

"Current Status and Issues of Logistics Network in ASEAN"



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ASEAN Logistics Connectivity







ASEAN 2003 Bali Declaration...



"the ASEAN Economic Community is the realisation of the end-goal of economic integration as outlined in the ASEAN Vision 2020, to create a stable, prosperous and highly competitive ASEAN economic region in which there is a free flow of goods, services, investment and a freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities in year 2020".

Source: ASEAN Secretariat, 2003



AEC's 4 Strategies:



- Establish a single market and production base;
- Ensure a highly competitive economic region;
- > Encourage equitable economic development;
- Achieve full integration of the region into the global economy.

2015 The year these 10 countries will form the ASEAN Economic Community



From top-left to bottom-right:

Brunei Indonesia Cambodia Singapore Malaysia Laos Myanmar Thailand Philippines Vietnam

THE WORLDFOLIO COM



ASEAN Logistics Roadmap



- √ liberalisation of logistics services,
- ✓ enhancing competitiveness of ASEAN logistics services providers through trade and logistics services facilitation,
- √ expanding the capabilities of ASEAN logistics service providers, human resource development, and
- ✓ enhancing multi-modal transport infrastructure and investments.



ASEAN

Logistics Connectivity Projects



- √ Transport infrastructure development,
- ✓ Streamlining customs and trade procedures, and
- ✓ the implementation of the ratified regional transport agreements





Major Challenges



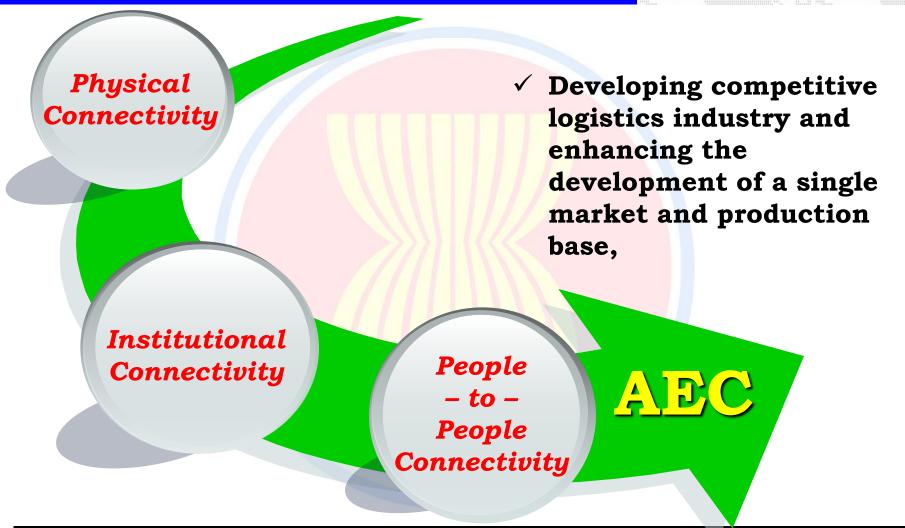
how to manage obligations and measures set out in ASEAN Logistics Road Map in an efficient and timely manner with limited resources?

how to improve supply chain cooperation between the government and business sectors, (especially SMEs), to ensure the sustainability of the region's logistics connectivity.







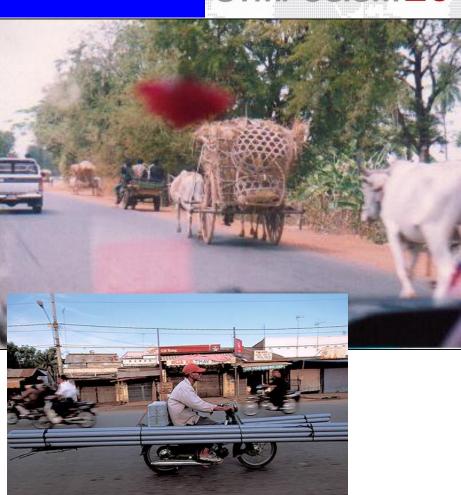






Physical Connectivity







Defining 'Connectivity' in AEC – Physical Connectivity



Strategies							
1	Complete the ASEAN Highway Network						
2	Complete the Singapore-Kunming Rail Link (SKRL) project						
3	Establish an efficient and integrated inland waterways network						
4	Develop an integrated, efficient and competitive maritime transport system						
5	Establish integrated and seamless multimodal transport systems to make ASEAN the transport hub in the East Asia region						
6	Accelerate the development of ICT infrastructure and services in each of the ASEAN Member States						
7	Prioritise the processes to resolve institutional issues in ASEAN energy infrastructure projects						

Source: ASEAN Secretariat



Defining 'Connectivity' in AEC - Institutional Connectivity





Framework on Accountancy Services



RCEP

Institutional Connectivity





Defining 'Connectivity' in AEC - Institutional Connectivity



Strategies							
1	Fully operationalise the three Framework Agreements on transport facilitation						
2	Implement initiatives to facilitate inter-state passenger land transportation						
3	Develop the ASEAN Single Aviation Market (ASAM)						
4	Develop an ASEAN Single Shipping Market						
5	Accelerate the free flow of goods within ASEAN region by eliminating barriers to merchandise trade within the region						
6	Accelerate the development of an efficient and competitive logistics sector, in transport, telecommunications and other connectivity-related services in the region						
7	Substantially improve trade facilitation in the region						
8	Enhance border management capabilities						
9	Accelerate further opening up of ASEAN Member States to investments from within and beyond the region under fair investment rules						
10	Strengthen institutional capacity in lagging areas in the region and improve regional-subregional coordination of policies, programmes and projects						

Source: ASEAN Secretariat



- Institutional Connectivity



ASEAN Framework Agreement

- ☐ ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAFGIT),
- □ ASEAN Framework Agreement on the Facilitation of Inter-State Transport (AFAFIST),
- ☐ ASEAN Framework Agreement on Multimodal Transport

(AFAMT).





- Institutional Connectivity



5 priority projects:

- ✓ Developing and operationalising mutual recognition arrangements (MRAs) for prioritised and selected industries;
- ✓ Establishing common rules, standards and conformity assessment procedures;
- ✓ Operationalising all NSW and the ASW;
- ✓ Providing options for a framework intended to phase -out the scheduled investment restrictions / impediments;
- ✓ Operationalising ASEAN agreements on transport facilitation.



Institutional Connectivity



Wishes of Stakeholders (Business & Academia):

- > Liberalization of transport and other logistics services to allow up to 70% foreign investment;
- Liberalization of goods and other NTB;
- For investment promotion and liberalization to both local and foreign investors who have substantial business operations in the region;
- Encouragement of enterprises to develop interoperable SCM systems in ASEAN



- Institutional Connectivity



Wishes of Stakeholders (Business & Academia):

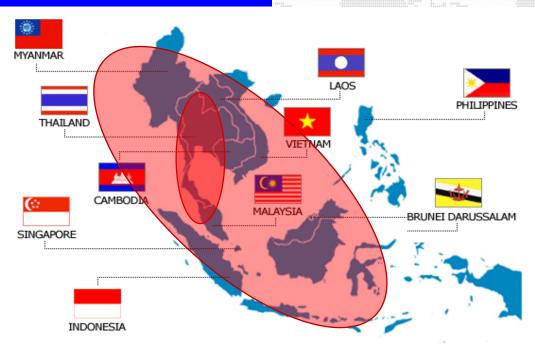
- ✓ Free-flow of skills and labour & establishment of an MRA for logistics professionals and trade persons;
- ✓ Enhancement of the transparency of domestic regulations for logistics-related regulations;
- ✓ Acceleration of the implementation of domestic regulations to be in-line with the ratified ASEAN framework agreements related to transport and logistics;
- ✓ Establishment of more regulatory free areas such as free ports, customs free zones, and (SEZs).



Defining 'Connectivity' in AEC - People to People Connectivity







Strategies

- 1 Promote deeper intra-ASEAN social and cultural understanding
- 2 Encourage greater intra-ASEAN people mobility

Source: ASEAN Secretariat



Defining 'Connectivity' in AEC - People to People Connectivity



- Adoption of best practices in logistics, and supporting the development of SMEs in the sector, including the creation of SME networks;
- Development and update of an ASEAN database on LSP with an aim toward enhancing the development of networking activities;
- > Development and Improvement of skills & capacitybuilding through joint training and workshops;



Defining 'Connectivity' in AEC - People to People Connectivity



- > Introduction NSCS for logistics services providers;
- Development of an ASEAN Common Core Curriculum for logistics management;
- Establishment of national and sub-regional Centres of

 Excellence.

 Mr. Thomas Sim Land Supply chain manage manage





AFFA Project - Sustainable HRD in Logistic Services for ASEAN Member-States (Common Core Curriculum)



Planning phase for drafting corecurriculum

Refinement of project syllabus in consultation with 15 experts & trg. manuals development



ASEAN Federation of Forwarders Associations (AFFA)

Implementation of 1st TOT (basic level programme)

Future Proposal:
Setting-up of Sub-Regional
'Centre of Excellence'

*For 50
selected
trainers
(Pedagogy &
Andragogy
Methodology
will be
delivered
as well)

Implementation of 2nd TOT (intermediate level programme)

Implementation of 3rd TOT (advance level programme)

Evaluation & Recommendation and Reports Submission



AFFA Project - Sustainable HRD in Logistic Services for ASEAN Member-States (Common Core Curriculum)



- 1. Fundamental of Logistics and Supply Chain Management
- 2. Multimodal Transport Law and Operations
- 3. Cross Border Transport Operation
- 4. Transport Operations Management
- 5. Transport Corridors & Supply Chain Security
- 6. Dangerous Goods Handling (All Transport modes)
- 7. Risks Management (including International Conventions)
- 8. Trade Management (including UCP 600 & INCOTERMS 2010, etc.)
- 9. Warehouse Management & Distribution
- 10. Information Technology in Freight Transport & Supply Chain Management
- 11. Project Transportation
- 12. Cargo Packaging and unitization
- 13. Marketing for Logistics
- 14. Logistics Planning and Analysis
- 15. Supply Chain Collaboration & Logistics Solutions
 - *(Pedagogy & Andragogy Methodologies/Trainings to be included)





AFFA Project - Sustainable HRD in Logistic Services for ASEAN Member-States (Common Core Curriculum)









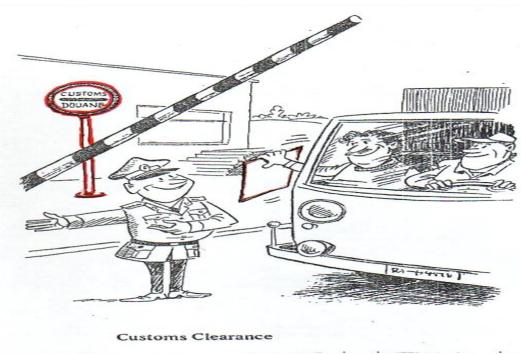








 To achieve substantial liberalisation of logistics services by eliminating tariff and non-tariff barriers;



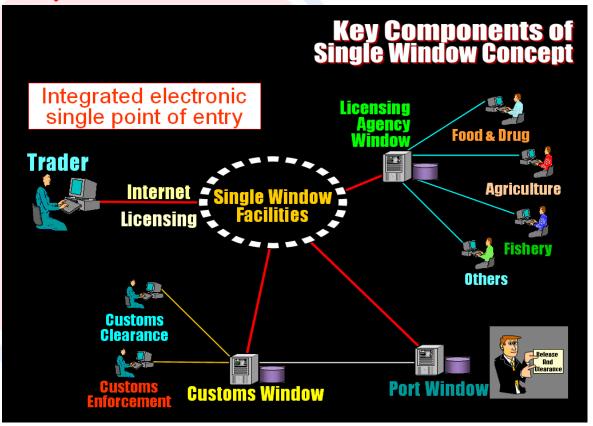






2. To create the pre-condition for the free flow of goods;

Our job is to break down those barriers -- whether they are tariff or non-tariff barriers -- because it is essential to our continued economic growth and prosperity.









3. To enhance the competitiveness of ASEAN LSPs through trade (such as simplifying documentation) and logistics (transport) facilitation;



World Bank's Logistics Performance Index



LPI measures 6 dimensions of Country Performance in Supply Chain Service Delivery:



1. Efficiency of the clearance process (incl. **Customs**)

6. **Timeliness** of shipment delivery

5. Ability to **Track and Trace** consignments

Supply
Chain
Service
Delivery

4. Competence and **Quality of logistics services**

2. Quality of trade and transport **Infrastructure**

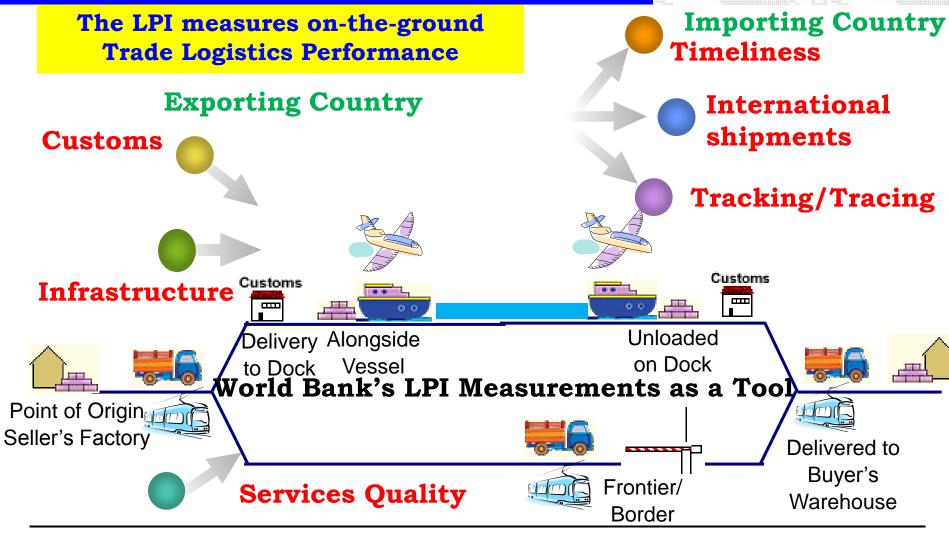
3. Ease of arranging competitively priced

International Shipments



World Bank's Logistics Performance Index







World Bank's Logistics Performance Index (LPI)



Global LPI Rankings

	Country	2007	2010	2012	2015
(::	Singapore	2	6	1	5
C*	Malaysia	26	31	29	25
	Thailand	31	35	38	35
*	Philippines	70	47	52	57
*	Vietnam	56	51	53	48
	Indonesia	75	92	59	53
	Lao PDR	106	137	109	131
Adda	Cambodia	82	118	101	83
	Myanmar	133	148	129	145
	# of Countries	150	155	155	160

Source: World Bank, Logistics Performance Index Global Survey



World Bank's Doing Business Index



Global Economy Rankings (June 2014)

Economy	Ease of Doing Business Rank ▲	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Minority Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency
Singapore	1	6	2	11	24	17	3	5	1	1	19
Malaysia	18	13	28	27	75	23	5	32	11	29	36
Thailand	26	75	6	12	28	89	25	62	36	25	45
Vietnam	78	125	22	135	33	36	117	173	75	47	104
Philippines	95	161	124	16	108	104	154	127	65	124	50
Brunei Darussalam	101	179	53	42	162	89	110	30	46	139	88
Indonesia *	114	155	153	78	117	71	43	160	62	172	75
Cambodia	135	184	183	139	100	12	92	90	124	178	84
Lao PDR	148	154	107	128	77	116	178	129	156	99	189
Myanmar	177	189	130	121	151	171	178	116	103	185	160

Source: http://www.doingbusiness.org/rankings





4. To expand the capabilities of ASEAN LSPs;











5. To develop ASEAN human resources to meet the increasing demand for higher quality logistics services;









































6-Targets of ASEAN Logistics Road Map (6)



6. To enhance multi-modal transport infrastructure and investment.





6-Targets of ASEAN Logistics Road Map (6)



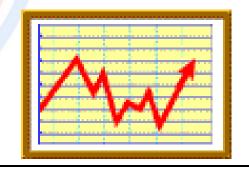




Challenges: High Transport Logistics Costs



- Time is more expensive than Distance (asset utilization)
 - > The easiest and quickest route is generally cheaper than a slower shorter route.
 - > Transport takes the route of least resistance
- Vehicles (Trucks, Planes, Ships, Rolling-Stocks)
 - > Non-utilization of asset will increase costs
- Freight Rates are driven by Market Forces, (not Distance!)





Challenges: The (Un)Certainty in Transport



- Handling always Costly...
 - > Every time you stop, off-load or Transload: Costs will be incurred!
- Handling Facilities have to be paid for !
 - > Cranes, Warehouses and Labor attract costs
- Costs are pass-on to the Customers!
 - they will add to the Cost of Goods Sold !!
 - will affect the competitiveness of imported goods





Multimodal Transport in ASEAN

What is Missing? (1)



• A Competitive Cross-Border Transport Sector

- > Poor vehicle Standards
 - Overloading
 - Breakdowns
 - Poor driving standards
- > Lack of access for vehicles of good quality
- > Different engine emission standards
- Non-harmonized road regulations





Multimodal Transport in ASEAN





- Not Smooth and Efficient Border Processes
- > non-harmonized Customs working hours
- Lack of Easy Market-Access for SMEs' exports
- > High Entry-Barriers

Lack of Regional ICDs & Consolidation
 Points

INLAND CONTAINER DEPOTS



Multimodal Transport in ASEAN Possible Harmonization ?(1)



Left / Right hand drive



- Vehicle Specifications
 - > Country Weights and Dimension ... Enforceable?
- Vehicle Standards
 - Certified by compliance with ASEAN-agreed Standards
- Driving Standards
 - > Issue ASEAN (International) Driving License?



Multimodal Transport in ASEAN





- To encourage investment in Better Equipment
 - Improve asset utilization to justify investment
- Higher capacity with less Environmental Damage
 - More axles ... less damage to roads and bridges
- Better/Efficient vehicles burn less fuel!
 - Less emissions for "carbon neutral' ambition for corridors



Benefits of Improved Transport Standards



- Better Equipment means:
 - > Higher loading capacity per vehicle
 - Lower cost per kilo of freight



- Lower Cost per kilo means:
 - Lower costs for export
 - Lower costs for importers and local populations

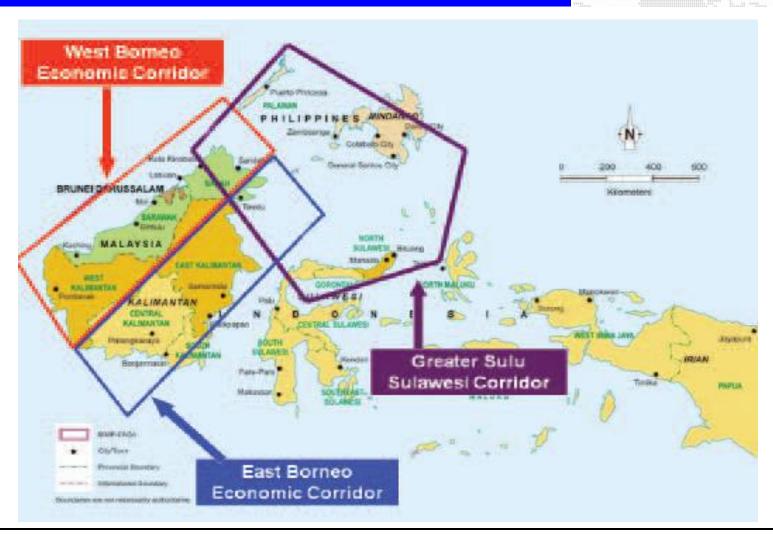


- Building a Lower Cost Logistics System :
 - to encourage regional investment



Transport Corridors in ASEAN(1)







GREATER MEKONG SUBREGION Expanded North-South Economic Corridor 24⁰007N GUANGXI ZHUANG AUTONOMOUS REGION LAO PEOPLE'S MYANMAR North-South Bay of **Economic Corridor** Bengal (Original) SEA VIET NAM ANDAMAN SEA CAMBODIA Gulf of Thailand 10⁹007N 10⁰00N 108⁰00'E 05-gms4220 RM

Transport Corridors in ASEAN (2)



GMS North - South Corridor (source: ADB)

Transport Corridors in ASEAN (3)



GMS East-West Transport Corridor

(Source: from GMS Transport Corridor Map)

Transport Corridors in ASEAN (4)



Southern Transport Corridor

(source: GMS Economic Corridors Map)



Transport Corridors in ASEAN (5)



Indonesia - Malaysia - Thailand Triangle Growth Area (source: Siamintelligence.com)

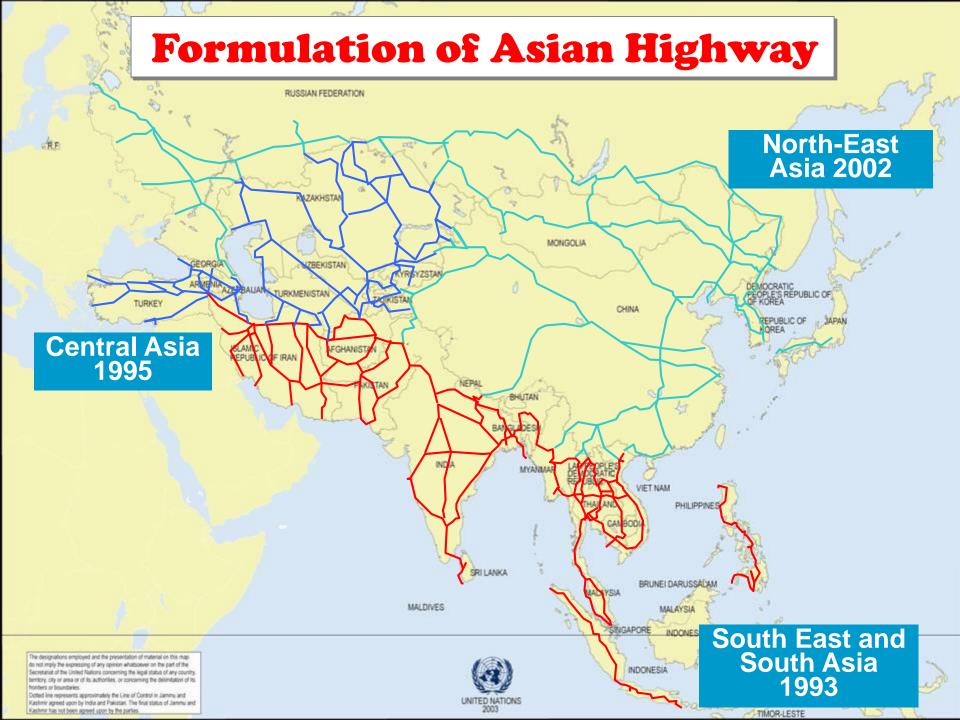
Batangas City, Batangas Calapan, Or. Mindoro llen, Samar Roxas, Or. Mindoro Matnog, Sorsogon Aroroy, Masbate Cawayan Masbate Catician, Aklan Bogo, Cebu Dumangas, Hoilo Bacolod, Negros Occ. Cebu City, Cebu Liloan, So. Leyte Tubigon, Bohol Lipata, Mismis Or. Jagna, Bohol 👄 Mambajao, Camiguin Dumaguete, Negros Or. LEGEND Benoni, Camiguin WESTERN NAUTICAL HIGHWAY Balingoan, Misamis Oriental Dapitan, Zamboanga del Norte CENTRAL NAUTICAL HIGHWAY PAN-PHILIPPINE HIGHWAY

Transport Corridors in ASEAN (6)

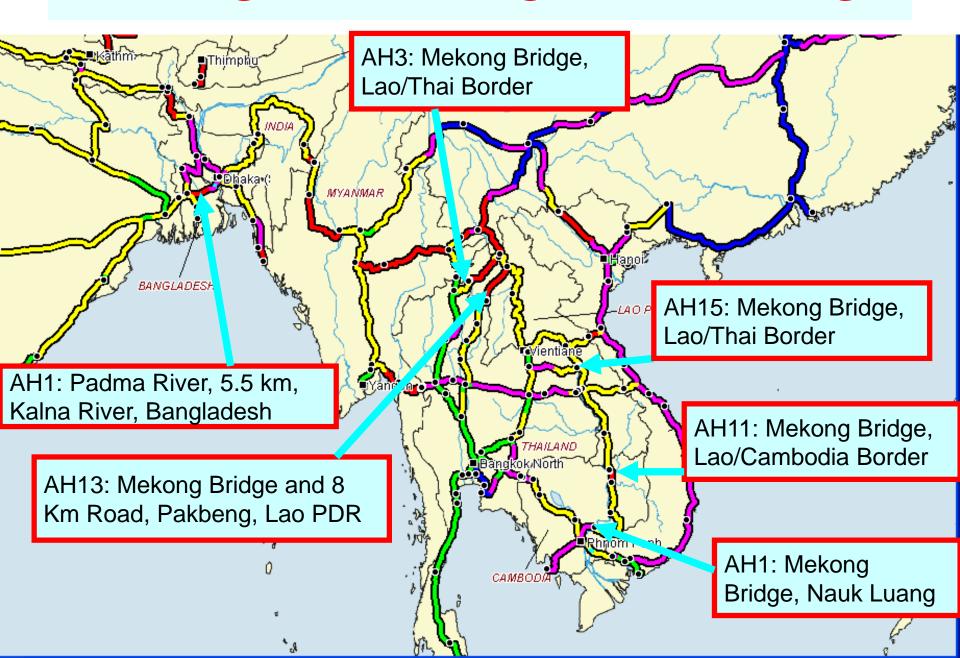


Nautical Highway RO-RO in the Philippine

(Source: ADB - Bridges Ocean)



Asian Highway: Missing Link and Bridges



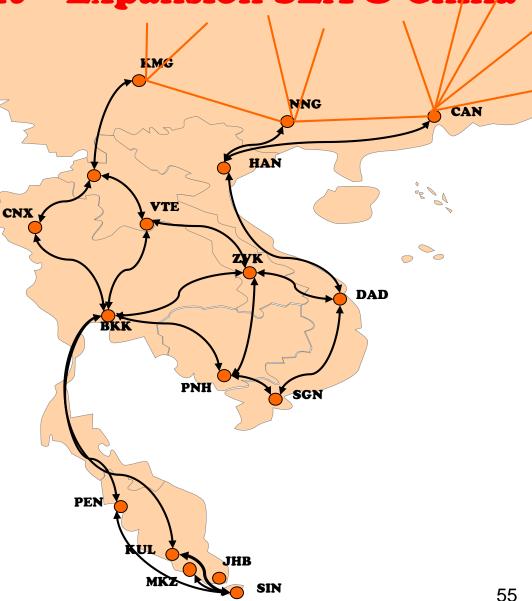


ARN Development - Expansion SEA & China

Link key FTZs in numerous **Countries**

Network expansion in Laos

- Link Laos & **Cambodia**
- 2nd Link to China via Kunming?



Multimodal Transport Connectivity in GMS-CBTA(1)



- Road Sea: Conventional Container Traffic
 - >ideal for long distances
 - >vessel size subject to port draft (depth)
 - >constrained by Port Capacity / Demand / Cost
- Cross Border Road Transport
 - > developing under the GMS / CBTA
 - > slow implementation due to local interests/ fears
 - > competitiveness reduces over distance
- Road Air
 - > increasingly possible due to road & customs improvements
 - > will be greatly enhanced by the CBTA



Multimodal Transport Connectivity in GMS-CBTA (2)



Road Transport

- > Border Transhipment issues
- > CBTA.... coming in GMS... resistance by local interests
- Malaysia-Thailand Transhipment of containers ... perhaps 40 years outdated ?!
- Sin-Malaysia Truck Crossing limited to only Malaysian registered trucks!

Sea

- > designed for Long Distance High Volume
- > Ports often congested with High land charges
- may take a week to get a container out!



Multimodal Transport Connectivity in ASEAN



- Air

- > capacity limitation in regional centers
- > Freighters only serve major hubs
- > mainly narrow body PAX aircraft with small freight capacity (LCC)







Trends: Growing Awareness and Demands



- Thailand-Hanoi-Pearl Delta (Guangzhou-Shenzhen)
 - Growing demand: High Tech Component swapping
 - > "get it out of the air" mentality...
 - > Conventional Sea too slow
 - > must be time-specific to meet JIT Manufacturing requirements





Trends: Growing Awareness and Demands



North Vietnam

- demand for export freight capacity outstrips supply
- Cambodia Exports
 - > constrained by capacity
 - > going via road to SGN or BKK for air uplift
 - > going via Sea to SIN for Air uplift

Lao PDR

>expected increase in demands for inbound and outbound freight capacity due to recent developments



The Challenge:



"Encouraging a more modern and efficient door- to-door transport system such as that offered by Multimodal Transport will go a long way towards alleviating rural poverty, enhanced trade and improve the foreign exchange earnings of developing countries and countries in transition"







Revival of the Silk Road...

The Organization of the 'Asian Highway Truck Caravan'



(a project of UNESCAP)



Asian Highway Truck Caravan



Asian Highway Truck Caravan

United Nations Economic and Social Commission for Asia and the Pacific



International Road Transport Union

Asian Highway Driving Progress

Objectives:

- Demonstrate the movement of Vehicles across the Asian Highway (AH) Network
- Promote the work of membercountries and UNESCAP in the transport area
- **Use the UNESCAP Time/Cost-Distance Methodology to** identify physical and nonphysical bottlenecks



56th Anniversary of the Asian Highway in 2013

An opportunity to celebrate Today's Silk Road

The Asian Highway Truck Caravan

0

No continued Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its

frontiers or boundaries.

Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not been agreed upon by the parties.





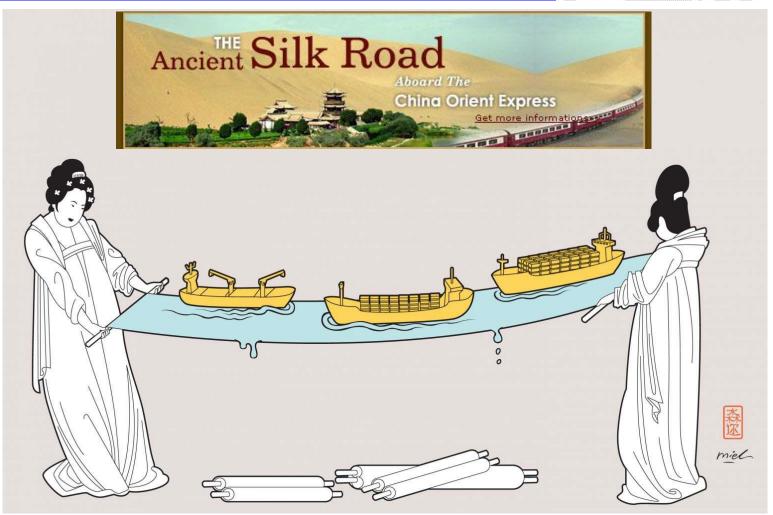
Asian Highway Truck Caravan















Local govts eyeing Silk Road bandwagon

THERE is a new enthusiasm among local Chinese governments this year: President Xi Jinping's grand plan to revive two ancient Silk Road trade routes so as to increase connectivity and cultural links with neighbouring countries.

News reports on the annual political meetings of 28 local governments in the past weeks show at least 20 have expressed interest in being part of the Silk Road Economic Belt and the 21st Century Maritime Silk Road that Mr Xi unveiled in 2013.

It was a major change of focus from last year when 26 out of 31 local governments said they would seek approval to smulate the Shanghai Free Trade Zone (FTZ), set up in October 2013 as a pilot project to further open up China's economy.

This year, only seven, including Liaoning and Guangxi, are still applying to set up an FTZ.

Observers say the switch from the FTZs to Silk Road Strategies – known as the "yi dai yi lu" or "One Belt, One Road" initiatives – is motivated by the promise of economic benefits.

"Local governments know the Silk Road initiatives are important to the top leadership, which means there would be a high level of attention paid to the provinces if they are included in the plans," Tsinghua University's Dr Yuan Gangraing told The Straits Times.

For instance, at the Apec Summit in Beijing last November, Mr Xi had pledged US\$40 billion (\$\$55 billion) to set up a Silk Road fund to finance infrastructure building on the routes.

The high-level make-up of a taskforce overseeing the "One Belt, One Road" initiatives - led by seventh-ranked Polithuro Standing Goomnittee member Zhang Gaoli and comprising two Polithuro members - is also a sign to the local governments of the strong leadership focus. In contrast, there is believed to be no such taskforce for the FTZs.

Dr Yuan said the cross-region nature of the Silk Road initiatives also gives local governments more hope of success compared to the FTZs, which are locality specific.

Local governments believe that being part of the initiatives "could help to speed up infrastructure construction and enhance trade and economic exchanges with neighbouring countries, thus boosting local growth", government think-tank researcher Zhang Jianping was quoted as saying in a recent report.

"Also, infrastructure development and invest-



ment projects at the local level might stand a higher chance of being funded by the central government if they are included as part of the Silk Road initiatives," said Dr Yuan.

University of International Business and Economics professor Ding Zhijie said a desire to please Mr Xi and show support for his plans is another possible reason for the keen interest.

Both initiatives, which would cover 3.8 billion people and economies totalling US\$21 trillion, are seen as part of Mr XI's "China Dream" to rejuvenate the country and expand its influence with its neighbours by relying on economies at first but moving on to politics and culture eventually.

China is also hoping to expand overseas markets for its enterprises and develop new bases for its oversupplied sectors. China has claimed that close to 60 countries are keen to work with it on the two initiations.

Mr Xi proposed the "Silk Road Economic Belt" during a visit to Kazakhstan in September 2015, and the "Maritime Silk Road of the 21st century" in an address to the Indonesian Parliament a month later,

The clamour for the "One Belt, One Road" initiatives began in December 2013, after news spread that officials from 14 provinces, municipalities and regions had been invited to a seminar organised by the central government. They included Shaanxi and Xinjiang in the west, Sichuan and Yunnan in the south-west and Jiangsu and Hainan in the east and south-west.

Since then, those not invited, such as central Henan and north-eastern Heilongiang provinces, have been canvassing Beijing to include them in the initiatives.

Whether they succeed would be seen in a blueprint to be released soon by Beljing.

While some media reports quote scholars as saying the entire China should be involved in the initiatives, Dr Yuan has said the central government would and should limit the number of cities included. The initiatives will sek any real meaning if too many cities or the entire China is included. The government also won't have the resources to develop so many places at one go," he said.





APEC SUMMIT

BT 11 Nov 2014

Singapore can leverage a revived Silk Road

PM Lee: Republic's role as transport, logistics, maritime hub could mean opportunities

By Lynette Khoo lynkhoo@sph.com.sg @LynetteKhooBT

Deplination of the American State of the State of the Grant State of the Market State

In an interview with Beljing Satellite TV on Monday, he sald: "If we can deepen our cooperation with neighbouring countries, and in particular, strengthen trade and investment between China and its neighbours through the maritime Silk Road initiative, we hope a part of the services can be provided through Singapore's sea port and airport network."

He was referring to Chinese president Xi Jinping's proposal on Saturday that China and Central Asia join hands to build a Silk Road economic belt to boost trade and maritime cooperation. The idea, which Mr Xi mooted during a visit to Indonesia last year, is aimed at resurrecting the trade route that ran from China through South-east Asia and the Indian Ocean

In the interview, Mr Lee pointed out that economic and financial linkages between Singapore and China had strengthened in other areas, such as in the promoting of the international use of renminbi for trade and investment through the first overseas yuan clearing bank in Singapore. Direct currency trading between the Chinese yuan and the Singapore dollar also started last month. Companies and individuals in the bilateral projects Suzhou Industrial Park and Tianjin Eco-city have been allowed to access offshore funding.

Mr Lee said: "We hope to continue to deepen this cooperation and encourage more Chinese companies to set up their operations in Singapore, list on the Singapore Exchange to leverage our capital market and network and be able to expand globally through Singapore."

As a small country, Singapore had no choice but to open up its economy to the world, he added. "This is why we try our best to participate in free-trade talks and to work with other countries to enhance our interactions and win-win partnerships."

Plans to revive the ancient Silk Road, form an Asian Infrastructure Investment Bank and promote the Regional Comprehensive Economic Partnership (RCEP) are among China-backed initiatives seen by observers as Beijing's attempts to counter the influence of the US in the region.

Mr Lee said although the ideal form of cooperation was a multi-lateral and multi-faceted one through the Doha round, it was difficult for the many participating members to reach a consensus.

But there is more than one pathway to achieve a regional free-trade zone, such as through the Trans-Pacific Partnership (TPP) and the RCEP, he said. The US-led TPP and the China-backed RCEP are both seen as prodding the region towards free trade and greater connectivity.

On Monday, the 12-country TPP leaders, meeting on the sidelines of the Apec Summit, issued a statement expressing their commitment to ensuring that the final agreement of the TPP reflected their "common vision of an ambitious, comprehensive, high-standard and balanced agreement". TPP leaders said ministers and negotiators were working on coming up with ambitious, balanced packages to open their markets to one another and had been instructed to "make concluding this agreement a top priority", so businesses, workers, farmers and consumers could reap the benefits as soon as possible.

Mr Lee said that as China's economy made a transition into a slower growth mode, the key concern was not how its Gross Domestic Product (GDP) would pan out this year, but whether China could restructure its economy successfully, reform the hukou system, taxation and state-owned enterprises. These tasks cannot be acomplished within a year, he added.

In the long run, he said, a stance against corruption was a requisite for economic development, he said, flaging Singapore's clean system as a crucial condition for the development of a financial hub.

Noting that some countries had sught to do the same, but had been met with challenges to transform the culture and legal systems, he said this was why he respected what the Chinese president was doing to starve corruption – by targeting high-ranking "tigers" as well as lowly "flies".

Asked how Singapore was coping with slower economic growth after a rebound from the Global Financial Crisis, Mr Lee replied that the 13 to 14 per cent jump in GDP in 2010 was not sustainable; the economy had since stabilised to clock 3 to 4 per cent growth. The economy was mature, with full employment and high female employment, but a cap had been put on foreign labour. The drive now was thus to raise productivity by raising skills and education levels – a "painful" process.

He said Singapore's economic and financial openness had come with a price: to keep in step with or stay ahead of global changes, the country has also opened itself to uncertainties and risks, with the impact on the middle- and low-income groups a long-term challenge.

Mr Lee met Peruvian President Ollanta Humala on the sidelines of the summit on Monday. The leaders affirmed the positive ties between their countries and discussed issues and opportunities for partnership.



Challenges & Risks (1)



Development disparities among ASEAN members





Challenges & Risks (2)



Lack of political will and commitment at the implementation level



The Next Generation TradeNet-TradeXchange

TRADEXCHANGE

- First IT Public-Private Partnership (PPP) in Singapore
- CrimsonLogic was appointed by the Singapore Government as an independent contractor to develop, operate and maintain as well as drive the adoption of this project.
- Other than TradeNet®, the Singapore Government is not involved in the provision of the TradeXchange® services
- Launched Nov 2007
- Prospective no. of users: 90,000



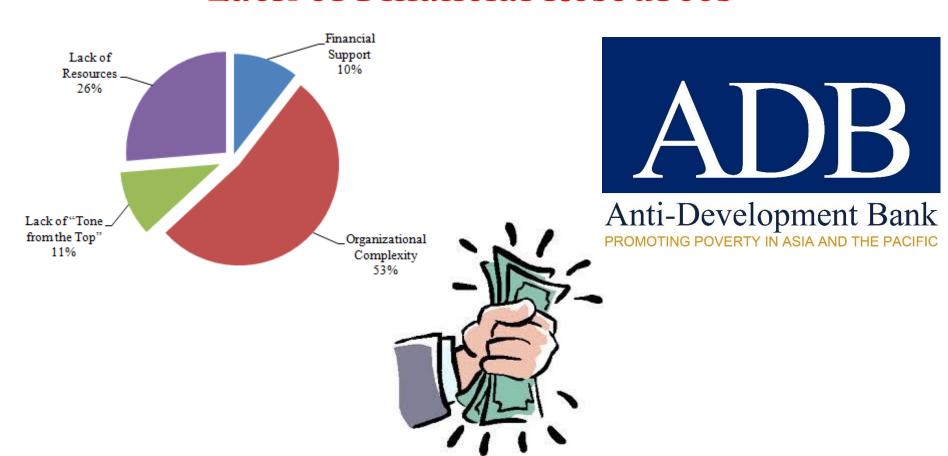




Challenges & Risks



Lack of Financial Resources

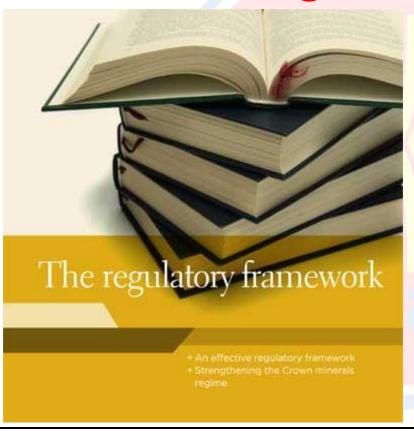




Challenges & Risks



Lack of adequate and effective regulatory and legal frameworks







Challenges & Risks



Lack of awareness of the benefits of effective supply chain management





Conclusion



- **✓ Improved logistics connectivity**
- √ to realise their interdependency and act in a collaborative manner...
- ✓ should act collectively and move quickly
 to find ways to improve logistics services
- ✓ effective coordination between regional, subregional and national parties
- √ transparent and effective governance



Conclusion



















