

Amazing CLM Countries

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The “CLM” countries combine with Cambodia, Laos PDR, and Myanmar, countries within the Southeast Asia region. Mekong River passes through these countries with a land boundary with Asian countries. These countries have culture that is similar to each other, with an abundance of natural resources that form raw materials essential for industrial developments. **Cheap Labor comes from this region in great abundance to fill the production sector. Therefore this region draws investment from other parts of the world and noted for its fastest growth phenomena.** In this nexus, significance lies in the regions existence as far as Thailand is concerned. This can be seen from CLM countries which Asian member having entered into FTA with China, Japan and Korea (Incoming soon) with phenomenal power in politics, military and economics. The CLM countries are members of AEC : ASEAN Economic Community, the source of raw materials and export market amounting to one-fourth of the total exports volume of Thailand. Looking at Thailand, one cannot miss its Geo-politics, that is, it has Rim land and Heartland because of sharing frontier with countries in this region by land and by sea In southern Thailand, it is a peninsular, having coastal areas on both sides that enables communications via the Indian Ocean and the Pacific region. On land, there is a land boundary with Malaysia – Singapore close to Malacca Straits which is an important sea route. South East Asia region is significant both in terms of economics and politics. Therefore, government of Thailand places emphasis on linkage with these countries for its economic progress.

Which also serves National Interests? Hence, the government has set up policy in the interests of the public policy for developing Logistics and communications infrastructure in a bid to make Collaborate for logistics and communications linking other Asian Countries and with southern part of China. **The issues show that land transportation system is suitable and it is most efficient for linking with internal areas in the various countries in the Mekong river region.** Trade volume and investments are confined to those within the region itself substantially, although these countries lack development of internal communications networks essential for linkage with major seaports and the main cities. At the same time, Laos and southern part of China have no access to the sea. Thailand, on the other hand has big potential for its land communications system stretched over 170,000 – 190,000 kilometers. Based on this strategic advantage coupled with the cooperation on international scale such as,

GMS and ACMECS, Thailand has been able to carry on with its developments of communication system for linking with the neighbors. The Studies show that form of transportation and logistics for cross border transport linkage with the region, land transportation prove to be suitable.

Recommendations of Implementation of the CLM Cross-Border Transport agreement

(CBTA): Possible Roles for the Private Sector

Problems and recommendations for CLM Countries (Cambodia, Laos, and Myanmar) **Cross Border Transportation Agreement (CBTA)**, which is the agreement of transport connection among the countries in “CLM” region, must give precedence to North-South and East-West Economic Corridor, especially on Route R9 and Route R3. The important point is the need to change agreement in G2G level, which the government of each country giving assent for materialization of this project. Road transportation tend to be the important mode in connecting Intra CLM Countries and it will be the option mode between sea and land transportation which is currently a speedy way for traveling and transporting goods to Bangkok via Route R3 to Kunming takes about 3-4 days whereas sea transportation takes 3 times longer than road transportation.

Important Issues Requiring Agreement for CLM cross border are as follow:

1. **Route R9** Mukdaharn-Savarnakhet connecting requires urgent agreement SSI: Single Stop/ Single Window Inspection including “**CLM Multiple Visa**” which is for truck drivers. Moreover, registration of 500 trucks are not enough, it has to urgently study for making Single Stop and Single Window which is processed successful at the frontier between Dansavanh border in Laos and Lao-Bao border in Vietnam including Single Stop failure case study at Hekou in China and Lao-Cai in Vietnam, which could not process practically; consequently, it will be the case study of Route R3 and R9 in Thailand. However, there is an agreement to streamline Mukdaharn and Savarnakhet frontier which SSI Agreement must rules and covers practically about documents inspection. There is also collaboration in customs clearance, Border Check Point, quarantine and Immigration Authorities in one location in the national territory which is aimed at reducing time frame by 70%. **However Route R9 is as the East-West Asian Highway Linkage**, offers opportunities for CLM to make region investment in Offshore Factory no only for Laos and Vietnam, but particularly in Myawaddy Industries Estate (Myanmar Side) and Mae-Sot Border Industries Zone (Thailand Side) will be the high

potential and it will be alternative way to transit cargo among Myanmar-Thailand-Laos-Vietnam-China.

2. **Route R3E** also called R3A or Kunmung-Konglu have the potential to be transport connecting in Northern Thailand which have Chiangrai to be Economic Gateway to Borkaew district, Luang Namtha and Yunnan, with Kunming being the center. It is necessary to accelerate the agreement of using road and also speed up building Maekong River Bridge at Nakhonpranom via Thakhek and Chiang Khong via Houayxay, especially transshipment agreement. Presently, Thailand has no Door to Door Agreement of Thailand-Laos-China transshipment in international scale and the private sector need to accelerate the agreement of using toll payment, repairing road and traffic signs and streamlining regulations which are less progressive because the government in each country wants to use the standard format of Route R9. However, Thailand's business sector gives the high priority to Route R3 because it is the shortest route 228 kilometers approximately to connect Thailand and China via Northern Laos. This area offers a chance for investment to promote agricultural and co-production industry, particularly tourism.

CLM cross border transport Problems for urgent solutions as follows:

1. **Single Stop/ Single Window for cross border trade**, requires urgent solutions, particularly in Harmonization and Documentation about customs, quarantine and immigration.
2. **Accelerating Agreement among Thailand, Laos, Vietnam and China** about standard of trucks focusing on CLM driving license and CLM business card, it will facilitate going in and out cross border in each country without using passport or Border pass.
3. **Urgent Agreement for transit** to the third country should be exempted from checking and opening container includes bond deposit. There is not Transshipment Agreement among CLM and Asian countries, which renders goods under Incoterms, such as, DDU and DDP not feasible or there are the problems about sending back empty containers. In this regard, Reverse Logistics require urgent agreement immediately.
4. **Insurance and Liability** requires agreement for Route R3 and Route R9 to be international transportation route which have effect on transportation under CIF insurance coverage, such as CIF terms especially some countries are not recognized by door to door terms.
5. **Road Repairing** We found that Route R3 and R9 was damaged partially, so that it is necessary to require urgent agreement of using CLM main connecting route, such as, if

roads are damaged what sort of repairs to carry out? If toll payment is necessary, there will be fund available for repairing roads. It requires urgent agreement and solutions over truck weights, speed limits, punishment and fines imposed under international basis.

However, It should be considered on “CLM” cross border transport Agreement and other which have many annexes and many protocols, can do practically and also can enforce in the frontier of every countries which is bound to collect the benefits and make high sustainable competitiveness in every country in CLM region.

CLM Strategies Development Frame Work

1. **Trade and Investment Facilitation** Within the agreement on the establishment of Sister Cities, business sector would like to request “CLM” Leaders to promote closer cooperation and push forward other MOU to reinforce trade cooperation, trade facilitation, to reduce rules and regulations for deducting border trade problem. Besides, it should sign MOU in multilateral level, such as, Thailand-Lao PDR-Vietnam or Thailand-Lao PDR-China in order to move trade and investment in the region.
2. **Tourism Cooperation Sector** Within “CLM” cooperation, which will be the advantage and shared prosperity indicator, related to tourism promotion in “CLM” member countries. At currently, there are connecting route and bridge among member countries, how can we promote the tourism to be more prosperous. Therefore, it should promote tourism connection, such as establishing Tourism Office both in the center and corridor in each country.
3. **Agricultural Cooperation Sector** We would like to request the Governments to conclude the bilateral Contract Farming Agreement (ACMECS Protocol) between Thailand and Myanmar, as well as Thailand and Cambodia and also Laos PDR to facilitate the import of agricultural produces from the registered Contract Farming projects as located in Myanmar, Cambodia and Laos PDR to Thailand.
4. **Industry and Investment Cooperation Sector** Investment promotion in member countries should be deeply promoted. Thai investments are interested to invest in member countries both in Myanmar, Cambodia and Laos PDR, but there are some problems about different rules and regulations for investment and it can not reach into government device in each country which will make investment confidence. Thailand and Vietnam should be the model to show that FDI Investment promotion will be the advantage and make the GDP grow in their countries.

5. **Transport and Infrastructure Sector** CLM business sector members would like to request member government to consider the devices and regulations which are the problem for corridor connecting in each country, such as Single Stop Inspection, which it should be raise the succeed SSI at Dansavanh-Lao Bao Customs Point (Cross border between Laos PDR and Vietnam) to be the model. Moreover, promoting E-Logistics in customs and trade side to be the same format as well as transport regulation, cross-border truck, particularly Route No.9 East-West Corridor and cross border transport Agreement, which have already been signed is still inoperative in practice and it will lead to be the movement of goods, services, tourism and investment by the infrastructure network which have already been constructed. Besides, we would like to see the collaboration in order to achieve railway construction from Yunnan through Thailand into Lao PDR as well as railway project in Dong Ha-Savannakhet-Mukdaharn (Road No.9), which will connect among CLM countries via Asian countries feasibly, although, these projects are still be an ideal but they are the first step toward the future.
6. **Human Resource Development** Human resource development in “CLM” member countries needs to develop both in Vocational and Bachelor’s Degree level to be the same standard in each country. In the future, CLM member countries will collaborate in the area of trade, investment, tourism and transport. Therefore, they should promote language studies project in their local university as well as culture exchange and scholarship for students in every level.

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