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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Contents:

I. Introduction
II. Current Transport Situation in Landlocked Developing Countries (LDCs)
III. Transport Connectivity Development in Landlocked Developing and Least Developed Countries in Asia/ASEAN
IV. Conclusion and Recommendations
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

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

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 Assitances (TA)
    - Technology Transfer;
    - Capacity Building;
    - Financial Support
- 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.

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

- Thailand
- Viet Nam
- Australia
- China
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

<table>
<thead>
<tr>
<th>Country</th>
<th>Customs</th>
<th>Infrastructure</th>
<th>International shipments</th>
<th>Logistics quality and competence</th>
<th>Tracking and tracing</th>
<th>Timeliness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand (Transit C.)</td>
<td>3.2</td>
<td>3.4</td>
<td>3.3</td>
<td>3.1</td>
<td>3.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Lao PDR (LLDC.)</td>
<td>2.4</td>
<td>2.2</td>
<td>2.4</td>
<td>2.3</td>
<td>2.2</td>
<td>2.6</td>
</tr>
</tbody>
</table>
III. Transport Connectivity Development in LLD (Case: Lao PDR)

Thailand
- Lat Krabang
  ICD, Bangkok
  - Chiang Rai, Chiang Khong

Laos
- Thanaleng, Vientiane
  - Houyxai, Bokeo
  - Laksao, Borikhamsai
  - Luangprabang, Luangprabang
  - Nateuy, Luangnamtha
  - Oudomsai, Muangxai
  - Pakse, Champasack
  - Seno, Savanakhet
  - Thakhek, Khammouane
# ASEAN Transport Logistics Services Commitments

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

*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:

1. Strategy 1: Integration of Cargo Flow
2. Strategy 2: Business Stimulation
3. 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 cost, 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