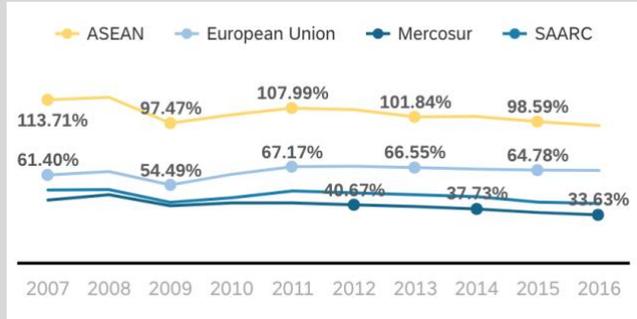
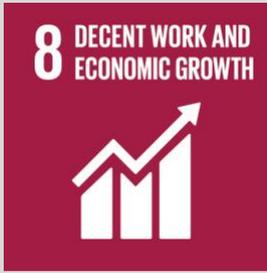


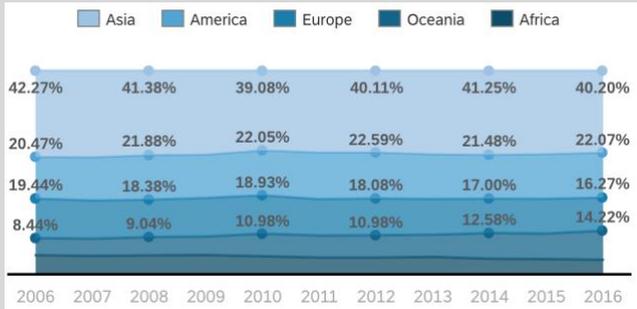
CONQUERING THE WAVES OF INTERNATIONAL TRADE

Objective

Logistics, especially maritime logistics, is a critical pillar for economic growth. The purpose of this presentation is to highlight the opportunities and threats currently existing in sea transportation among ASEAN members, from which comprehensive and targeted solutions can be derived to ensure future regional prosperity in trade



Merchandise trade as a percentage of GDP among different trading blocs (2007 – 2016)



World seaborne trade contribution by continents (2006 – 2016)



Container Port Traffic in ASEAN (2012 – 2016)

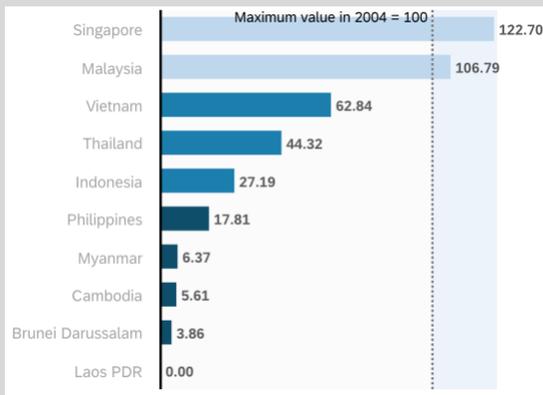
Findings

ASEAN economy relies heavily on trading activities. In 2015, its total imports and exports equaled its own GDP, while the number was only 65% in the EU

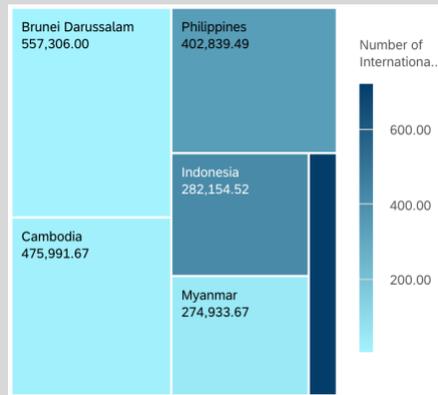
Majority of international trade is facilitated by seaborne transport, of which Asian countries play a significant role. In 2016, the continent account for over 40% of world seaborne trade. Sea transport system, therefore, should be a pivotal strategic focus for ASEAN economies.

Yet, there is a sizeable gap in capacity to handle seaborne transport across the region. While Brunei contributes only 0.12% of total regional container traffic, Singapore takes up over 30%. The same disparity is also observed when it comes to trade efficiency as it takes, on average, 20 more days to process trade orders (documentary & border compliance) to Vietnam compared to Singapore.

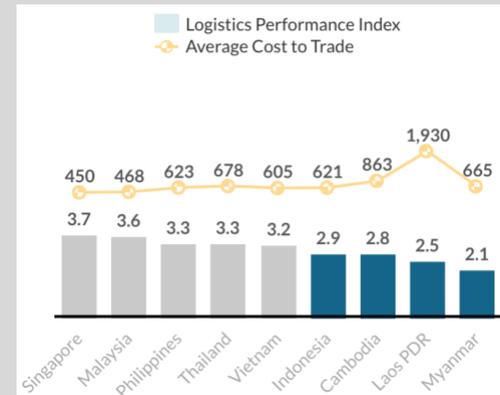




Liner shipping connectivity index in ASEAN



Container port traffic / total number of international ports (2012 - 2016)



Logistics performance index & average cost to trade in ASEAN (2014)

Geographical Limitation

Myanmar, Cambodia, Brunei and Laos are not well-connected to the world shipping network due to short coast line

Inefficient Port Performance

Vietnam, the Philippines & Indonesia have more than 500 ports in total, but only a few bring economic benefits

Poor Inland Logistics

Indonesia, Cambodia, Laos, Myanmar have below-world-average logistics systems, risking potential trade partnerships due to higher cost



Solutions 1: Port performance enhancement

By transferring the ownership from government to the private sector, and encourage bi-lateral joint ventures among countries, ASEAN can create a more transparent environment in ports, optimizing port performance as a result.

Solutions 2: Inland transportation development

Establish more inter-state highways and removing redtape for cross-border trading among ASEAN members.

Solutions 3: Connectivity improvement

Allowing landlocked countries to rent ports in other nations and establish new trade routes to open even more opportunities for less developed member to connect with the world.

