

National level coordination and stakeholder consultation mechanisms for regional cooperation and integration in GMS countries: Case Study of Thailand

**Ms. Kornkarun Cheewatrakoolpong, Ph.D.
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Introduction

- General Chatichai Choonhavan, Thailand's former prime minister, initiated the policy called "Transform the field of battle into the field of commerce" in 1987.
- Thailand and other GMS countries could exploit the complementarity of each country's strengths.
- Since the creation of the GMS program in 1992, regional trade among Thailand and other GMS countries has increased substantially.

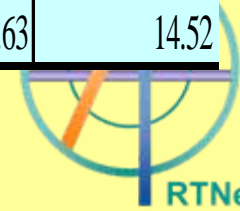


Introduction

Table 1: Thailand's trade with GMS countries (millions of US dollars)

Country	2001	2002	2003	2004	2005	2006	2007
Total Import from GMS	6,941.02	8,179.47	9,423.33	12,049.73	16,083.16	19,436.27	23,838.11
Total Import of Thailand	61,951.84	64,613.58	75,679.26	95,197.15	118,112.38	128,652.34	151,703.02
GMS/Total Import (%)	11.20	12.66	12.45	12.66	13.62	15.11	15.71
Total Export to GMS	4,870.59	5,717.65	8,532.64	10,849.64	13,823.45	17,918.79	23,880.35
Total Export to ASEAN 10	12,545.9	14,165.0	16,530.6	21,092.6	23,892.0	27,209.7	34,842.5
Total Export of Thailand	64,908.67	68,593.50	80,252.57	97,098.13	109,848.41	130,621.07	163,118.87
GMS Trade/ Total Export to Asean	78.20	83.98	96.51	99.07	116.78	129.91	131.19
GMS/Total Export (%)	7.50	8.34	10.63	11.17	12.58	13.72	14.64
Total Trade in GMS group	9,810.61	11,895.12	15,952.97	20,895.37	27,901.62	35,349.06	45,711.46
Total International Trade	126,860.51	133,207.09	155,931.83	192,295.27	227,960.79	259,273.41	314,821.89
GMS Trade /Total Trade(%)	7.73	8.93	10.23	10.87	12.24	13.63	14.52

Source: World Trade Atlas

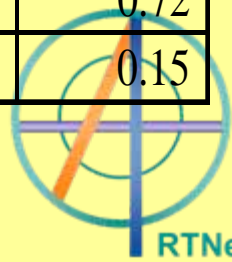


Introduction

Table 2: Thailand's cross-border trade with GMS

Millions US\$	2003	2004	2005	2006	2007
Thailand -Lao (Northeast)	496.89	562.18	637.17	1,287.06	1,758.94
Thailand -Lao (North	20.57	33.50	55.37	58.80	64.80
Thailand -Lao Total	517.46	595.68	692.54	1,345.87	1,823.75
Thailand-Cambodia	429.69	585.24	763.61	951.28	1,080.62
Thailand-Myanmar	204.62	398.73	450.63	447.01	527.96
Thailand-South China	100.34	83.34	128.78	137.21	190.83
Total (Lao cambodia Mynma & South China)	1,252.11	1,662.99	2,035.55	2,881.37	3,623.16
The share of cross border trade (laos)	0.93	0.86	0.70	0.88	0.95
The share of cross border trade (Cambodia)	0.62	0.78	0.81	0.74	0.72
The share of cross border trade (Myanma)	0.15	0.21	0.18	0.14	0.15

Source: Bank of Thailand and World Trade Atlas



Introduction

- Various Stakeholders are skeptical about the benefits and the real success of the GMS program for Thailand.
- The concerns lead to a lack of involvement from the stakeholders.
- It is crucial for the success of the GMS program to give more priority to non-governmental stakeholders.



Thailand and Regional Integration

Table 2-1: Thailand and Regional Integration

Name	Members	Purpose	National Coordinators
ASEAN	Indonesia, Malaysia, Singapore, Philippines, Thailand, Brunei, Cambodia, Lao PDR, Myanmar, Vietnam	Promote regional peace and stability and to accelerate economic growth in the region.	Department of ASEAN, Ministry of Foreign Affairs
APEC	21 countries, including China, Thailand and Vietnam	Promote sustainable economic growth and prosperity, strengthen a multilateral trading system, and increase the interdependence of member countries.	Department of International Economic Affairs, Ministry of Foreign Affairs
BIMST-EC	Bagladesh, India, Mynamr, Sri Lanka, Bhutan, Nepal, and Thailand	Promote an increase in opportunities for trade, investment and tourism among regions in South and Southeast Asia.	Division of Economic Relations and Cooperation, Department of International Economic Affairs, Ministry of Foreign Affairs
IMT-GT	Indonesia, Malaysia, and Thailand	Accelerate the sub-region's economic transformation in six areas consisting of infrastructure and transportation, trade and investment, tourism, Hala products and services, human resource development, agriculture and agro-industry and the environment.	NESDB



Thailand and the GMS program

- Economic perspectives
 - The development of economic cooperation in the areas of trade facilitation, investment and logistics.
 - The improvement of infrastructure and logistic connectivity.
 - The harmonization and improvement in rules and regulation.
 - The development of capacity building.



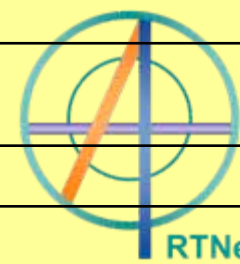
Thailand and the GMS program

- Social Perspectives
 - Sustainable environment
 - The improvement of well-being of people in the border areas
 - The reduction in economic gaps
 - The prevention of human trafficking
 - The prevention of contagious diseases
- Security and Stability Perspectives

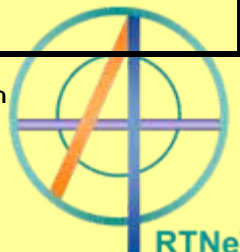
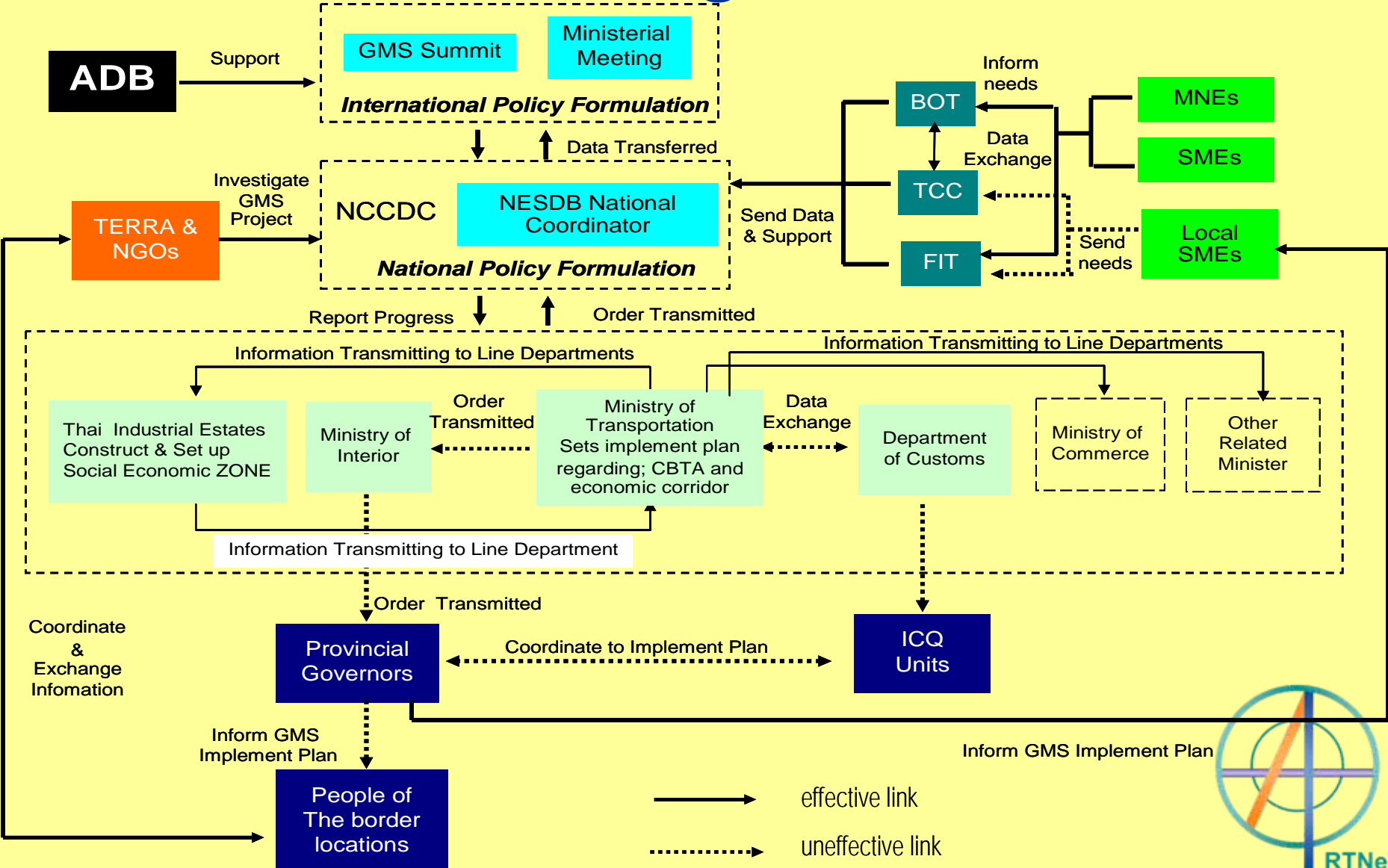


Stakeholders in GMS Regional Integration

Stakeholder	Role and Responsibility
NESDB, NCCDC, and other line departments	<ul style="list-style-type: none"> - Set the the national GMS policies - Relay order to the related line department - Follow up the progress - Report the progress and implementation status to ADB and ministerial meetings.
Provincial government officers	<ul style="list-style-type: none"> - Implement GMS initiatives at the border locations
BOT and TCC	<ul style="list-style-type: none"> - Be a part of NCCDC, NTTCC and other GMS committees to set up the national GMS polices. - Receive information from member companies and provide recommendation to the government
FTI	<ul style="list-style-type: none"> - Be a part of NTTCC and other GMS committees to set up the national GMS polices. - Receive information from member companies and provide recommendation to the government
MNEs and SMEs	<ul style="list-style-type: none"> - Perform their business with the complement of/ under GMS initiatives and provide their needs, interest and suggestions to the government via BOT, TCC and FTI
People at the border locations	<ul style="list-style-type: none"> - Experience the impact of GMS initiatives such as a change in occupation, an improvement in infrastructure and so on.
Donors and development partners	<ul style="list-style-type: none"> - Provide funding - Provide technical assistance
Civil Society Organizations	<ul style="list-style-type: none"> - Examine GMS initiatives and their impact

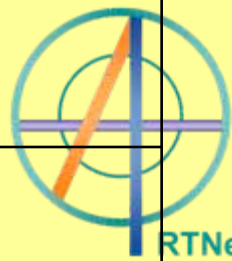


Stakeholders in GMS Regional Integration



Stakeholders in GMS Regional Integration

Stakeholders	Influence	Importance	Interest	Impact
Government Policymakers	Highest	Highest	Highest	Highest
Provincial-government Agents	Medium for policy formulation Highest for implementation	Medium	Medium	Highest
BOT	High	High	High	High
FTI	Medium	High	High	High
MNEs	Medium	High	Medium	Highest
SMEs	Low	Highest	High	Highest
People in Border Areas	Low	Medium	Low to Medium	Highest
ADB	Highest for policy formulation Low for implementation	Highest	Highest	Low
Civil-society Organizations	Medium	Low	High	Low



Economic Corridors

- The improvement of existing alignments and the establishment of road links and an international bridge in the North-South, East-West and Southern Economic Corridors. (Almost Complete).
- The improvement of roads inside countries to support Economic Corridors. (In progress)
- Special Economic Zones along Economic Corridors
 - Chiang Kong (feasibility study)
 - Mae Sot (feasibility study)
 - Mukdahan (Distribution center, done)



Economic Corridors

Problems:

- Inconsistency in government's policy regarding special economic zones.
- The resistance from people in the areas
- The Special Economic Zone in Chiang Rai



CBTA

Annex	Description/Title	Status
ANNEX 1	Carriage of Dangerous Goods	In a process of enactment for ratification
ANNEX 2	Registration of Vehicles in International Traffic	Ratified
ANNEX 3	Carriage of Perishable Goods	Ratified
ANNEX 4	Facilitation of Frontier-crossing Formalities	In a process of enactment for ratification
ANNEX 5	Cross-border Movement of People	Parts 1-4: ratified Part 5: In a process of enactment for ratification
ANNEX 6	Transit and Inland Clearance Customs Regime	In the process of the establishment of guarantee organization
ANNEX 7	Road Traffic Regulation and Signage	Pending ratification
ANNEX 8	Temporary Importation of Motor Vehicles	In the process of the establishment of guarantee organization
ANNEX 9	Criteria for Licensing of Transport Operators	In a process of enactment for ratification
ANNEX 10	Conditions of Transport	Pending enactment of the domestic law
ANNEX 11	Road and Bridge Design and Construction Standards and Specifications	Ratified
ANNEX 12	Border Crossing and Transit Facilities and Services	Ratified
ANNEX 13a	Multimodal Carrier Liability Regime	Ratified
ANNEX 13b	Criteria for Licensing of Multimodal Transport Operators for Cross-border Transport Operations	Ratified
ANNEX 14	Container Customs Regime	In the process of incorporation relative to a guarantor
ANNEX 15	Commodity Classifications Systems	Ratified
ANNEX 16	Criteria for Driving Licenses	Ratified
Protocol 1	Designation of Corridors, Routes, and Points of Entry and Exit Border Crossings	Ratified
Protocol 2	Charges Concerning Transit Traffic	Ratified
Protocol 3	Frequency and Capacity of Services and Issuance of Quotas and Permits	Pending enactment of the domestic law

CBTA

Problems:

- Conflict between domestic law and CBTA provisions or domestic law's absence of support for the provisions
- Dualism of Thai legal system
- Section 190 of the 2007 constitution of the Kingdom of Thailand
 - The approval from the National Assembly
 - Public Consultation
- Political Instability



CBTA

The normal process for the enforcement of domestic law is:

1. The responsible departments/ ministries draft new law/regulations.
2. The responsible departments/ministries send the law/regulations to the Council of Ministers.
3. The Council of Ministers passes the law/regulations to the royal decree for approval.
4. The royal decree review and decide whether to approve the proposed law/regulations.
5. Once the royal decree approves, the proposed law/regulations will be sent back to the Council of Ministers.
6. The Council of Ministers sends it to the parliament for approval.



Stakeholders of Economic Corridors and CBTA in Thailand

Government

- NCCDC is the state body that makes the ultimate decision.
- NTTCC is the national coordinator.
- The line departments are Ministry of Transport, Ministry of Agriculture, Department of Customs, Ministry of Commerce, provincial governors and ICQ units.



Stakeholders of Economic Corridors and CBTA in Thailand

Government's concerns

- The coordination among line departments
- Discontinuity among departments' responsible agents
- Political instability
- Lack of communication mechanisms between the central government and the provincial government
- Lack of personnel in the government sector
- Lack of cooperation from other stakeholders



Stakeholders of Economic Corridors and CBTA in Thailand

Private Sector's needs and interest

- An acceleration of the CBTA implementation
- Higher capacity building at the border locations
- Clearer commodity base from the government
- Facilities and lower freight fees at the Danang Port
- The harmonization of rules and regulations among GMS countries
- More coordination with the private sector regarding policy formulation
- Better information distribution



Stakeholders of Economic Corridors and CBTA in Thailand

The people at the border locations

- Most are adversely affected (land expropriation, change in job characteristics, environmental changes, epidemics).
- Their needs are better job opportunities and infrastructure with preservation of jobs and cultural heritage.

ADB and other development partners

- Provide funding and technical assistance.



Stakeholders of Economic Corridors and CBTA in Thailand

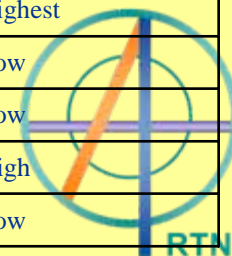
Civil-society Organizations

- Important organizations are TERRA and TLSC
- Investigate the impact of GMS initiatives on environment and people's well-being.
- TERRA together with the conservation groups of villagers can abolish/deter some GMS projects:
 - The establishment of the special economic zone at Chiang Saen
 - The improvement of the Great Mekong River's watercourse
 - The construction of the road connection Mae Sot-Pitsanulok



Stakeholders of Economic Corridors and CBTA in Thailand

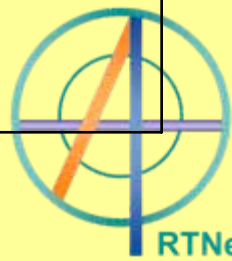
Stakeholders		Influence ¹	Importance ²	Interest ³	Impact ⁴
Central Government/ NESDB/ Line Ministries and Departments	Genesis	Highest	Highest	Highest	Highest
	Implementation	Highest	Highest	High	Highest
Provincial Government Agents	Genesis	Medium	Medium	Medium	Highest
	Implementation	Highest	Medium	Medium	Highest
BOT	Genesis	High	High	Highest	High
	Implementation	High	High	Highest	High
FTI	Genesis	Medium	High	High	Medium
	Implementation	Medium	High	High	Medium
MNEs	Genesis	Medium	High	Medium	High
	Implementation	Medium	High	High	High
SMEs	Genesis	Low	High	Medium	High
	Implementation	Low	High	High	Highest
Border communities	Genesis	Low	Medium	Low	High
	Implementation	Low	Low	Low to Medium	Highest
ADB	Genesis	Highest	Highest	Highest	Low
	Implementation	Medium	Medium	Highest	Low
Civil-society Organizations	Genesis	Medium	Low	Medium	High
	Implementation	Medium	Low	High	Low



Stakeholders of Economic Corridors and CBTA in Thailand

Influence and Importance in the Genesis of the Economic Corridors and CBTA

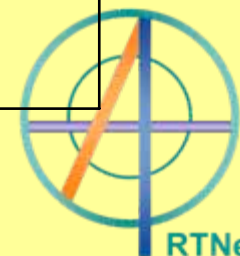
	High Influence	Low Influence
High Importance	Central Government/ NESDB/ Line Ministries and Departments/ BOT/ FTI/ ADB	MNEs/ SMEs
Low Importance	Civil-society Organizations	Provincial-government Agents/ Border Communities



Stakeholders of Economic Corridors and CBTA in Thailand

Influence and Importance in the Implementation of the Economic Corridors and CBTA

	High Influence	Low Influence
High Importance	Central Government/ NESDB/ Line Ministries and Departments/ Provincial-government Agents/ BOT	FTI/ MNEs/ SMEs
Low Importance	ADB/ Civil-society Organizations	Border Communities



Factors Accounting for Influence and Involvement from stakeholders

- The speed of the implementation of initiatives
- The continuity of the Thai government's policies and the political instability
- A clear commodity base
- Earnest efforts
- Proper communication of information
- Permanent and specific staff and working group responsible for the GMS program in Thailand



Constructive Suggestions about Stakeholder Involvement in GMS integration

- Suggestions for short-run improvement
 - The GMS program as a national agenda
 - Continuity in government officers at the border locations with appropriate GMS training
 - Border Clusters consisting of provincial transport officers, provincial governors, ICQ-unit representatives, and other related officers



Constructive Suggestions about Stakeholder Involvement in GMS integration

- Suggestions for short-run improvement (cont')
 - Two-way communication channel between the government and other stakeholders
 - Informing economic and social impacts of GMS initiatives before their implementation
 - The GMS Joint Committee among government representatives and private-sector representatives



Constructive Suggestions about Stakeholder Involvement in GMS integration

- Suggestions for short-run improvement (cont')
 - Providing complete and synthesized information to stakeholders
 - Genuinely listening to, considering, and addressing the private sector's needs and interests



Constructive Suggestions about Stakeholder Involvement in GMS integration

- Suggestions for long-run improvement
 - Permanent body responsible for the GMS program
 - The promotion of combined-resources tourism
 - Employing civil-society organizations, local universities or research centers to study the effects of GMS activities on border communities

