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on Transport, Trade Logistics and Trade  
Facilitation:


**Transport and logistics innovation  
towards the review of the Almaty  
Programme of Action in 2014**

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**PORT AUTHORITY OF THAILAND  
AND LANDLOCKED LAOS PDR**

by

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# Port Authority of Thailand and landlocked Lao PDR

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**Port Authority of Thailand**

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## Agenda:

- 1 Introduction and Background
- 2 Mission and Responsibility
- 3 AEC, Thailand and Lao PDR
- 4 Facilities of In-transit warehouse
- 5 Problems and Obstacles
- 6 Discussion

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## 1. Introduction and Background



Port Authority of Thailand (PAT) is a public utility state enterprise dealing with the maritime transportation. It is in charge of managing and developing the ports which are regarded as a strategic gateway to the Kingdom for the conveyance of both imported and exported goods.

The goal of the PAT is to navigate the Thai ports towards becoming maritime transportation hub for Asia focusing on achieving an international standard both in terms of modernized management and state-of-the-art technology, with participation in social development.

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## 1. Introduction and Background



- In this, the PAT is determined to develop five ports.
  1. Bangkok Port and Laem Chabang Port will be improved to meet international standards to benefits all users.
  2. Chiang Saen and Chiang Khong ports will be managed and operated to respond to the goal of becoming the transportation centre of the Greater Mekong Subregion (GMS)
  3. Ranong Port will be developed and promoted as the gateway to Andaman trade.

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## 2. Mission and Responsibilities

### **Mission:**

- **Managing and developing ports** as key infrastructure as key to ensure effective services of world-class standard.
- **Developing transportation and cargo transshipment** system into a logistics chain with port service networks and port-related activities.
- **Promoting balanced asset development** as private business for the benefit of the nation and the public.

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## 2. Mission and Responsibilities

### **Roles and Responsibilities:**

- The main role of the PAT is to accommodate vessels and goods, **dredging and maintaining water courses, bar channels and basins**
- **Transfer, handling moving, storing and delivery of goods** to their consignees as well as collaborating
- **Coordinating with the government agencies and international ports** and developing and improving the operation of the port.

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## 2. Mission and Responsibilities

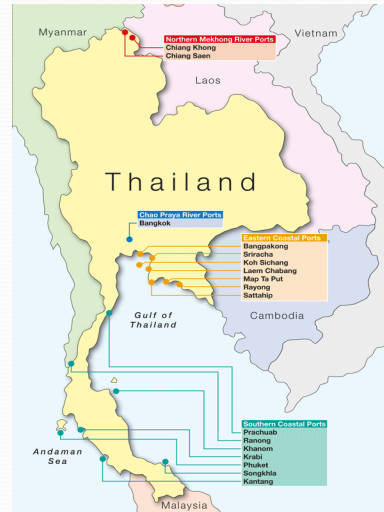


Figure 1: Port Authority of Thailand

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## 3. AEC, Thailand and Lao PDR



- **The ASEAN Economic Community (AEC) Blueprint** envisions capital market integration by 2015. Through free movement of capital, ASEAN nations will see an increase in regional economic prosperity and stability, as well as a reduction in the development gaps among member states.
- Thailand is one of the ASEAN member countries with **land borders connected** with 4 other member countries including **Cambodia, Lao PDR, Malaysia and Myanmar**.

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### 3. AEC, Thailand and Lao PDR

- There will be free flow of goods, services, investment capital and skilled labor following the liberalization.
- The quality of logistics services also varies among the Asean members, such as customs brokerage, freight forwarding, and express delivery. Logistics services are **world-class in Singapore but poor in Laos, Cambodia, and Myanmar.**

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### 3. AEC, Thailand and Lao PDR

#### **Transit Cargo between Thailand and Lao PDR**

- Being the country with international standard of nationwide road facility, seaports and airports facilities, **Thailand** is the most selected country to transit **Lao's** imported & exported cargo.
- Hence, to comply with **Barcelona Treaty**, there is no tax or duty applicable to such transit shipment via Thailand's gateways.

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### 3. AEC, Thailand and Lao PDR



Figure 2: Thailand and Lao PDR's border

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### International Agreements for Transport Operations.



- ASEAN Framework Agreement on Facilitation of Goods In Transit, 1998
- ASEAN Framework Agreement on Facilitation of Interstate Transport, 2009
- ASEAN Framework Agreement on Multimodal Transport, 2005
- GMS Cross-border Transport Agreement, 1999
  - ❖ MOU on IICBTA Thailand- Lao PDR- Vietnam, 2007
  - ❖ MOU on IICBTA Thailand – Cambodia, 2005
  - ❖ Negotiating MOU on IICBTA Thailand – Lao PDR- China

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## 4. Facilities of In-transit warehouse



### Bangkok Port

- According to the Agreement between the **Royal Thai Government** and the **Government of the People's Democratic Republic of Laos**, Thai government will provide an **in-transit warehouse** in the Bangkok Port area for all in-transit cargoes to Laos.
- The In-transit Warehouse is situated in the Customs fence with the operating area of about **26,000 square meters**. Agents for the consignees and cargoes transport must obtain the permits from the Ministry of Transport and the Customs Department.

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## Bangkok Port:



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**Bangkok Port:**



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**4. Facilities of In-transit warehouse**



**Laem Chabang Port**

Laem Chabang Port is situated at Chon Buri Province. The port covers an area of around 2,536 acres (6,340 rais).

11 berths at Basin 1 were leased out for private sector's investment, management and operation. At present, all berths have been operated : A0-A5 and B1-B5 are able to handle containers totalling 4.3 million T.E.U.s/year.

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## 4. Facilities of In-transit warehouse



### Laem Chabang Port

4 berths out of 7 berths at Basin 2, have been operated : C<sub>3</sub> (since July 2004), C<sub>0</sub> (since February 2007) C<sub>1</sub>-C<sub>2</sub> (October 2007), meanwhile, the Series D Berths D<sub>1</sub>-D<sub>3</sub> are expected to be in operation in 2011 for accommodating containers totalling 6.8 million T.E.U.s/year.

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## Laem Chabang Port:



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## Laem Chabang Port:



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## 4. Facilities of In-transit warehouse



### **Chiang Saen Port**

- Chiang Saen Port has been built to serve the government's policy on improving international transport network for the convenience of tourism, trade and investment.
- On March 25, 2003, the Cabinet resolved to authorize the Port Authority of Thailand (PAT) to manage and operate the port, which was officially put into service on October 1, 2003.

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## 4. Facilities of In-transit warehouse

- The new port is located in Chiang Saen district in Chiang Rai, one of Thailand's rugged northern provinces, and faces Laos across the Mekong River, has a total area of 387 rai (153 acres).
- The port is linked to three large highways and connects with both the East-West Economic Corridor and the North-South Economic Corridor, making it the gateway of trade, investment and transportation between Thailand and the upper Greater Mekong countries of China, Myanmar and Laos.

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## Chiang Saen Port







## 4. Facilities of In-transit warehouse

### Chiang Khong Port

- Located at Chiang Khong District, Chiang Rai, the front of Chiang Khong Port is adjacent to the Mekong River and is opposite to Huay Xai District of Bokeo Province, Lao PDR
- The 22x208 m quayside terminal can accommodate 3-5 motor vessels of up to 80-150 gross tonnage at a time as well as motor ferry with 9 sets of reefer plugs.

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## Chiang Khong Port



# Chiang Khong Port



# Chiang Khong Port





## Linkage Routes:

- Given these factors, Chiang Saen Port is considered a connection point for trade with southern provinces of China, Myanmar and Laos.
- It can also serve cargo transport to other countries in the east via the Bangkok Port and Laem Chabang Port as well as countries in the west via Ranong Port to form a triangle transport network in the future.



## Linkage Routes:

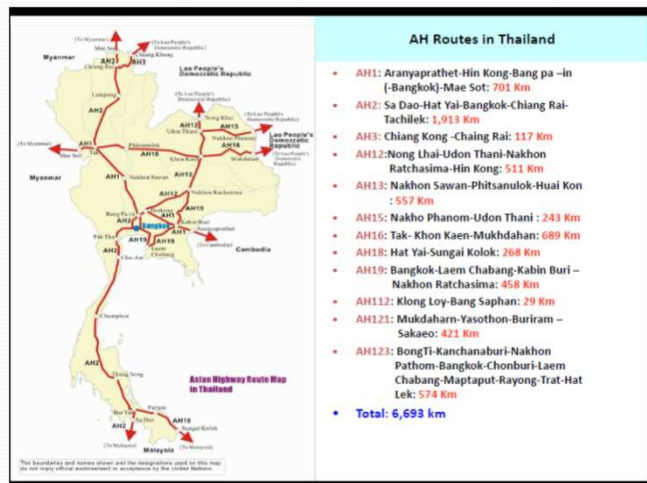
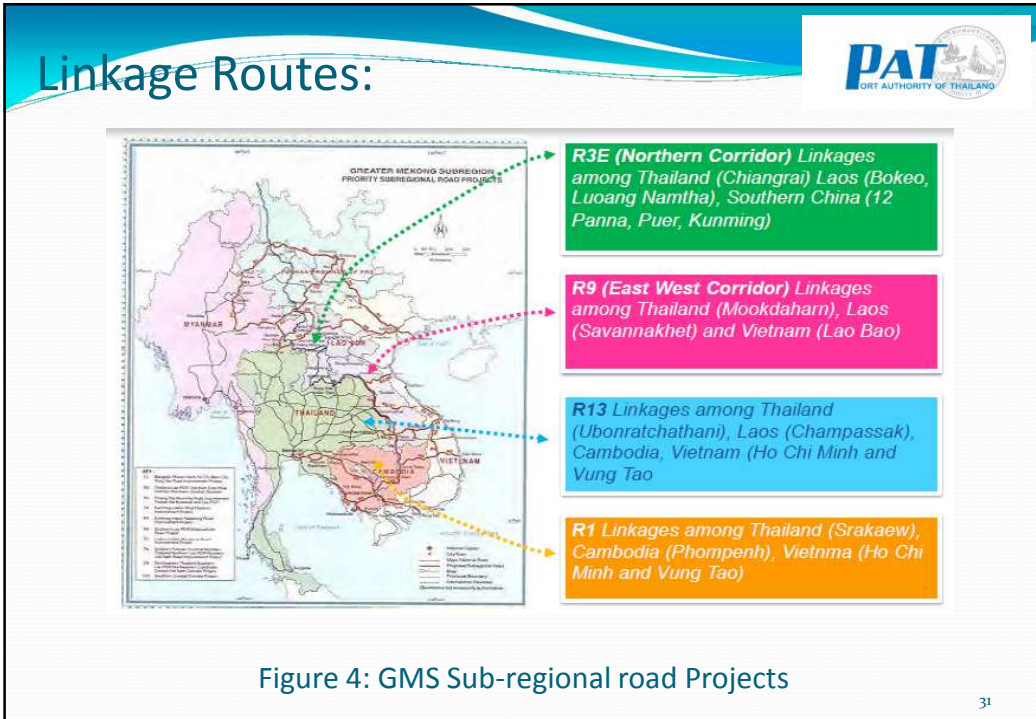


Figure 3: Routes in Thailand





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## Statistics:

Year	Volume	Export	Import	Balance
2013	87,430.14	72,041.62	15,388.52	56,653.10
2012	132,016.37	109,059.22	22,957.14	86,102.08
2011	101,660.78	81,124.77	20,536.02	60,588.75
2010	79,238.88	64,118.10	15,120.78	48,997.32
2009	66,367.13	53,740.88	12,626.24	41,114.64
2008	72,546.22	56,030.15	16,516.07	39,514.08
2007	49,395.54	41,602.32	7793.22	33,809.10

unit: Million Baht

**Table 1: Statistics of Import and Export between Thailand and Lao PDR**

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## Statistics:



Fiscal Year	Cargo			Container					Total (Revenue)
	Packages	Weight (Tons)	Revenue	FCL 20'	FCL 40'	FCL 45'	Total	Revenue	
2009	2,018,560	93,730	4,584,374	2,119	4,565	26	6,710	20,095,697.20	24,680,071.20
2010	2,541,522	96,977	3,482,002	2,044	5,653	23	7,720	21,794,-92.79	3,482,002.00
2011	2,199,603	103,796	3,330,301	2,424	6,004	7	8,435	22,479,520.85	25,809,821.85
2012	3,119,836	127,904	8,172,840	2,534	4,211	0	6,745	21,593,335.46	29,766,175.46
2013	6,354,341	205,205	9,199,787	2,954	4,529	0	7,483	29,116,163.48	38,315,950.48
<b>Total</b>	<b>16,233,862</b>	<b>627,612</b>	<b>28,769,304</b>	<b>12,075</b>	<b>24,962</b>	<b>56</b>	<b>37,093</b>	<b>115,078,809.78</b>	<b>143,848,113.78</b>

unit: Million Baht

Table 2: Statistics of Bangkok Port

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## Statistics:



Description	Import	Export
Invoice	15,005	7,489
Weight (tons)	454,857	445,059
Value (Million baht)	44,420,500,606	35,100,000,000

Year: 2013

Table 2: Statistics of Laem Chabang Port

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## Statistics:



Description	Year		
	2011	2012	2013
Ship (Call)	1,071	2,175	8,367
Vehicle (units)	13,483	6,932	19,083
Import Cargo (tons)	58,372	16,528.00	23,640
Export Cargo (tons)	91,103	75,706.00	286,272
Car (Units)	1,665	925	232
Passenger	1,958	105	0

Table 3: Statistics of Chiang Saen Port

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## Statistics:



Description	Year		
	2011	2012	2013
Ship (Call)	227	171	208
Vehicle (units)	2,030	4,152	5,230
Import Cargo (tons)	2,288	1,805.00	912
Export Cargo (tons)	39,490	48,529.00	55,077

Table 4: Statistics of Chiang Khong Port

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## 5. Problems and Obstacles

There are some problems and obstacles.

- A lack of **universal insurance** and **modern cargo handling equipment** at the border post of Laos.
- Different **open-close time of check post** in Thailand and Laos.
- There are also insufficient facilities – marshalling yards, handling equipment, stores, parking stops and gas stations.
- The **uncertainty of transportation costs** along the route is also a problem.

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## 6. Conclusion

Port Authority of Thailand supports cargo transportation from Thailand to Lao PDR by four ports as Bangkok Port, Laem Chabang Port, Chiang Saen Port and Chiang Khong Port.

Facilitating and increasing the efficiency of the operation for convenient, fast, transparent service with fewer process as well as exporting-importing by providing mechanical equipment and offering an One-Stop Service system for documentation with port's users at Thai's Port office.


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Reference:

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- [http://www.business-in-asia.com/asia/asean\\_economic\\_community.html](http://www.business-in-asia.com/asia/asean_economic_community.html)
- Source: PAT news, March 2012, Issue 32
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Thank you  
For your attention

Q & A

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## **Port Authority of Thailand and landlocked Laos PDR**

by

**Lt. Jg. Veerachai Gosasang, RTN.**

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### **1. Introduction and Background**

Ports construction as a means of promoting international trade has been a national policy since 1932 when Vice Admiral Phraya Rajawangsan, the Minister of Defence, proposed the dredging of the sandbar at the mouth of the Chao Phraya River and the improvement of the existing ports to facilitate large sea-going vessels so as to transport goods with greater ease and in a cost-efficient manner.

The government then requests for the assistance of the League of Nations, which subsequently sent experts to investigate economic conditions and trade in Bangkok, as well as the appropriate location to build a port. The team of experts came up with two locations: Klongtoey Sub-district and Samutprakarn. Klongtoey was chosen and the sandbar at the river mouth was dredged and a modern port was built. The government subsequently set up a Port Construction Committee chaired by Colonel Phra Boriphan Yuthakit, the Minister of Economic Development, to develop plans to carry out dredging and to construct the port.

The work commenced in 1938, with the Office of Bangkok Port being set up to oversee the construction work before it was halted due to World War II. The construction was eventually completed after the war had ended.

In this, the PAT is determined to develop five ports.

1. Bangkok Port and Laem Chabang Port will be improved to meet international standards to benefits all users.

2. Chiang Saen and Chiang Khong ports will be managed and operated to respond to the goal of becoming the transportation centre of the Greater Mekong Subregion (GMS)

3. Ranong Port will be developed and promoted as the gateway to Andaman trade.

The heart of the PAT's transportation services lies in the development of a network connecting logistics, transportation and various kinds of technologies with the convenience, speed and efficiency. The goal of the PAT is to navigate the Thai ports towards becoming maritime transportation hub for Asia focusing on achieving an international standard both in

terms of modernized management and state-of-the-art technology, with participation in social development. Throughout the past 60 years, the PAT has proved the value of its mission in truly serving the state and the people of Thailand.

## **2. Mission and Responsibility**

### **Mission:**

Managing and developing ports as key infrastructure as key to ensure effective services of world-class standard to promote multimodal transport in order to strengthen the sustainable competitiveness of the country.

- Developing transportation and cargo transshipment system into a logistics chain with port service networks and port-related activities.
- Promoting balanced asset development as private business for the benefit of the nation and the public.

### **Roles and Responsibilities:**

- The main role of the PAT is to accommodate vessels and goods, dredging and maintaining water courses, bar channels and basins together with overseeing the transfer, handling moving, storing and delivery of goods to their consignees as well as collaborating and coordinating with the government agencies and international ports and developing and improving the operation of the port.

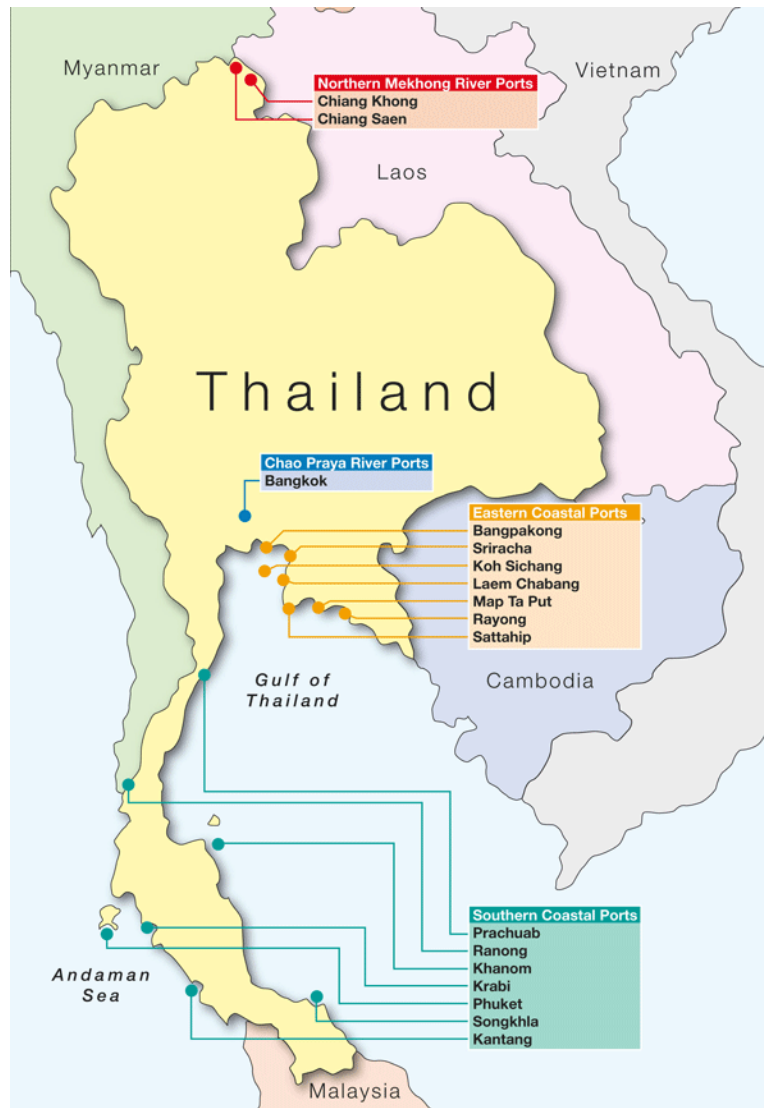


Figure1: Port Authority of Thailand

### 3. AEC, Thailand and Lao PDR

Thailand is one of the ASEAN member countries with land borders connected with 4 other member countries including Cambodia, Lao PDR, Malaysia and Myanmar. There will be free flow of goods, services, investment capital and skilled labor following the liberalization. These will include tariff reductions and streamlining of certain administrative procedures. Many businesses have begun preparing themselves three years ahead of time to meet the challenges and opportunities of the Asean Economic Community (AEC).

According to the US International Trade Commission report on AEC ([www.usasean.org/ASEAN/pub4176.pdf](http://www.usasean.org/ASEAN/pub4176.pdf)), the challenges were seen in the area of importing and exporting which vary widely among Asean members. For example, procedures for trading are relatively easy to complete in Singapore, Thailand, and Malaysia, but very



difficult in Laos and Cambodia. The quality of logistics services also varies among the Asean members, such as customs brokerage, freight forwarding, and express delivery. Logistics services are world-class in Singapore but poor in Laos, Cambodia, and Burma. In many Asean countries, restrictive regulations hamper the delivery of high-quality logistics services.

### **Trade between Thailand and Lao PDR**

Thailand and Laos PDR connect by the borders long 1810 kilometers which are land borders 702 kilometers long and water borders 1108 kilometers long. Therefore, it increases the trade volume between these two countries.

### **The aspect of freight forwarder of Lao PDR's cargoes**

- State-owned Company
- Private Company
- Border Merchant

### **International Economic Agreements**

Laos PDR has made the international economic framework in several features such as

- ACMECS: Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy:

Laos PDR, Cambodia, Myanmar, Vietnam and Thailand have agreed to free tax imports of agricultural products and support the private company in Thailand to produce the agricultural products and buy the agricultural products from neighbor countries or what we call Contract Farming

- Greater Mekong Sub Region Economic Cooperation - GMS: is the agreement of 6

countries which are Thailand, Myanmar, Lao PDR, Cambodia, Vietnam and China. This agreement makes Lao PDR to be a center of transportation by using North South Economic Corridor and East West Economic Corridor connect the investment, tourist, and logistics activities together.

### **Transit Cargo between Thailand and Lao PDR**

Being the country with international standard of nationwide road facility, seaports and airports facilities, Thailand is the most selected country to transit Lao's imported & exported cargo. Hence, to comply with Barcelona Treaty, there is no tax or duty applicable to such transit shipment via Thailand's gateways.



Figure 2: Thailand and Lao PDR's border

#### 4. Facilities of In-transit cargoes at Bangkok Port, Laem Chabang Port, Chiang Saen Port and Chiang Khong

- **In-transit cargoes at Bangkok Port**

According to the Agreement between the Royal Thai Government and the Government of the People's Democratic Republic of Laos, Thai government will provide an in-transit warehouse in the Bangkok Port area for all in-transit cargoes to Laos. The In-transit Warehouse is situated in the Customs fence with the operating area of about 26,000 square meters. Agents for the consignees and cargoes transport must obtain the permits from the Ministry of Transport and the Customs Department.

In-transit cargoes kept in Thailand longer than 90 days shall be claimed as overtime cargoes and Thai authorities are able to handle the cargoes as overtime cargoes according to Thai Laws

- **In-transit cargoes at Chiang Saen Port**

Chiang Saen Port has been built to serve the government's policy on improving international transport network for the convenience of tourism, trade and investment.

It is part of the government's efforts to promote the country as a gateway for the development of Indochina and the Greater Mekong Sub-Region under the cooperation of six countries including Thailand, China, Laos, Myanmar, Cambodia and Vietnam.

On March 25, 2003, the Cabinet resolved to authorize the Port Authority of Thailand (PAT) to manage and operate the port, which was officially put into service on October 1, 2003.

Chiang Saen Port is in an area of around 3.55 Acres situated on the bank of Mekong River, Chiang Saen District, Chiang Rai Province. That is adjacent to the Mekong River and opposite People's Democratic Republic of Laos. Behind the port is the road linking Chiang Saen and Chiang Khong.

The new port is located in Chiang Saen district in Chiang Rai, one of Thailand's rugged northern provinces, and faces Laos across the Mekong River. It is situated about ten kilometers by land and six kilometers by water from the existing Chiang Saen Port, and has a total area of 387 rai (153 acres). Road connections are adequate, as the port is linked to three large highways and connects with both the East-West Economic Corridor and the North-South Economic Corridor, making it the gateway of trade, investment and transportation between Thailand and the upper Greater Mekong countries of China, Myanmar and Laos.

Another main feature of the new port is a one-stop service system which consolidates related organizations such as Customs, Health Control, Immigration, and Plant and Animal Quarantine Stations into the same building, while PAT acts as the hub to facilitate the port's customers.

- **In-transit cargoes at Chiang Khong Port**

Located at Chiang Khong District, Chiang Rai, the front of Chiang Khong Port is adjacent to the Mekong River and is opposite to Huay Xai District of Bokeo Province, Lao PDR while its back is adjacent to Highway No.1290 connecting Chiang Saen and Chiang Khong districts at the rear. The port is operated with the emphasis on enhancing the efficiency of import-export service as well as promoting border trade between Lao PDR and Thailand.

The 22x208 m quayside terminal can accommodate 3-5 motor vessels of up to 80-150 gross tonnage at a time as well as motor ferry with 9 sets of reefer plugs.

Facilitating goods import-export along the Thai-Lao border to ensure speed and convenience by offering an One-Stop Service system that allows port users to complete all the customs clearance, immigration, goods QC and other services at Chiang Khong Port office.

## Linkage Route

Given these factors, Chiang Saen Port is considered a connection point for trade with southern provinces of China, Myanmar and Laos. It can also serve cargo transport to other countries in the east via the Bangkok Port and Laem Chabang Port as well as countries in the west via Ranong Port to form a triangle transport network in the future.

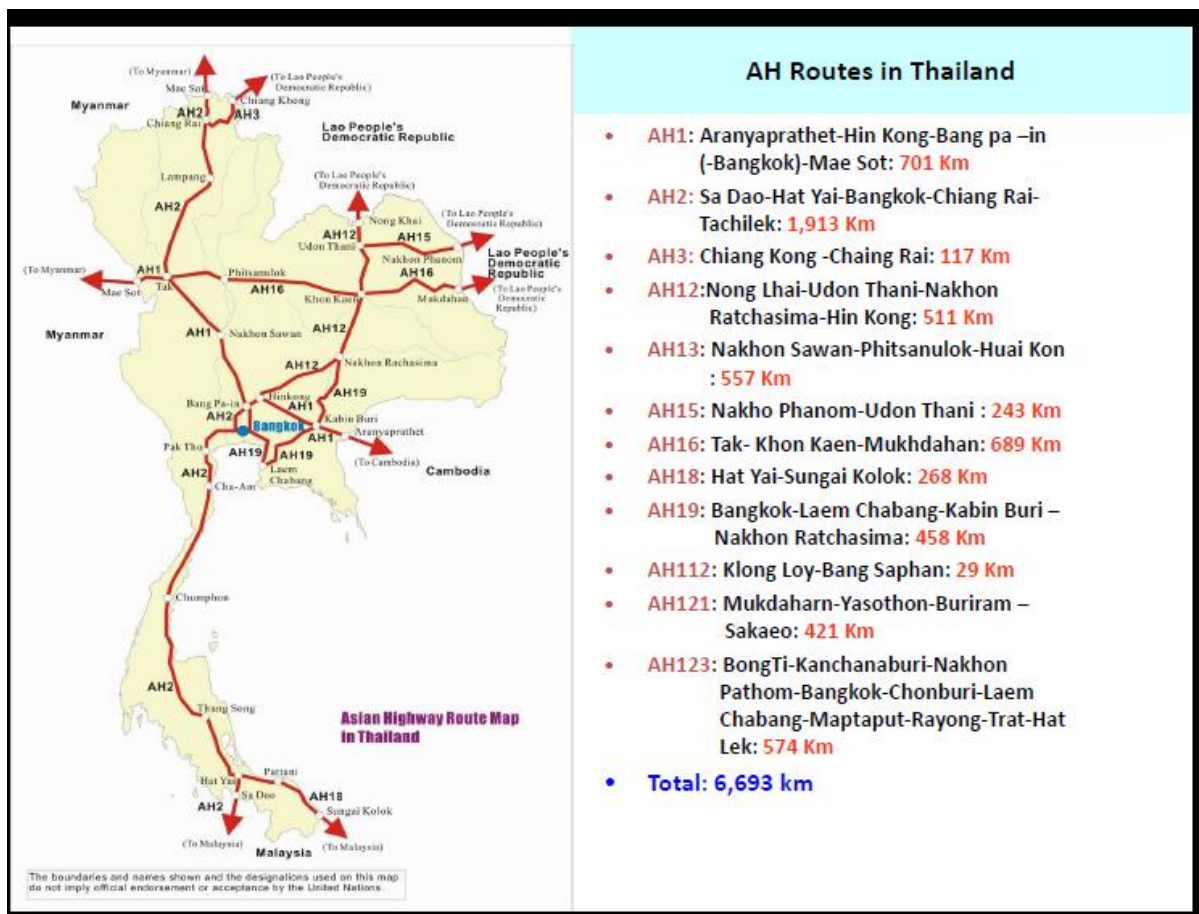


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Table 3: Statistic at Chiang Saen Port, Year 2011-2013

Description	Year		
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Import Cargo (tons)	2,288	1,805.00	912
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## 5. Problems and Obstacles

There are some obstacles and problems.

- A lack of universal insurance and modern cargo handling equipment at the border post of Laos.
- Different open-close time of check post in Thailand and Laos.
- There are also Insufficient facilities – marshalling yards, handling equipment, stores, parking stops and gas stations.
- The uncertainty of transportation costs along the route is also a problem. All in all, in order to gain the utmost benefit from the investment, facilitation on cross-border movements, both passenger and cargoes among Laos and Thailand, must be carried on.

## 6. Conclusion

Port Authority of Thailand supports cargo transportation from Thailand to Lao PDR by four ports as Bangkok Port, Laem Chabang Port, Chiang Saen Port and Chiang Khong Port. The improvement of facilities along the corridor become more convenient and secure, as well as setting a clear-cut policy to develop boarder area near Lao PDR. The proper area as a distribution center, the cross-border economic trades and investments will be boosted.

Another main feature of the new port is a one-stop service system which consolidates related organizations such as Customs, Health Control, Immigration, and Plant and Animal Quarantine Stations into the same building, while PAT acts as the hub to facilitate the port's customers.

Facilitating and increasing the efficiency of the operation for convenient, fast, transparent service with fewer process as well as exporting-importing by providing mechanical equipment and offering an One-Stop Service system for documentation with

port's users being able to have all the customs clearance, immigration, goods QC and other services at Thai's Port office.

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