

EXECUTIVE SUMMARY

The remarkable economic growth in many of ASEAN Member States (AMSs) has been a success story of economic development in the world. In achieving this growth, AMSs have successfully been attracting foreign direct investment (FDI), upgrading industrial structure, and integrating themselves more into the world economy through participation in the regional production and distribution networks. All these developments have been supported by continuous improvement of the transport network in the region. However the challenge is still ongoing. Indeed, an efficient, secure and integrated transport network in ASEAN is still vital for realizing the full potential of the regional economic integration as well as in further enhancing the attractiveness of the region as a single production, tourism and investment destination. An integrated transport network is also vital for narrowing of development gaps in the region. In fulfilling this role, the ASEAN transport sector is currently guided by the ASEAN Transport Action Plan (ATAP) 2005-2010 that covers maritime, land and air transport, and transport facilitation.

As ATAP will soon expire in 2010, a successor plan needs to be prepared as the ASEAN Strategic Transport Plan (ASTP) 2011-2015, which will also be known as Brunei Action Plan (BAP). The ASTP would act as the main reference for ASEAN transport cooperation to support the establishment of the ASEAN Economic Community (AEC) by 2015. Towards this end, ASTP should be designed in consistence with other overarching ASEAN initiatives such as the AEC Blueprint and the Master Plan on ASEAN Connectivity. As the transport sector is one of the key components in ASEAN Community building and the concept of the ASEAN Connectivity, the role of ASTP cannot be overemphasized. In addition to these ASEAN specific contexts, ASTP would also reflect other ongoing developments in the world such as changing economic landscape, mainly due to emergence of new economic powers like China and India, and growing global concerns over environment, climate change, safety and security.

Based on these premises, the ASTP would be formulated (1) to identify strategic actions to support the establishment of the AEC by 2015, that will also compliment existing transport undertaking; (2) to identify long-term vision of ASEAN transport cooperation beyond 2015; and (3) to undertake a comprehensive assessment of the current transport situation in ASEAN and of the implementation of the current action plan with a view to identify the gaps and priorities for the period 2011-2015 and beyond. In order to achieve these objectives, specific actions would be identified with reference to the following six policy directions; (1) maintain the continuity of actions for the implementation of the AEC Blueprint; (2) enhance connectivity of intra-ASEAN transport networks; (3) strengthen transport network links with Dialogue Partners and other partners; (4) upgrade selected transport infrastructure components and services to serve as vital links to international supply routes; (5) incorporate environmental and climate change considerations in planning, development, operations and management of ASEAN transport networks; and (6) enhance regional capability to further improve the level of safety and security in the provision of transport services. These are the guiding principles to identify more specific goals and actions, while maintaining the logical consistency to achieve the objectives of ASTP and thereby, the goals and objectives envisaged in the AEC Blueprint.

As overviewed in Chapter 2, there still remains significant disparity across AMSs in terms of geographical, economic and social conditions, including quality of transport networks, logistic performance, and business environments. Since a supply chain network is only as strong as the weakest link, ASEAN needs to pay explicit attention to eliminate remaining missing links and to improve the quality of weak links. Once regional connectivity is enhanced through the improvement of transport network, the development gaps in ASEAN can be turned into a source of economic dynamism by opening new opportunities for less

developed regions to participate in international production and distribution networks. This is another important consideration in formulating the ASTP.

Chapter 3 reviews the current status and performance of transport sector in ASEAN. In land transport, the number of vehicles and freight volumes has increased rapidly, and the trend is likely to continue in the forthcoming years. As road transportation is expected to continue its dominance, it is vital to improve the quality of road infrastructure. However, given the climatic and environmental advantages of inland waterways and railways, efforts are required to improve their share in the transport network in ASEAN countries. In air transport, rapidly increasing traffic demand, which has been supported mainly by emerging low cost carriers (LCCs), has urged some AMSs to invest more in developing or expanding airport infrastructures. In maritime transport, cargo throughput of AMSs has steadily increased, and is expected to further increase in the years to come. In order to address this, it is necessary to develop/expand port facilities, to improve port efficiency through privatization and liberalization, and to open new shipping route, among other initiatives. Although maritime transport is more environment-friendly than others, there still remains a scope to make it more energy efficient. In order to make a more efficient use of transport networks in ASEAN, three framework agreements on transport facilitation were agreed. Despite the accelerated efforts, these agreements have not been operationalised due to the delays in finalization and ratification of protocols under the agreements.

Chapter 4 takes a stock of transport-related initiatives in ASEAN, including sub-regional initiatives such as GMS, IMT-GT, and BIMP-EAGA, and cooperation projects with dialogue partners such as Australia, China, Japan, Korea, and the European Union. The latter half of Chapter 5 reviews the progress of implementation of the 48 actions proposed in the ASEAN Transport Action Plan (ATAP), as well as the specific measures defined in the Roadmap for Integration of Air Travel Sector (RIATS) and the Roadmap towards an Integrated and Competitive Maritime Transport in ASEAN. The reviews show that out of the 48 actions only 3 actions have been completed, 42 are ongoing and 3 still remain under preparation. Considering the importance of the ongoing actions, it is recommended to carry most of these over to the next phase, with necessary modification and rescheduling to fit well into the new context of ASTP.

Chapter 5 discusses the emerging development trends and challenges surrounding ASEAN transport cooperation from various perspectives, such as intra-ASEAN development trends, a regional perspective, a global perspective, an environmental perspective, and a safety and security perspective, which will be a basis to consider additional goals and actions for ASTP.

Based on the studies in earlier chapters and the feedbacks from ASEAN Member States during STOM Expert Group Meetings, STOM Working Group Meetings, a series of national workshops, Chapter 6 proposes a list of specific goals and actions, together with detailed milestones, for ASTP.

Specific goals for land transport are; (1) accomplish the implementation of Singapore Kunming Rail Link (SKRL) project, (2) complete the ASEAN Highway network, (3) reduce road fatalities by 50% in ASEAN Member States by 2020, (4) establish efficient and integrated inland waterways network; (5) develop 'Intelligent Transport System', (6) enhance human, technical and institutional capacity in ASEAN Member States, and (7) establish a sustainable, energy efficient and environmentally-friendly transport system. In order to pursue these land transport goals, ten actions are proposed.

Specific goals for air transport are; (1) establish an ASEAN Single Aviation Market (ASAM), (2) promote environmentally-friendly aviation, and (3) enhance engagement with Dialogue Partners to promote greater connectivity. One of the most important actions is the formulation of an ASAM Roadmap by 2011, where a number of details initiatives, such as

airline industry liberalisation, aviation safety, aviation security, civil aviation technology, air transport regulatory framework and human resource development (HRD), will be defined. Including this, a total of six actions are proposed for air transport.

Specific goals for maritime transport are; (1) accomplish an integrated, efficient, and competitive maritime transport system, (2) develop safety navigation system and establish advanced maritime security system in line with international standards, and (3) accomplish the Eco-Port and environmentally-friendly shipping. In order to pursue these goals, six actions are proposed including those to realize an ASEAN Single Shipping Market and to establish shipping routes connecting mainland and archipelagic ASEAN.

Specific goals for transport facilitation are; (1) establish integrated and seamless multimodal transport system to make ASEAN the transport hub in East Asia region and beyond, (2) enhance the competitiveness of ASEAN logistics industry, (3) establish safe and secure inter-state transport system, and (4) develop environmentally-friendly logistics. For these goals, thirteen actions are proposed including the action to fully operationalise the three framework agreements on transport facilitation and to promote the initiatives to facilitate Inter-State Passenger Land Transportation, which will have significant impacts on regional trade and tourism as envisaged in the Master Plan on ASEAN Connectivity. Also highlighted is an action to conduct a study on potential multimodal transport corridors, which will have a strong implication for ASEAN to increase its role as a transport hub in the region and the world.

Chapter 7 highlights tentative proposals to facilitate the implementation of actions proposed in ASTP, based on an assessment on the current institutional arrangements in ASEAN with an explicit focus on the monitoring and implementation mechanisms. Chapter 8 discusses the future direction of the transport sector cooperation in ASEAN beyond 2015.

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