

NEWSLETTER FROM  
**TICON GROUP**

# FORWARD

JANUARY-MARCH 2014 | ISSUE 1

TICON Group  
and Staff Join  
**the 2nd Annual**  
**'TICON Shares Love'**  
**Project**

**Foreign Direct**  
**Investment**  
**in Thailand**  
in 2013

**TPARK**  
**Laemchabang 2**

the Latest Modern  
Distribution Center  
Near Laemchabang Port

**Investment**  
**Strategy**  
for Fruitful Returns



**TICON**  
as Growth Contributor to  
**the Industrial Sector**  
**of Thailand**



**Mr. Virapan Pulges**  
Managing Director  
TICON Industrial Connection Public  
Company Limited

## Message from the Managing Director

Hello, dear readers. It is my pleasure to greet you in the first issue of "Forward" newsletter. The issue marks the beginning of our new communication that combines news and the latest updates of companies under the umbrella of TICON Group. "Forward" also offers a variety of useful insights about the manufacturing and logistics industries as well as finance and investments. I truly hope that "Forward" will be beneficial for all readers.

Although 2014 started off with political tension that has disrupted the economy and investments, I still believe in the potential of Thailand, which has competitive edges from the prime location in the heart of the region, readiness of the infrastructure, the logistics network, and the quality of our workforce. I have high hope that the problems will be solved soon so that all businesses can move forward following their goals and the Thai economy can enjoy its normal growth again.

On behalf of TICON Group, let me assure you that the company will continue to expand our businesses with the focus on the strategy of extending the availability of our factories and warehouses in both existing and new projects. In addition, we constantly seek new investing opportunities throughout the country and across the region to ensure readiness for the commencement of the ASEAN Economic Community (AEC) in 2015. Also, the Company has planned to establish a Real Estate Investment Trusts (REIT), more details of which will be available in the second quarter of the year.

Last but not least, please rest assured that TICON Group will continue to move forward in partnership with all our customers so as to overcome any challenges and thrive together. To our shareholders and investors, we thank you for your trust in our performance as well as our potential to deliver continuous growth and consistent returns.

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# TICON Group and Staff Join the 2nd Annual 'TICON Shares Love' Project



BRIGHTEN THE FUTURE IS A BRAND-NEW COLUMN WHICH FOCUSES ON DIFFERENT ACTIVITIES BY TICON GROUP RELATING TO SOCIAL AND ENVIRONMENTAL RESPONSIBILITY WHICH DELIVER BOTH SHORT-TERM AND LONG-TERM IMPROVEMENTS THAT LEAD TO SUSTAINABLE DEVELOPMENT.



Among our several projects is the “TICON Shares Love” Project, which has been held for 2 consecutive years to bring smiles and happiness to the community and the underprivileged. Staff members were invited to participate in the construction of a public restroom at Srichantaram Temple in Samut Prakan province. Money and basic requisites were also donated to Bang Phakong Home for People with Disabilities in Chachoengsao province.

Mr. Virapan Pulges, Managing Director, shared his comments - “The “TICON Shares Love” Project was initiated by a group of staff members who wish to give back to society and the environment, which is in line with TICON’s corporate policy to support social and environmental activities. As a part of society, TICON

sees significance in an improved quality of life for society and the community. This activity was successful because of the determination of our staff to volunteer for the public benefit.”

The “TICON Shares Love” Project focuses on providing assistance to underprivileged people who lack the basic requirements of life. In November 2013, over 50 TICON and TPARK staff jointly volunteered to build 10 toilets for Srichantaram Temple for public use in the community in Samut Prakan province. In addition, TICON and TPARK staff visited the Bang Phakong Home for People with Disabilities and donated money as well as basic goods which will provide for people with disabilities who reside at the facility. ■



**Khun Sawitee**, a TICON volunteer, describes her experience from the activity

“Helping and doing good made me realize that being considerate to underprivileged people and providing assistance for them, be it through financial or physical effort, and to improve the quality of their life, can bring about happiness to us as the giver.”



**Based on your extensive experience, kindly share with us an overview of the Thai industry.**

“Thailand has potential in many areas. With its effective infrastructure, quality labor, and the attractive state policies on foreign investment, Thailand has been chosen as the production base for several different industries. For some years now, Thailand has been ranked among the world’s leading export manufacturers in the electronics and automotive industries. Many global automobile players have set up their production and export bases in Thailand, and these have attracted their suppliers to invest in Thailand to provide related services. Hence, Thailand has risen as a key automotive and auto parts production base in Asia.”

# TICON

## as Growth Contributor to the Industrial Sector of Thailand

**TICON INDUSTRIAL CONNECTION PUBLIC COMPANY LIMITED (TICON)** WAS ESTABLISHED 2 DECADES AGO AND HAS CONTRIBUTED TO THE MANUFACTURING INDUSTRY OF THAILAND EVER SINCE. INFORMATION FROM THE OFFICE OF THE NATIONAL ECONOMIC AND SOCIAL DEVELOPMENT BOARD IN 2013 INDICATES THAT THE INDUSTRIAL SECTORS WHICH HAVE PLAYED AN IMPORTANT ROLE IN DEVELOPMENT OF THE THAI ECONOMY ARE THOSE REQUIRING INTERMEDIATE AND ADVANCED TECHNOLOGIES I.E. THE AUTOMOTIVE AND ELECTRONICS INDUSTRIES, BOTH OF WHICH ARE OUR MAJOR CUSTOMERS. FOR THIS ISSUE, “FORWARD” IS HONORED TO HAVE THE OPPORTUNITY TO INTERVIEW ONE OF THE GREAT CONTRIBUTORS TO THE SUCCESS OF TICON FOR OVER 20 YEARS, **MR. VIRAPAN PULGES**, MANAGING DIRECTOR.





“TICON’s priority has always been about quality, which is reflected in customer satisfaction. Most tenants extend their agreement on a continual basis”

**Mr. Virapan Pulges,**  
Managing Director

“Back when TICON commenced operations, our first project was in the Bangpa-in Industrial Estate, with an area of 5,150 sq m. TICON’s business model enhances the agility of our customers because we offer Ready-Built factories in various sizes, situated in strategic locations for the manufacturing industry. As such, TICON has enjoyed breakthrough growth since and we currently own and manage a total area of 1,000,000 sq m in 15 projects across Thailand. We have served over 300 customers, 95% of which are international accounts.” Khun Virapan said.

### Who are TICON’s targeted customers?

“Both the automotive and electronics industries continue to be our major customers, which is in line with the direction of multi-national conglomerates having chosen Thailand as their production base.

Thailand is the 9th largest automobile manufacturer and the No.1 producer in Southeast Asia. Nevertheless, TICON’s portfolio consists of customers in various industries, including food and agricultural equipment. The diversity of our locations offers a competitive edge for many different industries.”

Next, Khun Virapan describes the quality of the factories. “TICON’s priority has always been about quality, which is reflected in customer satisfaction. Most tenants extend their agreement on a continual basis and TICON is often referred to companies seeking Ready-Built factories. With our established experience, we have the professional teams of engineers and construction workers that enable total quality assurance. We also offer the “Built-to-Suit” option to our customers who need a specific type of building for their operation.”

“TICON is also outstanding in that we provide a one-stop service for our customers.

Our teams of professionals are ready to offer consultations on various matters, including the application for licenses from the Industrial Estate Authority of Thailand (IEAT), arranging foreigners’ work permits, application for tax privileges from the Board of Investment (BOI), the Ministry of Industry, assistance in sourcing contractors, consultation on adjustment and modification of buildings to suit demand, facilitation to connect with service providers for business operations, and so on.”

**At the end of the conversation,** Khun Virapan adds that TICON expects to enjoy growth driven by the launch of new projects and products to expand the customer base. Further details will be revealed in due course. Please stay tuned as “Forward” will bring you the latest updates in the next issue. ■



# TPARK Laemchabang 2



## The Latest Modern Distribution Center Near Laemchabang Port

WE PROUDLY PRESENT THE “WAREHOUSE SPOTLIGHT”, A NEW COLUMN FOR THE FIRST ISSUE OF “FORWARD” IN 2014-- THE YEAR OF THE HORSE. WE BRING YOU THE LATEST INSIGHTS AND MOVEMENTS, AND IN THIS ISSUE WE WOULD LIKE TO INTRODUCE YOU TO A NEW DISTRIBUTION CENTER BY TPARK WHICH HAS ATTRACTED A LOT OF ATTENTION AS IT IS LOCATED IN AN AREA CONSIDERED TO BE A PRIME LOGISTICS LOCATION FOR SEVERAL INDUSTRIES, AS WELL AS IMPORT AND EXPORT BUSINESSES. THE TPARK BRAND GIVES ADDED ASSURANCE THAT THE PROJECT HAS BEEN DEVELOPED TO MEET INTERNATIONAL QUALITY STANDARDS. **TPARK LAEMCHABANG 2** OFFERS A LARGE DISTRIBUTION CENTER, EQUIPPED WITH EFFICIENT FACILITIES TO ANSWER THE LOGISTICS DEMANDS OF ALL TYPES OF TARGETED CUSTOMERS.

**The Forward team is honoured** to be personally welcomed by talented career woman and key person of the Sales Department, **Ms. Piyanath Sritapanu** or “Cherry”, Head of the TPARK Sales

Department, who personally walks us through the brand-new Project.

We leave Bangkok early in the morning and it takes around an hour and a half to

reach TPARK Laemchabang 2. Khun Cherry is already there to greet us. *Hello Khun Cherry...* “Hello! Welcome to TPARK Laemchabang 2. How was your trip? Was it easy to find us?” We are warmly



Management Team of TPARK Laemchabang 2







(from right) **Ms. Piyanath Sritapanu**, Head of the TPARK Sales Department, TPARK and **Ms. Oracha Suriyasak**, the Property Manager, TPARK Laemchabang 2

welcomed while Khun Cherry adds “The Project has two main entrances. The front entrance is off Highway No. 7, the road for this is currently being developed, and the second one is right here, which can be accessed from Highway 7 through Soi Wat Rattana Srinaram, Bohin.”

After a short break, Khun Cherry drives us around the project and tells us “TPARK Laemchabang 2 has a total area of 500 rai. The first phase of construction is already completed with a total warehouse area of nearly 100,000 square metres. Many customers have already begun operations here. We are continuously developing further phases. The project also has a Free Zone in response to the needs of some customers.”

*Does TPARK only offer Ready-Built warehouses?* “TPARK has expertise in developing various types of warehouse. Besides the top-quality Ready-Built warehouses, we also offer Built-to-Suit warehouses, including cold storage, dangerous goods warehouses, and warehouses that support cross-dock operations.” Khun Cherry replies.

*What are the strengths of the TPARK Laemchabang 2 project?* “The outstanding feature of the project is its strategic location. It is very close to Laemchabang Port and several significant industrial estates in the Eastern region of Thailand. It is an ideal distribution center for various industries. Also it is adjacent to the

highway and is therefore convenient for transport and distribution of products.” *What about the targeted customers?* “There are various customer groups that are interested in our project. Most of them run logistics operations to support production activities relating to the automobile and electronics industries. There are manufacturing facilities in the industrial estates nearby as well as import and export businesses.”

**We get a bit thirsty after talking** for a while so Khun Cherry takes us to the Customer Service Center near the entrance of the project for some refreshments. Once we get inside we are greeted by **Ms. Oracha Suriyasak** (Kai), the Property Manager. The Forward team takes this opportunity to interview her about the scope of her responsibilities. “Hello all. I represent the Property Management team of TPARK Laemchabang 2. Although this is quite a new project, as we have only recently commenced operations, all of our team members are professionals who have undergone TPARK’s training courses in order to ensure management efficiency. Our team is stationed at the project site to provide attentive services for our customers and to ensure that immediate assistance is given to smooth their operations. Furthermore, our team members are designated to take care of coordination for customers in the Free Zone whereby assistance on customs-related matters will be provided for our customers’ convenience.” So,

## Project information

### TPARK Laemchabang 2

**Size:** 500 rai

**Ready-Built warehouse space:**  
230,000 sq m.

**Warehouse size:** 1,500 - 22,500 sq m

#### DISTANCE

**Bangkok** 85.5 km.

#### Airports

Suvarnabhumi  
International Airport 97 km.

#### Seaports

Bangkok Port 104 km.  
Laemchabang Port 9 km.

#### Inland Container Depots

Ladkrabang 101 km.

#### Industrail Estates

Amata Nakorn 47 km.  
Amata City 33 km.  
Asia 65.8 km.  
Bangchan 103 km.  
Bangplee 83 km.  
Bangpoo 97 km.  
Hemaraj Chonburi 23 km.  
Eastern Seaboard (Rayong) 25 km.  
Gemopolis 106 km.  
Laemchabang 5 km.  
Padaeng 62 km.  
Pinthong 1 6 km.  
Pinthong 2 10 km.  
Pinthong 3 14 km.  
Wellgrow 62.5 km.  
Map Ta Phut 58.5 km.  
RIL 59.5 km.

#### Industrial Park

Siam Eastern 31.5 km.  
Sahapat Group 5.9 km.

TPARK’s customers can rest assured that they will receive devoted pre- and post-sales service. No surprise that TPARK has seen significant growth as more and more customers are coming in to seal the deal with TPARK!

**The Forward team would like to thank Khun Cherry and Khun Kai** for welcoming us and giving us a tour around TPARK Laemchabang 2. It’s time to say goodbye for now, but we will be back with more insights and updates in the next issue. Until next time... ■



**Mr. Takashi Fuse**  
Advisor  
TICON Logistics Park Co., Ltd.

# Foreign Direct Investment in Thailand in 2013

The Board of Investment (BOI) published 2013 foreign direct investment statistics, which, as shown in the table below, say that the total amount of foreign direct investment approved was 478.9 billion baht, or a decrease of 12.8% from the previous year's 549 billion baht.

Japanese investment in 2013 was 290.5 billion baht – a decrease of 16.7% when compared to 348.4 billion baht the year before. This percentage decrease is bigger than that of the percentage decrease in total foreign investment. Foreign investment in 2012 was amazingly high as many businesses hit by 2011 flood invested a lot for reconstruction of their operations in 2012 and, therefore, when comparing the investment of 2013 with the large investment amount in 2012, the 2013 figures became much smaller.

Japanese investment in 2013 accounted for 60.6% of the total foreign investment, which is about a 3% decrease from last year's share of 63.4%. Nevertheless, the investment from Japan was still the highest among all foreign investing countries, followed by Hong Kong with an investment amount of approximately 38.6 billion baht or only 1/8 of Japanese investment.

**Operators who wish to get tax** and other investment privileges must submit their applications to BOI and get approval from them as investment privileged projects. The majority of applications are approved by BOI a few months later, which means that the large portion of projects applied for will soon become the projects approved. In this sense, the net application amount is a sort of reference to forecast the approval amount.

The net application amount in 2013 was

## Investment amount based on “Applications Approved”

(million baht)

Foreign investment value	2012	2013	Increase/Decrease
<b>Japan (share)</b>	<b>548,954</b>	<b>478,927</b>	<b>-12.8%</b>
Japan	348,430	290,491	-16.7%
	63.4%	60.6%	
Hong Kong	12,864	38,610	+200%
Netherlands	17,971	33,147	+84.4%
Malaysia	7,739	21,407	+176.6%
Singapore	19,418	20,039	+3.2%
USA	17,890	9,400	-47.5%
Taiwan	11,711	7,484	-36.1%

\*Statistics of BOI

524.8 billion baht, or a decrease of 19.1% from last year. The Japanese application amount was 282.8 billion baht, or a decrease of as much as 24.4%. The sharp decline in application amount was caused by the reasons above.

Although the 2013 net application from many countries decreased from a year before, Chinese applications jumped to 42.5 billion baht, or 3.3 times more than in 2012. According to BOI statistics, 45 projects were applied for by China to BOI in 2013, which means that the investment amount per one project almost equalled 1 billion baht on average. On the other hand, 44 projects were applied for by China in 2012 and investment amount per one project was only 33 million baht on average. This means that many large-scale projects were applied for

by China in 2013 and it seems that Chinese investment in Thailand in 2014 will be much higher than that of 2013.

**Regarding the 2014 foreign direct investment trend,** I am of the opinion that it is likely to decrease for the following key reasons.

1. The decrease of net applications as shown in the table above will cause a decrease of approved amount.

2. The higher wages and the labor shortage issues are likely to persist for quite some time. Some Japanese manufacturers have already relocated some or entire production to neighboring countries like Laos and Cambodia due to these issues.

3. Large-sized investment projects amounting over 200 million baht must be studied and approved by the BOI, but they



## Investment amount based on “Net Applications”

(million baht)

Foreign investment value	2012 647,974	2013 524,768	Increase/ Decrease -19.1%
Japan (share)	373,985 57.7%	282,848 53.8%	-24.4%
Cayman Islands	18,883	49,088	+160%
China	12,829	42,530	+231%
Malaysia	20,638	29,190	+41.4%
Singapore	27,084	22,781	-15.8%
Hong Kong	52,678	20,181	-61.6%
USA	24,705	11,621	-53%

\*Statistics of BOI

have not been studied and approved yet due to the absence of BOI committee members (prime minister and other related ministers).

4. The biggest issue of all is the political tension. JETRO says that the number of Japanese companies visiting them to seek consultation and advice on investment has decreased materially since January 2014.

**As everybody knows**, the key drivers of the Thai economy are exports and foreign direct investment. Statistics from the Ministry of Commerce show that the export amount in 2013 was US\$228.5 billion, which represented a small decrease of 0.3% from 2012. The biggest markets for Thai exports are China, Japan and the USA and needless to say, export is affected by the economic situation of these major importers and of other importing countries. The Ministry of Commerce forecasts a better economic situation in Thailand's export destinations and projects 5% growth in 2014.

What I am concerned about is that foreign direct investment will definitely be affected by the ongoing political situation. Some Japanese businessmen residing in Thailand say that Japanese investment will definitely decrease in 2014 unless the political situation returns to normalcy soon.



The new members of the BOI who will replace the previous members who resigned last December due to the termination of their term have not yet been appointed. As such, consideration and approval of large-sized projects has been halted. For instance, a newspaper reported that Siam Cement Group's application for a 9 billion baht plus project for chemical products has not been reviewed and approved yet. Applications for the 2nd phase of eco-car production must be submitted to BOI by the end of March this year. But, even though applications have been submitted by some auto makers, the BOI is not in a position to consider and approve them for quite some time.

Although small-sized projects are approved by the Office of BOI, it is highly

unlikely that the total investment amount will exceed last year's approval amount unless the large-scale projects are approved.

**At the general election of lower house representatives**, held on February 2, 2014, voting at 10,283 out of 93,952 voting stations nationwide was not done due to sabotage by demonstrators. The government announced that voting will be held in these stations, but the date remains indefinite. Moreover, the election results of Feb. 2 cannot be announced until all votes are gathered from all the voting stations. As a result, Thailand lacks clarity on when a new government can be formed to replace the current caretaker government, and therefore the political vacuum continues. Private sector investment is hindered by the delayed approval of the government and a decrease in public investment will impact the growth of the Thai economy. One of the think-tanks has revised GDP growth in 2014 to 3-4% from the projected 5%.

Neighboring countries are implementing policies that promote foreign investment and develop their infrastructure. A survey conducted by the Japan Bank for International Cooperation (JBIC) shows that attractive investment destinations for Japanese companies for a medium term of around 3 years are Indonesia, India and Thailand. When asked about attractive destinations for longer term of around 10 years, they chose India, China and Indonesia and Thailand slipped to No. 5 on the list.

**Among ASEAN countries**, Thailand has been maintaining its position as the best investment destination, and political stability was one of the factors for this high assessment. Now that Thailand faces political turmoil, it is necessary for the country to expedite the restoration of stability as well as to launch new and attractive investment policies so as to promote more foreign investment. ■

## TPARK Welcomes Japanese Investors At TPARK Bangna



**TPARK or TICON Logistics Park Co., Ltd.** recently welcomed Japanese investors delegation from Yamagata Public Interest Foundation for the Development of Industry visiting TPARK Bangna to study and observe the world-class standard operation of the Logistics Park which provides high quality Ready-Built Warehouses for lease on a 520 rai of land. On the same occasion the group also visited factories for lease of TICON Industrial Connection Plc. at Amata Nakorn Industrial Estate, Chonburi Province. The main objective of the delegation from Yamagata Prefecture of Japan is to study Thailand's potential as a distribution hub of import – export and the opportunity for Japanese industrial expansion in Thailand. ■



## TICON Group plants mangrove forest at Bangpu Nature Education Center

**TICON Group** led by Mr. Virapan Pulges (right), Managing Director of TICON Industrial Connection PCL., and Mr. Patan Somburanasin (left), Managing Director of TPARK or TICON Logistics Park Co., Ltd. and staff recently participated in mangrove forest planting under the project "Conservation of the Mangrove Forest, Year 2" at Bangpu Nature Education Center, Samutprakarn Province. The activity is part of TICON Group's CSR program which is organized annually. ■

## TGROWTH Fund: 1st Trading Day



**Mr. Virapan Pulges**, Managing Director of TICON Industrial Connection Public Company Limited, Mr. Arthid Nanthawithaya, Senior Executive Vice President Group Head, Wholesale Banking Group of Siam Commercial Bank PLC, Mrs. Chotika Sawananon, Managing Director of SCB Asset Management Co., Ltd., Mr. Sittichai Mahaguna, Director of Corporate Finance and Equity Capital Markets Group of CIMB Thai Bank PCL, and Mrs. Yodrudee Santatikul, Senior Vice President of Capital Market Division of Asia Plus Securities Public Company Limited, attend the 1st trading day ceremony of "Ticon Industrial Growth Leasehold Property Fund" or TGROWTH. Mr. Chanitr Charnchainarong, Executive Vice President, Issuer & Listing Division of Stock Exchange of Thailand, and Mrs. Paveena Sriphothong, Group Head Issuer & Listing of Stock Exchange of Thailand join the event to express their congratulations. ■



**TICON Buys 100 rai in ASIA Industrial Estate Suvarnabhumi (AIES)** A part of its continual business expansion planned for 2013.

**TICON Industrial Connection Public Company Limited** recently signed contract with Asia Industrial Estate Co., Ltd. to purchase 100 rai of land in ASIA Industrial Estate Suvarnabhumi (AIES). A part of TICON's continual business expansion plan for 2013, the company will develop a total space of 60,000 sq m. of high quality Ready-Built factories for rent on the newly bought land with a total investment of 1.26 billion baht. The buildings of phase 1 totaling 20,000 sq m. will be available in September 2014.

In picture : Mr. Virapan Pulges (center left), Managing Director of TICON Industrial Connection Public Company Limited Recently, exchanges the land purchase contract with Mr. Pakpong Thanadpipat (center right), General Manager of Asia Industrial Estate Co., Ltd. while Dr. Somsak Chaiyaporn (far left), General Manager of TICON and Khun Pavinee Kato, Customer Relations Manager of Asia Industrial Estate Co., Ltd. look on. ■

## TICON Group Shares Love - 2nd Year



**TICON Group** led by Mr. Virapan Pulges (center), Managing Director of TICON Industrial Connection PCL., together with volunteers from TICON and TPARK recently participated in the social contribution activity, "TICON Group Shares Love"- 2nd Year. The volunteers helped building the bathrooms for Wat Si Chan Tharam, Samut Prakarn Province and making monetary contribution to the Bangpakong home for the disabled. ■





### Enshu Molding Products (Thailand) Co., Ltd.

**Enshu Molding Products (Thailand) Co., Ltd.** is automotive parts manufacturer from Japan. They offer seatbelt parts, spring and automobile parts. Enshu Molding Products leased space of TICON factory with an area of 2,700 sq m to serve their manufacturing process inside Amata Nakorn Industrial Estate.



### Thai Murakami Co., Ltd.

**Thai Murakami Co., Ltd.** is a Fan, Blower, FA system (Factory Automation) and Robot System manufacturer, supplying their products to well-known companies. Thai Murakami is expanding their business in order to meet customer demand. At the end of last year, Thai Murakami leased a TICON factory with an area of 1,800 sq m inside Hemaraj Chonburi Industrial Estate and will start operating in July 2014.



### Global Piping Solutions Limited (GPS)

**Global Piping Solutions Limited (GPS)** is a manufacturer of specialized pipes and piping components used in the Oil & Gas, Petrochemical, Power Generation and Water Treatment Industries. The specialized high quality pipes are resistant to highly corrosive and highly abrasive environments existing in the latest high technology projects that GPS's customers are now developing. GPS is located in Thailand at Pinthong Industrial Estate No.3 with a covered area of approximately 25,000 square meters and a total land area of 76,950 square meters inside TICON. Pintong's location next to Thailand's largest harbour, Laemchabang Port, is strategic for the execution of large scale international projects.



### Itoh Precision (Thailand) Co., Ltd.

A Japanese-based company, **Itoh Precision (Thailand) Co., Ltd.** specializes in metal parts for HDD (Hard Disk Drive) and electronic parts. Itoh Precision recently leased an additional space of TICON factory with an area of 1,200 sq m to serve their business expansion. Currently, Itoh Precision has total area of rental factories of 2,400 sq m in Rojana Industrial Park (Ayudhaya).



### DHL Supply Chain (Thailand) Ltd.

**DHL Supply Chain**, the global market leader for contract logistics solutions across various industry sectors, expanded its footprint in Thailand by getting an additional unit of warehouse with an area of 6,552 sq m in TPARK Bangplee 2 to serve the higher demand of their customers. Currently, DHL Supply Chain has total area of rental TPARK warehouses of approximately 120,000 sq m in Bangna and Bangplee area. This latest investment supports their plan to invest EUR 50 million in Thailand to support continued business growth in the nation.



### Central Watsons Co., Ltd.

**Watsons** is Asia's leading health and beauty retailer in Asia, currently operating over 4,000 stores in 12 Asian and European markets, including China (Mainland China, Hong Kong, Taiwan and Macau), Singapore, Thailand, Malaysia, the Philippines, Korea, Indonesia, Turkey and Ukraine. Central Watsons leased TPARK warehouse with an area of 16,236 sq m in TPARK Bangplee 1 in order to store their products for serving the needs of health and beauty market.

Dear readers, we proudly present a new column of “Forward”, which brings you an in-depth introduction to our factory and warehouse projects.

For the first issue, we will start with a Ready-Built factory project in one of our new areas. [The Asia Industrial Estate \(Suvarnabhumi\)](#) is located in Samut Prakan province, which is considered a strategic location due to its proximity to automotive and electronics manufacturers. Also the industrial estate is closed to Bangkok and Suvarnabhumi Airport. The first phase will be ready in the third quarter of this year.

Next we would like to introduce our dear readers to [the Kabin-buri Industrial Zone](#) in Prachinburi province. The Project is highly suited to the automotive and electronics industries. Currently, TICON has launched the first phase with a total space of Ready-Built factories of over 20,000 sq m.

[The Rojana Industrial Park \(Prachinburi\)](#) is also situated in Prachinburi province, a strategic location for expansion in a variety of industries. The first phase of Ready-Built factories will be open for business within 2014.

Besides the launch of Ready-Built factories in 3 new areas, we notice signs of recovery with factories around Ayudhaya province. They are now equipped with flood prevention mechanisms, including the flood dikes and the operators have regained their confidence to invest in the area. ■



For more information or a site visit, please call:



Tel: +66 (0) 2679 6569  
Email: [marketing@ticon.co.th](mailto:marketing@ticon.co.th)  
or [info@ticon.co.th](mailto:info@ticon.co.th) (Japanese)



Check  
**Available Buildings**  
here!



We are now introducing our Ready-Built warehouses in one of the most attractive areas. [The TPARK Sriracha](#) location is highly attractive as it is situated between Amata Industrial Estate and Laemchabang Port. As such, it is highly suitable for logistics operators facilitating the manufacturing industry. The project is also ideal for distribution centers involving import and export via Laemchabang Port. Currently, the project is around 60% complete, with development of 81,300 sq m so far. TPARK plans to build a further 55,000 sq m more warehouse space in 2014. ■

For more information or a site visit, please call:



Tel: +66 (0) 86342 9669  
Email: [logistics@ticon.co.th](mailto:logistics@ticon.co.th)



Check  
**Available Buildings**  
here!





**Mr. Samart Rasmeerojwong**

Chief of Investor Relations  
TICON Industrial Connection Public  
Company Limited

# Investment Strategy

## for Fruitful Returns

TODAY, IT IS UNDENIABLE THAT INVESTMENT PLAYS AN IMPORTANT ROLE IN BUILDING FINANCIAL STRENGTH AND SECURITY FOR MANY PEOPLE. ALBEIT RISKY, TO INVEST IS TO OPEN A WINDOW OF OPPORTUNITY FOR INVESTORS TO ENJOY SOUND RETURNS. THE RATIO OF RISK TO RETURN VARIES, DEPENDING MAINLY UPON THE TYPES OF INSTRUMENT AND THE TERM OF THE INVESTMENT.

**As such, investors should take investment portfolio diversification** into account, among other key factors. Those who prefer longer-term investments, and who are able to generate income for living

sustenance other than from investment returns, are the ones whose risk tolerance is higher than those whose investments are shorter term and who are incapable of generating income in other fashions.

However, even the higher tolerant investors should manage risk by owning more than one type of asset held as investment and more than one item in the same asset class.

In the US-- the largest capital market in the world, the majority of the population invests through their retirement plans. They invest in various types of financial instrument such as mutual funds, stocks, and so on. A study indicates that most American retirement plans prefer 7 types of investment, which account for 96% of the total capital of all retirement plans.

**Since the purpose of a retirement plan** is having a long-term investment with a clear aim to generate sound returns for investors, most US Retirement Plan investors prefer equity funds that are likely to achieve the desired results, but they mitigate their risks by investing in other instruments with lower risk and therefore, naturally, lower return. In this regard, the equity funds manage the risks of investors as investments are made in more than one stock.

**Appropriate investment term and asset diversification** are therefore the right approach, leading to sound returns for investors. ■





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# The Primary Distribution System of Modern Trade Business



**This is my first article for “Forward”,** so please allow me to convey a warm greeting to all readers. Based on my background in the logistics and retail industry, my first article will focus on the distribution system for modern trade businesses, for example,

Tesco Lotus, Big C, and 7-11. These retailers carry out distribution through distribution centers in Thailand along with their outlet expansion, as the system can significantly decrease re-distribution costs. For instance, a mid-sized manufacturer of a rather small-sized product would incur high cost if it is required to distribute the products to each of hundreds of a retailer's outlets, when the products may not even fill a pick-up truckload on each trip. In such a case, it would incur a high logistics cost, which would inevitably be included into the product cost. With distribution centers, this manufacturer can deliver its products to the distribution center where they will be further re-distributed to all the outlets in transportation that also carries goods from other suppliers, which is cost-effective for both distribution and re-distribution.

In general, a supplier is responsible for distributing its products to a retailer's distribution center whether by itself or through outsourcing, which may be inefficient, especially in cases of a lack of sufficient volume to fill a large carrier. Therefore, certain retailers opt for the “primary distribution” system, where the retailers pick up goods from various suppliers at a distribution center so as to reduce the logistics as well as the supply chain-to-retailer costs. A case study called Tesco Supply Chain Management Practices in 2006 by ICMR concludes that the primary distribution system pioneered by Tesco Lotus in

UK could increase the punctuality of distribution at the distribution center by 14%, leading to an inventory decrease and cost-saving benefit as a result of the suppliers' lower cost of distribution.

**In Thailand,** Tesco Lotus also pioneered the primary distribution system in December 2013 when it launched the first regional distribution center in Khon Kaen province, in line with its strategy to keep the inventory at the distribution center, which will swiftly respond to the demands of outlets in order to reduce the stocks at outlets and free up more space for the outlet's sales performance optimization. A challenge of operating regional distribution centers is that most suppliers are in Bangkok and vicinity without the capability to distribute their products to other regions, or they would incur high costs in doing so as their products would not fill a large truckload. The primary distribution system can enhance the efficiency of these suppliers as milk-run trucks make rounds to collect goods from these suppliers and deliver to the distribution or consolidation centers in order to achieve cost-saving in respect of distribution and logistics.

**The primary distribution system** is a form of collaboration of operators in the supply chain; in this case -- the retailers and suppliers, in order to reduce the supply chain cost while improving the performance, especially in respect of punctuality, which is in alignment with the supply chain management. From my point of view, if the primary distribution system can be applied by more modern trade retailers or even by traditional trade players, the product cost could be reduced and it will bring about a win-win scenario for all parties in the supply chain, and this will ultimately benefit the consumers. ■



Take a Break

# Lom Choy Restaurant

**First of all**, the Forward Team would like to convey our best wishes to our dear readers for the Year of the Horse. May you enjoy successful and flourishing business prosperity in 2014. We continue to focus on finding great restaurants for your culinary delight. If you follow our recommendations, feel free to give us feedback for our improvement. Also, we would love to review any places suggested by our readers.

For the first 'Take a Break' column in 2014, our customers at TPARK Bangplee 1 and TPARK Bangplee 3 asked us to introduce "**Lom Choy**" restaurant on Teparak Road, near KM 18. Lom Choy offers a breezy open-air ambience that lives up to its name. The star dishes include *Ped Paloh* (Pot-stewed duck); delight in succulent duck, deep in a thick pot-stewed gravy (Paloh) that goes so well with *Leaud Ped* (duck blood). You will find it extremely difficult not to order more! Other recommended dishes are *Hoy Jor* (Crispy prawn roll) with hearty fillings; *Pla Neua On Tod Kratiem* (Fried Sheatfish and garlic), the whole fish is edible, with crispy exterior and soft fish meat; and *Tom Yum Pla Kao Mor Fai* (Grouper in spicy Tom Yum soup), a tasty and spicy soup.

If that's not enough, the FORWARD team suggests readers explore more delicious dishes like *Hor Mok* (steamed fish with curry paste), *Pla Kao Pud Cha* (Fried Grouper with herbs and spice), *Giem Chai Gra Poh Moo* (Stir fried pig's stomach with salted lettuce), *Broccoli Pud Kung* (Stir fried Broccoli with shrimp), and *Pla Muek Pud Prik Gang* (Stir fried squid with curry paste)

Finish your spicily tasty meal with various selections of dessert. The can't-misses include homemade cakes such as orange, chocolate and Thai tea cakes. Check out this gastro-delight from Mondays to Saturdays from 11.00 a.m.to 5.00 p.m. ■

TASTE ★★★★★

PRICE ★★★★★

AMBIENCE ★★★★★

## LOM CHOY RESTAURANT

Open on Mondays - Saturdays  
from 11.00 a.m.to 5.00 p.m.

**Location:** Near TPARK Bangplee 1  
and TPARK Bangplee 3  
**Address:** 34/10 Moo 9 Teparak Rd.,  
Tambon Bangpla, Amphoe  
Bangplee, Samut Prakan  
province 10540  
**Tel.** 0-2315-4568



☐ Yes ☒ No



*Ped Paloh*

*Leaud Ped*

*Hoy Jor*

*Hor Mok*

*Pla Kao Pud Cha*

*Giem Chai Gra Poh Moo*

*Broccoli Pud Kung*

*Pla Muek Pud Prik Gang*

*Pla Neua On Tod Kratiem*

*Homemade Cakes*



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