

Transit Trade Action Plan to Address Issues Faced by Lao Trade Transiting through Thailand and Vietnam

for

**Department of Import and Export
Ministry of Industry and Commerce**



FINAL REPORT

January 2019

Contents

Introduction	3
Action Plan Principles.....	3
Implementation Phasing for Transit Trade Action Plan.....	3
Transit Trade Action Plan (2019-2022)	4
Next Steps	5

Introduction

The central objective of the Transit Trade Action Plan (TTAP) is to propose a series of concrete and sequenced activities to address the key transit trade issues that were identified in the initial study. The timeframe of the TTAP aligns with that of the Lao PDR Trade Facilitation Roadmap (2018-2022).

Action Plan Principles

An Action plan should be developed based on the SMART framework detailed below:

Specific – Objectives need to be clear and detailed.

Measurable – Results need to be measurable. Outcomes should produce tangible rewards.

Agreement – The stakeholders who have to make it work need to agree to it.

Realistic – The stakeholders have to believe it is possible to achieve.

Time-specific – Deadlines for achieving each stage should be set. The ultimate goal can also be given a deadline. These should be in the foreseeable future. Small enough to be handled, large enough to show results.

Implementation Phasing for Transit Trade Action Plan

The TTAP will be delivered in four phases as detailed below.

Kick-off Phase (February 2019 – April 2019). The objective of this phase is to secure the necessary approvals for the TTAP.

Short-Term Phase (April 2019 - December 2019). This phase will focus on the implementation of priority measures detailed in the transit trade study (i.e., increasing transparency for traders through the publication and dissemination of transit trade-related procedural information, documentation requirements and fee information; identification of potential enquiry points at relevant agencies). In addition, this phase will include the development of a capacity building strategic plan for national and provincial entities involved in transit trade. The study also highlighted several legal and regulatory issues such as the 3-day rule for Thai trucks operating in Lao PDR and the purported bans on animal transit trade in Lao PDR and palm oil transit trade in Thailand. This phase will also include the convening of a tri-lateral forum involving Lao PDR, Thailand and Vietnam to review these issues as well as examine the countries' overall progress in harmonizing national legislation and bilateral agreements to accommodate the CBTA and ACTS.

This phase will also provide opportunities for greater engagement with private sector stakeholders. A Lao Business Forum (LBF) Transport Working Group meeting will be organized to tackle the informal fee payment issue that is an ongoing concern of traders in Lao PDR. Finally, a GMS-Joint Committee-CBTA meeting will be convened to assess the status of the Early Harvest Action Plan.

Medium Term Phase (January -December 2020). This phase will focus on training activities designed to build the capacity of staff at relevant agencies to fully understand and successfully implement transit trade agreements. In addition, there will be workshops at key transit trade border points on the Thai and Vietnam borders that are intended to facilitate private sector engagement and interaction with national and provincial level authorities.

This phase will include the launch of a plan to modernize Lao PDR's trucking industry by proposing regulations to encourage new market entrants as well as facilitate joint ventures between domestic and foreign transport companies.

Long Term Phase (January 2021-December 2022). This phase will entail the continued delivery of the plan, launched in the previous phase, to improve the competitiveness of the trucking industry in Lao. The main focus, however, will be the mid-term and final evaluations of the TTAP. These tasks will be sequenced in a manner to ensure that there is adequate time to gather all of the required data and engage with all relevant stakeholders so that the evaluation is as rigorous and informative as possible. The final task will be the preparation of a new Transit Trade Action Plan based on the results of the evaluation.

Transit Trade Action Plan (2019-2022)

TTAP Implementation Schedule

Strategic Measures	Task #	Task	Timeframe	Responsible Agencies
Preparatory work	1	Obtain approval of 2019-2022 Transit Trade Action Plan	Feb. – April 2019	DIMEX
Priority measures for improving transit trade such as improved information dissemination and development of capacity building workplan	2	Prepare and publish transit trade procedural information, documentation requirements and fees on Lao Trade Portal, LNCCI website, and all websites of Lao Government entities that are involved in transit trade. Identify potential enquiry points at relevant agencies. Assess the feasibility of developing a Lao PDR Transit Trade Mobile App	May – Sept. 2019	All line departments
	3	Develop a capacity building strategic plan for national and sub-national (provincial) government staff involved in transit trade	June 2019 – Sept. 2019	All line departments
Cross-border cooperation and regional integration	4	Convene a tri-lateral forum involving Lao PDR, Thailand and Vietnam to review and identify remedial measures to address key issues identified in the transit trade study: 3-day rule for Thai trucks in Lao PDR; palm oil transit trade ban in Thailand; animal transit trade ban in Lao PDR; access to ports and warehouses in Thailand. In addition, the three nations will assess the extent of alignment/harmonization of their national legislation and bilateral agreements with ACTS and CBTA and how to address remaining gaps	April – June 2019	DIMEX
	5	Convene a GMS Joint Committee-CBTA to review status of Early Harvest Action Plan	Nov.- Dec. 2019	Ministry of Transport & Public Works and DIMEX

Strategic Measures	Task #	Task	Timeframe	Responsible Agencies
Collaboration with the Private Sector	6	Convene Lao Business Forum (LBF) Transport Working Group Meeting to focus on excessive informal fee payments imposed on traders	June – July 2019	DIMEX, Department of Customs
	7	Design and launch action plan to modernize Lao PDR's trucking industry. It would include adoption of regulations to encourage new transport sector market entrants and promotion of joint ventures between Lao PDR and foreign transport companies	Dec. 2019 – Dec. 2021	MoIC, LNCCI
Strengthening governance structure at sub-national level for improved communications, monitoring & implementation	8	Organize transit trade workshops at two border checkpoints: one at Lao PDR-Thai border and the other at the Lao PDR- Vietnam border	Jan-March 2020	DIMEX, Provincial MoIC offices, LNCCI
Develop institutional mechanisms for effective coordination with line departments	9	Conduct 4 capacity building workshops in 2020 (one each quarter) for key staff in line agencies that are responsible for implementation of CBTA and ACTS	Jan – December 2020	All line departments
Evaluation and the next transit trade action plan	10	Mid-term evaluation of the Transit Trade Action Plan	Aug 2021	DIMEX, line departments, LNCCI
	11	Final Evaluation of Transit Trade Action Plan	Jan 2022	DIMEX, line departments, LNCCI
	12	Preparation and approval of next Transit Trade Action Plan	2022	DIMEX, line departments, LNCCI

Next Steps

1. Review Action Plan with DIMEX
2. Obtain inputs from stakeholders
3. Refine proposed activities/timeframe based on stakeholder feedback
4. Confirm activity owner(s)
5. Determine the level at which each issue will be addressed (Ministerial-level, working group, etc.)
6. Identify potential regional and donor partners who could provide assistance with technical and financial resources
7. Finalize budget and resourcing
8. Launch Action Plan