

A Guide to ASEAN's Strategic Transport Action Plan

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Aware that well-developed and organized transport infrastructure plays a vital role in economic growth, ASEAN's leadership has recently published its 2016-2025 ASEAN Strategic Transport Action Plan. Dubbed the Kuala Lumpur Transport Strategic Plan, the document sets out specific goals with the intention of boosting connectivity within the region. In the following article, we take a closer look at the initiatives of the plan, what has been done so far, and how the various projects will impact businesses operating within the region.

General Goals of the 2016-2025 Master Plan

The main objective of the master plan is to implement the second pillar of the ASEAN Economic Community (AEC) blueprint – creating a competitive economic region. In the context of the strategic transport plan, the second pillar of the AEC aims to develop ASEAN as a single market and production base by enhancing land, air, and maritime transport between ASEAN member states.

This plan also aims at ensuring a sustainable transport network, by formulating a regional policy framework to support sustainable transport, including low carbon modes of transport, integration of transport, and land use planning.

The region's connectivity with China, South Korea, and Japan is also at the core of the plan, and the development of the ASEAN transport network is expected to combine with China's "One road, One belt" project.

The following sections outline sector specific goals of the project.



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Land Transport Projects

With regard to land transport infrastructure, including roads and rail, the strategic transport action plan highlights the importance of two pan ASEAN projects as well as a number of small initiatives.

In conjunction these projects are likely to be the focal point of land based infrastructure during the coming years.

Large scale infrastructure projects being promoted by the strategic transport plan include the following:

- **The ASEAN Highway Network (AHN):** an infrastructure project that seeks to bring connectivity by building land transport corridors linking all ASEAN member states and countries beyond. This prioritized project seeks to complete the remaining missing links and upgrade roads within ASEAN's designated Transit Transport Routes (TTRs)
- **Singapore-Kunming Rail Link (SKRL) Project:** This project plans to construct a circular rail link connecting the capital cities in all mainland ASEAN countries, such as Thailand, Cambodia, Lao PDR, Viet Nam, and Myanmar. Currently, two sections of the SKRL are under construction. Further, there is the possibility that SKRL could be extended to Surabaya, Indonesia in the event that a pending study green lights the project.

In addition to large scale infrastructure projects, the strategic transportation plan will focus on the following initiatives as a means of boosting the quality of transport for those traveling within the region. Currently the centerpiece of these reforms surrounds motor transport and includes the introduction of the following:

- **Infrastructure Upgrades:** promote the installation of common road signs, route numbering, and aim to enhance the use of the **Intelligent Transport System (ITS)**
- **Improving Road Safety :** ASEAN leaders have set the fight against fatal accidents as a priority for the next ten years. The issue of safety is a pressing concern for many countries within the region. According to the global status report on road safety, issued in 2015 by the World Health Organization, Thailand has been ranked 2nd for the deadliest road traffic, just after Libya. Most of the ASEAN countries are above the average worldwide traffic fatality rate including Vietnam (24 percent), Malaysia (24 percent), and Myanmar (20 percent). In an effort to protect the safety of ASEAN drivers, regional leaders have agreed to push for public safety and awareness by promoting road safety training in schools, road safety information campaigns, and other initiatives.



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Aviation Transport Projects

In the light of the rapidly growing importance of air transportation, along with the accelerated restructuring of the global aviation market, ASEAN's Strategic Transport Plan sets out to strengthen the region's aviation industry through the establishment of the ASEAN Single Aviation Market (ASAM)

To do so, the strategic transport plan includes outlines for the following actions:

- **Air services liberalization:** This effort will focus not only on pursuing further liberalization of air transport's ancillary services, but also the conclusion of aviation agreements with

dialogue partners. As seen in the past with the the landmark ASEAN-China Air Transport Agreement (AC-ATA) and its Protocol on 'unlimited third and fourth freedom traffic rights between contracting parties', future air agreements are likely to open more traffic rights for ASEAN service providers. Notable parties that ASEAN is currently working to establish agreements with include the EU, India, Japan, and Korea.

- **Enhancing Aviation Safety Through International Harmonization:** the agreement plans to adopt regulations such as those prescribed by the International Civil Aviation Organization. The ASM will also work to promote an environmentally-friendly aviation market, as emissions from aviation operations are thought to pose a significant risk to climate change as the industry grows.
- **Enhancement of airport infrastructure:** With the implementation of ASAM, the outbound and inbound air traffic movements in ASEAN will be significantly increased. In view of this, it becomes essential for the ASEAN states to enhance their airport infrastructure, and more specifically, to undertake projects on the construction of regional terminals and low cost carriers terminals, in order to meet the expected surge in economic and tourist air activity.

Maritime Transport Projects

Regarding the maritime sector, the Strategic Transport Plan aims to establish the ASEAN single shipping market and in doing so promote maritime safety in line with international standards. The initiatives within the following policy goals are thought to provide security and develop the strategic maritime corridors within ASEAN.

- **Enhancing the Capacity of the 47 Designated Ports:** The plan aims to enhance regional ports including megaports such as those found in Singapore and Malacca.
- **Develop an Efficient and Integrated Inland Waterway Transport Network:** This project aims to enhance shipping connectivity within CLMV (Cambodia, Laos, Myanmar, Vietnam) nations through the enhancement of river shipping routes within the Mekong region.

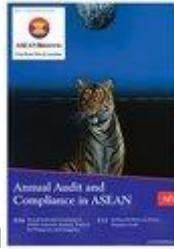
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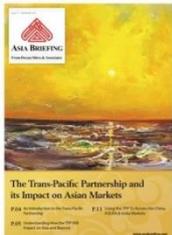


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Enhanced connectivity will be the reigning motif of the forthcoming India-ASEAN summit in Kuala Lumpur. Against this backdrop, the transport ministers from across Southeast Asia are working towards finalising a Transport Strategic Action Plan ahead of the 27th ASEAN summit in Kuala Lumpur from November 18-22.

The ministers gathered on November 5 in Kuala Lumpur for the 21st ASEAN Transport Ministers' Meeting and along with their dialogue partners, China, Japan and South Korea, they are expected to come out with details of a regional master plan over two days of talks.

Finalising the Kuala Lumpur Transport Strategic Action Plan (KLTSAP), which is a 10-year master plan for transportation in the region between 2016 to 2025, is a key objective of the meeting. "It's an overall plan that covers connectivity; that covers how we connect with China, Japan and Korea; how we can further enhance our economic growth," Malaysian Transport Minister Liow Tiong Lai said.

The KLTSAP, also known as the ASEAN Strategic Transport Action Plan (ASTP), aims to enhance connectivity, efficiency, integration, safety and sustainability of ASEAN transport. "An efficient and integrated transport system is imperative for ASEAN to improve our economic competitiveness and facilitate integration with the global economy," Mr Lai said.

Citing that several projects are already in progress, in his opening address, Malaysian Deputy Prime Minister Zahid Hamidi said that "improved connectivity and transport networks comprising land, air and maritime routes throughout the region would contribute significantly to the growth of ASEAN". "Certain enhanced linkages, such as the ASEAN Open Skies and Single Aviation Market, ASEAN Highway Network and the Singapore-Kunming Rail Link, and a well-developed port and logistics infrastructure in ASEAN will enhance possibilities for trade and tourism on a regional and global scale," added Mr Hamidi.

The ASTP includes reduction of greenhouse gas emissions from the transport sector, forming a single shipping market and focus on developing ASEAN's Single Aviation Market.

Proposing a single market and production base for Southeast Asia, the open skies policy is a key component of the regional bloc's plans for an ASEAN Economic Community (AEC). The launch of the AEC, planned for December 2015, is nearing the proposed deadline. As a result the pressure is on for resolutions to be made at this transport ministers' meeting.

India-ASEAN Connectivity

Bolstering India's 'Act East Policy', an agreement has been completed with Myanmar and Thailand to have seamless transit between India and ASEAN. India would also be negotiating a Maritime Transport Cooperation agreement with ASEAN in order to strengthen maritime connectivity. The agreement is likely to be discussed during the India-ASEAN summit.

ASEAN vows to strengthen transport connectivity, integration

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NDO/VNA – Transport ministers from the Association of Southeast Asian Nations (ASEAN) signed a joint statement on strengthening regional transport connectivity and integration during their 21st meeting that closed in Kuala Lumpur, Malaysia on November 6.

The statement said the ministers adopted the Kuala Lumpur strategic transport plan for 2016-2025, which designs a range of solutions to aviation, road and maritime transport to achieve the 2025 Vision of the ASEAN Economic Community.

The ministers asked senior officials and transport working groups to work closely with parties concerned to realise the Kuala Lumpur Action Plan.

On establishing the ASEAN Single Aviation Market (ASAM), the ministers hailed the enforcement of the ASEAN multilateral agreement on the full liberalisation of passenger air services and its implementing protocol.

They expressed satisfaction with the progress of developing the ASAM, including building a legal framework for safety regulations and standards, and an archive on ASEAN aviation transport planning and operation.

About cross-border transport and the transit of passengers and goods, participants called for stronger efforts to expedite the ASEAN Framework Agreement on Cross Border Transport of Passengers. They also underscored the need to strengthen co-operation between transport and customs officials towards effectively implementing the ASEAN Customs Transit System.

Regarding the ASEAN Single Shipping Market (ASSM), they were satisfied with the progress made in the 2015-2016 Action Plan which is based on the ASSM implementation framework.

Strengthened coordinating efforts will play a key role in launching strategies to achieve the

ASSM, they said.

During the meeting, they also adopted the ASEAN Declaration on Road Safety Strategy and the ASEAN Regional Road Safety Strategy, which marked key milestones in reinforcing regional road safety co-operation.

Transport ministers thanked China, Japan and the Republic of Korea for their technical assistance in ASEAN transport projects. They also conveyed thanks to the European Union and Germany for their continuous support of regional transport integration.

The 22nd meeting of this kind is slated for 2016 in the Philippines.