

North-South Economic Corridor Progress, Issues and Way Forward

Second GMS Economic Corridors Forum
Phnom Penh, Cambodia
16 September 2009



¹ ADB

Scope of Presentation

- Background
 - Configuration and alignment
 - Development potential
 - Strategy and Action Plan
- Progress
- Issues and Way forward



² ADB

The views expressed in this paper/presentation are the views of the author and do not necessarily reflect the views or policies of the Asian Development Bank (ADB), or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this paper and accepts no responsibility for any consequence of their use. Terminology used may not necessarily be consistent with ADB official terms.



Development Potential

- Endowed with abundant natural and human resources
- Many complementarities among NSEC areas
- A “natural” economic corridor



Strategic Role in GMS Development

- Serves as one of the main land routes in GMS
- Opens up another sea access to landlocked areas
- Links the economic hubs in the central and northern areas of the GMS region
- Improve infra along the axis of corridor
- Serves as principal gateway for China-ASEAN trade



5

ADB

TOWARD SUSTAINABLE AND BALANCED DEVELOPMENT OF THE NORTH-SOUTH ECONOMIC CORRIDOR

Strategic Framework

Vision

- Dynamic, progressive, well-integrated
- Locomotive for socio-economic development
- Able to attract domestic and foreign investment
- Functioning as gateway for ASEAN-PRC trade

Ultimate Goals

- Generate higher income
- Increase employment opportunities
- Reduce income disparities
- Improve living conditions

Objectives

- Ensure that NSEC development is economically, socially and environmentally sustainable
- Enhance the competitiveness of the corridor
- Pursue underlying comparative advantages and complementarities

Strategic Priorities

- Mainstream measures dealing with social and environmental concerns
- Strengthen physical infra needed for economic integration
- Facilitate cross-border transport and trade
- Promote investment in key sectors and development of industrial clusters
- Address human resource constraints
- Establish/enhance institutional arrangements and mechanisms



6

ADB

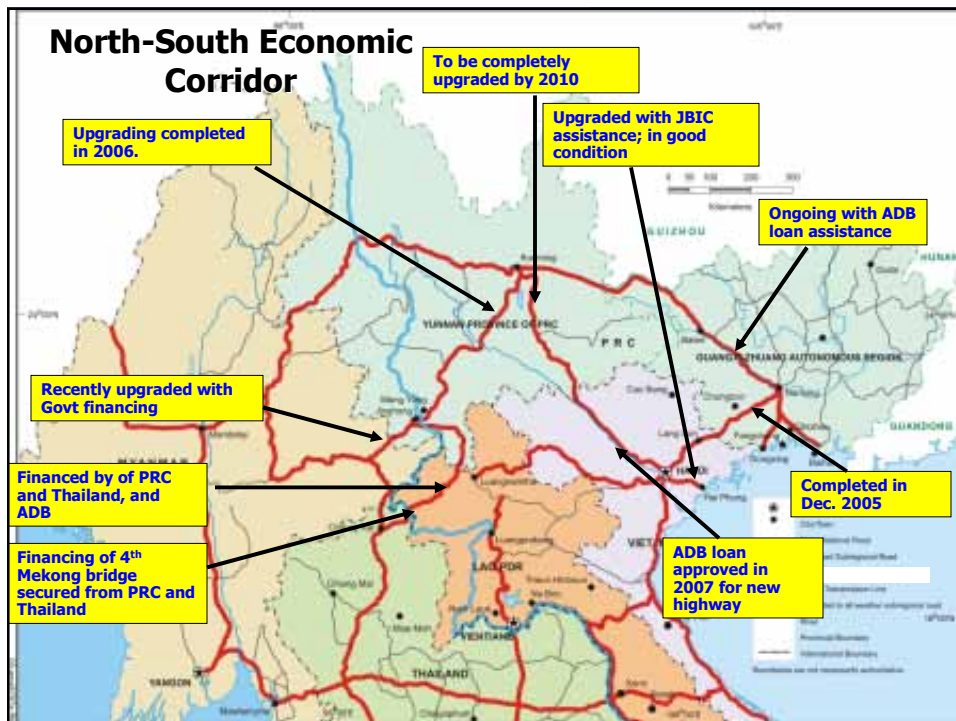
Overall Progress

- Transport corridor substantially completed except for the Mekong bridge between Houaxay and Chiang Khong.
- Action on “soft” aspects needs to catch up to transform transport corridor into an economic corridor.



7

ADB



Issues and Constraints (1)

- Physical infrastructure and facilities
- Logistics
- Policies, regulations, procedures and standards
- Human resources



9

ADB

Issues and Constraints (2)

- Negative social and environmental impact
- Institutional factors
- Information



10

ADB

Way Forward: NSEC Action Plan

- Strengthen infrastructure and facilities
- Facilitate cross border transport and trade
- Promote and facilitate investments
- Address human resource constraints
- Deal effectively with social and environmental issues
- Enhance institutional mechanisms and public-private partnerships



11

ADB

Specific issues to be addressed

- Accelerate the implementation of CBTA
- Put more emphasis on trade facilitation to enhance the trade flow in the region
- Increase business participation
- Explore ways to attract investment
- Coordinate among the three GMS corridors



12

ADB

Thank you.



13

ADB