

# Transport and Trade Facilitation for APEC Connectivity in the GMS Regional Cooperation

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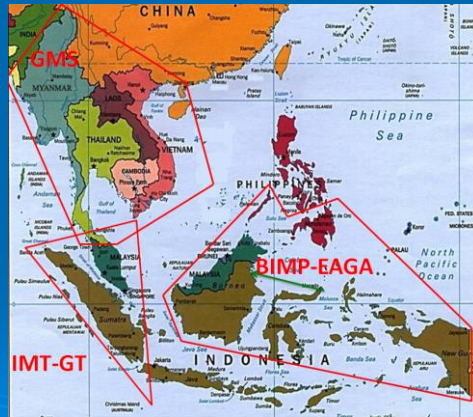
## Connectivity Initiatives Supported by ADB

- **Physical Connectivity:** ADB continues to lend for infrastructure development in the region. Of the \$3.7 billion in lending in 2012, 54% was on infrastructure (ADB Annual Report, 2012).
- **Innovative Financing:** In addition, ADB is involved in new and innovative financing schemes, such as the ASEAN Infrastructure Fund, which plans to lend \$300 million per year (co-financed with ADB).
- **Private Sector Participation:** \$2 billion in operations by ADB's Private Sector Operations Department (2012). In addition, ADB is working to promote PPP development in the region for physical and software connectivity projects.
- **Software Connectivity:** Development partner/coordinator for the GMS, BIMP-EAGA, IMT-GT programs to promote software connectivity and integration from the "bottom up" through technical assistance, knowledge sharing and capacity building.



## Transport and Trade Facilitation in ASEAN Region

- ASEAN sub-regions are implementing various transport and trade facilitation (TTF) measures
  - GMS Transport and Trade Facilitation
  - BIMP-EAGA CIQS Action Plan
  - IMT-GT CIQ work at early stage
- Increasing alignment with ASEAN Trade Facilitation initiatives (ATIGA, AFAGIT, ACA, etc.)



GREATER MEKONG SUBREGION  
TRANSPORT & TRADE  
FACILITATION

## Transport and Trade Facilitation in the Greater Mekong Subregion (GMS)

- GMS: Cambodia, China, Lao PDR, Myanmar, Thailand, Viet Nam
- About \$15 billion invested in GMS since 1992; from ADB, member countries and Development Partners
- Transport major sector, about 70% of total investments
- Increasing recognition of need to complement increased physical connectivity by improved TTF to develop economic corridors
- Initial emphasis on the GMS Cross-Border Transport Agreement (CBTA)

GREATER MEKONG SUBREGION  
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# What is CBTA

(GMS Cross-Border Transport Facilitation Agreement)

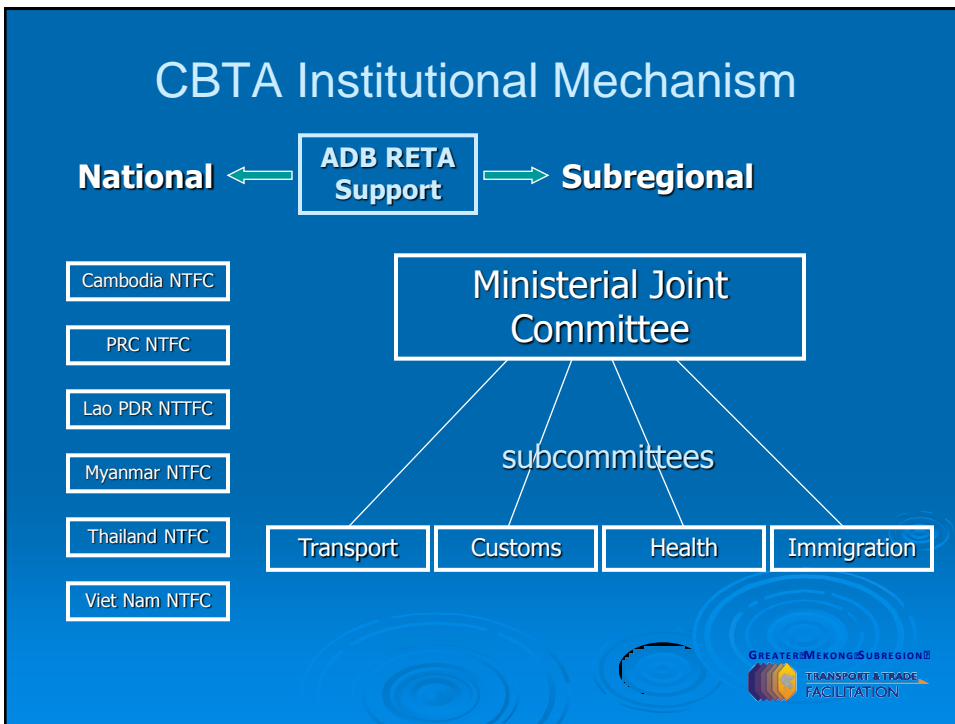
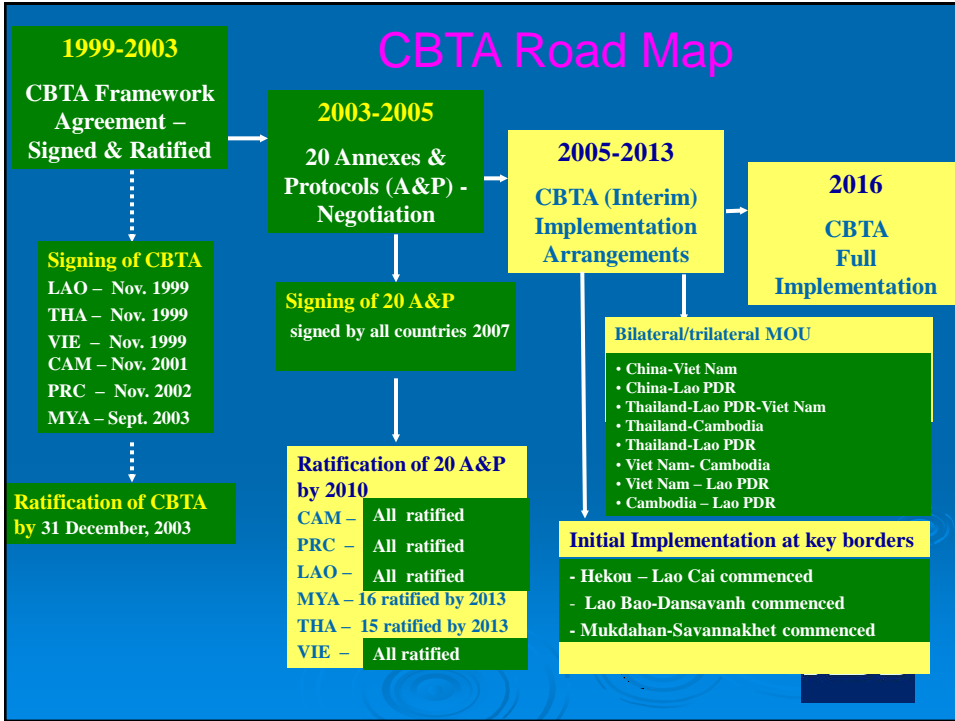
- CBTA is a pioneering flagship initiative launched in the late 1990s under the GMS Economic Cooperation Program supported by Asian Development Bank.
- CBTA has six member countries: Cambodia, China, Lao PDR, Myanmar, Thailand and Viet Nam in the Great Mekong Subregion.
- CBTA aims to foster greater economic connectivity through transport and trade facilitation initiatives at GMS border crossings.
- CBTA focuses on improving software connectivity to complement physical connectivity investments by ADB



## What is covered by CBTA?

- **No Go --- To Go:** trucks, drivers and goods could go to any GMS country
  - Open corridors (exchange traffic rights)
  - Trucks (GMS road transport permit + bilateral permit)
  - Drivers (mutual recognize driver's license)
  - Goods (dangerous goods, perishable goods)
- **Transloading --- Go Through:** goods with trucks could transit without reloading
  - Customs Transit System: harmonized transit documents
  - Issuing/guaranteeing organizations in operation
- **Long Time --- Short Time:** shorten clearance time at border by facilitating
  - Single window inspection (in one country, by CIQ)
  - Single stop inspection (two countries, by CIQ)
  - Risk management (by CIQ)
- **Pilot --- Full Implementation**
  - Pilot borders implementing CBTA before ratification, after all countries ratified, more borders could implementing to maximize the benefits.

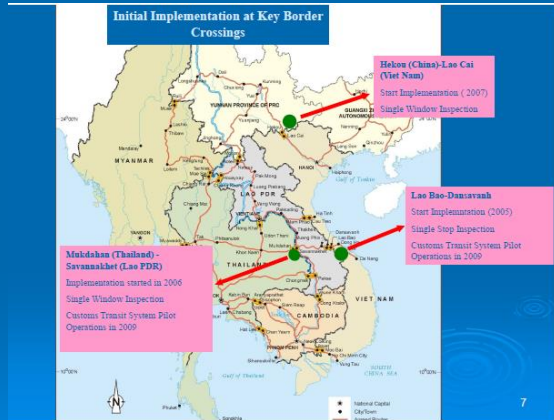




# CBTA: Initial Implementation

The following GMS borders are already implementing the CBTA:

- Hekou – Lao Cai
- Lao Bao- Dansavanh
- Mukdahan- Savannakhet



# CBTA: Bilateral Arrangements

- Bilateral/trilateral road transport agreements are pragmatic interim solutions for urgent TTF and building blocks to CBTA implementation.



## Recent Outcomes

- **Reduction of cross-border transactions**
  - **Example:** Average clearance time for cargo trucks at the Lao Bao-Dansavagn a border between Viet Nam and Lao PDR was reduced from 90 minutes to 30 minutes
- **Improved efficiency in the flow of people and goods across borders evident in increased trade and tourist volumes**
  - **Example:** Bilateral trade between Thailand and Cambodia grew by 40% year on year to USD 3.8 Billion in 2012,
- **Expansion of open routes**
  - **Example:** Expansion of the operational route of the GMS East West Economic Corridor route to Bangkok, Hanoi, Vientiane and deep sea ports
- **Increase in the number of agreements and transport permits exchanged among countries**
  - **Example:** PRC and Lao PDR agreed to increase their transport permit quotas by 50% for buses and 25% for trucks.



## ADB's Role:

- As **Honest Broker**, acting as facilitator and coordinator to the negotiation meetings and implementation
- As **Knowledge Bank**, creating and consolidating CBTA legal documents
- As **Financier**, providing and assisting GMS countries in mobilizing financial resources
- As **Capacity Builder**, assisting Joint Committee and NTFC in building their institutional capacity to manage the CBTA implementation
- As **Coordinator**, providing overall support and coordination to the CBTA implementation



## OPERATIONAL CHALLENGES

- Higher level of coordination among concerned ministries/agencies
- Capacity building, especially for border officials
- Harmonization of relevant laws and regulation in line with CBTA
- Associated establishment of infrastructure and ICT

## Thank you

For more information:



<http://www.adb.org/publications/greater-mekong-subregion-cross-border-transport-facilitation-agreement-instruments-and->



Link:  
9 minute video: Knocking Down Borders in the GMS  
<http://vimeo.com/76838418>