

Expert Group Meeting on “ Special Needs and Challenges in Developing Countries for Achieving Sustainable Transport”

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Landlocked Developing Countries

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I. Introduction

- **Background**

- 32 Landlocked Developing Countries with a Population of about 440 million (Asia, Africa, Europe and South America)
- Geographical Constraint
- No direct territorial access to the sea and remoteness
- Isolation from Global Markets
- Cumbersome transit procedures and inadequate infrastructure and long distance to major markets
- Available primary raw materials, limited domestic market and a very limited number of commodities for export earnings

I. Introduction (Cont.)

- Selected Landlocked Developing Countries in Asia

- ❖ 12 Landlocked Developing in Asia

- 4 Landlocked and Least Developed Countries (LLDCs)
 - Lao PDR LLDCs in ASEAN

- ❖ Gaps between the graduation thresholds and the latest indicators, 2014



12 Landlocked Developing Countries

4 Least Developed Countries



Country	GNI per capital	Human assets index	Economic vulnerability index	Income only	Have the criteria been met?
<i>Least developed countries that are also landlocked developing countries</i>					
Afghanistan	43%	35%	9%	-	-
Bhutan	✓	✓	17%	5%	✓
Lao PDR	✓	5%	13%	42%	-
Nepal	45%	✓	✓	-	✓

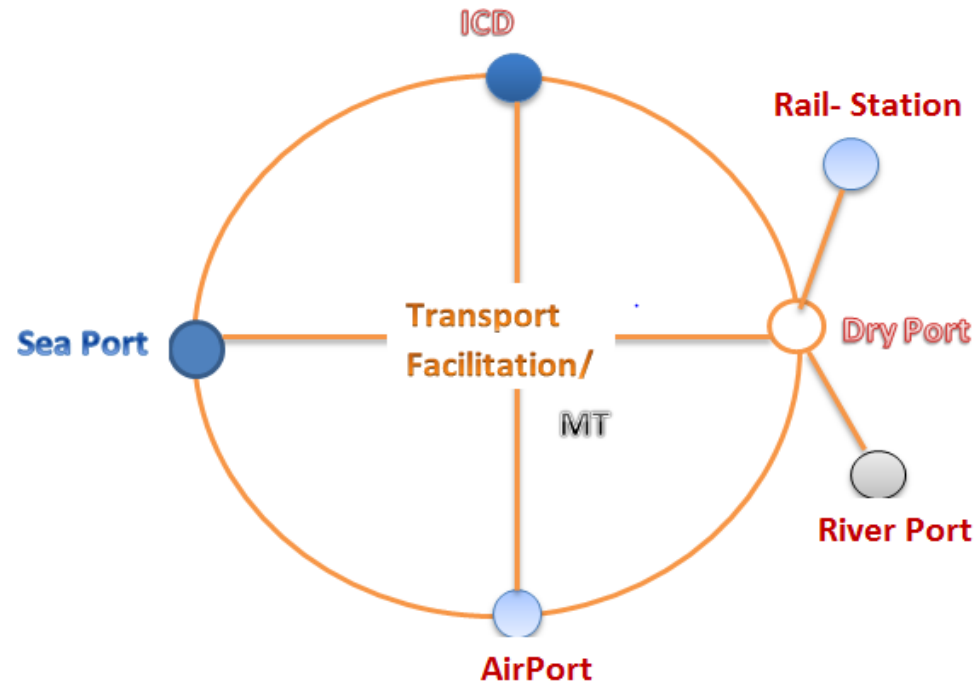
Source: UNESCAP calculation based on data from various sources; Asia-Pacific CSN Development Report 2016.

II. Current Transport Situation in Landlocked Developing Countries

- ❖ **Regional/Subregional Cooperation**
 - Central Asia Regional Economic Cooperation (CAREC)
 - South Asian Association for Regional Cooperation (SAARC)
 - Association Southeast Asia Nation (ASEAN)
 - Greater Mekong Subregion (GMS)
- ❖ **Connectivity and Integration**
 - Asian High Way (AH), Trans-Asian Railway (TAR) and Dry Ports
 - Intergovernment Transport Agreements and International Conventions
- ❖ **Linking the Asian Landlocked Developing Countries with Transit Countries and the rest of the World**
- ❖ **Landlocked Developing and Least Developed Countries (LLDCs) with **Special Needs** And Challenges in Transport Development**
 - **Special Needs :**
 - Infrastructure and Facilities/ICT
 - Technical Assistances (TA)
 - Technology Transfer;
 - Capacity Building;
 - Financial Support

○ Special Needs (cont.)

- Integration of Border Management
- Regional Facilitation Corridors/Landbridges



○ Challenges of Transport Developments in LLDCs

- Effective Integration into Regional and Global Economy/FTA
- Commitment Arrangement and Competition
- Development Gaps between LLDCs and their Transit Neighbors
- Transport Infrastructure and Logistics Facilities

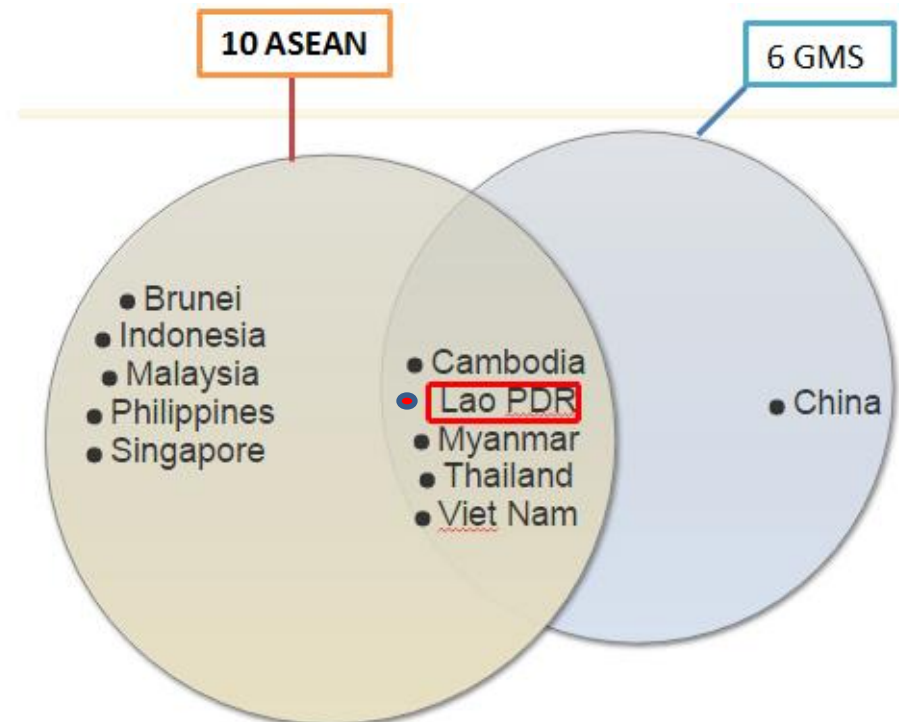
LPI 2014/2012: Overall Score by Component, Landlocked and Least Developed Countries(LLDCs) in Asia.

Country	overall LPI rank 161/155	overall LPI score 5/5	Customs	Infrastructure	International shipments	Logistics quality and competence	Tracking and tracing	Timeliness
Nepal	105/151	2.59/2.04	2.31/2.20	2.26/1.87	2.64/1.86	2.50/2.12	2.72/1.95	3.06/2.21
Bhutan	143/107	2.29/2.52	2.09/2.29	2.18/2.29	2.38/2.61	2.48/2.42	2.28/2.56	2.28/2.90
Lao PDR	134/109	2.39/2.50	2.45/2.38	2.21/2.40	2.50/2.40	2.31/2.40	2.20/2.49	2.65/2.82
Afghanistan	158/135	2.07/2.30	2.16/2.33	1.82/2.00	1.99/2.33	2.12/2.16	1.85/2.10	2.48/2.80

- **Challenges of Transport Developments in LLDCs (Cont.)**
 - Institution and coordination Mechanism of Transport Services in LLDCs
 - National Data Tools
 - High Transportation Costs/ unimode(Road)
 - Green Logistics/Freight

III. Transport Connectivity Development of Landlocked Developing and Least Developed Countries in Asia/ASEAN (Case: Lao PDR)

- Lao PDR Least and Locked Developed Country in ASEAN and GMS.

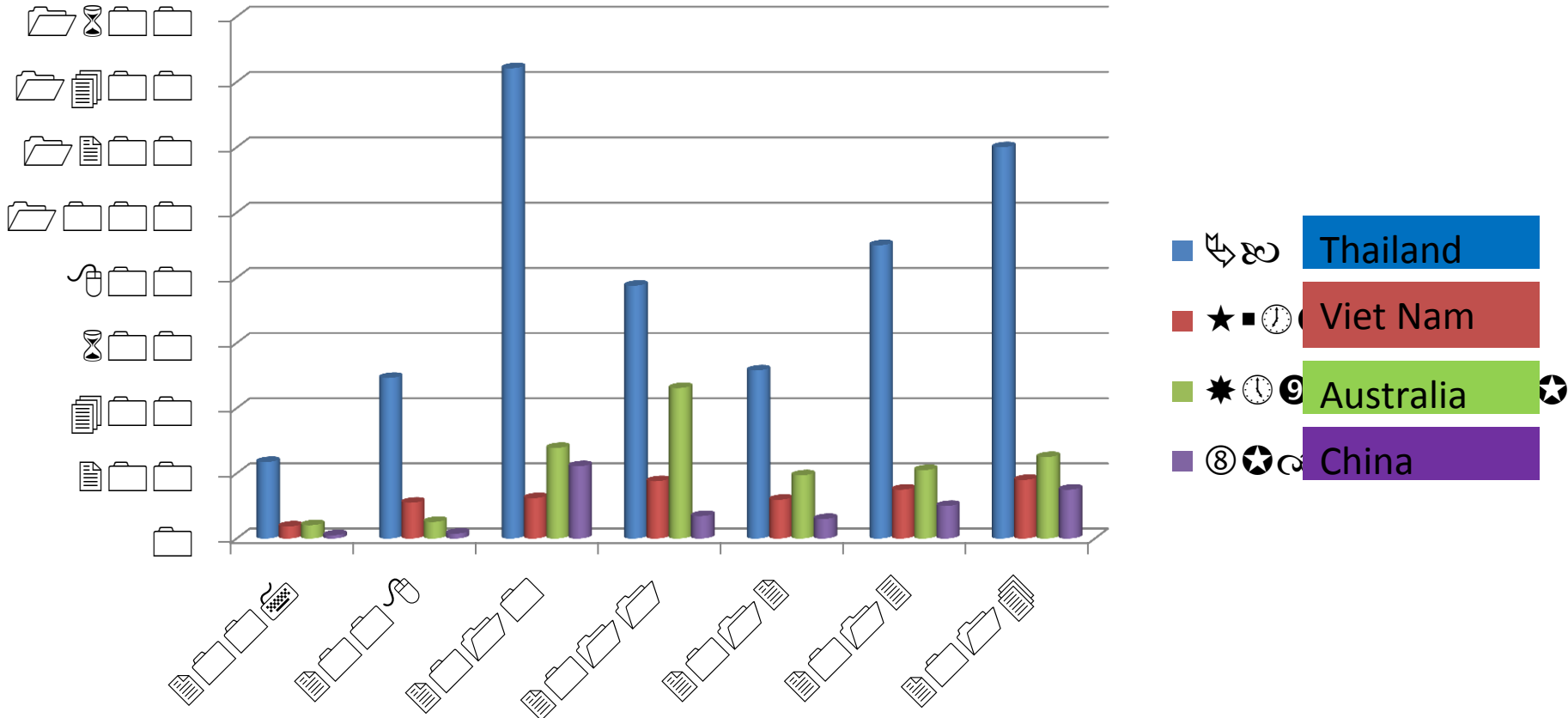


□ *Lao PDR is both landlocked developing and least develop country in ASEAN*

III. Transport Connectivity Development of LLDC in ASEAN (Case: Lao PDR)

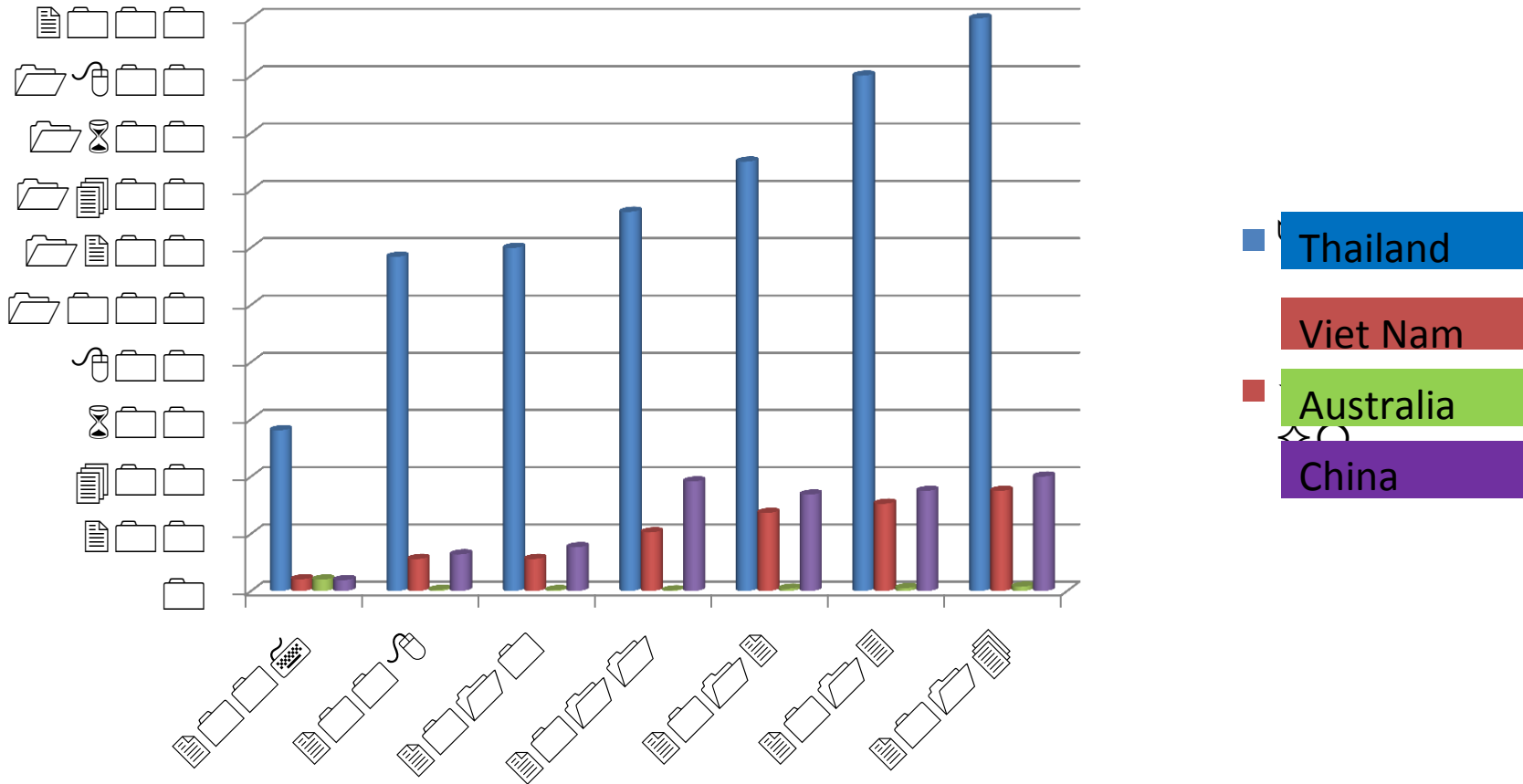
- Trade Development

➤ Export Value



III. Transport Connectivity Development of LLDC in ASEAN (Case: Lao PDR)

➤ Import Value



III. Transport Connectivity Development of LLDC in ASEAN (Case: Lao PDR)

- Challenges of Transport Services in Integration and Competition

LPI 2014 (Score 5= best): Comparison between Laos and its Transit Neighbor (Thailand) by Overall Score LPI Components

Country	Customs	Infrastructure	International shipments	Logistics quality and competence	Tracking and tracing	Timeliness
Thailand (Transit C.)	3.2	3.4	3.3	3.1	3.5	4.0
Lao PDR (LLDC.)	2.4	2.2	2.4	2.3	2.2	2.6

III. Transport Connectivity Development in LLD (Case: Lao PDR)



Thailand

● **Lat Krabang**
ICD, Bangkok
-Chiang Rai, Chiang
Khong

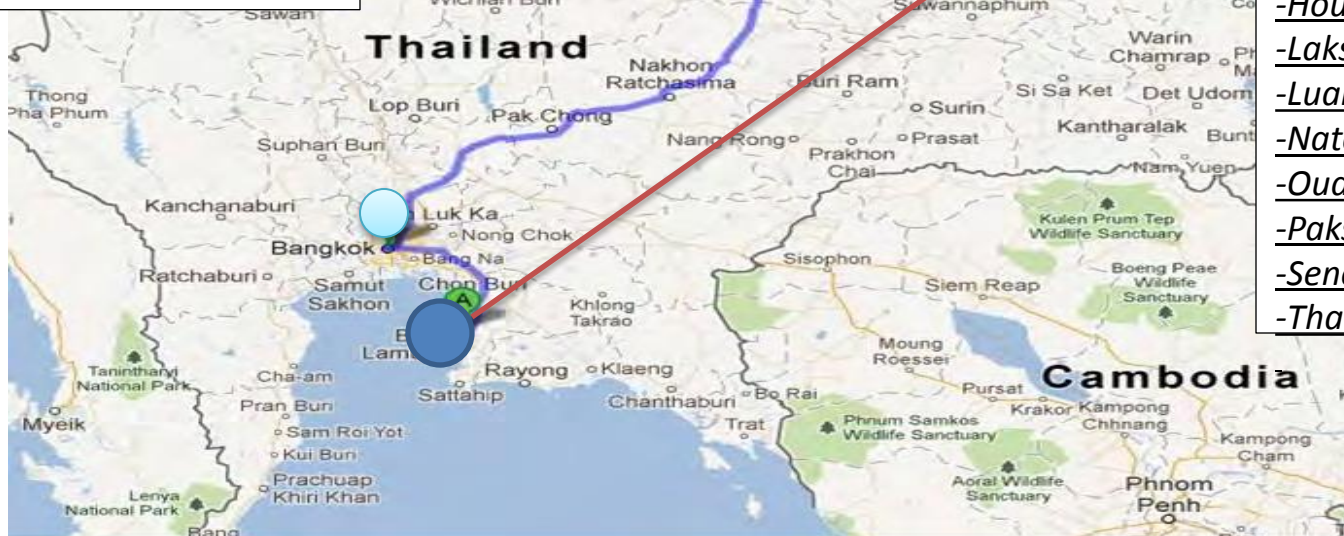
● **Natha, Nong Khai**



Laos

● **Thanaleng, Vientiane**

- Houyxaï, Bokeo
- Laksao, Borikhamxai
- Luangprabang, Luangprabang
- Nateuy, Luangnamtha
- Oudomsai, Muangxai
- Pakse, Champasack
- Seno, Savanakhét
- Thakhek, Khammouane



ASEAN Transport Logistics Services Commitments

No	Subsectors	CPC	Relevant Transport Agreements	Relevant Policies
1.	Packaging services	876	AMS AFAS AFFAGIT AFFAFIT AFAMT GMS CBTA	ATM STOM TWG: - Land - Maritime - Aviation - Transport Facilitation LTSSWG (AFFA/FIATA)
2	Courier services	7512		
3	Maritime Freight transportation	7212		
4.	Rail Freight transportation	7112		
5.	Road Freight transportation	7123		
6.	Cargo handling services	741		
7.	Storage and warehouse services	742		
8.	Freight transport agency services	748		
9.	Other auxiliary services*	749		

*Include the following activities: bill auditing; freight brokerage services; freight inspection, weighing and sampling services; freight receiving and acceptance services; transportation document preparation services. These services are provided on behalf of cargo owners.

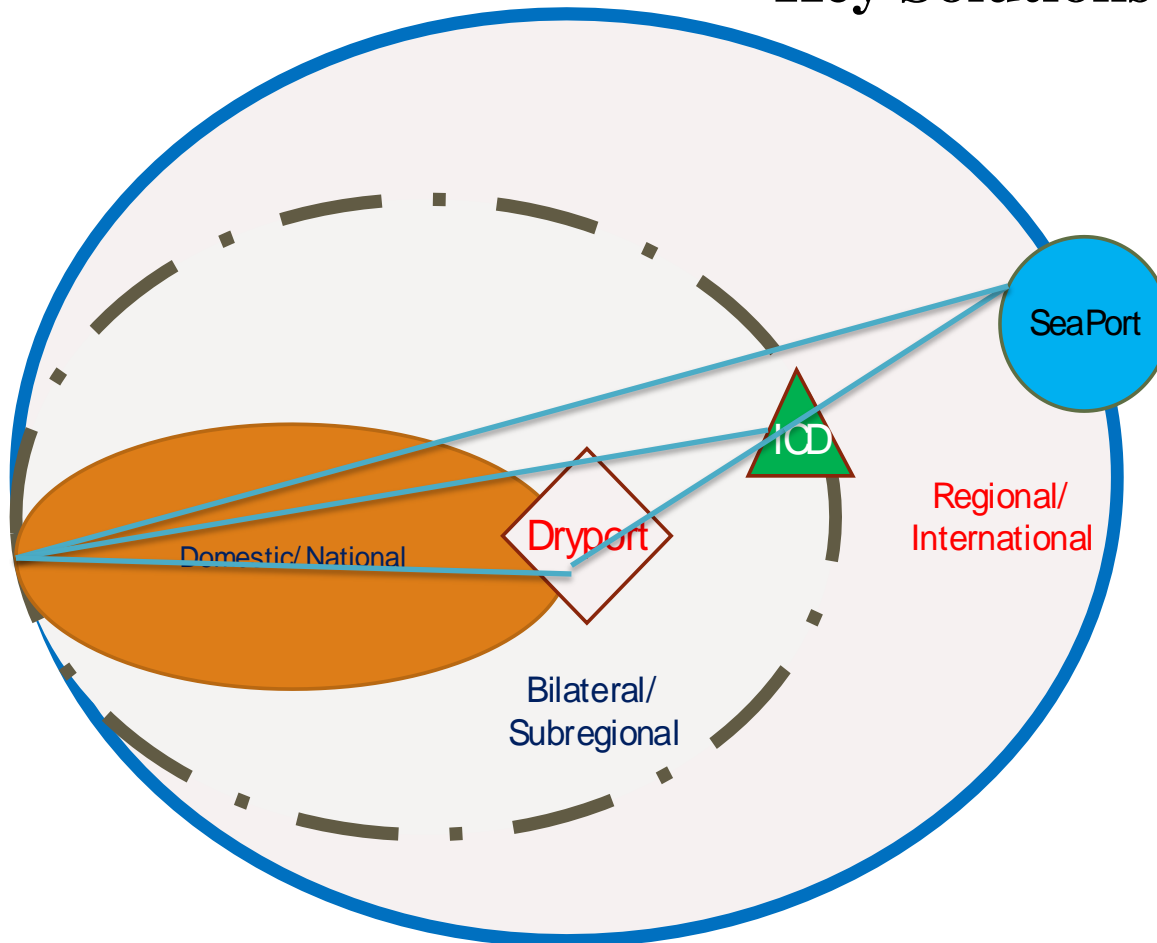
III. Transport Connectivity Development of LLDC in ASEAN (Case: Lao PDR)

- Key Problems on Transport Services in Laos
 - Empty return haulage
 - Higher logistics cost
 - Limited transport volume
 - Limited business opportunities in small market
 - Difficulty in re-investing due to financial limitations of transport and logistics companies
 - Aged Fleet
 - Lack of Transport and Logistics Hub/Dryport
 - Inadequate resources for infrastructure investment and maintenance
 - Lack of institutional operation mechanism/segmented section

III. Transport Connectivity Development of LLDC in ASEAN (Case: Lao PDR)

- **Transport and Logistics Development Strategy in Lao PDR**

✓ **Key Solutions:**



Strategy 1
Integration of Cargo Flow

Strategy 2
Business Stimulation

Strategy 3
Market Expansion

IV. Conclusion and Recommendations

- Most Landlocked Developing Countries and Least Developed Countries in Africa and Asia continue to be less developed than their transit neighbors that border the sea.
- Poorer/Lower economic performance (Human Assets Index & LPI) of Landlocked and Least Developed Countries (LLDCs) attributed to geographical distance from the coast, the transport services become more complicated.
- Inadequate physical infrastructure development; and lack of private participation
- Infrastructure and Transport Logistics Facilities/ICT between International Transportation Hub (Dryports in the LLDCs and their Transit Neighbors Seaports) should be developed to achieve better inter-connectivity and inter-mobility with the national, regional and international maritime.
- Technical Assistance and Financial Support still needed.
- International Road Transport in LLDCs Should be provided

Thank you

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