

2004 ASEAN TRANSPORT ACTION PLAN (2005-2010)

Adopted in Phnom Penh, Cambodia on 23 November 2004

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A. INTRODUCTION

1. It is viewed that trade is not possible without transport. An efficiently managed transport system is a prerequisite for the competitiveness of goods. By effectively enhancing the physical means of transport in the ASEAN region, intra-regional trade and investment will be likely facilitated greatly.
2. The key role of the transport network is to assist in the production, consumption and distribution - or the supply chain - of goods and services. The ability to trade is absolutely vital to the economy of ASEAN. This means that goods must be produced and delivered to the market (or customer) in the right quantity, required quality, at the right time and at a competitive price. High logistics cost is often the result of poor transport infrastructure, underdeveloped transport and logistics services and slow and costly bureaucratic procedures in freight transportation. Shipping logistics within ASEAN are relatively efficient –shipping between ASEAN ports takes a similar amount of time per kilometer compared to better integrated markets, such as the European Union. However, the issue around logistics concerns the lack of quality road transport to ports, poor port infrastructure and sub-optimal shipping networks that add to overall transport costs. Sub-optimal shipping networks are another cause for concern. The transport issues raised above bind together to form an intractable problem: entry barriers and high operating costs discourage logistics companies from serving the region as a whole. The absence of regional logistics players in turn perpetuates fragmented transport systems.
3. Against this backdrop and in the context of the planned ASEAN Economic Community and the emerging free trade arrangements in Asia, ASEAN Member Countries shall strive to gear up ASEAN transport's catalytic role as a critical logistics and services support sector in economic integration.
4. This Action Plan provides the basis for broadening and deepening cooperation and promoting collective actions and interactions in the ASEAN transport sector for 2005-2010.

B. LESSONS IN ASEAN TRANSPORT COOPERATION 1999-2003

5. The implementation of the Hanoi Plan of Action's Transport Action Agenda and the Successor Plan of Action 1999-2004 will come to a close by the end of 2004. For the period 1999-2003, ASEAN transport cooperation has been focused on the development of the trans-ASEAN transportation network, finalization of the ASEAN transport facilitation agreements, policy and development projects and studies, capacity building programs, and mutual sharing of best practices and experiences. Cooperation has also been intensified with ASEAN private sector associations of airlines, forwarders, ports, shippers' councils and ship-owners, as well as with relevant international and regional organizations. To further enhance regional transport programs and to support the rising trend towards inter-regional free trade arrangements, cooperative partnerships have been forged with ASEAN dialogue partners like China, India and Japan.

6. ASEAN member countries concluded nine regional transport agreements since late 1998. These were for the mutual recognition of commercial vehicle inspection certificates, ASEAN highway network development, goods in transit facilitation and its five implementing Protocols and for air freight services liberalization. Cooperation roadmaps are in place for Transport Infrastructure Integration, Transport Facilitation and Competitive Air Services. In the overall, there are now clear and well-defined regional transport infrastructure development and integration plans in place, which have been the basis for continued cooperation in actual physical connection activities. A number of regional policy framework plans and agreements have been concluded to guide the ASEAN transport cooperation and liberalization agenda. These plans/initiatives have been incorporated into the national development agenda of ASEAN Member Countries. Technical standards, rules and procedures have been/are being harmonized and standardized to facilitate cross-border movement of goods and people. Implementation of capacity building programs benefited hundreds of transport policy makers and technical personnel. The conduct of sectoral policy and development studies, as well as project feasibility studies has generated a wealth of valuable information vital for business/investment decision making and public policy planning purposes. By presenting themselves as a single and unified entity, ASEAN Member Countries have been able to attract a good amount of technical assistance from Dialogue Partners and international donor communities. This has also provided Member Countries with greater leverage at international and regional forum and meetings.

C. ASEAN ECONOMIC INTEGRATION GOALS

7. At the Ninth ASEAN Summit in Bali, Indonesia in October 2003, the ASEAN leaders signed the Declaration of ASEAN Concord II (Bali Concord II) to reaffirm ASEAN as a concert of Southeast Asian nations, bonded together in partnership, in dynamic development and in a community of caring societies. The leaders agreed to establish an ASEAN Community which would rest on the three pillars of “ASEAN Security Community,” “ASEAN Economic Community” and “ASEAN Socio-cultural Community”, as embodied in the Bali Concord II. The leaders pledged to achieve this ASEAN Community by the year 2020.
8. The leaders emphasized that the ASEAN Economic Community (AEC) is the realization of the end-goal of economic integration under the ASEAN Vision 2020.
9. The ASEAN Economic Community is characterized by a single market and production base, with free flow of goods, services, investment and skilled labor, and freer flow of capital. The AEC will also turn the diversity into opportunities for business complementation making ASEAN a more dynamic and stronger segment of the global supply chain. The AEC would achieve deeper economic integration of the region and enhance ASEAN competitiveness, improve ASEAN’s investment environment and narrow the development gap amongst ASEAN members.
10. The leaders recognized that the realization of a fully integrated economic community requires implementation of both liberalization and cooperation measures. The leaders agreed on the need to enhance cooperation and integration activities in other areas. These will involve, among others, human resources development and capacity building; recognition of educational qualifications; closer consultation on macroeconomic and financial policies; trade financing measures; enhanced infrastructure and communications connectivity; development of electronic transaction through e-ASEAN; integrating industries across the region to promote regional sourcing; and enhancing private sector involvement.
11. To achieve an integrated economic community, the leaders adopted a progressive approach as outlined in the Recommendations of the High-Level Task Force (HLTF) on ASEAN

Economic Integration. The HTLF recommended among others i) setting clear targets and schedules for services liberalization for each sector and each round to achieve the free flow of trade in services with the end date earlier than 2020, ii) accelerate services liberalization earlier than the end date by countries which are ready, through the application of the ASEAN-X formula; iii) accelerate regional integration in the 11 priority sectors which ASEAN enjoys competitive advantage (Air Travel and Tourism are among the 11 priority sectors for integration); iv) accelerate liberalization in these priority sectors by 2010 and promote joint ventures and cooperation, including third country markets; and v) facilitating movement of business people and tourists.

D. TRANSPORT POLICY AGENDA FOR 2005-2010

12. At the Ninth ASEAN Transport Ministers (ATM) Meeting in Yangon, Myanmar in October 2003, the Ministers in their commitment to realize the ASEAN leaders' goal of an ASEAN Economic Community reaffirmed that an efficient and integrated transport system is key for ASEAN to integrate with the global economy, improve competitiveness and enhance the inflow of foreign direct investment. They agreed to intensify regional activities to enhance multimodal transport linkages and interconnectivity, promote the seamless movement of peoples and goods, promote further liberalization in the air and maritime transport services, and further improve integration and efficiency of transport services and the supporting logistics systems. The Ministers also agreed to work towards developing a regional action plan for staged and progressive implementation of Open Sky arrangement in ASEAN.
13. To cope with the increasing growth in regional trade and to improve access to international markets, ASEAN Member Countries will collectively work towards improving the quality of transport systems and logistics services and reducing transaction costs. ASEAN will, thus, intensify cooperation in the development of an integrated, harmonized, safe and secure regional transportation network and in improving transport interconnectivity and interoperability for an efficient, coordinated and secure intermodal/door-to-door cargo transportation. As ASEAN is at the maritime crossroads of East and West, improvements in efficiency of ASEAN ports and shipping services, together with improvements in land transport access, offer greater scope for increasing trade competitiveness of the ASEAN region. ASEAN shall also enhance coordination of policies and programs for the development of infrastructure and services, application of transport facilitation measures in e.g. alleviating bottlenecks, improving border crossings and gaining access to markets, and harmonization of the technical aspects of design and safety rules, procedures and standards.
14. The policy directions for intensified cooperation in the ASEAN transport sector for 2005-2010 shall be as follows:
 - a) Promoting efficient door-to-door cargo transport and cross-border transport facilitation, through the simplification/harmonization of trade and transport documentation and procedures, establishing uniform and transparent transit and cargo clearance systems and procedures, developing an efficient and global/regional-minded freight forwarding industry, third party logistics services, and haulage industry and utilizing ICT applications;
 - b) Improving land transport network infrastructure for better connections and linkages with the national, regional and international maritime (seaports and inland waterways) and air gateways. The development of land transport trade corridors with an appropriate mix of modes—roads, rail and inland waterways, with an established hierarchy of modal interfaces such as inland terminals, container stations and cargo clearance facilities is desirable;

- c) Developing responsive regional maritime transport policies to address the growing containerization in the region, improvement of the efficiency and productivity in ASEAN ports, rationalization of shipping services and the opportunities for increased multimodal transport services;
 - d) Promoting open-sky arrangements by building upon the Roadmap for Integration of ASEAN (RIA) for ASEAN Competitive Air Services Policy, including exploiting the potentials of full air freight services liberalization, through plurilateral or multilateral basis, to support increased intra-ASEAN travel, trade and investment;
 - e) Enhancing transport security and safety in the regional supply-chain networks, through capacity building initiatives, technical networking, and regular exchange of relevant technologies, best practices and information;
 - f) Pursuing environmentally sustainable regional transport strategies, including accession to the relevant international conventions and protocols, promotion of environmental-friendly transportation technology and transportation modes, among others;
 - g) Creating enabling policy towards conducive environment for the increased private sector involvement and/or public-private partnerships in the provision and operation of transport infrastructure and transport and logistics facilities and services;
 - h) Intensifying cooperative bonds with dialogue partners like China, India and Japan, by way of policy consultations and joint programs and activities, as well as initiating new cooperative programs with the European Union, Korea, among others;
 - i) Intensifying cooperation with international and regional organizations such as International Civil Aviation Organization (ICAO), International Maritime Organization (IMO), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), United Nations Conference on Trade and Development (UNCTAD) and the Asian Development Bank (ADB), among others, on mutually beneficial programs and activities as well as initiating new cooperation programs; and
 - j) Promoting greater involvement of the ASEAN Airlines Meeting (AAM), ASEAN Federation of Forwarders Associations (AFFA), ASEAN Ports Association (APA), Federation of ASEAN Shipowners' Associations (FASA) and Federation of ASEAN Shippers' Councils (FASC) by way of joint consultation, identification, formulation and implementation of ASEAN transport programs and activities.
15. The Policy Agenda will be carried out through 48 proposed actions. The specific ASEAN transport sectoral goals, thrusts and proposed actions are set out in detail in ANNEX A.

E. IMPLEMENTATION ARRANGEMENTS

16. The ASEAN Senior Transport Officials Meeting (STOM) shall have the overall responsibility in the supervision, coordination and implementation of the ASEAN Transport Action Plan 2005-2010, with the following specific responsibilities:
- a) Undertake all measures for its implementation, including determining priorities, carrying out periodic reviews, and the approval of the necessary cooperation programs, projects and activities;

- b) Serve as the principal coordinating body to address all issues relating to its implementation;
 - c) Identify financial support and assistance, as well as relevant technologies from within and outside ASEAN, to include but not limited to the private sector, the ASEAN Dialogue Partners and relevant international and regional organizations; and
 - d) Report on the implementation progress to the ASEAN Transport Ministers (ATM) at their annual meetings.
17. Member Countries shall collectively determine the implementation priorities, develop work programs or plans for the sectoral cooperation areas, for consideration/approval by STOM/ASEAN Transport Ministers (ATM). Participation of the ASEAN private or business sector, ASEAN Dialogue Partners and the relevant regional/international organizations shall be encouraged in the development and implementation of the work programs/plans.
18. STOM would convene the Working Groups and its Sub-Working Groups or Experts Group, as deemed necessary, to determine the priorities and implementing arrangements, further elaborate the sectoral work programs, and prepare the necessary project proposals/documents. The designation of country coordinators for specific programs/activities would be subject to mutual agreement by the Member Countries/STOM.
19. The ASEAN Secretariat shall assist STOM/STOM Working Groups in carrying out the above responsibilities, including technical support and assistance in the supervision, coordination and review of the cooperation programs, projects and activities. The ASEAN Secretariat shall prepare regular implementation progress reports, for submission to STOM and its Working Groups.
20. The ASEAN Transport Ministers (ATM) would provide the issues and concerns of common interest and set policy and program directions for the successful and effective implementation of the ASEAN Transport Action Plan 2005-2010.
21. Technical assistance from ASEAN Dialogue Partners, ASEAN private sector, international and regional organizations and other related institutions are most welcome to ensure the successful implementation of the ASEAN Transport Action Plan 2005-2010.

ANNEX A: TRANSPORT SECTORAL ACTION PLAN 2005-2010

I. MARITIME TRANSPORT

Goals	Strategic Thrusts	Proposed Actions
<p>Creating a more efficient and competitive regional maritime transport sector</p> <p>Achieving globally-acceptable standards in maritime safety and security and protection of marine environment</p>	<p>Formulating and implementing a common regional shipping policy</p> <p>Improving maritime safety and security and protection of the marine environment by enhancing cooperation amongst ASEAN Member Countries to facilitate the acceptance and implementation of IMO conventions</p>	<ol style="list-style-type: none"> 1. Identify and designate the important maritime trade corridors/seaways for regional seaborne trade that are vital for the success of ASEAN Economic Community (AEC) 2. Promote effective and competitive intra-ASEAN shipping in those trade corridors / seaways through (a) rationalization / synchronization of shipping services; b) expanded shipping services linking the 47 designated regional ports and secondary ports; and c) greater cooperation within ASEAN sub-regions, through improved sea linkages and in near-coastal shipping, including the implementation of the relevant recommendations of the ASEAN Maritime Transport Development Study 3. Achieve significant liberalization of intra-ASEAN maritime transport services 4. Support and promote the development of ASEAN-based shipping fleet for intra-ASEAN and international trade 5. Further study on expanding the agreement on common ASEAN near coastal voyage limits 6. Conduct studies on introduction of high-speed cargo and passenger vessels and intra-regional feeder services servicing the regional gateway and secondary ports 7. Enhance the activities of the ASEAN Forum on IMO Conventions to facilitate the accession and implementation of relevant IMO conventions by ASEAN Member Countries 8. Strengthen the institutional capacity, human resource base and cooperation linkages of ASEAN Member Countries for achieving improved maritime safety, security and

		<p>preventing marine pollution (e.g., ISPS Code, STCW trainers' training, etc)</p> <p>9. Pursue the "ASEAN Clean Seas Strategy"</p> <p>10. Intensify maritime transport security through capacity building and IT-based programs</p> <p>11. Pursue the Handling of Dangerous Goods in ASEAN Ports' Project and other APA-initiated mutually beneficial projects</p> <p>12. Enhance regional capacity for maritime search and rescue (SAR) operations</p> <p>13. Strengthen maritime transport human resource capacity</p> <p>14. Regular exchange of information and best practices in maritime transport policy and development programs</p>
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II. LAND TRANSPORT

Goals	Strategic Thrusts	Proposed Actions
<p>Establishing efficient, integrated, safe and environmentally sustainable regional land transport (road and railway) corridors linking all members and neighboring trading partners</p>	<p>Improving land transport infrastructure integration and intermodal interconnectivity, with principal airports, ports, and inland waterways, and ferry links</p> <p>Promoting concerted and coordinated efforts at policy and operation level to develop ASEAN land transport trade corridors</p>	<ol style="list-style-type: none"> 1. Implement the Singapore–Kunming Rail Link (SKRL) sections, as follows: Poipet-Sisophon Railway Link Project (Cambodia); Ho Chi Minh City – Loc Ninh Railway Link Project (Viet Nam); and Spur Lines between Three Pagoda Pass and Thanbyuzayat (Myanmar) and Vientiane – Mu Gia – Tan Ap – Vung Ang (Lao PDR/Viet Nam) 2. Implement the priority road infrastructure projects for the ASEAN Highway including the Mawlamyine–Thanbyuzayat section in Myanmar; Attapeu–Phia Fai section in Lao PDR; and Quang Ngai–Kon Tum section in Viet Nam 3. Implement the ASEAN Highways route numbering system 4. Harmonize the ASEAN Highways' road signage system, to include the requirements for tourism purposes and road safety 5. Implement the ASEAN Regional Road Safety Strategy and Action Plan 6. Adopt and implement the ASEAN Intelligent Transport System (ITS) Decision Support Framework 7. Formulate regional plan to guide cross-border movement of tourist, chartered and scheduled bus transport services, including the harmonization/standardization of technical and safety requirements 8. Enhance technical and human capacity for the development and planning of more effective, functioning and safer urban transport systems and facilities 9. Early implementation of the relevant ASEAN land transport agreements and their protocols 10. Regular exchange of best practices on public-private partnerships in the

		<p>development, commercialization, construction and operation of land transport infrastructure and facilities</p> <ol style="list-style-type: none">11. Conduct development studies on intra-ASEAN ferry links to connect the major ASEAN land transport/highways/corridors12. Formulate regional policy framework for developing Inland Waterways Transport (IWT) services13. Promote intra-ASEAN development of environmentally friendly transport vehicles through the use of alternative fuels
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III. TRANSPORT FACILITATION

Goals	Strategic Thrusts	Proposed Actions
<p>Creating an integrated and efficient logistics and multi-modal transportation system, for cargo movement between logistics bases and trade centers within and beyond ASEAN</p>	<p>Operationalizing the ASEAN Framework Agreements on the Facilitation of Goods in Transit, Inter-State Transport and Multimodal Transport</p> <p>Enhancing capacity and skills development to further progress regional transport facilitation cooperation</p> <p>Conceptual planning for an integrated intermodal transport network in ASEAN</p>	<ol style="list-style-type: none"> 1. Early implementation of the ASEAN transport facilitation agreements 2. Operationalize/enhance capacity for the National Transit Transport Coordinating Committees (NTTCCs) in all Member Countries 3. Regular implementation evaluation/monitoring meetings of regional Transit Transport Coordinating Board (TTCB) 4. Simplify/harmonize trade/transport procedures and documentation 5. Formulate uniform guidelines and requirements for the registration of Multimodal Transport Operators (MTOs) 6. Promote the usage of trade terms and practices related to multimodal transport, including the INCOTERMS (International Commercial Terms) 7. Conduct training/skills upgrading programs (e.g., seminars, workshops, etc) to enhance institutional and human capacity in the implementation of the ASEAN transport facilitation agreements 8. Promote ASEAN transport intermediaries such as freight forwarders, MTOs, logistics service providers, truck/haulage operators 9. Promote strategic logistics centers, e.g. inland clearance depots, regional warehouse and distribution centers linking the major regional trade centers 10. Promote ICT applications for seamless cargo transportation through the integration of surface, maritime and air cargo information systems and related information networks such as customs and trade-related systems 11. . Exchange of experiences/update of

		developments on multimodal transport operations in Member Countries
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IV. AIR TRANSPORT

Goals	Strategic Thrusts	Proposed Actions
<p>Establishment of a regional open sky arrangement to support regional economic integration</p> <p>Achieving globally-acceptable standards in aviation security and safety</p>	<p>Implementing the regional plan on the ASEAN Open Sky Policy, on a staged and progressive basis</p> <p>Promoting satellite-based air navigational and automatic sensing systems to effectively control air traffic and improve safety in airspace</p>	<ol style="list-style-type: none"> 1. Adopt and implement the ASEAN open sky policy, for both passenger and cargo services by building on the approved Roadmap for Integration of ASEAN (RIA) for ASEAN Competitive Air Services Policy through plurilateral, multilateral or inter-sub-regional liberalization and cooperation arrangements 2. Develop an airline industry liberalization roadmap/program for the ASEAN region 3. . Promote safe, efficient and effective Air Traffic Management (ATM) through enhanced integrity and interoperability of ASEAN Communications, Navigation and Surveillance (CNS) Systems 4. Intensify aviation and airport security through HRD and application of IT 5. Enhance cooperation to ensure, among others, transfer of advanced civil aviation technologies 6. Regular exchange of best practices on public-private partnerships in the development, commercialization, construction and operation of air transport infrastructure and facilities 7. Further liberalize air

		<p>transport ancillary services</p> <ol style="list-style-type: none">8. Improve the regulatory framework of the air transport industry for better efficiency and performance9. Enhance regional capacity for combined air and maritime search and rescue (SAR) operations10. Adopt initiatives to increase air access with dialogue partners
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