

**ERIA Collaborative/Support  
RESEARCH REPORT**

# **Cross-border Transport Facilitation in Inland ASEAN and the ASEAN Economic Community**

Edited by

Masami Ishida

**IDE-JETRO**



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## Preface

In 2015, two important events took place. First, the ASEAN Economic Community (AEC) was launched on 31 December 2015. This brought the ASEAN closer towards its target of ‘a single market and production base’. Such vision requires, amongst others, initiatives that will facilitate cross-border transport.

Hitherto, hard and soft road infrastructure projects have been developed under the ASEAN Connectivity Master Plan, ASEAN Highway Network, and transport-related ASEAN framework agreements, all of which are reviewed in this project. Specifically, as roads currently categorised as below Class III need to be upgraded to Class III (two-lane road with double bituminous treatment) per the master plan, we have examined some of these roads and compared their actual state with the requirements stipulated in agreements and other public documents.

The hard infrastructure projects that involve road upgrade are listed only in Lao PDR and in Myanmar. Countries such as Cambodia and Viet Nam have taken one step further by implementing road upgrades per the ASEAN Connectivity Master Plan. Thus, we interviewed provincial government officials in these two nations on the effect of their efforts and analysed the impact of such improvements.

The second important event was when all six countries of the Greater Mekong Subregion programme (i.e. Cambodia, China, Lao PDR, Myanmar, Thailand, and Viet Nam) ratified all the annexes and protocols of the Cross-border Transport Agreement (CBTA). In this project, we reviewed the CBTA, bilateral and trilateral agreements in Inland ASEAN countries as well as transport-related ASEAN framework agreements. We expect the ratification to accelerate cross-border movements in these nations.

As it is also necessary for technical standards such as maximum weights, road signs, and transport-related standards to be harmonised, this project tried to analyse the extent of such harmonisation.

Results summarised in this volume are based on a research project entitled, ‘New Developments for Cross-border Transport Facilitation in the Inland ASEAN and Establishment of the ASEAN Economic Community’, a collaborative research between the Economic Research Institute for ASEAN and East Asia and the Institute of Developing Economies, Japan External Trade Organization. For the implementation of the project, we collaborated with the Cambodian Research Centre for Development; National Economic Research Institute, Lao PDR; Myanmar Marketing Research and Development, Co., Ltd; and Institute of World Economics and Politics, Vietnam Academy of Social Sciences. We thank these organisations as well as the firms and government officials who responded to our requests for interviews.

Masami Ishida  
Director General  
Development Studies Center and  
ERIA Support Office

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## List of Project Members

<b>Nguyen Binh Giang</b>	Deputy Director, Institute of World Economics and Politics, Viet Nam Academy of Social Sciences
<b>Masami Ishida**</b>	Director General, Development Studies Center and ERIA Support Office, Institute of Developing Economies, Japan External Trade Organization
<b>Ikumo Isono*</b>	Deputy Director, Economic Geography Studies Group, Inter-Disciplinary Studies Center, Institute of Developing Economies, Japan External Trade Organization
<b>Vanthana Nolintha</b>	Director, Macroeconomic Research Division, National Economic Research Institute, Lao PDR
<b>Sau Sisovanna</b>	Researcher/Consultant, Cambodian Research Centre for Development, Phnom Penh
<b>Ahkar Soe</b>	Research Manager, Myanmar Marketing Research & Development Co., Ltd.
<b>So Umezaki</b>	Director, Economic Integration Studies Group, Inter-Disciplinary Studies Center, Institute of Developing Economies, Japan External Trade Organization

\*\* Project Leader

\* Project Coordinator

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## List of Abbreviations

AC	Asphalt concrete
ADB	Asian Development Bank
AEC	ASEAN Economic Community
AFAFGIT	ASEAN Framework Agreement for Facilitation Goods in Transit
AFAFIST	ASEAN Framework Agreement on the Facilitation of Inter-State Transport
AFAMT	ASEAN Framework Agreement on Multimodal Transport
AH	ASEAN Highway
AMS	ASEAN Member State
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated System for Customs Data
B-O-T	Build-operate-transfer
B-T	Build-transfer
CBTA	Cross-border Transport Agreement
CLMV	Cambodia, Lao PDR, Myanmar, and Viet Nam
KHR	Cambodian Riel
DBST	Double bituminous surface treatment
FTA	Free Trade Agreement (Area)
GDP	Gross Domestic Product
GMS	Greater Mekong Subregion
IDE-GSM	Institute of Developing Economies-Geographical Simulation Model
II-CBTA	Initial Implementation of CBTA
KN	Lao Kip
MK	Myanmar Kyat
MoU	Memorandum of Understanding
MPAC	Master Plan of ASEAN Connectivity
MPWT	Ministry of Public Works and Transport (Laos)
NR	National road
NH	National highway
PPP	Public-Private Partnership
RGC	Royal Government of Cambodia
RTAD	Road Transport Administration Department (Myanmar)
SEZ	Special Economic Zone
TTR	Transit Transport Route