Regional Transport Connectivity, International Freight Transport & Dry Ports Development

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Outline

- Regional Connectivity
  - Current status & key challenges in Transport Connectivity
  - Moving towards seamless & integrated connectivity
- International Freight Transport
- Dry Ports Development
  - Intergovernmental Agreement
  - Examples of Dry Port Development
- Concluding Remarks
Regional Connectivity

Means of enhancing effectiveness of regional networks to facilitate flow of goods, services, people, data & knowledge within and between countries of the region

- Covers:
  - Hardware (having the physical infrastructure in place)
  - Software (policy & regulatory frameworks under which they operate)
  - Synergy through Improved cooperation and coordination

- Core elements of regional connectivity:
  - Transport
  - Energy
  - ICT Infrastructure
Transport Connectivity in Asia

- **Regional transport connectivity**
  - Highways, Railways, Inland waterways, maritime, air transport, logistics centres and dry ports

- **Subregional and Inter-subregional connectivity**
  - ASEAN Connectivity
  - SAARC Connectivity
  - ASEAN-China
  - ASEAN-South Asia
  - North East Asia - Central Asia
  - South Asia-China

- **Intercity connectivity**
  - Roads, rails, high speed rails

- **Rural connectivity**
  - Farm to market roads, rural roads, engineering, maintenance

- **Coastal shipping and inland waterways**

**Two aspects of sustainability**
- Contribution of connectivity to sustainable development
- Making transport connectivity sustainable
Asian Highway Network
- 143,000 km
- Intergovernmental Agreement
- 29 Parties
- Entered into force on 4 July 2005
- Working Group on the AH

Trans-Asian Railway Network
- 117,500 km
- Intergovernmental Agreement
- 18 Parties
- Entered into force on 11 June 2009
- Working Group on TAR

Dry ports in Asia
- 240 dry ports in 27 countries (87 potential)
- Out of top 30 container ports in the world, 19 are from Asia
- 17 countries signed
- 3 Parties

Challenges: 8% of AH routes substandard; 10% TAR lines are missing links & lack of financial resources

Modal Shift through Dry Ports
Transport Operational Connectivity

- Solutions to address non-physical barriers to cross-border & transit transport
- Trade and transport facilitation
- Need to give more focus on streamlining procedures and “soft” issues
- Single window system
- Corridor based approach
- Improve ports and logistics infrastructure and services
- Address issues of landlocked, sea locked and transit countries
Moving Towards Seamless & Integrated Connectivity

- Further developing infrastructure networks
  - Creating intermodal transport network with inclusion of waterways, roads & railways
  - Standards & specifications
  - Statistics & monitoring

- Closing infrastructure gap
  - Efficient use of Official Development Assistance (ODA)
  - PPPs: Improving policy & legal environment
  - Use of private sector initiatives
  - Policy approach to mobilize & allocate funds aligning with Post-2015 development agenda
  - Additional resources- AIIB, Climate Funding, Bilateral ODA

- Enhancing institutional & policy coordination
  - Cross-departmental cooperation & coordination in transport (road, railway, maritime, air & inland waterways)
  - Cooperation on regulatory frameworks & facilitating cross-country PPP projects
International Freight Transport

Vision: Development of an international integrated intermodal transport and logistics system

- Transport Links
  - Integration of road (AH), rail (TAR), inland waterways, shipping and port networks

- Transport Nodes
  - Intermodal nodes/interfaces (ICDs, Dry ports, Airports, Ports, River Ports)

- Transport Services
  - Private/public sector

- Integration of transport modes
  - Development of logistics centres and dry ports
  - Facilitate and promote modal shift

Focus on plugging infrastructural, operational, institutional and technical gaps
Road transport share of freight:
- 79% Europe
- 85-90% in Asia
Logistics Performance Index, 2014

1. Customs, 2. Infrastructure, 3. International shipments,
4. Logistics competence, 5. Tracking and tracing, 6. Timeliness

(World Bank, 2014)
Intermodal Freight Transport
Promotion of Intermodal Transport and Integration

- Optimal use of road, rail, maritime transport, logistics centres and dry ports
- Integration of different modes
- Rail based intermodal transport can relieve road congestion
- Potential emissions reduction
  - Consolidation – reduce less than truck loads runs and reduce number of trucks
  - Improved logistics can reduce 10-20% emissions (OECD, 2010)
  - Consolidation and distribution centres in UK have combined 25.7% emissions reduction (Zanni and Bristow, 2009).
  - Replacement of trucks by freight train from port to dry port in Sweden led to 25% CO₂ emission reduction (Roso, 2007).
  - 43% of freight modal shift to railways, 30% less CO₂ emission (Laos-Thailand corridor)
Dry Ports Development

- Concept is to develop facility away from ports in inland areas
  - Ideally connected by railways
- Relieve congestion and ports and roads
- Potential of mode shift (Road to rail)
- Regional economic development: near the industrial centres
- Asia- early stage of development -12 landlocked countries
- Various terminologies and definitions-Freight terminals, logistic centres, ICDs
Development of Logistics Centres and Dry Ports

- Intergovernmental Cooperation - Agreement
  - Promote development of dry ports of international importance
  - Facilitate recognition of dry ports and investment
  - Improve operational efficiency of intermodal freight
  - Enhance environmental sustainability of freight transport - mode shift

- Structure of the Agreement
  - Main text
  - Annex I: List of 240 dry ports of international importance in 27 countries (87 are potential)
  - Annex II: Guiding principles for development and operation

- Status of Sri Lanka
  - Signed on 16 May 2014
  - Two Dry Ports listed in Annex I:
    - [Peliyagoda, Colombo]
    - [Telangapata, Colombo]
Dry Ports of International Importance
Intermodal transport - case of Birgunj ICD, Nepal

- Cargo handled at Birgunj ICD

- Developed by Govt.
- Operated by private sector
- Only rail linked ICD
- Rail link to Kolkata port - 704 Km
- Emissions reduction
- 5-16 trains/month
- Operation delayed due to rail service agreement
- Initially containers- now break-bulk, bilateral cargoes
- Others: Kakarbhitta, Bhairahawa, Biratnagar, Kodari
Navoi International Logistics Centre, Uzbekistan

- 350 Km south-west of Tashkent
- Currently air-freight handled, has road and rail connection
- Korea Air-managing, and operates 40 cargo flights/week, utilizing as air freight hub
- Air freight connections to major European and Asian airports
- Capacity 100,000 tonns/year-27,000 tons in 2009
- New cargo terminal opened in August 2010
- Navoi Free Economic Zone- tax rebates, one stop services for bringing FDI
Uiwang ICD, Republic of Korea

- 25 Km from Seoul
- Developed on PPP in 1993,
- High speed rail connection to ports
- Capacity 36 trains/day
- Capacity 1.3 mTEU but handled >2 m TEU (2006)
- Mode share 25%:75% -rail: road
- Role of Govt. in promoting private investment
Lat Krabang ICD, Thailand

- 27 Km East of Bangkok, 118 Km from Laem Chabang port
- Developed on PPP in 1993,
- Design capacity 500,000 TEU but handled >1.7m TEU (2008)
- High speed rail connection to port

- Current share is 25%:75% -rail: road (decreasing)
- Planning to expand capacity of ICD and rail link
- Capacity 26 trains/day- 60 TEU/train
- Development of other dry ports
Dry ports in India

- CONCOR-59 ICDs, 49 EXIM
- Road and rail links
- Modernizing operations; ICT
- Growth of int. Containers 60%-81%
- Dedicated freight corridors
Development of Freight transport and logistics industry

- Guidelines for Minimum Standards and Codes of Professional Conduct for Freight Forwarders, Non-Vessel Operating Common Carriers and Multimodal Transport
  - Classification
  - Government regulation and industry self regulation
  - Minimum capital requirement
  - Staff requirements and professional training
  - Liabilities and liability Insurance
  - Compliance, monitoring and enforcement
  - Code of professional conduct

- Guide to Key Issues in Development of Logistics Policy

- Regional Forum of Freight Forwarders, Multimodal Transport Operators & Logistics Service Providers & Meeting of Chief Executives of National Associations

- Regional Meeting 25 June 2015 in Bangkok

http://www.unescap.org/events/freight-forwarders-multimodal-transport-operators-and-logistics-services-providers
Concluding remarks

- Improve physical and operational connectivity
  - Rail, road, maritime, and air
  - Trade and transport agreements
- Develop intermodal freight corridors
- Develop ports, dry ports, & logistics centres
- Increase role of private sector in transport and logistics industry
- Land connectivity to India?
Thank you