

Benchmarking Economic Corridors logistics performance: a GMS border crossing observation

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Abstract

This paper introduces the Greater Mekong Subregion (GMS) cooperation program and its effort to facilitate the movement of goods, people and vehicles across borders to enhance economic integration between member countries. The GMS cooperation has focused on an economic corridor approach to development and a need to assess the logistics performance of these corridors was identified. Even though a regional agreement has been ratified to facilitate border crossings, an assessment observed that the weakest links in the various economic corridors remain the border crossings.

Introduction

The development of logistics services and communication technologies has revolutionised production and distribution processes and created 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.

The improvement of logistics in the Greater Mekong Subregion (GMS) can provide a foundation for further economic integration. For some countries in the subregion, inadequate transport infrastructure and high logistics service costs have constrained economic corridor development and integration. GMS countries are already investing in major infrastructure projects and more are planned.

Physical connectivity between neighbouring countries will be significantly improved on completion of these investments in infrastructure. Improved infrastructure, coupled with expanded cross-border cooperation among the GMS countries, can accelerate the process of integrating the subregion's economic corridors into the rest of the world and the global market.

The purpose of this paper is to introduce the GMS cooperation program and its effort to facilitate the movement of goods, people and vehicles across borders as well as to present an evaluation of the economic corridors' logistics performance. Improved border crossings play a key role in enhancing the logistics performance of the economic corridors under study.

Background

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 (PRC). In 1992, with the Asian Development Bank's (ADB) assistance, the six countries entered into a program of subregional economic cooperation, designed to enhance economic relations among the countries (ADB, www.adb.org/gms/).