



**GREATER MEKONG SUBREGION
24th Meeting of the
SUBREGIONAL TRANSPORT FORUM**

Session 3:

Report on the Progress of the CBTA “Early Harvest” Implementation and other Plans for the Field of Transport and Trade Facilitation

21 January 2020, Viet Nam



1 | Overview of GMS CBTA



Greater Mekong Subregion
Cross-Border Transport
Facilitation Agreement

Instruments and Drafting History



Objective: Allows agreed goods, passengers and vehicles to travel unimpeded through GMS countries.



Constraints: CBTA is working to fix:

- Inefficient or inadequate processes (transit docs, guarantees).
- Weak institutional arrangements.
- Complex coordination across sectors and institutions.



1 | Overview of GMS CBTA – Benefits of CBTAs

- ✓ Complementary to regional (ASEAN) commitments.
- ✓ Means bilateral agreements unnecessary.
- ✓ Provides transit solutions for PRC and third countries.
- ✓ Can be expanded, ASEAN+.
- ✓ Better returns on infrastructure investments.
- ✓ Competitive advantage for subregional business and trade.



2 | Soft Connectivity—CBTA “Early Harvest” Package

- Early Harvest is a limited and specific trial of CBTA principles.
- Allows for registered vehicles free movement along agreed corridors with approved documentation.
- No financial (Customs bond) guarantees required for the vehicles.
- Goods transported will continue to observe export/imports procedures at check points.



2 | **Soft Connectivity– Early Harvest Review, Initial Findings**



Traffic and land-based trade is increasing rapidly: more than doubling at some of the busiest GMS border crossings in the five-year period to 2018:

- For example, at Bavet-Moc Bai between Cambodia and Vietnam, two-way goods trade more than doubled between 2010 and 2014, and doubled again in the four-year period to 2018.
- Trade at Poipet-Aranyaprathet between Cambodia and Vietnam doubled between 2014 and 2018.
- Both the number of vehicles and the value of trade have more than doubled between Thailand and Myanmar at Mae Sot-Myawady over the five-year period to 2018.



2 | Soft Connectivity– Responses to COVID-19



Enhance **communication** for better coordination.



Trailer swap as temporary measures.



Accelerate deployment and implementation of the **GMS Road Transport Permit**.



Utilize **electronic customs clearance**.



Implement **digital tracking** using technologies such as blockchain, and radio frequency identification (RFID).



Strengthen border crossings including health screening, customs, immigration, quarantine and security.



Investigate opportunities for **Single Stop Inspection**.



3 | Conclusion

- Keep **trade, investment, and tourism open** to revitalize economies.
- **Ensure health and well being** of populations.
- The **economic case** for faster, cheaper, easier cross-border transport operations is strong.
- **Strengthen regional coordination in responding to COVID-19.**
- **Infrastructure and common standards in border crossings**, to include health screening and further improvements in customs, immigration, quarantine and security (CIQS).



CBTA EH MONITORING PROGRESS

- Objective

Mekong Institute (MI) was engaged by ADB since May 2018 to monitor and report on 'Early Harvest' implementation (EHI) progress by:

- (i) gathering primary data and feedback from Permit/TAD holders in the five (05) GMS countries taking part in the 'Early Harvest' (and for Myanmar and Thailand the planned bilateral Initial Implementation of CBTA (IICBTA) MYA-T Permits/TADs);
- (ii) organizing national-level workshops to consolidate country-level feedback and regional workshops to identify and validate feedback and issues of common concern; and
- (iii) reporting on EHI and MYA-T IICBTA progress and results to ADB and the CBTA Joint Committee.



CBTA EH MONITORING PROGRESS - Number of Permits Issued

COUNTRY	ISSUANCE DATE (the date sending official Letter to other GMS countries)	NUMBER OF COMPANIES	NUMBER OF PERMITS	PASSENGER VEHICLES	GOOD VEHICLES
Cambodia	01/29/2020	5	26	3	23
PRC	09/12/2019	20 (GX3, YN17)	181	71	110
Lao PDR	22/11/2019	4	22	0	22
Vietnam	26/09/2019	5	43	6	37
Thailand	08/01/2019 and 07/10/2019	20	472	20	452
Thailand (IICBTA)	<i>To be updated</i>	15	100	0	100
Myanmar (IICBTA)	30/06/2020	9	45	0	45



RECOMMENDATION

- Accelerate CBTA EH implementation through:
 1. **Further issuance** of EH Permits/TADs (to meet the the 500 quota/GMS country) while improve and simplify the procedure;
 2. **Full recognition** of EH Permits and TADs among government agencies, especially need to enhance awareness of the officials who working at the border crossing points;
 3. **Greater clarity** on operators' access rights to places listed in CBTA Protocol 1 (including seaports, inland ports and SEZs), and **include some commonly used routes** in the EH program
 4. **Formal government announcements** if needed to confirm the EH is operational and that GMS countries welcome EH operators engaged in cross-border GMS transport;
 5. **Increased transparency and enhanced information sharing mechanism(s)** in support of the CBTA EH (including transport regulations, border clearance and Customs Transit);
 6. Consideration by GMS countries of specific measures to facilitate cross-border movement (e.g. multiple entry visas, vehicle dimensions, insurance etc.)
- Accelerate MYA-THA IICBTA implementation with TA to Myanmar as needed.

Note: The survey results were introduced to the NTFC in Dec 2019. Suggestions and recommendation are being followed up by NTFC.

10



Session 3:

Report on the Progress of the CBTA “Early Harvest” Implementation and other Plans for the Field of Transport and Trade Facilitation

Thank you!