

Policy Dialogue on Economic and Transport Development in Border Areas in
Eastern South Asia
Shillong, India, 4-5 December 2013



Experience of Cambodia, Lao PDR, Thailand and Viet Nam in realizing cross-border opportunities

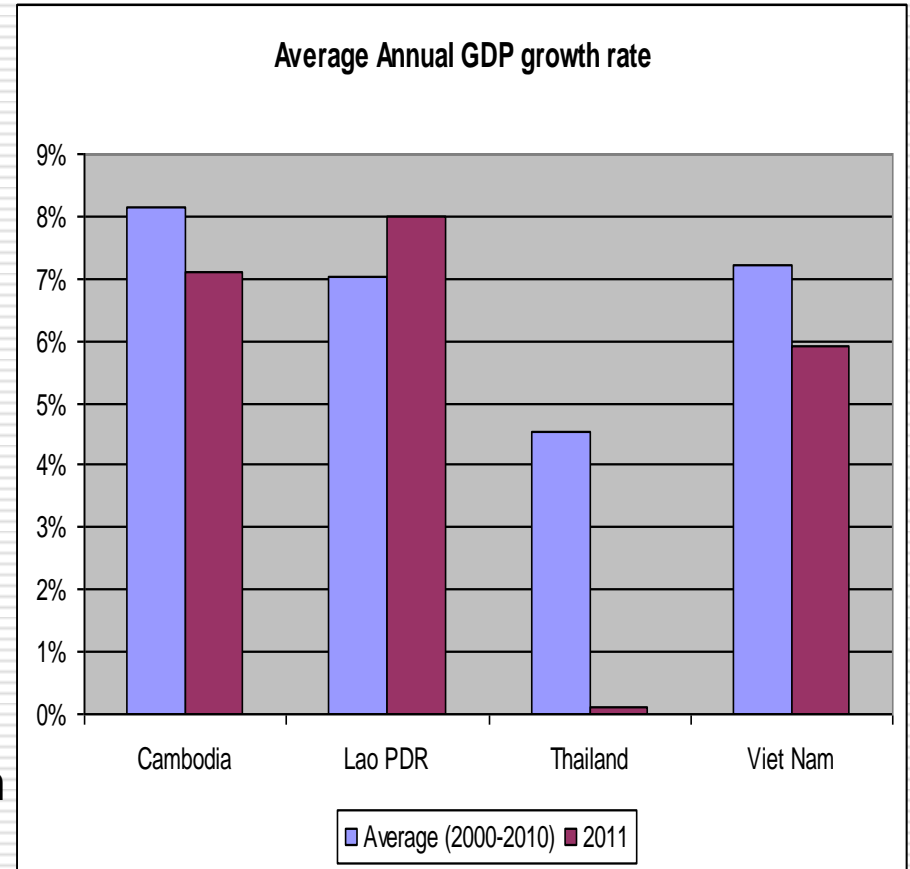
Mr Li Yuwei

*Chief
Transport Facilitation and Logistics Section
Transport Division*



Background to CLTV

- Good economic opportunities: Growing economies, and close proximity to large economies of China, Malaysia and Indonesia.
- However, at very different stages of development: Thailand significantly more developed, Cambodia and Lao PDR LDCs
- Great differences also within countries: border areas vs economic hubs
- Historically, neighbouring countries have been treated with suspicion
 - More open economies strategic decision.



Source: United Nations Statistics Division, NAMAD

Border Areas in CLTV

- Economically less developed with significant proportion of population in subsistence or small-scale farming
 - Land ownership may be low
 - Unskilled labour force
 - Many border areas inhabited by ethnic minorities
- Poor infrastructure and connectivity
 - Transport linkages limited, particularly off main routes
 - Limited public services, including schools and health care
 - Limited commercial infrastructure such as banks
- Small local markets – limited potential for exploitation of economies of scale
 - More employment opportunities and lower cost of consumer goods through cross-border activities
 - Local population may have access to close-by towns in neighbouring country
- Significant flows of informal trade through temporary or informal border crossings
 - Difficult to influence through policy



Border Trade Characteristics

Informal

- Large number of small/petty traders, using small amounts of capital

- Low volume/value products

- Independent actors (or subordinate traders) working for larger traders

- Small payments necessary at borders

- Importance of personalized relationships (between traders or between traders and customers)

Formal

- Recorded and requiring paperwork/appropriate documentation and processing

- Dominated by smaller number of larger traders

- Providing multiple services: transport, clearing, storage, forwarding, etc.

- Still often contain informal component

- Relationships with border trade officials may be important (lobbying power)

Economic and Trade Policy Tools in CLTV

- ❑ Development of **market clusters** for export goods with neighbouring countries
- ❑ Sub-regional **trade and cooperation agreements** and organizations (e.g. GMS, ASEAN, APEC, BIMSTEC)
- ❑ Membership in **international trade organizations** (e.g. WTO)
- ❑ **Economic corridors** with enhanced infrastructure development and facilitation measures
- ❑ **Bilateral investment and trade incentives** to trading partners
- ❑ **Special economic zones** with greater autonomy, preferential investment policies, facilitated movement of goods and people, and fiscal incentives

Special (Border) Economic Zones

- ❑ **Land leasing** incentives: reduced land leasing fees
- ❑ **Fiscal incentives**: reduced or exemption to enterprises within the SEZ from business tax, profit tax, VAT and similar
- ❑ **Preferential treatment of export and import** for goods necessary for production
- ❑ Reduced or eliminated **export duties** when originating from inside the SEZ
- ❑ **Investment incentives**: e.g. streamlined processes for state approval
- ❑ **Migration policies**: local people can cross the border without visa or with local identity cards only

Incentives can be **continuous or for valid for an initial period** after which they are reduced or removed

Case study: Cambodia

- Thailand: one of main trading partners, trade volume roughly double compared to Viet Nam
- Main exports: agricultural produce and fish products, and garments to Thailand. Main imports: fuels, raw materials, processed foods, plastics.
- Majority (75-80%) of trade formal
- Large number of small traders exist, but clearing of exports cartelized with small number of clearing agents
 - Can control entry through close relationship with border agencies
- High involvement of local population by Thai border in border economic activities
 - Fabric imported from border areas of Thailand, and made into garments at the border areas of Cambodia after which exported again to Thailand
 - Production informal in character (small family businesses) and dependent on Thai demand
 - Clear welfare impact from cross-border trade in form of employment, inputs to production and consumer goods
- Trade with Viet Nam significantly in favour of Viet Nam
 - Limited impact on the welfare of local communities
 - Benefit of access to lower price consumer goods
 - Gainers mainly those with higher income and means to participate in trading

Case Study: Lao PDR

- Government development strategy move from “landlocked” to “landlinked”
 - Through more open trade policies, promotion of one-stop services at border points, abolishing import/export licenses etc.
- Border Trading Commercial Zones (BTZ) set up to attract FDI and promote commercial production of exports
 - Dansavanh (border with Viet Nam)
 - Boten (border with Yunnan, China)
- In particular in Dansavanh success of BTZ has been limited
 - Poor infrastructure of the border area
 - Limited human capacity in management and business to fully benefit from opportunities
 - Trade significantly in favour of Viet Nam with limited exports
 - Limited incomes and access to credit restrict participation in border trade
- By contrast, Bokeo province of Lao PDR benefits significantly from border trade with Thailand without BTZ
 - Border shared with well-developed town of Chiang Kong of Thailand, offering more trading and production opportunities

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_6010

