

Formulating regional logistics development policy: the case of ASEAN

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The Association of South East Asian Nations (ASEAN) is a regional economic grouping that is composed of Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. An ASEAN-wide logistics development policy has been developed and endorsed by ASEAN in August 2007. This logistics development policy is based on the work done by the authors as requested by the ASEAN Secretariat. The authors provided the guiding principles, the six major policy areas as well as the draft of the logistics sector integration roadmap that was finalised and endorsed by ASEAN. It is hoped that the formal endorsement of this important sector for ASEAN economic integration will support logistics liberalisation and development within ASEAN. The purpose of this paper is to explain the methodology utilised in the formulation of the ASEAN logistics development policy that was endorsed by ASEAN member countries.

Keywords: ASEAN; logistics policy development; policy formulation; service liberalisation

1. Introduction

Logistics plays a key role in national and regional economies in two significant ways. First, logistics is one of the major expenditures for businesses, thereby affecting and being affected by other economic activities. Second, logistics supports the movement of many economic transactions; it is an important aspect of facilitating the sale of all goods and services (Grant *et al.* 2006).

Logistics is not only confined within national borders or markets. In each country or region, export and import firms face logistics attributes that may differ from those experienced in the domestic market. International logistics management requires an understanding of the relative transportation efficiencies in different countries. It requires that managers understand the transportation capabilities and characteristics of primary trading countries (Rodrigues *et al.* 2005).

There is within international logistics a complex cross-border environment in which government actors play a prominent part. Moreover, wasteful transaction costs arise in cross-border operations between business actors and government executive agencies (Grainger 2007). Any national or regional logistics policy that is formulated must be able to address these difficult issues.

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