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# LOGISTICS SERVICES FOR A COMPETITIVE THAILAND

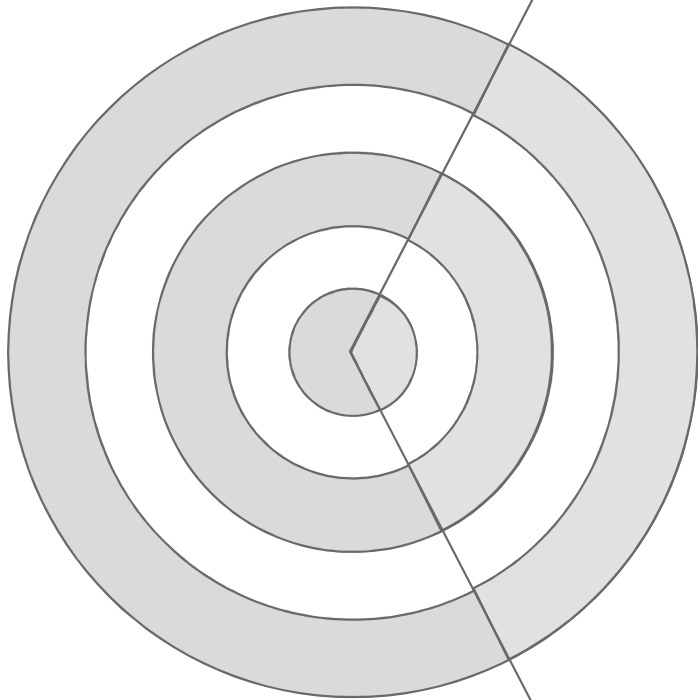
JFCCT Forum 2016: “Services!”  
Strategic services sectors - logistics

Bangkok, 28 June 2016



## Presentation overview

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- Services role for a country's competitiveness
- Logistics as a strategic sector
- ASEAN Logistics Roadmap

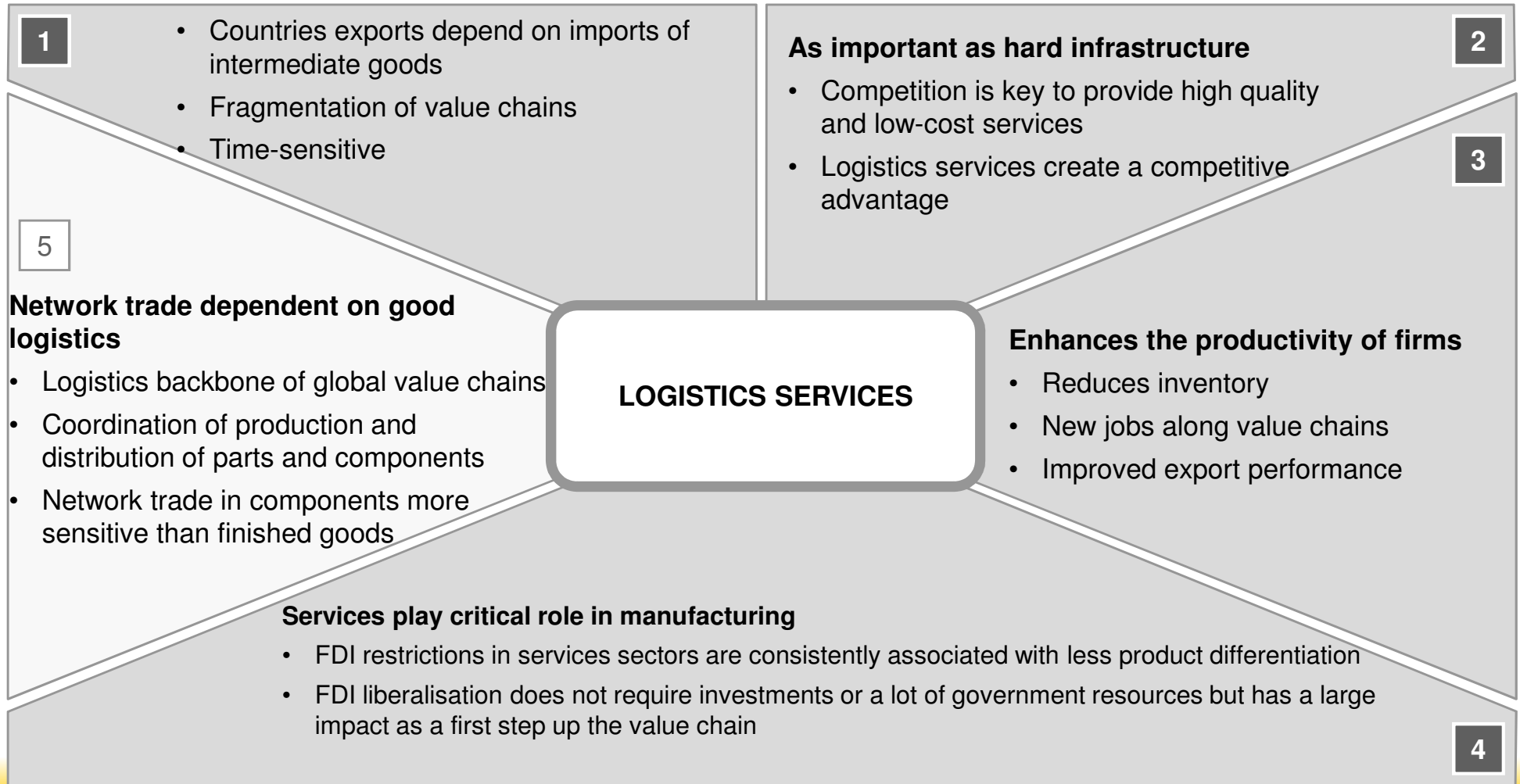
# Agenda

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- **1. Logistics services as a strategic sector**
- 2. Context – ASEAN Economic Community
- 3. Logistics services in Thailand
- 4. Way Forward

## Logistics: A strategic sector

### Logistics services are crucial for supporting trade and are particularly important for regional integration



# Agenda

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1. Logistics services as a strategic sector

**» 2. Context – ASEAN Economic Community**

3. Key challenges

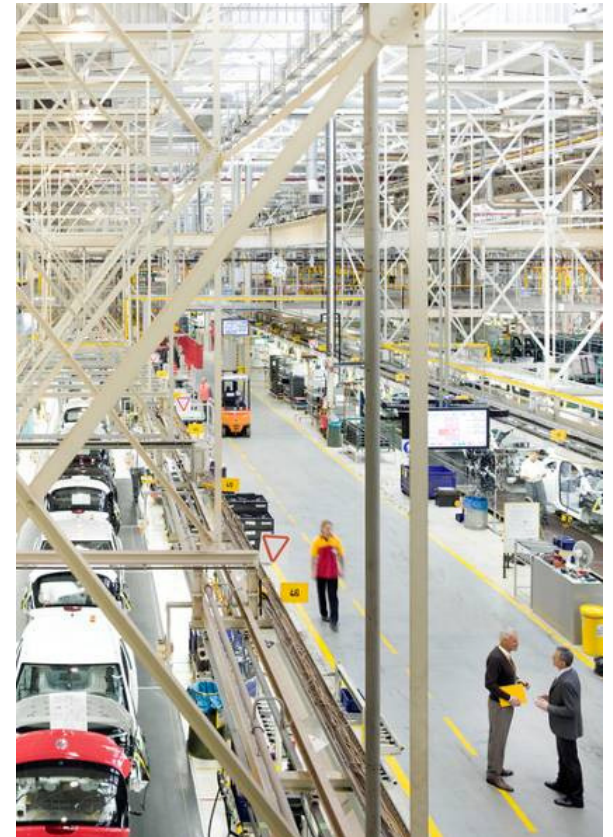
4. Way Forward

# ASEAN Economic Community (AEC)

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## ASEAN's Opportunity to Enhance Intra-Regional Trade

1. **Intra-ASEAN trade around 27% - huge opportunity to increase.**  
Intra-EU trade well above 70%.
2. **ASEAN Economic Community Blueprint 2025 – highly integrated economies and enhanced ASEAN Connectivity in the ASEAN Economic Community Vision 2025**
3. **AEC 2025 foresees:**
  - Deeper integration in trade in services;
  - Seamless movement of investment;
  - Enhanced participation in global value chains;
  - Enhance mechanisms to attract foreign direct investments



## ASEAN Connectivity

**An efficient and integrated transport system to support the AEC and improve competitiveness is the ultimate objective**

# ASEAN Economic Blueprint

ASEAN Logistics  
Roadmap  
(2007)


Master Plan on  
ASEAN  
Connectivity  
(2010)

ASEAN Strategic  
Transport Plan  
(2015)

- Transport is the very basis of ASEAN economic development and integration
- Operationalize transport facilitation agreements

# AGENDA

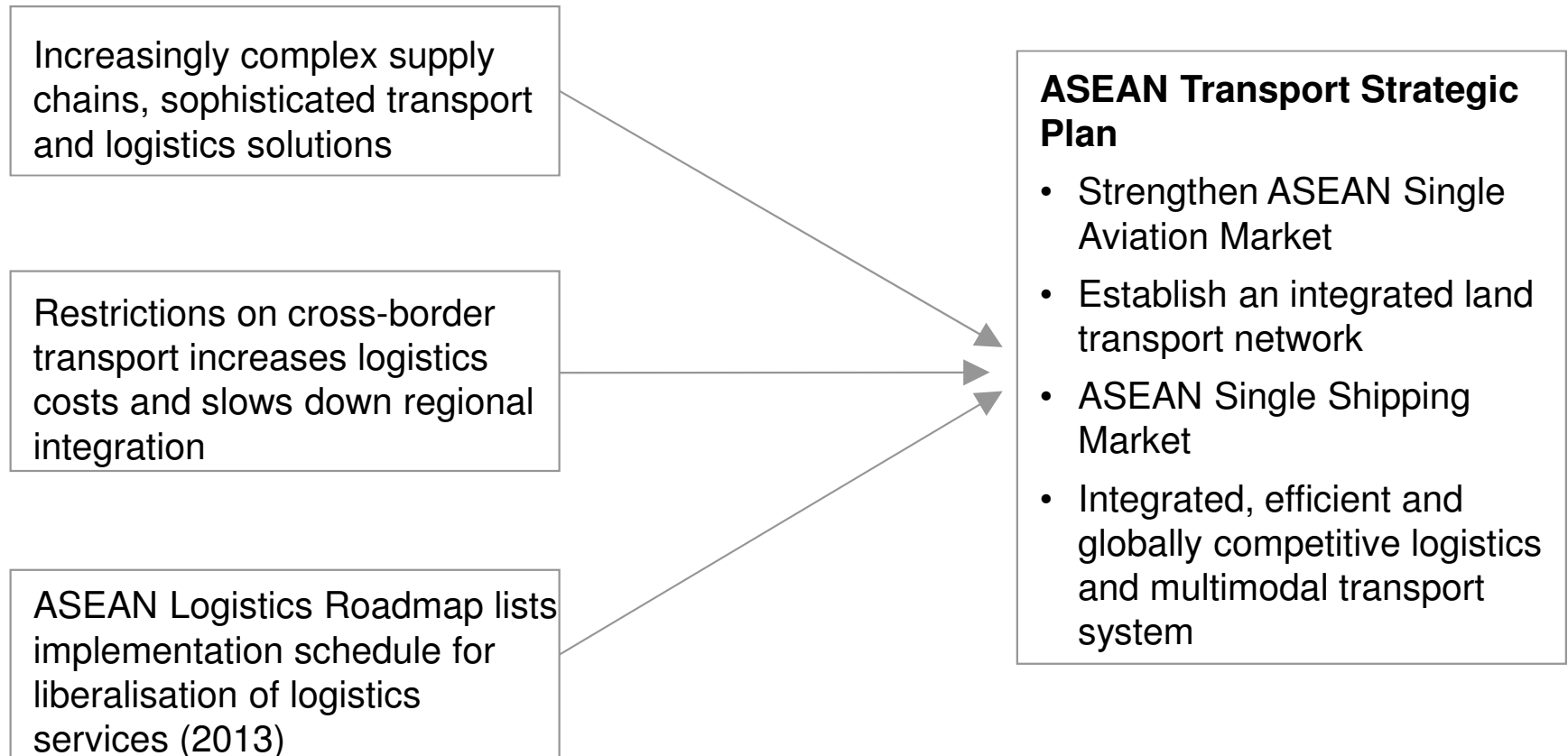
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## Key challenges

### Most of the milestones of transport integration are still in progress



## Key challenges

### Cross-border procedures for road transport has scope for more integration and liberalisation

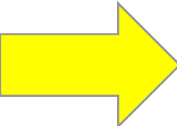
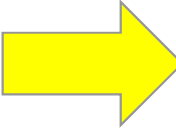

#### Setting:

- ❑ Critical for ASEAN integration and competitiveness
- ❑ Sub-regional initiatives provide opportunity to stay ahead of the curve: CLMVT
- ❑ Road transport is faster than sea and cheaper than air, but is under-utilized
- ❑ Harmonization and mutual recognition to achieve seamless transports
  - Transit procedures not harmonised and streamlined
    - ✓ Vehicle and rail standards
    - ✓ Cabotage
    - ✓ Customs documentation
  - Visa requirements and immigration procedures for truck drivers




## Trade and transport facilitation in Thailand

**Thailand is consistently improving in major global rankings but addressing problematic issues is a priority to enhance competitiveness**

	PRESENT	PREVIOUS	
<b>WEF Global Competitiveness Index</b>	<ul style="list-style-type: none"> <li>• Ranked <b>31</b> (2015-16)</li> <li>• Ranked 60 in foreign ownership</li> <li>• Dropped in ranking of customs procedures and category “institutions”</li> </ul>	<ul style="list-style-type: none"> <li>• Ranked <b>31</b> (2014-2015)</li> </ul>	
<b>WEF Enabling Trade Index</b>	<ul style="list-style-type: none"> <li>• Ranked <b>57</b> (2014)</li> <li>• Domestic market access at lower end of ranking</li> <li>• Access to input goods problematic</li> </ul>	<ul style="list-style-type: none"> <li>• Ranked <b>57</b> (2012)</li> </ul>	
<b>World Bank Logistics Performance Index</b>	<ul style="list-style-type: none"> <li>• Ranked <b>35</b> (2014)</li> <li>• Improvements on all categories</li> <li>• But consistently behind Malaysia in the ranking</li> </ul>	<ul style="list-style-type: none"> <li>• Ranked <b>38</b> (2012)</li> </ul>	

# AGENDA

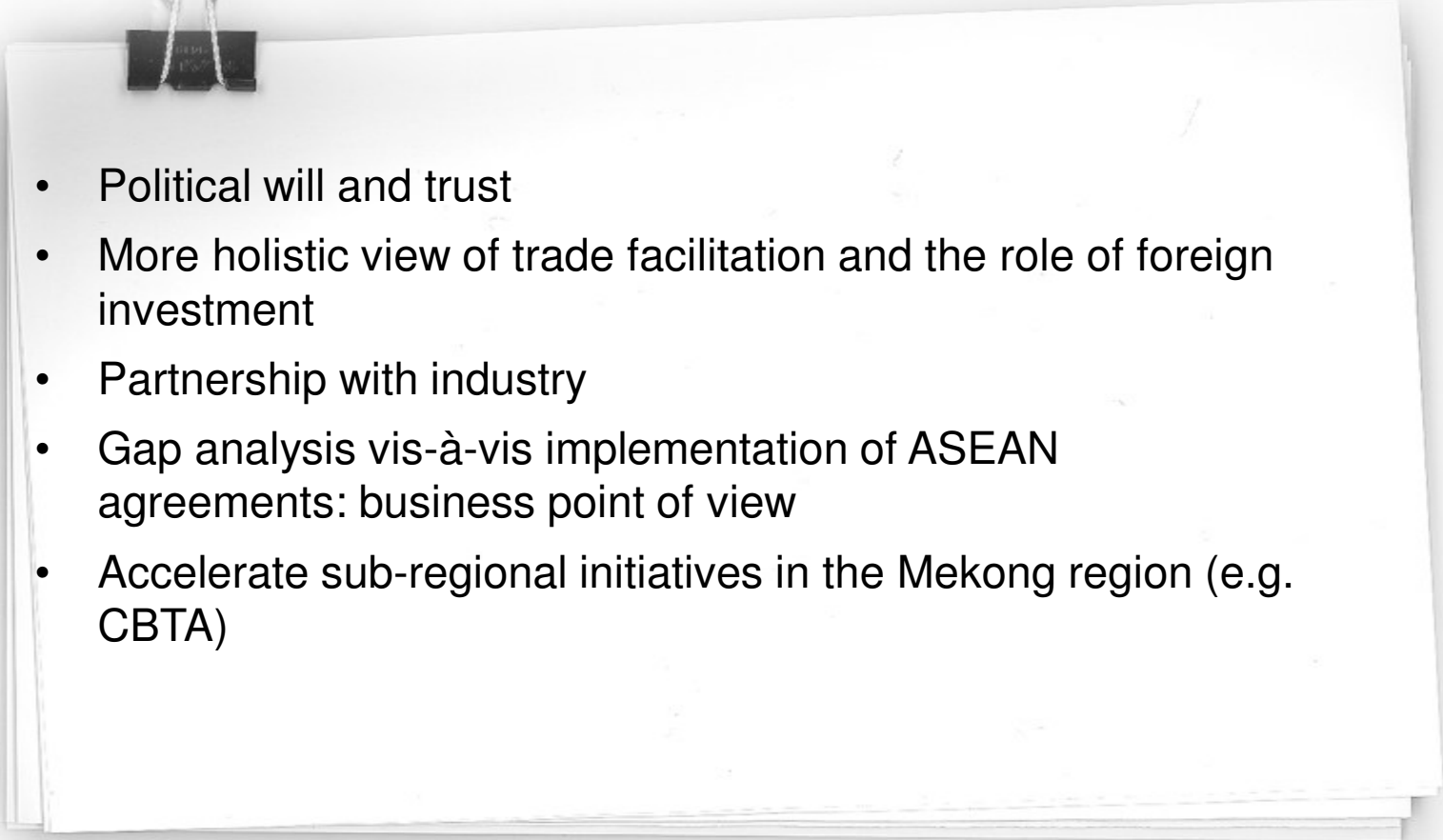
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## Solution

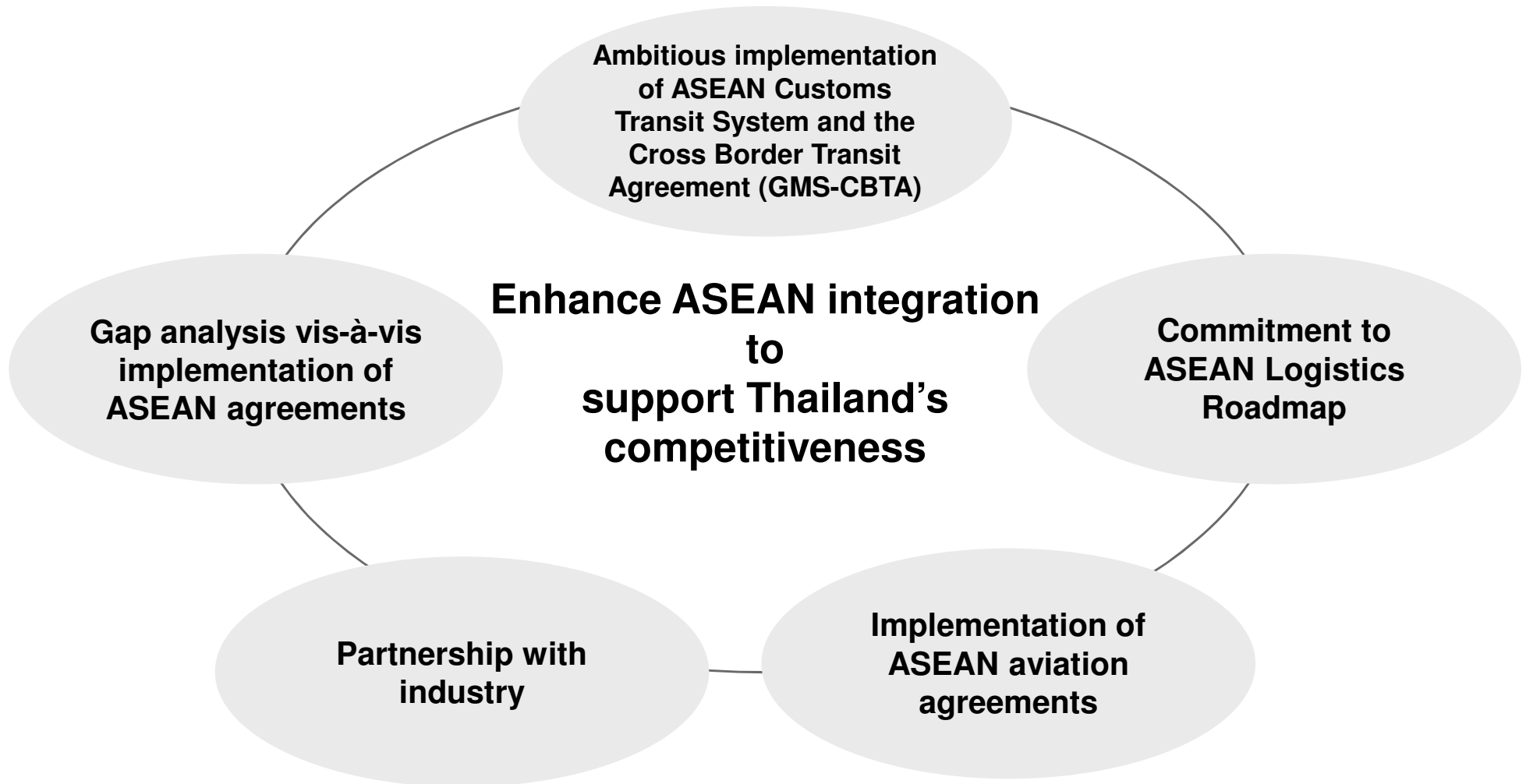
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### **ASEAN economic integration requires a comprehensive approach and bold decisions**

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- Political will and trust
  - More holistic view of trade facilitation and the role of foreign investment
  - Partnership with industry
  - Gap analysis vis-à-vis implementation of ASEAN agreements: business point of view
  - Accelerate sub-regional initiatives in the Mekong region (e.g. CBTA)

## Way forward

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## Concluding remarks

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- Logistics is a key competitive advantage for manufacturing
- Hard infrastructure is important to support physical connectivity but policy changes and trade facilitation are as important to provide for a competitive and efficient logistics chain
- Better regional connectivity will improve ASEAN's resilience and competitiveness
- Improving supply chain performance requires coordination across many government agencies and collaboration with industry
- Mapping of necessary changes to current legal framework: involve industry
- Commitment to ASEAN Transport Strategic Plan, full implementation of GMS Cross-Border Transit Agreement

# THANK YOU

