Overview

- **Road freight transportation plays an important role in distributing goods from production sites to markets both within Thailand and in neighboring countries, accounting for approximately 80% of domestic freight volume.** Thailand has an extensive road network covering most areas of the country, supported by continuous infrastructure development. As a result, road transport has an advantage in terms of flexibility, can provide door-to-door services, and can connect with water, rail, and air transport. It therefore plays a key role in linking production sites, warehouses, distribution centers, and final recipients. **As of July 2026, Thailand had approximately 1.25 million registered trucks, up from around 1.17 million in 2020, representing an average annual growth rate of about 1.4% during 2020–2025.** However, the number of registered trucks as of July declined slightly by around 0.4% from the end of 2025, indicating that the overall truck fleet has begun to stabilize after expanding continuously in recent years.
- **Service characteristics can be classified by truck type and the type of goods transported. General pick-up trucks remain the largest vehicle category in the market. As of July 2026, there were approximately 622,373 registered pick-up trucks, accounting for 49.7% of total registered trucks.** These vehicles are mainly used to transport general goods, seasonal agricultural products, and goods within local areas. As the service model is relatively simple and there are many operators in the market, price competition is relatively intense. Meanwhile, trailers and tractor trucks totaled approximately 382,837 units, representing 30.6% of total registered trucks. They are mainly used to transport bulk cargo, large-sized goods, and containers. Demand for these services is closely linked to activity in the trade, manufacturing, and construction sectors, as well as imports and exports. Operators in this segment generally focus on building a stable customer base and securing long-term transport contracts to reduce revenue volatility.
- **Specialized freight transport accounts for a smaller share of the truck fleet than general freight transport, but it has higher barriers to entry and requires greater expertise.** There were approximately 110,136 special-purpose trucks, accounting for 8.8% of the total, while liquid cargo trucks and hazardous goods trucks totaled around 24,587 units and 11,205 units, representing 2.0% and 0.9%, respectively. These vehicles are used to transport products such as oil, gas, and chemicals, as well as for construction-related activities or goods that require specialized equipment. Operators therefore need specific expertise, appropriate safety standards, and sufficient investment in suitable vehicles. As a result, there are fewer operators in these segments than in the general freight market, providing greater potential to maintain service charges. Meanwhile, box trucks totaled approximately 101,326 units, or 8.1% of total registered trucks. This category includes dry box trucks used for consumer goods and general merchandise, as well as temperature-controlled trucks for fresh, chilled, and frozen food. Demand for these services has benefited from growth in consumption, retail activity, E-Commerce, and increasing demand for freight services with specific handling requirements.

Figure 1 Cumulative Registered Truck Fleet Structure

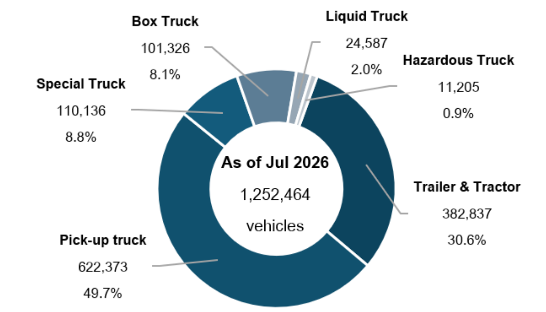
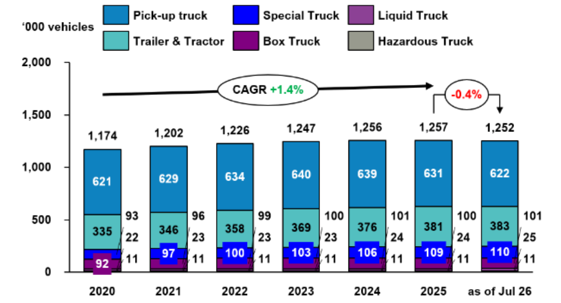


Figure 2 Cumulative Number of Registered Trucks



Source: LH Bank Business Research analysis based on data from the Department of Land Transport.

Road Freight Transport Demand

- **Demand for road freight transport services in Thailand remained at a high level in the first half of 2026, although growth began to stabilize compared with previous periods.** This was reflected in the Logistics Production Index, which increased from 141.0 in the first six months of 2025 to 141.5 in the first six months of 2026, representing growth of 0.4%YoY. The index showed an overall upward trend during 2020–2025, with an average annual growth rate of approximately 10.1%, indicating that overall logistics activity continued to be supported by a relatively high level of demand. However, the latest increase in the index was relatively limited, in line with continued volatility in road freight volume. Over the longer term, road freight volume remained broadly stable during 2020–2025, with a CAGR close to 0.0%. This indicates that the growth of logistics activity in recent years has not been driven solely by a continuous increase in freight volume, but has also varied according to economic conditions and the types of goods transported in each period.

Figure 3 Thailand Logistics Production Index

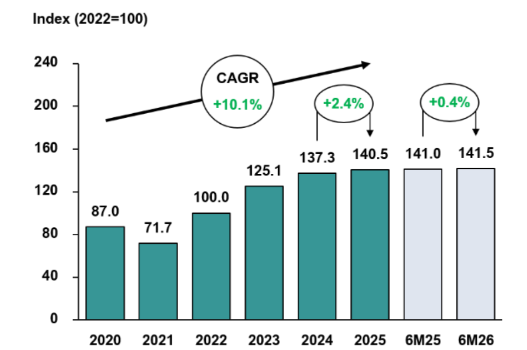
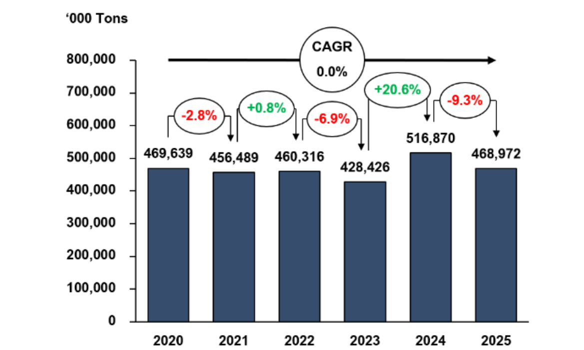


Figure 4 Road Freight Transport Volume



Source: LH Bank Business Research analysis based on data from the Bank of Thailand and the Ministry of Transport.

- **A key factor supporting freight transport demand in 2026 is the strong expansion of Thailand's export sector. Thailand's merchandise export value increased steadily from USD 231.6 billion in 2020 to USD 340.2 billion in 2025, representing an average annual growth rate of approximately 8.0%.** In the first six months of 2026, export value rose further to USD 196.7 billion, up 17.6%YoY from USD 167.3 billion in the same period of the previous year. This expansion has supported demand for transporting goods from factories and production sites to ports, distribution centers, and border checkpoints, particularly for trucks used to carry industrial products and containers. As a result, international trade remains one of the key drivers of road freight transport demand at present.

- **Border trade is another important factor supporting road freight transport demand, with particularly strong growth in the first half of 2026.** Thailand's border trade value increased from USD 42.5 billion in 2020 to USD 57.0 billion in 2025, representing an average annual growth rate of approximately 6.1%. In the first six months of 2026, border trade value rose to USD 35.2 billion, an increase of 22.9%YoY from USD 28.6 billion in the same period of the previous year. This reflects a recovery in trade activity with neighboring countries, which directly supports demand for freight transport through road networks and border checkpoints. However, despite the strong expansion in exports and border trade, overall road freight volume has not increased in the same direction to a clear extent. This indicates that **freight transport demand in the period ahead is likely to remain uneven, with operators linked to exports and border trade benefiting more than those serving certain domestic freight segments.**

Figure 5 Thailand's Merchandise Export Value

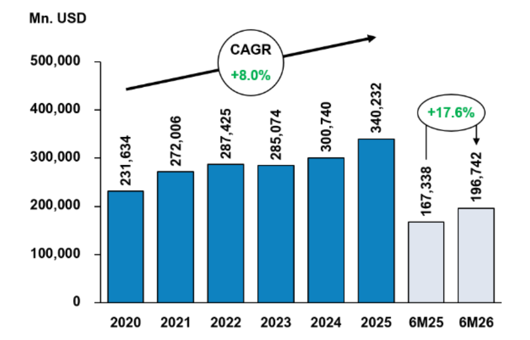
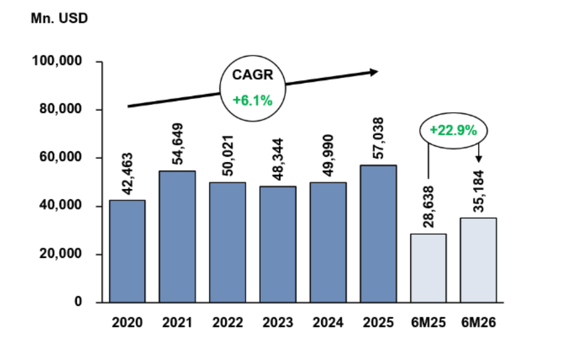


Figure 6 Thailand's Border Trade Value



Source: LH Bank Business Research analysis based on data from the Ministry of Commerce.

Operator and Competitive Landscape

- **Thailand's road freight transportation industry continues to have a large number of small operators, while market revenue is relatively concentrated among medium-sized and large operators. In 2024, the industry generated total revenue of approximately THB 220.9 billion. Although there were only 89 large operators, they accounted for as much as 44.4% of total market revenue.** Meanwhile, 617 medium-sized operators held a 30.6% revenue share, while 8,734 small operators accounted for only 25.0%. This indicates that large and medium-sized operators have greater advantages in accessing customers and securing transport volumes. In contrast, a large number of small operators compete within the market, resulting in a high level of price competition, particularly in general freight transportation where service differentiation is relatively limited.
- **In terms of investment, operators remain cautious, although new truck registrations began to show signs of recovery in the first seven months of 2026.** New truck registrations declined from 38,148 units in 2021 to 24,786 units in 2025, representing an average annual contraction of approximately 10.2%. Registrations had previously increased to 40,798 units in 2022 before declining continuously during 2023–2025, reflecting a slowdown in fleet expansion among operators in recent years. However, in the first seven months of 2026, new truck registrations increased by 5.9%YoY to 14,958 units, up from 14,119 units in the same period of the previous year. This indicates a short-term recovery in investment. Nevertheless, the level of new registrations remains significantly below earlier periods and does not yet clearly indicate a return to a

fleet expansion cycle. Operators are therefore likely to continue focusing on maximizing the utilization of existing vehicles and making cautious investments amid intense competition and uncertainty over operating costs.

Figure 7 Market Share by Revenue and Business Size

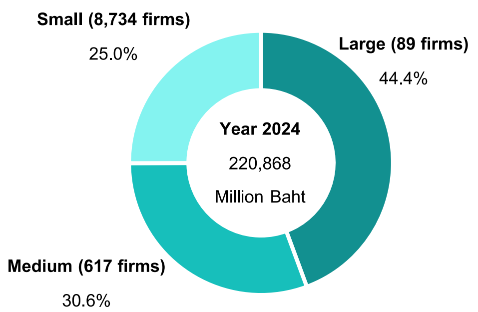
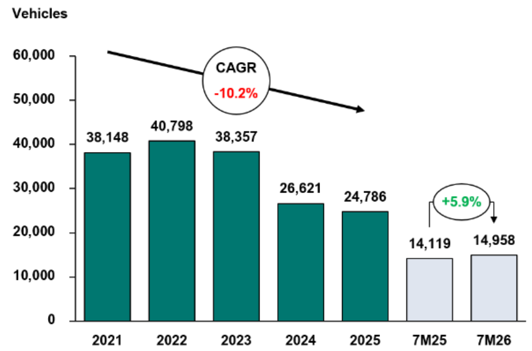


Figure 8 New Truck Registrations



Source: LH Bank Business Research analysis based on data from BOL Enlite (TSIC 49330) and the Department of Land Transport.

- **In terms of the financial performance of the road freight transportation business, large operators have a clear competitive advantage, while the revenue gap between large and small operators has continued to widen.** Total revenue of large operators increased from THB 51.1 billion in 2020 to THB 98.0 billion in 2024, representing a CAGR of 17.7% per year. In 2024 alone, revenue grew strongly by 28.6% YoY. Meanwhile, revenue of medium-sized operators increased from THB 44.9 billion to THB 67.6 billion, representing an average annual growth rate of 10.8%, with revenue expanding by 4.3% YoY in 2024. In contrast, revenue of small operators declined from THB 58.7 billion in 2020 to THB 55.3 billion in 2024, representing an average annual contraction of 1.5%. In 2024, their revenue fell sharply by 16.7% YoY. This indicates that revenue growth in the road freight transportation industry has become increasingly differentiated by business size. Large operators have been able to expand their revenue base more rapidly than other groups, while small operators have faced greater pressure in maintaining both their revenue base and market share.
- **In terms of profitability, the advantage of large operators is even more evident, with their net profit margin (NPM) increasing steadily from 1.49% in 2020 to 8.72% in 2024, significantly higher than that of medium-sized and small operators.** Meanwhile, the NPM of small operators increased from 2.11% in 2020 to a peak of 3.25% in 2023, before declining to 2.79% in 2024. Profitability among medium-sized operators was relatively volatile, with NPM falling to -0.29% in 2022 before recovering to 0.72% in 2023 and 1.40% in 2024. This indicates that large operators have a stronger ability both to expand revenue and maintain profitability, while SMEs, particularly small operators, remain more vulnerable due to a declining revenue base and relatively low profit margins. This may limit their ability to absorb cost volatility and competitive pressures in the period ahead.

Figure 9 Total Revenue by Business Size

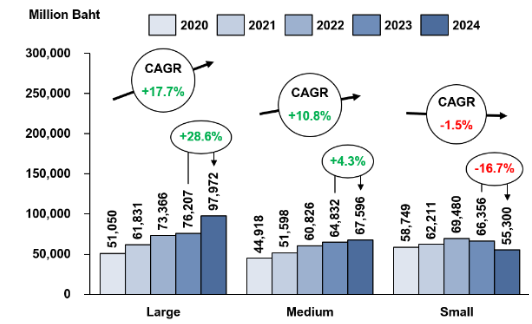
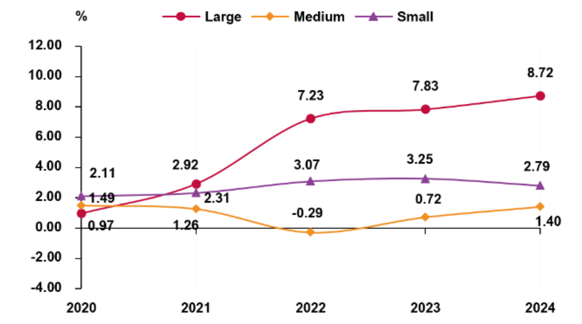


Figure 10 Net Profit Margin (NPM) by Business Size



Source: LH Bank Business Research analysis based on data from BOL Enlite (TSIC 49330).

Note: Business performance was calculated based only on companies that continuously submitted financial statements during 2020–2024.

Road Freight Service Charges and Fuel Cost Situation

- **The Road Freight Transport Service Price Index increased significantly in the first half of 2026, mainly driven by higher fuel costs.** The overall Road Freight Transport Service Price Index rose by 5.6%YoY in the first six months of 2026, with increases recorded across all vehicle types. Box trucks and hazardous goods trucks posted the highest increases at 12.4% YoY, followed by pick-up trucks at 11.8% YoY, trailer trucks at 10.7% YoY, liquid cargo trucks at 8.7% YoY, special-purpose trucks at 5.9% YoY, and long semi-trailer trucks at 4.1% YoY. The increase in service charges for pick-up trucks had a relatively large impact on the overall index, as this category carries the highest weight at 58.0% of the index structure, followed by trailer trucks at 21.7%. Box trucks and special-purpose trucks account for 8.6% and 8.7%, respectively. This is consistent with information from the Trade Policy and Strategy Office (TPSO), which reported that transport service charges increased across all vehicle types in the second quarter of 2026, mainly due to higher diesel prices, as well as rising maintenance costs, spare parts expenses, administrative costs, and truck driver wages.
- **The key factor driving higher freight service charges during the period was the sharp increase in fuel costs, with the average retail diesel price rising to approximately THB 40.0 per liter in the first half of 2026, up 23.1%YoY from THB 32.5 per liter in the same period of 2025.** Compared with the average retail diesel price during 2023–2025, which remained within a relatively narrow range of approximately THB 31.8–32.4 per liter, the increase in diesel prices placed significant pressure on operators' operating costs, as fuel is one of the major cost components of the transport business. In addition, operators also faced higher costs in other areas, including vehicle maintenance, spare parts, truck driver wages, and administrative expenses. As a result, operators have increasingly needed to adjust service charges gradually to better reflect actual operating costs.
- **However, the increase in freight service charges remained significantly lower than the rise in diesel prices. In the first half of 2026, diesel prices increased by 23.1% YoY, while the overall Road Freight Transport Service Price Index rose by only 5.6% YoY, indicating that operators were able to pass only part of the higher fuel costs on to customers.** This may have resulted from intense price competition, transport contract conditions that did not allow immediate adjustments in service charges, and the need to maintain customer relationships, particularly among medium-sized and small operators with limited bargaining

power. Therefore, although higher service charges helped ease some cost pressure, **the gap between the increase in fuel costs and the increase in freight charges continued to put pressure on industry profit margins.** This was particularly the case for operators with a high share of fuel costs and limited ability to adjust freight rates in line with actual cost increases. The direction of oil prices in the period ahead therefore remains an important factor to monitor, as it will directly affect both freight service charges and operators' profitability.

Figure 11 Road Freight Transport Service Price Index Structure[/1]

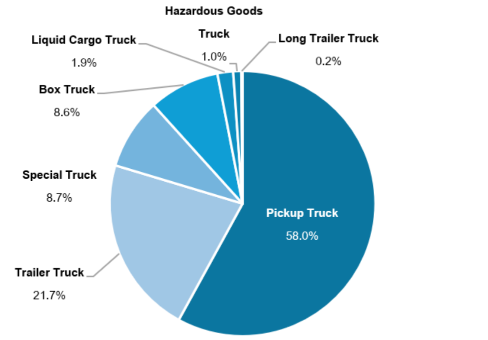


Figure 12 Average Retail Diesel Price (Hi Diesel)[/2]

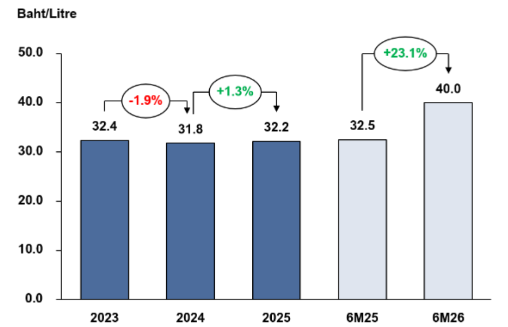
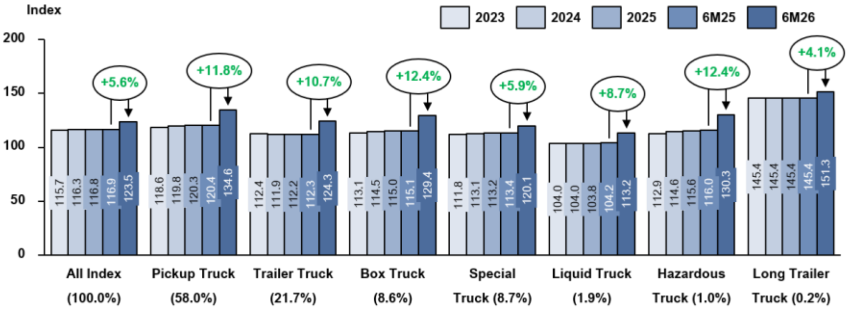


Figure 13 Road Freight Transport Service Price Index[/1]



Source: LH Bank Business Research analysis based on data from the Ministry of Commerce[/1] and Bangchak Corporation Public Company Limited[/2].

Business Outlook

- **Thailand's road freight transportation business is expected to continue expanding over the next year, although growth is likely to remain limited and vary across operator segments.** Operators linked to exports, border and transit trade, as well as products in the technology supply chain, are expected to perform better than those serving general domestic freight transportation. The export sector will remain an important growth driver. In the first half of 2026, Thailand's export value expanded by 17.6%YoY, supporting demand for transporting goods from factories to ports, distribution centers, and border checkpoints, particularly for tractor trucks and trailers used to carry industrial goods and containers. Looking ahead, although export growth momentum is expected to slow from a high base, the global economy is still projected to recover. According to the International Monetary Fund (IMF), global economic growth is forecast at 3.0% in 2026 and is expected to accelerate to 3.4% in 2027 (July 2026), supported by a recovery from the impacts of war and investment related to technology and AI. This is a positive factor for countries participating in the technology supply chain, including Thailand. This is also consistent with the Bank of Thailand's assessment that merchandise exports and investment related to the technology cycle will continue to support the Thai economy, although overall economic growth is projected at only 2.3% in 2026 and 1.8% in 2027.

- **Border and transit trade will remain another important source of support, particularly along routes connecting Thailand with Malaysia, Laos, and southern China, which are well suited for medium- to long-haul truck transportation.** This is reflected in the 22.9%YoY growth in border trade value during the first half of 2026. However, when considering the composition of trade between border trade and transit trade, border trade with neighboring countries continued to expand in the first half of 2026, except for trade with Cambodia, which contracted sharply due to the conflict. Meanwhile, transit trade expanded by 35.3% and emerged as a more prominent growth driver. This trend has the potential to continue, supported by the development of infrastructure and border checkpoints. The opening of the new Sadao border checkpoint and the connecting road to the Bukit Kayu Hitam checkpoint from July 2026 is expected to improve transport efficiency and ease traffic constraints along the Thailand–Malaysia route, which is one of Thailand's key border trade corridors.
- **On the cost side, pressures are expected to ease in 2027, provided that tensions in the Middle East do not intensify again.** In the recent period, the conflict between the United States and Iran, together with disruptions in the Strait of Hormuz, caused energy prices to rise sharply in the first half of 2026. Thailand's average retail diesel price increased by 23.1%YoY, resulting in a 5.6%YoY increase in the Road Freight Transport Service Price Index. However, **following the memorandum of understanding reached between the United States and Iran on June 18 and the resumption of shipping through the Strait of Hormuz, the U.S. Energy Information Administration (EIA) expects global petroleum production and trade volumes to gradually return close to pre-conflict levels by the end of 2026.** If this assumption materializes, it will help ease fuel cost pressures and support the profit margins of freight transport operators in 2027.
- **However, oil price risks have not fully disappeared, even though tensions between the United States and Iran have eased from the levels seen in early 2026, as the oil market remains exposed to the risk of renewed conflict and further disruptions in the Strait of Hormuz.** The IMF has also identified a renewed escalation of the conflict as one of the key downside risks to the global economy. For Thai freight transport operators, this risk is particularly significant because diesel costs have increased faster than freight service charges, reflecting operators' limited ability to pass higher costs on to customers. **Therefore, if the conflict intensifies again and oil prices rise further, the impact will directly pressure profit margins, particularly for operators without fuel surcharge mechanisms or contracts that allow freight rates to be adjusted promptly in line with fuel prices.**
- **In addition, competition within the industry remains a factor limiting growth and profitability, particularly for SME operators, as the market consists of a large number of small players while revenue is increasingly concentrated among large operators.** Large operators have advantages in terms of fleet size, customer base, financial resources, technology, and the ability to provide integrated services. In contrast, small operators continue to compete heavily on price and have relatively limited bargaining power over freight charges. As a result, higher revenue from increased transport volume may not be fully translated into higher profits, which will be an important factor affecting the business viability of SME operators in the period ahead.

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