Chapter 1

Overview

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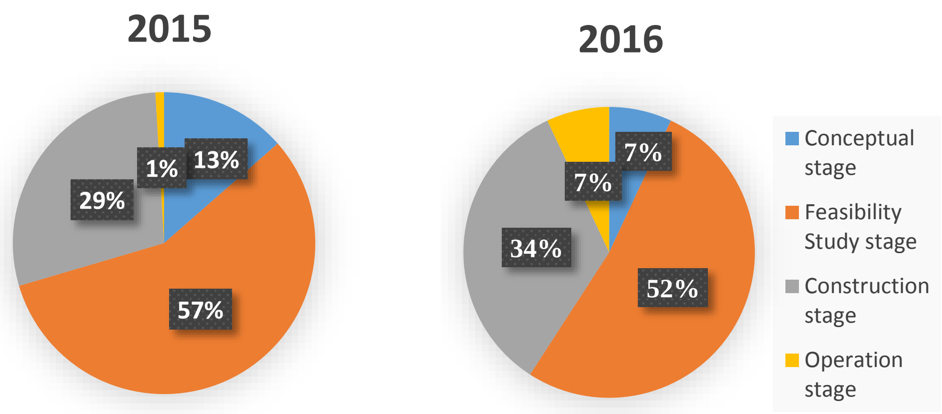
- The percentage of operational stage is 7%, construction stage is 34%, FS stage is 52%, and conceptual stage is 7% (Figure 1). Six percent of the 761 projects were completed during the period.

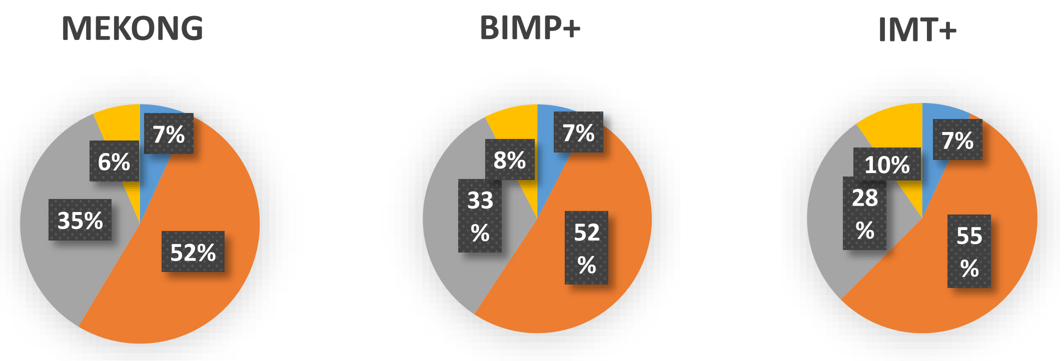
Figure 1. Project Status (2015–2016)



Source: East Asia Industrial Corridor (EAIC) Team.

- On classification by subregion, the following are the percentages for projects that advanced to operational stage: (i) 6% for Mekong, (ii) 4% for BIMP+, and (iii) 8% for IMT+. IMT+ has a relatively high percentage because three energy projects in Malaysia advanced to operational stage in 2016. The following are the numbers of projects that advanced from FS stage to construction stage: (i) 57 (11 points increase) in Mekong, (ii) 4 (6 points increase) in IMT+, and (iii) 18 (10 points increase) in BIMP+. Based on the results, Mekong's progress is faster than that of other subregions (Figure 2).

Figure 2. Project Status by Region (2016)



BIMP+ = Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area and surrounding regions.
IMT+ = Indonesia–Malaysia–Thailand Growth Triangle and surrounding regions.
Source: EAIC Team.

- On classification by sector, the following are the numbers of projects in 2016: (i) 15 in the energy sector (9 points increase, (ii) 4 in the airport sector (8 points increase), (iii) 3 in the SEZ (sector 7 points increase), (iii) 15 in the road and bridge sector (7 points increase), (iv) 2 in the port sector (3 points increase), and (v) 5 in the railway sector (4 points increase). The following are the numbers of projects that advanced from FS stage to construction stage: (i) 8 in the water supply and sanitation sector (22 points increase), (ii) 7 in the SEZ sector (16 points increase), (iii) 10 in the port sector (14 points increase), (iv) 23 in the road and bridge sector (10 points increase), (v) 16 in the energy sector (9 points increase), (vi) 9 in the railway sector (8 points increase), and (vii) 2 in the airport sector (4 points increase). The progress of energy and SEZ projects is faster than that of other sectors because it is easy for private companies to enter into the sectors. The progress of the railway sector is relatively slow due to time-consuming process, such as land expropriation, and difficulty in raising funds.

- On classification by tier, the following are the numbers of projects: (i) 17 in Tier 1 (8 points increase) under operational stage, (ii) 19 in Tier 2 (4 points increase), and (iii) 9 in Tier 3 (8 points increase). Of the 17 projects in Tier 1, 8 are from Viet Nam, 6 of which are in Hanoi and Hai Phong areas; this means that various infrastructure as basis of industrial agglomeration have been developed around these areas. In Tier 2, 6 out of 19 projects under operational stage are those of Myanmar, 5 of which are in areas extending from Yangon to Mawlamyine. In Tier 3, 6 out of 9 projects under operational stage are for either expansion or rehabilitation. The following are the numbers of projects that advanced from FS stage to construction stage: (i) 27 in Tier 1 (12 points increase), (ii) 45 in Tier 2 (10 points increase), and (iii) 7 in Tier 3 (7 points increase). Tier 1 has the highest proportion of groundbreaking, followed by Tier 2 and Tier 3. Based on the results, infrastructure budget tends to be allocated to projects in Tier 1; time to complete the projects in Tier 3 is faster than in other tiers because these are relatively small and not complicated.

- On progress by country, Viet Nam has the highest number of projects that operationalised in 2016. It has 12 projects (8 points increase), followed by Myanmar with 7 projects (8 points increase). The Philippines and the Lao PDR have the least number with 2 projects (each 3 points increase). On the number of projects that advanced from feasibility stage to construction stage, Indonesia has the highest number with 16 projects (14 points increase), followed by Myanmar with 10 (11 points increase) and Cambodia with 9 (13 points increase). Malaysia has the least number with 1 project (4 points increase), followed by the Philippines with 3 projects (4 points increase).

- Of the 29 cross-border projects, 10 are beyond construction stage (34%); of the remaining 732 projects, 301 (41%) are beyond construction stage. Only one cross-border project was completed and one advanced to construction stage. The development of cross-border projects is slow because these may be of low priority or negotiation among related countries may take time.

- The following are the findings based on the follow-up survey conducted by the CADP Team in 2011–2014:

  (i) An increasing rate of projects that have been operationalised per year is about 6 points.

  (ii) Tier 3 has the highest percentage of projects that reached the operational stage, although it has the highest percentage of projects that did not advance to upper stage.

(iii) Of the three subregions, Mekong has the highest percentage of projects that advanced to operational stage. IMT+ has the highest percentage of projects that did not advance to upper stage.

(iv) On classification by sector, SEZ and energy sectors have the highest percentage of projects that advanced to operational stage. Many railway projects stopped at FS stage.

The survey in 2015–2016 indicates similar tendencies as findings (i), (ii), and (iv) above: (i) the increasing rate of projects that operationalised in 2015–2016 is 6 points; (ii) the percentage in Tier 3 is the highest among the three tiers with 8 points increase; and (iii) the progress of the energy, airport, and SEZ sectors is relatively high, and the progress of the railway and port sectors is relatively slow.

We outline the progress of each country below.