



# Conference on Regional Cooperation and Integration

## Experiences in Asia and the Pacific

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## Papers and Presentations

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**BIMP-EAGA**  
East ASEAN Growth Area



**CAREC**  
Central Asian Regional Economic Corridor



**IMT-gt**  
Indonesia - Malaysia - Thailand  
Growth Triangle



**SASEC**  
South Asian Subregional Economic Corridor







## GMS: Cooperation in Transport and the Role of Economic Corridors

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## Presentation Outline

- Transport in the overall GMS strategy
- The evolution and achievements of GMS transport cooperation
  - the GMS transport sector strategies
  - some outcomes/benefits of cooperation
- The economic corridor approach
- Transport facilitation
- Challenges going forward

## Transport and Overall GMS Strategy

- “3 Cs”
  - enhanced **connectivity**
  - improved **competitiveness**
  - greater sense of **community**
- infrastructure links and software
- integrating markets
- promoting trade and investment

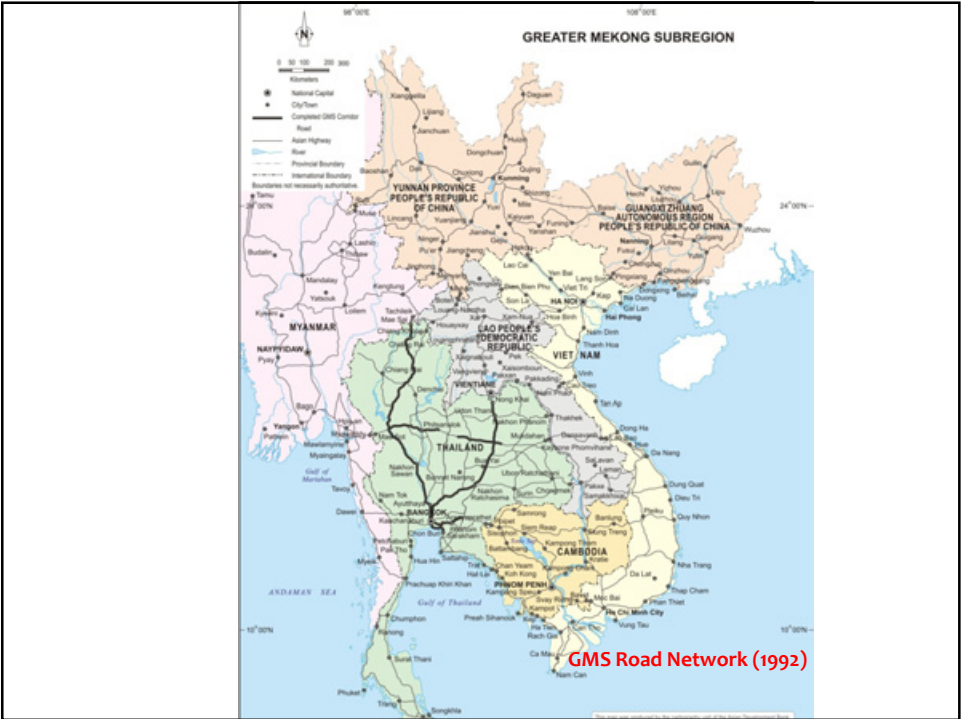
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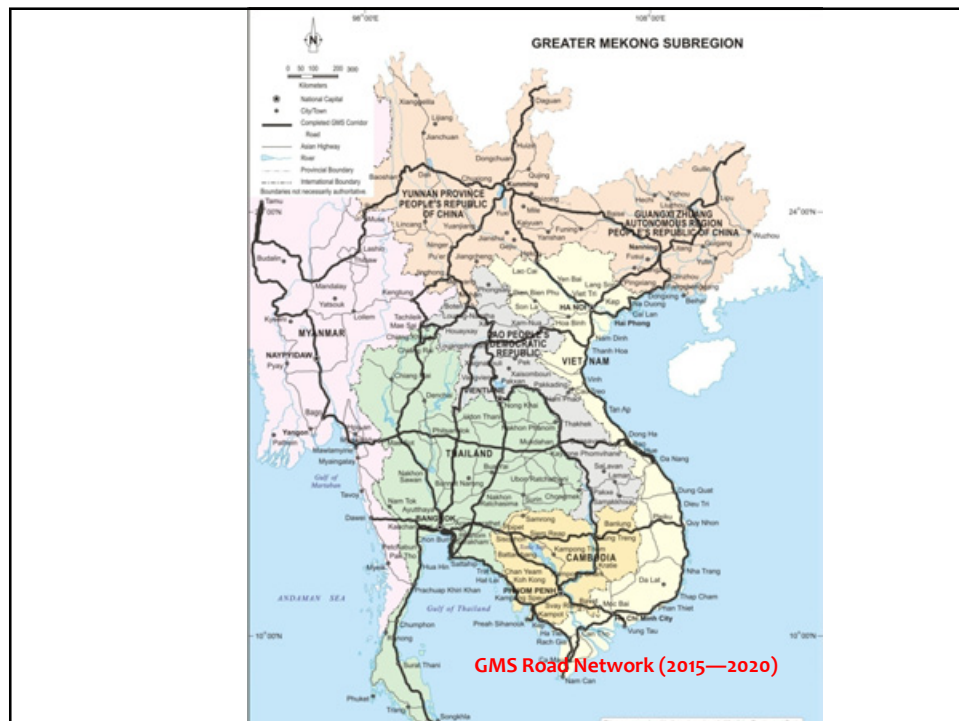
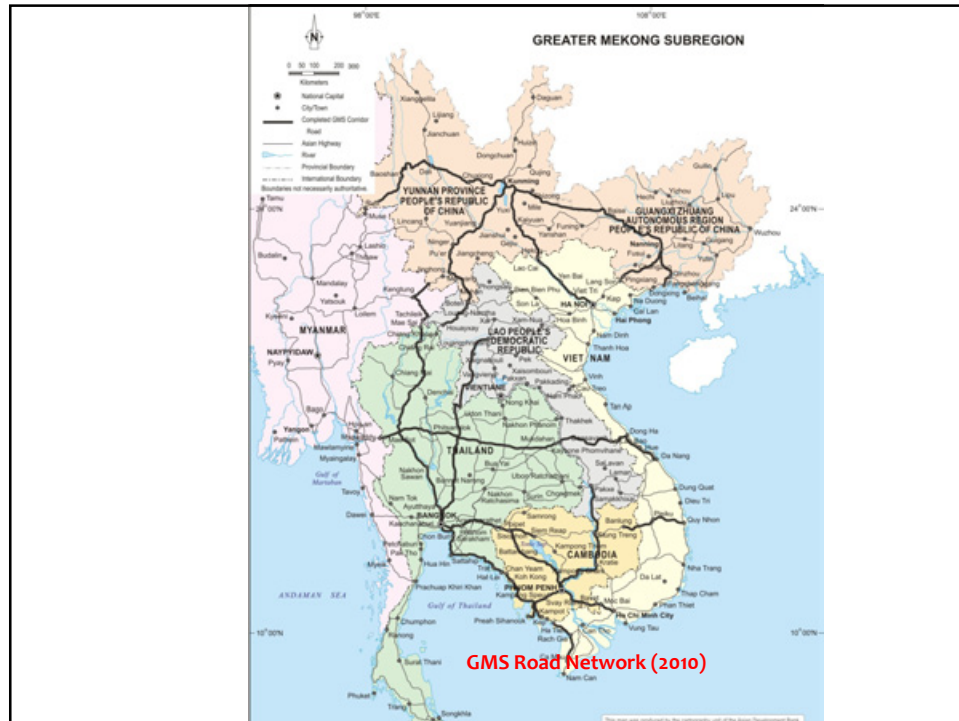
## GMS Transport Cooperation

- One of earliest sectors of cooperation; ADB-assisted strategy studies – 1<sup>st</sup> TSS (1994) and 2<sup>nd</sup> TSS (2006-2015)
- GMS Subregional Transport Forum (STF)
- Strategic thrusts:
  - Early years – 1<sup>st</sup> TSS
    - Create cross-border access; priority to improvement over new construction
    - Facilitate cross-border traffic; trade
  - Current TSS
    - “Towards seamless transport services on a fully connected and integrated GMS network”
    - Focus on:
      - Completing the GMS transport corridors
      - Economic efficiency and reduced transport costs
      - Move toward an open market for transport services
      - Multi-modalism

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| ADB-assisted GMS Projects<br>(1992- June 2011) |          |                            |         |            |             |
|--|----------|----------------------------|---------|------------|-------------|
|  |          |                            |         |            |             |
|  | No. of   | Financing (US \$ millions) |         |            |             |
|  | Projects | Total Cost                 | ADB     | Government | Cofinancing |
| All GMS Projects                               | 55       | 15,006.6                   | 5,102.8 | 4,311.5    | 5,592.3     |
| Of Which:                                      |          |                            |         |            |             |
| Transport                                      | 34       | 11,788.8                   | 4,418.4 | 4,127.7    | 3,242.7     |
|  |          |                            |         |            |             |
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## Key Outcomes



### Southern Transport Corridor : Phnom Penh-Ho Chi Minh City Highway Improvement Project

Travel time and cost savings  
Bilateral trade up 40%  
Border crossings up 50%  
Special border economic zones creating jobs



### East-West Transport Corridor Project

Travel time and cost savings  
FDI: US\$18M to US\$200M  
Improved access to schools and safe water  
Poverty down by 35% in Savannakhet

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## The Economic Corridor Approach

**Infrastructure is developed in specific geographical areas based on economic potential.**

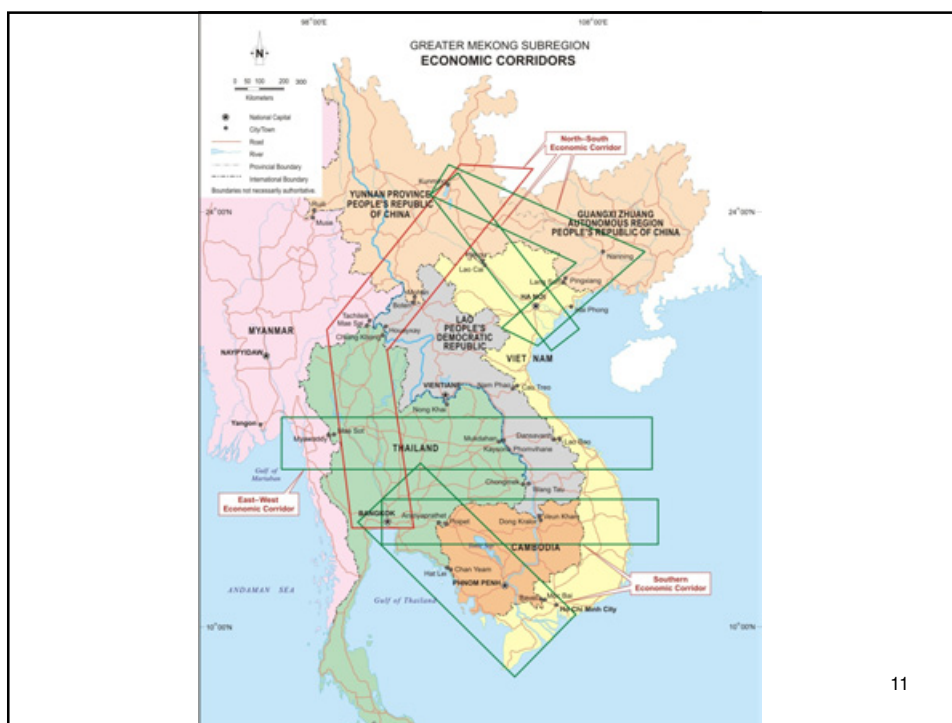
Usually starts with transport links, but extends to other infrastructure as well as the “software” for their optimal use.

Some Characteristics of Economic Corridors:

- Create links to major markets;
- Extend the benefits of improved transport linkages to remote locations and integrates them with more prosperous areas;
- Open up investment opportunities;
- Promote synergies through the clustering of projects;
- Provide demonstration effects;
- Facilitates prioritization of regional projects and coordination of national projects with regional implications

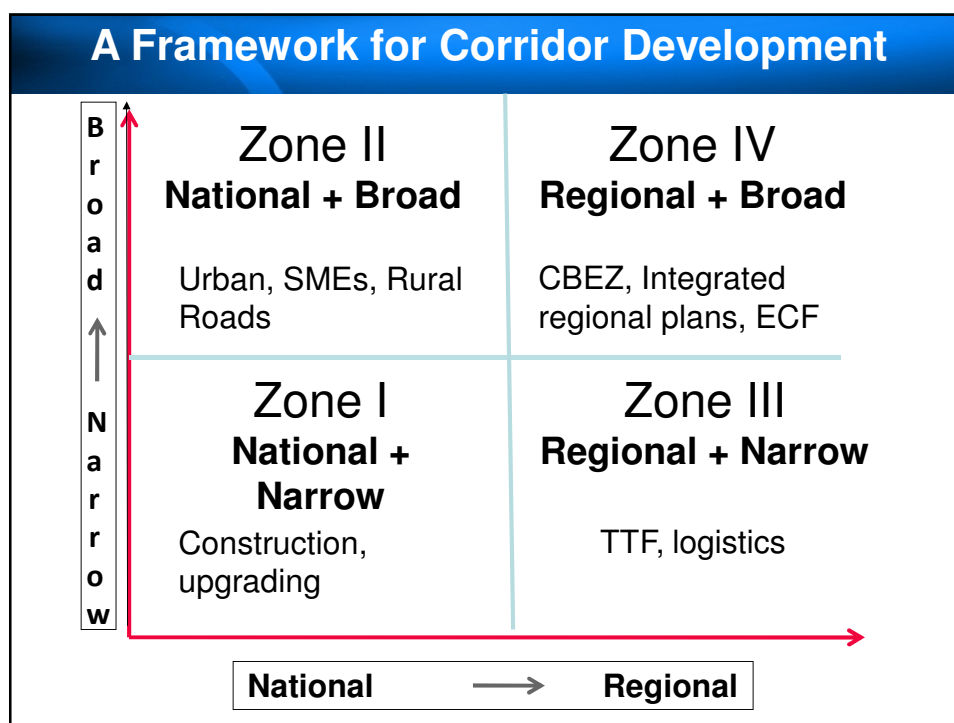


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## The New GMS Strategic Framework

- **New GMS SF** endorsed by 4<sup>th</sup> Summit in December 2011, to ensure GMS Program's sustainability and effectiveness in the challenging new decade
- Continued central role of corridor development
- Broadening/deepening of economic corridors -- inter-linkages across sectors, multi-sector approach, ensuring wide spread of benefits, accelerating implementation of TTF measures, logistics development and investments along the corridors, and attention to social and human resource, food and energy security, and climate change concerns
- Need for a **regional investment framework (RIF)** -- new generation of cooperative undertakings based on solid analytical work and knowledge platform



### Corridor Development in the GMS Going Forward

- Corridor widening efforts -- expanding and completing the infrastructure base – e.g., secondary roads/multi-modal transport, area/urban development, logistics
- Complementing hardware investments with increased focus on software
- Decentralization, involving all stakeholders, e.g., local authorities, private sector
- Multi-sector coordination and cross-sectoral links
- Closer links/complementarity with broader regional agenda (e.g., ASEAN)
- Intensified resource mobilization – DPs, private sector

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