

Status of Logistics Development & RFID Adoption in THAILAND

Logistics Cost (2006)

Cost Element	Percentage of GDP
Transportation	12.7
Inventory Holding	9.0
Administration	2.2
Total	23.9

Source: National Economic and Social Development Board

Recent development

- National agenda since 2003
- February 2007: the Cabinet gave an approval to the National Logistics Strategies proposed by the National Economic and Social Development Board
- March 2007: “National Logistics Committee” established

National Logistics Committee

- Chaired by the Prime Minister
- Represented by
 - Ministries: Commerce, Industry, Finance, Education, Agriculture, ICT, Labor, NESDB
 - Private Sector: Federation of Thai Industries, Thai Chamber of Commerce, and Thai National Shippers' Council, and Thai Bankers' Association

National Logistics Development Strategy

- Vision: World-class logistics system to support Thailand as the Indochina's trade center
- Objectives
 - Cost Efficiency
 - Responsiveness
 - Reliability and Security

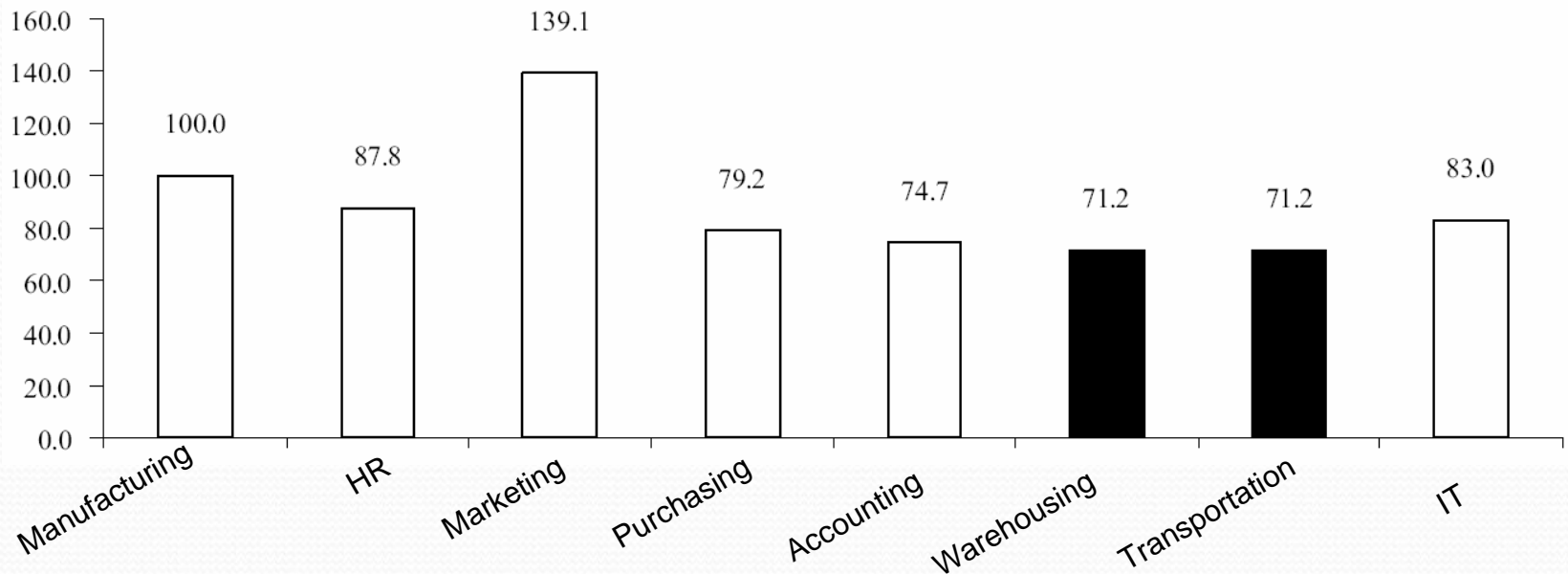
National Logistics Development Strategy

Five Strategic Areas

- Business Logistics Improvement
 - Best practices in logistics efficiency
 - Traceability
- Transport and Logistics Network Optimization
 - Modal Shift
- Logistics Service Internationalization
 - Integrated Services
- Trade Facilitation Enhancement
 - Single Window Entry
- Capacity Building
 - Database
 - Human Resource

Barriers to Logistics Competency Development

- Lack of Awareness/Understanding
- Lack of Funds for equipment and ICT
- Shortages of logistics personnel



RFID Market

- A study by Frost & Sullivan indicated that
 - Market expected to grow at a compound annual rate of 14.5 percent from 2005-2010.
 - Market will reach \$32 million in 2010 from \$16 million in 2005
- Cost:
 - Hardware 60% Implementation 40% (UHF application)
 - Hardware 30% Implementation 70% (HF application)
 - Tag: 10 baht

RFID Adoption (2005)

- Transport (20% approx.)
- Manufacturing & Logistics (20% approx.)
- Security/Access Control (40% approx.)
- Animal Tracking (10% approx.)
- Others (10% approx.)

RFID Promotion Initiatives

Thailand RFID Cluster: Grouping and networking of RFID enterprises with the goal to make Thailand less dependent on RFID imports

- C - Chip & Card
- A - Application Software
- T – Terminal & Reader
- S – System & Solution

Barriers to RFID Adoption

- Lack of awareness
- High cost of RFID
- Low labor cost
- Lack of developments of standards