

Greater Mekong Subregion (GMS) 2020: Issues, Prospects and Challenges

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Presentation Outline

- The Current GMS Strategic Framework and Identified Priorities
- Key Regional and Global Trends and Need for a New Long-term Strategy
- Major Challenges and Issues



**GREATER MEKONG SUBREGION
ENHANCING CONNECTIVITY, COMPETITIVENESS AND COMMUNITY**

**Strategic Framework
2002-2012**

Strategic Thrusts

Strengthen
infrastructure linkages

Facilitate cross-border
trade, investment &
tourism

Enhance private sector
participation &
competitiveness

Develop human
resources & skills
competencies

Protect environment &
promote sustainable
use of shared natural
resources

Action Plan

- Transport
- Telecommunications
- Energy
- Environment
- Tourism
- Trade
- Investment
- Human Resource Development
- Agriculture

Goals

- Accelerated and sustained economic growth
- Reduced poverty & income disparities
- Improved quality of life
- Sustainable management of environment & natural resources

Vision

- More Integrated
- Prosperous
- Harmonious Subregion



Performance under the GMS Strategic Framework

- Significant progress has been made:
 - Implementation of high-priority subregional projects and initiatives, particularly in subregional infrastructure in transport, power and telecoms that enhanced GMS connectivity
 - Mobilization of an increasing amount of resources from development partners and other important stakeholders



Midterm Review of the Strategic Framework

- Mid-term Review of the Framework in 2007
- Main Findings:
 - The Framework remains valid
 - Opportunities for fine-tuning the strategic thrusts, requiring some shifts in focus and areas of emphasis
 - Good progress in “hardware”, particularly in terms of physical connectivity, although there still remains substantial infrastructure gaps
 - But less progress in the “software” components of cooperation. These refer especially to measures to enhance competitiveness, translate greater connectivity into accelerated poverty reduction, and mitigate the potential negative impacts of connectivity.



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Directions Set by Recent Key GMS Events

- **3rd GMS Summit:**
 - greater focus on software aspects, particularly those required to enhance competitiveness, e.g., the GMS CBTA and other transport and trade facilitation (TTF) initiatives
 - new impetus to economic corridor development
- **15th Ministerial Conference:**
 - remove impediments to the effective and speedy implementation of the CBTA and other TTF measures
- **Second Economic Corridors Forum:**
 - strengthen institutional arrangements for CBTA and TTF implementation
 - close and active participation of the private sector and local authorities, in economic corridor development



Summary of Current Priorities

- While infrastructure is still a priority, it is equally important to address the “software” aspects, particularly those that enhance competitiveness, address the negative effects of connectivity, and ensure sustainability of development
- Importance of TTF, particularly along the main corridors
- Crucial role of transforming the transport corridors into fully functioning economic corridors in overall GMS development



Stages of Corridor Development

- Stage 1: Transport Corridor – physical infrastructure
- Stage 2: TTF Corridor – cross-border transport operations and efficient border formalities
- Stage 3: Logistics Corridor – broader trade facilitation (behind-the-border) and developed logistics services
- Stage 4: Urban Development Corridor – strain on and improved infrastructure in corridor towns/cities and enhanced capacities for public-private partnerships
- Stage 5: Economic Corridor – ultimate goal; increased private investment, well-developed production chains



Key Global and Regional Trends (I)

- *Key Long Term Trends:*
 1. Increasing globalization and interdependence
 2. Expanding global and regional value chains
 3. Move toward regionalism
 4. Growing role of large emerging economies in Asia (China and India)



Key Global and Regional Trends (I)

- *Key Long Term Trends:*

5. Recent ASEAN renewal – formal charter, move toward AEC by 2015
6. Rapid urbanization
7. Demographic changes



Recent Global Developments

- Current global financial and economic crisis
- Continuing volatility in energy prices
- Renewed international initiatives to address climate change



Major Challenges and Issues (I)

- *Recovering from the economic downturn and mitigating /counteracting its long term negative impact*
 - Rebalancing of economies
 - Mitigating future contagions
- *Transforming the GMS connectivity or transport corridors into genuine economic corridors*
 - Commitment to required institutional/policy reforms
 - Close/effective engagement of the private sector
- *Tapping more fully into opportunities offered by economic resurgence and dynamism in Asia*
 - Effectively linking with economic giants, China and India
 - Taking advantage of complementarities /synergies with other regional cooperation initiatives, e.g., ASEAN



Major Challenges and Issues (II)

- *Addressing global warming and climate change*
 - “low carbon” development path
 - mitigation or adaptation
- *Addressing the risks in other “soft” areas usually associated with increased connectivity*
 - Communicable disease control
 - Human trafficking and transnational crime
 - Flood and drought management
 - Biodiversity conservation corridors.
- *Respond to changing demographics and increased urbanization*
 - HRD, labor and migration – safe migration/protection
 - urban infrastructure services and utilities
- *Sustaining investments in infrastructure*
- *Increased mobilization of private investments for the GMS program, including public-private partnerships*



Thank You

For more information:

on the GMS Program – visit

<http://www.adb.org/gms>

On the midterm review of the GMS strategy
– visit

<http://www.adb.org/documents/reports/mid-term-review-gms/default.asp>

