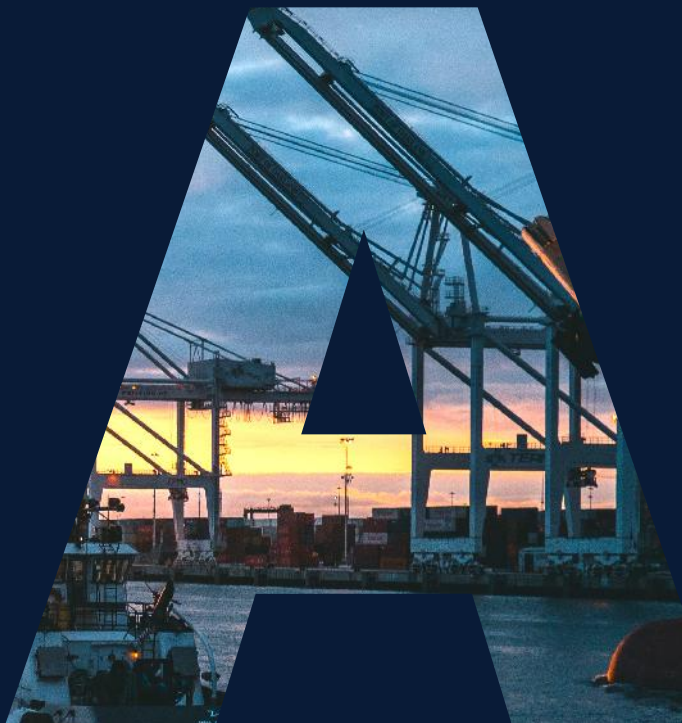


# ANNUAL REPORT

2018 - 2019



BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION

[WWW.THAIBSAA.COM](http://WWW.THAIBSAA.COM)



# EXECUTIVE COMMITTEE

## 2017 - 2019



**Mr. Sutham Chitranukroh**  
Honorary Chairman



**Mr. Suwat Asavathongkul**  
Chairman  
CMA CGM (THAILAND) LTD.



1. **Dr. Sathit Jintarasamee**  
Vice Chairman  
SAMUDERA TRAFFIC CO., LTD.
2. **Mr. Suchart Chalermkarnchana**  
Vice Chairman  
SEALITE SHIPPING CO., LTD.
3. **Mr. K.B. Lim**  
Vice Chairman  
EASTERN MARITIME (THAILAND) LTD.
4. **Mr. Supat Aimsaard**  
Vice Chairman  
ALLIANCE SHIPPING SERVICES CO., LTD.
5. **Mr. Thanit Hanbenjaphong**  
Executive Secretary  
SIAM ECL CO., LTD.
6. **Mr. Yutaka Nakagawa**  
PR Officer  
K LINE (THAILAND) LTD.
7. **Mrs. Phornthip Triratphadungporn**  
Treasurer  
SEAWAY EXPRESS CO., LTD.
8. **Mr. Liu Changwen**  
COSCO SHIPPING LINES CO., LTD.
9. **Mr. Yongyos Kittiyopas**  
EVERGREEN SHIPPING AGENCY  
(THAILAND) CO., LTD.
10. **Mr. Somkiat Tantarannukul**  
HEUNG-A SHIPPING  
(THAILAND) CO., LTD.
11. **Dr. Sumet Kheawngamdee**  
HYUNDAI MERCHANT MARINE  
(THAILAND) CO., LTD.
12. **Mr. Kongkeat Tangkham**  
KMTC (THAILAND) CO.,LTD
13. **Mr. Liang Chaivipas**  
NGOW HOCK AGENCY CO., LTD.
14. **Mr. Surachai Nimmual**  
SCG LOGISTICS CO., LTD.
15. **Mr. Natthavudh Bhuvatorakul**  
SITC CONTAINER LINES  
(THAILAND) CO., LTD.
16. **Mr. Chartchai Sakulmongkolnam**  
UNITED THAI SHIPPING CO., LTD.
17. **Capt. Somporn Guntusgumpon**  
WILHELMSEN SHIPS SERVICE  
(THAILAND) CO., LTD.
18. **Mr. Kiyoshi Tokonami**  
OCEAN NETWORK EXPRESS  
(THAILAND) LTD.
19. **Mr. Sasada Yusuke**  
NYK RORO (THAILAND) CO.,LTD.

## SUB-COMMITTEE AND MEMBERS 2017 - 2019



### BANGKOK PORT AND OTHER PORTS

|           |  |                               |
|-----------|--|-------------------------------|
| Convenor  | Wilhelmsen Ships Service (Thailand) Ltd. | S.Guntusgumpon@wilhelmsen.com |
| Members : | PCL Agencies Co., Ltd.                   | nvzskitti@gmail.com           |
|           | Ngow Hock Agency Co., Ltd.               | kritsana@ngowhock.co.th       |
|           | ZIM (Thailand) Co., Ltd.                 | nha742@rclgroup.com           |
|           |  | Petchpul.Nipon@th.zim.com     |

### LAEM CHABANG & EASTERN PORTS

|           |                                       |   |
|-----------|---------------------------------------|---|
| Convenor  | Ocean Network Express (Thailand) Ltd. | thanawint.suphaphaisarnsin@one-line.com |
| Members : | OOCL (Thailand) Ltd.                  | boonyarat.wonghathaitip@oocl.com        |

### DOMESTIC SHIPPING

|           |                         |                                     |
|-----------|-------------------------|-------------------------------------|
| Convenor  | SCG Logistics Co., Ltd. | surachai.nimnual@scgroupthai.com    |
| Members : | PCL Agencies Co., Ltd.  | jittapa.waikhethgan@scgroupthai.com |
|           |                         | nvzskitti@gmail.com                 |

### ICD / OFF DOCK

|          |   |                                  |
|----------|---|----------------------------------|
| Convenor | SITC Container Lines (T) Co., Ltd.      | natthavudh@sitcthai.com          |
| Members  | Evergreen Shipping Agency (T) Co., Ltd. | yongyos@evergreen-shipping.co.th |

### LAW AND REGULATION

|           |  |                               |
|-----------|--|-------------------------------|
| Convenor  | Sealite Shipping Co., Ltd.               | tom@sealite.co.th             |
| Members : | Ngow Hock Agency Co., Ltd.               | liang@ngowhock.co.th          |
|           | Wilhelmsen Ships Service (Thailand) Ltd. | S.Guntusgumpon@wilhelmsen.com |

### MEMBER ACTIVITIES AND BENEFITS

|           |                                       |                         |
|-----------|---------------------------------------|-------------------------|
| Convenor  | Siam ECL Co., Ltd.                    | thanit@siamecl.com      |
| Members : | Alliance Shipping Services Co., Ltd.  | kotchakorn@siamecl.com  |
|           | Eastern Maritime (T.) Ltd.            | supataim@gmail.com      |
|           | Heung-A Shipping (Thailand) Co., Ltd. | kblim@ksc.th.com        |
|           | K Line (Thailand) Ltd.                | somkiatt@heung-a.co.th  |
|           |                                       | somchart.k@th.kline.com |

### COMMUNICATIONS AND STATISTICS

|           |                                      |                         |
|-----------|--------------------------------------|-------------------------|
| Convenor  | K Line (Thailand) Ltd.               | somchart.k@th.kline.com |
| Members : | Eastern Maritime (T.) Ltd.           | kblim@ksc.th.com        |
|           | Alliance Shipping Services Co., Ltd. | supataim@gmail.com      |

### LOGISTICS

|           |                                       |                         |
|-----------|---------------------------------------|-------------------------|
| Convenor  | Heung-A Shipping (Thailand) Co., Ltd. | somkiatt@heung-a.co.th  |
| Members : | K Line (Thailand) Ltd.                | somchart.k@th.kline.com |

# BSAA Annual Report 2018-2019

## Chairman's Report



With business-friendly fiscal policies and explicit spending plans on infrastructures of the government, increasing demands for goods and services from overseas considerably supported Thailand's GDP to grow continuously towards in the past five years, especially in 2018.

To capture the significant economic figures in 2018, the Thai economy grew by 4.1 %, up from 4.0 % in 2017 and was considered as the rapidest growth in 6 years. Export value expanded by 7.7 % whilst private consumption and total investment increased by 4.6 and 3.8 %, respectively. Headline inflation averaged at 1.1 % and the current account recorded a surplus of 7.4 % of GDP, according to the National Economic and Social Development Council (NESDC).

However, for the economic outlook of 2019, the National Economic and Social Development Council (NESDC) has recently adjusted down its GDP forecast from 4 % to 3.3 to 3.8 %, citing the impact on Thai exports from the escalating US-China trade war as the key factor. In the first quarter of 2019, Thai exports contracted by 3.6 % (year on year), causing the government advisory body to lower its export growth forecast to only 2.2 % for this year. This would be a significant reduction in the country's export growth, which last year achieved 7.2 %, according to the NESDC.

As for the overall container throughput of Thailand in 2018, the statistics indicated a remarkable figure of 10,371,645 TEUs (including empty container volume of 1,883,985 TEUs) with an increase of 4.36 % over 2017. For export laden container volume, it showed 5,004,373 TEUs with an increase of 3.62 % over the previous year whilst the import laden container volume recorded at 3,483,287 TEUs which expanded by 6.59 %. For 2019 forecast, we anticipate a very modest growth of container volume throughput in Thailand taking into consideration the slow down of export growth and strong currency situation.

Indeed, most of export and import cargos have been handled through Thailand's two main ports: the original main port, Bangkok Port and the country's largest port, Laem Chabang Port in which both ports are the competitive gateways to the world markets. Both, however, are wrestling with some congestion difficulties.

For Bangkok Port in 2018, the volume of cargo containers passing this port, compared to 2017, was almost unchanged at about 1.5 million TEUs. The volume of outbound laden containers declined by 6.47 % and the inbound laden containers slightly increased by 2.84 %.

Yet, the inbound laden container volume was still greater than the outbound containers by 52.50 %, whilst the volume of cargo containers at all private wharves in Chao Phraya River accounted for a substantial growth of 28.43 %. Such growth could possibly be due to the congestion in the Bangkok Port and the standards of private port services that meet the requirements of various shipping lines.

Moreover, during the past year, development of various projects in the PAT/BKP had continuously been carried on. Maintenances of rail-mounted gantry cranes were more effective because of decent planning, resulting in the operations to be less affected.

Other difficulties at Bangkok Port were all the same old problems whether it is a shortage of equipment for lifting cargos and containers as many top-loaders are out of order and have been left idle waiting for repairs and spare parts or the problem of insufficient trailer drivers despite of the availability of a full fleet of trailers. Vessels waiting for berth still periodically occurred especially during the weekend. However, the berthing delay was not as severe as in the past years since some shipping lines have decided to skip Bangkok Port and call other private wharf instead or use barge option to transfer Bangkok cargo via Laem Chabang Port.

On the other hand, Laem Chabang Port (LCP) which is the country's biggest port in terms of container volume continued to enjoy a steady growth of container throughput in 2018. A total of 8,074,591 TEUs (including empty containers) was handled by Laem Chabang Port. Inbound laden container volume reportedly increased by 7.26 % whilst the volume of outbound laden container grew up by 3.35 %. Major development at LCP has included the construction of the Rail Transfer Facilities which has been completed since the end of 2018. The Single Rail Transfer Operator (SRTO) is in the process of selection and bidding by LCP. At present, LCP manages and handles the rail transfer operation by themselves until a new operator is selected through the bidding of an outsource contract.

Moreover, construction of the new coastal terminal (A0) and the installation of equipment (QGC/RTG) are also completed. Selection of the private operator to manage and operate the coastal terminal is under the outsource contract bidding by LCP. On 27th November 2018, PAT/LCP announced to repeal the 50% discount of container LO/LO and transfer charges under tariff items No. 306.1.2 and 306.2.2 and re-instate the full lumpsum rate of Baht 1,545 per container (every size and status) effective from 1st February 2019. As a result, LCP terminals will charge barge operators the full tariff rate.

Another major development project is the Laem Chabang Port Phase 3 which is a response to the government policy in the development of the Eastern Economic Corridor (EEC). The project of LCP Phase 3 is aimed to significantly improve Thailand's competitiveness and enhance the nation's position as a regional gateway. LCP started the bidding process for selection of Operator at Terminal F in Jan/Mar 2019. There were only two consortiums (the GPC joint venture group and the NPC joint venture group) who submitted the bidding envelope. Initially, GPC joint venture group has passed the qualification but LCP has yet to finalize the bidding result.

As for the domestic shipping, total barge throughput (to/from Laem Chabang Port) of 624,066 TEUs in 2018 indicated a significant increase of 14.9 % over the previous year. The new Coastal Terminal 20G, aimed to enhance carriage of export containers by barge from the Bangkok Port, has been opened for barge calls for more than a year. However, total volume of export containers from 20G to LCP by barge showed only 2,436 TEUs in 2018.

Meanwhile, the total container volume of 1,419,701 TEUs passing through Lat Krabang ICD in 2018 showed an increase of 0.9 percent from previous year. The Single Rail Transfer Facilities has been completed in Laem Chabang port and LCP started to operate by themselves but each terminal operator must bring their own truck to carry container from the train directly. Significantly, only 15 % of import containers to the ICD was moved by rail in 2018, a decrease from 24 % in 2017. The volume of export containers moved by rail also decreased from 27 % in 2017 to 17 % in 2018. The decreased ratio of container shuttling by rail versus the use of trucking was due to the LCP operating RMG for loading/discharging container from rail to terminal yard which currently there has been no RTG to pick up containers from the yard track as they did before at B side area. Consequently, the frequency of the train service is dropped from 12 trips to 7 or 8 trips per day.

As for the circumstances of traffic at Lat Krabang ICD, unfortunately it was still heavy and there was terrible congestion during mid-week to end-week, particularly during nighttime. Poor traffic management attributed to the congestion, caused by empty trucks being allowed to park along the ICD entrance road.

For the bidding of the new concession for a single operator of Lat Krabang ICD, ALG Consortium was the only bidder and has been declared by SRT as the winner of the concession who was supposed to take over the ICD facilities from previous 6 operators on 5th May 2019. However, the signing of official concession contract has still been kept pending for cabinet approval.

In the meantime, there was no significant legal issue directly impacting shipping and marine transportation in 2018; however, there are some legal development updates that may impact the business such as:

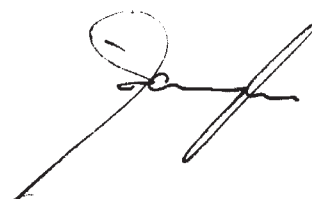
- Thailand Cybersecurity Act B.E. 2562 (2019) which has been effective since 27th May 2019;
- new trade control on Weapons of Mass Destruction (WMD) related items act to become effective on 1st January 2020;
- the foreign business act amendment; and
- transfer pricing law update.

BSAA has been very active to continue reaching out to our members and keep them informed of the latest news affecting their operations. We do this with regular updates on our website as well as BSAA newsletter, which we produce over 4,000 copies per issue and mail to members and decision makers at stakeholder organizations including exporters and importers as well as government agencies concerned.

Our website and its useful contents, [www.thaibsaa.com](http://www.thaibsaa.com), has been recently developed with the aim of being the easy-to-navigate information centre for all members and other stakeholders for shipping information and other activity news.

I would like to kindly remind our members that the success of online community and BSAA news also depends in large part on member participations. Keeping the information on the website up to date requires more responsiveness from BSAA's members in providing news and information.

Sincerely, to this end, our Executive Committee members including the sub-committees and I look forward to your supports, participations as well as recommendations to keep our business community developed and grown.



**Suwat Asavathongkul**

BSAA Chairman

## BANGKOK PORT



The volume of cargo containers passing through the Bangkok Port in 2018 (January-December) compared to 2017 was almost unchanged at about 1.5 million TEUs. The volume of outbound containers decreased slightly by 3.8% and the inbound containers slightly increased by 1.8%. Yet, the inbound container volume was still more than the outbound containers by 18.7%, while the volume of cargo containers at the private wharfs in Chao Phraya River accounted for a substantial growth of 30.8%. Such growth could probably be due to the congestion in the Bangkok Port and the standards of private port services that meet the requirements of various shipping lines.

During the past year, development of various projects in the PAT/BKP had continuously been carried on. Maintenances of rail-mounted gantry cranes were more effective because of good planning consequently resulting in the operations to be less affected.

Vessels waiting for berth still periodically occurred at the Bangkok Port especially during the weekends. Many shipping lines had to adjust their vessels' calls to get back to the schedule. Some shipping lines decided to skip the Bangkok Port as a short-term solution. Nevertheless, when the situation had eased, shipping lines started to bring their vessels back to use the services of Bangkok Port again. Hence, the Port congestion emerged again.

Frequent and long holidays caused more congestion in Bangkok Port because consignees delayed taking delivery and inbound cargo containers remained in the Port consequently resulting in shortage of storage space for cargo from subsequent vessels. This has caused a chain of problems in the Port. Many customers opted to use the Port as a cargo storage place. This could be because of the fact that the storage charge tariff is relatively low which the Port should take it into consideration for the appropriate charge rate to solve the problem in the long term.

Other problems at Bangkok Port are all the same old problems whether it is a shortage of equipment for lifting cargos and containers; many top-loaders are out of order and have been left idle waiting for repairs and spare parts. A number of new handling equipment have been purchased as the replacements, however, the ratio of breakdown equipment waiting for repairs is still somewhat high, on some days as high as 30%-40%. In addition, despite availability of a full fleet of trailers, the problem of shortage of trailer drivers still persisted.

It can be seen that even there are many problems in Bangkok Port yet Bangkok Port is still very much in demand of port users. Our hopes would, therefore, lie in the hands of the newly appointed Director General of Port Authority of Thailand who is a long-serving member of the PAT Management and is very conversant with the problems in the Port. We fully hope that the new PAT DG will have a good vision and will take necessary steps to address these problems.

## LAEM CHABANG & EASTERN PORTS

### SINGLE RAIL TRANSFER OPERATOR

Construction of the Rail Transfer Terminal has been completed since end of 2018. The Single Rail Transfer Operator (SRTO) is in the process of selection and bidding by LCP. Currently, LCP handled the rail transfer operation till a new operator is selected through bidding.

### THE COASTAL TERMINAL

Construction of the new coastal terminal (A0) and installation of equipment at Laem Chabang are completed. Selection of the private operator will follow outsource contract bidding regulation with plans to complete this year.

### DREDGING AT LCP TERMINAL C AND D

As a result of PAT's survey of the water depth at Laem Chabang Port Terminal C and D, shallow spots were found which has prompted a new regulation reducing the safety adder for vessels berthing at LCP Terminal C and D. PAT started to dredge some areas at Terminal C and D. However, the dredging is taking time due to limitation of equipment.

### LAEM CHABANG PORT PHASE 3

Laem Chabang Port Phase 3 is a response to the government policy in the development of the Eastern Economic Corridor (EEC). The project of LCP Phase 3 is aimed to significantly improve Thailand's competitiveness and enhance the nation's position as a regional gateway. LCP started the bidding process for selection of Operator at Terminal F in Jan/Feb 2019. In March 2019, there were only two consortiums (the GPC joint venture group and the NPC joint venture group) who submitted the envelope of intention. Initially, the GPC joint venture group passed the qualification. However, the LCP joint venture group has yet to finalize the bidding result.



## DOMESTIC SHIPPING



Carriage of containers by barge continues to grow. Total barge throughput (to/from Laem Chabang Port) of 624,066 TEUs in 2018 showed a significant increase of 14.9% over the previous year. The new Coastal Terminal 20G, aimed to enhance carriage of export containers by barge from the Bangkok Port, has been opened for barge calls for more than a year. However, total volume of export containers from 20G to LCP by barge showed only 2,436 TEUs in 2018.

The new Coastal Terminal (A0) at Laem Chabang Port has originally been planned for opening early this year. The new Coastal Terminal has now been rescheduled to be operational in the third quarter of 2019.

## ICD/OFF-DOCK

The total volume of containers passing through Lat Krabang ICD in 2018 increased by 0.9% from 2017 due to SRT project finished in Laem Chabang and PAT started to operate by themselves for container transfer to terminal. Their efficiency started to be better and better step by step. Each terminal must bring their own truck to carry each container from the train directly. However, the frequency of the train dropped from 12 trips to 7 or 8 trips per day. The volume of import containers in 2018 decreased by 0.2% from 2017 and the volume of export containers in 2018 increased by 1.8% from the previous year. The total volume of 1,419,701 TEUs was an increase of 0.9% compared to the total volume in 2017.

|               | 2017      | 2018      | INCR. / DECR.% |
|---------------|-----------|-----------|----------------|
| <b>IMPORT</b> | 641,301   | 639,713   | <b>-0.2%</b>   |
| <b>EXPORT</b> | 766,189   | 779,988   | <b>1.8%</b>    |
| <b>TOTAL</b>  | 1,407,490 | 1,419,701 | <b>-0.9%</b>   |

Some 15% of import containers to the ICD was moved by rail in 2018, a decrease from 24% in 2017. The volume of export containers moved by rail also decreased from 27% in 2017 to 17% in 2018. The decreased ratio of container shuttling by rail versus use of trucking was due to the PAT operating RMG for loading / discharging from rail to terminal where currently there is no RTG to pick up container from the track as they did before at B side area.

| EXPORT       | 2017    | TRAIN/TRUCK RATIO | 2018    | TRAIN/TRUCK RATIO |
|--------------|---------|-------------------|---------|-------------------|
| <b>TRAIN</b> | 155,543 | 24%               | 97,931  | 15%               |
| <b>TRUCK</b> | 485,758 | 76%               | 541,782 | 85%               |
| <b>TOTAL</b> | 641,301 | 100%              | 639,713 | 100%              |

| EXPORT       | 2017    | TRAIN/TRUCK RATIO | 2018    | TRAIN/TRUCK RATIO |
|--------------|---------|-------------------|---------|-------------------|
| <b>TRAIN</b> | 204,568 | 27%               | 139,740 | 17%               |
| <b>TRUCK</b> | 561,621 | 73%               | 640,248 | 83%               |
| <b>TOTAL</b> | 766,189 | 100%              | 779,988 | 100%              |

### TRAFFIC IN THE ICD

Traffic was heavy and there was bad congestion during mid-week to end-week, particularly during night time. Poor traffic management attributed to the congestion. The condition was made worse by empty trucks being allowed to park along the ICD entrance road.

### RENEWAL OF CONCESSIONS

“ALG” Consortium won the bidding as the new prospectus operator of Lat Krabang ICD. The new operator was supposed to take over from the six old operators on 5th May 2019. However, the official contract signing must be approved by the cabinet. The concession is therefore kept pending till approval by the new cabinet.



## LAW AND REGULATION

The digital technology moves the world and the people's behavior to a degree never before experienced in the history of mankind. This is inclusive of matters of BSAA focus: shipping and marine interest. New trends in emerging market, activities over lapsed and legal issues intertwined and the direct and indirect effect are such that in order to keep up with the development, one may no longer stay on its focal point, but has to also absorb and follow the current environment. Since there is no legal issue directly impacting shipping and marine transportation during the past 12 months, this brief attempts therefore to include those important legal development that may impact the business:

**Thailand Cybersecurity Act B.E. 2562 (2019)** has been effective since 27th May 2019. In essence, private entities may have obligations under the Cybersecurity Act under two scenarios, as follows:

(i) In an occurrence of cyber threats, private entities may be required to:

- a. provide access to relevant computer data or a computer system, or other information related to the computer system only to the extent necessary to prevent cyber threats;
- b. monitor the computer or computer system; and
- c. allow officials to test the operation of the computer or computer system, or seize or freeze a computer, a computer system, or any equipment.

(ii) In the event the organization fits the criteria of a Critical Information Infrastructure Organization. A CII Organization which undertakes the following tasks or provides the following services may be deemed a CII organization:

- a. National security;
- b. Material public service;
- c. Banking and finance;
- d. Information technology and telecommunications;
- e. Transportation and logistics;
- f. Energy and public utilities;
- g. Public health;
- h. Others as prescribed by the National Cybersecurity Committee (NCSC)

Such orders must be limited to the necessity of preventing or handling cyber threats. Private entities which are deemed CII Organization would have compliance obligations, such as to:

- a. provide names and contact information of the owner(s), person(s) possessing the computer and person(s) monitoring the computer system;
- b. comply with the code of practice and minimum cybersecurity standards;
- c. conduct cybersecurity risk assessment; and
- d. notify the authority of cyber threats.

Penalties vary from fines to imprisonment. To prepare for compliance with the Act, private entities can prepare their IT systems, review and update relevant legal documentation (e.g. IT policies and notice of security breaches), and conduct personnel training to raise awareness on cybersecurity. CII organizations should familiarize themselves with the Act and in the meantime closely monitor the developments of the sub-regulation to be further prescribed by the NCSC.

### **NEW TRADE CONTROL ON WEAPONS OF MASS DESTRUCTION (WMD) RELATED ITEMS ACT TO BECOME EFFECTIVE ON 1ST JANUARY 2020.**

The regulated items include WMDs themselves, armaments and dual-use items (DUI) as well as tangible and intangible items that could have commercial interest, technology or even software.

Controlled activities under the WMD Act not only include export, but also re-export, transshipment, transit, being a brokerage and other actions with the purpose of spreading WMDs. MOC is the responsible authority and subsequently expected to issue 2 lists:

- (i) List of goods that are considered DUI, based on EU 2018 Dual-Use Item List. Any person who wishes to engage in the controlled activities for the goods falling under this list will require license from MOC, e.g. an export license for export of DUI.
- (ii) List of goods that are not related in any way to the spread of WMDs which is based on the latest Harmonized System Code (HS Codes). Goods falling under this list require no license (e.g. export license). However, a person will have to make a self-certification to MOC that their goods under the said HS Code are not DUI – before they can engage in the restricted activities (e.g. export them out of Thailand).

Failure to obtain relevant licenses to engage in the controlled activities is subject to a maximum imprisonment of 2 years and/or a fine of up to THB200,000. If offense is for the purpose of spread of WMDs to cause harm, to design, development, manufacture, use, modify, store, transport WMDs or utilize such items for the purpose of obtaining WMDs, the maximum imprisonment shall be increased to 10 years and a fine of up to THB 1 million. All items to such offense will also be confiscated.

### **THE FOREIGN BUSINESS ACT AMENDMENT**

The Foreign Business Act B.E. 2542 (1999) is the primary law that provides the most wide-ranging of restricted business activities. From its enactment FBA has prohibited foreigners from operating certain listed business in Thailand without a license. There are 3 lists of restricted business activities, they are:

List 1 – business activities that are restricted for foreigners for special reasons, e.g. rice farming, forestry, newspapers, radios, television broadcastings, etc.

List 2 – business activities that may affect national security or safety, art, culture, customs, native manufacturing, handicraft productions, natural resources or the environment, e.g. manufacture, distribution and maintenance of weapons of war, Thai silk thread, etc.

Foreigners who have obtained permission from the Minister of Finance, issued by the approval of the Cabinet, can operate these business activities, provided that Thai shareholder(s) must hold at least 40% of the capital of such foreign company. In addition, this requirement can be relaxed by the resolution of the Cabinet, provided that (i) Thai shareholder(s) do not hold less than 25% of the capital; and (ii) at least two-fifths of the directors of the company must be Thai nationals.

List 3 – business activities that Thai nationals are considered not adequately prepared to compete on an equal footing with non-Thai nationals, e.g. account service, legal service, engineering service, architecture service, etc.

Foreigners can operate this kind of businesses only if a license from the Director-General of the Department of Business Development (DBD), issued by the approval from the Foreign Business Committee has been obtained.

The relaxation of FBL would reduce the redundancy and complexity of regulatory requirements for foreign investors and to encourage Thailand to become an investor-friendly country.



## TRANSFER PRICING LAW

Spurred by the demand for greater transparency and fair tax practices, the OECD developed the Framework on Base Erosion and Profit Shifting (BEPS). In 2017, Thailand joined BEPS and on 21st November 2018, Amendment No.47 to the Revenue Code in regard to transfer pricing was published in the Royal Gazette. It is important for companies, especially those with related party transactions, to be vigilant and aware of the tax compliance implications. Key aspects of the transfer pricing law are:

a. Revenue Department's tax auditors will be granted the authority to adjust corporate taxpayers' revenue and expenses in relation to related-party transactions that were not at arm's length according to the rules, procedures and conditions set out in the related Ministerial Regulation.

b. "Related Party" is defined as

- Legal entity that either directly or indirectly holds 50% or more of the total shares of another legal entity;
- A legal entity of which 50% or more of its total shares are held either directly or indirectly by a shareholder or partner that also directly or indirectly holds 50% or more of total shares of another legal entity; or

- A legal entity that has a dependent relationship with another legal entity in terms of capital, management, or control, to the extent that one entity cannot be operated independently from the other.

c. To relieve the double tax resulting from such adjustments, taxpayers who are deemed to have overpaid taxes on related-party transactions as a result of a transfer-pricing assessment will have the right to file a request for a tax refund within 3 years of the deadline for filing an annual corporate income tax return or 60 days of receiving notification of the tax assessment results, whichever is later, according to regulations set out by the Director-General.

d. The Law places a threshold for compliance on companies with an annual turnover of 200 million Baht to submit filings and report on related party transactions.

The Law will be effective for the account periods beginning on or after 1st January 2019. Therefore, deadline for the first transfer-pricing disclosure forms for taxpayers having an accounting period from 1st January through 31st December 2019 will be 29th May 2020.

Apart from the above Acts, other legal issues are of lesser relevance to BSAA's core. However, certain update should be followed also by business corporates as a whole; for example, the Labor Protection Act, the Life and Non-Life Insurance and the Bill on Business Taxation.

## MEMBER ACTIVITIES AND BENEFITS

In the past year, BSAA has organized activities for all members like every year. However, this year we commemorated a special occasion, our 50th BSAA Anniversary Party, which all members gave a big support to join and celebrated our precious moment together.

BSAA also participated in other meetings and seminars organized by government and private sectors in order to share useful information to all members. We have also continuously arranged training programs on various topics related to shipping & transportation industry throughout the years.

We held the 20th BSAA-PAT Annual Friendship Golf Tournament which is an activity organized annually to strengthen the relationship between BSAA and PAT. The annual sports event has drawn enthusiastic participation from golfers from BSAA members and PAT. For CSR Activity, BSAA had followed up the donated container library by donating the container cover to improve the usage of the container library. BSAA also regularly participates in donations to other governmental agencies' CSR schemes.



| ACTIVITIES OF YEAR 2018-2019 |   |
|------------------------------|---|
| 05/06/18                     | Training on Shipping Best Practice and Customs Issues at Narai Hotel  |
| 24/07/18                     | 51st Annual General Meeting and Special Speech by Mr. Tanongsak Pongprasert, Deputy Governor of Traffic Business Cluster at Dusit Thani Bangkok           |
| 17/08/18                     | BSAA joined the 8 Parties Friendship Football Tournament (PAT, Customs, BSAA, TNSC, CTAT, TIFFA, TACBA and IM-EX TA) at PAT Sports Centre hosted by PAT.  |
| 05/09/18                     | Donation Ceremony for Cover of Container Library at Baan Wangmee School, Nakornratchasima   |
| 18/10/18                     | 20th BSAA/PAT Annual Friendship Golf Tournament at the Vintage Club, (PAT-Team Champion)  |
| 24/10/18                     | Congratulations to the New Director General of Customs Dept. Mr. Krisada Chinavicharana   |
| 02/11/18                     | Congratulations to the New Director General of Marine Dept. Mr. Somsak Hommuang   |
| 12/11/18                     | Congratulations to the New Permanent Secretary of Ministry of Transport, Mr. Chaiwat Thongkamkoon   |
| 13/11/18                     | Congratulations to the New Deputy Director General of Customs Dept. Mrs. Chalida Phungravee   |
| 21/11/18                     | 50th BSAA Anniversary Cocktail Party at Dusit Thani Bangkok   |
| 07/01/19                     | New Year's Greetings to Lt. JG. Kamolsak Promprayoon, Deputy DG of Port Authority of Thailand and Mr. Komol Sribangplenoi, MD of Bangkok Port at PAT Bldg |
| 10/01/19                     | Training on Submission of Customs Manifests, Release of Cargo and Other Customs Issues at Narai Hotel   |
| 28/02/19                     | Congratulations to the new Director General of PAT, Lt. JG. Kamolsak Promprayoon  |
| 06/03/19                     | Lunch Talk on Regional and Global Trade by the present Director General of DFT, Mr. Adul Chotnisakorn   |
| 24/04/19                     | Training on Customs & Revenue Issues at Narai Hotel   |

## COMMUNICATIONS AND STATISTICS



Sincere thanks are extended to our sponsors who make it possible to produce BSAA News for more than ten years. This valuable source of information will benefit both the sponsors and readers from the direct business exposure. More than 4,000 copies per issue are distributed directly by mail to decision-makers in leading export-import companies. At the same time, readers will receive updated news, hot issues, and maritime-related knowledge from the publication.

BSAA website is another source where visitors can search for information of BSAA members – both ordinary and associate members - as well as shipping news both locally and globally. BSAA activity news are also regularly posted. In addition to shipping news, training/seminars to enhance shipping or related knowledge, are also available in this website. Useful statistics are also available for visitors to use in analyzing the market for their future plan like throughput of Bangkok Port, Laem Chabang Port, Lat Krabang ICD and Private Wharfs. We have also improved the content on the website with the aim of being the easy-to-navigate information center for all members and internet users who would like to search for shipping information. Responsiveness from BSAA members in providing news and knowledge to help keep the information up-to-date for all visitors is most welcome.

Last but not least, the sub-committee is very much looking forward to receiving supports as well as comments and recommendations from members and readers.

Please visit our website <http://www.thaibsaa.com> and use BSAA News as one of your media for your business.

## LOGISTICS

### THAILAND'S LOGISTICS PLAN NO. 3 (2017-2021)

The national logistics plan mostly covered construction of road and rail infrastructure projects. However, there seems to be no definite plan to improve cargo transportation. In particular, plan for regional ICDs with rail linkage. Development plan for coastal and inland waterway transportation is even more remote. The government had a clear policy to shift modes, from road to rail and water transportation. This goal will apparently need a lot of work and time to realize.

Thailand's imports and exports increase every year. However, overall efficiency in logistics concerned with Bangkok Port, Laem Chabang Port and Lat Krabang ICD needs to be improved.

### LAEM CHABANG PORT

PAT/LCP announced in a PAT Notification dated 27th November 2018 to repeal the 50% discount of container LO/LO and transfer charges under tariff items No. 306.1.2 and 306.2.2 and re-instate the full lumpsum rate of Baht 1,545 per container (every size and status) effective from 1st February 2019. As a result, LCP terminals will charge barge operators the full tariff rate as announced by PAT/LCP.



Laem Chabang Port still encounters traffic congestion as truck operators are complaining of 4-6 hours taken to pickup import container or to deliver export container at LCP. All concerned are discussing ways and means in an effort to ease the problem.

The Single Rail Transfer Operator (SRTO) at LCP is another issue awaiting to be solved. PAT/LCP has been providing rail transfer for containers at LCP to/from LICD. However, the problem is PAT/LCP only provides lifting on/off the rail wagon and transfer to/from LCP terminal has to be done by individual terminal operator's trailer. This has caused long time to load/unload containers in every rail trip. As a result, frequency of train services between LICD and LCP is reduced to 6-7 trips per day compared with 13-14 trips per day (before starting SRTO).



# THAILAND CONTAINER PORT THROUGHPUT STATISTICS



## INBOUND THROUGHPUT 2017 VS 2018 (JANUARY - DECEMBER)

Unit : TEU

|                         | 2017             |                  |                  | 2018             |                  |                  | VARIANCE       |               |                | % VARIANCE  |             |             |
|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|---------------|----------------|-------------|-------------|-------------|
|                         | LADEN            | MTY              | TOTAL            | LADEN            | MTY              | TOTAL            | LADEN          | MTY           | TOTAL          | LADEN       | MTY         | TOTAL       |
| Bangkok Port (BKP)      | 845,569          | 22,090           | 867,659          | 869,591          | 13,421           | 883,012          | 24,022         | -8,669        | 15,353         | 2.84        | -39.24      | 1.77        |
| Laem Chabang Port (LCP) | 2,239,234        | 1,583,548        | 3,822,782        | 2,401,798        | 1,579,945        | 3,981,743        | 162,564        | -3,603        | 158,961        | 7.26        | -0.23       | 4.16        |
| Private Wharves         | 149,948          | 75,468           | 225,416          | 175,679          | 110,813          | 286,492          | 25,731         | 35,345        | 61,076         | 17.16       | 46.83       | 27.09       |
| Songkhla Port           | 33,203           | 68,910           | 102,113          | 36,219           | 71,817           | 108,036          | 3,016          | 2,907         | 5,923          | 9.08        | 4.22        | 5.80        |
| <b>TOTAL</b>            | <b>3,267,954</b> | <b>1,750,016</b> | <b>5,017,970</b> | <b>3,483,287</b> | <b>1,775,996</b> | <b>5,259,283</b> | <b>215,333</b> | <b>25,980</b> | <b>241,313</b> | <b>6.59</b> | <b>1.48</b> | <b>4.81</b> |

## OUTBOUND THROUGHPUT 2017 VS 2018 (JANUARY - DECEMBER)

Unit : TEU

|                         | 2017             |               |                  | 2018             |                |                  | VARIANCE       |               |                | % VARIANCE  |              |             |
|-------------------------|------------------|---------------|------------------|------------------|----------------|------------------|----------------|---------------|----------------|-------------|--------------|-------------|
|                         | LADEN            | MTY           | TOTAL            | LADEN            | MTY            | TOTAL            | LADEN          | MTY           | TOTAL          | LADEN       | MTY          | TOTAL       |
| Bangkok Port (BKP)      | 609,663          | 18,905        | 628,568          | 570,233          | 34,349         | 604,582          | -39,430        | 15,444        | -23,986        | -6.47       | 81.69        | -3.82       |
| Laem Chabang Port (LCP) | 3,901,923        | 59,793        | 3,961,716        | 4,032,445        | 60,403         | 4,092,849        | 130,522        | 611           | 131,133        | 3.35        | 0.00         | 3.31        |
| Private Wharves         | 223,136          | 5,675         | 228,811          | 303,455          | 5,031          | 308,486          | 80,319         | -644          | 79,675         | 36.00       | 0.00         | 34.82       |
| Songkhla Port           | 94,932           | 6,254         | 101,186          | 98,240           | 8,206          | 106,446          | 3,308          | 1,952         | 5,260          | 3.48        | 31.21        | 5.20        |
| <b>TOTAL</b>            | <b>4,829,654</b> | <b>90,627</b> | <b>4,920,281</b> | <b>5,004,373</b> | <b>107,989</b> | <b>5,112,363</b> | <b>174,719</b> | <b>17,363</b> | <b>192,082</b> | <b>3.62</b> | <b>19.16</b> | <b>3.90</b> |

## TOTAL THROUGHPUT 2017 VS 2018 (JANUARY - DECEMBER)

Unit : TEU

|                         | 2017             |                  |                  | 2018             |                  |                   | VARIANCE       |               |                | % VARIANCE  |             |             |
|-------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|----------------|---------------|----------------|-------------|-------------|-------------|
|                         | LADEN            | MTY              | TOTAL            | LADEN            | MTY              | TOTAL             | LADEN          | MTY           | TOTAL          | LADEN       | MTY         | TOTAL       |
| Bangkok Port (BKP)      | 1,455,232        | 40,995           | 1,496,227        | 1,439,824        | 47,770           | 1,487,594         | -15,408        | 6,775         | -8,633         | -1.06       | 16.53       | -0.58       |
| Laem Chabang Port (LCP) | 6,141,157        | 1,643,341        | 7,784,498        | 6,434,243        | 1,640,348        | 8,074,591         | 293,086        | -2,993        | 290,094        | 4.77        | -0.18       | 3.73        |
| Private Wharves         | 373,084          | 81,143           | 454,227          | 479,134          | 115,844          | 594,978           | 106,050        | 34,701        | 140,751        | 28.43       | 42.77       | 30.99       |
| Songkhla Port           | 128,135          | 75,164           | 203,299          | 134,459          | 80,023           | 214,482           | 6,324          | 4,859         | 11,183         | 4.94        | 6.46        | 5.50        |
| <b>TOTAL</b>            | <b>8,097,608</b> | <b>1,840,643</b> | <b>9,938,251</b> | <b>8,487,660</b> | <b>1,883,985</b> | <b>10,371,645</b> | <b>390,052</b> | <b>43,343</b> | <b>433,395</b> | <b>4.82</b> | <b>2.35</b> | <b>4.36</b> |

## INBOUND THROUGHPUT 2018 VS 2019 (JANUARY - MAY)

Unit : TEU

|                         | 2018             |                |                  | 2019             |                |                  | VARIANCE      |                |            | % VARIANCE  |              |             |
|-------------------------|------------------|----------------|------------------|------------------|----------------|------------------|---------------|----------------|------------|-------------|--------------|-------------|
|                         | LADEN            | MTY            | TOTAL            | LADEN            | MTY            | TOTAL            | LADEN         | MTY            | TOTAL      | LADEN       | MTY          | TOTAL       |
| Bangkok Port (BKP)      | 362,083          | 5,958          | 368,041          | 360,244          | 6,076          | 366,320          | -1,839        | 118            | -1,721     | -0.51       | 1.98         | -0.47       |
| Laem Chabang Port (LCP) | 976,077          | 650,606        | 1,626,683        | 1,031,737        | 626,884        | 1,658,621        | 55,660        | -23,722        | 31,938     | 5.70        | -3.65        | 1.96        |
| Private Wharves         | 71,727           | 53,762         | 125,489          | 70,324           | 32,889         | 103,213          | -1,403        | -20,873        | -22,276    | -1.96       | -38.82       | -17.75      |
| Songkhla Port           | 13,995           | 31,375         | 45,370           | 14,422           | 23,371         | 37,793           | 427           | -8,004         | -7,577     | 3.05        | -25.51       | -16.70      |
| <b>TOTAL</b>            | <b>1,423,882</b> | <b>741,701</b> | <b>2,165,583</b> | <b>1,476,727</b> | <b>689,220</b> | <b>2,165,947</b> | <b>52,845</b> | <b>-52,481</b> | <b>364</b> | <b>3.71</b> | <b>-7.08</b> | <b>0.02</b> |

## OUTBOUND THROUGHPUT 2018 VS 2019 (JANUARY - MAY)

Unit : TEU

|                         | 2018             |               |                  | 2019             |               |                  | VARIANCE       |              |                | % VARIANCE   |              |              |
|-------------------------|------------------|---------------|------------------|------------------|---------------|------------------|----------------|--------------|----------------|--------------|--------------|--------------|
|                         | LADEN            | MTY           | TOTAL            | LADEN            | MTY           | TOTAL            | LADEN          | MTY          | TOTAL          | LADEN        | MTY          | TOTAL        |
| Bangkok Port (BKP)      | 238,144          | 16,864        | 255,008          | 216,119          | 10,719        | 226,838          | -22,025        | -6,145       | -28,170        | -9.25        | -36.44       | -11.05       |
| Laem Chabang Port (LCP) | 1,634,932        | 22,981        | 1,657,913        | 1,636,251        | 32,777        | 1,669,028        | 1,320          | 9,796        | 11,116         | 0.08         | 0.00         | 0.67         |
| Private Wharves         | 119,542          | 2,268         | 121,810          | 120,924          | 3,848         | 124,772          | 1,382          | 1,580        | 2,962          | 1.16         | 0.00         | 2.43         |
| Songkhla Port           | 41,469           | 2,881         | 44,350           | 34,325           | 3,200         | 37,525           | -7,144         | 319          | -6,825         | -17.23       | 11.07        | -15.39       |
| <b>TOTAL</b>            | <b>2,034,087</b> | <b>44,994</b> | <b>2,079,081</b> | <b>2,007,619</b> | <b>50,544</b> | <b>2,058,163</b> | <b>-26,468</b> | <b>5,550</b> | <b>-20,918</b> | <b>-1.30</b> | <b>12.33</b> | <b>-1.01</b> |

## TOTAL THROUGHPUT 2018 VS 2019 (JANUARY - MAY)

Unit : TEU

|                         | 2018             |                |                  | 2019             |                |                  | VARIANCE      |                |                | % VARIANCE  |              |              |
|-------------------------|------------------|----------------|------------------|------------------|----------------|------------------|---------------|----------------|----------------|-------------|--------------|--------------|
|                         | LADEN            | MTY            | TOTAL            | LADEN            | MTY            | TOTAL            | LADEN         | MTY            | TOTAL          | LADEN       | MTY          | TOTAL        |
| Bangkok Port (BKP)      | 600,227          | 22,822         | 623,049          | 576,363          | 16,795         | 593,158          | -23,864       | -6,027         | -29,891        | -3.98       | -26.41       | -4.80        |
| Laem Chabang Port (LCP) | 2,611,009        | 673,587        | 3,284,595        | 2,667,988        | 659,661        | 3,327,649        | 56,979        | -13,926        | 43,054         | 2.18        | -2.07        | 1.31         |
| Private Wharves         | 191,269          | 56,030         | 247,299          | 191,248          | 36,737         | 227,985          | -21           | -19,293        | -19,314        | -0.01       | -34.43       | -7.81        |
| Songkhla Port           | 55,464           | 34,256         | 89,720           | 48,747           | 26,571         | 75,318           | -6,717        | -7,685         | -14,402        | -12.11      | -22.43       | -16.05       |
| <b>TOTAL</b>            | <b>3,457,969</b> | <b>786,695</b> | <b>4,244,663</b> | <b>3,484,346</b> | <b>739,764</b> | <b>4,224,110</b> | <b>26,377</b> | <b>-46,931</b> | <b>-20,554</b> | <b>0.76</b> | <b>-5.97</b> | <b>-0.48</b> |

## ICD THROUGHPUT 2017 VS 2018 (JANUARY - DECEMBER)

Unit : TEU

|              | 2017             | 2018             | VARIANCE      | %VARIANCE   |
|--------------|------------------|------------------|---------------|-------------|
| Import       | 641,301          | 639,713          | -1,588        | -0.25       |
| Export       | 766,189          | 779,988          | 13,799        | 1.80        |
| <b>TOTAL</b> | <b>1,407,490</b> | <b>1,419,701</b> | <b>12,211</b> | <b>0.87</b> |

## ICD THROUGHPUT 2018 VS 2019 (JANUARY - MAY)

Unit : TEU

|              | 2018           | 2019           | VARIANCE       | %VARIANCE    |
|--------------|----------------|----------------|----------------|--------------|
| Import       | 261,686        | 255,121        | -6,565         | -2.51        |
| Export       | 321,133        | 285,885        | -35,248        | -10.98       |
| <b>TOTAL</b> | <b>582,819</b> | <b>541,006</b> | <b>-41,813</b> | <b>-7.17</b> |

# INDEPENDENT AUDITOR'S REPORT



TO: THE MEMBERS OF BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION

## OPINION

We have audited the financial statements of the BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION, which comprise the statement of financial position as at 31st May 2019, the related statements of income and expenses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION as at 31st May 2019, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards.

## BASIS FOR OPINION

We conducted our audit in accordance with Thai Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION or to cease operations, or has no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the BANGKOK SHIPOWNERS AND AGENTS ASSOCIATION to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**(Thongchai Piyadumrongkul)**

Certified Public Accountant No.3900

Bangkok 24th June 2019

# FINANCIAL STATEMENT

As at 31st May 2019 and 2018



## STATEMENT OF INCOME AND EXPENSES

for the Years Ended 31st May 2019 and 2018

|  | Baht                |                     |
|--|---------------------|---------------------|
|  | 2019                | 2018                |
| <b>INCOME</b>                              |                     |                     |
| Membership Fees                            | 2,323,150.00        | 2,378,400.00        |
| Meetings and Seminars                      | 1,459,038.65        | 1,295,596.63        |
| Newsletter                                 | 562,200.00          | 686,200.00          |
| BSAA Sport Activities                      | 418,915.89          | 519,415.89          |
| BSAA Handbook                              | 300,000.00          | 300,000.00          |
| Interest Income                            | 38,167.49           | 48,702.37           |
| Other Income                               | 4,234.58            | 1,962.61            |
| <b>TOTAL INCOME</b>                        | <b>5,105,706.61</b> | <b>5,230,277.50</b> |
| <b>EXPENSES</b>                            |                     |                     |
| Meetings and Seminars                      | 1,464,106.71        | 1,002,768.02        |
| Newsletter                                 | 406,316.00          | 412,848.00          |
| BSAA Sport Activities                      | 384,467.45          | 454,932.26          |
| Administrative                             | 3,448,929.40        | 3,417,064.12        |
| Income Tax                                 | 82,704.53           | 84,933.74           |
| <b>TOTAL EXPENSES</b>                      | <b>5,786,524.09</b> | <b>5,372,546.14</b> |
| <b>INCOME EXCEEDS (LESS THAN) EXPENSES</b> | <b>(680,817.48)</b> | <b>(142,268.64)</b> |

Accompanying notes are integral parts of the financial statement.

## ADMINISTRATIVE EXPENSES

for the Years Ended 31st May 2019 and 2018

|                                      | Baht                |                     |
|--------------------------------------|---------------------|---------------------|
|                                      | 2019                | 2018                |
| <b>ADMINISTRATIVE EXPENSES</b>       |                     |                     |
| Salary and Other Remunerations       | 2,344,580.00        | 2,303,100.00        |
| Office Rental                        | 413,419.96          | 438,723.01          |
| Transportation                       | 119,115.00          | 102,375.00          |
| Entertainment/Meeting Expenses       | 556.00              | -                   |
| Stationery and Office Supplies       | 34,510.78           | 8,652.45            |
| Depreciation                         | 31,341.32           | 17,362.90           |
| Postage                              | 8,364.00            | 6,565.00            |
| Electricity & Water                  | 45,332.32           | 12,765.50           |
| Audit Fee                            | 16,000.00           | 16,000.00           |
| Telephone                            | 36,408.51           | 37,055.01           |
| Office Cleaning Expenses             | 35,400.00           | 39,600.00           |
| Staff Accident and Health Insurance  | 31,262.00           | 30,830.00           |
| Membership Fee (Board of trade)      | 20,000.00           | 20,000.00           |
| Newspaper Subscription               | 2,375.00            | 3,010.00            |
| Repair and Maintenance               | 32,000.00           | 26,200.00           |
| Expenses for Internet                | 26,477.97           | 27,638.00           |
| Social Contribution                  | 21,500.00           | 22,500.00           |
| Bank Charge                          | 2,047.30            | 4,048.56            |
| Advisor                              | 200,000.00          | 240,000.00          |
| Study on Legal Issues                | -                   | 50,000.00           |
| Donation :-                          |                     |                     |
| - Harbor Department                  | 3,000.00            | -                   |
| - Customs Department                 | 3,000.00            | 3,000.00            |
| - Baan Wangmee                       | 10,000.00           | -                   |
| - Port Authority of Thailand         | 3,000.00            | 3,000.00            |
| Sundry Expenses                      | 9,239.24            | 4,638.69            |
| <b>TOTAL ADMINISTRATIVE EXPENSES</b> | <b>3,448,929.40</b> | <b>3,417,064.12</b> |

## BALANCE SHEETS

As at 31st May 2019 and 2018

|   | Baht                |                     |
|---|---------------------|---------------------|
|   | 2019                | 2018                |
| <b>ASSETS</b>                                 |                     |                     |
| <b>CURRENT ASSETS</b>                         |                     |                     |
| Cash on Hand and At Financial Institutions    | 2,883,806.43        | 3,599,206.04        |
| Receivable from Members                       | 466,312.18          | 339,221.49          |
| Other Current Assets                          | 30,125.70           | 79,788.35           |
| <b>TOTAL CURRENT ASSETS</b>                   | <b>3,380,244.31</b> | <b>4,018,215.88</b> |
| <b>NON-CURRENT ASSETS</b>                     |                     |                     |
| Equipment - Net                               | 155,418.82          | 47,013.23           |
| Other Non-current Assets                      | 205,963.97          | 230,155.97          |
| <b>TOTAL NON-CURRENT ASSETS</b>               | <b>361,382.79</b>   | <b>277,169.20</b>   |
| <b>TOTAL ASSETS</b>                           | <b>3,741,627.10</b> | <b>4,295,385.08</b> |
| <b>LIABILITIES AND ACCUMULATED FUND</b>       |                     |                     |
| <b>LIABILITIES</b>                            |                     |                     |
| Accrued Expenses                              | 172,000.00          | 44,247.17           |
| Other Current Liabilities                     | 67,096.32           | 67,789.65           |
| <b>TOTAL CURRENT LIABILITIES</b>              | <b>239,096.32</b>   | <b>112,036.82</b>   |
| <b>TOTAL LIABILITIES</b>                      | <b>239,096.32</b>   | <b>112,036.82</b>   |
| <b>ACCUMULATED FUND</b>                       |                     |                     |
| Accumulated Fund Brought Forward              |                     |                     |
| Contributions from Bangkok Shipping Interest  | 40,930.76           | 40,930.76           |
| Income Exceeds (less than) Expenditure        | 3,461,600.02        | 4,142,417.50        |
| <b>TOTAL ACCUMULATED FUND</b>                 | <b>3,502,530.78</b> | <b>4,183,348.26</b> |
| <b>TOTAL LIABILITIES AND ACCUMULATED FUND</b> | <b>3,741,627.10</b> | <b>4,295,385.08</b> |

Accompanying notes are integral parts of the financial statement.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENT

As at 31st May 2019 and 2018



## 1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Income and Expenses are recorded on accrual basis but Membership Fees is recorded on cash basis.

1.2 Equipment

Equipment are stated at cost after deduction of accumulated depreciation. Depreciation is calculated by straight-line method over the estimated useful of the assets at 20% per year.

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| <i>Baht</i>  |                     |                     |
| <b>2. CASH ON HAND AND AT FINANCIAL INSTITUTIONS</b> |                     |                     |
| Cash in Hand   | 2,407.61            | 2,532.06            |
| Cash in Bank - Current Account                       | -                   | 365,541.46          |
| Cash in Bank - Saving Account                        | 558,311.82          | 23,480.22           |
| Cash in Bank - Fixed Deposit                         | 2,323,087.00        | 3,207,652.30        |
| <b>TOTAL</b>   | <b>2,883,086.43</b> | <b>3,599,206.04</b> |

## 3. OTHER CURRENT ASSETS

|  |                  |                  |
|--|------------------|------------------|
| Interest Receivable                        | 3,948.75         | 14,402.72        |
| Prepayment:-                               |                  |                  |
| - Board of Trade Membership                | 11,666.62        | 11,666.62        |
| - Repair and Maintenance                   | 2,083.33         | 2,083.33         |
| - Car Parking Charge                       | -                | 25,666.62        |
| - Expenses for Internet                    | 2,700.00         | 2,700.00         |
| - Expenses for BSAA 50th Anniversary Party | -                | 16,542.06        |
| - Golf                                     | 6,727.00         | 6,727.00         |
| - Gift Voucher                             | 3,000.00         | -                |
| <b>TOTAL</b>                               | <b>30,125.70</b> | <b>79,788.35</b> |

## 4. EQUIPMENT (NET)

|                                 |                     |                     |
|---------------------------------|---------------------|---------------------|
| <b>COST</b>                     |                     |                     |
| Office Furniture                | 475,447.75          | 385,587.75          |
| Office Equipment                | 1,367,848.62        | 1,329,961.71        |
| Telephone                       | 93,391.58           | 81,391.58           |
| <b>TOTAL</b>                    | <b>1,936,687.95</b> | <b>1,796,941.04</b> |
| <b>ACCUMALATED DEPRECIATION</b> |                     |                     |
| Office Furniture                | 394,574.37          | 385,563.75          |
| Office Equipment                | 1,304,244.97        | 1,282,979.48        |
| Telephone                       | 82,449.79           | 81,384.58           |
| <b>TOTAL</b>                    | <b>1,781,269.13</b> | <b>1,749,927.81</b> |
| <b>EQUIPMENT (NET)</b>          | <b>155,418.82</b>   | <b>47,013.23</b>    |

## 5. OTHER NON-CURRENT ASSETS

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Withholding Income Tax     | 109,673.97        | 109,673.97        |
| Lease Deposit-Office Space | 88,800.00         | 99,510.00         |
| Lease Deposit-Newsletter   | 7,490.00          | 20,972.00         |
| <b>TOTAL</b>               | <b>205,963.97</b> | <b>230,155.97</b> |

## 6. ACCRUED EXPENSES

|  |                   |                  |
|--|-------------------|------------------|
| Accrued Audit Fee                      | 16,000.00         | 16,000.00        |
| Accrued Expenses-50th Anniversary      | 156,000.00        | -                |
| Accrued Expenses-Meetings and Seminars | -                 | 28,247.17        |
| <b>TOTAL</b>                           | <b>172,000.00</b> | <b>44,247.17</b> |

## 7. OTHER CURRENT LIABILITIES

|                           |                  |                  |
|---------------------------|------------------|------------------|
| Value Added Tax Payable   | 17,038.77        | 16,290.25        |
| Withholding Tax Payable   | 10,776.86        | 10,128.64        |
| Social Securities Payable | 3,000.00         | 3,000.00         |
| Income Tax Payable        | 36,280.69        | 38,370.76        |
| <b>TOTAL</b>              | <b>67,096.32</b> | <b>67,789.65</b> |



**ORDINARY MEMBERS**

| COMPANY NAME                                   | TELEPHONE NO.                 |
|--|-------------------------------|
| ALLIANCE SHIPPING SERVICES CO., LTD.           | 0 2673 9585-90                |
| BEN LINE AGENCIES (THAILAND) LTD.              | 0 2352 3100                   |
| CENTRAL MARITIME CO., LTD.                     | 0 2261 6565, 0 2261 6275-8    |
| COSCO SHIPPING LINES (THAILAND) CO., LTD.      | 0 2160 5299                   |
| COSIAM TRANSPORT CO., LTD.                     | 0 2258 9994                   |
| CK LINE (THAILAND) CO., LTD.                   | 0 2681 8711                   |
| CMA CGM (THAILAND) LTD.                        | 0 2352 3200                   |
| EASTERN MARITIME (THAILAND) LTD.               | 0 2240 0110                   |
| EVERGREEN SHIPPING AGENCY (THAILAND) CO., LTD. | 0 2229 9999                   |
| FUJITRANS (THAILAND) CO., LTD.                 | 0 2632 7711                   |
| GULF AGENCY COMPANY (THAILAND) LTD.            | 0 2650 7400                   |
| HAPAG-LLOYD (THAILAND) LTD.                    | 0 2685 4200                   |
| HEUNG-A SHIPPING (THAILAND) CO., LTD.          | 0 2637 5400-17                |
| HYUNDAI MERCHANT MARINE (THAILAND) CO., LTD.   | 0 2661 4488                   |
| INCHCAPE SHIPPING SERVICES (THAILAND) LTD.     | 0 2672 3070-2                 |
| INTERASIA LINES (THAILAND) CO., LTD.           | 0 2285 6250                   |
| K LINE (THAILAND) LTD.                         | 0 2625 0000                   |
| KASE SHIPPING (THAILAND) CO., LTD.             | 0 2367 5688                   |
| KMTC (THAILAND) CO., LTD.                      | 0 2120 9500                   |
| LINER CLASS CO., LTD.                          | 0 2367 5810                   |
| MAERSK LINE (THAILAND) LTD.                    | 0 2752 9000                   |
| MEDITERRANEAN SHIPPING (THAILAND) CO., LTD.    | 0 2090 7000                   |
| MOL BULK SHIPPING (THAILAND) CO., LTD.         | 0 2235 9200                   |
| NAM YUEN YONG SHIPPING CO., LTD.               | 0 2679 9808                   |
| NGOW HOCK AGENCY CO., LTD.                     | 0 2295 3737                   |
| NYK RORO (THAILAND) CO., LTD.                  | 0 2022 7060                   |
| OOCL (THAILAND) LTD.                           | 0 2646 9500                   |
| OCEAN NETWORK EXPRESS (THAILAND) LTD.          | 0 2097 1111                   |
| PCL AGENCIES CO., LTD.                         | 0 2237 6234                   |
| PEARL SHIPPING SERVICES CO., LTD.              | 0 2274 0054-9, 0 2274 0330-1  |
| PRECIOUS SHIPPING PUBLIC COMPANY LIMITED       | 0 2696 8800                   |
| PRIME SHIPPING CO., LTD.                       | 0 2249 8569-74, 0 2249 8661-2 |
| RICO MARITIME (THAILAND) CO., LTD.             | 0 2240 3088                   |
| S 5 ASIA LIMITED                               | 0 2253 7890                   |
| SAMUDERA TRAFFIC CO., LTD.                     | 0 2367 3747-58                |
| SCG LOGISTICS CO., LTD.                        | 0 2341 9000                   |
| SEALINK SHIPPING & CHARTERING CO., LTD.        | 0 2643 9820-5                 |
| SEA STAR LOGISTICS CO., LTD.                   | 0 2634 2435                   |
| SEALITE SHIPPING CO., LTD.                     | 0 2697 4999                   |
| SEASWIFT SHIPPING SERVICES CO., LTD.           | 0 2381 5070-4                 |
| SEAWAY EXPRESS CO., LTD.                       | 0 2679 3345-6, 0 2679 4797-9  |
| SEA UNITY CO., LTD.                            | 0 2634 0370                   |
| SIAM ECL CO., LTD.                             | 0 2677 4401-8                 |
| SINOKOR MERCHANT MARINE (THAILAND) CO., LTD.   | 0 2636 7299                   |
| SITC CONTAINER LINES (THAILAND) CO., LTD.      | 0 2204 6700                   |
| STARLINE AGENCIES ASIA (THAILAND) LTD.         | 0 2725 5111                   |
| T S CONTAINER LINES (THAILAND) CO., LTD.       | 0 2204 7400                   |
| THAI SHIPPING AGENCIES AND TRADING CO., LTD.   | 0 2249 9565, 0 2633 5644      |

| COMPANY NAME  | TELEPHONE NO.  |
|---|----------------|
| TRIPLE I MARITIME AGENCIES CO., LTD.                | 0 2681 8988    |
| UNITED THAI SHIPPING CORPORATION LIMITED.           | 0 2254 8400    |
| WALLEM SHIPPING (THAILAND) LTD.                     | 0 2237 7830    |
| WALLENIUS WILHELMSEN LOGISTICS (THAILAND) CO., LTD. | 0 2652 6400    |
| WAN HAI LINES (THAILAND) LTD.                       | 0 2679 7400    |
| WILHELMSEN SHIPS SERVICE (THAILAND) LIMITED         | 0 2116 8928    |
| X-PRESS FEEDERS AGENCY (THAILAND) CO., LTD.         | 0 2238 2511-15 |
| YANG MING LINE (THAILAND)CO., LTD.                  | 0 2770 9668    |
| ZIM (THAILAND) CO., LTD.                            | 0 2494 3780    |

**ASSOCIATE MEMBERS**

| COMPANY NAME                                  | TELEPHONE NO.                         |
|---|---------------------------------------|
| ATLANTIC FORWARDING CO., LTD.                 | 0 2530 9327                           |
| BANGKOK LAWYER LTD.                           | 0 2549 7402                           |
| BMT PACIFIC LTD.                              | 0 2425 6999                           |
| CONTAINER NETWORK CO., LTD.                   | 0 2361 3916-18, 0 2361 3921-4         |
| CORDSTRAP (THAILAND) CO., LTD.                | 0 3811 0901-3                         |
| DHIPAYA INSURANCE PUBLIC COMPANY LIMITED      | 0 2239 2200                           |
| EASTERN TPK CAPITAL CO., LTD.                 | 0 3809 0789                           |
| EASTERN SEA LAEM CHABANG TERMINAL CO., LTD.   | 0 3300 5678                           |
| FORTRESS MARINE CO., LTD.                     | 0 2741 4092-5                         |
| HUTCHISON LAEMCHABANG TERMINAL LIMITED        | 0 3840 8700                           |
| INFINITY SHIPPING (THAILAND) CO., LTD.        | 0 2634 0610                           |
| JWD INFOLOGISTICS PUBLIC COMPANY LIMITED      | 0 2710 4000                           |
| K.R.C. TRANSPORT & SERVICE CO., LTD.          | 0 3840 1309                           |
| KERRY SIAM SEAPORT LIMITED                    | 0 2686 8999                           |
| LAEM CHABANG INTERNATIONAL TERMINAL CO., LTD. | 0 3840 8200                           |
| LCB CONTAINER TERMINAL 1 LTD.                 | 0 3840 8600                           |
| M&R SERVICE CO., LTD.                         | 0 2337 1751-3                         |
| NEXT GEN LOGISTICS COMPLEX CO., LTD.          | 0 2738 8371, 0 2738 8688-90           |
| PHUKET SHIPPING SERVICES CO., LTD.            | 0 7621 1432, 0 7621 1447, 0 7621 4117 |
| PIONEER OCEAN FREIGHT CO., LTD.               | 0 2367 3655-68                        |
| PRAMUANCHAI LAW OFFICE CO., LTD.              | 0 2219 2155-60                        |
| PRACHUAP PORT CO., LTD.                       | 0 2630 0323-32                        |
| SAHATHAI TERMINAL PUBLIC COMPANY LIMITED      | 0 2386 8000                           |
| SIAM COMMERCIAL SEA PORT CO., LTD.            | 0 2753 4171-5                         |
| SIAM CONTAINER TERMINAL CO., LTD.             | 0 2708 1011-20, 0 2708 0888           |
| SIAM SHORESIDE SERVICE LTD.                   | 0 2763 5000                           |
| SUB SRI THAI PUBLIC COMPANY LIMITED           | 0 2318 5514-5                         |
| SUKSAWAT TERMINAL CO., LTD.                   | 0 2463 2061-4                         |
| TIFFA ICD CO., LTD.                           | 0 2737 9990-6                         |
| TILLEKE & GIBBINS INTERNATIONAL LTD.          | 0 2056 5555                           |
| UNITED SUPPLY & TRANSPORT CO., LTD.           | 0 2391 8445, 0 2381 9293-4            |
| WATSON FARLEY & WILLIAMS (THAILAND) LTD.      | 0 2665 7800                           |
| YUSEN LOGISTICS (THAILAND) CO., LTD.          | 0 2348 0000, 0 2034 8082              |



## **BSAA**

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and Agents Association

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