



Multimodal transport: the case of Laotian garment exporters

Multimodal
transport

Ruth Banomyong

*Faculty of Commerce and Accountancy,
Thammasat University, Thailand, and*

Anthony K.C. Beresford

Cardiff Business School, Cardiff University, UK

663

Received June 2000
Revised December 2000,
March 2001

Keywords *Developing countries, Transport operations, Modelling, Export, Lao*

Abstract *This paper explores the various alternative routes and methods available to garment exporters in Lao PDR, a land-locked country in South East Asia, when exporting to the European Union. Lao exporters are dependent on the transport systems in place in neighbouring countries (i.e. Vietnam, Thailand, Malaysia and Singapore) for transit purposes. A multimodal transport cost-model is used to illustrate and clarify multimodal transport routeing alternatives. A confidence index is also introduced for each route, transport modes and nodal links. Five routeing alternatives are presented in this paper and it is shown that the most frequently utilised route via Bangkok (Thailand) is not necessarily the most competitive in terms of time and cost, while the route via Port Klang (Malaysia) potentially offers a better alternative for Lao garment exporters.*

Introduction

The purpose of this paper is to present a cost model of multimodal transport, which was originally proposed by Boerne (1990) and developed by Beresford and Dubey (1990). The model is stand-alone and flexible enough to be applied to any operational circumstances and to a supply chain of any length. The validity of this model is tested against a real case in international supply chain movement, namely the export of garments from Lao People's Democratic Republic (PDR) to the port of Rotterdam in The Netherlands, one of the main European entry points.

The main elements of the model are as follows: cost, time, distance, transport mode and intermodal transfer. The model is tested using real data over a series of alternative routes between Lao PDR and Rotterdam. The data were obtained from Laotian garment exporters, transport service providers and shipping lines. The model may also be used as a part of the process in transport policy formulation.

Lao PDR is the sole land-locked country in Southeast Asia and is taken in this paper as an illustrative case study. The country is surrounded by five states: the Peoples Republic of China, the Socialist Republic of Vietnam, The Kingdom of Cambodia, the Kingdom of Thailand and the Union of Myanmar. Adequate transport and communications facilities play a vital role in the country's economic development and an efficient multimodal transport system can be one of the key factors in increasing Lao PDR's trade competitiveness.

Tougher international competition and expansion of geographical markets have forced manufacturers and exporters to focus on integrated production and