

Logistics Development in the North–South Economic Corridor of the Greater Mekong Subregion

*Ruth Banomyong*¹

Abstract

Traders in the Greater Mekong Subregion require efficient logistics services that can move their goods to the right place, at the right time, in the right condition, and at the right price. It is, therefore, of great importance that regional links among neighboring countries are strengthened to facilitate trade and to develop logistics for better access to the global market. This is particularly true for the North–South Economic Corridor (NSEC), one branch of which extends from Kunming in the People’s Republic of China to Bangkok, Thailand. This branch, which is the focus of this paper, has three separate subcorridors.

A methodology to assess the NSEC macro-logistics system and subcorridors was developed and validated with empirical and secondary data for the three subcorridors in the Kunming–Bangkok branch of the NSEC. Infrastructure connectivity in the NSEC is almost complete, but border crossings are still the weakest link in the macro-logistics system. An integrated approach is needed in order to solve this key problem. This approach should combine solutions to physical infrastructure issues with adherence to rules and regulations. The remaining challenge is how to transform the NSEC subcorridors into fully fledged economic subcorridors that can attract investment and generate economic activities in remote areas of the subcorridors, such as border crossings.

Introduction

The development of logistics services and communication technologies has revolutionized production and distribution processes, creating a global market. Shippers and consignees require efficient logistics services that can move their goods to the right place, at the right time, in the right condition, and at the right price. In the Greater Mekong Subregion (GMS),² it is, therefore,

¹ Centre for Logistics Research, Faculty of Commerce and Accountancy, Thammasat University, Bangkok, Thailand; e-mail: ruth@banomyong.com

² The GMS comprises Cambodia, Lao People’s Democratic Republic, Myanmar, Thailand, and Viet Nam, as well as Yunnan Province and Guangxi Zhuang Autonomous Region of the People’s Republic of China.