

Multi-year Expert Meeting
on Transport, Trade Logistics and Trade
Facilitation:

**Trade Logistics and the 2030 Agenda for
Sustainable Development**

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by

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Freight Transport Development in Lao PDR for the realisation of Sustainable Transport Development Priorities

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OUTLINE

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I. INTRODUCTION



- Land Area : 236,800 km²
- Population: 7.08 MIL (2015)
- 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 1,800 USD (2016)

I. INTRODUCTION

❖ Lao PDR acknowledge the importance of regional economic integration and interconnectivity in sustainable development. It further acknowledges that regional and sub-regional framework could facilitate the effective translation of sustainable development policies into concrete action at the national level.



❖ As transportation is the backbone of the a strong and prosperous economy in Lao PDR and in Asia. The investment and development in rural transport/transport sector could provide many solutions to today's urbanisation. Transport development and connectivity is an important thread to poverty eradication, hunger elimination, social integration and sustainable development.

❖ Therefore, Lao transport sector heavily invested on infrastructure development and contributing to the SDG specifically Goal: 9 and 11.



References:

1. Transport Policy:

To transform from a land-locked country to a land-linked country in the Region and the globe by:

- Providing efficient and reliable transport infrastructure and facilities, particularly on transit transport routes;
- Facilitating cross border transport of goods and people between and among neighboring countries



Intergovernmental Tenth Regional Environmentally Sustainable Transport (EST) Forum in Asia 14 - 16 Mar 2017 Vientiane, Lao PDR. Theme: 2030 Road Map for Sustainable Transport ~Aligning with Sustainable Transport Development Goals (SDGs)

2. Vientiane Declaration on Sustainable Rural Transport towards Achieving the 2030 Agenda for Sustainable Development

Final target: to graduate from a Least developed country by 2020

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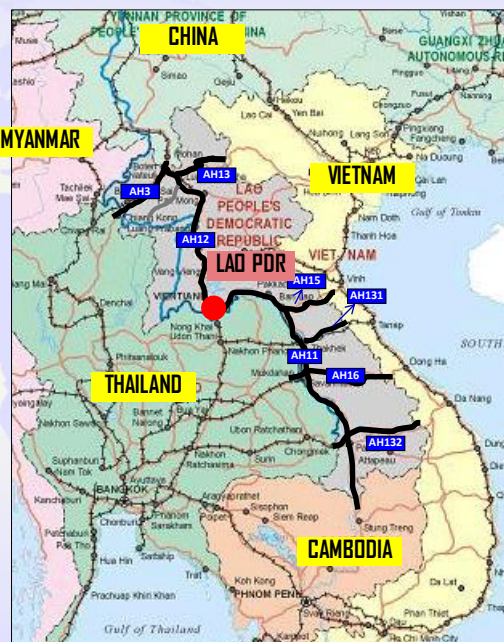
In order to realize the policy, Lao government strongly focus on infrastructure development:

- Road & Bridges connecting rural to urban, connecting provinces and neighboring countries;
- Border facilities
- Transport facilities: Airports, Railways, Warehouses, Dry port, ICD, Road side station, Truck terminal ... etc

Land International Border Crossing Points with neighboring countries

- Laos - Cambodia : 1 Border
- Laos - China : 1 Border
- Laos - Thailand : 10 Borders
- Laos - Vietnam : 15 Borders

ASIAN HIGHWAY THROUGH LAO PDR : 2,816 km



IMPLEMENTED AND ON-GOING PROJECTS

I. Infrastructure

Total Road Length: 56,000km
Paved : 10,000km; Gravel : 22,000km;
Earth : 24,000km



Bridges and Land Border check points:
❖ 4 Laos-Thailand Friendship Bridges and 1 Laos-Myanmar Friendship Bridge have been Constructed



Passenger Railway connecting Vientiane to (Thailand)



Border Warehouses



DRY PORTS AND RAILWAY PROJECTS

Vientiane - Boten railway: 417 km

Nongkhai - Vientiane - Thakhek - Mu Da: 480 km

Mukdahan - Savannakhet - Lao Bao 272 km

Chong Mek - Pakse - Savannakhet - Laobao 452 km

Savannakhet Dry Port

LAOS - CHINA Railway Project



1. Lao - China Railway 427 Km
2. Vientiane - Thakhek - Mu Gia (455 Km)
3. Savannakhet - Lao Bao (220 Km)
4. Thakhek - Savannakhet - Pakse - Vang Tao (345 Km)
5. Pakse - Veunkham (Lao-Cambodia border) 150 Km

GREEN FREIGHT AND LOGISTICS CAPACITY BUILDING PROGRAM

1. Green Freight Project under ADB (completed)
2. Project on Development of Sustainable Freight Transport and Logistics in the Mekong Region under GIZ – EU program (on-going)
3. Green Logistics under ASEAN – JAPAN (on-going)

Activities:

- Eco-drive training for drivers on driving technique to reduce fuel consumption and good driving behavior
- Training to government officials and truck companies (manager level)
- Procurement of equipment (new tired, aerodynamic, black box) for reducing fuel consumption, shared cost between project fund and operator.



III. CHALLENGES

- Road infrastructures are below standard and inadequate;
- Budget Limitation for infrastructure/transport development projects, (heavy burden on loan);
- In term of environment aspect for freight transport (often very costly) e.g. the procurement of new technology, new fleet, SME/transport operator not able to access to finance, lack of incentives



IV. WAY FORWARDS

1. Upgrade and develop road infrastructure for rural - urban connectivity and road linkages to neighboring countries;
2. Provide sufficient and quality transport infrastructure to enable better facilitation as the transit service country in the region;
3. Need human resource development - know how, experty, guidance and technology transfer on sustainable freight development to both public and private sectors.

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Thank you for your kind attention!

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II. STATUS ON SUSTAINABLE FREIGHT TRANSPORT DEVELOPMENT

IN & NATIONAL REGULATION:

1. Intergovernmental Cooperation - Agreement :

- Intergovernmental Agreement on Asian Highway Network;
- Intergovernmental Agreement on Trans-Asian Railway Network;
- Intergovernmental Agreement on Dry Ports.
- Bilateral Agreement on Transport with neighbouring countries
- MoU on Road Transportation between and Among Cambodia – Laos - Vietnam;
- MoU on Road Transportation between and Among Laos – Thailand - Vietnam;

2. Domestic Road laws:

- Road Transport Law;
- Road Traffic Law;
- Multimodal Transport Law;
- National Strategy on Logistics;
- National Strategy Environmentally Sustainable Transport (under consideration for approval by government)

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