
Logistics Issues Analysis Team Research Report

Current Situation and Issues in the Logistics of the Mekong Region
-With a Focus on Vietnam and Laos-

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1. Logistics issues of the Mekong Region

By AEC(ASEAN Economic Community), the freight transport is increase.In ASEAN, by the development of the East-West Economic Corridor and Southern Economic Corridor, it is assumed that the transportation to the truck from the maritime transport to change. This year focused on the East-West Economic Corridor clarifies the goods movement issues from hearing survey result from Logistics Company of Savannakhet (Laos), Da Nang port (Vietnam), Hanoi and Ho Chi Minh (Vietnam) of SME(Small and Medium Enterprises).In addition, it showed the current situation and issues with video recording, from the Da Nang port to Savannakhet.

2. Interview Findings

2-1. Logistics Conditions in Laos (Vientiane, Savannakhet)

Laos is situated between Vietnam and Thailand. Therefore, By the East-West Economic Corridor, that increase in import cargo volume from Vietnam and Thailand is expected. However, the current situation, is less export cargo volume from Laos to Vietnam or Thailand and exports from both country's ports. Therefore, in Laos, passage of trucks and not the loading and unloading of cargo and one-way cargo are many. To resolve this issue of one-way cargo, the Lao government is considering the development of a logistics parks in Vientiane so as to establish a system for these trucks to carry cargo in both directions.

Building a logistics parks in Savannakhet is also a possibility, as the construction of industrial parks in that city is expected to increase cargo volumes there.

2-2. Logistics Conditions in Vietnam (Da Nang)

(1) Conditions at Da Nang Port

The Da Nang Port is equipped to handle 5,000 DWT bulk carriers and 3,000 TEU container ships. About 15-20 international container ships enter the port every week.

(2) Issues with Cargo Volumes Handled on the East-West Economic Corridor

The East-West Economic Corridor has enhanced the benefits of using Da Nang Port. And, it is expected that future, Da Nang Port of handling cargo volume increases. Yet it appears that only about 2% of the cargo volume handled at Da Nang Port passes through the East-West Economic Corridor. Cargo passing volume on the East-West Economic Corridor is low. The reason, The East-West Economic Corridor goes through areas where economic development has not yet occurred. To deal with this issue, Laos is planning three industrial parks in Savannakhet.

(3) Issues Regarding Traffic Regulations on the East-West Economic Corridor

One of the issues of the East-West Economic Corridor, there is a difference of traffic regulations in Thailand and Vietnam. The traffic regulations at issue here are vehicle restrictions and speed limits.

Among the vehicle restrictions, that vehicles with right-hand drive are prohibited in Vietnam and Laos, where traffic flows on the right-hand side of the road. In Vietnam, the use of right-hand drive vehicles is prohibited. However, Thailand, in the left side of the road, the vehicle of right-hand drive is large.

Therefore, the cargo cannot be transported in the same truck through all three countries. The transport between the three countries, it is necessary to exchange truck or transshipping cargo. Trucks from Vietnam and Laos can take their cargo into Thailand without exchange truck or transshipping cargo. However, for cargo being shipped from Thailand to Vietnam or Laos, if the truck is from Thailand and has right-hand drive, the cargo cannot be transported without an exchange truck or transshipping cargo.

Also, because the passes through urban areas in Vietnam and Laos, the speed limit is 40-50 km/hour. In Thailand, however, the speed limit is 80-90 km/hour. In other words, although the East-West Economic Corridor is shorter distance wise, it takes longer because the speed limit is only half that of Thailand's. Also, Laos had the regulation that empty truck cannot enter, but these restrictions have since been abolished.

(4) Customs and Other Procedures

In ASEAN, Simplification of customs procedures, unification of language, and unification of the format have been carried out with the support by the Asian Development Bank. As a result, the time of customs procedures has become shorter.

(5) Differences between Maritime Transport and the East-West Economic Corridor

In the maritime transport and the East-West Economic Corridor, Using the maritime transport has a long lead time, but is low price. On the other hand, using the east-west economic corridor has a short lead time, but is expensive.