Business Overview

- The **Air Freight Forwarder** business — or Air cargo Forwarding Agent — acts as an intermediary that manages and coordinates the transportation of goods by air between shippers and consignees. Air freight forwarders do **not own or operate aircraft** themselves; instead, they **procure cargo space** from airlines and offer **comprehensive logistics services** to their clients. This industry plays a **crucial role in the global supply chain**, particularly in an era when **international trade is increasingly complex and demands fast, efficient delivery**.
- **The value chain of the Air Freight Forwarder business comprises several key activities that define the scope of services offered by air cargo forwarding agents**. First, Air Freight Forwarders handle shipment booking by securing cargo space on aircraft from various airlines. Leveraging large shipment volumes, they can negotiate better freight rates than individual customers could obtain, allowing them to offer competitive pricing to clients. Second, they are responsible for managing all transportation-related documentation, including air waybills, export and import declarations, and required certificates under different countries' regulations. They also manage customs clearance procedures at both origin and destination points. Third, Air Freight Forwarders provide comprehensive logistics services, covering cargo pick-up, proper packaging, warehousing and inventory management, cargo insurance, shipment tracking, and final delivery to consignees. In addition, they serve as logistics consultants, advising clients on optimal routing, cost planning, and regulatory compliance in each country—helping businesses manage their shipments efficiently while minimizing potential risks in international transportation.
- Air Freight Forwarders can generally be classified into two main categories: **1) Global Freight Forwarders**, which are large international firms with extensive networks providing both domestic and international logistics services, and **2) Boutique Freight Forwarders**, which are smaller or specialized operators focusing on niche markets or customized services while also offering domestic and cross-border operations. These forwarders collaborate with various airlines, such as **Thai Airways, Bangkok Airways, and AirAsia**, to handle a wide range of cargo and ensure efficient delivery to their final destinations—**exporters and importers**—across the global supply chain.

Figure 1 Value Chain of Thailand's Air Freight Forwarder Industry

Source: LH Bank Research Analysis based on data from Speeda

Air Freight Demand Situation

- Most goods transported by air share common characteristics of being **high in value, lightweight, and requiring speed, or sensitivity to time and environmental conditions,** making them unsuitable for slower sea or land transport. The major product categories include:

  (1) Perishable and temperature-sensitive goods, such as fresh fruits and vegetables, flowers, seafood, vaccines, and pharmaceuticals, which require both rapid delivery and strict temperature control throughout the logistics process.

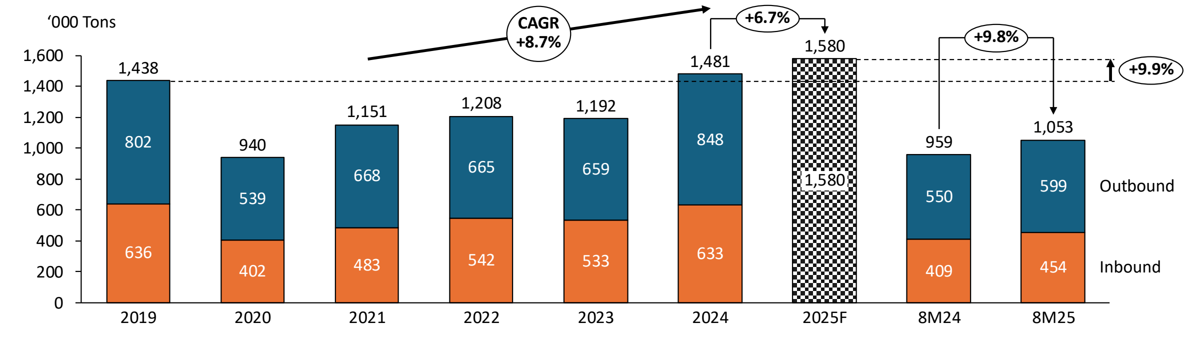
  (2) High-value, low-weight goods, including jewelry, gold, currency, critical documents, and key machinery parts, where safety and on-time delivery are top priorities.

  (3) High-tech and fashion products, such as electronic components, mobile phones, laptops, and seasonal fashion items that must reach markets in sync with production cycles or emerging trends.

  (4) Emergency and express cargo, including machinery parts, medical equipment, and live animals, where speed outweighs transportation cost considerations.

- **During the first eight months of 2025, Thailand's international air freight volume totaled 1,052,869 tons, marking a 9.8%YoY increase from 959,022 tons in the same period last year.** This growth reflects a continued recovery in global trade and a boost from Thailand's export performance, particularly in high-tech products and electronic components, which saw rising orders from Japan and South Korea as the semiconductor industry began to rebound. In addition, **air freight volumes in the third quarter were temporarily supported by frontloading activities, as exporters in certain sectors**—such as furniture, electrical appliances, and semi-finished goods from China using Thailand as a regional distribution hub—rushed shipments to North America ahead of U.S. retaliatory tariff measures. Although these goods are typically shipped by sea, the urgency to meet delivery schedules led some businesses to switch temporarily to air transport. At the same time, the resumption of international passenger flights has expanded belly-hold cargo capacity, easing supply constraints and supporting overall air freight operations. If this trend continues, **Thailand's international air cargo volume for 2025 is projected to reach approximately 1.58 million tons, up 6.7% from the previous year—the highest level in over five years**—underscoring the robust recovery of the air logistics sector and Thailand's rising role as a regional air freight hub in Southeast Asia.

Figure 2 Air Cargo Volume Through Thailand's International Airports



Source: LH Bank Research Analysis based on data from AOT

Market Structure and Performance of Air Freight Forwarders

- **In Thailand, most Air Freight Forwarders do not limit their operations to air cargo services alone but instead function as comprehensive international freight forwarders or integrated logistics providers with expertise in multi-modal transport management.** This allows them to flexibly meet customers' needs throughout the supply chain. Their core services typically cover air freight for time-sensitive, high-value, or perishable goods; sea freight for bulk, heavy, or non-urgent shipments; and road or rail freight for domestic or cross-border transport within the CLMV region. These core logistics services are often complemented by value-added offerings such as customs brokerage, warehousing, door-to-door delivery, and real-time digital shipment tracking systems. This business evolution reflects how Thai logistics providers are transforming into end-to-end logistics solution providers, enhancing both value creation and competitiveness in the international logistics market.
- **According to data from BOL Enlite, Thailand's freight forwarding industry was valued at approximately 198.6 billion baht in 2024, with a total of 2,901 registered companies.** Of these, 124 were large enterprises, accounting for only 4.3% of all operators but capturing a dominant 69% share of the total market value. In contrast, over 2,700 small and medium-sized enterprises (SMEs) competed for the remaining 31% share, highlighting a highly concentrated market structure dominated by major players. Most of these large operators are foreign-owned or joint-venture companies with extensive global transport networks and strategic alliances, enabling them to provide comprehensive multimodal logistics services—by air, sea, and land—while also possessing strong bargaining power with airlines and shipping lines. Consequently, their revenues have continued to expand, with large enterprises recording an average annual growth rate of 12.1% between 2020 and 2024, and medium-sized firms growing by 13.4%, whereas small operators saw their average annual revenue decline by 2.4%.
- However, in terms of profitability, **the data indicate that freight forwarders of all sizes maintain comparable profit margins, with an average net profit margin (NPM) of around 4% during 2020–2024. This reflects the similar cost structures across business sizes**, largely driven by dependence on freight rates and variable transportation costs, which fluctuate with global market conditions and exchange rate movements. Although operators can partially pass on rising costs to customers through service fee adjustments—such as fuel surcharges or handling fees—intense market competition limits their ability to fully transfer these costs, resulting in only modest differences in overall margins among firms. **Large operators continue to hold advantages through their global transport networks and strong negotiation power with major carriers**, enabling them to secure cargo space at favorable rates and conditions, particularly during periods of high demand. Meanwhile, **smaller operators—despite experiencing declining average revenues—can sustain profitability levels similar to larger players by focusing on niche logistics services that emphasize agility and customization**, such as cold chain logistics or time-sensitive cargo delivery. Moreover, expertise in customs procedures and regulatory compliance, combined with real-time shipment visibility, has become a key differentiator that helps minimize delays and build client

trust—critical factors for long-term business success. Overall, although revenue scale and firm size vary widely, the profitability of freight forwarders ultimately depends more on their network management capability, service flexibility, and investment in technology to enhance operational standards than on business size alone.

Figure 3 Market Share of Thailand's Freight Forwarder Industry in 2024

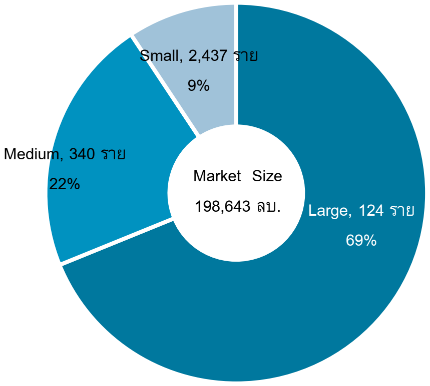


Table 1 Top 10 Freight Forwarder Companies by Revenue in 2024

Company	Total Revenue (MB)	%Share
1.EXPEDITORS	9,956	5.0
2.DSV AIR & SEA	9,634	4.8
3.SAMSUNG SDS GLOBAL SCL	7,346	3.7
4.SCHENKER	6,837	3.4
5.K-APEX	4,374	2.2
6.D S INTERNATIONAL LOGISTICS	3,134	1.6
7.POSTMAN	2,718	1.4
8.CHAIDAN IMPORTEXPORT	2,380	1.2
9.GEODIS	2,238	1.1
10.K LINE	2,192	1.1

Figure 4 Total Revenue of Freight Forwarder Businesses

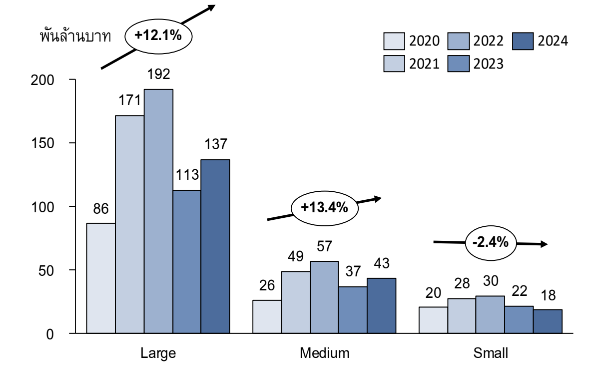
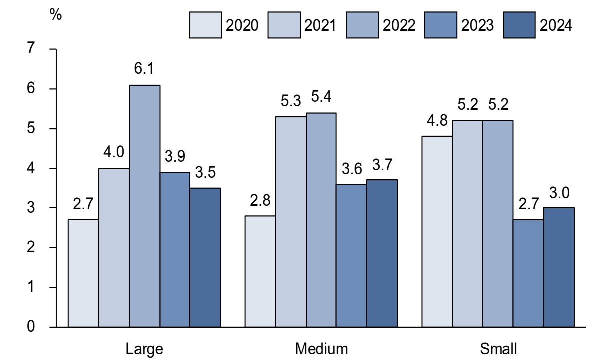


Figure 5 Net Profit Margin of Freight Forwarder Businesses



Source: LH Bank Research Analysis based on data from BOL Enlite (TSIC: 52292)

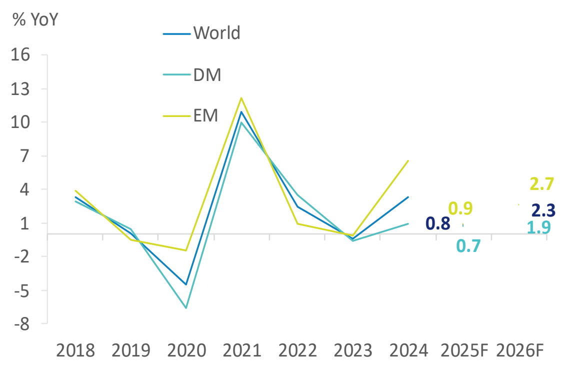
Note: Calculated based on companies with consecutive financial statements (2022–2024), classified by business size according to DBD definitions.

Industry Outlook

- **Thailand's Air Freight Forwarder industry during the remainder of 2025 and into 2026 is expected to slow down, even though global trade volume is projected to improve next year. According to the IMF (April 2025), global trade value is forecast to expand by 2.3%YoY in 2026, up from 0.8%YoY in 2025. However, Thailand's exports are likely to slow down, decelerating from an estimated 5.4%YoY growth in 2025 to a 1.0%YoY contraction in 2026**, partly due to frontloading effects ahead of U.S. tariff measures, which caused some future demand to be pulled forward. As a result, Thailand's air cargo growth in 2026 is expected to lag behind global trade expansion. Nonetheless, Thailand's air freight structure remains balanced between exports and imports, with a ratio of 60% exports to 40% imports. This balance indicates that freight forwarders' revenues are not solely dependent on exports, as imports play an equally important role. Major import categories include industrial raw materials, electronic components, high-tech products such as semiconductors and medical equipment, which are essential to domestic manufacturing supply chains, as well as premium consumer goods like luxury brands and fashion items. The continued growth of these import segments will help sustain overall air freight demand and stabilize industry revenues. Meanwhile, the expected recovery in global trade volume should also lead to higher freight rates, benefiting operators even as Thai export growth slows. Furthermore, infrastructure upgrades—particularly the new Air Cargo Logistics Center being developed by Airports of Thailand (AOT) and scheduled for completion in 2026—will significantly strengthen the sector. The project will increase Thailand's air cargo handling capacity from 1.4 million tons per year to about 1.8 million tons, helping to ease congestion during peak seasons, expand cargo handling space, and enhance Thailand's readiness to serve as a regional air logistics hub in Southeast Asia over the longer term.

- **The key success factors for Thailand's Air Freight Forwarder industry** in the coming years will depend largely on operators' ability to adapt to the era of digital and interconnected air logistics. A crucial determinant of competitiveness will be **the effective management of global partner networks**, enabling forwarders to secure cargo space at competitive rates and efficiently handle increasingly complex international logistics demands. Another critical factor is **service agility and flexibility**, as the air freight market is highly volatile and influenced by external factors such as economic conditions, geopolitical tensions, and natural disasters. Operators capable of swiftly adjusting transport routes or service models will be better positioned to maintain business continuity and customer confidence amid disruptions. **Investment in digital technologies** will also play a pivotal role. **Systems such as real-time shipment visibility, transport management systems (Transportation Management System: TMS), and data connectivity under global standards like IATA ONE Record** will enhance transparency, minimize operational errors, and meet clients' growing expectations for accuracy and timely information. At the same time, customs expertise will become increasingly important, especially as major trading partners implement advance data submission requirements, such as the EU's Import Control System 2 (ICS2). Companies that can manage compliance risks effectively will gain a competitive edge in global markets. Finally, **building strategic collaborations** with airlines, major logistics providers, and e-commerce platforms will help expand customer bases and strengthen capabilities to deliver end-to-end, integrated logistics solutions, positioning Thai forwarders for sustainable growth in the evolving air freight landscape.

Figure 6 Global Trade Growth Forecast



Source: LH Bank Research Analysis, IMF and BOT (data as of Oct 2025)

Table 2 Thailand's Economic Growth Forecast

Key Indicators	2025F	2026F
GDP (%YoY)	2.2	1.6
Export of Goods (USD BOP) (%YoY)	10.0	-1.0
No. of Tourists (mn persons)	33.0	35.0
Dubai Oil Price (USD/bbl)	70.0	65.0
Exchange Rate (THB/USD, eop) *	31.0-32.0	32.0-33.0

Note: * LH Bank Research Analysis

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