



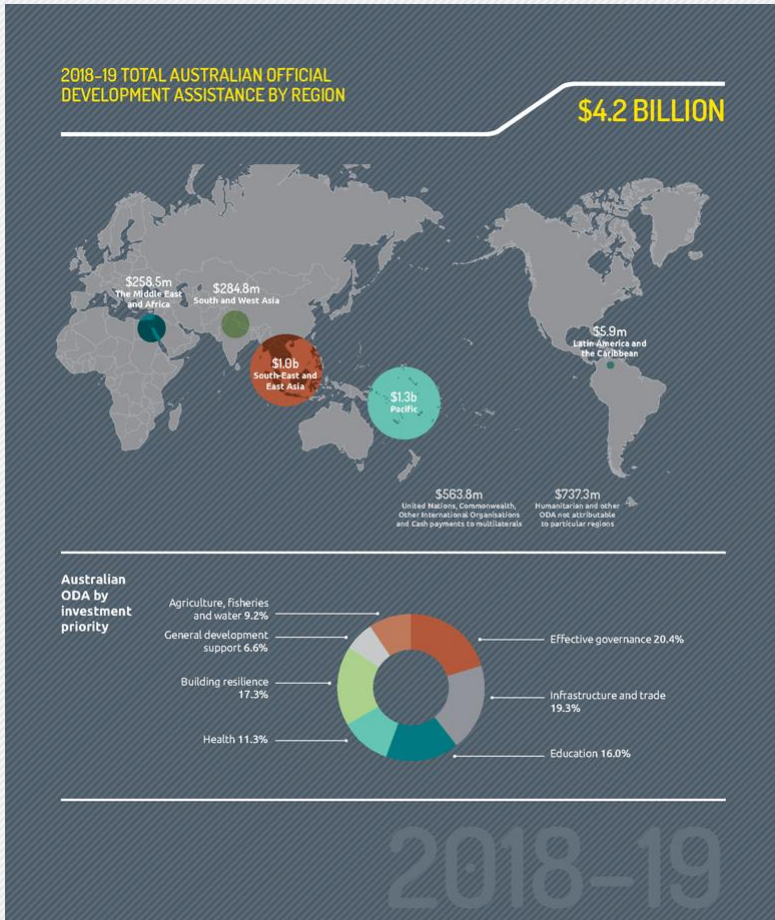
**Australian Government**

**Department of Foreign Affairs and Trade**

# HARNESSING DEVELOPMENT FOR STRONGER CONNECTIVITY

Presented by: Paul Stephens, Deputy Head of Mission and  
Permanent Representative to UNESCAP, Australian Embassy  
Bangkok  
Presented: 3 August 2018

# AUSTRALIA COMMITTED TO THE MEKONG AND ASEAN REGION

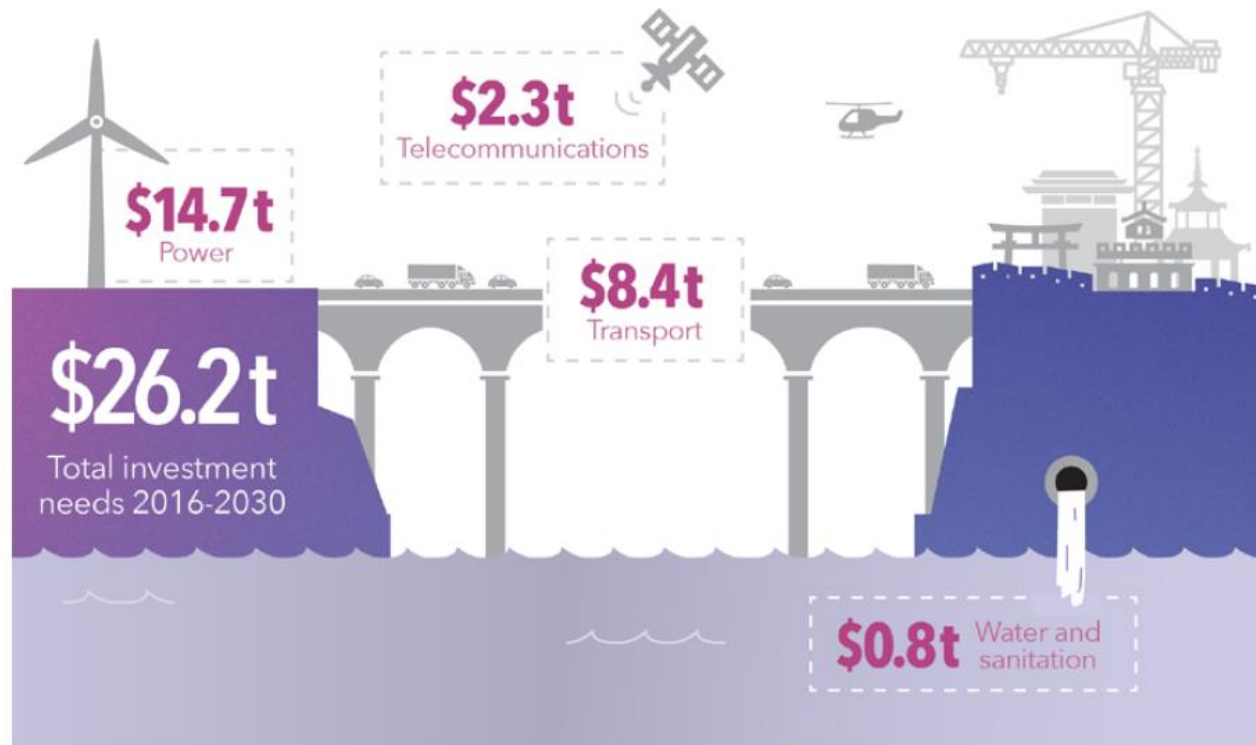


2018-2019:

- AUD 1 billion in technical assistance for South East Asia, over half of which will be in the Mekong region.
- 19.3% of Australian development assistance directed toward infrastructure and trade.

# INFRASTRUCTURE – THE \$26.2 TRILLION DOLLAR QUESTION

Figure 3.1 Infrastructure investment needs in Asia (2016–2030, US\$ trillion)



Source: Asian Development Bank

# AUSTRALIA – LEGACY OF HARD INFRASTRUCTURE INVESTMENT



## Cao Lanh Bridge

- Opened 27 May 2018
- Co-financed by Australia (AUD 160 million) and the Asian Development Bank



## Thai-Lao Friendship Bridge

- Completed 1994, AUD 42 million.

## SOFT INFRASTRUCTURE NOT KEEPING PACE

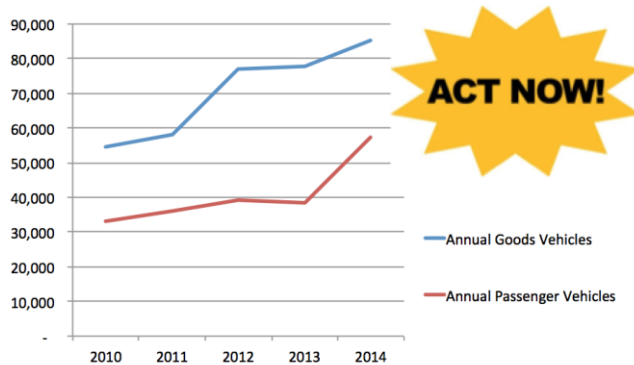
- Less than 1% of GMS Regional Investment Framework is committed to soft infrastructure.
- This is driving up costs and reducing Mekong/ASEAN competitiveness:



*Cost of manufacturing in Cambodia, Lao PDR, Myanmar up 20% in 5 years due to inefficiencies in logistics/transport.  
Source: JETRO, 2017*

# BORDER CROSSING CONGESTION IS INCREASING

Steadily Increasing Traffic at Moc Bai – Bavet Border Crossing...



*Year on year increases in cross border traffic.*  
*Source: ADB, 2015/6*



# MAXIMISING CONNECTIVITY THROUGH SOFT INFRASTRUCTURE

- Australia and ADB helping to fill this gap.
- GMS Ministers agreed to commence CBTA operations in 2018
- Up to 500 vehicles per country to be able to across the GMS (Myanmar in 2020)
  - Reducing need to change vehicles, decongesting borders, streamlining clearance.



# INFRASTRUCTURE DEVELOPMENT INTEGRAL TO CONNECTIVITY

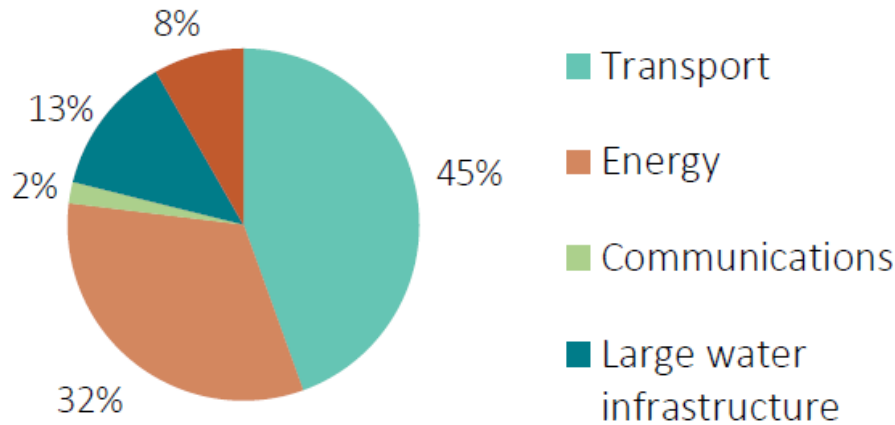
- Australia is assisting through:
  - Development of MPAC 2025;
  - ASEAN-Australia Infrastructure Cooperation;
  - ASEAN-Australia Smart and Sustainable Cities.





# AUSTRALIAN SUPPORT FOR INFRASTRUCTURE

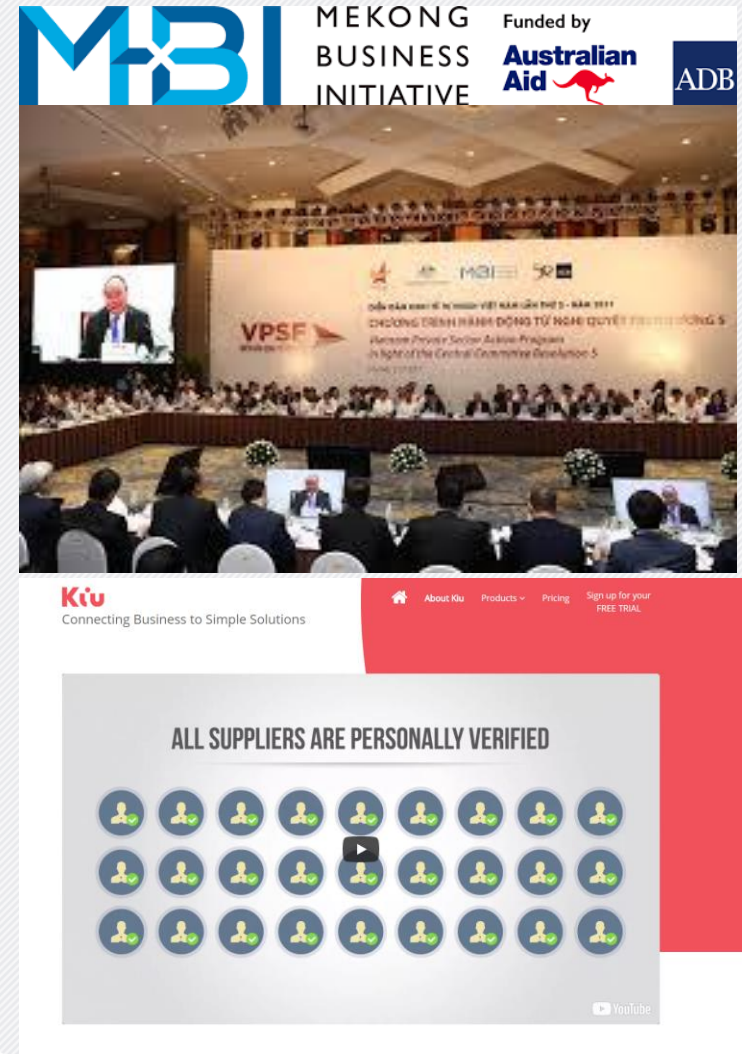
Australian Infrastructure ODA,  
Expenditure by Sector Grouping, 2017-18



- Australia to invest over AUD 350 million in economic infrastructure in the Indo-Pacific
  - Almost AUD 150 million in East Asia.

# UNLOCKING OPPORTUNITIES FOR MEKONG BUSINESSES

- Mekong Business Initiative (USD 10.5 million, cofinanced by the Australian Government and ADB).
  - Helping the business community to drive reform
  - Unlocking millions of dollars in finance
  - Connecting thousands of SMEs to international markets.



# ASEAN-AUSTRALIA, AN ENDURING PARTNERSHIP



- ASEAN region set to become world's fourth largest economy by 2030.
- Connectivity will be a central element on this economic journey.
- Australia remains a committed partner to Mekong and ASEAN connectivity and prosperity.