

# Thungsong, Thailand

(PFS duration: Oct. 2010 – June 2011; Tracer Study: Oct. 2015; Source of Financing: National and Local Financing)

## Project Background:

The Nakhon Si Thammarat Province in the Region of Southern Thailand approached the Ministry of Interior requesting for support to apply for technical assistance from CDIA, on the possible establishment of a Cargo Distribution Centre (CDC) in Thungsong District and other related infrastructure development projects. The urban renewal and development is much needed, as the export industry has a cost disadvantage compared to competitors in other countries due to the lack of cost-effective logistics and deep seaports. In 2011, CDIA delivered PFS on the CDC project and recommended orientation of the feasibility infrastructure, institutional solutions and capacity building. CDIA also assisted Thungsong in making a brief assessment of environment and economic infrastructure, with focus on the proposed CDC.

## Cargo Distribution Center at Thungsong, Thailand

- Construction of container yard, roads and railways are partially completed
- Design process of the CDC has been completed and under construction, scheduled to be completed in 2016
- ToR of CDC operator was announced to the public and attracted interest from private companies
- The project significantly influenced the municipality to embark on waste water system, solid waste management and flood control measures

## Progress:

- The overall budget for this project is TBT 993mil (approx. US\$ 27.9mil), and the construction of the entire Cargo Distribution Center (CDC) in Thungsong has been approved with financial support of THB 832mil (approx. US\$ 23.4mil) from the Thai Government in 2011.
- The road and railway constructions for this project, including land purchasing were approved and funded by the Office of Strategy Management of Southern Provinces on the Gulf of Thailand and the Thungsong Municipality.
- The construction of container yard, roads and railways are partially completed, while the design process of the CDC has been completed and is under construction as well.
- The Terms of Reference (ToR) of the CDC operator were announced to the public, which attracted interest from private companies in operating the CDC upon completion.
- Thungsong Municipality is preparing a long-term development strategy, which is now under the consultation phase with experts and scholars.
- Phase 1 of the project is scheduled to complete in 2016.



Fig. 18: Project site of the CDC



Fig. 15: Newly constructed container yard, railways and roads connecting the CDC to the rail junction

### Development Impacts:

- During the construction phase of this project, it is estimated that 200 workers would be employed from the province, with 500 employments anticipated to occur by the CDC project.
- The business community and private companies in the province and surrounding area (up to 150km radius from Thungsong) will benefit from lower operation cost, with the cost of service provided by CDC is approximately 2 times cheaper than conventional truck transportation.
- The project has impressively acquired support and acknowledgement from all sectors. Most recommendations in the PFS have been implemented.
- Development of the Cluster on Logistics and Communication has not been formally initiated; however, Thungsong and other municipalities have started talking about it through informal discussions and the Mayor's personal contacts. A regional task force would not be formed but the establishment of a provincial task force has been initiated instead.
- Inter-municipal cooperation in waste management has been informally initiated and established. Municipalities in Thung Song District are requested to regularly separate and recycle waste on a daily basis. However there is not a legal regulation so these actions have to be done on a voluntary basis.
- A review of the ongoing construction of a waste water system was proceeded. Data and information such as budgets spent are available to the public through the municipality website.
- GHG emissions are expected to decrease because of a significant reduction of truck transport.
- The project has significantly influenced the municipality to embark on a waste water system, solid waste management and flood control measures to prevent potential negative environmental impact from the CDC project. These mitigation measures have been organized in parallel with the CDC project.



Fig. 17: Container Yard for the CDC