



TRUCKING INDUSTRY

2019 Report



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About this publication

MMRD Research Division offers range of syndicated products with the aim to support the needs of our clients. We are a pioneer in researching logistics industry on a quarterly basis in Myanmar. Our goal is to provide up-to-date information of the logistics sector by producing quarterly reports and data. With that, our objectives are to identify the freight rates in various modes of transport, make quarterly comparison in the freight rates to highlight the trends and changes in the logistics sector, underline the issues experienced by the local transporters and traders in each logistics sector and make quarterly forecast over the potential trends in the Myanmar transport and logistics sector.

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Abbreviations

- ACMECES Ayeyarwaddy-Chao Phraya-Mekong Economic Cooperation Strategy
- AH Asian Highways
- BIMSTEC Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
- BOT Build-Operate-Transfer
- EWEC East-West Economic Corridor
- DWT Deadweight Tonnage
- FDI Foreign Direct Investment
- FEU Forty foot container
- FTL Full Truck Loads
- FY Fiscal Year
- GMS Greater Mekong Subregion
- GVW Gross Vehicle Weight
- HD High Density
- LD Low Density
- LPG Liquefied Petroleum Gas
- LPG Liquefied Petroleum Gas
- LTL Less than Truckloads
- MMK Myanmar Kyat
- MOC Ministry of Construction
- MOC Ministry of Construction
- MOC Ministry of Commerce
- NEDA Neighbouring Countries Economic Development Cooperation Agency
- OBOR One Belt One Road
- ROD Record of Discussion
- RTAD Road Transport Administration Department
- SAARC South Asian Association for Regional Cooperation
- SEC Southern Economic Corridor
- SEZ Special Economic Zone
- TEU Twenty foot container

Definitions

- **Viss:** A Burmese unit of measurement for weight that is equivalent to 1.6 kilograms (3.6 pounds)
- **Trucking Gates:** A consortium of SME independent transport companies that have come together to establish a cooperative style of pooling arrangement on a particular transport route. There is a gate “in each major city and each gate specialises on one trunking route (i.e. Yangon-Mandalay). Every gate has a pool of operators. Newer and larger operators do generally not participate in the gate system. The gate manager has also the task of consolidating loads. The consolidated cargo is transhipped at a truck park adjacent to the office area. Full truck loads are collected directly at the shipper’s (e.g. factory) premises and do not go through the gate area¹.
- **Gross Vehicle Weight:** Maximum operating weight/mass of a vehicle including the vehicle's chassis, engine, fuel, accessories, driver, passengers and cargo but including any trailers.²
- **Gross Registered Tonnage:** The volume of space within the vessel body and enclosed space above the deck of a merchant ship which are available for cargo, stores, fuel, passengers and crew.³
- **Drayage:** The trucking service from a sea/river port to the warehouse or other destination.
- **Transshipment:** Transshipment is the shipment of goods or containers from one method of transport to another method of transport. (E.g. truck to truck, truck to train, truck to vessel, etc.)
- **Tonne:** A unit of mass equivalent to 1,000 kilograms. By common usage it is also known as a ton.
- **TEU:** Twenty-foot Equivalent Container
- **FEU:** Forty-foot Equivalent Container
- **Customs-bonded Warehouse:** A building or other secured area where dutiable cargo may be stored or manipulated, or may go through manufacturing operations, regardless of duty payment.
- **Forklift:** A vehicle with a divided device in in front to lift and carry heavy loads of cargo.

¹ [Myanmar Transporters](#)

² [Gross Vehicle Weight](#)

³ [Gross Registered Tonnage](#)

Units of Measurement

1 gallon (US) = 4 litres

1 tonne= 1,000 kilograms

1 tonne = 600 viss

1 viss = 1.6 kilograms

1 mile = 1.6 kilometre

Exchange Rate

1 USD = 1,320 MMK (October, 2017)

1 USD = 1,320 MMK (Feb 2018)

1 USD = 1,347 MMK (May 2018)

1 USD = 1,473 MMK (August 2018)

1 USD = 1,570 MMK (November 2018)

Abstract

The sector report intends to provide the industrial-wide overview of the road cargo transportation in Myanmar. The survey approached major stakeholders in the trucking industry in the market across the hubs in the country to gain rich sources of information to conduct the study report. The study focuses on the quarterly comparison in the transport rates and operation costs and changes in market demand to highlight the trends on the major freight transport routes in 2018-19. Moreover, the report underlines the issues experienced by the local transporters and trucking gates in the trucking industry.

Keywords: logistics, trucking industry, trucks, containers, hauliers, transport rates, freight rates, operation costs, tonne per kilometre, kyats per tonne per kilometre, market demand, main issues, future outlook, peak season, rainy season, permissible loading tonne, road condition, bridges, development projects, rules and regulations, border trade.

Trucking Industry

(2018-2019 Report)

Key Findings

- **Trucking dominates the domestic freight transport and it accounts for 80% of the overall freight transport.** It bolsters especially in the peak season which is also the favourable trade season in Myanmar.
- **The trucking industry suffers from poor road conditions in the rainy season, starting from May to August.** This led operation costs and freight rates higher along with the longer travelling time.
- **Consequently, the cargo transportation declined by a third, especially in Yangon.** The causes were transport delays, some roads were closed and certain types of trucks were restricted from operating on some days.
- **Rules and regulations stipulated for permissible loading tonne capacities of trucks in case of the road safety in the rainy season.**
- **The new regulations for trucks operating on the Mandalay-Bhamo- Myitkyina road and Muse Namkham road were also updated in August.**
- **Inconsistency in rates levied by road and bridge tolls was highlighted.**
- **The road cargo transportation saw burgeoning after the end of rainy season.** The cargo transport along Muse and Sittwe routes recovered in **November**.
- **The trucking industry in February 2019, experienced a slowdown due to Chinese New Year Eve.** There has been lower traffic on the major trucking route (Yangon – Mandalay – Muse) which is related with the trade with China.
- **The transport rates in February showed marginal changes.** In most truck routes, the rates were raised by 5 – 7%.