

Thailand's Printing Industry

Overview of the industry

The Thai printing industry, comprised of more than 5,000 companies, is fully integrated, with paper manufacturing, graphic arts design, pre-press houses, various printing systems and post-press houses. Thailand's printing establishments as a whole offer four major printed products – books, general printed materials, packaging, and newspaper to both local and export markets. The market size of the industry is valued in excess of US\$3.7 billion.

There are around 2,000 printing houses in Thailand, most of which are small-to-medium-scale; large-scale establishments account for less than 1% of the total number. TKS Technologies Pcl. is one of Thailand's largest and more diverse commercial printers.

Another thousand establishments are involved in the packaging industry. The market size of the paper packaging industry alone exceeds US\$5.7 billion, with large and fully-integrated companies now commanding 30% of the market share. The big multinational manufacturers, such as Alcan Packaging, Strongpack Co. Ltd, SIG Combibloc, and Tetra Pak Manufacturing (Thailand) Ltd, dominate the flexible packaging, liquid carton, and glass packaging market in Thailand. Fuji-Ace, the big flexible packaging printer from Japan, also operates in Sinsakhon Printing City.

Although Thailand has the ability to create almost all paper products and printed materials, it still imports some text books, magazines, special high-quality paper and other special printed products. Imports of these products top US\$1.4 billion annually.

Exports by the Thai printing and packaging industry topped US\$1.76 billion in 2017, according to Ministry of Commerce. Enterprises will see Thailand become even more attractive as a printing-products investment location when the surrounding region forms the ASEAN Economic Community single market of 600 million consumers in 2015.

The demand for packaging is also expected to increase as both domestic and export markets for products of all types, particularly processed food, will expand. The Sinsakhon Printing City and Industrial Estate will facilitate the development of scale and production efficiency, taking advantage of the lower production and management costs that accompany the rise of industry clusters.

Supporting Industries and Organizations

There are 8 paper pulp manufacturers and about 100 finished paper factories in Thailand. This includes printing and writing paper, paperboard, craft paper and corrugated paper, among other lines. Thailand is also home to a number of ink factories which are capable of producing almost every kind of ink, and several printing-related

associations; these include:

- The Federation of Thai Printing Industries
- Thai Printing and Packaging Industry Club within the Federation of Thai Industries
- The Thai Color Separated Association
- Thai Electronic Publishing Club
- The Thai Printing Association
- Thailand Association for Printing Technology Promotion
- The Publishers and Booksellers Association of Thailand
- Thai Screen Printing and Graphic Imaging Association
- The Thai Packaging Association
- The Thai Corrugated Box and Paper Board Manufacturers Association
- The Printing Promotion Association

"It is not wrong to say that printing and packaging are two of the most important fundamental industries in the country. The government realizes the need to promote these industries so that they are sustainable and continue to thrive because the industries are an indicator of the country's economic growth."

Piyabutr Choivijarn, Thailand's former Deputy Minister of Industry

Excellent Manufacturing Facilities

The 144-hectare Sinsakhon Printing City and Industrial Estate – the world's first full-service industrial park for the printing and packaging industry – was developed in Samut Sakhon in central Thailand, 56 kilometers from Bangkok's Suvarnabhumi International Airport. This printing cluster includes manufacturers from every phase of the printing process – from pre-press and printing to post-press, packaging and fulfillment – all in one use of resources and reduction in manufacturing costs, including expenses incurred by damages incurred during transit and warehouse charges. The greater expertise, heightened efficiency and reduction in costs in turn allow the printing companies located there to produce a wider variety of high-quality good at increasingly competitive prices.

The number of companies the industrial estate is expected to soon reach 100. Investors engage in businesses spanning all the services provided by the printing industry and include producers of blankets, ink, rollers, and administrators of paper warehouses. Sinsakhon Printing City is well-structured for future growth, as its operations are designed to abide by international environmental standards.

The Thai printing industry is making big strides in going "green" Double A, formerly known as Advance Agro Public,

has rolled out a paper product that uses trees grown along the edges of rice paddies. Cultivation of these trees for printing on paper avoids land clearing and deforestation, helping to safeguard the environment in Thailand. SCG Paper, the country's biggest paper producer, has also introduced eco-friendly products such as green corrugated cartons and a new type of paper made entirely from recycled materials.

Opportunities Abound

Thailand's per capita annual paper consumption averages 60 kilograms, compared to more than 200 kilograms per year in more developed nations. This relatively low consumption rate suggests that there is a huge potential for growth and a number of investment opportunities in the paper and printing industry in Thailand. Such investment opportunities are as follows:

- High-quality printing, high-fidelity printing, screens and other special printing techniques
- Hybrid printing systems such as the web offset printing system for in-line print mid-production and new finishing techniques
- New standards for proofs and high-resolution inkjet printers as well as color monitors delivering contract-quality proofs; and
- Upgrading or replacing outdated equipment and machinery

Why Thailand?

There are many reasons that printing companies should consider Thailand as a base for their operations. These include:

- The local supply of paper; Thailand's climate favors agriculture and provides the essential base for the paper pulp industry; more than 800,000 acres of land are being used in the cultivation of eucalyptus trees to supply this industry. Thailand's high-volume pulp production is complemented by its numerous paper mills, which produce world-class quality paper for writing and printing.
- Enhanced infrastructure; Sinsakhon Printing City boasts an information and consulting center, print support businesses (e.g. publishing houses and design services), 24-hour logistics center and a modern rental warehouse located on-site.
- Workforce availability; The Department of Vocational Education has teamed up with the printing industry on the Printing School Project. This program allows interested students to participate in an intensive curriculum with the latest pre-press, press and post-press technology, and ensures that the supply of skilled printers and operators will be sufficient to meet market demand.
- Strong government support; The government is committed to promoting Thailand as the printing hub of the region. The numerous support institutions and training programs found in Thailand are evidence of this sustained support.

A Deep History in Printing

Thailand's long printing history dates back to 1831 when Dr. Dan Beach Bradley, an American missionary, introduced the first printing press to the Kingdom. Since then the industry's steady and continual development has supported the economic and social development of the country as a whole. At present, the Thai printing industry is comprised of more than 5,000 companies — encompassing upstream and downstream activities — and employs around 120,000 people.

ATTRACTIVE INVESTMENT INCENTIVES

Thailand Board of Investment (BOI) offers a wide range of tax and non-tax incentives for projects that meet national development objectives.

Tax-based incentives include exemption of import duties on machinery and raw materials, and corporate income tax exemption of up to eight years. Non-tax incentives include permission to bring in expatriates, own land and take or remit foreign currency abroad.