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Auto-makers want Thailand to become regional production centre for large trucks

Auto companies want the government to promote investment in Thailand with a view to making it the regional centre for large-truck production, given rising demand in neighbouring countries.

Nuntawan Sakuntanaga, director-general of the International Trade Promotion Department, said her agency would soon outline a concrete plan for submission within the Commerce Ministry, and then to the Cabinet.

After listening to comments from businesses in the sector, the department found that auto-makers would like the government to promote Thailand not only as a centre of eco-car production or sophisticated hi-tech industries, but also as a manufacturing centre for large trucks of 2 to 5 tonnes, as they see great potential for export growth in the segment, she said.

Thailand is currently known as a centre for one tonne pickup-truck production. However, with high demand in many Asean markets, the country should also promote investment in large-truck manufacturing, said Nuntawan.

The main countries witnessing higher demand for the import of one tonne pickups as well as larger trucks are Myanmar, Cambodia, Laos, Vietnam and Indonesia, all of which have emerging economic growth and are expanding their infrastructure investment, she explained.

Thailand, meanwhile, also needs to import heavy trucks to meet demand under the government's infrastructure development project.

Following market integration under the Asean Economic Community at the end of this year, regional demand for large trucks is projected to triple within three years, she added.

The official also said that investor nations such as Japan and a number of European countries were now considering whether to invest in large-truck manufacturing in Asean, with Thailand, Malaysia, Indonesia and Vietnam among their main options.

To promote Thailand as an investment and export base for such production, the government should consider providing Board of Investment incentives for foreign makers, said a representative from the Thai Auto Industry Club of the Federation of Thai Industries.

The source urged the International Trade Promotion Department to cooperate with other government agencies and get a coordinated, concrete plan to the Cabinet as soon as possible.

Other strategies that the auto industry has urged the government to pursue in order to facilitate more export growth include continuing free-trade talks with the European Union; ensuring stability in the value of the baht and seeing that it moves in line with the currencies of export rivals; helping to reduce production costs by lowering tariffs for machinery imports; and establishing a high-standard automobile testing centre in the country.

