Over the past 20 years, overall international trade with Thailand has grown 600%. Manufacturing exports in particular have increased to where they accounted for 81% of the country’s total exports in 2011. Such growth, aided in part by the nation’s bilateral trade agreements with Japan, Korea, China, India, New Zealand and Australia, has led Thailand to upgrade its logistics infrastructure and expertise. Currently, the logistics industry in Thailand is dominated by foreign companies. Its top 10 freight forwarders are Maersk Logistics, K&N, DHL, UPS, Schenker, Panalpina, Phoenix International, BAX Global, Agility, and UTI.

Thailand is geographically positioned to become one of Asia’s major trading hubs. This is particularly true for the airfreight, trucking and railway industries. Situated within a 5 hour flight from Asia’s major cities, Thailand has recently aspired to become ASEAN’s air cargo hub after opening the 18th largest international airport in the world. Combining this with Thailand’s well-developed, value-added industries, the country could potentially continue to enjoy its high growth and face an influx in foreign investment from those companies seeking to be a part of Asia’s increasingly complex trade routes.

After the completion of the corridor that will link Southeast Asia with China, Thailand will witness heavy trade flows among these countries. Thailand’s trade activity will expand even further when the 10 member countries of ASEAN launch the ASEAN Economic Community, or AEC, in 2015 as a seamless market of 600 consumers.

Due to Thailand’s manufacturing prowess in Southeast Asia, Thailand has potential in becoming a distribution center with these new road linkages and extensive highway system. Additionally, foreign 3PLs are rapidly increasing their market share in the retail and consumer goods sectors. Seeing this opportunity and vast improvement in infrastructure, many LSPs could begin expanding their scope of business from express mail services to freight forwarding.

With the Thai government’s approval to increase its budget, the State Railway can revamp the entire railway network in Thailand. Heavy reliance on trucking will then shift to railway, creating greater efficiency for long distance traveling as well as decreasing the overall logistics costs in Thailand.

Additionally, because Thailand is a bigger exporter than importer, it sends out more shipping containers than it receives. Currently, these containers are not manufactured in Thailand itself, and Thai exporters must pay to have about 1 to 1.5 million empty shipping containers sent to the country every year. At a cost of about US$ 200 to 300 per container, the transport of empty shipping containers costs Thailand US$ 450 million per annum. Costs would be
greatly reduced if the shipping containers could be built domestically, rather than in Malaysia, the current shipping container production hub.

Building shipping containers in Thailand presents a good investment opportunity not only because it promises to erase or at least reduce the costs associated with sending empty containers to their filling points, but also because the demand for these containers continues to grow. Shipping container building also has great promise throughout Asia, as the main shipping container routes expected to grow in the next 10 years are those within Asia and those from North America and Europe to Asia. Moreover, of the 25 largest container ports in the world, 16 are in Asia, and only six are in Europe and three in North America.