

Lao PDR as a Land-Locked to be Land-Linked: Infrastructure Connectivity Development under MPAC 2015

Seoul, 18 September 2018

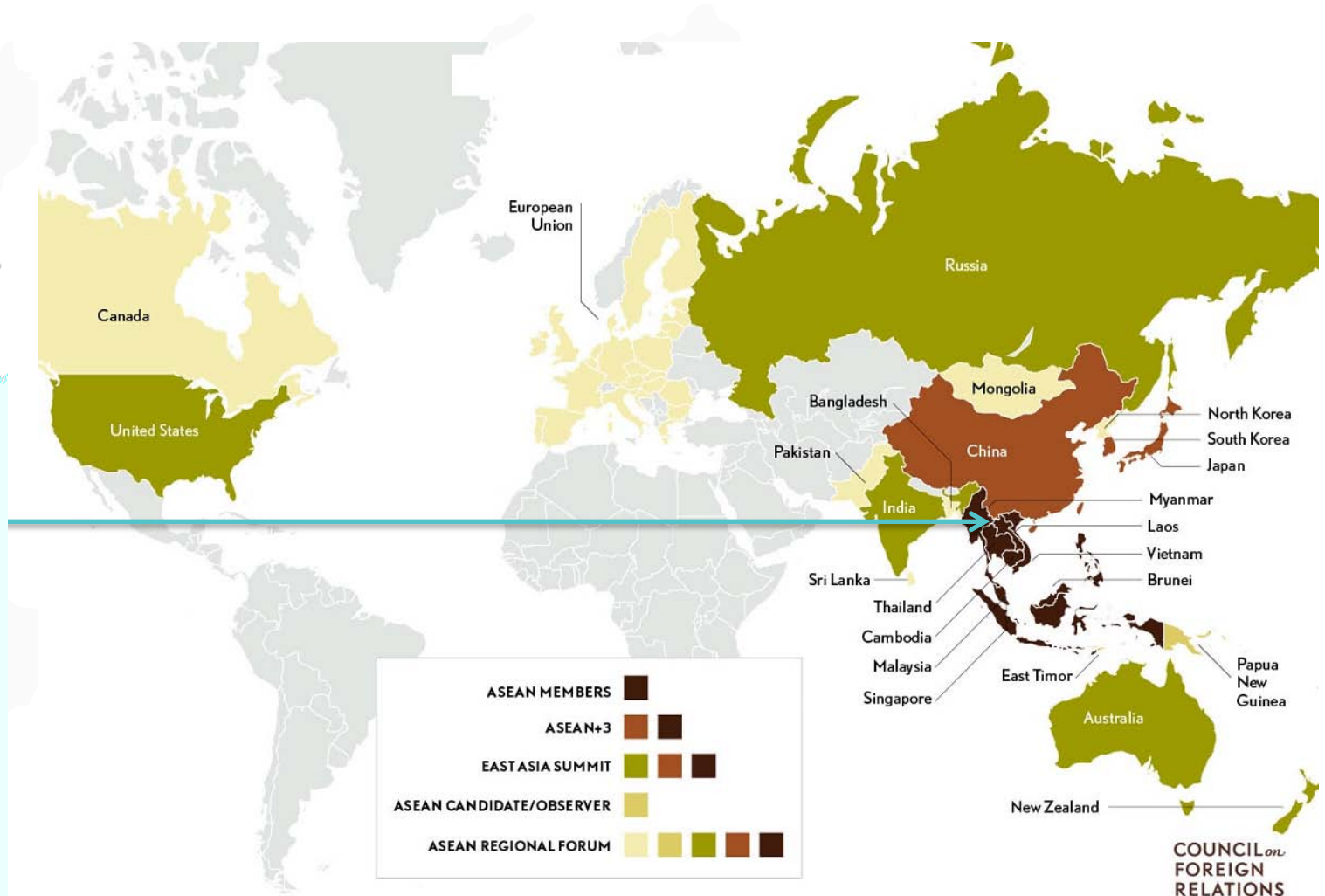


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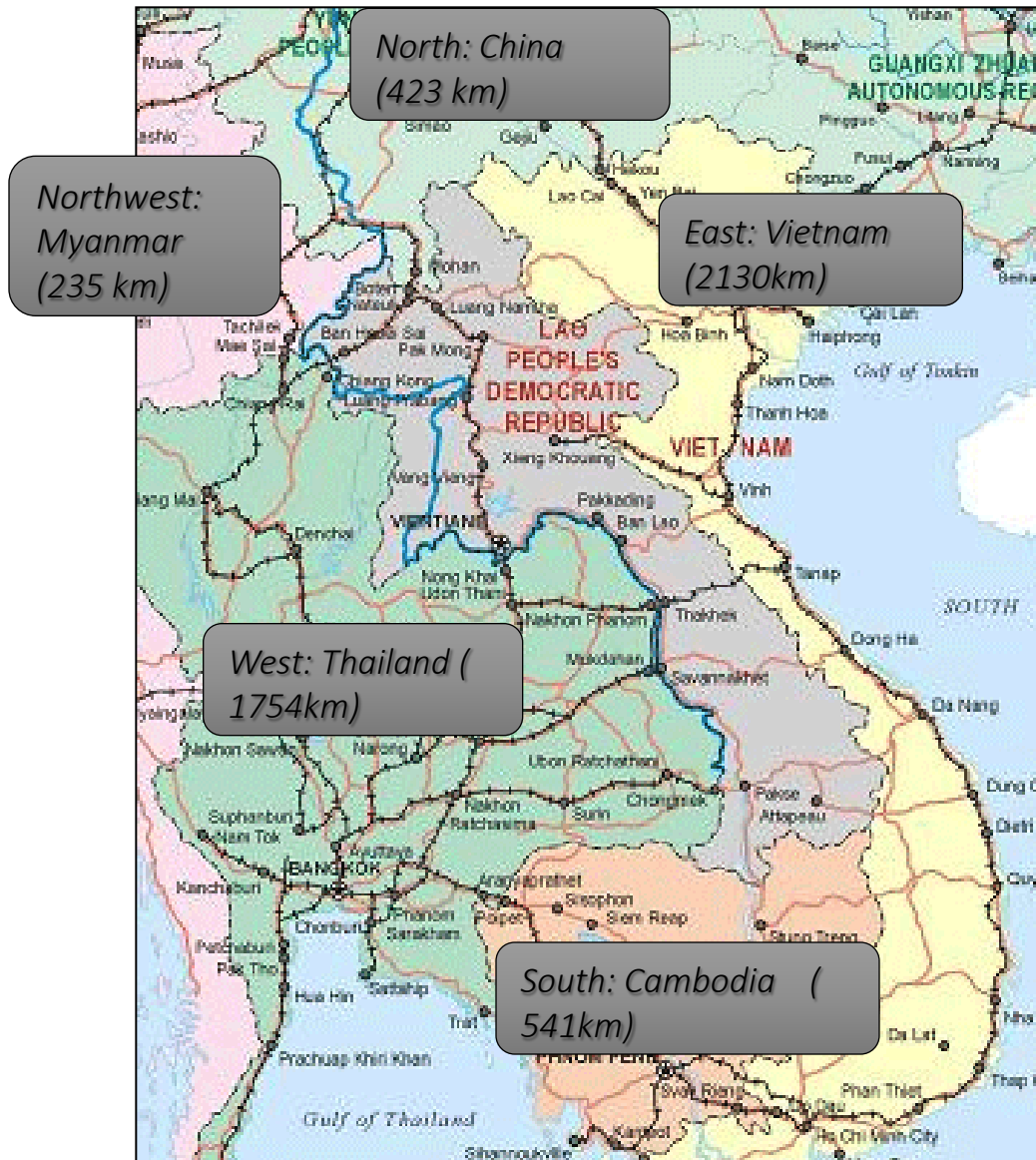
Presentation Outline

- I. Country Background**
- II. Transport Policies and Strategies**
- III. Transport Connectivity Infrastructure Development and Regional Integration**
- IV. Laos – Korea Cooperation Projects**
- V. Challenges on Infrastructure Development**
- VI. Ways Forward**

LOCATION: LAO PEOPLE'S DEMOCRATIC REPUBLIC



I. Country Background



- **Lao PDR is a least developed and landlocked country, sharing Borders with 5 countries as show in the map**
- **Land Area : 236,800 km²**
- **Population: 6.7 millions or about 27 persons/km²**
- **Economy: The Lao PDR economy is grown at around 7%, a slight decline from the previous year, and is expected to maintain this growth rate from 2017-2019.**

II. Transport Policies and Strategies

Overall Guiding Connectivity Policy Lao PDR

Lao PDR has a policy

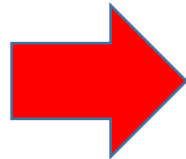
- To transform from a land-locked to a land-linked country in Greater Mekong Sub-region (GMS) and in the mainland of ASEAN



- Providing efficient and reliable transport infrastructure and facilities, particularly transit transport routes;
- Facilitating cross border transport of goods and people mobility between and among neighbors and countries in the region.

Transport sector connectivity policy focuses intensively on:

- Develop and improve multi-modal transport system, mainly: road, rail, inland water and air transports.

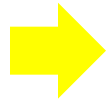


- Improvement of transport infrastructure system to support industrialization and modernization.
- Inclusive development by narrowing the gap btw. urban & rural areas.
- Moving toward regional economic integration.

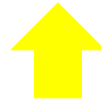
II. Transport Policies and Strategies



Master Plan of
ASEAN
Connectivity
2016-2025
(MPAC 2025)



Public Works and Transport Sector and Sub-sector
Strategies and Investment plans
e.g. Transport Connectivity Strategy and Land Transport
Master Plan



II. Transport Policies and Strategies

Relations between Sector, National and Global Level Plans



PWT Sector Development Strategy (2016-2025)

And NSED Strategy (2016-2025) :

7 National Socio-Economic Development Strategies (2016-2025)	11 PWT Sector Development Strategies (2016-2025)
<ol style="list-style-type: none"> 1. Strategy on quality, inclusive, stable, sustainable and green economic growth 2. Strategy on LDC graduation by 2020 and progress on the SDGs 3. Strategy on human development; 4. Strategy on sustainable and green environment with effective and efficient use of the natural resources; 5. Strategy to enhance government's role in social management under the effective rule of law; 6. Strategy on regional and international integration 7. Strategy on industrialization and modernization 	<ol style="list-style-type: none"> 1. Strategy on PWT Sector Regional and International Cooperation and Integration. 2. Strategy on National Road and Bridge Development. 3. Strategy on Road Transport Development 4. Strategy on Waterway Development 5. Strategy on Railway Development 6. Strategy on Civil Aviation Development 7. Strategy on Urban Development. 8. Strategy on Water Supply and Sanitation Development. 9. Strategy on PWT Sector Human Resource Development. 10. Strategy on PWT Sector Research Development 11. Strategy on Promoting and Developing Women's Role for PWT Sector.

II. Transport Policies and Strategies

Public Works and Transport Sector Development Plan (2016-2020)

Five-Year PWTSDP (2016-2020)

1st Work plan: Maintaining Existing Infrastructures to be in a Fair Condition
(consist of 02 Outputs)

2nd Work plan: Constructing and Improving PWT Infrastructures
(consist of 20 Outputs)

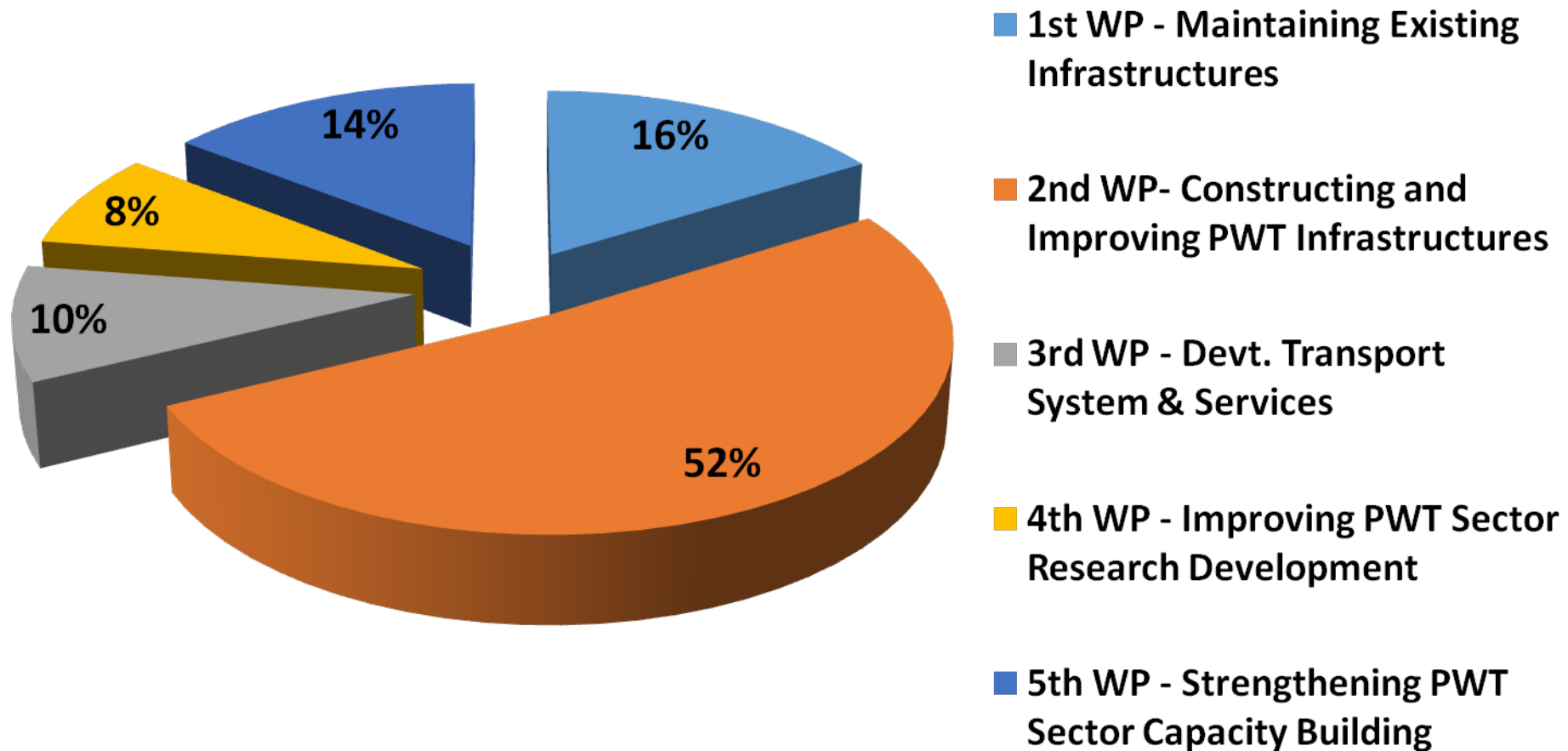
3rd Work plan: Developing Transport System and Transport Services
(consist of 07 Outputs)

4th Work plan: Improving PWT Sector Research Development
(consist of 05 Outputs)

5th Work plan: Strengthening PWT Sector Capacity Building
(consist of 10 Outputs)

II. Transport Policies and Strategies

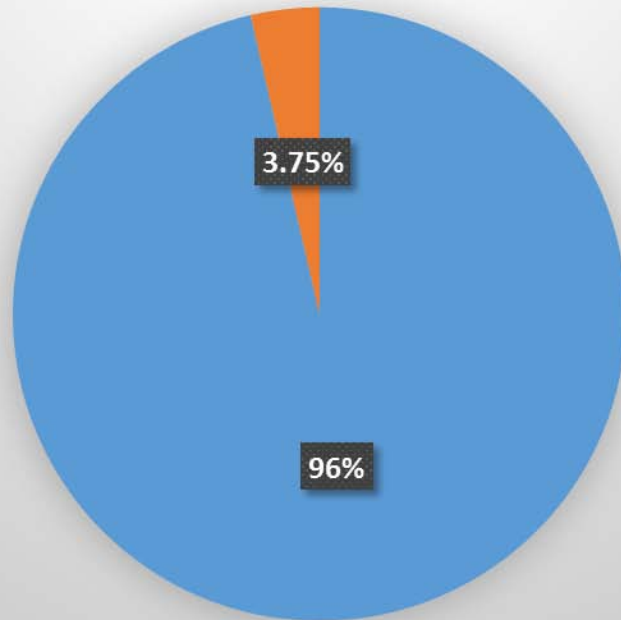
2016-2020 Infrastructure Projects Support the 5 Work Plans



II. Transport Policies and Strategies

2018 Infrastructure Projects investment Plan (MPWT)

Government investment on Transport Sector
Cover 3,75% of investment (Year 2018)



- ❑ The PIP 2018 of MPWT, there are 229 Projects and the allocate budget is 2.277.069,89 million LAK (24,64% of demand)
- ❑ The Budget demand for infrastructure development in year 2018 estimation around 10.375.511,32 million LAK

III. Transport Connectivity Infrastructure Development and Regional Integration

Current Status on Transport Connectivity and Logistic Development

Roads & Bridges

- Network: 59,120 km
- 12 sub-regional & regional Rds
- 8 AHs & only 2 met ASEAN Class III

Civil Aviation

12 Airports, incl. 3 international Airports

Railways

3.5 km (Thanaleng Vientiane, Laos – Nongkhai, Thailand)



Waterways

333 Km of navigation channel (linking south China with Northern Laos, Thailand & Myanmar)

Border-Crossing Facilities

20 points (mostly with Vietnam & Thailand)

Logistic Facilities

9 dry ports & 4 logistic parks under investment plan

ASEAN HIGHWAY THROUGH LAO PDR

Road linked to bordering countries.

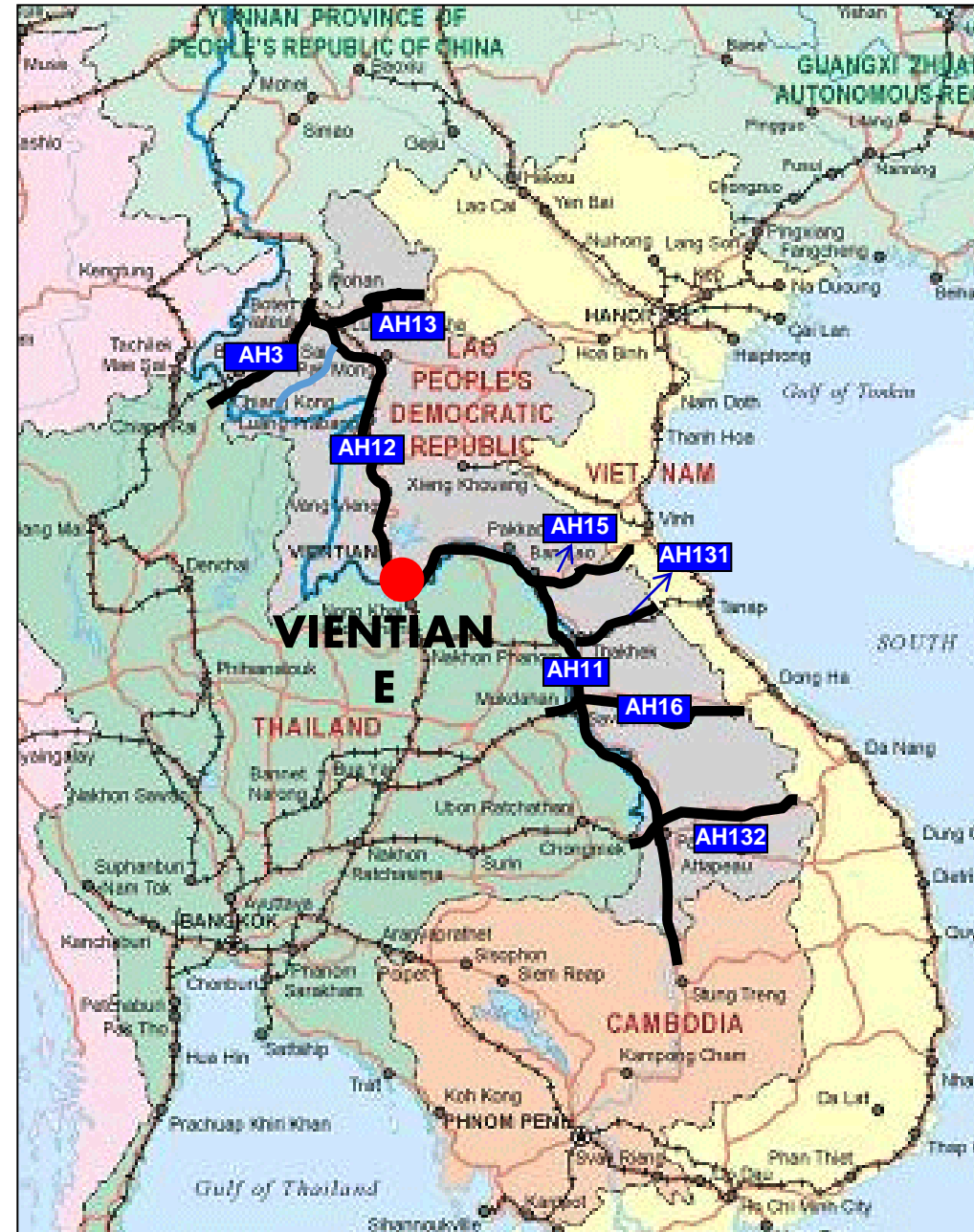
ASEAN Highways :

- **AH 3 : Houyxa – Nateay (206km)**
- AH11 : Vientiane – Pakse-Veunkham (853km)
- AH12 : Thanaleng – Boten (679km)
- AH13 : Muang Ngeun – Oudomxay (340km)
- AH15 : Ban Lao–Lak 20-Namphao (132km)
- **AH16 : Savannakhet – Dansavan (242km)**
- AH131: Thakhek-Ngommalad-Naphao (146km)
- AH132 : Phiaphay-Samakhexay- Phoukeua (Lao-Vietnam Border) (218km)

Total AH : 2,816 km

Border Crossing Points with neighboring countries

- Laos – Cambodia : 1 Border
- Laos – China : 1 Border
- Laos – Thailand : 10 Borders
- Laos – Vietnam : 15 Borders



Infrastructure Connectivity Development: International Mekong Bridges



- 4 Laos-Thailand Friendship Bridges have been completed
- 1 Laos-Myanmar Friendship Bridge (Xiengkok - Khenglab) opened in May 2015



PROGRESS OF RAILWAYS DEVELOPMENT

Vientiane-Boten Railway
Project (420 km) Under
construction, total work progress
38%

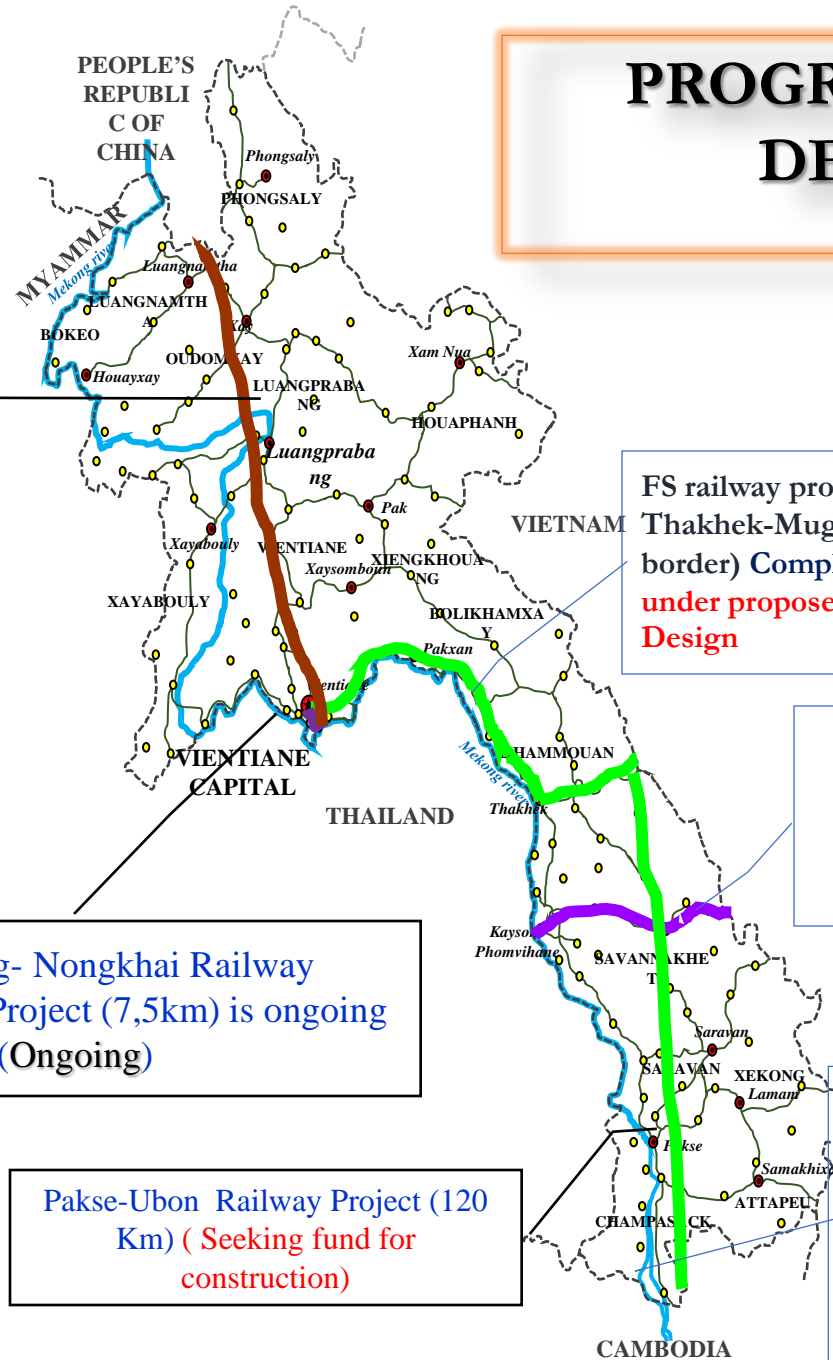
FS railway project from Vientiane–
Thakhek-Mugia-Vung Ang (Vietnam
border) Completed in 2017 ; and now is
under propose KOICA to help for Detail
Design

Savannakhet-Lao Bao
Railway Project(220 Km)
FS already by Malaysia
company (Seeking fund for
construction)

Thanalaeng- Nongkhai Railway
Extension Project (7,5km) is ongoing
(Ongoing)

Pakse-Ubon Railway Project (120
Km) (Seeking fund for
construction)

FS railway project from Thakhek-
Savannakhet-Pakse-Veunkham 445
km (Cambodia border): Under
Propose government request to help
from KOICA



RAILWAY STATION AT THANALENG, VIENTIANE



Existing 3.5 km cross border railway between Laos (Vientiane) and Thailand (Nongkhai)



Open in 2009 for only passenger transport

AIRPORTS DEVELOPMENT

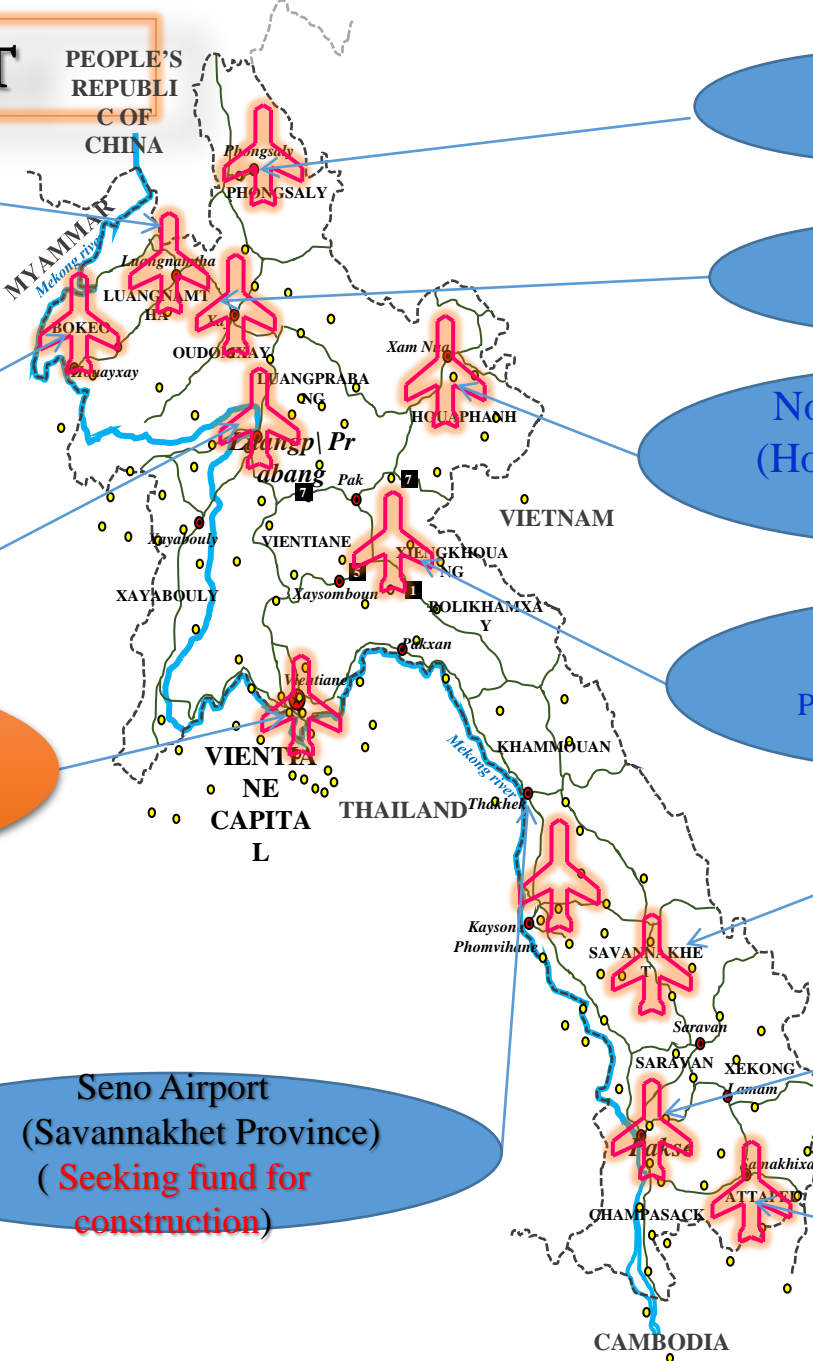


Luangnamtha
Airport

Houysai
Airport

Luangprabang
International
Airport

Wattai International
Airport
(Vientiane Capital)



Phongsaly
Airport

Oudomxay
Airport

Nong Khang Airport
(Houaphanh Province)
(on going)

Upgrading Phonesavanh
Airport (Xiangkhouang
Province) (Seeking fund for
Improvement)

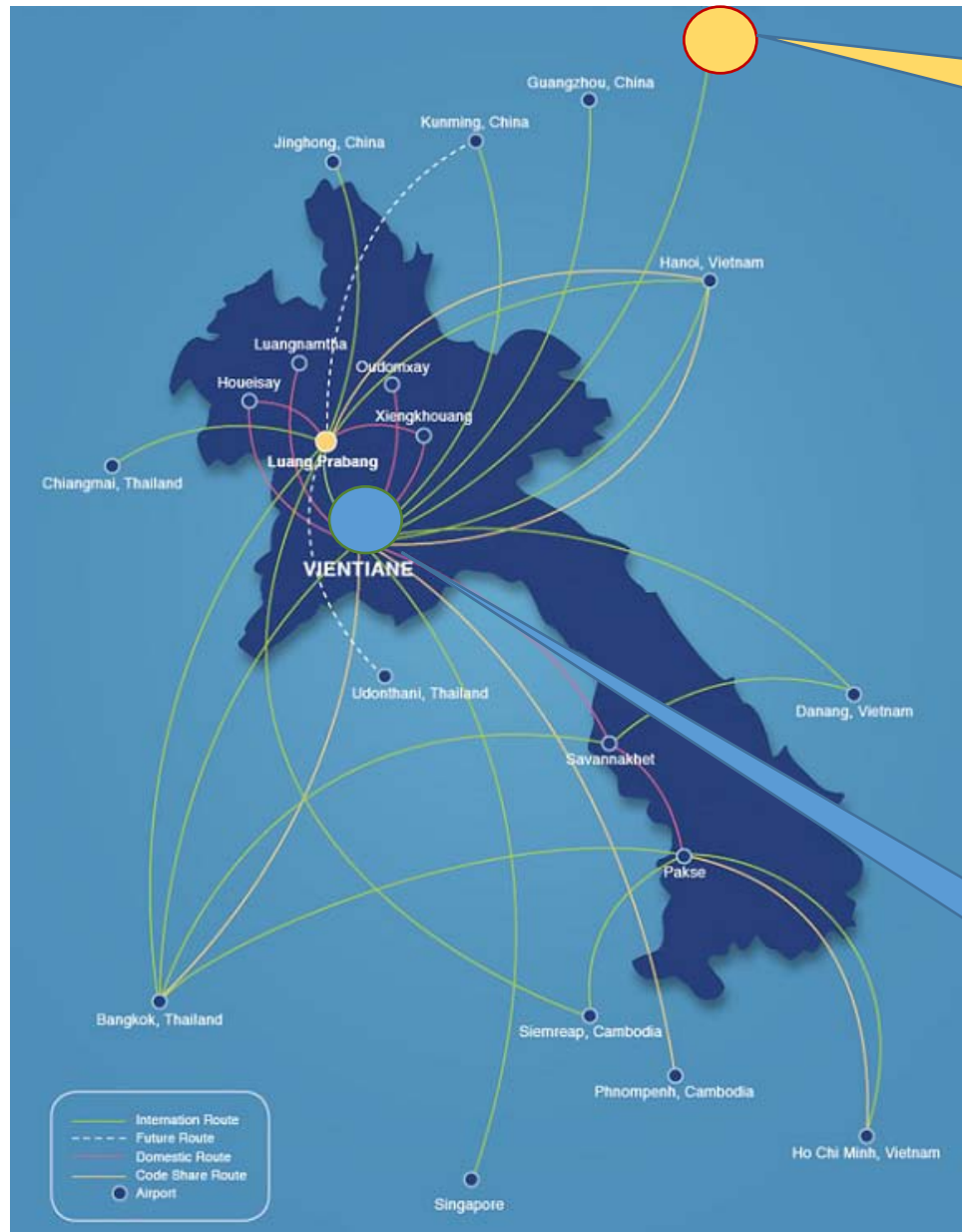
Savannakhet
Airport

Pakse
International
Airport

Attapeu
Airport

Seno Airport
(Savannakhet Province)
(Seeking fund for
construction)

DIRECT FLIGHT BETWEEN LAO PDR (VIENTIANE) – ROK (INCHEON): 5 FLIGHTS/DAY



Incheon

- 1. Lao Airlines**
- 2. Jin Air**
- 3. T WAY Air**
- 4. Jeju Air**
- 5. Air Busan**

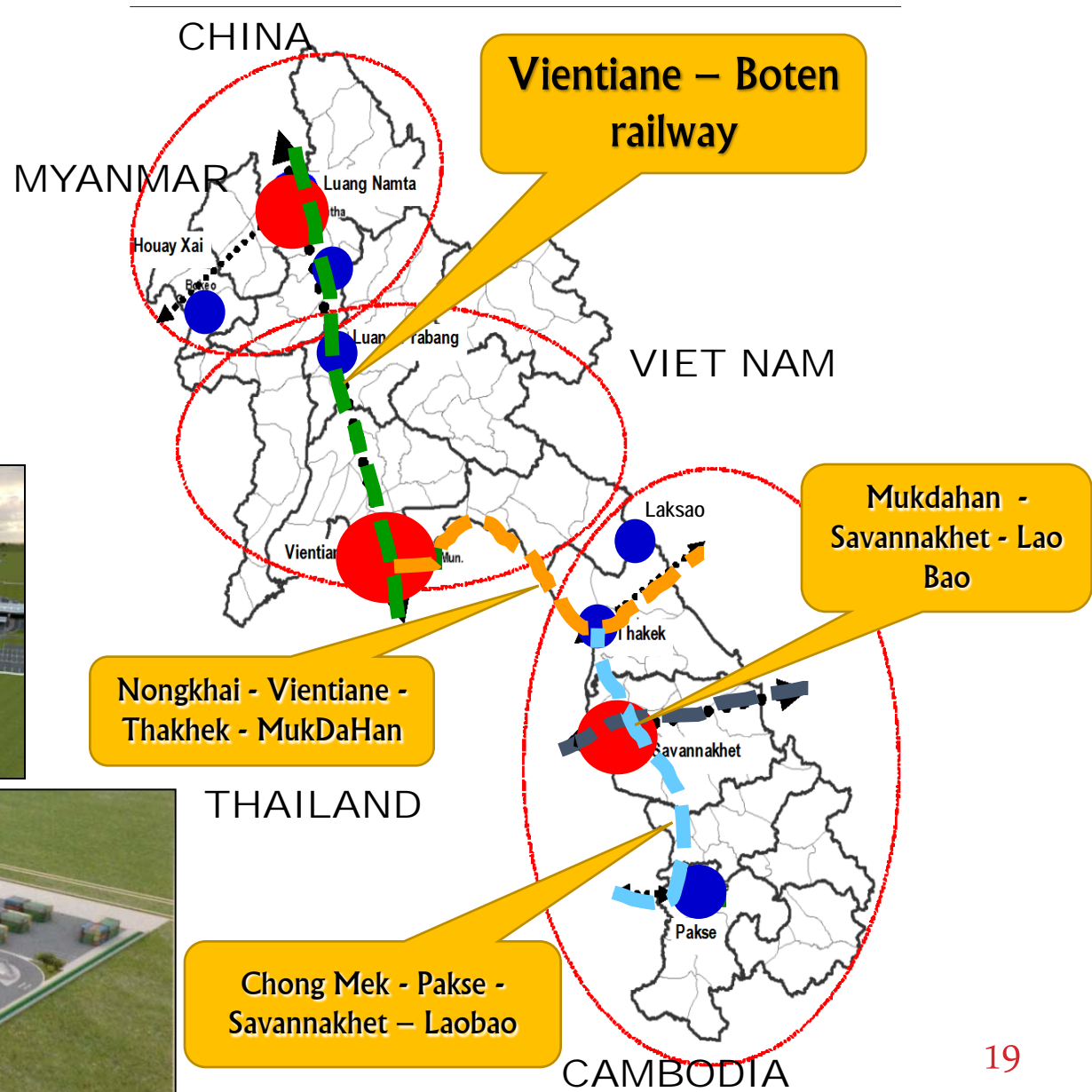
Vientiane



7. DRY PORTS

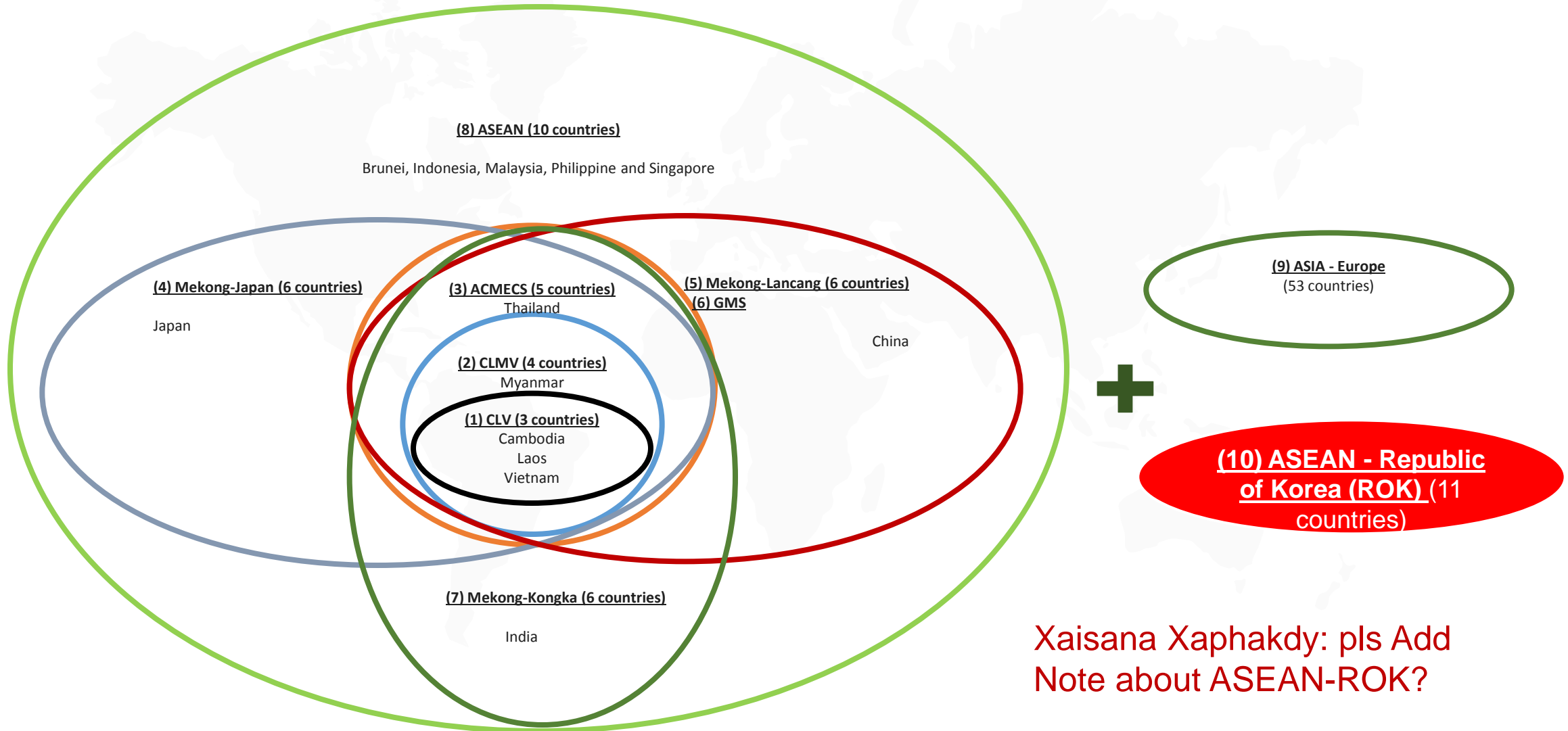
DRY PORTS IN LAO PDR UNDER THE INTER GOVERNMENTAL AGREEMENT ON DRY PORTS

- 1. Thanaleng, Vientiane
- 2. Nateuy, Luangnamtha
- 3. **Savanakhet, Savanakhet (developed)**
- 4. Houyxai, Bokeo
- 5. Laksao, Borikhamsai
- 6. Luangprabang, Luangprabang
- 7. Oudomsai, Muangxai
- 8. Pakse, Champasack
- 9. Thakhek, Khammouane



III. Transport Connectivity Infrastructure Development and Regional Integration

MPWT has been implementing 10 main multilateral cooperation frameworks



Xaisana Xaphakdy: pls Add
Note about ASEAN-ROK?

III. Transport Connectivity Infrastructure Development and Regional Integration

**(10) ASEAN -
Republic of Korea
(ROK) (11 countries)**

Joint Ministerial Statement of The Eighth ASEAN and ROK Transport Ministers

Under the ASEAN-ROK Strategic Partnership for
Peace and Prosperity (2016- 2020):

- environmentally friendly airports; as well as to strengthen transport networks and operations for air, maritime, road, rail, Inland Waterway Transport (IWT), and multi-modal transport for fast, efficient, safe, sustainable and secure movement of goods and people in the region.
- In further enhancing air transport connectivity between ASEAN and ROK and encouraged the relevant working groups to look into convening the 2nd Meeting of the ASEAN-ROK Working Group on Regional Air Services Arrangements for the conclusion of a more liberal and mutually beneficial air services agreement



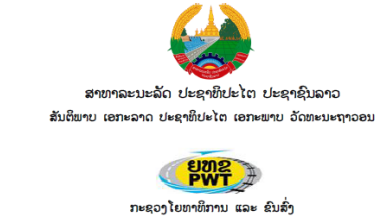
III. Transport Connectivity Infrastructure Development and Regional Integration

ASEAN: Policy for Promoting Regional Connectivity – Institutional

July 2015 Version

Public Works and Transport Development Sectors 2016 - 2020

Public Works and Transport Development Strategy 2016-2025



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ນະຄອນຫຼວງວຽງຈັນ, ເດືອນກໍລະກົດ ປີ 2015

ແຜນການ 5 ປີ (2016-2020)

ຂອງຂະແໜງໂຍທາທິການ ແລະ ຂົນສົ່ງ

ນະຄອນຫຼວງວຽງຈັນ, ເດືອນກໍລະກົດ ປີ 2015

aligned with National Plan and Strategy

Revised version, Dec 2016



ວິໄສທັດຮອດປີ 2030 ແລະ ຍຸດທະສາດການພັດທະນາຂອງຂະແໜງໂຍທາທິການ ແລະ ຂົນສົ່ງ ໄລຍະ 10 ປີ (2016-2025)

ນະຄອນຫຼວງວຽງຈັນ, ທັນວາ 2016



ແຜນພັດທະນາຂະແໜງການໂຍທາທິການ ແລະ ຂົນສົ່ງ 5 ປີ 2016-2020

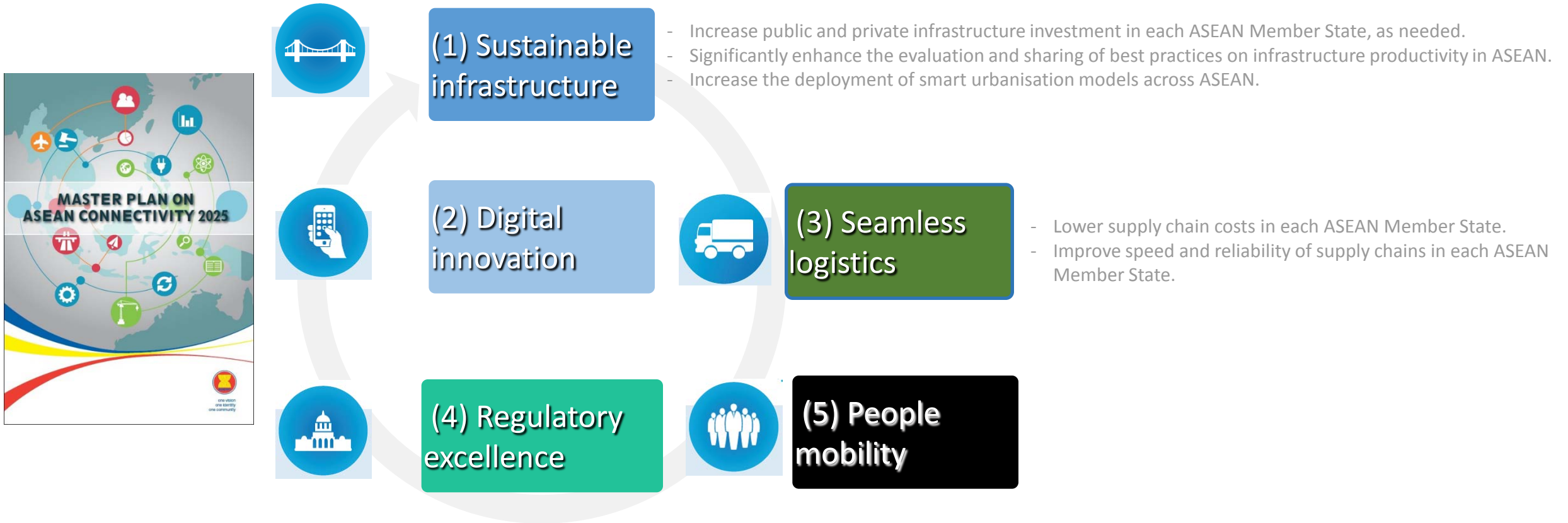
ນະຄອນຫຼວງວຽງຈັນ, ທັນວາ 2016



III. Transport Connectivity Infrastructure Development and Regional Integration

Master Plan on ASEAN Connectivity 2025 (MPAC 2025)

Focusing on five strategic areas to achieve this vision

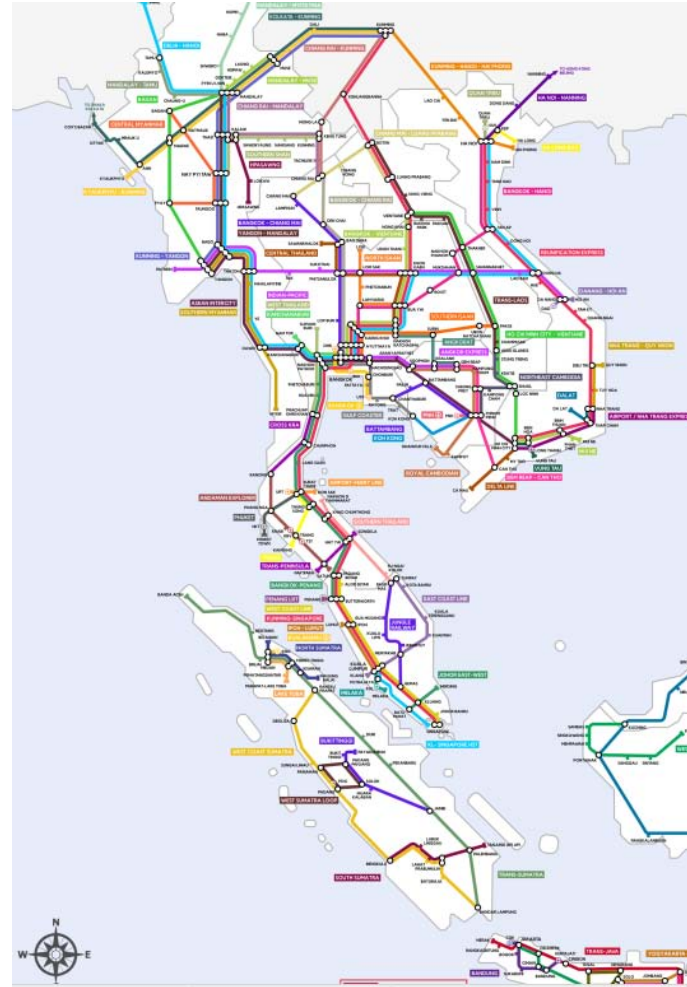


III. Transport Connectivity Infrastructure Development and Regional Integration

Land transport Network



Railway Network

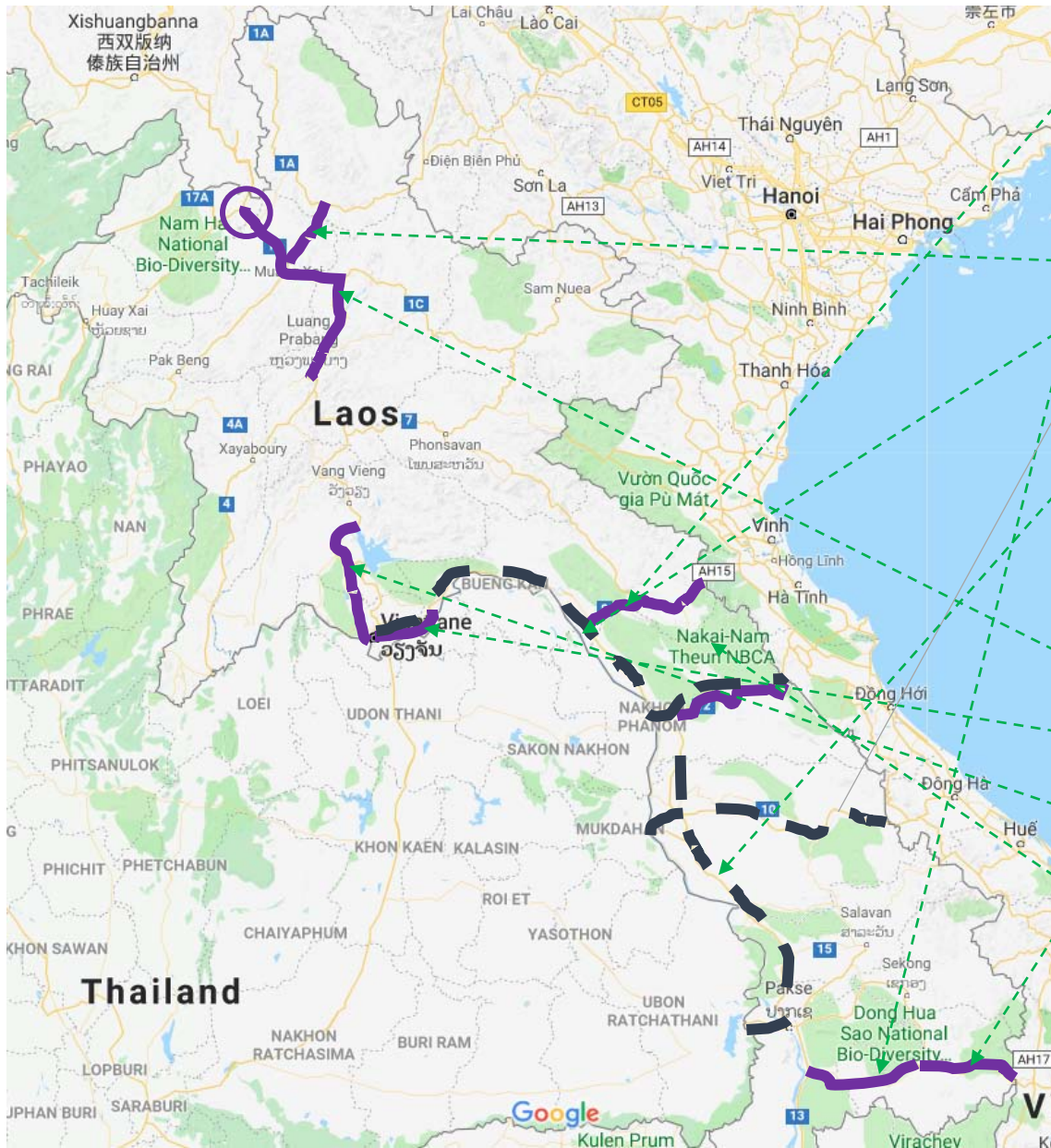


Lao Air Transport Network



ASEAN Transport Connectivity

Project Priority Pipeline for LAO PDR under MPAC 2025



Proposed Projects into ASEAN Rolling Project Pipeline (15/06/2018)

AH15 Upgrade National Road No. 8, Banlao-Nam Phao (98 km of 132 km)

AH123 Upgrade National Road No. 18A (106 Km)

AH13 Upgrade National Road No. 2W (151 Km)

Railway Link from Vientiane in Lao PDR to Vung Ang in Vietnam (554.73 Km)

Savannakhet - Lao Bao Railway Project (220 Km)

Thakhek – Savannakhet – Pakse – Vang Tao 345 Km

AH12 Nateuy - Oudomxai - Luang Prabang - Vientiane (293 of 682 km)

AH11 four lane highway project Vientiane Ban Hay section (63 km)

AH12 four lane highway project from Vientiane - Phon Hong section (73 km)

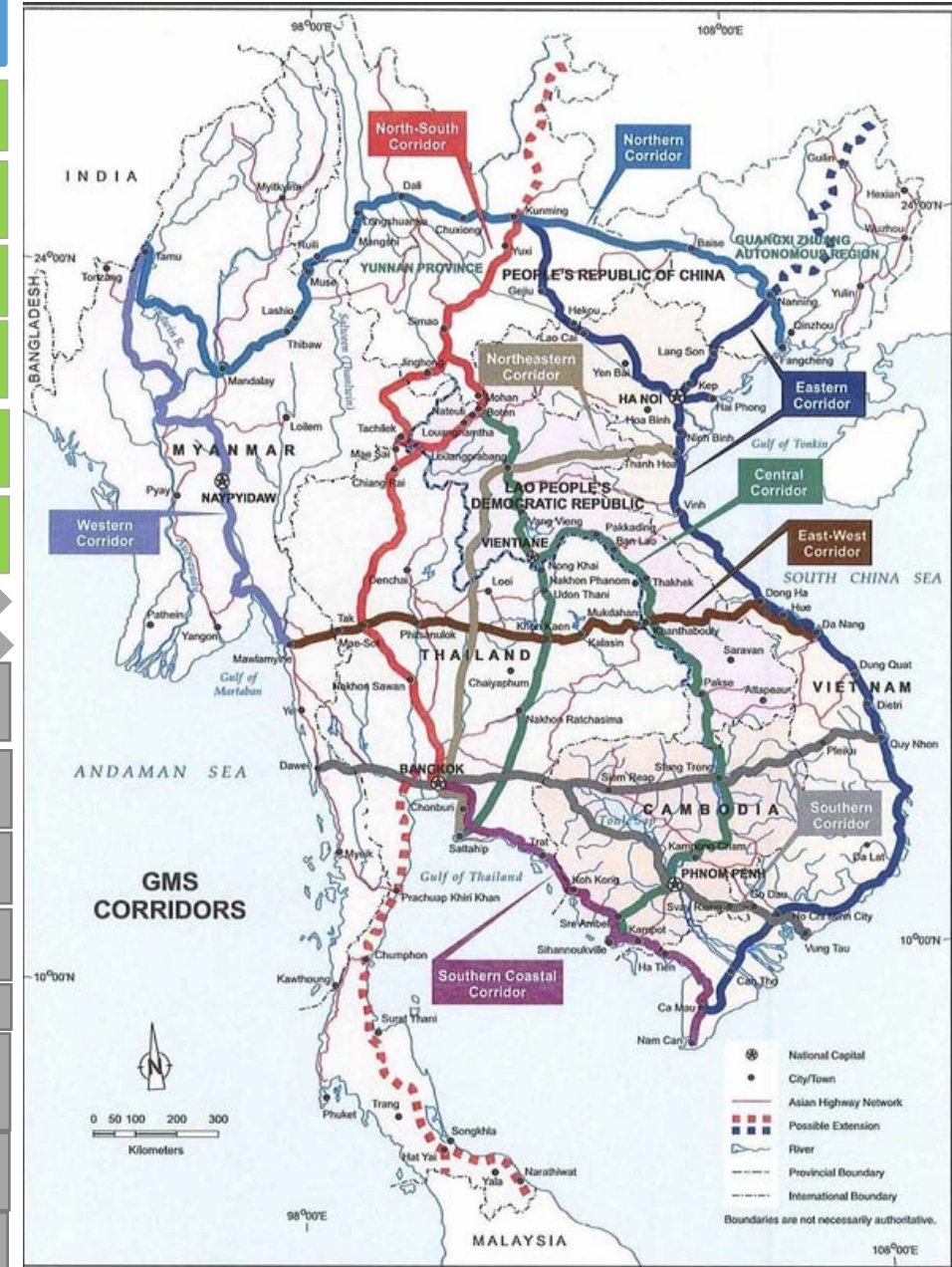
AH131 Thakhek - Na Phao (96 km of 146 km) - (KL Transport Strategic Plan)

AH 132 Phia Fay - Phoukeua (109 of 221 km)

Complete the installation of common road signs and the route numbering system on all TTRs. AH11 and AH12)

ASEAN Single Aviation Market (ASAM) Implementation Framework)

Conduct a study and formulate a regional plan for developing IWT in ASEAN + Thailand and CLMV.



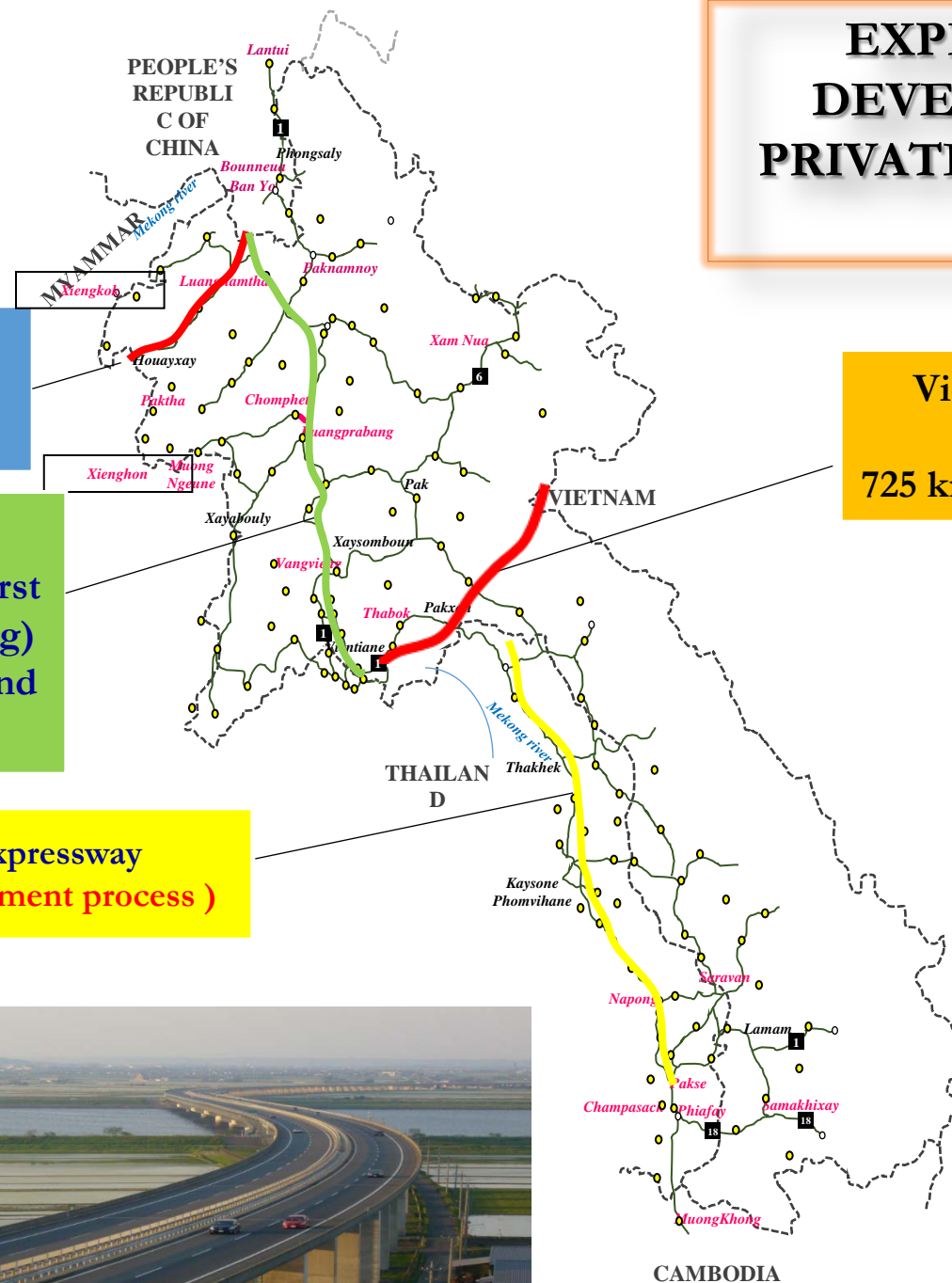
EXPRESSWAYS TO BE DEVELOPED AS PUBLIC PRIVATE PARTNERSHIP (PPP) MODEL

NR 3 Expressway
160 km(FS ongoing)

NR 13 N Expressway
420km (FS Completed first phase from Vte-Vangvieng)
Plan to construction by end of 2018

NR 13 S Expressway
560km (procurement process)

Vientiane-Hanoi Expressway
725 km (Pre FS already)



IV. Lao-Korea Cooperation projects in 2017 & Plan 2018-2019 (1)

No	Projects	Cooperation	Funding Sources	Progress	Plan	Remark
I. Summarize Lao-Korea Cooperation projects in 2017						
1.	FS railway project from Vientiane–Thakhek-Mugia-Vung Ang (Vietnam border)	bilateral	Grant	Completed FS (11/2017)	Propose KOICA to help for Detail Design	
2	FS Upgrade NR 8 to AH 15	bilateral	Grant	FS completed (2017)	Propose Government of Korea to help Detail Design & seeking financing	
3	Pakse Mekong River Integrated Development Project		Soft loan	Under construction, progress is 13%		Ongoing project
4	Vientiane Capital Mekong River Integrated Development Phase 2		Soft loan	Under procured of Supervision Consultant		Ongoing project

IV. Lao-Korea Cooperation projects in 2017 & Plan 2018-2019 (2)

No	Projects	Cooperation	Funding Sources	Progress	Plan	Remark
I. Plan 2018-2019						
1	FS railway project from Thakhek- Savannakhet-Pakse-Veunkham (Cambodia border)	bilateral	Grant	Under KOICA consideration concept paper	Propose Government of Korea to support financing for FS	
2	Detail Design railway project from Vientiane–Thakhek-Mugia-Vung Ang (Vietnam border)	bilateral	Grant	Under Propose Government of Korea to Detail Design	Propose Government of Korea to help seeking fund (PPP)	
3	Continue Detail Design Upgrade NR 8 to AH 15	bilateral	Grant		Propose Government of Korea to help Detail Design & seeking financing	
4	A Feasibility Study of Import and Export Logistic Information System and Multi-Modal Transport System Development	bilateral	Grant	Under drafting MOU and prepare for Signing on September 2018	Expected to Sign MOU during the Minister attended in the First ASEAN-ROK Infrastructure Ministers Meeting on 17-20 September 2018.	

IV. Lao-Korea Cooperation projects in 2017 & Plan 2018-2019 (3)

No	Projects	Cooperation	Funding Sources	Progress	Plan	Remark
I. Plan 2018-2019						
5	Solid waste management in Vientiane Capital and Wastewater management in Pakse project	bilateral	Grant	Waiting approval from MOF Korea	Project will start in 2019	This project is under Development of Green Cities project in Lao PDR
6	Pakse Transportation Master plan	bilateral	Grant	Pre FS Completed and now Under KOICA consideration to make Full FS		
7	Inland Waterway Transport Development project	Multilateral	Grant	Under preparing project proposal		Plan
8	Solid waste management project in 3 south provinces of Lao	bilateral	Grant	Plan		Plan

V. Key Challenges on Infrastructure Connectivity Development

- 1. Budget gaps to investment in infrastructure projects, which is esstially important for neighbouring and regional links and integration, particullarly for upgrading the national roads to meet ASEAN highway standard, railways network construction, transport facilities, airport improvement, road safety, and logistic parks and hubs;**
- 2. The Lack of maintaining budget and effective mechanism for existing infrastructure and assets, like roads & bridges, border crossing facilities, logistical access to links between inter-model transports;**
- 3. The increasing climate change and disasters impacts and incidents, including heavy rains, landslides, and flash flooding, which brings about more severe damages to transport infrastructure assets year by year;**
- 4. The insufficient and limited financing sources, especially private sector participation in all modes of PPPs; and**
- 5. The lack of necessary institutions, legal frameworks as well as competent human resources, especially at technical and specialized levels of the sector.**

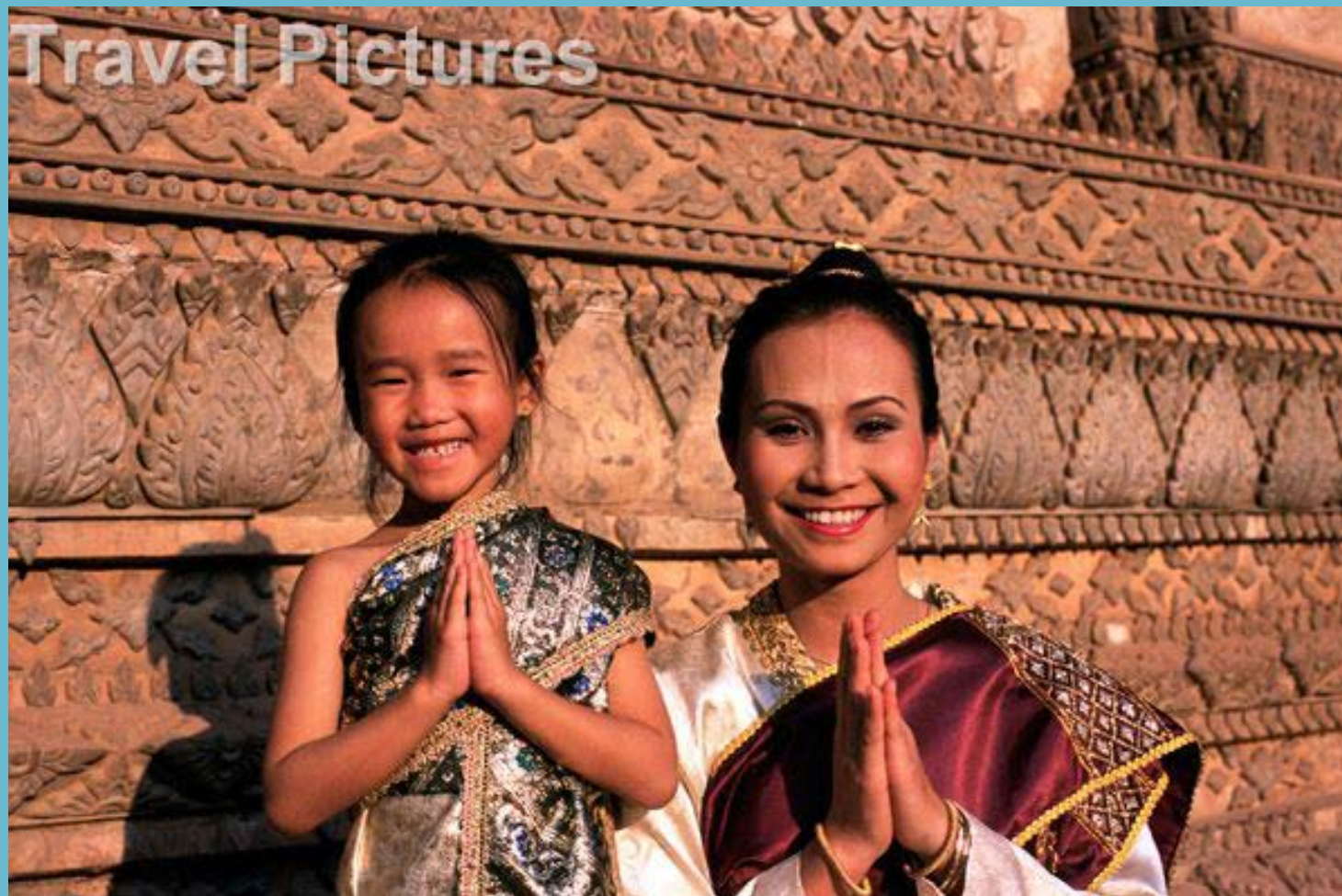
VI. Ways Forwards

- 1. Stick to the sector and national connectivity policy and plans with prioritization in place on infrastructure investment and developments of new projects; In this particular ASEAN-ROK Infrastructure Meeting, Lao PDR has identified two priority projects, including (1) Detail Design and Construction for AH No. 15 (National Road No.8), and (2) FS for Railway Thakhaek – Pakse – Veunkham/Lao – Cambodia Border.**
- 2. Review and improve maintenance fund sources domestically, and find additional sources of funds, such as regional maintenance funds for regional transit routes;**
- 3. Cooperate even more with development partners to investment in sustainable and climate resilient infrastructure pilot and pioneer projects;**

VI. Ways Forwards

- 4. Promote and invite more participation of private sector in public infrastructure investments through PPP models; and**
- 5. Strengthen and develop institutions, legal frameworks and human resources to cope and right to the sector professional needs.**

Thank you for your attention.



고맙습니다

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