

THAILAND'S LOGISTICS MARKET SET TO  
FLOURISH

PRECIOUS SHIPPING CREDITS ITS SUCCESS  
TO THAILAND AND ITS PEOPLE

MASS RAPID TRANSIT EXPANSION OFFERS  
MANY INVESTMENT OPPORTUNITIES



September 2016 vol. 26 no. 9

## THAILAND TIPPED TO EMERGE AS A KEY ASEAN LOGISTICS HUB

THAILAND IS A REGIONAL MANUFACTURING POWERHOUSE THAT HAS THE ABILITY TO SUCCESSFULLY  
MEET THE RISING DEMAND FOR CROSS-BORDER LOGISTICS SERVICES



THAILAND BOARD OF INVESTMENT  
[WWW.BOI.CO.TH](http://WWW.BOI.CO.TH)

## COMPANY INTERVIEW

# PRECIOUS SHIPPING CREDITS ITS SUCCESS TO THAILAND AND ITS PEOPLE

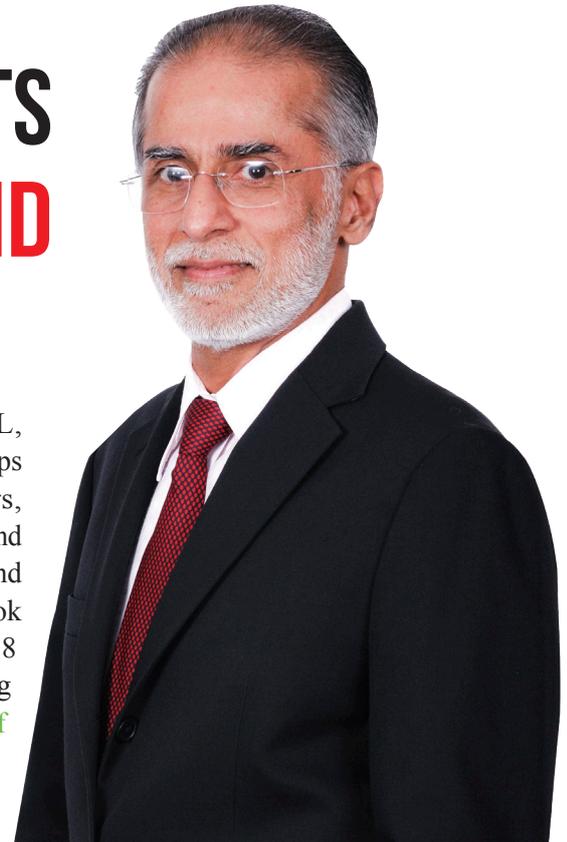
## PRECIOUS SHIPPING'S KEY MILESTONES

Established in 1989 and listed on the Stock Exchange of Thailand in 1993, Precious Shipping Public Company Limited (PSL) has grown to become internationally recognized and is today considered one of the best shipping companies in the world. PSL is a pure dry cargo ship-owner, providing regional marine shipping services on a tramp shipping basis for clients worldwide. Over the past 27 years, PSL has expanded its business across multiple regions: North and South America, Europe, the Middle East, Africa, the Indian sub-continent, and in Asia. Its principle cargo includes agricultural products, steel, fertilizers, ore and concentrates, and lumber. According to an interview with Mr. Khalid Moinuddin Hashim,

the Managing Director of PSL, the company started with seven ships in 1999. Over the past 17 years, the company has witnessed strong and consistent growth and now owns and operates 38 vessels with a net book value of THB 25 billion (USD 718 million), with its business having an accumulated net profit in excess of a billion dollars. This makes PSL one of the largest, if not the single largest company in the world operating in the private sector in this segment.



Mr. Hashim credits the growth and success of PSL to Thailand and its people. **“I can't see anywhere else in the world, where I could have done the work that I did here,”** he says.



## PRECIOUS SHIPPING PLACES A STRONG FOCUS ON HUMAN RESOURCE DEVELOPMENT

From its humble beginnings, PSL put a strong focus on developing a learning culture for its employees. People who begin their careers at PSL stay and grow with the company. According to Mr. Hashim, this is because the culture at PSL puts an emphasis on learning and promoting people from within. This strong learning culture encourages employees to voice their opinions, even to their superiors, if they see something that can be done more effectively or efficiently. Mr. Hashim adds that this type of culture is very helpful, especially in the shipping business where communication is key.

In addition, PSL has an on-board computer-based competency test facility offering helpful feedback to officers on their weaknesses and providing an opportunity for them to advance their professional capacities. The focus on human



resource development does not stop here. Mr. Hashim notes that the company has spent over a million dollars on a **Maritime Training Center** and a **state-of-the-art Bridge Navigation Simulator**. These two centers provide employees with a very realistic experience each and every time they go on-board. This is an important investment for PSL as it aims to reduce any human errors and accidents that could occur while on board, potentially saving the company millions of dollars.



## PRECIOUS SHIPPING IS CONFIDENT IN THAILAND



**“Thailand offers the best of the developed and developing worlds,”** says Mr. Hashim.



PSL has its head office in Bangkok and will continue to invest in Thailand, as the company remains bullish on the country’s economic prospects. Mr. Hashim believes that Thai workers are one of the key competitive advantages of Thailand. He adds that, **once receiving appropriate training, Thai staff are among the most loyal, hardworking, and intelligent employees you can ever ask for.** Despite having recruited many expatriates when it began operating,

PSL is now able to hire Thais for its staffing needs. Additional benefits that were mentioned include Thailand’s strategic location, the relatively low cost of living and the ease in setting up a business which are huge pluses. Last but not least, PSL continues to work with and gain support from Thailand’s Board of Investment (BOI) and believes that all investors can benefit considerably from investing in the country.

## NEWS BITES

### WHA joins forces with Daiwa

WHA Corporation, Thailand’s largest developer of built-to-suit logistics facilities, has set up a joint venture with Daiwa House Industry Co.,Ltd. to develop two warehouse projects with a total value of THB 2 billion (USD 67 million). The new company will be 51% owned by WHA and 49% owned by Daiwa House Industry with a registered capital of THB 850 million (USD 24 million). The two logistics centres, located at Laem Chabang deep-sea port and on Bang-Na Trat Road, will have a combined 45,500 square metres of built-to-suit warehouse space to serve clients. The first phase in Laem Chabang has been taken up by Honda Logistics Asia and its subsidiaries. The joint venture is widely viewed as a win-win by the companies as they seek to expand their business not only in Thailand, but also in Japan.

### ThailandPost Distribution unit on the rise

ThailandPost Distribution is confident its logistics business unit will become profitable in 2017 after three years of operations. Thailand’s logistics market has experienced an average annual growth rate of 15% per year and is recognized as a major growth opportunity. Established in 2014 with a registered capital of THB 350 million (USD 10 million), ThailandPost Distribution began its logistics operations last year mainly serving the medical and pharmaceutical industries, e-commerce and warehouse management. Its logistics activities in the medical and pharmaceutical industries generated THB 270 million (USD 8 million) in 2015, or 90% of its total logistics revenue. E-commerce generated THB 15 million (USD 0.43 million) with warehouse management accounting for the rest. The company expects logistics revenue to reach THB 480 million (USD 14 million) this year, an increase of 60% from 2015.