



Towards Improved Regulatory Governance and Coherence in the ASEAN: Logistics Sector and Trade Facilitation - Thailand Case -

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Outline

- 1. Regional Integration – Transport and Trade Facilitation**
- 2. Updating the Progress of Transport Facilitation**
- 3. Trade Facilitation – National Single Window**
- 4. Concluding Remarks**



1. Regional Integration: Transport and Trade Facilitation



Regional Integration

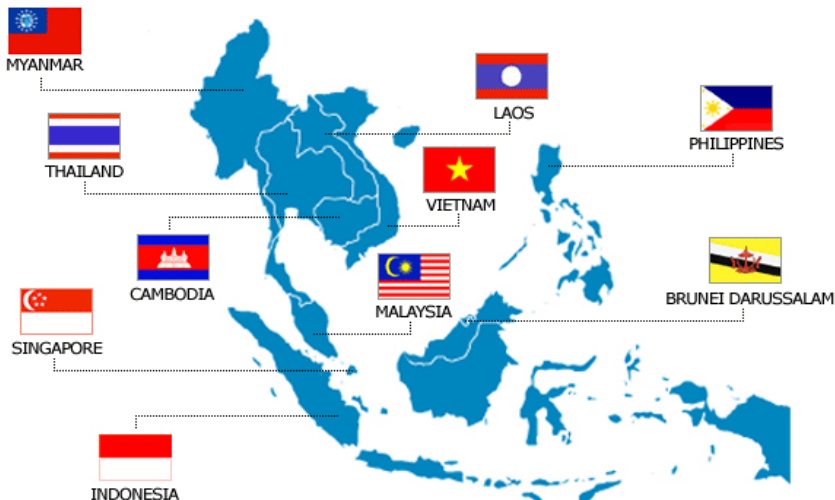


- Thailand is in the strategic location of the region, which have border connections with Laos, Myanmar, Cambodia, and Malaysia, which can also connect to Vietnam, China and Singapore
- Trade and transport facilitation will be a key for the free-flow of goods that integrated the regional economic activities



Regional Integration

Regional Integration Initiatives



**ASEAN
10 Countries**

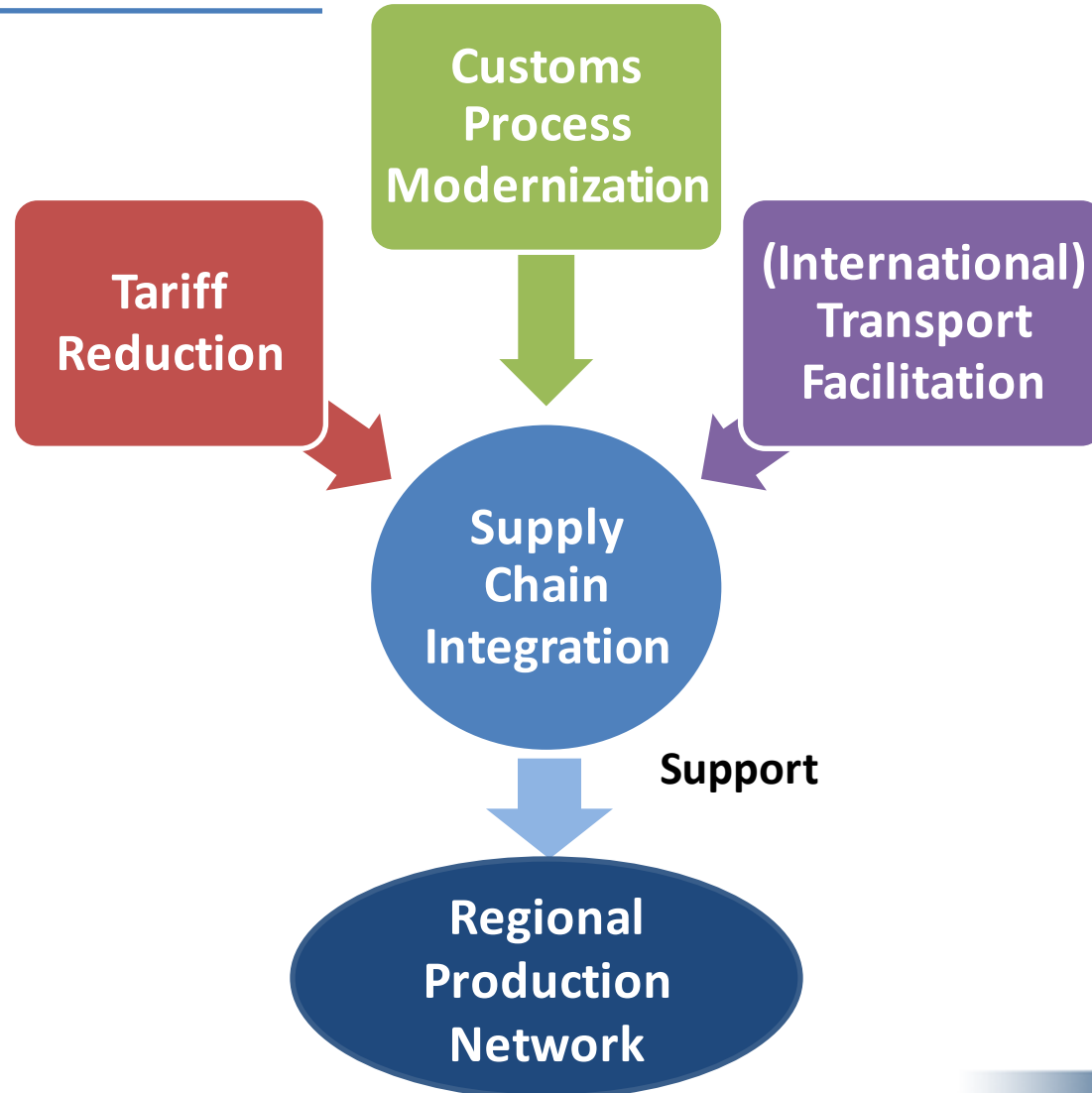
**Greater Mekong
Subregion (GMS)
6 Countries**





Regional Integration

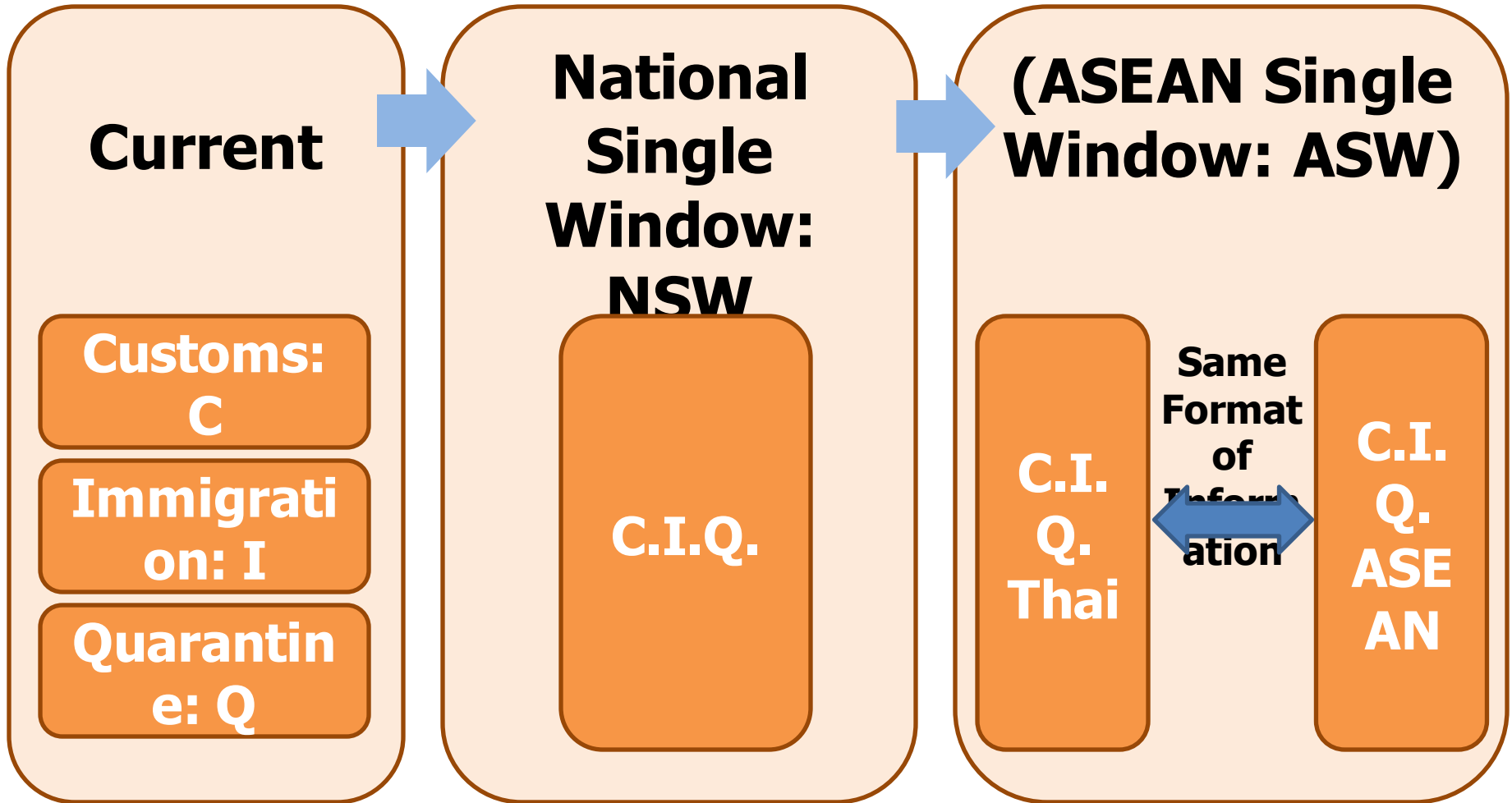
Benefits of Regional Integration





Regional Integration

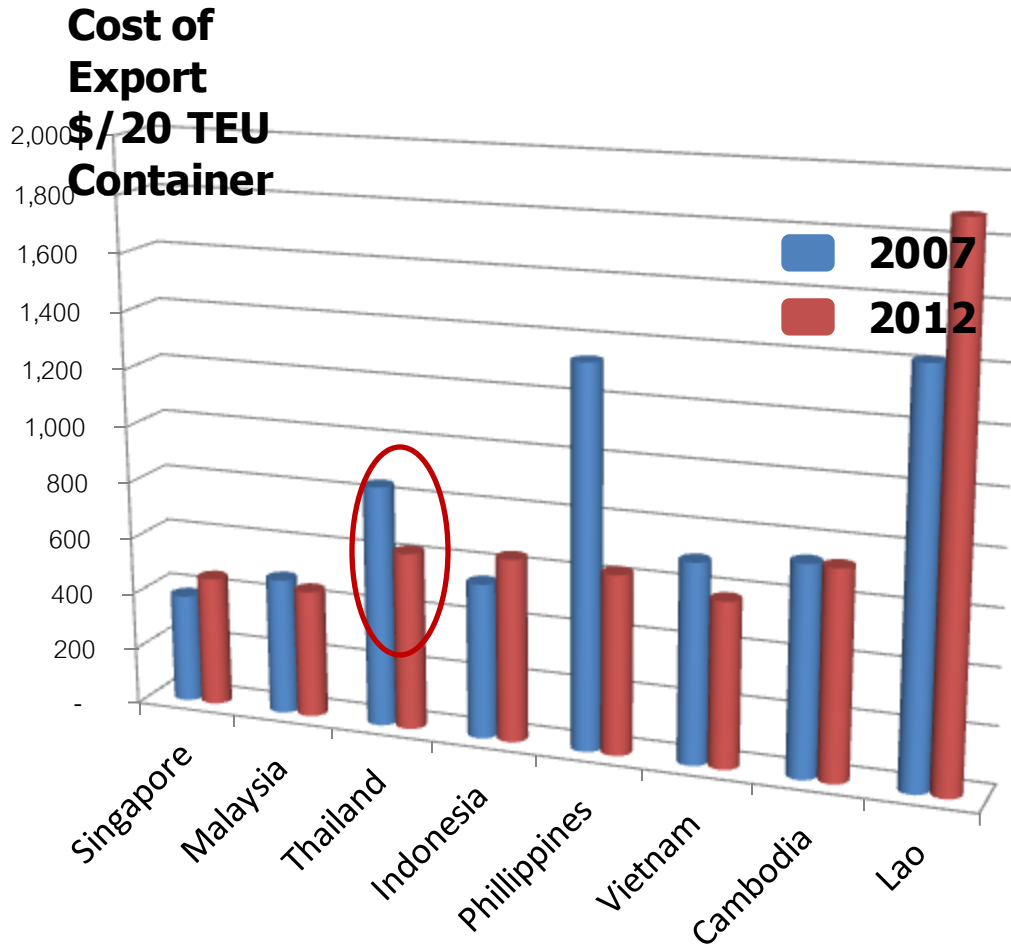
National Single Window





Regional Integration

Customs Modernization



- Thai reduced significantly the import/export cost during 2007 and 2012

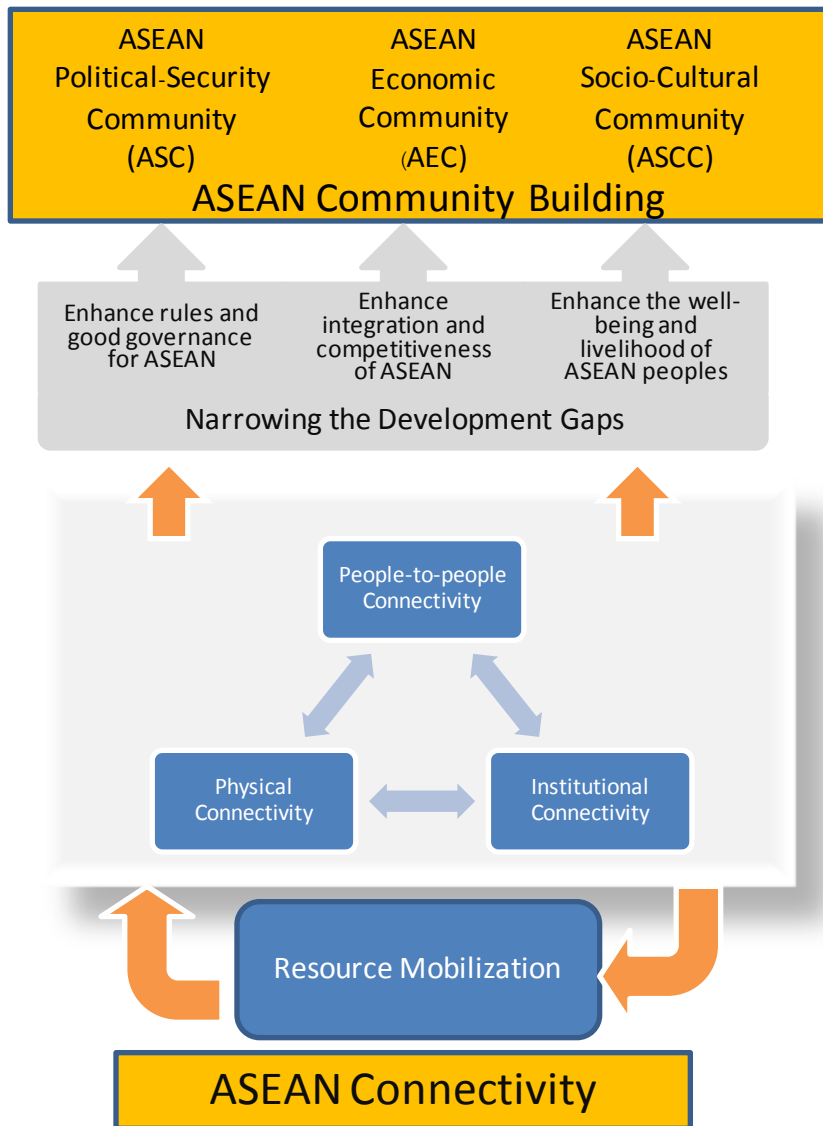


Transport Facilitation Agreement

- **ASEAN – ASEAN Economic Community (AEC)**
 - **ASEAN Strategic Transport Plan (2011-2015) [Brunei Action Plan (BAP)]**
 - **Master Plan on ASEAN Connectivity (MPAC)**
 - **Transport Facilitation Agreement**
 - **Air Transport**
 - **Land Transport**
- **Greater Mekong Subregion (GMS)**
 - **Cross-Border Transport Agreement (CBTA)**



Regional Integration



Master Plan on ASEAN Connectivity

Three areas of development

1. Physical Connectivity
2. Institutional Connectivity
3. People-to-people Connectivity



Regional Integration

AEC - Transport Facilitation Agreement

| Physical or “Hard Infrastructure” Measures | Regulatory or “Soft Infrastructure” Measures |
|---|---|
| Land Transport <ul style="list-style-type: none">• Singapore-Kunming Rail Link• ASEAN Highway Network• Road Safety | The ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT) The ASEAN Framework Agreement on Multimodal Transport (AFAMT) The ASEAN Framework Agreement on the Facilitation of Interstate Transport (AFAFIST) |
| Maritime Transport | Roadmap for Integrated and Competitive Maritime Transport in ASEAN |
| Air Transport | Roadmap for Integration of the Air Travel Sector ASEAN Single Aviation Market |

SOURCE: ASEAN Secretariat



ASEAN Highway Network (AHN) and Designated Transit Transport Routes (TTRs)





Regional Integration

GMS – Cross-Border Transport Agreement (CBTA)

- **Facilitation of border crossing formalities (single window and single stop customs inspection, coordinating of hours of operation; and exchange of advance information and clearance)**
- **Facilitate cross-border movement of people (multi-entry visa, recognition of driver license)**
- **Facilitate cross-border movement of goods (regional transit regime)**
- **Exchange of traffic rights**
- **Requirements for admittance of road vehicles**
- **Institutional Arrangements**



Regional Integration

Transport Facilitation - Progress

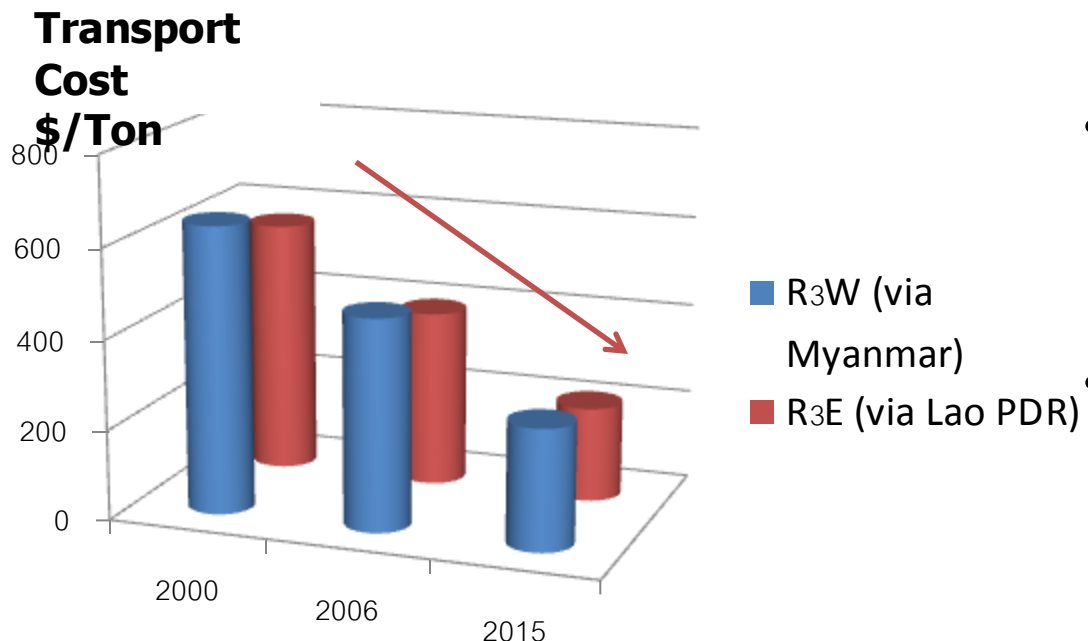
| Agreement | Rectification | Implementation |
|---|---------------|----------------------|
| AEC – Transport Facilitation Including ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT), ASEAN Framework Agreement on Multimodal Transport (AFAMT) and ASEAN Framework Agreement on the Facilitation of Interstate Transport (AFAFIST) | ✓ | ✗ |
| Greater Mekong Subregion (GMS) Cross-Border Transport Agreement (CBTA) | ✓ | Pilot Project |

- **AEC – Transport Facilitation and GMS – CBTA for land transport are common in most aspects, including the designation routes, and the customs harmonization.**
- **CBTA had made a significant progress, i.e. there was a pilot project on East-West Corridor**



Regional Integration

Transport Facilitation – Potential Benefits



- North-South route from Kunming (China) to Bangkok (Thailand)
- If the implementation of CBTA is completed, the transport cost will decrease around 50%

Source: Banomyong (2007)



2. Updating the Progress of Transport Facilitation



Transport Facilitation

Air Transport

- Liberalization of domestics and ASEAN aviation market lead to the increase of air passenger volume
- Issues are now turn to the infrastructure capacity, i.e. airport congestion in both Bangkok airports and regional airports
- Airport planning is a major barrier. The planning process does not take into account the traffic growth



Transport Facilitation

Maritime Transport

- International shipping services are relatively opened to foreign companies
- Port operation in major ports is dominated the state-owned enterprise
- Domestic shipping services are closed to foreign companies



Transport Facilitation

Land Transport

- Land transport services are competitive, and there are many small operators compete for the contracts
- Enforcement of the regulation is relatively weak, both technical regulation (e.g. weight limit, vehicle standard) and economic regulation (e.g. own account license to operate for-hire)
- Land transport services are relatively closed to foreign companies



3. Trade Facilitation – National Single Window

Current Situations

- For customs process, Thailand quite succeeds in using EDI and e-customs and comes as the 3rd place in ASEAN to Singapore and Malaysia, respectively.
- However, using NSW in permission process for export and import still relies on paper-base and has much lead time.



Implementation of NSW – Private Sector View

Current Problems/Barriers

- 1) Lacking of business process adjustment in each authority is the problems of NSW development**
- 2) Lacking of defining accountability of involved authorities**
- 3) Lacking of law and regulation for NSW implementation**



4. Concluding Remarks



Concluding Remarks

Regional Integration vs. Regulatory Reform

- Regional integration will bring about the greater benefits to the region.
- Road to the integration is still a long way to go, but it is progressing.
- Regulatory framework in transport sector will play an important role in the integration process.