

Asia Pacific Logistics Federation

by

**Thai Federation on logistics
Thailand**

September, 12 2006

Thai Federation on Logistics (TFL)

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

TFL Structure includes 4 working groups:

● **Capacity Building**

● **Public Relations & Communication**

● **Supply Chain Management & Trade facilitation**

● **Infrastructure & FTA Issue**

Vission

“TFL is the logistics network organisation which determines to work and urge Thailand to have modern and efficient logistics management system in order to build up economic value-added for the national competitiveness.”

Mission

- 1. To Build up and expand logistics network in both public and private sectors in order to strengthen the network and to cover all stakeholders in a sustainable manner.**
- 2. To take part in drawing up the national strategic framework in logistics and urge for its implementation to achieve the set goals.**
- 3. To implement and support the private sector to have efficient, modern, safe and global-standard logistics management system.**
- 4. To encourage and support the application of appropriate Information, Communication and Technology System in developing efficient logistics management system.**

Mission (Cont.)

- 5. To serve as Logistics Information Centre and to encourage information analysis to develop efficient logistics management system.**
- 6. To implement and to encourage research and development for logistics initiatives.**
- 7. To urge for the establishment of the Council of Thai National Logistics Management Professionals.**
- 8. To represent logistics private sector to promote and develop all concerned parties in logistics management system in Thailand.**

Role of TFL

To help the public sector in drawing up strategic logistics development plan to enhance trade facilitation

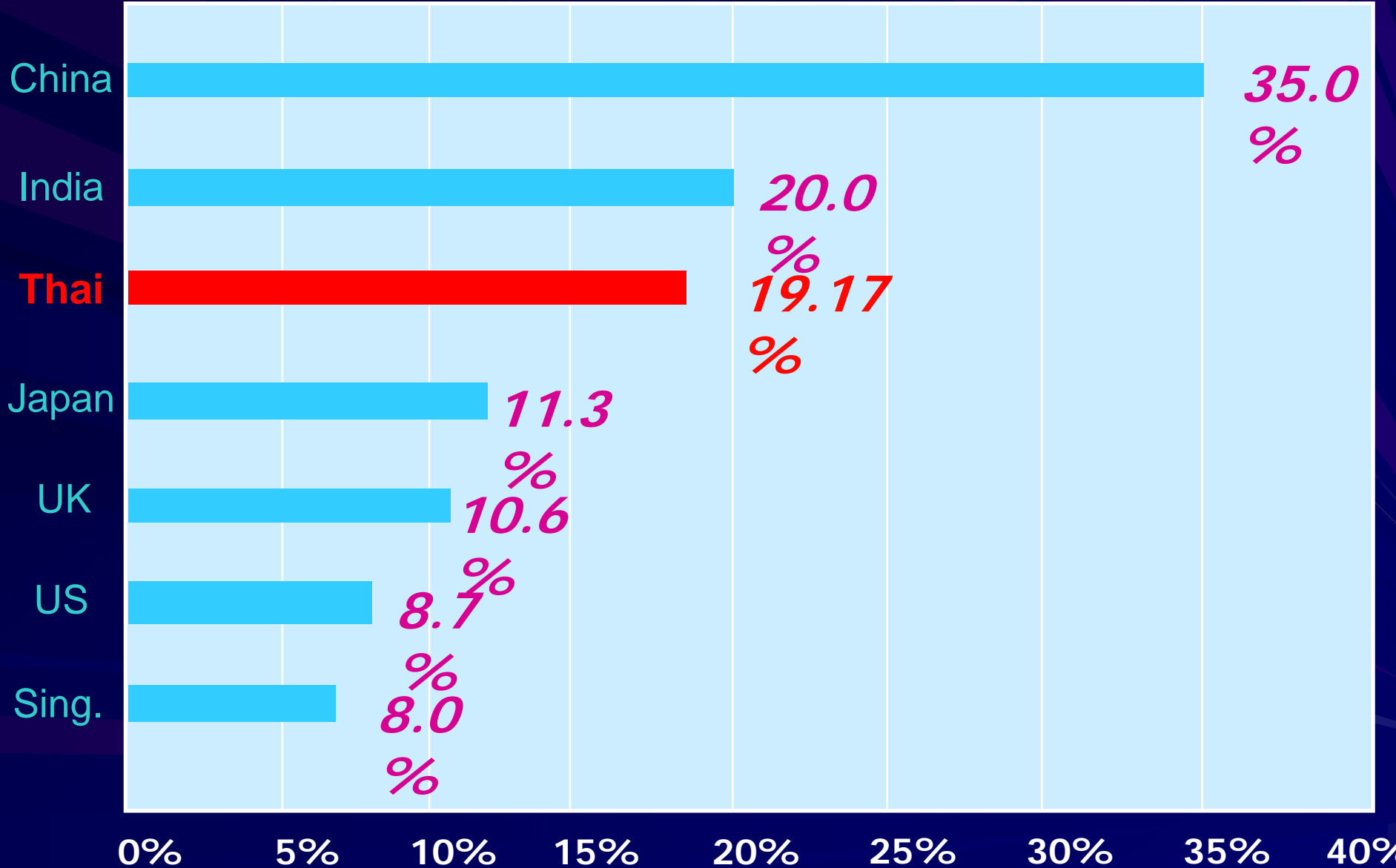
To accumulate logistics problems faced by private sectors

To give recommendation and propose work plan and projects for national logistics development

Member of TFL

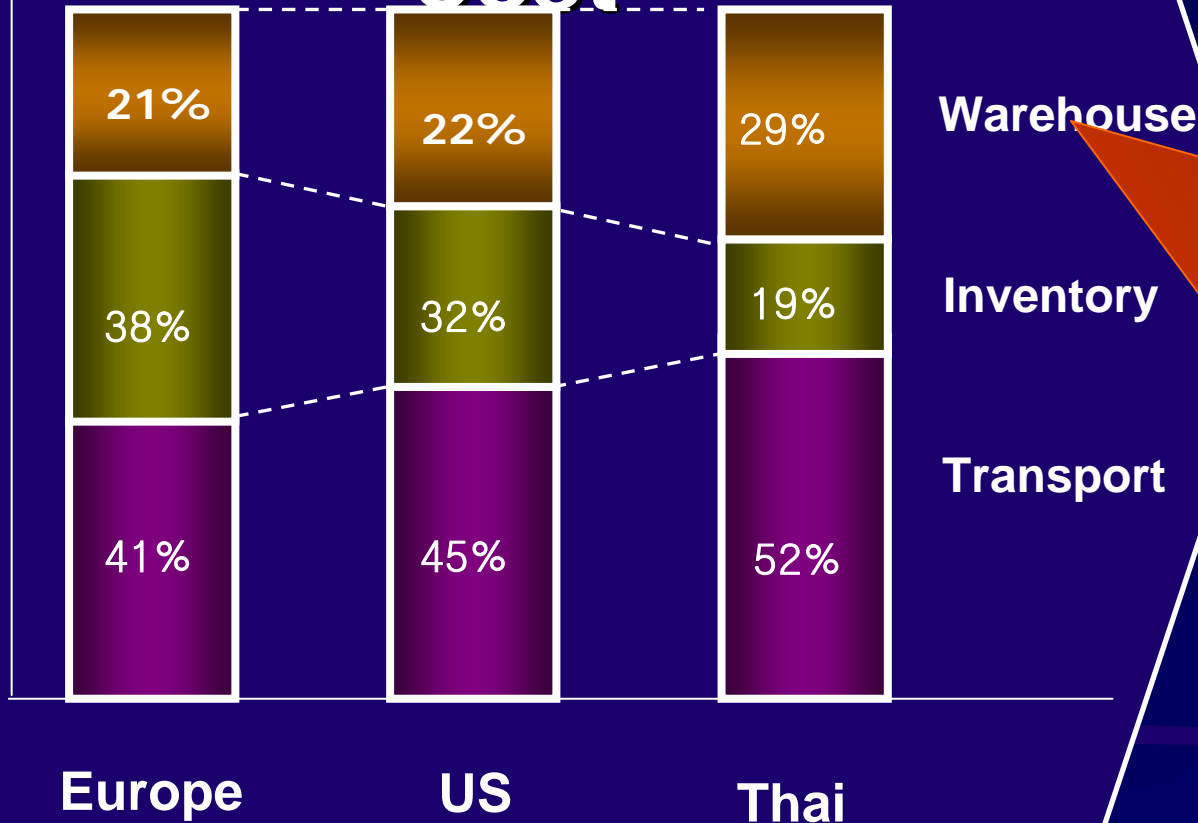
1. Thai National Shippers' Council
2. Board of Trade of Thailand
3. The Federation of Thai Industries
4. The Thai Bankers' Association
5. Thai International Freight Forwarders Association
6. Bangkok Shipowners and Agents Association
7. Thai International Cargo and Container Terminals Association
8. Thai 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

Logistics Cost in Thailand



Portion of Logistics Cost

Portion of Logistics Cost



The methodology is to “reduce the warehouse cost, by outsourcing logistics activities, and increasing product efficiency by using tools such as IT”

Limitation and Constraints in Logistics Management in Thailand

- 1. Efficiency and Competitiveness**
- 2. Logistics Development**
- 3. Trade Facilitation Index**
- 4. Transportation Mode**
- 5. Human Resources Shortage**

3. Trade Facilitation

Trade Facilitation Index

Port efficiency

- Port efficiency index
 - Port facilities and inland waterways
 - Air transport
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Customs environment

- Irregular payments
 - Improper practices
 - Hidden import barriers
- Bribery & corruption
Corruption
perception index
-

Regulatory environment

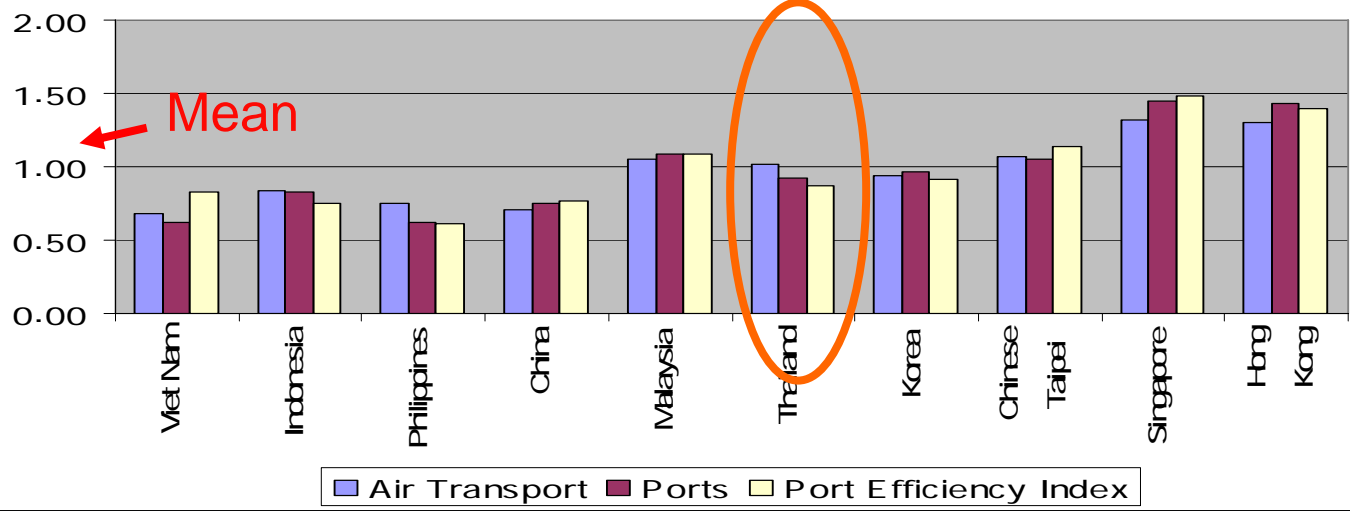
- Transparency and stability
 - Stringency of standards
 - Compliance with int' agreements
 - Enforcement
-

E-business

- Percentage of companies that use the internet for e-commerce

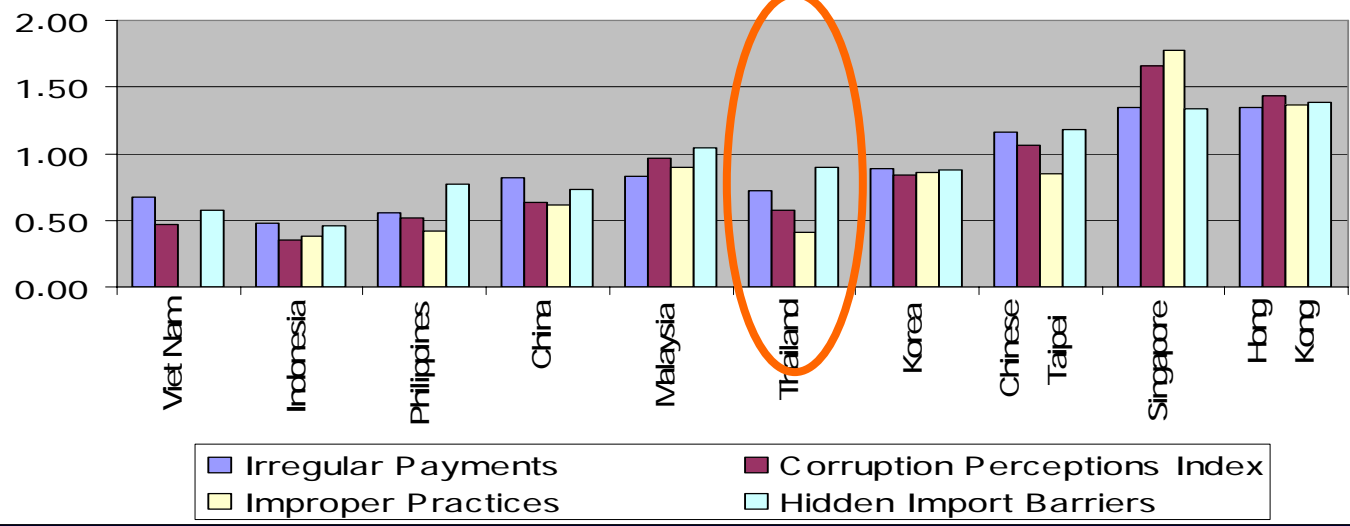
3. Trade Facilitation

Port Efficiency



Low Ports Efficiency

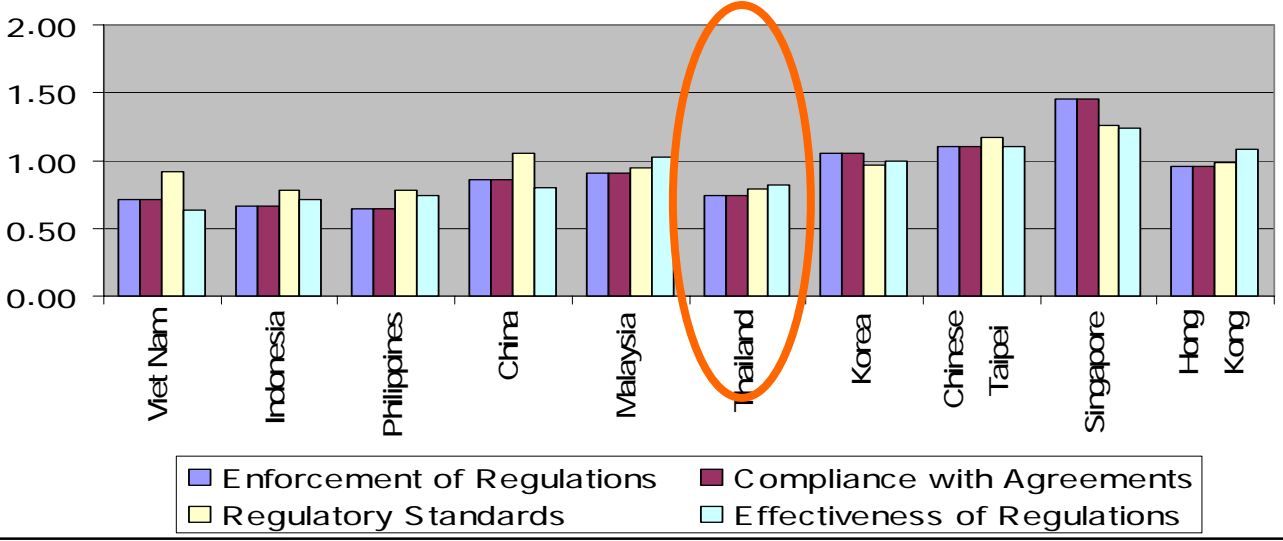
Customs Environment



Incongruous customs environment

3. Trade Facilitation

Regulatory Environment



The regulatory environment is under standard

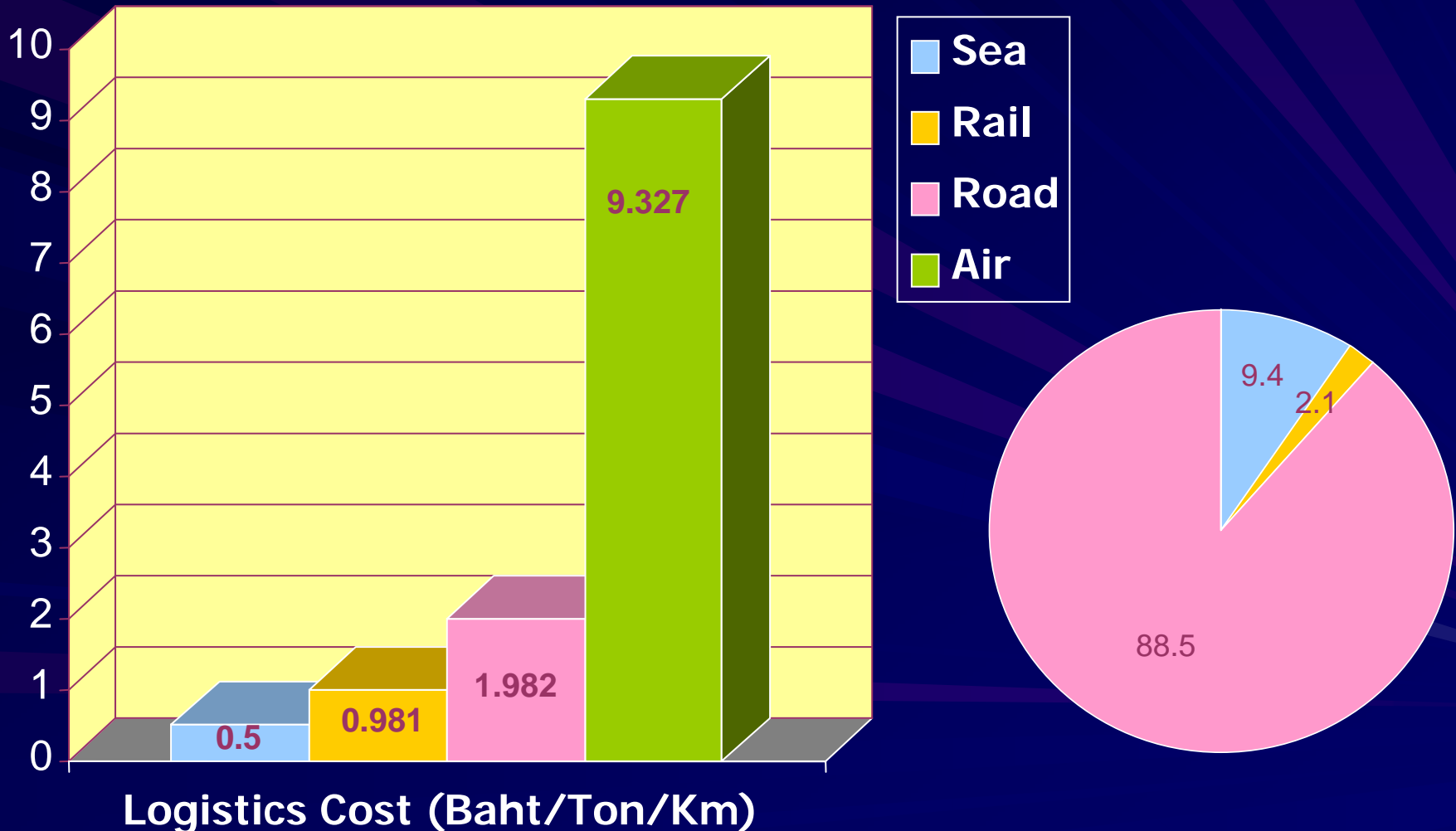
E-business Usage



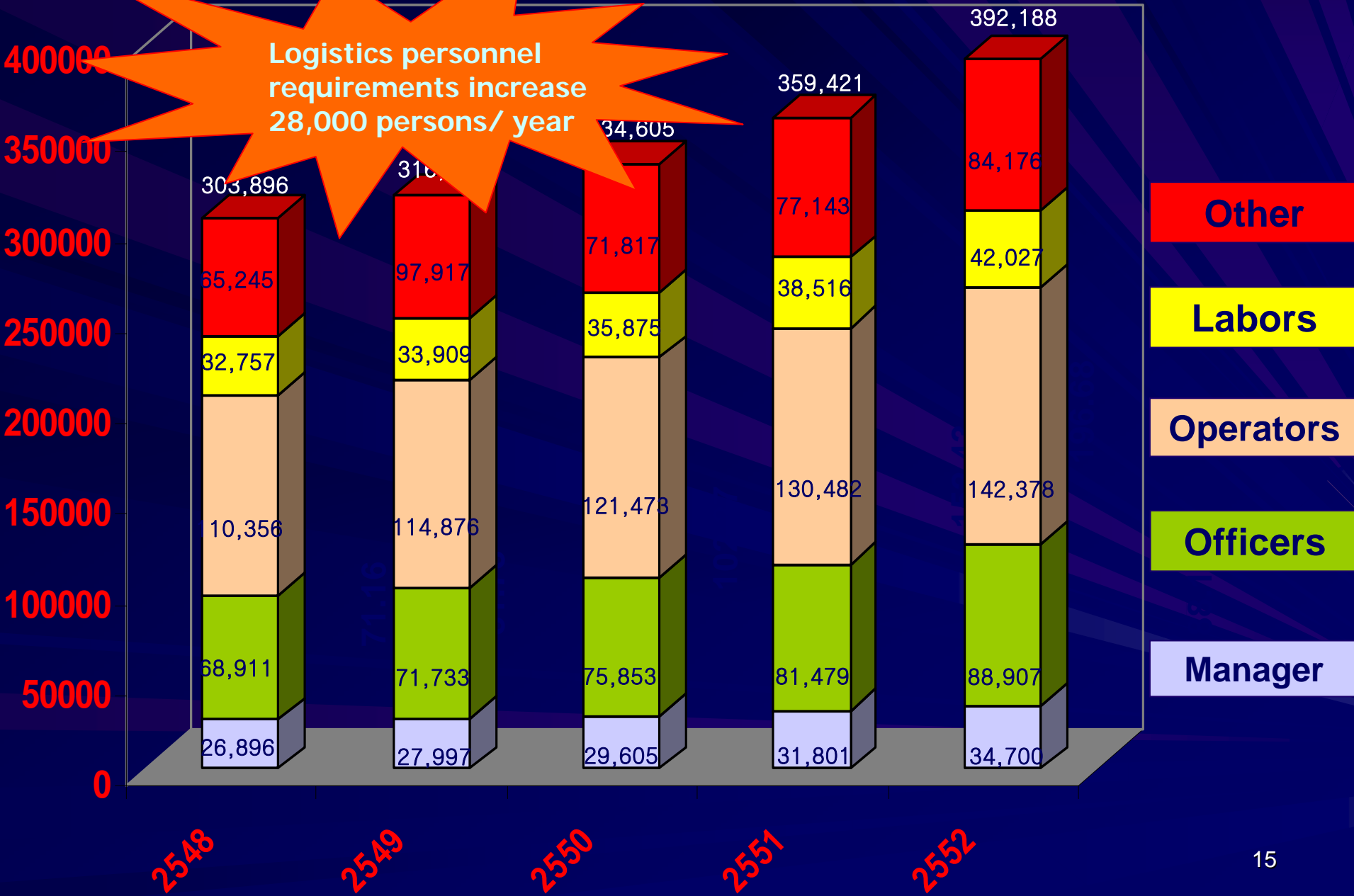
Low e-business usage

4. Transportation Mode

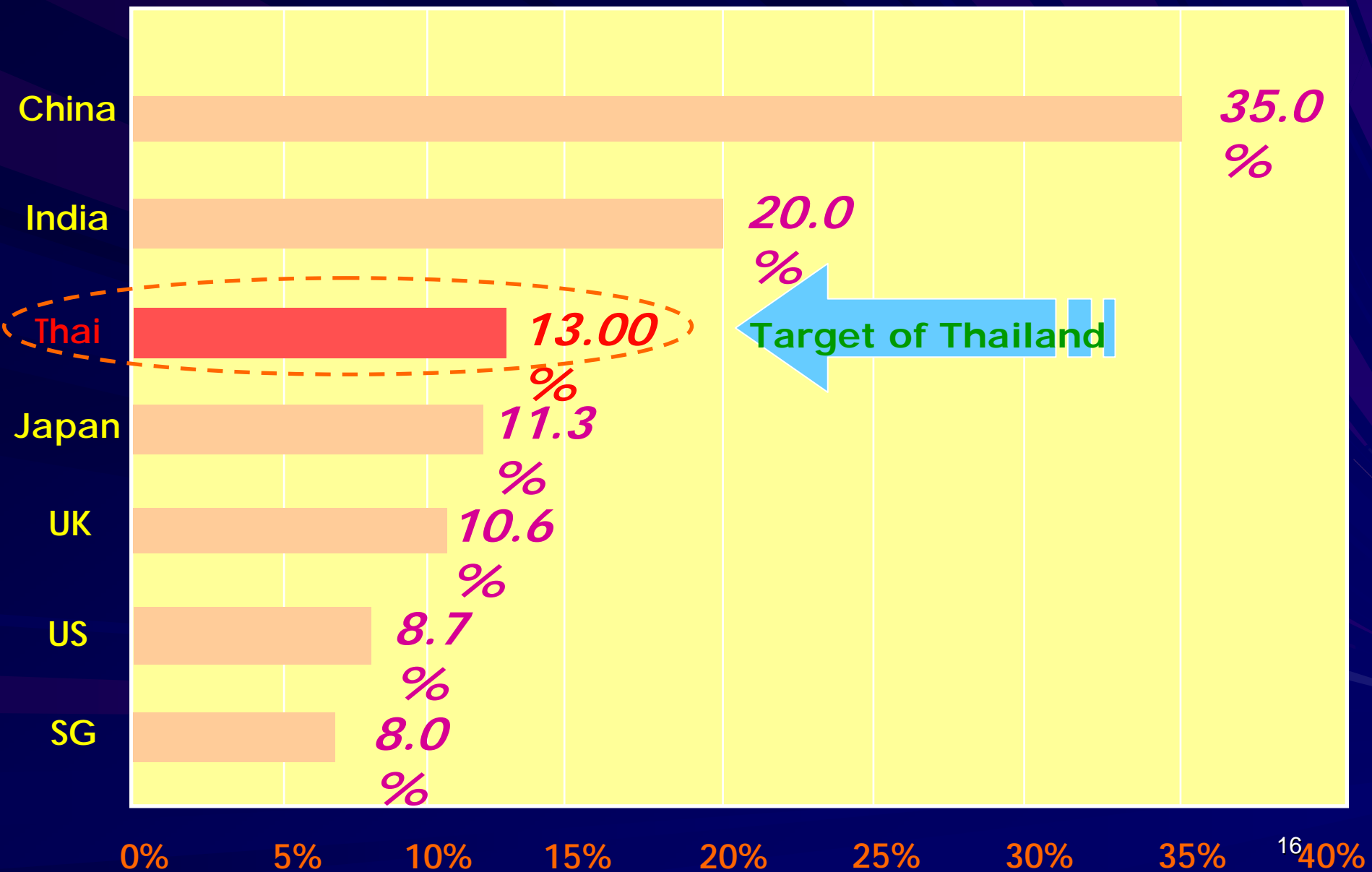
Transportation Structure in Thailand



5. Human Resource Shortage



The Target of Logistics Cost per GDP (2010)



Cooperation between Thailand & Japan

JEXA

J-Front

Logistics Clinic

Seminars in Thailand

AOTS

J-Front Project



A project to increase the ability in the areas of logistics for SMEs by inviting Japanese experts to give lecture and provide on the job training for the Thai SMEs in various sectors.

Pilot Project for Logistics Clinic



This is the pilot project of TNSC to establish logistics clinic. Two member-companies were chosen to participate in the project, then a team of Japanese experts together with Thai analysts worked with each company in diagnosing the logistics performance and providing recommendations for improvement both in terms of efficiency and costs. The two companies have best practices in logistics performance.

Extension of Logistics Clinic Project

- In 2006 , TNSC plans to extend Logistics Clinic Project to cover more industries other than food and auto parts.
- Build up logistics experts (Sense level), by selecting lecturers from university or long time experienced logistics management personnel from successful companies.
- Build up more logistics analysts (Chin dang) by cooperating with Thailand-Japan Technical Promotion Association or TPA to organize logistics training

Seminar in Thailand

- Seminar “Logistics Management for Northeast Entrepreneurs” (Mukdahan)
- Seminar “Logistics Management for North Entrepreneur” (Chiangmai)
- Road show for TNSC members cover all of region in Thailand.



AOTS

- Cooperation between AOTS and TNSC started in 2004 when AOTS provided 6 fellowships to directors and staff of TNSC to attend logistics training course in Japan.
- In 2005, 5 fellowships were provided again for the logistics training course in Japan
- In 2005, the Logistics Management Program was organized for TNSC members in Bangkok ,Thailand which cover 6 modules
- In 2006, 20 fellowships both government and private sector were provided for the logistics Policies for Thailand course in Japan during 13-20 Aug 2006.

Outcomes

- **Logistics has become a national agenda.**
- **Logistics Master Plan is being drafted.**
- **More awareness among exporters, government officers and the general public on logistics management.**
- **Better interest from students both university and vocational levels.**
- **More budget has been allocated for logistics improvement, though it focuses more on infrastructure development.**

Future Plan of TFL in cooperation with Japan

Establishing ASEAN Logistics Network

ASEAN-wide Training Network

**Training course on logistics for the
entrepreneurs and government officers
in the GMS region.**

Logistics Clinic II

**Thank You
for Your
Attention.**