Laos Trade Facilitation:
Current on Cross Border Transport Connectivity Infrastructure

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Prepared by Department of Planning and Cooperation,
Ministry of Public Works and Transport, Lao PDR
Presentation Outline

I. Country Facts
II. Policy and Legislation
III. Current on Cross Border Transport Connectivity
IV. Challenges
V. Way Forward
To transform from a land-locked to a land-linked country in the mainland of ASEAN and Greater Mekong Sub-region.
I. Country Facts

- Land Area: 236,800 km²
- Population density: 29.5 persons/km² (growing at 1.68% pa)
- Border length of 5,083 km
  - Myanmar 235 km
  - Cambodia 541 km
  - China 423 km
  - Thailand 1754 km
  - Viet Nam 2130 km
- The economy base is agriculture, mines, hydro power and services
- GDP growth 7% pa
- GDP per capita 1,500 USD (2018)
Lao PDR has a policy of transforming from a land-locked to a land-linked country by providing efficient and reliable transport infrastructure and facilities, particularly transit transport routes; and facilitating cross border transport of goods and people between and among neighbors and countries in the region.

Transport connectivity policy focuses intensively on developing and improving 4 modes of transports, e.g: road, rail, inland water and air transports, by realizing its policy of transforming the country from land-locked to land-linked in Greater Mekong Sub-region (GMS) and in the mainland of ASEAN.

- Strong basic infrastructure system to support industrialization and modernization
- Improving development of disparities btw. urban & rural areas
- Moving toward regional and international integration
II. Policy and legislation (transport sector)

1. Domestic Road laws:
   - Road Transport Law;
   - Road Traffic Law;
   - Multimodal Transport Law.

2. International Cooperation - Agreement:

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<th>Contracting parties</th>
<th>Date of Signing</th>
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<td>Agreement on Road Transport Between Lao PDR and Vietnam</td>
<td>Laos – Viet Nam</td>
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<td>Agreement on Road Transport Between Lao PDR and China</td>
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<td>GMS Cross Border Transport Agreement</td>
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<td>Intergovernmental Agreement on Dry Ports</td>
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<td>Intergovernmental Agreement on Trans-Asian Railway Network</td>
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III. Current Cross Border Transport Connectivity

Road Transport Connectivity through Lao PDR
(Asian Highways “AH”):
- AH 3 : (206km)
- AH11 : (853km)
- AH12 : (679km)
- AH13 : (340km)
- AH15 : (132km)
- AH16 : (242km)
- AH131: (146km)
- AH132 : (218km)

AH : 2,816 km

Remark: Only AH 3 & AH 16 have road bearing capacity max. 50tonnes. The other AH need to be upgraded.

International border crossings:
- Laos – Vietnam : 8
- Laos – China : 2
- Laos – Thailand : 11
- Laos – Cambodia : 1
- Laos – Myanmar : 1
III. Current Cross Border Transport Connectivity

**Infrastructure**

- **Bridges construction**
  - 4 Laos-Thailand Friendship Bridges
  - 1 Laos-Myanmar Friendship Bridge
  - The 5th Laos – Thailand Friendship Bridge is under construction
Open in 2009 for passenger transport

Existing 3.5 km cross border railway between Laos (Vientiane) and Thailand (Nongkhai)

Open for goods transport traffic between Lao PDR – Thailand on 1 August 2019
Lao PDR Railway strategic plan

Lao PDR Railway Strategy: The Singapore-Kunming Rail Link

ALL RAILROADS LEAD TO CHINA

**Eastern route:**
Kunming-Yuxi-Mengxi-Hekou-Hanoi-Ho Chi Minh City-Phnom Penh-Bangkok-Kuala Lumpur-Singapore

**Central route:**
Kunming-Yuxi-Mohan-Luang Prabang-Vientiane-Nong Khai-Bangkok-Kuala Lumpur-Singapore

**Western route:**
Kunming-Dali-Baoshan-Ruili-Mandalay-Yangon-Bangkok-Kuala Lumpur-Singapore

Note: The three routes use different gauges of rail – standard, metre (narrow) and high speed.
1. Lao-Thai Railway (Vientiane- Lao-Thai Friendship bridge)
   - Phase 1: 3.5 Km
   - Phase 2:
     - Section 1: Container Yard
     - Section 2: Railway track 7.5 km & Vientiane Station

2. Lao – China Railway: 414 Km
   - Connecting section between Lao-China Railway (Including New bridge) with Thai-China Railway

3. Vientiane – Thakhek - Mu Gia: 452 km

4. Thakhek – Savannakhet – Pakse – Veunkham (Lao-Cambodia border)

5. Pakse-Vung Tao (Lao-Thai Border)
Belt & Road Initiative
Lao-China Railway Construction Project

**Investment**
- CA signed Dec 2016
- BOT – Joint Inv. Under G to G coop. mechanism
- 6.1 Bill USD
- Lao 30% & China 70%

**Const. Contract**
- 6 main contracts
- 3 Chinese Const. Supervision Consultant
- 3 Chinese 3rd Party Testing consultant
- Local Sub-contractor/suppliers
- 5 years (Jan 2017-Dec 2021)

**Technical & Engineering**
- Rail Class. Level 1
- Single track, 1.435 m
- Passenger & Freight train: 160-200 km/h & 120 km/h
- Electric Power
- 32 Stations
- Total length 414 km
- Sub-grade 155 km
- 75 tunnels 198 km
- Progress as in Sept 2019 is 78.5%
Lao – China Railway

Railway Stations:
- Boten Station
- Namor Station
- Muang Nga Station
- Kasy Station
- Phonhong Station
- Muang Xai Station
- Luangprabang Station
- Vangvieng Station
- Vientiane Capital Station
- Vientiane Capital South Station
Laos – China Railway Project

Locations:
- Boten
- Natuey
- Namor
- Muengxay
- Mueng Nga
- Luangprabang
- Kasy
- Vangvieng
- Phonhong
- Vientiane
Designed Stations
III. Current Cross Border Transport Connectivity

Interstate Transport is implemented under Bilateral agreement:

❖ Laos – Thailand : 8 Designated routes, 10 Borders, No vehicle quota

❖ Laos – China : 3 Designated routes and 2 Borders, No vehicle quota

❖ Laos – Cambodia : 2 Designated routes and 1 Border, 40 commercial vehicle quotas

❖ Laos – Vietnam : 15 Designated routes and 13 Borders, No vehicle quota
Under GMS CBTA (Early Harvest Implementation):

❖ Signed MOU March 2018, Started implementation Aug 2018;

❖ Designated routes and borders offered by each contracting parties as pilot phase; (3 routes, 6 borders from Lao PDR for neighboring countries);

❖ 500 Quotas for commercial vehicles for each member countries;

❖ Lao PDR will launch Early Harvest Implementation end of October 2019.
Under ASEAN Framework Agreement:

❖ Framework Agreement on:
- goods in Transit signed 1998,
- Multimodal Transport signed 2005,
- Interstate Transport 2009 and
- Cross Border Passenger Transport 2017

❖ Non of Framework is started. Took lots of time for ratification of each Protocol. Only at the planning / discussion / pilot stage;
Dry port in Lao PDR

1. Thanaleng, Vientiane (preparing for FS)
2. Nateuy, Luangnamtha (preparing for FS)
3. Savanakhet, Savanakhet (in operation)
4. Pakse, Champasack (detailed design)
5. Thakhek, Khammouane (under FS)
6. Laksao, Borikhamsai (under consideration)
7. Houyxai, Bokeo (no proposal)
8. Luangprabang, Luangprabang (no proposal)
9. Oudomsai, Muangxai (no proposal)

ICD
1. Boten ICD (in operation)
2. Thakhek ICD (in operation)
Savannakhet Dry port
Thakhek Dryport
Thanaleng Dry port

(Container Yard)
IV. Challenges

Bilateral, multilateral agreements in place but transport operations are still huge issues:

- Less experience of transport operators / drivers;
- Less capacity building to government and private sectors as well as border authority;
- Less transport infrastructure development;
- Climate change
- Insufficient Coordination among relevant sectors and between/among contracting parties;
- Insufficient of ITS and IT to control cross border movement;
- Insufficient supports from international organization on transport operation, Know how, guidance . . . etc
V. Ways Forwards

To support sustainable cross border transport connectivity among CLMVT:

- Need of capacity building to government and private sectors such as transport operation, business matching, Know how, guidance . . . etc
- Need of transport infrastructure development (diversify sources of fund: Domestic Fund, Soft loan and PPP);
- Need mechanism / Coordination among relevant national sectors and clear information between contracting parties;
- Utilization of ITS and IT to control cross border movement.
Thank you for your kind attention!