

International  
environmental  
comparison analysis  
marketing essay



**ASSIGN  
BUSTER**

## **COMPANY PROFILE**

Mydin and its first store were introduced by Tuan Mydin Mohamed in 1956. The first store started by selling toys from Thailand in Kota Bharu, Kelantan. The second branch in Kuala Terengganu in 1979 saw Encik Murad Ali, the eldest son of Tuan Mydin in charge. In less than 10 years, the third of Mydin branch which marked MYDIN's rooted presence in the Klang Valley was opened at Jalan Masjid India by Dato' Ameer Ali. From then on Mydin has grown steadily and at a commendable pace. With its vision, to be the leading Malaysian Wholesale Hypermarket in Malaysia, it is now known as Mydin Mohamed Holdings Berhad.

From establishing its headquarters in 1991 in Wisma Mydin at Jalan Masjid India, its Board of Directors have worked towards the company's vision and mission which in 46 outlets nationwide inclusive of 3 Hypermarkets, 19 Emporiums, 2 Superstore (Bazaar), 12 Mini Markets (MYMydin), 4 Convenient Stores (MyMart) , 1 Eco Retail Mall at Kota Seri Emas and 5 Mydin Mart which is part of its franchise program.

Mydin business activity is retailing and wholesaling a broad range of goods ranging from food line, household, soft line and hard-line items. Soft line products include cosmetics, textile, leather and ladies/gents/baby/children/sports wear. Hard-line products include hardware, electrical, stationery, porcelain and toys. Food line includes confectionery, drinks and beverages, delicatessen, toiletries, daily and dairy products. In addition, the unique selling point offer by the Mydin are Halal-wide Product Lines that sell halal goods to Muslim such as artifacts, prayer rugs, ihraam

attire (for prospective pilgrims) and other “ Islamic” props, tools and accessories.. Furthermore, Mydin also don't forget the non-muslim people by offering affordable price of the goods in Mydin.

This is because Mydin has a strategic advantage over retailers as it sources directly from the manufacturers and purchases in bulk which enables them to get special discounts from the manufacturers, thus rendering it possible to fulfill its business philosophy of selling to its customers at wholesale prices. Its customers include end-users, wholesalers and petty traders. Mydin sources its merchandise both locally and from other countries including Bangladesh, China, France, Hong Kong, India, Indonesia, Korea, Pakistan, Singapore, Taiwan, Thailand, Turkey, United Arab Emirates and United Kingdom.

## **2. 0 Political-Legal Environment Analysis**

### **2. 1 Tariff**

#### **Singapore**

##### **Customs Duties**

All Mydin's dutiable goods imported into or manufactured in Singapore are subject to Customs duty. There are only four broad categories of dutiable goods in Singapore, namely intoxicating liquors, tobacco products, motor vehicles and petroleum products.

Good & Services Tax (GST) will levied on all imported goods, which include our Mydin products by 3% of the CIF value of the goods. CIF value means the cost, insurance and freight of the products. If Mydin's products are dutiable, the good & services tax will be collected together with the customs duty.

Singapore has six free trade zones, five for seaborne cargo and one for air cargo. The goods and service tax of 3%, which is levied on all imports, is not levied on goods stored in the free trade zones.

## **Thailand**

### **Custom Duties**

The import custom duty for Thailand have been changed for several times between the year 1985 to 1995. Before 1 January 1995, the tariffs for imported goods was quite high with an average percentage of 30.24. On 1 January 1995, the government already reduced the tariff rates to only 6 bands, excluding motor vehicles.

These are the six duty rates for imported goods, excluding vehicles.

- Duty rate is 0% for goods that government policy provides not to collect duties
- Duty rate is 1% for raw materials
- Duty rate is 5% for primary products and capital goods
- Duty rate is 10% for intermediate products
- Duty rate is 20% for finished products
- Duty rate is 30% for government protected goods

Generally, these duties will be levied on all imported goods of Thailand before releasing them from the customs. Most of the Thailand products are finished products. Therefore, the products that will import to Thailand will be charged by 20% of custom duty.

Instead, all Thailand's imported goods will also be charged excise tax for excise department. Revenue department will also charge imported product for the <https://assignbuster.com/international-environmental-comparison-analysis-marketing-essay/>

value added tax. Therefore, if Mydin wants to import their products, they have to pay for the customs import duties, excise tax and also value added tax.

For the conclusion, based on the tariff analysis of the 2 countries, Mydin's imported goods will be charged fewer tax in Singapore compared to Thailand. In Thailand, Mydin have to pay the custom duties, excise tax and value added tax. Whereas in Singapore, Mydin just have to pay the 3% goods and service tax.

## **ASEAN**

Asean is The Association of Southeast Asian Nations, was established on 8 August 1967 in Bangkok, Thailand. The main purpose of the Asean is to accelerate the economic growth, social progress and cultural development in the region. Malaysian, Thailand and Singapore are the member of the Asean, so Mydin are supported by the Asean purpose to extend their business in Thailand and Singapore as they are all also Asean member.

Asean had establish Asean free trade area (AFTA). ASEAN Member Countries have made significant progress in the lowering of intra-regional tariffs through the Common Effective Preferential Tariff (CEPT) Scheme for AFTA.

More than 99 percent of the products in the CEPT Inclusion List (IL) of ASEAN-6, comprising Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand, have been brought down to the 0-5 percent tariff range. Thailand, Singapore and Malaysia are the member of the AFTA so the tariff between these country will be decrease and Mydin having more advantage for extending their business to Singapore and Thailand compared to other country that are not in Asean and the tariff are higher

<https://assignbuster.com/international-environmental-comparison-analysis-marketing-essay/>

## 2.2 Political risk

In Thailand, the main political risk that Mydin worry about is the latest demonstrations in Bangkok by the red-shirted United Front for Democracy against Dictatorship (UDD) at Thailand's Government House. Thailand business leaders warned that an escalated protest or an outbreak of violence would represent a step back for Thailand and lead to heightened concerns about political risk. This political risk will affect Mydin because no people dare to buy product at Thailand if the political is not stable. It will affect Mydin to operate effectively and reduce Mydin profit. Besides, the population of Thailand is 64, 631, 595, and it's population density is 126 people per sq km and population Growth Rate: 0. 68%. It's a large number of a population and it is good for Mydin. According to survey, the crime rate in Thailand 8. 80422 per 1, 000 people and is number 47th in the world. The crime rate will affect the investor like Mydin to invest in Thailand if the crime rate is high.

In Singapore, the political risk that Mydin worry about is the relations with neighbors' relations with Indonesia, Malaysia and Thailand in particular are often thorny, and are further complicated by Singapore's heavy investment in regional economies and its reliance on neighbors' for some key resources. Singapore need to have a good relationship with Malaysia so that Mydin can extend their business in Singapore. Demographics and race relations also another political risk in Singapore is another political risk. It's complicated by demographic issues - the majority Chinese population is growing at a lower rate than minority Malays and Indians due to different birth rates, and the government has made repeated efforts to encourage citizens to have more children. Labor shortages mean the country has to rely on immigrant

workers for many jobs. If the citizen is not enough, Mydin need to spend more money on hiring immigrant worker to work. It increase the expenses of Mydin.

### **3. 0 Economic Analysis**

#### **3. 1 Gross Domestic Product (GDP)**

The gross domestic product (GDP) is a basic measure of a country's overall economic performance. It is the market value of all final goods and services made within the borders of a country in a year. The GDP of Thailand achieved 553. 4 Billion U. S. Dollars in year 2008 indicating an increase of 3. 6% compared to year 2007. For Singapore, the GDP achieved 240 Billion U. S. Dollars in year 2008 and an increased of 1. 2% compared to last year. The growth rate is slightly lower to last few years as a result of financial global crisis.

The increased in GDP showed that there is a growth of the economy. Gross Domestic Product (GDP) represents economic production and growth that has a large impact on every economy units. When the economy is in a healthy stat, the economy has a low unemployment rate and wage increases as to meet the demand of labour for the growing economy. A significant change in the GDP will also affect the stock market. An unhealthy economy will lower down the stock price and reduce the company's profit, and vice versa.

The Gross Domestic Product (GDP) for Thailand and Singapore in year 2008 both show a positive improvement. The GDP of the Thailand growth is 3. 6% while for Singapore is 1. 2%. This shows that Thailand has a higher growth

compared to Singapore. A higher GDP implies that there is a lower unemployment rate, higher wage increase and companies have higher profit in Thailand.

As a result, MYDIN will have better opportunities by investing in Thailand compared to Singapore due to higher GDP n growth rate. A higher GDP indicates that the unemployment rate is lower. It shows that more citizens are employed and they have higher wage due to higher GDP of the economy. This shows that the citizens of Thailand can afford to purchase MYDIN's product with their wage. A higher GDP also indicates companies share price will increase. As a result, MYDIN can earn more profit.

### **3. 2 Gross National Income per Capita (GNI per Capita)**

GNI per capita is used to measure the average income earned by a citizen of that country. GNI per capita of Singapore in 2008 is 20, 066 US dollar per person, and is rank 19th in the world. On the other hand, GNI per capita of Thailand in 2008 is 1, 838. 41 US dollar per person, and is ranked 80th in the world (according to [http://www.nationmaster.com/graph/eco\\_gro\\_nat\\_inc\\_percap-gross-national-income-per-capita](http://www.nationmaster.com/graph/eco_gro_nat_inc_percap-gross-national-income-per-capita)).

Comparing Thailand and Singapore, Singapore GNI per capita is higher 18227. 59 US dollar than Thailand. This mean that citizen of Singapore have higher income and their purchasing power is higher than citizen in Thailand.

According to Keegan and Green 2008, GNI per capita of 826 to 3255 US dollar is classified as lower-middle-income countries. Thailand is rapidly expanding consumer markets. And the labor cost is cheap in Thailand. So, if Mydin will have advantage of low labor cost at Thailand and many firms also



like to produce their product at Thailand because of their cheap labor cost. According to Keegan and Green 2008, GNI per capita of 10066 or more is classified as high-income countries. Singapore with GNI 20066 US dollar per person is consider as high-income countries and also know as advanced, developed, industrialized, or postindustrial country. In Singapore, sustained economic growth through discipline innovation and their service sector is more than 50 % of GNI. The information processing and exchange is very important in high-income country like Singapore and also the interpersonal relationship. So if Mydin want to extend business at Singapore, Mydin must provide full information about the retailing services that they provide. Mydin can earn higher profit at Singapore as it is a high-income country and all the citizen are having higher income and have higher purchasing power as higher GNI also mean that's the citizen have higher purchasing power and vice versa.

### **3. 3 Population**

Population is the total number of people who is staying in the country.

The number of total population for Singapore is about 4. 65 million, whereas there is 65. 9 million of population in Thailand. The differences of population between these 2 country are very high. The population of Thailand is greater than Singapore for 61. 25 million. Based on the population of both countries, Mydin may have a better chance in a higher population country.

The population growth rate of Singapore is about 0. 998% and the growth rate of Thailand is about 0. 615%. Although population of thailand is higher

than Singapore, but the growth rate of population in Singapore is higher than the population in Thailand.

For the age structure of Thailand, there is 70.5% of population is between 15 years old to 64 years old. For Singapore, there is 76.7% of population is between 15 years old to 64 years old. Singapore is higher than Thailand for 6.2%. Mostly of the people that will purchase product from Mydin is between the age 15 to 64 years old. Therefore, the country that has a higher percentage of population which is between 15 years old to 64 years old will result in better chance for Mydin.

Based on the population analysis, Mydin will have the better chance in Thailand because the population of Thailand is more than Singapore about 61.25 million people. Although the percentage of population which is 15 to 64 years old in Singapore is higher, the large number of population in Thailand will help increase the sales of Mydin.

### **3.5 Inflation Rate**

Inflation rate is a measure of inflation, the rate of increase of a price index. It is the percentage rate of change in price level over time. If the price of a good increased from previous year while the income kept constant, then the consumer's buying power will decrease. When the consumer's purchasing power decrease, company will make less profit. The inflation rate for Thailand is 5.5% while for Singapore is 4.3% in year 2008.

(2009 CIA WORLD FACTBOOK) Thailand has a higher inflation rate compared to Singapore. This shows that consumers in Thailand will have a lower purchasing power compared to Singapore due to inflation. For Mydin, it is <https://assignbuster.com/international-environmental-comparison-analysis-marketing-essay/>

better to choose a country with a lower inflation rate as the country with lower inflation rate will have a higher purchasing power. Mydin will earn more profit as a result.

It provides opportunity by investing in a lower inflation rate country. In this case, investing in Singapore with a lower inflation rate and thus higher purchasing power will lead Mydin earning more profit compared to invest in Thailand.

### **3. 6 Exchange Rate**

Exchange rate play a very important role for global business companies. The current exchange rate for Malaysian Ringgit to Thai Baht on 23 November 2009 is 1 Malaysian Ringgit(s) = 9. 81389 Thai Baht(s) while for Malaysian Ringgit to Singapore Dollar is 1 Malaysian Ringgit(s) = 0. 408897 Singapore Dollar(s). (GOCURRENCY 2009)

When a country's exchange rate is relatively lower than your home country, Mydin can take the advantage by proceeding into the country to set up production there and penetrate the market with relatively lower exchange rate. By comparing the both countries' exchange rate, it is better for Mydin to choose Thailand to furthermore their production in overseas.

The Thai retail market is very dynamic and there is still much potential for further growth as the economy continues its rapid growth. By 2008, total retail sales are expected to reach USD60 billion. It is other advantage to Mydin to enter Thai market.

## **4. 0 Sociocultural Environment Analysis**

### **4. 1 Shopping pattern**

In Thailand, consumers now go to more types of retail outlets than before. The large format hypermarkets are a growing presence in Thailand. While the pace of new store openings has somewhat slowed down, hypermarkets are still the main outlets to buy grocery products for more than 60 percent of urban shoppers. Large format stores are providing one-stop shopping with a wider range of products, and a comfortable, large shopping environment.

Despite the expansion of large hypermarket and supermarket chains, the low price,

familiarity and close location of wet markets are still preferred by many, particularly those in the lower income brackets. Most Thai people still shop at wet markets for their purchase of fresh food products. Thai consumers have the highest frequency of visiting wet markets, with an average of 18 visits per month, convenience stores at least 6 times a month, and 4 times a month for supermarket and hypermarket commitments. The continued development of retail stores can be seen all over Thailand especially the significance increases in hypermarkets, supermarkets and convenience stores.

While for Singapore, due to the busy lifestyle, many people will prefer online shopping for some products. Because they can save their time used by not going to the supermarket themselves to purchase the products there. Therefore, online shopping could help them a lot by saving their time to do other things. But there are also some products people will not be easily

purchase online because they want to compare and experience the products physically before purchase. This will be a disadvantage for Mydin company because consumers will choose other company which have the online shopping service.

Compared with Thailand, Singaporean prefers to visit supermarket than the wet market. There are only about 101 wet markets in Singapore nowadays. Although the meat, fruits and vegetables may be more freshly in the wet market, but Singaporean also likes to purchase the stuffs in supermarkets. One of the reason is they think wet market is too dirty and smelly for them. Most Singaporean is also willing to spend more money to shop in the supermarket. Now, there is a few numbers of wet markets going to change into a supermarket due to the purchasing behaviour of the customers. Mydin company will gain an advantage because more Singaporean likes to shop in the supermarket.

#### **4. 2 Language and communication**

Language is a crucial tool for communicating with customers, channel intermediaries, and others. In Thailand , the language they use include Thai, Chinese, Lao, Malay and Mon-khmer. while English use is becoming more prevalent in government and commerce. English is also being taught as a second language in secondary school and universities, which enables the English speaking visitor in Thailand to have little trouble conversing.

So , Mydin have many advantage to enter Thailand market. It is because Thailand also using languages like Malay and Chinese that it is also the 2 main language of the language in Malaysia. So it is easier for Mydin to deal

with supplier because of using the same language that both side also can understand Thailand is a stronghold of Buddhism, and Buddhism is practised in Thailand by over 90% of the population. So Mydin must understand well about Thailand cultural and religion to get more advantage in market their product in Thailand.

For Singapore, Singapore is a cosmopolitan society where people live harmoniously and interactions among different races are commonly seen. The pattern of Singapore stems from the inherent cultural diversity of the island. The immigrants of the past have given the place a mixture of Malay, Chinese, Indian, and European influences, all of which have intermingled. Most Singaporeans celebrate the major festivals associated with their respective religions. The variety of religions is a direct reflection of the diversity of races living there. The Chinese are predominantly followers of Buddhism, Taoism, Shenism, Christians, Catholics and some considered as 'free-thinkers' (Those who do not belong to any religion).

Malays have the Muslims and Indians are Hindus. There are a sizeable number of Muslims and Sikhs in the Indian population. The four official languages of Singapore are Mandarin, Malay, Tamil and English. English is the most common language used and is the language which unites the different ethnic groups. Children are taught in English at school but also learn their mother tongue to make sure they don't lose contact with their traditions.

The language they use is same as Malaysia, so for Mydin which is from Malaysia want to expand their business to Singapore have many advantage

by using totally same language with people in Singapore. Mydin can communicate more well with the supplier, the labor and to the customer. Mydin also can easy understand the cultural in Singapore because the cultural in Singapore is same as in Malaysia. So Mydin can understand what customer in Singapore need and provide a better service for them. And the supplier in Singapore can easily understand what Mydin want and there is no language obstacle between the supplier and Mydin.

## **5. 0 Technological Analysis**

### **5. 1 Infrastructure**

#### **Singapore**

Singapore is a promising geographical location. A population of 3 billion (people) is settled within a time radius of 7 hours flight, the infrastructure in Singapore is rated as one of the worlds' best and even the worlds' biggest container port is based in this country. This makes Singapore to the most important ASEAN partner of Germany. This country is also a favorite destination for multinational corporations (MNCs) to establish regional distribution centers.

Singapore's strategic location, world class infrastructure and excellent connectivity have made this place a compelling global logistics hub and supply chain management (SCM) nerve centre. Besides that, Singapore's government had put many effort and sizable investment to improve their infrastructure. The small-city in Singapore is served by network of 3, 122 kilometer of highways and 99 percent of which are paved. With the infrastructures MYDIN Company can easily transport the goods from Malaysia

to Singapore or Singapore to Malaysia. Before that Singapore also offers a world-class telecommunications infrastructure.

The total number of mobile subscriptions hit 6, 706, 300 in September 2009, bringing mobile penetration rates to 134. 5% which means there are more mobile phone lines than the number of people on the island. Singapore ties with the US as the cheapest place in the world to make a phone call or surf the internet using a broadband connection. With these telecommunication service MYDIN company can be easily communicate with the related company in Singapore. With the telecommunication service we can clearly understand the situation of our company that locates in Singapore.

Therefore, it provides a perfect networking and communication system.

In the recent years, Singapore's government announced that 1. 5 billion investment over 3 years into e-government Action Plan, which plan enable Singapore to access wider range of online service. Singapore government had invested heavily in the development of aviation, signing aird service agreements with 90 countries. The largest airport in Singapore is Changi airport which is Singapore's national airport and air cargo terminal. This airport had success put Singapore on the map as regional aviation and air cargo hub. It caters to 80 airlines serving more than 180 cities in over 50 countries.

The airport has three terminals with the third opened in 2008 which can handle 70 million passengers a year. The Changi Airfreight Centre (CAC), located at the northern end of the airport, is a 24-hour one-stop service centre to airlines, cargo agents, shippers and consignees. The CAC is



operated as a Free Trade Zone (FTZ), where cargo is easily moved, consolidated, stored or repacked without the need for documentation or customs duties. It can handle 1.86 million tons of cargo in 2008. With the airfreight infrastructure goods are easily transferred or sent to the company at Singapore, it can save a lot of time. Some goods that can't last longer we need airfreight transport to send the goods to location. For example, fresh meat, vegetable, fruits and fish. With this infrastructure, customers can buy our fresh meat at MYDIN Company in Singapore.

### **Infrastructure in Thailand**

Thailand has developed an extensive air transport network that encompasses 28 commercial airports, meaning that all Thailand's regions only take about an hour's flight from Bangkok. In addition Thailand has international airports in Phuket, Chiang Mai, Chiang Rai and Ko Samui. Suvarnabhumi International Airport, the new international airport in Thailand, has two parallel runways and 120 parking bays, enabling it to handle 76 flight movements per hour, 45 million passengers per year, and 3 million tons of cargo per year.

Suvarnabhumi International Airport, can handle 261,592 commercial flights. Same as the benefit as Singapore, with the air transport, customers are convenient to visit our company in Thailand. There are so many international airports in Thailand therefore, it proves that it is so convenient for the customer to reach our company in Thailand. In any emergency case happened, we can immediately reach the company in Thailand by using airport transportation network.

Thailand is widely acknowledged as having the most extensive road transportation network of more than 250, 000 kilometers, more than 40% of which are international standard highways that provide links to every province. Besides that, new highways are constantly being built, including projects that link Bangkok to the new Suvarnabhumi Airport, and an ambitious project to speed transport time to Thailand's southern provinces. The signing of the Asian Highway Agreement on April 26, 2004 strengthens Thailand's connection to the rest of the world for land-based trade and transportation linking it to 32 countries in Europe and Asia.

The importance of these interconnections will increase dramatically as Thailand's free trade agreements with the People's Republic of China, ASEAN and India kick in, making Thailand a crucial hub for international production and trade. Road transportation network bring a lot of benefit to MYDINCompany, we can transport our goods to the company which locate in Thailand. The transportation cost is more cheaper compare to the others transportation method. With the highway provide, we can save a lot of time to transport our goods to the location. The development of road transportation in Thailand can help our MYDIN Company to save a lot of time and cost.

Thailand's rail transportation, which dates back more than century, is extensive, covering 4, 000 kilometers on three lines, intersecting in Bangkok. The system offers affordable transportation from the Malaysian border to northernmost provinces and Kanchanaburi in the west. The system connects with Malaysia's national system, providing direct linkages down to Singapore, and a railway link to across the Mekong is under construction at <https://assignbuster.com/international-environmental-comparison-analysis-marketing-essay/>

Nong Khai. Thailand government has been developing mass transit system to help alleviate traffic in Bangkok.

The first system known as Skytrain, open on overhead tracks. This system covers 55 kilometers and serving 23 stations on two lines and also carries about 300, 000 passengers per working days. Rail transportation is one important element to our company, we can choose the location which near to the rail to locate our company. By doing so, customers are convenient visit to our company. For those people who do not have car as transportation they can easily visit to our company by using rail transportation.

In the other hand, Thailand's water transportation system has long been an important part of the country's history and industries. With a coastline of 3, 219 km and over 4, 000 km of inland waterways, Thailand's water transportation and ports infrastructure are essential to its overall transportation and trade. There have 122ports, wharves, and jetties able to accommodate sea-going vessels engaging in international trade. At Laem Chabang Port, six new container terminals are being developed with state-of-the-art equipment that can handles the latest generation of container vessels. This port service includes cargo handling. Water transportation provide the alternatives choice for MYDIN to deliver their goods. We can compare the cost of water transportation to the others way of transportation. The infrastructures provided are suitable for our MYDIN Company to run our business easily.

## 5. 2 LOGISTICS

### Singapore

Singapore Changi Airport ranked as one of the best airports in the world and one of Asia's largest cargo airports which had 83 scheduled airlines with more than 4000 flights per week. In Singapore there are many companies able to plan all freight transporting required by customers. The Singapore's geographical location is in the heart of South East Asia and the middle of several major shipping lanes makes it an ideal transshipment hub. Singapore has a presence of some 3000 logistics and supply chain management companies operating, like DHL, FedEx, UPS, TNT etc.

Singapore can provides complete warehousing, logistics support, goods distribution and transshipment services to both local and overseas clients from point of manufacturer to the point of consumption. Besides that, overseas clients in particular will find this to be cost effective in distributing their goods to end buyers in various destinations without having a physical presence.

This helps clients to minimize the freight, movements and also maximizing efficiency and controlling logistics costs. The burgeoning advancement in Singapore's logistics industry is largely influenced by the Airport Logistics Park of Singapore (ALPS) in the airport free-trade zone, the Banyan LogisPark, and Changi International LogisPark, locations high in connectivity and efficiency. We believe that our MYDIN Company is potential to build our market in Singapore.

**Thailand**

Thailand is geographically positioned to become one of Asia's major trading hubs and this is particularly true for the airfreight, trucking and railway industries. With its location 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. Besides this, with Thailand's well-developed, value-added industries, Thailand could potentially continue to enjoy its high growth rate of 7.5% and face an influx in foreign investment from those companies seeking to be a part of Asia's increasingly complex trade routes.

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 investors are rapidly increasing their market share in the retail and consumer goods sectors. Seeing this opportunity and vast improvement in infrastructure, many service providers 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 improve 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.

In additi