

# EU and German Government Allocate 96 Million Baht to Support Sustainable Freight Transport and Logistics in the Mekong Region



Bangkok, 2 June 2016 - The European Union (EU) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH have launched a new project on “Sustainable Freight Transport and Logistics in the Mekong Region”. The project is aimed at increasing the efficiency in energy consumption, improving environmental performance, occupational health and safety in the freight transport and logistics sector. The project will target 500 SMEs in the freight transport and logistics sector during the 3 years’ implementation.

The project has received financial support of 2.4 million euro (about 96 million baht) from the EU and the German Federal Ministry for Economic Cooperation and Development (BMZ), with the GIZ in charge of implementing the project in cooperation with the GMS Freight Transport Association (GMS-FRETA) and the Mekong Institute (MI). Relevant associations, such as the Freight Forwarders Association, the Trucks Association and the ASEAN Transport Association, will be involved in the implementation to ensure the effectiveness, ownership and sustainability of the activities.

The representative of the Delegation of the EU in Thailand emphasised that “The 3-year project supported under the SWITCH Asia Programme will help Cambodia, Lao PDR, Myanmar, Vietnam and Thailand upgrade the quality and standards of their transportation and logistics sector to international levels and invest in technology that is more efficient, safe, and environmentally friendly. It will also promote awareness and set up policy-support measures on the standards of labels, regulations and initiatives for modern transportation systems.”

“We are fully aware that the transportation and logistics sector has a very important role to play in the economic development of the Mekong Sub-Region and it is a key sector under the GMS Economic Corridor which supports the growth of industry, agriculture, trade, investment and service. Therefore, we will work with utmost efficiency to implement the project and ensure that the countries are growing sustainably and are capable of giving more welfare services to its workforce, have greater potential for economic competition, and help reduce adverse social and environmental impacts.”

Ms. Wilasinee Poonuchaphai, Project Co-Director of the “Sustainable Freight Transport and Logistics in the Mekong Region” project , GIZ Thailand added that “The project will scale up existing measures on greening and improving the safety of the freight and logistics sector. It will reduce fuel consumption per transported volume and increase safe transport of dangerous goods, thus reducing CO2 emissions from the sector. Most of the activities will be built on successful past experiences and complement ongoing initiatives such as the Asian Development Bank’s (ADB) GMS Core Environment Programme (GMS CEP), capacity-building of FRETA members, and the ASEAN-German project “Transport and Climate Change”. These data will be part of a policy recommendation for the public and private sectors concerned.”

“A study on the freight sector by the ADB indicates that goods transportation and exports in the Mekong region increased by 75 percent during 2002 and 2011, resulting in higher fuel consumption. Currently, the development of the sector is hindered by overloaded trucks and driver’s behaviour, an ageing freight fleet, most of which is over 10 years old on average and not well maintained. More than 25% of the trucks run empty, causing inefficient fuel consumption and Greenhouse Gas (GHG) emissions. Furthermore, the transport of dangerous goods is not up to international standards and there is a lack of incentives for drivers, all these affect the economic development in this region. The project will, therefore, focus on fuel consumption efficiency and reduction in GHG emissions, mainly through defensive and eco-driving, technology changes and maintenance, freight brokerage and logistics synergies as well as safe transport of dangerous goods to ensure sustainable growth both in economic and environmental aspects.”