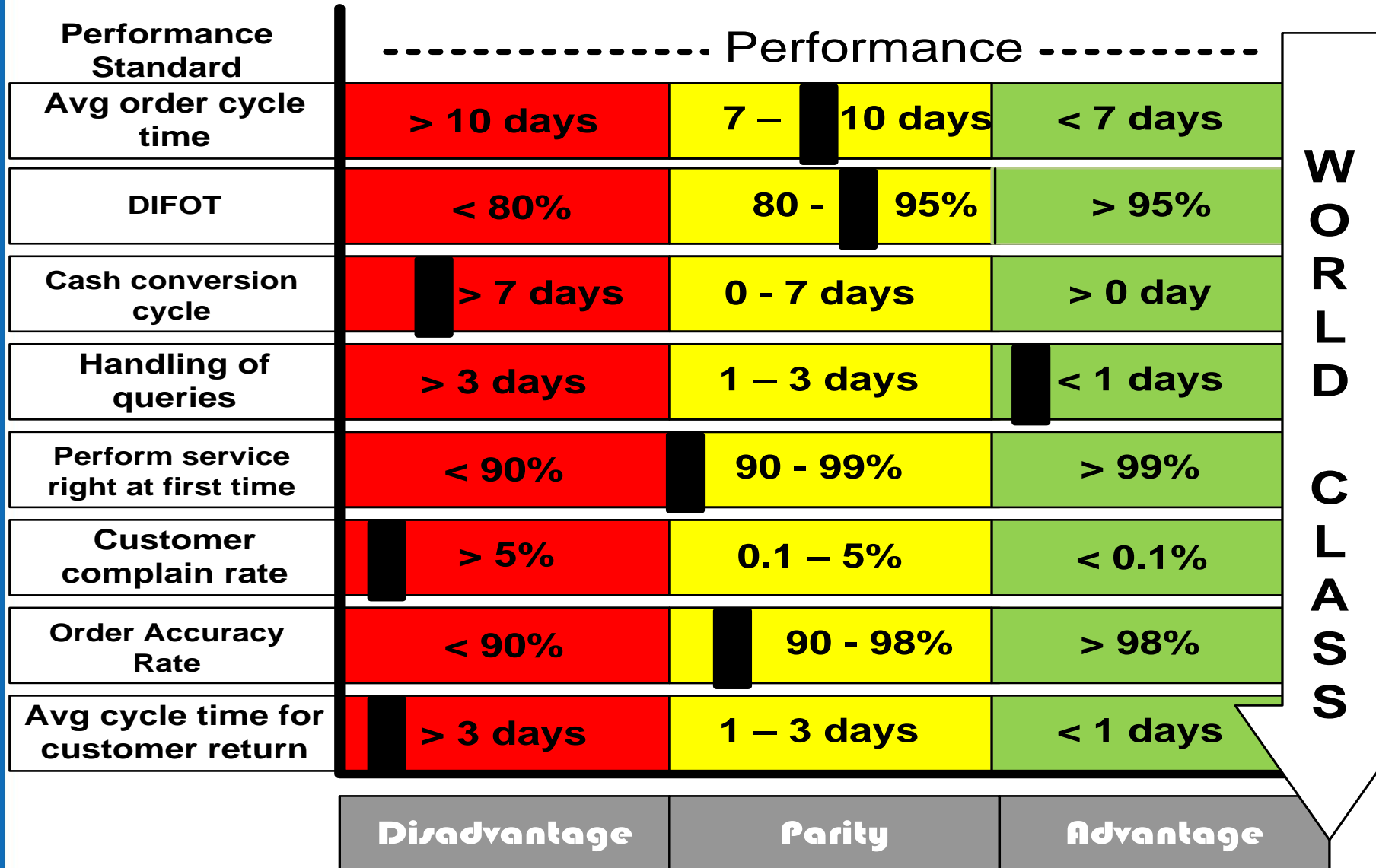
Stage I (1998)



Comparative Forwarder status in ASEAN

Country	Legal status	Recognised by Customs	Recognised by Port Authority	House manifest for cargo submission	EDI
Brunei	YES	YES	YES	YES	YES
Cambodia	NO	NO	NO	NO	YES1
Indonesia	YES	YES	YES	YES	YES
Lao PDR	YES	NO	NO	NO	YES
Malaysia	YES	YES	YES	YES	YES
Myanmar	YES	NO	NO	NO	Manual
Philippines	YES	YES	YES	YES	YES
Thailand	YES	NO	NO	NO	YES
Singapore	YES	YES	YES	YES	YES
Vietnam	YES	YES	YES	YES	YES

Logistics Service providers



Attention! Domestic Factors Supply Chain Impact

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



Unanticipated risk?

2008

2009

2010

2011

2012



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

Thank you for your attention

Comments & Questions are
welcomed...