

#### 21st GMS Subregional Transport Forum (STF) Luang Prabang, Lao PDR,19-20 July 2017

# 'Early Harvest' Implementation of the GMS-CBTA

Hideaki Iwasaki

Country Director, Thailand Resident Mission



- 1. Brief Background
- 2. Features of "Early Harvest" CBTA
- 2. Current status
- 3. Next steps
- 4. Related activities



- The GMS CBTA (<u>Cross Border Transportation Facilitation</u> <u>Agreement</u>) provides for a common subregional system based on reciprocity, to make it faster, easier and cheaper to move goods and people throughout the GMS.
  - Currently, vehicles are moving under bilateral agreements only.



- The GMS CBTA (<u>Cross Border Transportation Facilitation</u> <u>Agreement</u>) provides for a common subregional system based on reciprocity, to make it faster, easier and cheaper to move goods and people throughout the GMS.
  - Currently, vehicles are moving under bilateral agreements only.
- The CBTA dates from 1999, completed ratification in October 2015 – Difficult to implement as some provisions are outdated to be implemented.



- The GMS CBTA (<u>Cross Border Transportation Facilitation</u> <u>Agreement</u>) provides for a common subregional system based on reciprocity, to make it faster, easier and cheaper to move goods and people throughout the GMS.
  - Currently, vehicles are moving under bilateral agreements only.
- The CBTA dates from 1999, completed ratification in October 2015 – Difficult to implement as some provisions are outdated to be implemented.
- Balancing the need to update the provisions vs immediate implementation → 'Early Harvest' CBTA implementation package -→ immediate implementation of provisions that can be implemented.



Focusses on the free movement of commercial goods and passenger vehicles

- Focusses on the free movement of commercial goods and passenger vehicles
- Each country may issue up to 500 multiple journey GMS Road Transport Permits to transport operators in its own country

- Focusses on the free movement of commercial goods and passenger vehicles
- Each country may issue up to 500 multiple journey GMS Road Transport Permits to transport operators in its own country
- Each vehicle will also be issued with (and required to carry) a Temporary Admission Document (TAD) to be stamped and dates by Customs officials at the border when entering and exiting another GMS country – vehicle's "passport".

- Focusses on the free movement of commercial goods and passenger vehicles
- Each country may issue up to 500 multiple journey GMS Road Transport Permits to transport operators in its own country
- Each vehicle will also be issued with (and required to carry) a Temporary Admission Document (TAD) to be stamped and dates by Customs officials at the border when entering and exiting another GMS country – vehicle's "passport".
- No limit on the number of journeys, but no single journey can last more than 30 days in any other GMS country

 Vehicles must stick to the route network described in Protocol 1 of the CBTA. Lao PDR will initially open routes 3 and 9 from Houayxay to Boten and Savannakhet to Dansavanh; Myanmar will join in 2019

- Vehicles must stick to the route network described in Protocol 1 of the CBTA. Lao PDR will initially open routes 3 and 9 from Houayxay to Boten and Savannakhet to Dansavanh; Myanmar will join in 2019
- Goods transported will continue to observe current Customs procedures (i.e. the CBTA Annex 6 provisions for transit transport will not apply to the 'Early Harvest')

- Vehicles must stick to the route network described in Protocol 1 of the CBTA. Lao PDR will initially open routes 3 and 9 from Houayxay to Boten and Savannakhet to Dansavanh; Myanmar will join in 2019
- Goods transported will continue to observe current Customs procedures (i.e. the CBTA Annex 6 provisions for transit transport will not apply to the 'Early Harvest')
- No financial (Customs bond) guarantees are required for the movement of goods and vehicles in line with CBTA Article 18

- Vehicles must stick to the route network described in Protocol 1 of the CBTA. Lao PDR will initially open routes 3 and 9 from Houayxay to Boten and Savannakhet to Dansavanh; Myanmar will join in 2019
- Goods transported will continue to observe current Customs procedures (i.e. the CBTA Annex 6 provisions for transit transport will not apply to the 'Early Harvest')
- No financial (Customs bond) guarantees are required for the movement of goods and vehicles in line with CBTA Article 18
- JC (Joint Committee) to review implementation of the "Early Harvest" on annual basis and extend and/or update the MOU timeframe.



#### **Current Status**

- Thailand and PRC signed the Early Harvest MOU at the Second JC Retreat held in Hanoi in May 2017, followed by Cambodia and Myanmar (by ad-referendum).
- Vietnam and Lao PDR are expected to sign soon to enable 'Early Harvest' transport operations to begin in August 2017



#### **Current Status**

- Thailand and PRC signed the Early Harvest MOU at the Second JC Retreat held in Hanoi in May 2017, followed by Cambodia and Myanmar (by ad-referendum).
- Vietnam and Lao PDR are expected to sign soon to enable 'Early Harvest' transport operations to begin in August 2017
- Joint Committee agreed to meet twice a year (originally every three years) to monitor implementation. A special session with operators would also be convened at JC Meeting
- Training and outreach materials are being developed (with translation into all GMS languages) and will be posted on the GMS TTF web page at <u>www.greatermekong.org/ttf</u>
- ADB is requested to help facilitate NTFC in monitoring 'Early Harvest' implementation for deliberation in NTFC's reporting to the Joint Committee Meetings.



Next Steps

- Vietnam and Lao PDR to sign the 'Early Harvest' MOU
- Formal launch of operations (vehicle movements using GMS Permits and TADs) from August 2017
- Countries to exchange the list (or Register) of the GMS Road Transport Permits and TADs issued by each GMS Country.
- Customs officials will be briefed at the participating Protocol 1 border crossings to recognize, stamp and date the TADs Lists (or Registers) of the GMS Road Transport Permits and TADs issued to be exchanged
- Monitoring of implementing status and issues (vis-a-vis officials and the private sector) to be undertaken and reported to the next formal meeting of the Joint Committee later in 2017



#### **Related** activities

- Road Usage Maintenance Charge (RUMC) scheme to be piloted in Lao PDR based on Protocol 2 of the CBTA
- Myanmar is expected to conclude negotiations on a bilateral agreement with Thailand this August (with other agreements with neighboring counties in preparation for its 'Early Harvest' accession in 2019)
- In parallel with the 'Early Harvest', the NTFCs are working to update and improve the existing CBTA with a set of 'CBTA 2.0' texts currently under consideration
- Need for parallel focus on infrastructure upgrading including at border crossing points for the purposes of Single Stop Inspection (CCAs) with only one SSI/SWI site currently in operation



# Thank you!