Enhancing cooperation in trade logistics among APEC economies

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Example of cooperation in trade logistics

Three Pilot Studies
The Concept’s main objectives

• Provide stakeholders with long-term sustainable capacity to improve transit transport operations.

• Develop corridor based institutional and technological solutions

Basic principles

• Rely on local knowledge and design rather than on imported expertise or solutions.

• Combine regulatory, institutional, technological and operational improvements.

• Focus on linking regional trade and transport networks with global logistics systems.
The cluster-corridor approach

- Along a corridor, shippers, intermediaries and carriers keep a buyer – supplier relationship,
- Governmental agencies also provide services and demand information,
- Business and control agencies can form clusters to improve day-to-day operations and find medium and long-term solutions for given corridors.
Cluster essentials

- **Proximity**: in a given geographical location and sector of activity.
- **Sharing information**: beyond confidentiality to increase collective knowledge and know-how.
- **Joint Actions**: to improve individual performance through cooperation.
- **Building trust**: to ensure long term commitment and develop collective competitiveness.

Example of cooperation in trade logistics
The Trans Caprivi Corridor potential

- The Port of Walvis Bay in Namibia offers a natural gateway for Zambia trade potential to and from Europe and the Americas. Commodities that would benefit from transport development along the TCC include:
  - Agriculture and mining exports
  - Manufactured goods from overseas as consumables, equipment, machinery, inputs for the mining and agriculture industries, etc
  - Imports from Namibia (frozen fish and salt)
Example of cooperation in trade logistics

Three Pilot Sites

The Corridor
Port of Asunción

River corridor
Port of Montevideo

Example of cooperation in trade logistics

Lao, PDR

Three Pilot Sites
Corredor: Vientiane-Bangkok

Pais sin litoral: Laos

Pais de Transito: Tailandia

Clusters geograficos: Bangkok
Area de frontera Vientiane

Contraparte Regional: ESCAP

AH12 (Udon Thani – Nong Khai)
**VTE Cluster Diagram**

Cluster members

<table>
<thead>
<tr>
<th>Groups identified</th>
<th>Organisations identified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy makers</td>
<td>Thai (Marine Dept, Dept of Land)</td>
</tr>
<tr>
<td></td>
<td>Lao (Land Transport Management, Import-Export Management and Border Trade)</td>
</tr>
<tr>
<td>Private service providers</td>
<td>LIFFA, TIFFA, Trucking Assn., International Border Warehouse, Bangkok Shipowners &amp; Agents, Customs Brokers (T.L. Enterprises)</td>
</tr>
<tr>
<td>Public service providers</td>
<td>Railway operators, Port Authority, Customs, ICD Operators, FTZ operators</td>
</tr>
<tr>
<td>Users</td>
<td>Relevant Thai and Laotian trade associations</td>
</tr>
</tbody>
</table>
Cost structure for export, Vientiane – Bangkok Port

Vientiane - Bangkok corridor

June 23-24, 2008 Beijing, China
Results

- **Time:** -37%
- **Cost:** -22%

**How:**
- No transhipment
- No transit charge
- Transport to thanaleng included in overall trip to Bangkok

**Clusters versus Committees**

- **Committees:**
  - Top down government led approach.
  - Emphasis on policy and regulations.
  - Require cooperation of higher ranked government and private sector representatives.

- **Clusters:**
  - Peer to peer approach.
  - Emphasis on operational solutions.
  - Require information sharing and joint actions.

- Clusters may be seen as supplemental or alternative.
Fit in regional activities

- Synergies with institutional developments in ASEAN and GMS agreements.
  - National Transit Transport Coordinating Committees (NTTCC) and Transit Transport Coordinating Board (TTCB).
  - National Transport Facilitation Committee (NTFC).
- National initiatives and programmes in Lao PDR and Thailand – Viet Nam.
- Relationship with Integrated Framework activities.
  - Trade and transport facilitation diagnostic.

Conclusion

- Cluster can improve transport efficiency in terms of both time and cost.

- The challenge for APEC member countries is how to apply this concept in their region.