



# Boosting container trade flow in intra-ASEAN trade – The Rail Option

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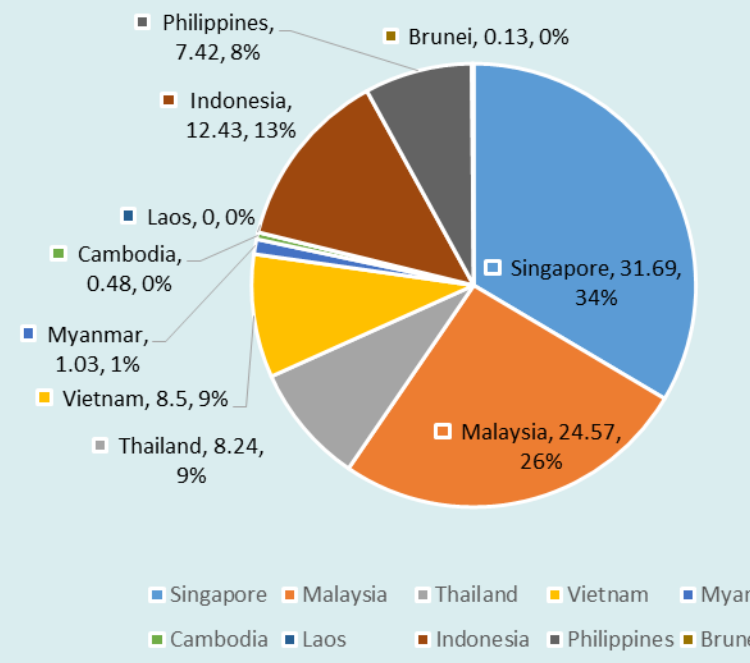


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# ASEAN Port Container Throughput

ASEAN Port Container Throughput 2016 (Million TEUs)

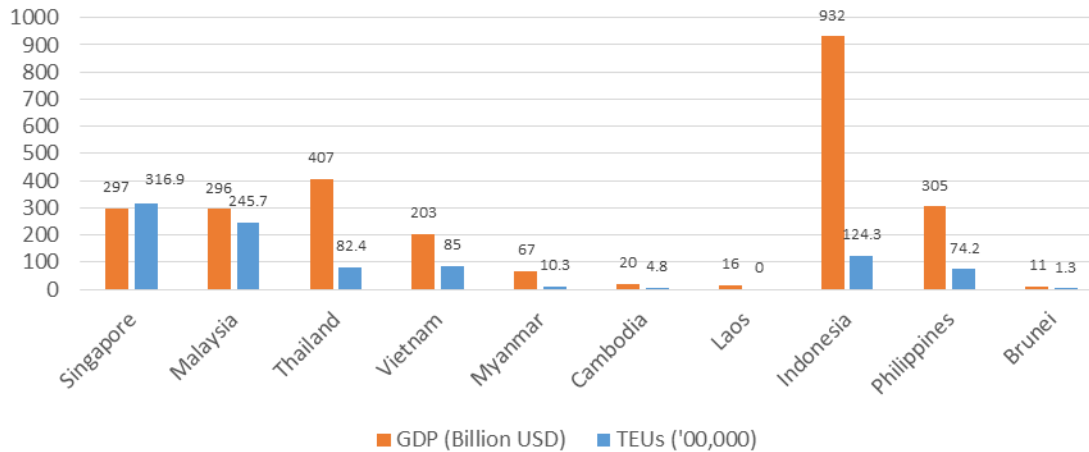


Source: World Bank

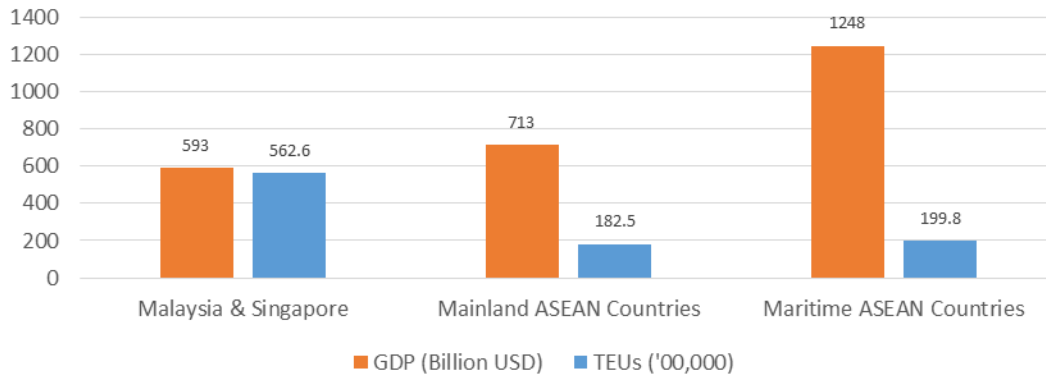
• Malaysia and Singapore handled 60% of the 95 Million TEUs container throughput recorded by ASEAN ports in 2016

# ASEAN GDP Vs Container Throughput

ASEAN Countries 2016 GDP Vs Container Throughput



ASEAN Countries 2016 GDP Vs Container Throughput (by selected groupings)



- Malaysia and Singapore transport network and infrastructure are relatively better than the other 2 groups hence the breadth of connectivity and its resulting cost effectiveness actually translates to higher container throughput.
- Despite higher GDP for both Mainland and Maritime ASEAN countries, container throughputs are lower than the first group.
- If this level of infrastructure and connectivity can be expanded to encompass the rest of ASEAN, the resulting logistics cost effectiveness can lead to an increase in trade flow in intra-ASEAN trade.
- Rail Transport can play a significant role in providing this connectivity

# Increase Utilisation of Rail Network

- Rail Infra projects are already underway across ASEAN
  - Kunming Rail to connect China, Singapore and all the countries of mainland Southeast Asia
  - Plans to dual-track Thailand's railways as well as electrical train to connect Kanchanaburi to Bangkok and Aranyaprathet
  - In 2016, construction has commenced on the US\$5.5 billion link between Jakarta and Bandung
  - Proposal for 900 km Integrated Luzon Railway
  - Various rail projects in Malaysia currently under review

# Trans-Eurasian land bridge – a transport alternative

2020: DB transports 100.000 container by train between China and Germany

**North Route**

**South Route**

To be developed: - - - **New Silk Road**



- Since 2011 **weekly container train services**
- 2015: **400 trains** transport **30.000 container** on North and South Route
- **12 to 16 days** for **10.000** resp. **13.000 kilometres**
- **New Silk Road** connects Central Asia via West Asia and Middle East with Europe

# Increase Utilisation of Rail Network

- Increased freight movement by rail needs to be supported by the right policies, incentives and other support structures that promote connectivity between modes:
  - Policy of Road playing feeder role to Rail - Road Shift Grants
  - Creation of Freight Villages along railway tracks for the integrated mode of transfer between rail and road

# Increase Utilisation of Rail Network

- Policy and directives to use rail as first mode of choice especially for long distance and cross border cargoes.
- More rail siding facilities and equipment support
- Introduce Private Rail Operators and Management Plans
- Efficient Cross-border Clearance



# Conclusion

- Better intra-Asean connectivity is important to boost trade
- Rail can improve trade between Mainland ASEAN countries with other ASEAN countries
- For freight rail to succeed, it is important for it to be supported by the right policies and supporting infrastructures and mechanism