



Asia takes first step on modern 'Silk Route'

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An ambitious plan to create a modern Silk Route of roads and railways linking East Asia with Europe has made its first substantial progress, as the BBC's Vaudine England reports from Hong Kong.

A seemingly obscure agreement on traffic rights between Vietnam, Laos and Thailand now allows trucks to transit the three countries without having to unload cargo at border crossings for trans-shipment.

This will cut costs and time for regional trade, funding agencies say, and is expected to have far-reaching consequences for the region's trade.

The formal opening of the East-West Corridor is part of a regional plan to break down barriers at borders across mainland South-East Asia, and later, beyond.

Overland transport time between Vietnam and Thailand has been shortened by the agreement for commercial trucks from Thailand and Vietnam to be able to enter each others' territory for the first time to deliver and pick up goods.

Ceremonies were held last week at the two major border gates along the East-West Economic Corridor: between Lao Bao in Vietnam and Dansavanh in Laos, and between Savannakhet in Laos and Mukdahan in Thailand.

Highways to trade

The corridor - an upgraded highway with the transit agreements in place - runs from Danang, Vietnam, through Savannakhet, in the Lao People's Democratic Republic, or Laos, and into Thailand.

Shipments previously needed to be unloaded and re-loaded in Lao territory.

Ultimately, the corridor is intended to extend to Burma, also a member of the Association of South-East Asian Nations (Asean) and the smaller grouping, the Greater Mekong System or GMS.

The GMS comprises Vietnam, Laos, Thailand, Cambodia, Burma and the southern Chinese province of Yunnan.

Thailand is thought to be providing financing to upgrade the road to the Andaman coast of Burma, while the Asian Development Bank (ADB) has been the prime mover behind the corridor idea.

Opportunities



Until the traffic rights deal was signed, goods had to be trans-shipped in Laos, leading to criticism that Lao operators will now miss out on that source of income.

"Yes, there may be some sort of negative impact on Laos," said Jean-Pierre Verbiest, country director in Thailand for the ADB.

"But at the same time, it gives Laos the opportunity to develop its own trucking industry," he said, pointing to the pivotal location of the land-locked country.

The ADB is involved in projects for people living along the corridor, including service and tourism industries such as access routes to tour sites off the main corridor road, he said.

There is also an idea to build a road south through Laos alongside the Mekong River, past Champasak into Cambodia and on to Ho Chi Minh City (formerly Saigon) in southern Vietnam.

This would also offer road links to the Cambodian capital Phnom Penh and the major destination of Siem Reap, next to the Angkor Wat temple complex.

"It's at the design stage now, but the terrain is good," Mr Verbiest told the BBC.

Huge network

"Ten years after Laos, Thailand and Vietnam first agreed to ease cross-border traffic rules, the promise of that agreement is truly being realised," said Arjun Thapan, director general of ADB's South-East Asia department.

"Narrow dirt trails that were once used to transport refugees and military hardware have given way to modern highways carrying electronic goods, exotic fruits and tourists," he said in a press release.

"You can now set out from Thailand, do business in Laos, and arrive in time for dinner at Danang in Vietnam - all in the space of a single day," he added.

About 1,200 commercial vehicles - 400 from each country - have initially been provided with permits to use the East-West Corridor to enter neighbouring countries.

Under the Cross Border Transport Agreement between the countries, some shipments can be certified as "low risk", allowing the shipments to be fast-tracked at border-crossing check points.

Container seals will now be routinely accepted for the duration of the transit route, which will impede theft and damage previously caused by multiple container openings and unloadings, the ADB said.

The last physical link of the road was completed in December 2006 with the completion of the second Mekong Bridge.

Planners envisage a huge network of roads, and the Trans-Asia Railway, to link not just Indochina but to provide for overland travel from Singapore, north through Malaysia, Thailand, Vietnam, Cambodia, Laos, into China and so, one day, to Europe.

The UN-backed Trans-Asian Railway now has nearly 74,700km of working track serving 29 countries, and estimates for completion range from 10 to 15 years.
<http://news.bbc.co.uk/2/hi/asia-pacific/8102422.stm>