

MINISTRY OF PUBLIC WORKS AND TRANSPORT. LAO PDR

National Strategy on Freight Transport and Logistics Development in Lao PDR

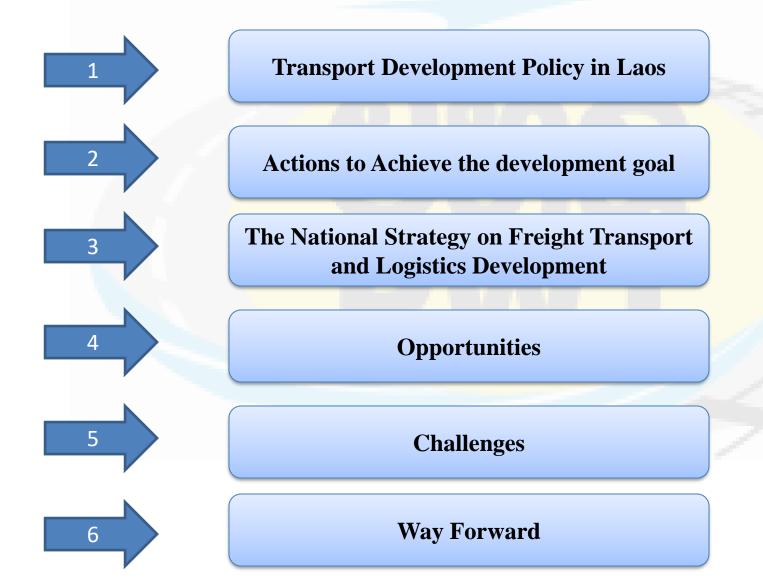
Presented by: Mr. Bounyavath NIRAXAY

Deputy Director General

Department of Transport,

Ministry of Public Works and Transport

Presentation Outline

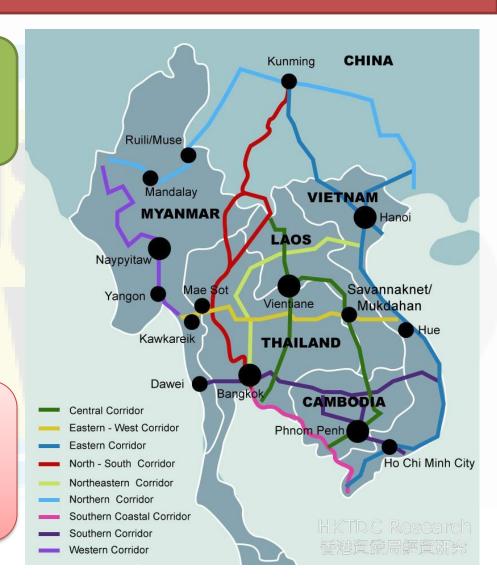


Transport Development Policy in Laos

Transforming from a land-locked to a service land-linked country in GMS Region by

Providing efficient and reliable transport infrastructure and facilities, especially transit routes, e.g. Central Corridor, and North-South Corridor.

Facilitating cross border transport on goods and passengers between and among neighboring countries



Actions to achieve the Goal

1. Domestic Road laws:

- Road Transport Law (revised in 2012);
- Road Traffic Law (revised in 2012);
- Multimodal Transport Law (newly developed 2012).
- Decree on Dry Port (approved 2021)

2. Intergovernmental Cooperation - Agreement:

21 Intergovernmental cooperation ingreement		
Name of Agreement	Contracting Parties	Date
Agreement on Road Transport Between Lao PDR and Vietnam	Laos-Vietnam	23 Apr 2009
Agreement on Road Transport Between Lao PDR and China	Laos-China	12 Mar 1993
Agreement on Road Transport Between Lao PDR and Thailand	Laos-Thailand	03 May 1999
Agreement on Road Transport Between Lao PDR and Cambodia	Laos-Cambodia	21 Oct 1999
Framework Agreement on the Facilitation of Goods in Transit	ASEAN	16 Dec 1998
Cross-Border Transport Agreement	GMS	1999

- MoU on Road Transportation between and Among Cambodia Laos Vietnam;
- MoU on Road Transportation between and Among Laos Thailand Vietnam;
- Intergovernmental Agreement on Asian Highway Network;
- Intergovernmental Agreement on Trans-Asian Railway Network;
- Intergovernmental Agreement on Dry Ports.

Actions to achieve the Goal (cont)

Road linked to bordering countries.

Asian Highways:

- AH 3: Houyxay – Nateay (206km)

- AH11 : Vientiane – Pakse-Veunkham (853km)

- AH12 : Thanaleng – Boten (679km)

- AH13 : Muang Ngeun – Oudomxay (340km)

- AH15 : Ban Lao–Lak 20-Namphao (132km)

- AH16 : Savannakhet – Dansavan (242km)

- AH131: Thakhek-Ngommalad-Naphao (146km)

- AH132 : Phiaphay-Samakkhexay-

Phoukeua (Lao-Vietnam Border) (218km)

Total AH: 2,816 km

Remark: Only, AH11, AH12, AH 3 & AH 16 have road bearing max. capacity 11 tonnes/axle. The other AH need to be upgraded.

Border Crossing Points with neighboring countries

Laos – Cambodia: 1 Border
Laos – China: 1 Border
Laos – Thailand: 11 Borders
Laos – Vietnam: 15 Borders



Actions to achieve the Goal (cont.)

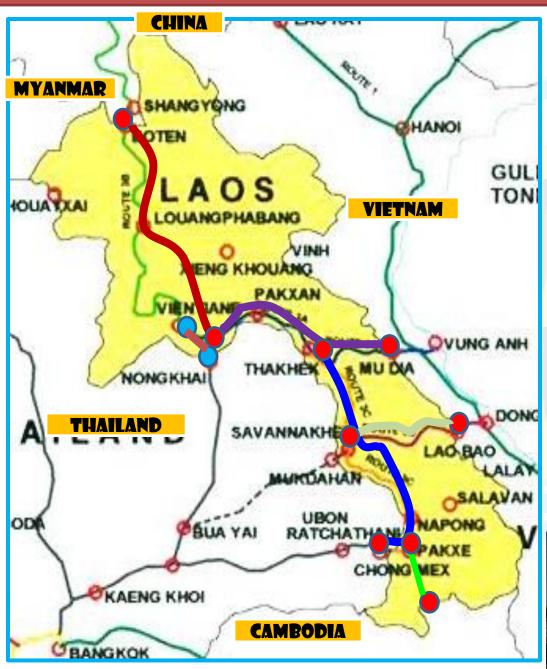


Bridges Construction

- ❖ 5 Laos-Thailand Friendship Bridges have been completed
- ❖ 1 Laos-Myanmar Friendship Bridge(Xiengkok Khenglab) opened in May 2015



Railway Development



- 1. Lao-China RW Project, starting from Laos China Border to Vientiane Capital: 423 km (under operation).
- 2. Lao Thailand RW Project:
 - 2.1 Phase I: RW track 3.5 Km (completed)
 - 2.2 Phase II (Section 1): Container Yard (completed)
 - 2.3 Phase II (Section 2): RW track 7.5 Km (completed)
- 3. Savannaket–Laobao (Lao-Vietnam border) RW Project: 220 km
- 4. Vientiane –Thakhek–MuGia (Laos-Vietnam border) RW Project: 455 km
- 5. Thakhek-Savannaket-Pakse-VangTao (Lao-Thai border): 345 km
- 6. Pakse–VeunKham (Lao–Cambodia border): 150 km



NATIONAL STRATEGY ON FREIGHT TRANSPORT LOGISTICS DEVELOPMENT VISION 2030 AND STRATEGIC PLAN (2016-2025)

National Strategy on Freight Transport and Logistics Development

Approved in 2015 by the Government.

Vision to 2030

Long-term Development Plan (2016-2025)

Short-term Development Plan (2016-2020)

Building from the Comprehensive Study on Logistics System in Lao PDR supported by JICA.



ສາຫາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ

ສັນດິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ

อัดถะยาม

ເລກຄື 458 /ລບ ນະຄອນຫຼວງວາງຈັນ, ວັນຫີ 27 - 6 - 2015

యేస్తర

ວ່າດ້ວຍການຮັບຮອງ ແລະ ປະກາດໃຊ້ ຍຸດທະສາດການພັດທະນາ ໂລຊິດສະຕິກຂົນສິ່ງສິນຄ້າ ຂອງ ສປປ ລາວ.

- ອีງຕາມກິດໝາຍວ່າດ້ວຍລັດຖະບານ แຫ່ງ ສປປ ລາວ ສະປັບເລກທີ 02/ສພຊ, ລິງດັນທີ 06 ຫິດສະພາ 2003.
- ອີງຕາມມະຕິດິກລົງຂອງກອງປະຊຸມລັດຖະບານສະໄໝສາມັນປະຈຳ ເດືອນຕຸລາ 2014, ສະປັບເລກ ສີ 10ລບ, ລົງວັນທີ 31 ຕຸລາ 2014.
- ອີງຕາມເອກະສານສະເໜີສອງກະຊວງ ໂຍທາທິການ ແລະ ຂັນສິ່ງ ສະປັບເລກທີ 315/ເທຣ, ລິງວັນທີ 23 ເມສາ 2015.

ລັດຖະບານ ອອກດຳລັດ :

- ມາດຕາ 1: ຮັບຮອງ ແລະ ປະກາດໃຊ້ " ຍຸດຫະສາດການພັດທະນາໄລຊິດສະຕິກຊິນສິ່ງສິນຄ້າຂອງ ສປປລາວ "
- ມາດວາ 2: ມອບໃຫ້ກະຊວງ ໃນທາທິຫານ ແລະ ຂົນສິ່ງ ເປັນເຈົ້າການປະສານສົມທິບກັບບັນດາກະຊວງ ອົງການ ຫຼຸຍເທົ່າ ແລະ ອົງການປົກຄອງຫ້ອງຕື່ນຕ່າງໆ ຄົ້ນຄວ້າວັນສະຫາຍ ແລະ ຈັດດັ່ງປະຕິບັດຍຸດພະ ສາດການຫັດທະນາໃຈຊິດສະຕິທຊົນສິ່ງສິນຄ້າຂອງ ສປປ ລາວໃຫ້ໄດ້ຮັບຜົນດີ.
- ມາດຕາ 3: ປັນດາກະສຸດງ-ອົງການຫຼຸບເທົ່າ, ນະຄອນຫຼວງວຽຈັນ, ປັນດາແຂວງ ແລະ ຍາກສ່ວນທີ່ກຸ່ວຂ້ອງ ຈຶ່ງຮັບຮູ້, ໃຫ້ຄວາມຮ່ວມມື ແລະ ຈັດຕັ້ງປະທິບັດ ດຳລັດສະບັບນີ້ໃກ້ໄດ້ຮັບຜົນເປັນຢ່າງດີ. ມາດຕາ 5: ດຳລັດສະບັບນີ້ ມີຜົນສັກສິດ ນັບແຕ່ມື້ລົງລາຍເຮັນເປັນຕົ້ນໄປ.

ລັດຖະບານ ແຫ່ງ ສປປ ລາວ ນາຍົກລັດຖະມົນຕີ

ຫລາສິງ ຫານເພລິງ

National Strategy on Freight Transport and Logistics Development (cont.)

To implement the consensus from party congress IX to the support the transformation of landlock to land-link

To set clear development directions for logistics system development for period of 10 years (2016-2025) with the vision to 2030 and to set clear short-term targets of 5 year development plan on national logistics system

Objectives

To develop transport and logistics sector in line with the government policy and socioeconomic development plan

To attract more foreign investment in logistics system as well as strengthening domestic enterprises

National Strategy on Freight Transport and Logistics Development (cont.)

Vision to 2030
For Public Works and
Transport

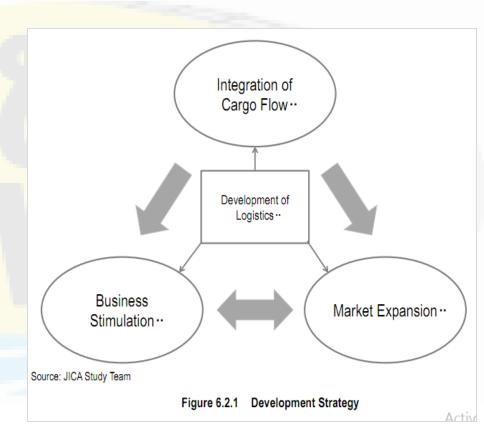
"central sector for national socio-economic development, Safe and Sustainable". logistics transportation development of Lao PDR until 2030

Providing effective and efficient connectivity services, and building domestic freight transport and logistics to be competitive and sustainable

National Strategy on Freight Transport and Logistics Development (cont.)

Overall Directions until 2025

- define the collection and distribution centers in each region that connect with the neighboring countries, and
- identify the connection points to secure and facilitate 2 ways cargos.



National Strategy on Freight Transport Logistics Development (cont.)

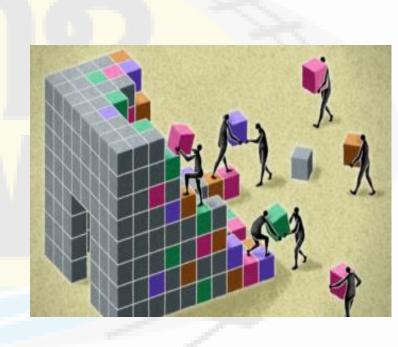
Overall Directions until 2025 (cont.)

- Strengthening capacities for freight transport and logistics companies to improve services and capabilities in order to compete with foreign firms and link with international transport companies along with improving the transport association.
- Stimulate logistics transport businesses to increase market competition and able to connect with local and international markets while building high credibility and confidence to customers at national and international levels.

III. National Strategy on Freight Transport and Logistics Development (cont.)

Overall Directions until 2025 (cont.)

- Strengthening capacity for logistics administrative authorities to improve coordination mechanisms in order to address obstacles at each stage of the logistics process such as: custom clearance, efficiency of public and private logistic services, and
- Create the inspection and monitoring system and providing the services according to schedule set.



National Strategy on Freight Transport and Logistics Development (cont.)

DEVELOPMENT PLAN 2016 2020

Focused group of projects on infrastructure and transport development from 2016 to 2020 as follows:

- 1. Highway improvement/upgrading;
- 2. Railway Construction
- 3. Dry Port Development.
- 4. Logistics Legislation and regulation development
- 5. Establishment of Common Control Area at International borders.
- 6. Development of international standards for border checkpoints
- 7. Improvement of border facilities.
- 8. Installment of IT system into logistics services.

National Strategy on Freight Transport and Logistics Development (cont.) – Dry Port Locations

- 1. Thanaleng, Vientiane opened for operation since 2021.
- 2. Nateuy, Luangnamtha under negotiation for conducting FS.
- 3. Savannakhet, Savannakhet opened for operaiton since 2016.
- 4. Pakse, Champasack opened for operation since 2021
- 5. Thakhek, Khammouane under construction.
- 6. Houyxai, Bokeo under negotiation for conducting FS
- 7. Laksao, Borikhamsai under negotiation for conducting FS
- 8. Luangprabang, Luangprabang conducting FS
- 9. Muangxai, Oudomxai –conducting FS

Boten ICD – under operation Paksan ICD – under negotiation for conducting FS



Savannakhet Dry Port







Vangtao Dry Port, Champasack Province









Thanaleng Dry Pork, Vientiane Capital



Opportunities

Lao PDR is located in the heart of Greater Mekong Subregion

Development of infrastructure to link neighboring countries will facilitate future efficient transport Economic development in Asia provides more opportunities on trade integration and transport will encourage new model of trade which will increase production and volume of goods distribution which will lead to perfect condition for logistics development

In the integration condition, domestic company will compete and cooperate with foriegn companies in order to upgrade quality of service and labor Encourage foreign investment in various activities within dry port and others

Challenges

Lack of deep understanding on the role of logistics development

Minimal investment in logistics supported infrastructure

Investment balance: construction vs. maintenance; national vs. rural

Imbalance of transport volume (import vs. export) which in turn result in empty return haulage; and higher logistics costs

Human resource capacity on logistics development is still inadequate in both public and private sectors

Lack an integrated plan on transport development



Encourage the investment in the remaining dry port with the international service standards

Develop enabling policies to support the operation of dry port

Way Forward

Seek and provide training opportunities on dry port operation and management to government authorities and private sector

Build strong coordination mechanism between lined ministries; between gov. and private sectors; and between local and international operation units



MINISTRY OF PUBLIC WORKS AND TRANSPORT. LAO PDR

Thank You

Strategy on Freight and Logistics Development in Lao PDR

Presented by: Mr. Bounyavath NIRANXAY

Deputy Director General

Department of Transport