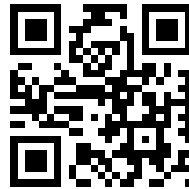


**MLT**  
(Myanmar Transport & Logistics)

**MIFFA**  
2014 – Yangon



[www.captaung.com](http://www.captaung.com)

**Captain Aung Khin Myint**  
**[aungkhinmyint@captaung.com](mailto:aungkhinmyint@captaung.com)**





# **MIFFA BACKGROUND**

- ***Myanmar International Freight Forwarder's Association***
- ***Non-Profit Organization***
- ***Formed and organized the local freight forwarders***
- ***MIFFA consists (161) Regular members and ( 91 ) Associate members.***
- ***Member of FIATA , AFFA, GMS FRETA, APSF, UMFCCI***

***MIFFA Private Company Limited 2013***

***Looking Investment for Trucking, ICD, Warehouse and CFS for sea and air***

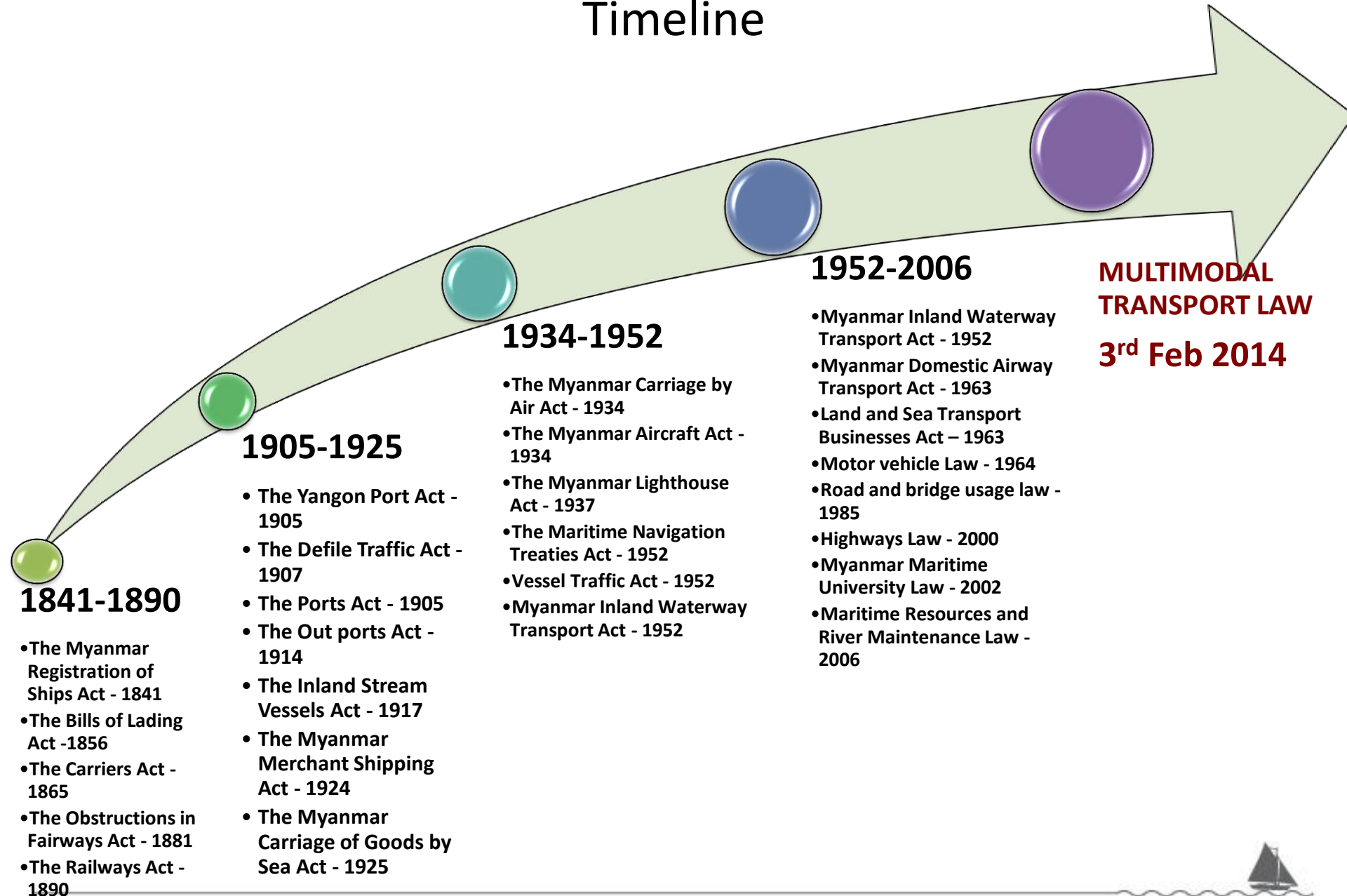


# Contents

- MIFFA
- Multimodal Law
- Current status of Transport modes and Logistics
- Myanmar Logistics performance index
- Current FDI Projects
- Why Dry port in Myanmar?
- Recommendation for Myanmar's Transport Logistics
- Way forward
  - **National Logistics Association**
  - **National Freight Policy**



# Timeline



**MULTIMODAL  
TRANSPORT LAW**  
**3<sup>rd</sup> Feb 2014**

# Myanmar MTO Licenses Criteria

- MIFFA member
- A registered company as per Myanmar Company Act
- shall maintain minimum assets equivalent to Special Drawing Rights (SDR) 80,000 , or provide an equivalent guarantee;
- Auditor's revenue requirement –previous 1 year income, or 3 year average income of 80,000 SDR minimum
- Myanmar local head office and international branch offices
- Proof of skilled professional staff and industry experience
- No previous criminal record punishable by 3 years and above of imprisonment, or labor infringement, or trade violation records
- No previous declaration of bankruptcy, as per Insolvency Act
- Assurance Company liability for Loss, damage, and delays – declared in front of licensing authority with two witness.
- Must have limited liability Insurance.



# Foreign MTO Representative Registration Criteria

- Foreign Registered company with an authority recognized by Myanmar
- A company registered in Myanmar in accordance to Myanmar Company Act with a 100% foreign own services or JV company or branch office.
- Permission by licensed foreign company
- Proof of auditing and financial balances



# Classification of operators (UNESCAP)

Operators	Main Functions
Freight Forwarder	<p>Freight forwarder means the person or company, as an agent, concluding a contract with a customer for freight forwarding services relating to transportation, storage, handling, packing, unloading, goods as well as ancillary and advisory services in connection therewith.</p>
NVOCC	<p>A NVOCC arranges for a carrier and issues own bills of lading for cargo that does not own or operate a means of transport.</p>
MTO	<p>Multimodal transport operator means any person who on his own behalf or through another person acting on his behalf concludes a multimodal transport contract and who acts as a principal, not as an agent or on behalf of the consignor or of the carriers participating in the multimodal transport operations, and who assumes responsibility for the performance of the contract.</p>

**MYANMAR**

# Relevant rules and regulations on different operators

Operator		Responsible government agency
Freight forwarder	International & Domestic	Ministry of Transport
NVOCC	International & Domestic	Ministry of Transport
MTO	ASEAN	Ministry of Transport
Shipping	International & Domestic	Ministry of Transport
Air Transport	International & Domestic	Ministry of Transport
Road Transport	Domestics CBTA, Inter state	Ministry of Rails
Rail Transport	Domestics	Ministry of Rails
Road & Bridge Construction	Domestics	Ministry of Construction
Logistics	ASEAN	Ministry of Transport



# Overview of regulations for freight forwarders

Country	Government regulation	Industry self-regulation
Bangladesh	YES	YES
China	YES	YES
Indonesia	YES	YES
Philippines	YES	YES
Republic of Korea	YES	YES
India	NO	YES
Lao PDR	NO	YES
<b>Myanmar</b>	<b>NO</b>	<b>YES</b>
Singapore	NO but Port Net	YES
Thailand	NO	YES

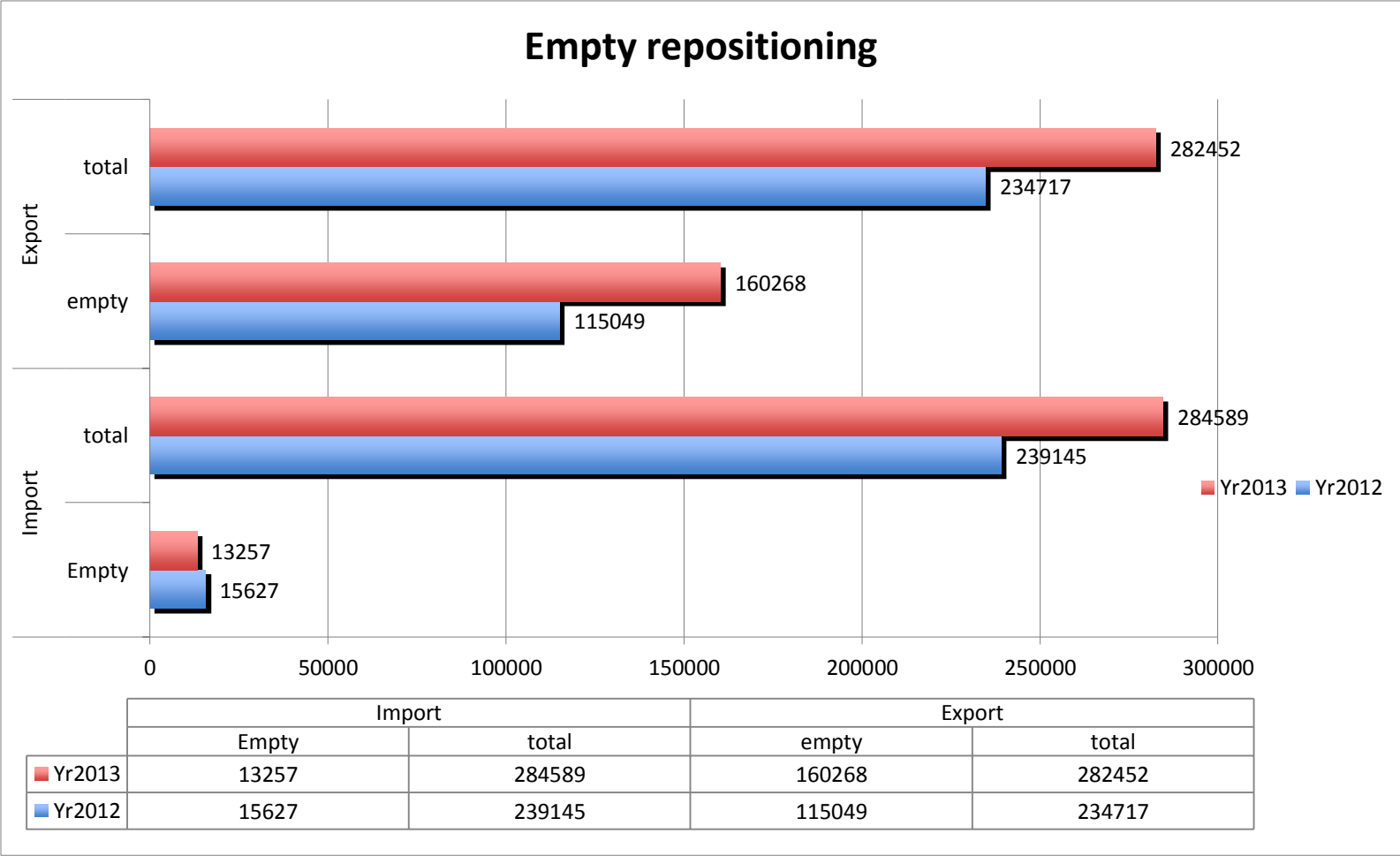
Minimum capital requirement for freight forwarders and/or  
MTOs vis-a-vis  
national minimum capital requirement for general business

Country	Co: set up Capital	FF Asso: Member	NVOCC	MTO Assets
Singapore	0.8 US\$	US\$ 79,264 min		? (SLA)
China			US\$ 123,617 deposit	
Thai		US \$ 65,833 min		US\$ 128,280
Myanmar	50000US\$	100US\$/Yr	nil	US\$ 128,280
	Myanmar 100% Foreign own Service company allowed			
ASEAN				US\$ 128,280

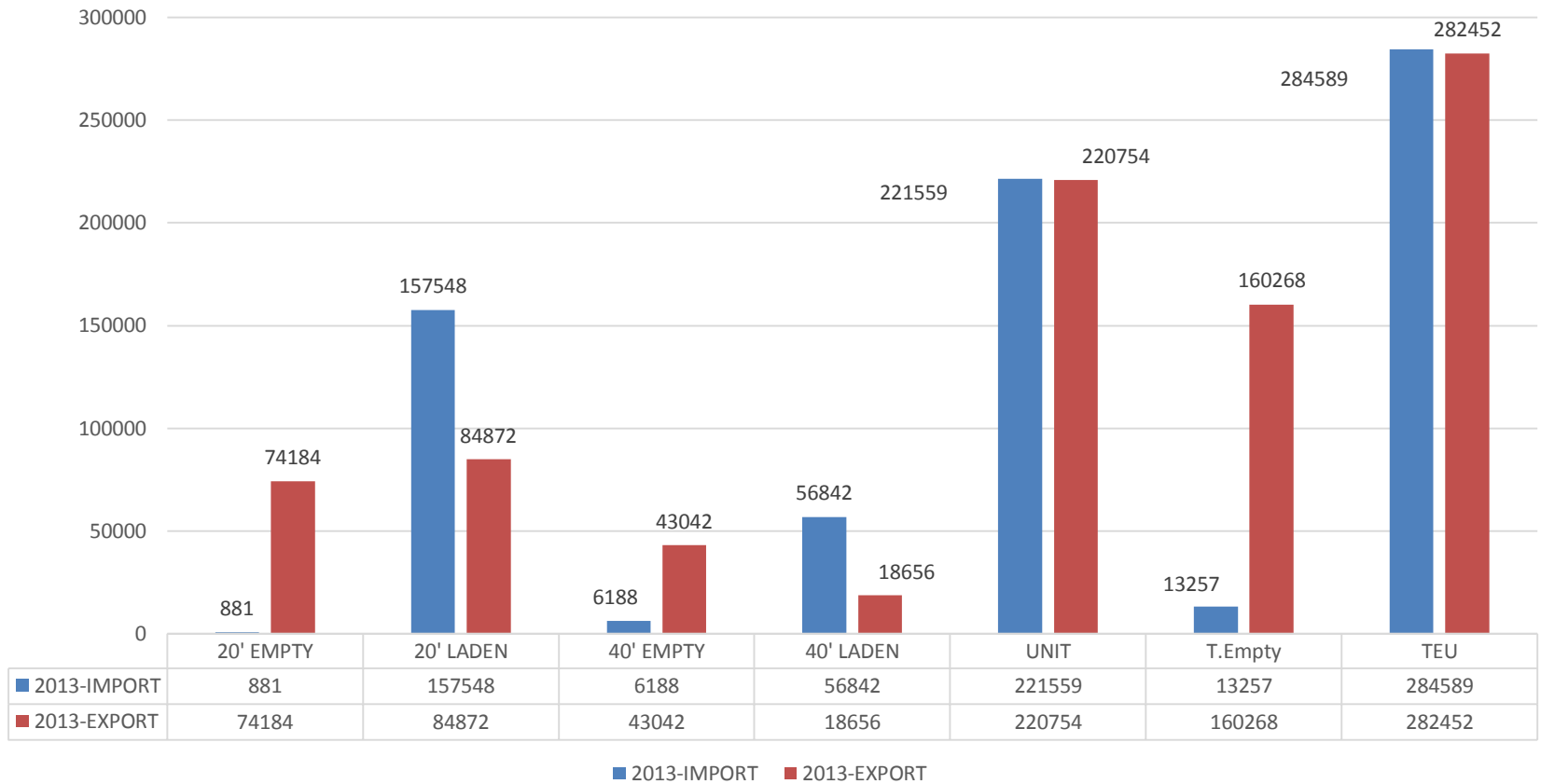
# Models for regulatory framework for freight forwarders, NVOCCs and MTOs

<p><b><u>Myanmar apply</u></b> Model 1: industry self regulation</p>	<p>There is no government regulation exclusively designated for freight forwarders, NVOCCs and MTOs and the industry relies on self regulation through association</p>
<p><b><u>MIFFA's Proposal</u></b> Model 2: licensing</p>	<p>There is government regulation and licenses are required</p>
<p>Model 3: registration/filing</p>	<p>There is government regulation, and licenses are not required, but registration/filing is required</p>

# Current status of Transport modes and Logistics



## 2013 Container List



## ***Intermodal Transportation Rail***

***Proper terminals to handle containers for intermodal transportation and **containers transportation services** are offered and available for Yangon to Mandalay by Myanmar Railway service.***

**BUT NO CARGO – NO Domestic container- No Dry Port**





# *Intermodal Transportation*

## Truck to Rail

NO Unit Load System- No Pallet System



# ***Intermodal Transportation*** **Truck to Inland Waterway**

***No proper terminals to handle containers for intermodal transportation at the 218 inland waterways port***

NO Unit Load System- No Pallet System






## ***Intermodal Transportation*** Truck to Truck

***No proper truck terminals to handle containers for intermodal transportation.***







NO Unit Load System- No Pallet System



# TRUCK Cost

	Mile/km	Viss/kyats	Kyats/tons	Cost.ton/mile
YGN-MDY	435/700	75*600	45000	
YGN-MUSE	710/1143	120*600	72000	
YGN-Myawady	280/450	70*600	42000	
<b>Total</b>	<b>1142</b>		<b>159000</b>	

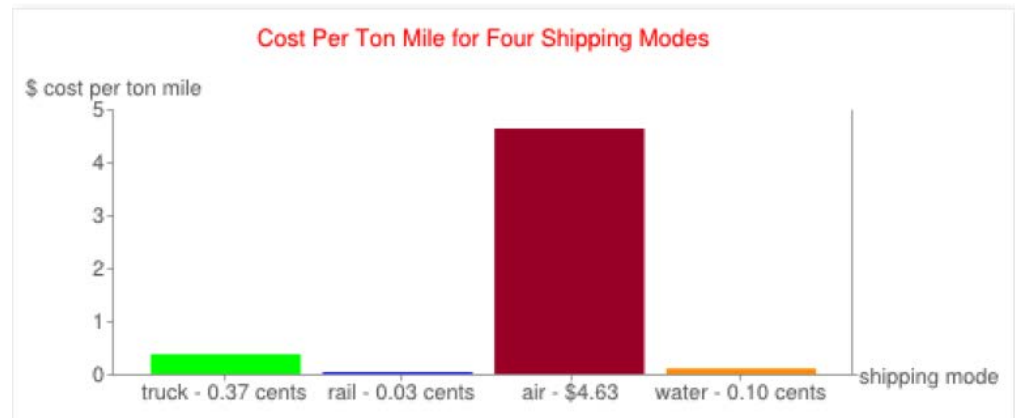
Appendix V: The Current Weight Limits in Myanmar 2012

Vehicle Type	Axle Configuration and Axle Weight			Total Weight (national)	Total Weight (ASEAN)	
 Semi-Trailer (6 axles)	○ ○○ ○○○	5	18	27	50	50.5
 Semi-Trailer (5 axles)	○ ○○ ○○	5	18	18	41	46
 Semi-Trailer (4 axles)	○ ○ ○○	5	10	18	33	34
 Single Rigid Vehicle (4 axles)	○ ○ ○○	5	5	18	28	27
 Single Rigid Vehicle (3 axles)	○ ○○	5	18		23	23
 Single Rigid Vehicle (2 axles)	○ ○	5	10		15	15-16

**Legend**  
 Single Wheel ○ Double Wheel ○○

**0.16cents/ton/mile**























1 viss=1.65kg=3.6lb; 1kg=2.2lbs; 1kg=1.2 viss





<http://richardtorian.blogspot.com.au/2012/01/cost-per-ton-mile-for-four-shipping.html>

# Challenges in TRUCK Transport

Appendix V: The Current Weight Limits in Myanmar 2012

Vehicle Type	Axle Configuration and Axle Weight			Total Weight (national)	Total Weight (ASEAN)
 Semi-Trailer (6 axles)	 5	 18	 27	50	50.5
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 Semi-Trailer (4 axles)	 5	 10	 18	33	34
 Single Rigid Vehicle (4 axles)	 5	 5	 18	28	27
 Single Rigid Vehicle (3 axles)	 5	 18		23	23
 Single Rigid Vehicle (2 axles)	 5	 10		15	15-16

Legend

Single Wheel  Double Wheel 

## Myanmar Cost per ton miles

Mode	Truck	Rail	Air	Water
Kyats	140	42	1566	63

Myanmar Container truck association-1300 N  
 Myanmar Highway truck asso-18000 Nos  
 Mandalay truck association=15000 nos  
 Number of registered trucks = 70553 (2012)



<http://www.captaung.com/ah14-road-survey/>

## Private Sector Views on Road Transport along the Yangon – Mandalay – Muse/Ruili – Kunming Corridor

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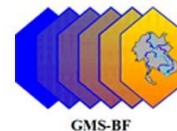
Greater Mekong Subregion Freight Transport Association (GMS FRETA)

By

Christian Ksoll & John Quarmby

Consultants

**Greater Mekong Subregion  
Business Forum**





# Asia Pallet System Federation

# APSF

Asia Pallet System Federation



## Asia (APSF) standard pallet

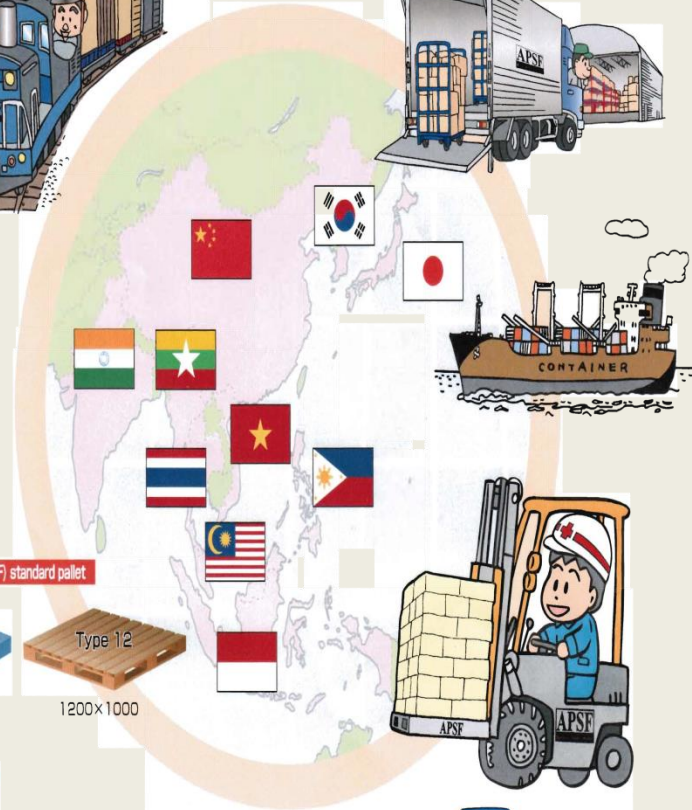


1100x1100



1200x1000

# Day pallet of Asia 11 (Nov.) 12. 2013



## Asia (APSF) standard pallet



Type 11

1100x1100



Type 12

1200x1000



Rack pallet, paper pallet cargo



Wooden pallets



Metal pallets



Plastic pallet



Roll box pallet



Mesh box pallet



# The 7 Key Dimensions of LPI



- International transportation costs;
- Domestic transportation costs;
- Timeliness of shipments;
- Traceability of shipments;
- Transport and IT infrastructure;
- Customs and other border procedures; and
- Logistics competence.

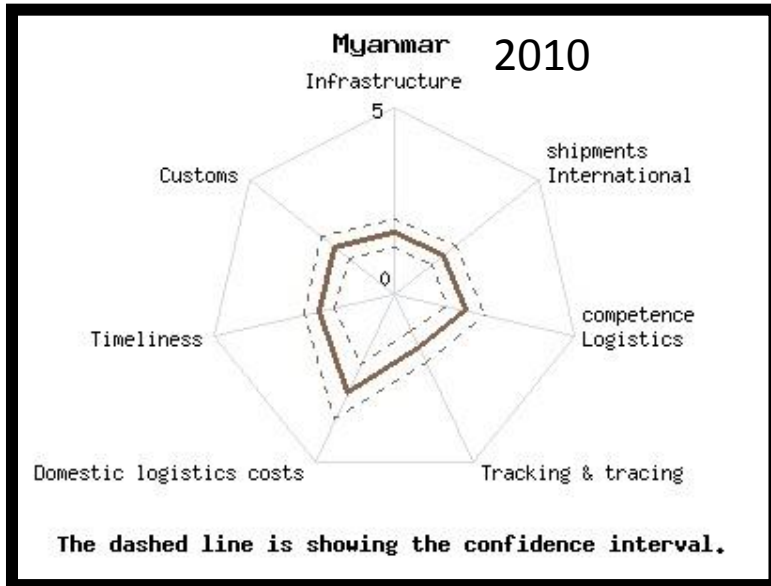
# LPI GMS countries

Country	Year	LPI Rank	LPI Score
China	2010	27	3.49
Cambodia	2010	129	2.37
Lao PDR	2010	118	2.46
Myanmar	2010	133	2.33
Vietnam	2010	53	2.96
Thailand	2010	35	3.29
Germany	2010	1	4.11

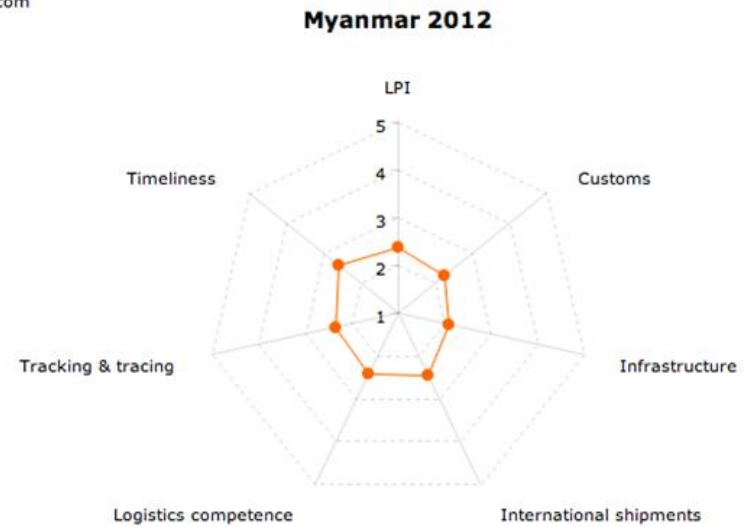
Country	Year	LPI Rank	LPI Score	
China	2012	26	3.52	Up 1
Cambodia	2012	101	2.56	Up 28
Lao PDR	2012	109	2.5	Up 9
Myanmar	2012	129	2.37	Up 4
Vietnam	2012	53	3	Same
Thailand	2012	38	3.18	Down 3
Singapore	2012	1	4.13	



# Myanmar- LIP

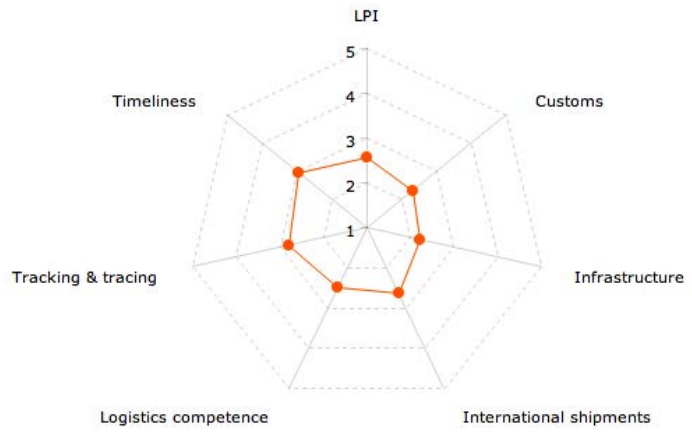


arts.com

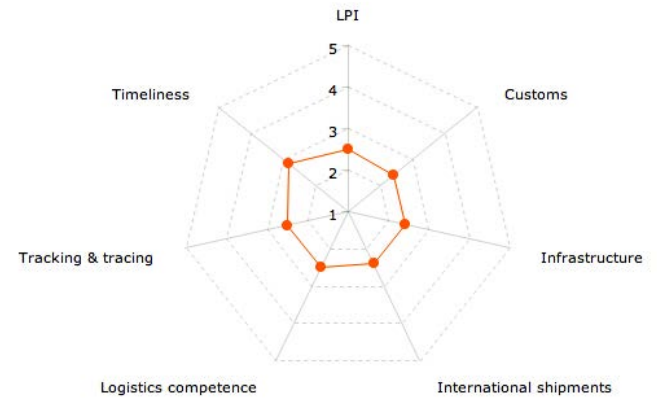




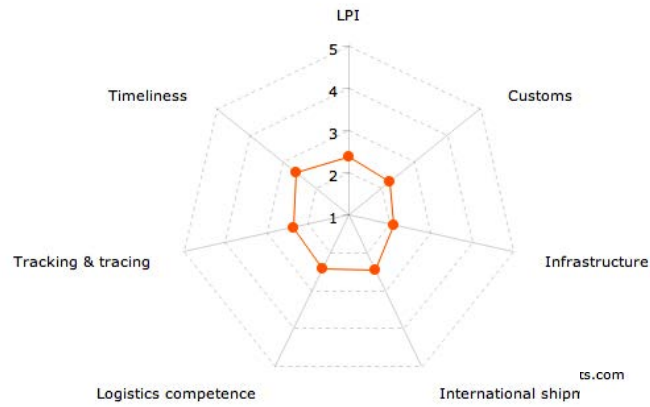
### Cambodia 2012



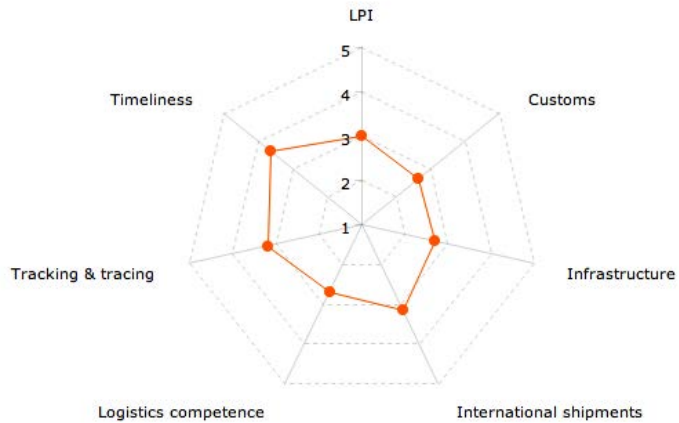
### Lao PDR 2012



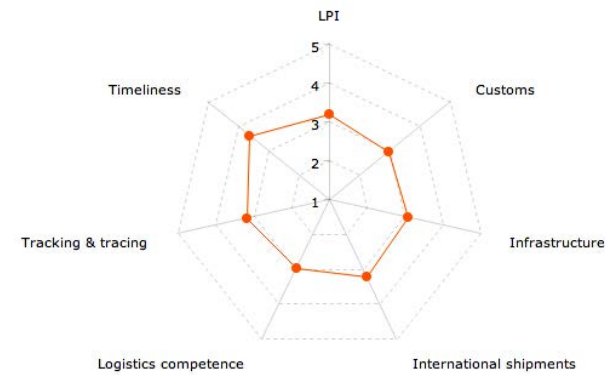
### Myanmar 2012



### Vietnam 2012



### Thailand 2012



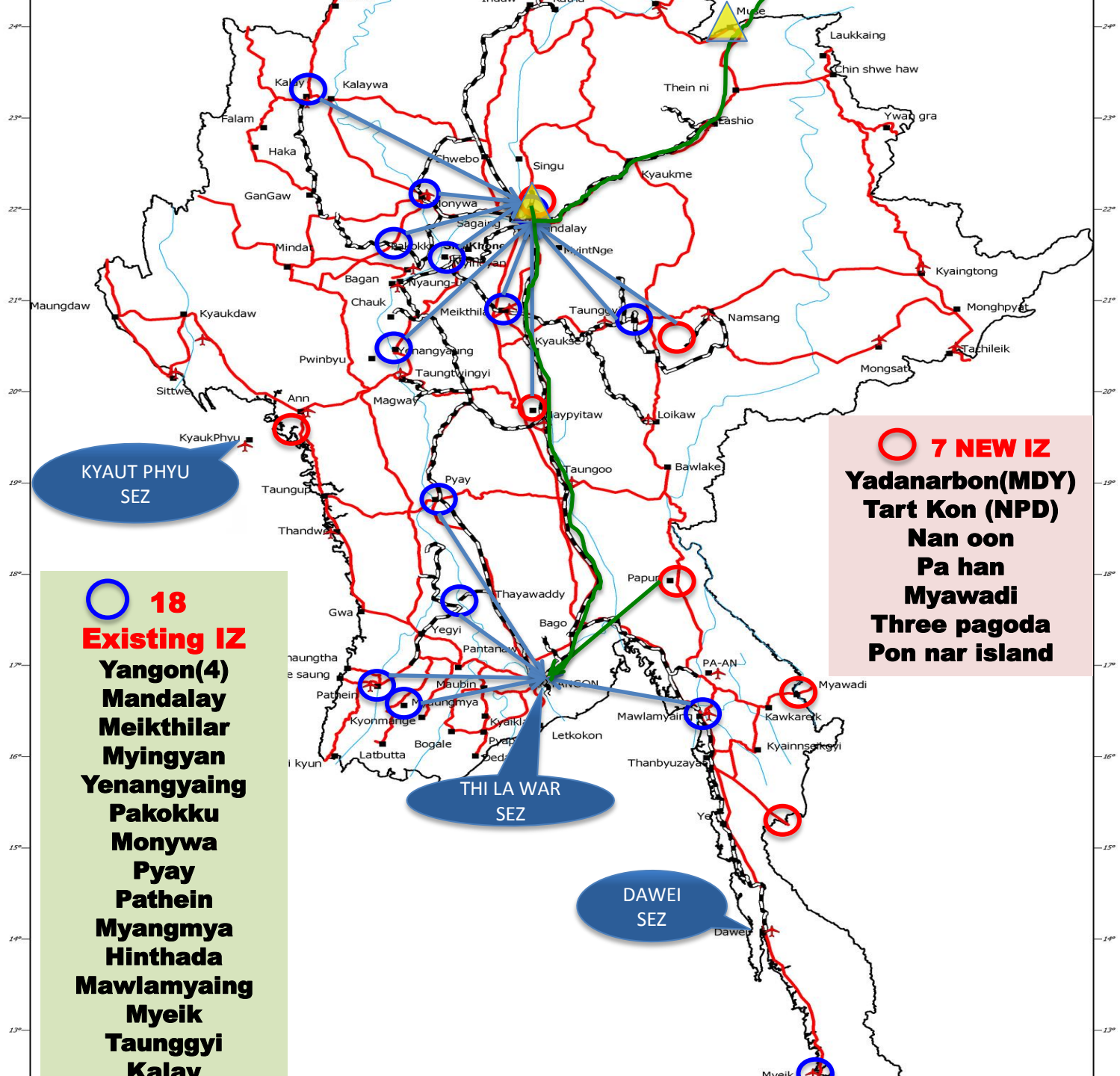
# FDI Projects

COUNTRY	Location	Reason for investing	Result
Thailand	DAWEI	Developing Deep Sea Ports and industrial complexes	New international Trade route and gate way of GMS
China	KYAUK PHYU	Undertaken the deep sea oil terminal and Pipeline to Yunnan Province	New Logistics route to supply energy
India	SIT TWAY Kaladan	Developing the port of Sitway and Kaladan Multimodal Transport project	Gateway to the northeastern part of India
Japan	Thilawar- Yangon	Developing SEZ	Promote Export Trade

# Why Dry ports in Myanmar?

- 7 potential key sites, pre-feasibility study of Mandalay Dry Port has been processed and intergovernmental agreements are ready for signing under UNESCAP
- Strategically located to be a prime Asian hub
- Asia Highway network and Trans-Asian Rail (TAR) Network forms a land-bridge connecting South-East Asia, South Asia and China.
- Potential prime regional hub for continental South East Asia and Greater Mekong Sub-region (GMS)
- Increasing Maritime traffics and trade
- Increasing trade between neighboring countries, especially Thailand and China
- Favorable regional developments and political reforms





**KYAUT PHYU  
SEZ**

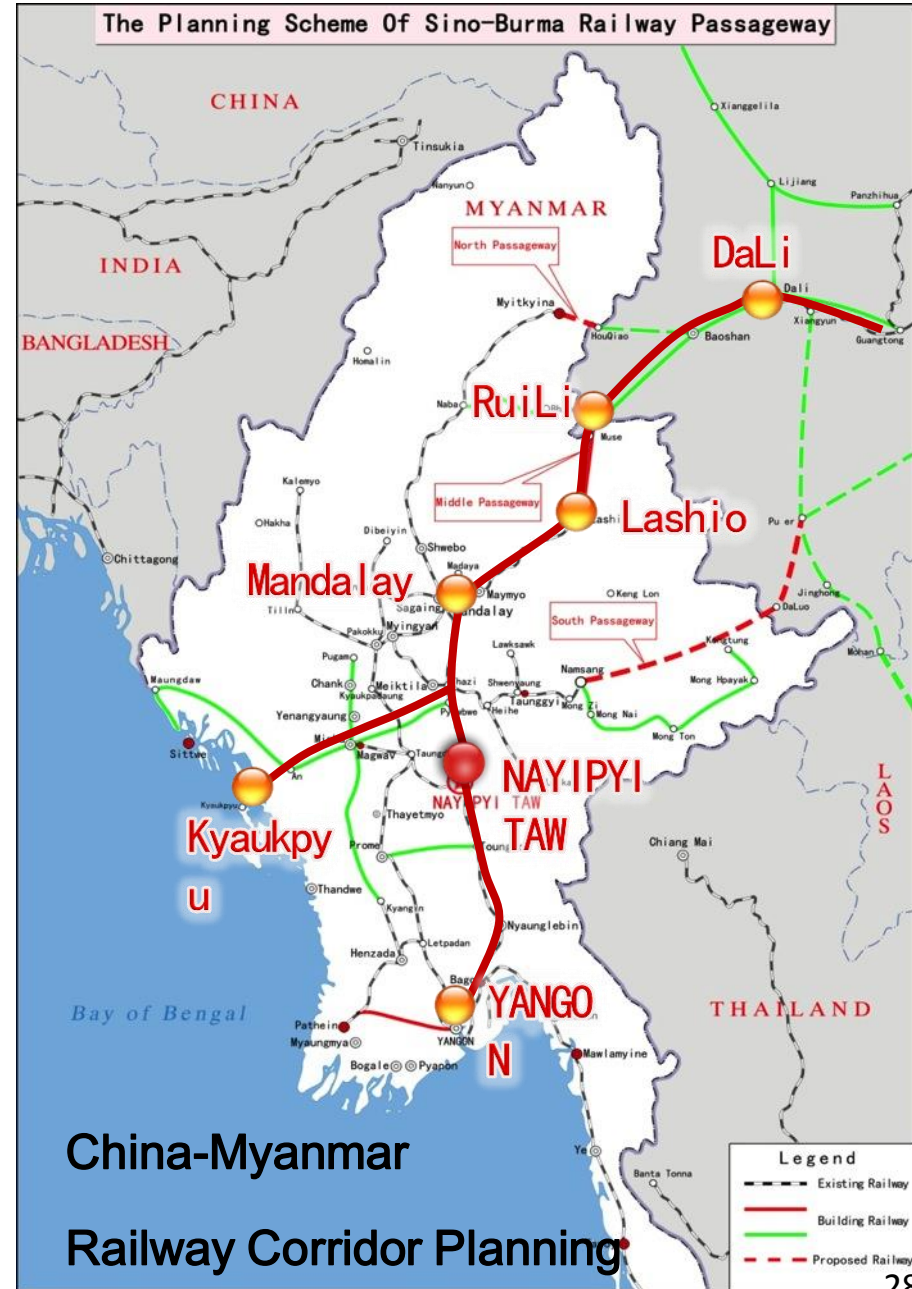
**18  
Existing IZ**  
**Yangon(4)**  
**Mandalay**  
**Meikthilar**  
**Mingyan**  
**Yenangyaing**  
**Pakokku**  
**Monywa**  
**Pyay**  
**Patheingyi**  
**Myangmya**  
**Hinthada**  
**Mawlamyaing**  
**Myeik**  
**Taunggyi**  
**Kalav**

**7 NEW IZ**  
**Yadanarbon(MDY)**  
**Tart Kon (NPD)**  
**Nan oon**  
**Pa han**  
**Myawadi**  
**Three pagoda**  
**Pon nar island**

**THI LA WAR  
SEZ**

**DAWEI  
SEZ**

# Proposed location





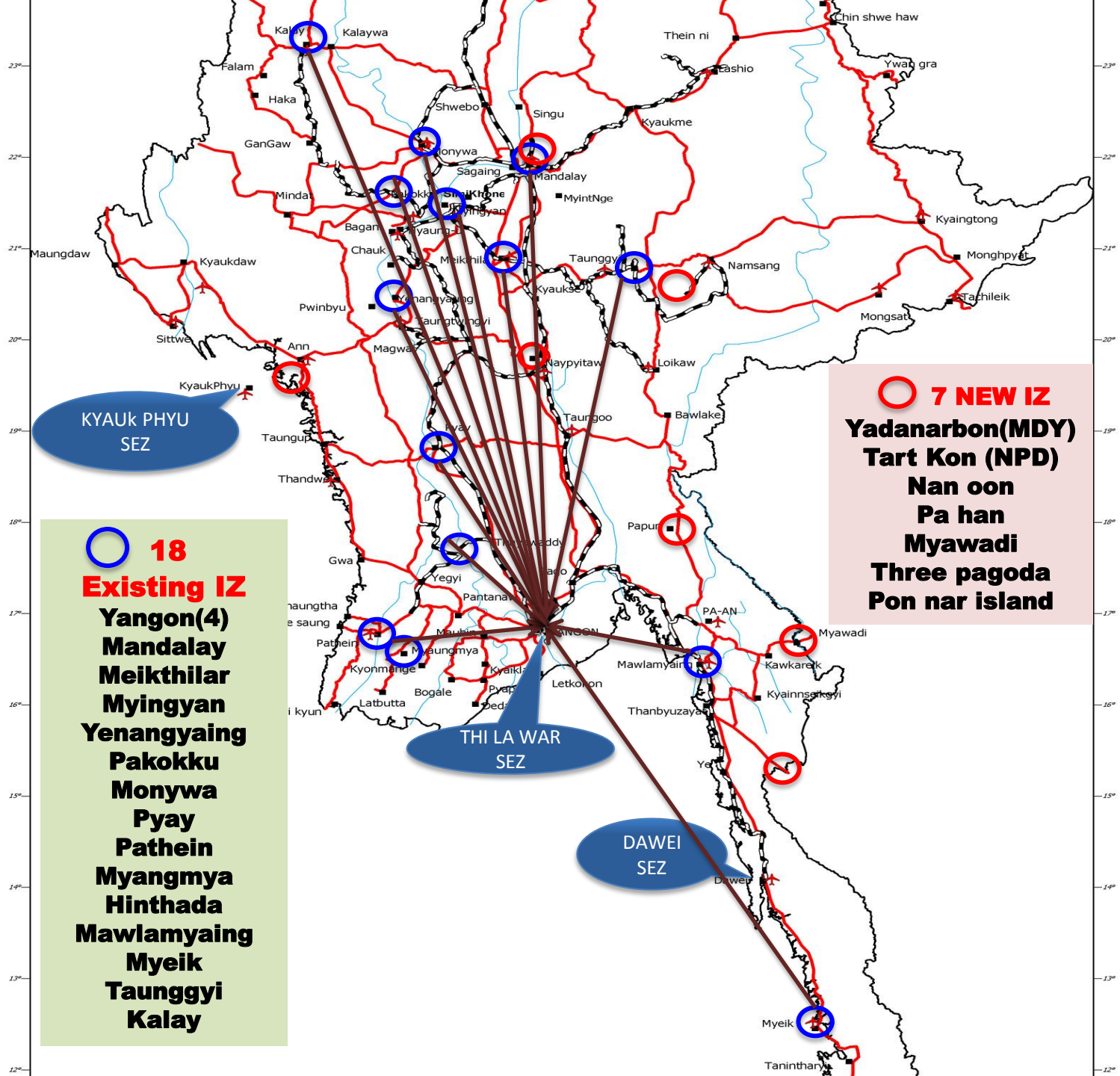


## Proposed Dry Port

- Tamu
- Monywa
- Mandalay
- Muse
- Pyay
- Bago
- Yangon
- Mawlamying

- City
- ◎ Capital City
- Asian Highway Route
- ⋯ Potential Asian Highway Route
- ⋯ Ferry Link
- Location of Existing Dry Port(s)
- Location of Potential Dry Port(s)



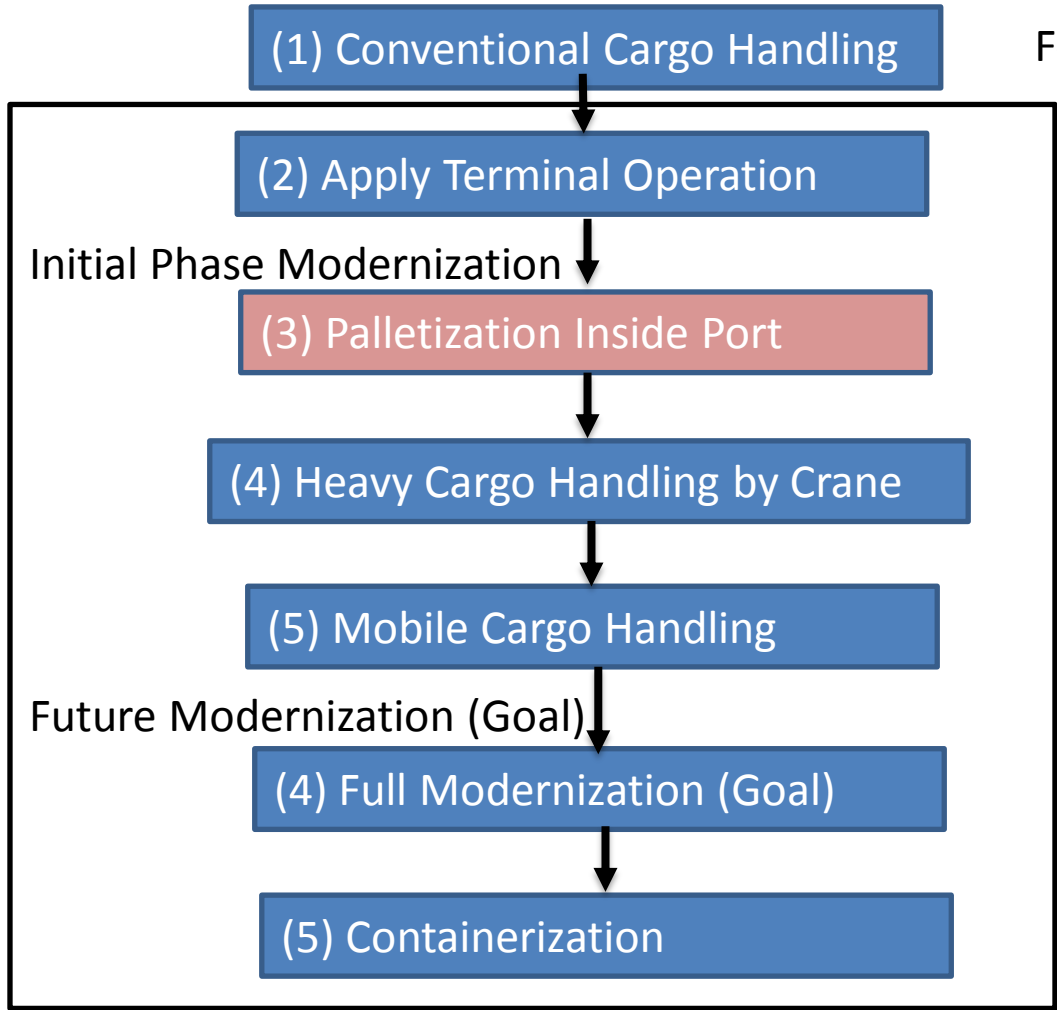


## Recommendation for Myanmar's Transport Logistics



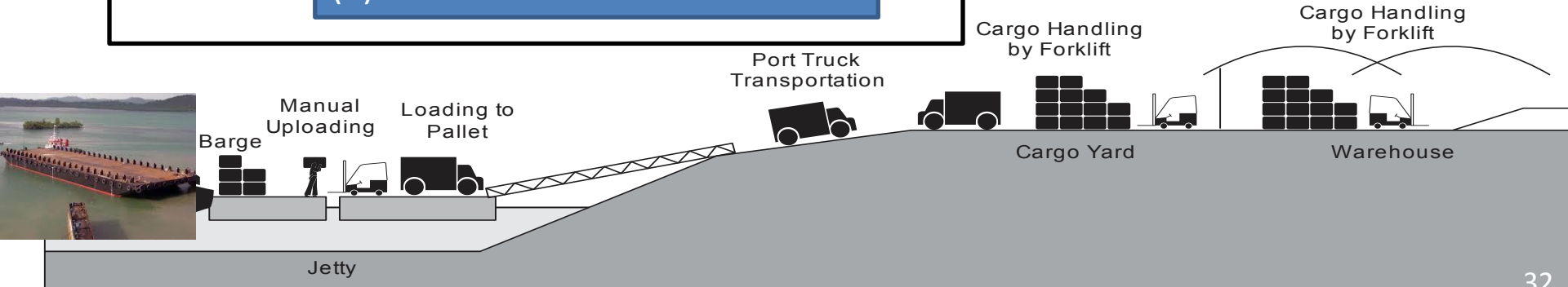
# IWT Project for Developing an Inland Port at Mandalay

Feasibility Study is being done by JICA



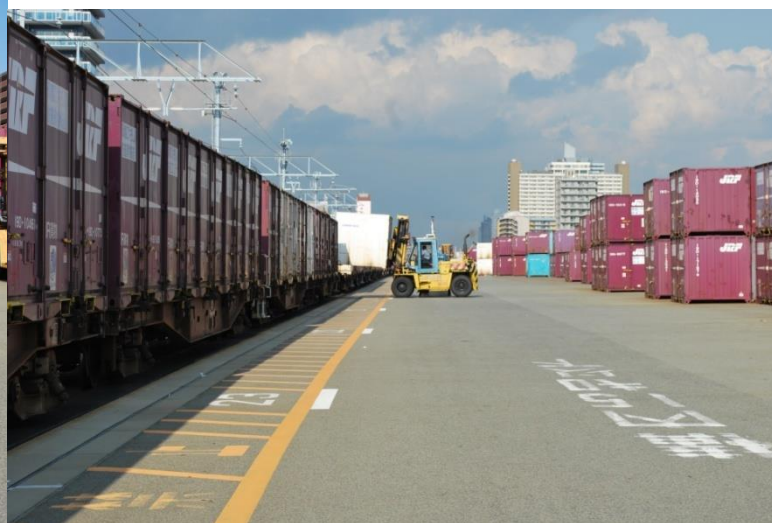
Target of Terminal Plan

Japanese 12 foot container



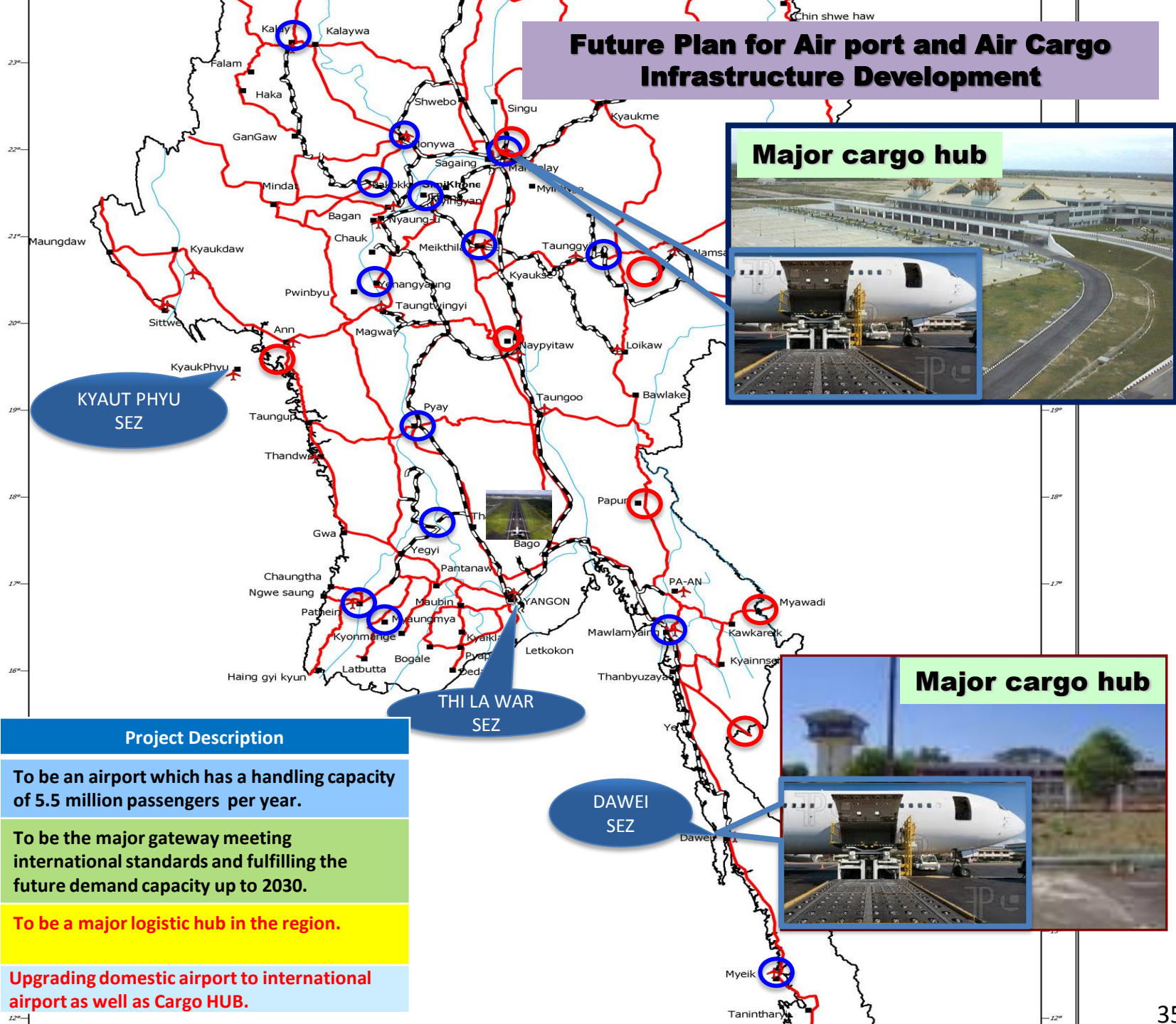
# Japanese 12 foot container







# Future Plan for Air port and Air Cargo Infrastructure Development



Major cargo hub



Major cargo hub



KYAUT PHYU SEZ

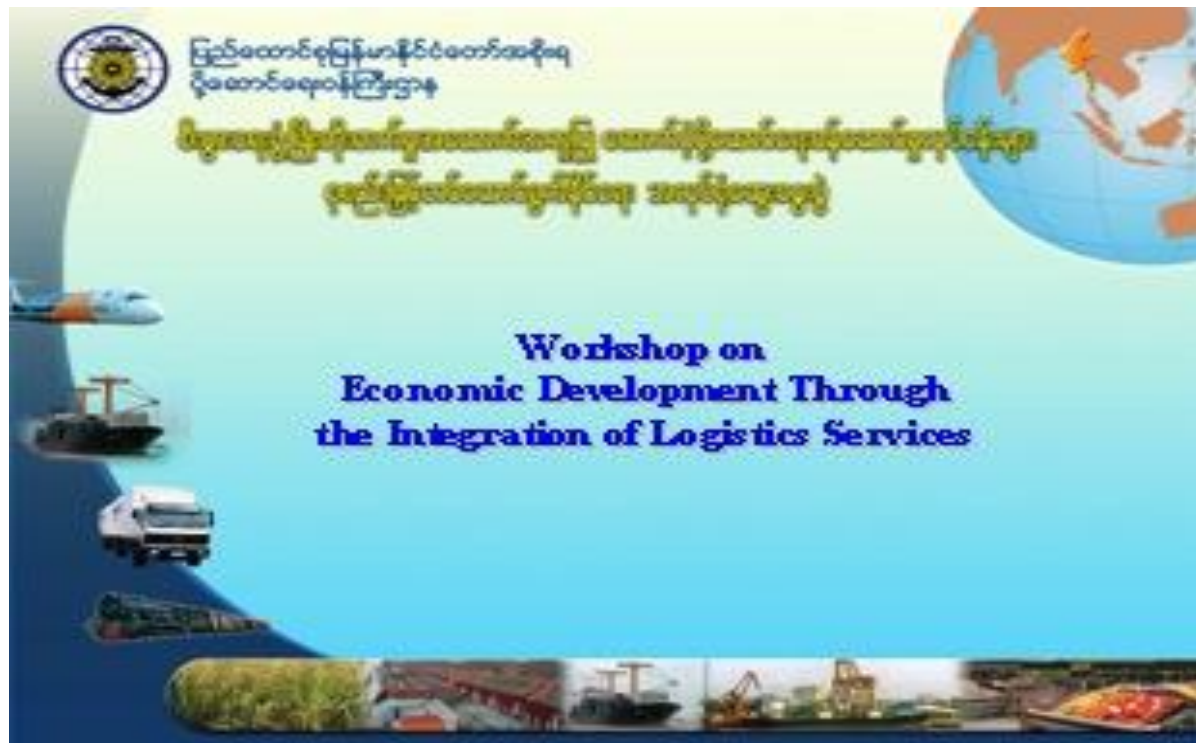
THI LA WAR SEZ

DAWEI SEZ

Airport Name	Project Description
Yangon Int'l Airport	To be an airport which has a handling capacity of 5.5 million passengers per year.
Hanthawaddy Int'l Airport	To be the major gateway meeting international standards and fulfilling the future demand capacity up to 2030.
Mandalay Int'l Airport	To be a major logistic hub in the region.
Dawei Airport	Upgrading domestic airport to international airport as well as Cargo HUB.

# Way Forward

- ❖ **"Workshop on Economic Development Through the Integration of Logistics Services"** was organized by the Ministry of Transport collaborated with the Ministry of Economic and Trade hold in new capital, Naypyitaw on March 17-18, 2008.



# National Logistics Association

- ❖ **Outcome results have derived from the workshop are-**
  - ✓ **To form the consultative committees**
  - ✓ **To integrate the nationwide logistics services under one association**

## National Logistics Association

- (1) Infrastructure Development Consultative Committee**
- (2) Transport Services Development Consultative Committee**
- (3) Consultative Committee of Laws, Regulations and Procedures**
- (4) Human Resource Development Committee**
- (5) Applicable IT Development Committee**



# National Freight Policy

## to improve freight movement

- ✓ **Freight corridor planning**  
Integrated across and between modes, holistic view  
Where located in government?
- ✓ **Performance measures**  
What to monitor for speed, reliability, safety, security  
Data available? At what cost?
- ✓ **Safety**
- ✓ **Environmental issues**
- ✓ **Social issue**

Source: U.S Department of Commerce | International Trade Administration



# To development and Implementation of National Strategic Freight Policy Planning

- **Options within National Strategic freight policy planning within 2 years.**
  - Improved and **predictable processes for regulatory processes**, environmental reviews, and other decisions
  - Expanded coordination among local, state and division governments
  - Prioritizes new projects that improve freight movement
  - Plan will be national and focus on intermodal
  - Standardization of pallet
- **Concrete support for trade Facilitation.**
  - Policy as part of a value-chain approach to supply chain - from port to end user
  - Trade missions, role of transit traffic in corridor planning
  - Related to strong trade and freight growth projections for next 25 years





## URGENT NEEDS

- Insurance-Limited Liability for Freight forwarder (Group Insurance)
- Partial Cargo lost and damage Insurance
- Warehousing Business act
- Freight Forwarding (Logistics) Business act
- Standardization of Pallets
- Implementation of UNIT LOAD SYSTEM

# THANK YOU

