

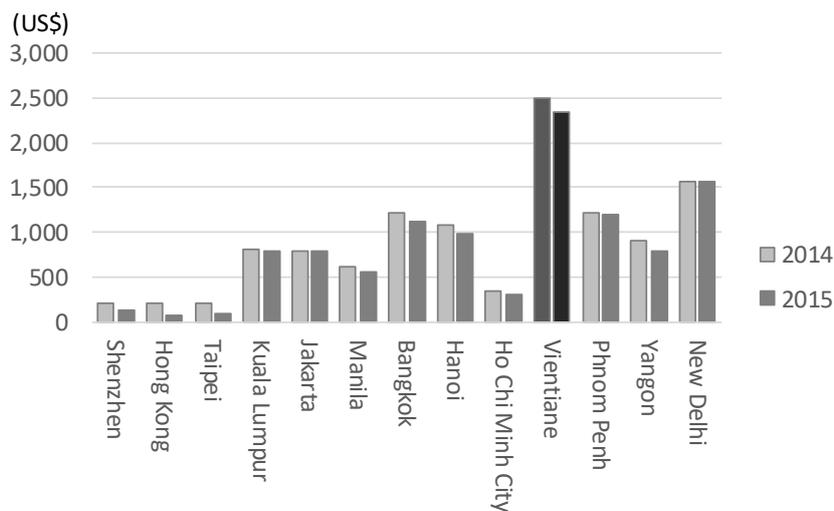
Logistics Cost in Lao PDR

“Reducing the costs (time and money) and simplifying the procedures for transporting freights to and from neighboring countries” was one of the most focused policy recommendations at the policy-oriented seminar with a title of "Enhancing Industry in Lao PDR: Service Liberalization, Simplification of Investment Procedures, and Human Resource,” held by Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO), Japan External Trade Organization (JETRO) and Ministry of Planning and Investment, Lao PDR (MPI) in 2015.

Figure 1 shows the cost of shipping a 40-foot container to Yokohama Port, Japan from major production bases in Asia. As shown in the figure, the shipping costs of 40 feet container from Vientiane are outstanding.

The cost of the survey conducted in 2014 was broken down into land transportation

Figure 1: Cost of shipping a 40-foot container to Yokohama Port, Japan



Source: JETRO Censor, May 2015 and 2016.

cost from Vientiane to Bangkok (Klong Toey) Port (US\$ 1,700) and shipping cost from Bangkok Port to Yokohama (US\$ 800). It was also reported that the land transport cost between Laem Chabang Port and Nong Khai, the border city in Thailand on the way to Vientiane was US\$ 700 for the reference. Considering that the difference of the cost to Bangkok Port and to Laem Chabang Port is not so large, the logistics cost between Vientiane and Nong Khai is around US\$ 1,000.

Then several questions arise. Is the cost of a way of 20km between Vientiane and Nong Khai so high? What are the reasons? Is it because of the logistics cost in Lao side between Tha Na Laeng? Or is it because of cross-border cost between Lao PDR and Thailand? Or is it because of a problem of “load on one side”? As a matter of fact, trucks from Laem Chabang Port or Bangkok Port to Vientiane are forced to transport with empty to transport goods from Vientiane to those ports.

In order to answer these simple questions, we conducted a survey in the fiscal year of 2016. In the survey, we interviewed with several logistics firms with nationalities of Lao PDR, Thailand and Japan. We made actual travels from Savannakhet to Laem Chabang Port and from Vientiane to Klong Toey port and measured the distances and time. In this seminar, we would like to show the survey results and discuss with researchers, government officials of Lao PDR, representatives of international organizations and foreign development agencies.

Agenda

Date: 24 February 2017 (Friday)
Venue: Crowne Plaza Vientiane
Organizer: Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO), Japan External Trade Organization (JETRO) and National Institute for Economic Research, Lao PDR (NIER)

MC: Ms. Lathdavanh Songvilay, Deputy Director of Macroeconomic Economic and Restructuring Center, National Institute of Economic Research, Lao PDR

Translator: Mr. Souknilanh Keola, Research Fellow, Bangkok Research Center, JETRO Bangkok

Language: Japanese and Lao

Opening Session (at Patuxay & Thatluang)

10:00 Opening Address by H. E. Dr. Leeber Leebouapao, Vice-President, National Institute of Economic Research, Lao PDR
10:10 Address by Dr. Yuri Sato, Executive Vice President, Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)
10:20 Photo Session and Coffee Break

Policy Recommendation Seminar (Open)

Moderator: Dr. Leeber Leebouapao, Vice President, National Institute of Economic Research, Lao PDR

10:40 Speaker: Dr. Masami Ishida, Director General, Institute of Developing Economies, Japan External Trade Organization
“Logistics Cost in Lao PDR”

11:10 Speaker: Mr. Ryohei Gamada, Research Manager, Asia and Oceania Division, Overseas Research Department
“Trade Structure and Logistics Condition In Vientiane Area”

11:30 Commentator:
Dr. Saykham Voladet, Ministry of Planning and Investment

11:35 Mr. Bouaphet Sayasan, Director General, Department of Transportation, Ministry of Public Work and Transportation

11:40 Open Discussion

Closing Sessions (at Mosaic)

11:50 Wrap-up: Mr. Tetsuo Shibata, Chief Representative, JETRO Vientiane

11:55 Closing Remarks: Dr. Leeber Leebouapao, Vice President, National Institute of Economic Research, Lao PDR

12:00 Lunch

Policy Recommendation Seminar (Closed Discussion: at That Luang)

13:00 Policy Dialogue with Lao Officials and Experts including Researchers and Managers of Private Logistics Firms
“Economic Effects of Road Development and Its Challenges,” By Dr. Masami Ishida

13:15 Panel Discussion

Panelists:

13:15 Dr. Vanthana Norlintha, Deputy Director, Cabinet office, Ministry of Planning and Investment

13:25 Dr. Bounlet Vannalath, Department of Commerce, Faculty of Economics and Management, National University of Laos

13:35 Mr. Prachit Sayyavong, President of LIFFA

13:45 Mr. Xayana Phommavongxay, Country manager, DHL Company.

13:55 TBD, Planning and Cooperation Department, Ministry of Public Work and Transportation

14:05 Discussions:

14:45 Remarks by Dr. Yuri Sato, Executive Vice President, Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO)

Closing Remarks: Dr. Leeber Leebouapao, Vice President, National Institute of Economic Research, Lao PDR