Background Papers 3

Developing the Trilateral Highway: A Thai Perspective

By Ruth Banomyong

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Developing the Trilateral Highway: A Thai Perspective

Background paper

Ruth Banomyong

1. Introduction

The Trilateral Highway (TLH), which links Thailand to India via Myanmar, is seen as a new opportunity for Thailand. There has been great interest from the Thai government to gain improved access to the Indian market, especially the northeast of India, where enhanced land connectivity is a necessity.

The possibility of transiting via Myanmar is critical to the success of this endeavour. However, it is important to understand how Thailand is valuing the TLH for its long-term development and sustainability. Customs statistics also need to infer the potential growth of border and transit trade across the TLH.

Currently, there is no formal transit trade between Thailand and India. However, there exist some informal channels for certain types of commodities. This informal trade reflects the potential of the TLH as a trade corridor that can enhance connectivity between Thailand and India. It is probably too early to tell whether the TLH will one day become an economic corridor due to the challenges of transiting via Myanmar.

The purpose of this report is to present and discuss the Thai perspective related to the TLH and what is currently being done to support its further development. A number of initiatives by the Thai government in terms of infrastructure and agreements are currently underway. However, none of these developments is specific to the TLH per se. They are mostly part of a national trade and logistics development agenda made by the Thai government. This report will first discuss Thailand's own perspective related to the TLH and share some insights on current trade statistics at key borders between Thailand and its neighbouring countries. Policy implications will be derived from the findings.

2. Thailand's Perspective on the Trilateral Highway

Thailand is very favourable to the development of the TLH, and not surprisingly the country has a very Thai-centric perspective where it believes it will gain the most benefit from linking with India. Official Thai position states that Thailand will benefit from the TLH as it is now the centre of transport and communication in the region as well as the gateway to the Association of Southeast Asian Nations (ASEAN). India wants to trade and invest in Thailand and use Thailand as a springboard to other ASEAN countries (Public Relations Department, 2016). This is the official position of the Thai government. The current Thai administration has not made any public statement to the contrary, but efforts to actually promote the TLH as an important project for the development of Thailand have not been seen in its new policy statement. It is possible that Thailand has other priorities that need to be highlighted.

The Thai position is interesting as it shows that Thailand sees itself as the logistics hub for the region (i.e. Southeast Asia) as well as the main entry point into ASEAN for India even though Myanmar is the first contact point with India, in particular when it comes to land connectivity.

Myanmar also wants to be a key connector in linking ASEAN with South Asia. Myanmar is right in the middle between India and Thailand and has a lot to gain from enhanced connectivity with its two neighbours. However, Myanmar has not formulated a regional connectivity strategy and is grappling with its own domestic connectivity due to infrastructure and legal limitations. There are regulatory challenges to the implementation of the trade and transport facilitation agenda, thus making transit trade challenging.

These types of competing national strategies need to be understood if enhanced integration and connectivity is going to be achieved for the TLH. There are discussions on the modalities required for the development of the TLH, but progress has been slow. This is because the TLH requires not only road infrastructure investment and development but also a facilitating institutional environment.

Thailand believes that India would like to use Thailand as a springboard to ASEAN. There already exists Indian investment in Thailand, and there have been efforts to link Ranong port on the Thai Andaman Sea with ports in India. The most positive outcomes have been a feeder service and some memoranda of understanding signed by the Port Authority of Thailand. The biggest issue is that Ranong port has no hinterland, and feeder vessels linking with India are often empty for one leg of the journey. Nonetheless, the Port Authority of Thailand has persisted in its development efforts to make Ranong port successful. Another key issue is the access channel, which belongs to Myanmar.

Thai policy makers have a strong belief that Thailand is the logistics hub for ASEAN and a target for Indian trade and investment. At the same time, Thailand wants to use the TLH to transport goods via Myanmar to India as part of its logistics development in order to reduce costs for Thai businesses when trading with India. It is believed that this will enable Thailand

to sell more agricultural produce to India and South Asia. Sanitary and phytosanitary issues do not seem to be urgent in the agenda in discussions related to the TLH.

The Thai Commercial Attaché in New Delhi stated that: 'the TLH is an opportunity for Thai trade and investment as Thai goods are popular in India and benefit from the Thai–India Free Trade Area (FTA), and the ASEAN–India FTA. Currently, Thailand has a trade surplus of around US$8 billion with India. The average growth rate is around 10%, but many Thai businesses are unsure of doing business with India apart from with large firms due to a lack of information. The Indian market is changing rapidly and 'new' India is an opportunity' (Matichon, 2018).

The Ministry of Commerce of Thailand has been inviting Thai small and medium-sized enterprises (SMEs) to develop their markets in India as demand is high with limited competition. The physical completion of the highway will enable enhanced connectivity to Thai agricultural produce and perishable goods, taking around 3–4 days to access markets in northeast India, which is faster than using sea transport from Thailand. The advice given is for Thai SMEs to sell goods first and then explore investment opportunities with the Thai commercial office in New Delhi, which is more than willing to become the main coordinator with Indian agencies in order to facilitate investment.

Provincial policy makers in Tak Province, at the border with Myanmar, also see the completion of the physical infrastructure as critical to increasing trade, especially border trade. Local officials believe that there will be a 42% increase in the border trade value due to the completion of the second bridge linking Thailand and Myanmar. The expected yearly value for border trade was estimated at B100 billion, with the TLH being one of its main drivers. The TLH is seen as the main trade route between Mae Sot, Myawadee, Yangon, and India. The distance to India from Mae Sot is not considered far, with easy access and faster transit times.

This means that Thai goods, especially consumer goods, will be able to access the eastern part of India, as Thai products are considered to be of a high quality and reasonable price. Thai goods are well accepted by consumers in neighbouring countries. However, since there are no official statistics for border trade, it is very difficult to accurately estimate the overall value of border trade. It has been estimated that border trade values are underestimated by at least 60%.

The Thai private sector sees opportunities for cooperation along the TLH in the following sectors: agriculture, infrastructure, logistics, and tourism.

The Thai private sector is looking for partners both in Myanmar and India to enable cooperation. However, there is still a lack of information related to opportunities as well as an uncertain business environment.

There is a gap in understanding between the marketing done by Ministry of Commerce officials and the perception of the Thai private sector. The private sector consider that the

Indian market is very difficult and challenging to penetrate. They have limited knowledge of the potential market in northeast India. Even those that are selling there do not organise the logistics and prefer to sell at the Thai border. The Myanmar or Indian buyers will then arrange for the logistics themselves. Official transit is difficult, and the use of 'grey' channels is the current optimal logistical system. This is why finding accurate border and transit trade statistics is impossible.

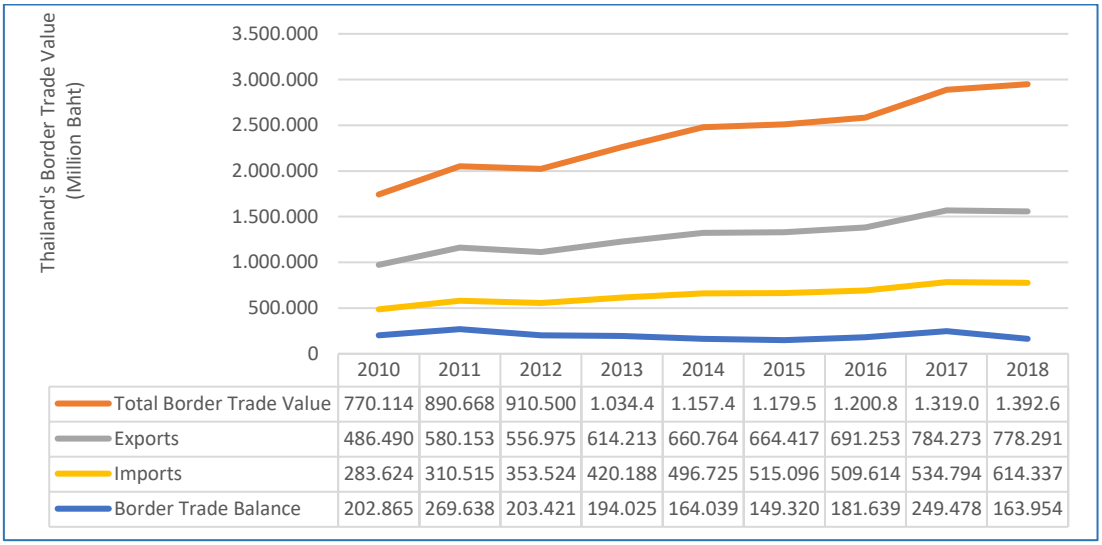
Tourism opportunities are often discussed by the Thai private sector. There is a strong potential for growth in tourism with the eastern part of India. Thailand is already a destination for Indian tourists. On average, more than 1 million Indian tourists visit Thailand every year. Thailand is also a preferred location for 'Bollywood' movies, and thus Thailand is well known to the Indian public.

The opinions related to the development of the TLH are mostly favourable both from the public and private sectors in Thailand. However, the private sector sees more the challenges of linking with India via Myanmar from a trading perspective. Uncertain rules and regulations, unreliable logistics channels, limited infrastructure, and the lack of integrated service providers for transit to India have dampened the appetite of the Thai private sector. The public sector is more optimistic as it believes discussions amongst the three countries (India, Myanmar, and Thailand) will eventually create not only infrastructure linkages but also a supporting environment that will enable the success of the TLH.

3. Trade Statistics at Thailand's Main Border Points

In order to obtain insights about the potential of the TLH, it is important to have the trade statistics at Thailand's main border points. The problem with these statistics is that they are official numbers, which do not take into account border and informal trade being done at the border. Nonetheless, it is important to illustrate the overall value of Thailand's border trade. The country currently enjoys an overall positive border trade balance, as shown in Figure 1.

Figure 1: Thailand's Border Trade Value



	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Border Trade Value	770.114	890.668	910.500	1.034.4	1.157.4	1.179.5	1.200.8	1.319.0	1.392.6
Exports	486.490	580.153	556.975	614.213	660.764	664.417	691.253	784.273	778.291
Imports	283.624	310.515	353.524	420.188	496.725	515.096	509.614	534.794	614.337
Border Trade Balance	202.865	269.638	203.421	194.025	164.039	149.320	181.639	249.478	163.954

Source: Thai Ministry of Commerce (2020).

Another observed limitation related to border statistics is that each Thai Customs house collects its statistics in a different format. Although the main statistics collected are the same, the level of detail required by each customs house is different. Border trade data are collected in value terms, and it is almost impossible to obtain volume data. The following section presents the different trade statistics from the main Thai border posts.

3.1 Mae Sot's Trade Statistics

Mae Sot is currently the most important border post in terms of border trade value with Myanmar. The completion of the second bridge and improved infrastructure on the Myawadee side has helped Mae Sot grow in terms of trade value. The statistics of the top-25 commodities for export and import are described in Table 1. The Thai fiscal year starts on 1 October and ends on 30 September.

Table 1: Mae Sot Customs Statistics (2014–2018)

Thailand Fiscal Year 2018 (October 2017–September 2018)

Top 25 Exports		
No.	**Type**	**Value (฿ million)**
1	Motorcycles	3,136.32
2	Energy drinks	3,125.54
3	Mobile phones and telephone sets	2,435.99
4	Gasoline	1,831.12
5	Diesel oil	1,756.27
6	Sugar	1,511.45
7	Chemical fertiliser	1,490.99
8	Cotton printed fabric	1,329.92
9	Dried areca nuts	1,234.39
10	Floor tiles	1,177.25
11	Beer	1,097.06
12	Slippers	1,046.73
13	Polyester fabric	995.08
14	Solvent oil	939.35
15	Liquid petroleum gas	925.45
16	Soy milk	823.68
17	Instant noodles	703.29
18	Plastic products	682.52
19	Instant coffee	667.53
20	Biscuits	577.75
21	Vegetable oil	562.22
22	Televisions	531.32
23	Cooking sauces	513.27
24	Monosodium Glutamate	509.97
25	Plastic scrap	489.77
	Others	49,177.68
	Total	**79,271.91**

Top 25 Imports		
No.	**Type**	**Value (฿ million)**
1	Live cattle	1,427.39
2	Iron scrap	1,056.85
3	Peanuts (AFTA)	763.07
4	Antimonyoxide (bonded warehouse)	449.82
5	Mobile phones (EPZ)	352.09
6	Electrical transformers (free of charge)	204.37
7	Wood furniture	196.01
8	Ladies' underwear (Form D)	129.53
9	Cashew nuts	110.19
10	Sesames (grains) (bonded warehouse)	98.13
11	Fish	96.27
12	Inductors (free of charge)	87.08
13	Aluminium scrap	78.69
14	Dried chilies	72.48
15	Cotton trousers	66.75
16	Metal pipes	62.81
17	Vegetable seeds	58.40
18	Gas containers (returned)	54.79
19	Shrimp paste	52.81
20	Antimony	48.93
21	Rolled steel	46.32
22	Underwear	35.36
23	Bicycles (used)	31.98
24	Surge Protection Devices (Free of charge)	28.43
25	Green beans	28.14
	Others	850.54
	Total	**6,487.23**

Source: Mae Sot Customs House.

Thailand Fiscal Year 2017 (October 2016–September 2017)

Top 25 Exports		
No.	**Type**	**Value (฿ million)**
1	Sugar	4,782.83
2	Motorcycles	2,983.59
3	Mobile phones and telephone sets	2,775.42
4	Energy drinks	1,882.42
5	Cotton printed fabrics	1,519.45
6	Beer	1,463.58
7	Liquid petroleum gas	1,233.66
8	Combined vehicle harvesters	1,230.11
9	Beverages	1,181.79
10	Slippers	1,123.31
11	Diesel oil	1,104.88
12	Gasoline	1,058.53
13	Floor tiles	957.33
14	Soy milk	853.23
15	Solvent oil	825.88
16	Chemical fertilisers	778.67
17	Biscuits	742.17
18	Televisions	736.56
19	Tractors	709.51
20	Vegetable oil	651.35
21	Motorcycle tyres	632.72
22	Instant noodles	618.71
23	Whisky	597.54
24	Polyester fabric	856.89
25	Monosodium Glutamate	577.81
	Others	47,393.97
	Total	**79,271.91**

Top 25 Imports		
No.	**Type**	**Value (฿ million)**
1	Live cattle	1,375.99
2	Peanuts (AFTA)	1,028.24
3	Antimonyoxide (Bonded warehouse)	383.23
4	Wood furniture	328.47
5	Mobile phones (EPZ)	313.60
6	Iron scrap	163.74
7	Dried Chillies (ATG)	154.24
8	Tamarind	94.36
9	Electrical transformers (EPZ)	92.16
10	Cashew nuts	70.10
11	Ladies' underwear (Form D)	56.85
12	Aluminium scrap	56.60
13	Fish	55.68
14	Mobile phones	51.75
15	Green beans (AFTA)	49.42
16	Sesames (grains) (bonded warehouse)	41.98
17	Inductors (EPZ)	31.81
18	Bicycles (used)	29.76
19	ISO tanks (returned)	27.50
20	Vegetable seeds (AFTA)	26.35
21	Myanmar onions	25.38
22	Tin	22.72
23	Antimony	20.97
24	Live scallops	16.67
25	Dried meat	18.84
	Others	765.29
	Total	**5,301.70**

Source: Mae Sot Customs House.

Thailand Fiscal Year 2017 (October 2016–September 2017)
Thailand Fiscal Year 2016 (October 2015–September 2016)

No.	Type	Value (฿ million)
1	Sugar	5,244.32
2	Mobile phones and telephone sets	5,022.70
3	Beverages	3,010.32
4	Beer	2,724.07
5	Motorcycles	2,397.26
6	Combine vehicle harvesters	2,225.57
7	Cotton printed fabrics	1,958.08
8	Energy drinks	1,925.42
9	Televisions	1,454.08
10	Gasoline	1,343.99
11	Slippers	1,225.66
12	Diesel oil	1,141.09
13	Biscuits	1,119.74
14	Tractors (agriculture use)	1,035.33
15	Motorcycle tyres	1,029.07
16	Liquid petroleum gas	891.28
17	Tractors	870.21
18	Freezers	760.93
19	Motorcycle tyres (inner)	745.79
20	Dried areca nuts (re-export)	732.39
21	Monosodium glutamate	692.07
22	Instant noodles	670.54
23	Cooking sauces	653.13
24	Washing powder	593.90
25	Instant coffee	587.88
	Others	39,572.32
	Total	**79,627.11**

No.	Type	Value (฿ million)
1	Peanuts (AFTA)	764.62
2	Live cattle	684.35
3	Antimonyoxide (bonded warehouse)	358.51
4	Dried chillies (ATG)	295.84
5	Green beans (AFTA)	169.85
6	Antimony	128.47
7	Wood furniture	119.99
8	Mobile phones	115.35
9	Onions	111.59
10	Bicycles (used)	95.32
11	Corn seeds	43.30
12	Fish	38.82
13	Ladies' underwear	38.08
14	Cashew nuts	37.84
15	Sesames (grains)	28.28
16	Dried meat	26.17
17	Trousers	23.98
18	Cotton fabrics	18.86
19	Sarong (fabric)	18.53
20	Crabs	17.54
21	Men's shoes (Form D)	15.21
22	Live crabs	11.62
23	ISO tanks	11.59
24	Dried fish maw	10.96
25	Garments	9.62
	Others	984.84
	Total	**4,179.12**

Source: Mae Sot Customs House.

Thailand Fiscal Year 2015 (October 2014–September 2015)

No.	Type	Value (฿ million)
1	Mobile phones and telephone sets	4,823.95
2	Beer	3,224.14
3	Gasoline	2,362.06
4	Cotton printed fabrics	1,946.72
5	Diesel oil	1,794.53
6	Motorcycles	1,264.71
7	Combined vehicle harvesters	1,128.26
8	Slippers	1,063.52
9	Televisions	904.699
10	Biscuits	904.699
11	Sugar	860.22
12	Soy milk	793.037
13	Instant coffee	712.637
14	Tractors	671.002
15	Fabrics	624.842
16	Instant noodles	621.503
17	Cement	591.185
18	Monosodium Glutamate	570.959
19	Bird's nest (Food)	556.428
20	Whiskey	535.631
21	Medicine	532.632
22	Oil palm	523.573
23	Motorcycle tyres	522.791
24	Energy drinks	447.787
25	Fabrics (Synthetic Fibre)	426.541
	Others	35,832.00
	Total	**64,240.06**

No.	Type	Value (฿ million)
1	Live cattle	1,402.77
2	Peanut (AFTA)	363.77
3	Antimonyoxide (bonded warehouse)	302.976
4	Antimony	235.265
5	Onions	187.484
6	Wood furniture	177.85
7	Dried chillies	
8	Mobile phones	90.202
9	Bicycles (used)	77.155
10	Fishing instruments	59.339
11	Ladies' clothing	53.41
12	Fish	51.909
13	Green beans (AFTA)	45.469
14	Green beans (black colours) (AFTA)	42.473
15	Road construction machine (Returned)	30
16	Sesames (grains)	26.17
17	Sea crab	21.43
18	Cashew nuts	20.619
19	Dried fish maw	16.886
20	Corn seed	16.2
21	Shirts	15.902
22	Used tractors (returned)	12.2
23	Antimony (raw)	12.06
24	Road grader machines (returned)	11.08
25	Rice products	10.481
	Others	790.46
	Total	**4,073.55**

Source: Mae Sot Customs House.

The data provided by Mae Sot Customs shows the evolution of the top exports and imports via Mae Sot. The top export to Myanmar in 2016 and 2017 was sugar. However, in 2018, the value of this commodity was ranked sixth, being overtaken by motorcycles. The reason why sugar was the most exported commodity was because of sugar shortages in China. Because of the sugar quotas in China, there was a price differential of over US$200 per ton between sugar sold in the Chinese market and global markets. Even though the transport cost per ton was between US$50 and US$70, it was still worthwhile to use the overland transit route via Myanmar.

It was estimated that more than 4 million tons of sugar from India and Thailand were exported via Myanmar to China with the entry point being the Ruili/Muse border gate during 2016 and 2017 but these numbers cannot be officially confirmed. Almost all products exported from Thailand from Mae Sot do not have India as a final destination, and most of the commodities are destined for Myawadee, Yangon, or Mandalay. It is important to note that on the Myanmar side, the import statistics do not match the export statistics of the Thai side as a large portion of the Thai exports are not declared when entering Myanmar.

On the Thai import side, the highest import value, depending on the year, is either for peanuts or live cattle destined for Malaysia. The value of imports is quite small compared to the value of exports at Mae Sot, and it is mostly composed of agricultural produce or goods coming from the export processing zones in Myawadee.

3.2 Aranyaprathet Trade statistics (2014–2018)

Aranyaprathet is the main border post between Thailand and Cambodia. This border post can be considered as a potential gateway for the TLH into Cambodia. It must not be forgotten that in the Asian Development Bank's Southern Economic Corridor development, Dawei in Myanmar will be connected to Aranyaprathet via the Thai province of Kanchanaburi. Table 2 shows Aranyaprathet's trade statistics. The obtained data show not only the value but also the weight of the commodities. Format and type of data collected at Customs houses in Thailand are not standardised even though it is expected.

Table 2: Aranyaprathet Customs Statistics (2014–2018)

Fiscal year 2018 (October 2017–September 2018)

No.	Top 10 Exports (฿ million)			No.	Top 10 Imports (฿ million)				
	Type	**Weight (Kg)**	**Value (Baht)**		**Type**	**Weight (Kg)**	**Value (Baht)**	**Tariff**	**VAT**
1	Beverages	206,730.94	4,881.585	1	Tapioca	598,529.94	4,075.407	-	-
2	Motorcycle engines	10,261.88	4,295.103	2	Motor components (Aluminium)	7,645.97	1,639.605	0.076	0.059
3	Motorcycle parts	6,844.55	3,633.649	3	Aluminium scraps	30,755.10	1,325.318	-	92.019
4	Cars	12,278.37	3,559.169	4	Copper scraps	5,141.48	929.874	-	61.179
5	Motorcycles	5,358.09	2,405.458	5	Dog feed	1,310.62	684.051	-	-
6	Tractors	8,505.88	2,399.663	6	Small DC motors	350.66	493.674	-	34.548
7	Cements	8,873.38	1,962.931	7	Printed circuit board (PCB)	758.86	489.220	0.146	4.483
8	Combined vehicle harvester	1,082,466.45	1,736.196	8	Hard disk components	401,793.34	456.037	-	-
9	Plastic products	4,251.11	1,584.129	9	Soybeans	537.01	358.758	1.179	1.931
10	Knitted fabrics	6,431.10	1,446.315	10	Electric wire	292.01	306.137	0.004	0.985
	Others	1,094,749.15	43,563.109		Others	157,306.13	6,167.849	119.154	202.494
	Total	**2,446,750.90**	**71,467.308**		**Total**	**1,204,421.10**	**16,925.930**	**120.559**	**397.698**

Source: Aranyaprathet Customs House.

Fiscal year 2017 (October 2016–September 2017)

No.	Top 10 Exports (฿ million)			No.	Top 10 Imports (฿ million)				
	Type	**Weight (Kg)**	**Value (Baht)**		**Type**	**Weight (Kg)**	**Value (Baht)**	**Tariff**	**VAT**
1	Cars	8,170	3,432.292	1	Tapioca	1,287,134	6,155.746	-	-
2	Motorcycle engines	5,730	3,037.614	2	Motor components (aluminium)	5,547	1,282.333	0.191	0.147
3	Motorcycle parts	9,614	2,890.643	3	ISO tanks	5,189	1,043.472	0.017	0.013
4	Combined vehicle harvesters	9,533	2,704.152	4	Aluminium scraps	19,233	763.893	-	53.139
5	Beverages	116,388	2,680.339	5	Copper scraps	4,647	756.261	-	51.224
6	Cements	1,094,901	1,896.614	6	Dog feed	1,201	641.469	-	-
7	Tractors	6,916	1,576.699	7	Small DC motors	520	456.084	0.001	0.006
8	Plastic products	2,898	1,457.319	8	Women's clothing	580	281.364	-	18.919
9	Motorcycles	2,465	1,132.344	9	Garments (used)	11,012	274.538	82.357	24.997
10	ISO tanks	5,270	1,130.920	10	Electric wires	263	266.793	0.276	0.825
	Others	902,533	34,662.912		Others	285,110	4,305.390	119.832	142.610
	Total	**2,164,417**	**56,601.848**		**Total**	**1,620,436**	**16,227.344**	**202.673**	**291.879**

Source: Aranyaprathet Customs House

Fiscal year 2016 (October 2015–September 2016)

No.	Top 10 Exports (฿ million)			No.	Top 10 Imports (฿ million)				
	Type	**Weight (Kg)**	**Value (Baht)**		**Type**	**Weight (Kg)**	**Value (Baht)**	**Tariff**	**VAT**
1	Motorcycle engines	6,305,882.41	3,570,652,304.82	1	Tapioca	1,552,014,850.00	6,974,755,520.64	-	-
2	Cars	8,071,653.60	3,378,248,906.11	2	Camera components	112,092.40	1,538,843,494.85	10,000.00	-
3	Motorcycle parts	10,729,723.28	3,371,335,577.76	3	ISO tanks	4,255,514.00	1,150,854,574.38	32,071.09	24,694.74
4	Combined vehicle harvesters	12,115,465.00	3,244,958,584.80	4	Motor components (aluminium)	2,287,485.00	813,005,790.56	42,749.20	27,444.01
5	Tractors	9,510,449.64	2,181,077,717.72	5	Dog feed	1,177,458.53	753,038,275.28	52,316.85	44,291.10
6	Cements	1,084,826,458.74	1,970,867,703.36	6	Aluminium scraps	11,876,465.50	538,819,590.28	-	37,717,371.32
7	Plastic products	2,458,686.07	1,411,684,347.13	7	Electric wires	245,230.20	466,860,406.23	11,257.28	12,180,817.21
8	Live pigs	21,253,790.00	1,319,546,070.00	8	Garments (used)	9,535,523.29	301,173,362.00	82,347,820.02	24,722,241.01
9	ISO Tanks	7,040,329.37	1,289,952,738.99	9	Copper scraps	1,330,349.94	262,806,770.40	47,861.52	18,396,473.95
10	Beverages	44,752,673.48	1,170,546,301.68	10	Soybean grain	2,000,000.00	243,034,491.75	-	-
	Others	973,229,735.60	34,164,283,550.65		Others	51,559,247.14	3,006,791,464.97	161,489,088.31	173,444,197.02
	Total	**2,180,294,847.19**	**57,073,153,803.02**		**Total**	**1,636,394,216.00**	**16,049,983,741.34**	**244,033,164.27**	**266,557,530.36**

Source: Aranyaprathet Customs House.

Fiscal year 2015 (October 2014–September 2015)

No.	Top 10 Exports (฿ million)			No.	Top 10 Imports (฿ million)				
	Type	**Weight (Kg)**	**Value (Baht)**		**Type**	**Weight (Kg)**	**Value (Baht)**	**Tariff**	**VAT**
1	Motorcycle engines	5,608,225.74	3,433,913,025.53	1	Camera components	707,720.36	7,617,414,300.24	-	-
2	Motorcycle parts	10,689,736.06	3,284,886,903.88	2	Tapioca	1,132,884,998.00	4,606,045,610.15	-	-
3	Cars	5,885,593.02	2,577,824,625.14	3	Aluminium scraps	21,965,407.66	971,212,015.98	-	67,984,841.12
4	Tractors (agriculture use)	17,771,338.74	2,400,002,395.30	4	Dog feed	1,399,392.05	759,033,362.98	64,002.10	54,259.35
5	Combined vehicle harvesters	8,807,205.00	2,314,270,868.40	5	Aluminium parts for electronics	2,885,352.00	596,933,158.57	-	-
6	Cements	1,196,638,808.00	2,162,825,206.65	6	Garments (used)	22,326,546.67	583,261,596.98	174,978,557.60	53,105,278.06
7	Electrical control cabinets	96,224.08	2,123,700,238.54	7	Optical film components	45,760.60	546,447,854.49	2,324.55	1,789.89
8	Live pigs	35,962,770.00	2,117,629,296.55	8	Electric wires	301,068.15	434,760,797.22	69,059.53	10,673,330.40
9	Tractors	8,616,542.00	2,085,294,719.01	9	Small DC motors	239,743.29	232,237,502.59	-	-
10	Camera components	785,319.63	2,064,797,445.99	10	Copper scraps	1,378,986.93	220,436,563.62	-	16,770,559.47
	Others	1,041,114,359.95	38,308,705,203.27		Others	110,961,285.91	3,550,151,866.85	87,295,956.49	73,648,004.41
	Total	**2,331,976,122.22**	**62,873,849,928.26**		**Total**	**1,295,096,261.62**	**20,117,934,629.67**	**262,409,900.27**	**222,238,062.70**

Source: Aranyaprathet Customs House.

There is a strong imbalance between exports and imports, with more Thai exports than imports from Cambodia. This border post currently suffers from congestion as the physical facilities are inadequate for the volume of freight and number of people crossing. The Thai government is now building two new border posts near this area at Ban Pa Rai and Nong Len with support for the facilities on the Cambodian side given by the Neighbouring Countries Economic Development Cooperation Agency (public organisation), which is the Thai aid agency. Officials at this border post are sceptical about the linkages with the TLH but see the potential connectivity with southern Viet Nam, especially Ho Chi Minh City and ports in Vung Tau. If the TLH is to be extended through Aranyaprathet, then it will be challenging to identify freight flows to and from India.

The dilemma is similar to that of the East–West Economic Corridor (EWEC). This corridor extends 1,320 kilometres (km) as a continuous land route between the Andaman Sea in the Indian Ocean and the South China Sea. The provinces bordering the corridor are as follows: in Viet Nam – Da Nang, Dong Ha, Thua Thien Hue, and Quang Tri; in the Lao People's Democratic Republic (Lao PDR) – Dansavanh and Savannakhet; in Thailand – Mukdahan, Kuchinarai, Kalasin, Khon Kaen, Phitsanulok, Mae Sot, and Tak; and in Myanmar – Mawlamyine and Myawaddy. Its notable geographic characteristics are as follows:

- Commercial nodes. It links important commercial nodes in each member country: (i) Mawlamyine–Myawaddy in Myanmar, (ii) Mae Sot–Phitsanulok–Khon Kaen–Kalasin–Mukdahan in Thailand, (iii) Savannakhet–Dansavanh in the Lao PDR, and (iv) Lao Bao–Dong Ha–Hue–Da Nang in Viet Nam.
- Border nodes. It contains the border node border checkpoints of Myawaddy–Mae Sot between Myanmar and Thailand, Mukdahan– Savannakhet between Thailand and the Lao PDR, and Dansavanh–Lao Bao between the Lao PDR and Viet Nam.

The natural conduit for the extension of the TLH should be the EWEC even though there is no through traffic via this corridor as there is some institutional complementarity and the Cross Border Transport Agreement can be used as a reference template for negotiating cross-border transport with India.

3.3 Mukdahan Border Statistics (2017–2018)

The Mukdahan border, on the Thai side, is part of the EWEC. Under the Cross Border Transport Agreement (CBTA), Mukdahan is one of the pilot sides for implementation. The objectives are to have a single stop inspection with a common control area (CCA). However, this border post does not have the physical facilities for a CCA, and another location is currently being earmarked for its implementation.

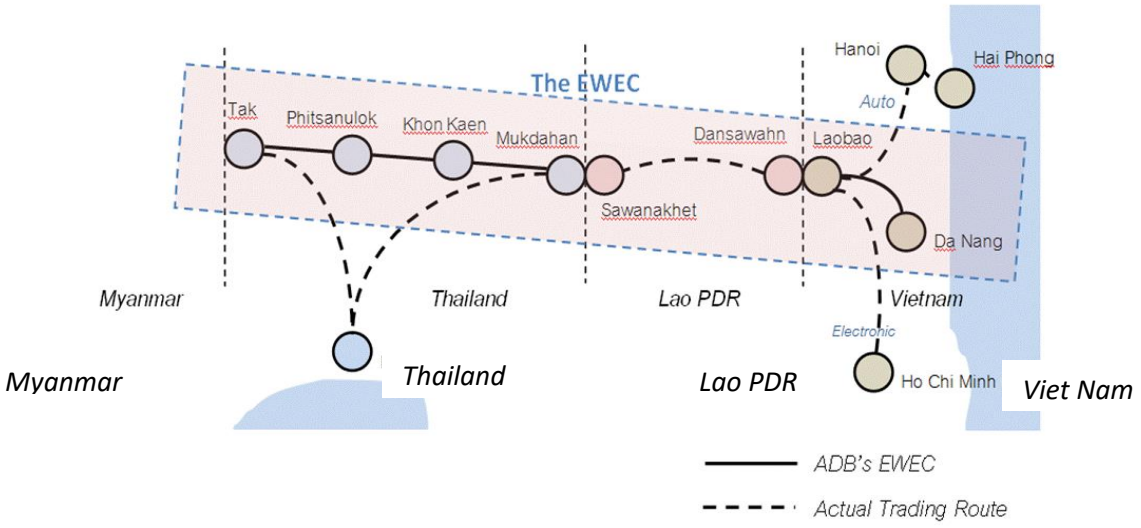
In the EWEC, trade and transport facilitation frameworks are in place, but their implementation is still lacking. There is also a myriad of facilitation-related agreements that have coverage over different geographical areas. The four EWEC countries are parties to both the CBTA and the ASEAN Framework agreement for the facilitation of goods in transit (signed in 1998 in Hanoi). There are also bilateral facilitation agreements for goods in transit between Thailand and the Lao PDR, as well as between Viet Nam and the Lao PDR. The role of logistics service providers and the use of logistics outsourcing and information technology in managing logistics are relatively well developed in Thailand, whereas these practices are still lacking in the Lao PDR and Viet Nam. From a Lao or Vietnamese perspective,

modern logistics practices have not been fully implemented yet. Thai, Lao, and Vietnamese logistics service providers have developed rapidly and played a strong supporting role in the manufacturing sector. However, these companies are often small and cannot compete directly with multinational firms (e.g. TNT, FedEx, and DHL). Logistics service providers in the four EWEC countries have different strengths and weaknesses. A common strength is their in-depth knowledge of the local market. Viet Nam is currently facing an acute shortage of qualified human resources, while the market in Lao PDR is still based on traditional logistics services, such as customs brokerage and physical transportation. Myanmar is just starting its integration process with other ASEAN countries even though many facilitation agreements have already been agreed upon. Thai providers may seem to be more competitive, but this is only true if the comparison is made with other EWEC providers.

Logistics integration in the EWEC is mostly hindered by the institutional framework that is in place. A facilitating institutional framework is currently being implemented and details still need to be addressed, especially on how to apply all the various facilitation measures. This poses a challenge for all related agencies and stakeholders as new rules and regulations are being put in place with field operatives not knowing how to apply these specific measures.

There are two main veins that exist within the EWEC: (1) the route from Mae Sot (Tak, Thailand) to Danang in Viet Nam, which is the original EWEC route, supported by the Asian Development Bank (ADB); and (2) the private sector EWEC routeing that is currently being used, which includes Bangkok and its industrial estates, Hanoi, Hai Phong, and Ho Chi Minh City in Viet Nam as its origin and destination points.

Figure 2: EWEC Actual Trade Flows



Source: Banomyong, Sopadang, and Ramingwong (2010).

In 2005, it was observed that commodity flows along the Asian Development Bank-designed EWEC were non-existent. This is still the case in 2020. The main existing product flows within the EWEC are mostly from/to Bangkok/Laem Chabang in Thailand and from/to Hai Phong (automotive products) and Ho Chi Minh City (electronics products) in Viet Nam which does not follow the agreed upon route in the EWEC. The existing flows are illustrated by the dotted line in Figure 2.

The natural expansion for the trilateral highway is to link with the GMS EWEC, which means that there is, in reality, no real flow of goods between Danang to Mae Sot (Tak) at the border with Myanmar. A 'snapshot' of the EWEC route based on collected information is presented hereafter. As observed from the empirical evidence, transportation is quite reliable as there is not much difference in terms of the service times. Areas that are less reliable are the border crossings and entry into Viet Nam. This wide variation is based on a number of factors. The most common factor that increases uncertainty within the EWEC is the lack of appropriate import or transit documentation.

Based upon the empirical evidence collected on the route between Danang and Tak, it is noted that nearly a half of the total 41.3-hour transit time (18 hours, equivalent to 43.5%) is in fact taken up by customs or border crossings based on each country's administrative formality. The non-synchronisation and complicated institutional framework are clearly hindering the smooth flow of goods across borders. From the cost perspective, 42.6% of the door-to-door transport costs are collected at customs and border crossings. The amount is almost equivalent to the cost of physical transportation. This evidence is alarming and must be solved. The international institutional framework must be better arranged or implemented if it has already been agreed upon.

Table 3: Mukdahan Customs Statistics

Fiscal year 2018

No.	Top 10 Exports			No.	Top 10 Imports		
	Type	**Value (Baht)**	**Weight (Kg)**		**Type**	**Value (Baht)**	**Weight (Kg)**
1	Micro-processor chips (processing units)	83,060,596,730.16	23,766,613.94	1	Data processing machines	14,518,421,433.92	2,332,619.43
2	Printed circuit boards (PCBs)	5,576,838,666.52	3,296,972.62	2	Media storage devices and memory devices	13,805,809,891.85	1,796,507.12
3	Uninterruptible Power Supply (UPS)	4,693,117,856.97	3,261,978.05	3	Refined copper	11,805,414,398.76	52,046,768.00
4	Transistors and semiconductors	3,420,348,218.10	1,355,296.53	4	Mobile phones	9,341,395,701.61	4,528,344.23
5	Fuel oils	1,741,038,450.98	71,274,181.94	5	Camera components	8,784,838,533.88	997,384.09
6	Camera components	1,248,807,390.02	191,192.86	6	Electrical energy	8,139,336,241.02	26.00
7	Plastic products	965,736,868.05	889,753.28	7	Printed circuit boards (PCBs)	1,924,919,373.45	886,457.42
8	Beverages	911,785,020.46	26,278,463.51	8	Transistors and semiconductors	1,349,004,729.34	509,542.62
9	Electronic integrated circuits	812,003,502.64	467,684.43	9	Components of data processing machine	1,161,902,244.87	171,328.48
10	Sugar	645,784,951.73	54,459,256.00	10	Women’s clothing	658,647,006.01	13,429,226.45
11	Others	21,667,249,321.61	598,368,000.59	11	Others	20,855,842,294.74	1,164,765,973.33
Total		**124,743,306,977.24**	**783,609,393.74**	**Total**		**92,345,531,849.45**	**1,241,464,177.17**

Source: Mukdahan Customs House

Fiscal year 2017

No.	Top 10 Exports			No.	Top 10 Imports		
	Type	**Value (Baht)**	**Weight (Kg)**		**Type**	**Value (Baht)**	**Weight (Kg)**
1	Micro processor chips (processing unit)	69,267,945,583.99	21,676,776.01	1	Data processing machines	15,163,757,787.42	2,319,616.12
2	Printed circuit boards (PCBs)	5,081,796,992.38	2,450,674.22	2	Refined copper	10,370,677,278.79	50,983,280.00
3	Uninterruptible power supply (UPS)	5,044,780,994.89	3,480,941.78	3	Electrical energy	9,691,105,441.66	24.00
4	Transistor and semiconductors	3,554,458,060.42	1,291,662.11	4	Camera components	9,262,595,775.80	1,431,546.12
5	Sugar	1,891,675,049.54	114,472,064.00	5	Mobile phones	6,942,618,174.31	3,244,335.91
6	Fuel oils	1,644,878,177.21	81,995,441.32	6	Media storage devices and memory devices	4,612,253,233.56	666,808.08
7	Camera components	1,384,070,522.92	198,752.06	7	Printed circuit boards (PCBs)	1,820,977,895.92	676,795.94
8	Dried fruits	998,466,989.58	12,798,735.00	8	Instruments and apparatus for measuring and checking	1,170,551,699.55	540,634.73
9	Plastic products	872,972,521.40	675,184.31	9	Women’s clothing	1,166,068,910.57	19,939,242.14
10	Electrical signal, safety, traffic control equipments	797,895,660.89	84,098.11	10	Iron/Steels	723,621,804.39	393,553.65
11	Others	22,522,173,945.06	555,116,867.43	11	Others	22,731,842,763.62	761,507,139.53
Total		**113,061,114,498.28**	**794,241,196.33**	**Total**		**83,656,070,765.59**	**841,702,976.21**

Source: Mukdahan Customs House.

The data from Mukdahan provides both the value and weight of the top-10 export and import commodities. The main commodities going through this border post are components used in the electric and electronic supply chain between Thailand and Viet Nam. Thailand still has a positive trade balance over the Lao PDR at this border post.

Table 4: Number of Containers

Fiscal year 2018

Month	No. of import and export containers						No. of transit containers						Total	
	In			Out			In			Out			In	Out
	Loaded	Empty	Total	Loaded	Empty	Total	Loaded	Empty	รวม	Loaded	Empty	Total	Total	Total
October	640	289	929	474	539	1,013	168	0	168	160	0	160	1,097	1,173
November	1001	424	1,425	554	856	1,410	52	0	52	322	0	322	1,477	1,732
December	726	324	1,050	464	890	1,354	278	0	278	244	0	244	1,328	1,598
January	943	467	1,410	400	974	1,374	107	0	278	343	0	343	1,688	1,717
February	460	339	799	299	755	1,054	301	0	301	213	0	213	1,100	1,267
March	907	342	1,249	356	803	1,159	109	0	109	202	0	202	1,358	1,361
April	664	361	1,025	271	631	902	95	0	95	261	0	261	1,120	1,163
May	810	474	1,284	320	825	1,145	84	0	84	418	0	418	1,368	1,563
June	649	273	922	406	881	1,287	53	0	53	176	0	176	975	1,463
July	720	533	1,253	903	864	1,767	86	0	86	267	0	267	1,339	2,034
August	788	811	1,599	917	985	1,902	101	0	101	367	0	367	1,700	2,269
September	859	302	1,161	410	918	1328	107	0	107	228	0	228	1,268	1,556
Total	9,167	4,939	14,106	5,774	9,921	15,695	1,541	0	1,712	3,201	0	3,201	15,818	18,896

Fiscal year 2017

Month	No. of import and export containers						No. of transit containers						Total	
	In			Out			In			Out			In	Out
	Loaded	Empty	Total	Loaded	Empty	Total	Loaded	Empty	รวม	Loaded	Empty	Total	Total	Total
October	735	562	1,297	353	697	1,050	174	0	174	411	0	411	1,471	1,461
November	822	270	1,092	274	854	1,128	170	0	170	147	0	147	1,262	1,275
December	810	324	1,134	234	630	864	189	0	189	286	0	286	1,323	1,150
January	614	433	1,047	439	773	1,212	552	0	552	491	0	491	1,599	1,703
February	332	491	823	294	686	980	695	0	695	486	0	486	1,518	1,466
March	832	336	1,168	400	825	1,225	617	0	617	203	0	203	1,785	1,428
April	537	314	851	223	625	848	162	0	162	134	0	134	1,013	982
May	473	521	994	388	459	847	92	0	92	136	0	136	1,086	983
June	552	349	901	202	473	675	122	0	122	196	0	196	1,023	871
July	562	383	945	332	688	1,020	123	0	123	202	0	202	1,068	1,222
August	702	353	1,055	583	588	1,171	306	0	306	306	0	306	1,361	1,477
September	677	332	1,009	440	691	1131	81	0	81	267	0	267	1,090	1,398
Total	7,648	4,668	12,316	4,162	7,989	12,151	3,283	0	3,283	3,265	0	3,265	15,599	15,416

Source: Mukdahan Customs House.

The numbers of containers going through Mukdahan is still limited, with just over 2,000 containers per month going through this border gate (both ways). The number of transit containers is even less at around half of the total container traffic. The final destinations of these transit containers are either Hanoi or Ho Chi Minh for Viet Nam, and Ayudhaya or Cholburi for Thailand. The majority of the goods using this border gate are not containerised, but the trend is encouraging as there has been a constant increase over the years.

Table 5: Number of Trucks

Fiscal Year 2018

Month	Cargo trucks statistics of Mukdahan border point					
	Loaded trucks		Empty trucks		Total	
	In	Out	In	Out	In	Out
October	1,563	3,458	2,390	807	4,407	4,450
November	1,772	3,701	2,907	916	4,679	4,617
December	1,696	2,885	2,033	1,263	3,729	4,148
January	1,976	2,868	2,125	1,018	4,101	3,886
February	1,339	2,271	1,659	812	2,998	3,083
March	2,031	3,105	2,059	698	4,090	3,803
April	1,533	2,459	1,802	1,088	3,335	3,547
May	1,737	3,203	2,197	1,540	3,934	4,743
June	1,474	2,946	2,013	1,216	3,487	4,162
July	1,271	2,709	2,142	992	3,413	3,701
August	1,603	3,164	2,700	1,248	4,303	4,412
September	1,880	2,556	1,801	1,381	3,681	3,937
Total	19,875	35,325	25,828	12,979	46,157	48,489
Grand total	55,200		38,807		94,646	

Fiscal year 2017

Month	Cargo trucks statistics of Mukdahan border point					
	Loaded trucks		Empty trucks		Total	
	In	Out	In	Out	In	Out
October	2,429	3,797	2,349	1,096	4,778	4,893
November	2,429	3,627	2,065	1,030	4,494	4,657
December	2,426	3,410	1,877	755	4,303	4,165
January	3,560	2,908	1,823	1,562	5,383	4,470
February	2,431	4,280	2,181	349	4,612	4,629
March	3,143	3,345	2,106	1,819	5,249	5,164
April	1,908	2,857	1,920	882	3,828	3,739
May	1,829	3,726	2,620	707	4,449	4,433
June	1,774	3,294	2,208	735	3,982	4,029
July	1,752	2,922	1,968	827	3,720	3,749
August	2,389	3,306	2,135	1,075	4,524	4,381
September	1,799	2,775	1,848	691	3,647	3,466
Total	27,869	40,247	25,100	11,528	52,969	51,775
Grand total	68,116		36,628		104,744	

Source: Mukdahan Customs (2019).

The number of loaded trucks seems to have decreased between 2018 and 2017, while the number of empty trucks is roughly at the same level. Their numbers are higher than the number of containers as most of the traffic is non-containerised. It is also interesting to note that the number of loaded trucks going out is higher than those coming in from the Lao PDR, while there are more empty trucks coming in from Lao PDR. This is a reflection of the traffic flows, where loaded trucks from Thailand go into Lao PDR and discharge while returning mostly empty into Thailand.

4. Physical Infrastructure

According to the Bangkok Post (2019a), the Thai cabinet has approved a low-interest B777 million loan under a 30-year contract to Myanmar for infrastructure development in Myawadee. This is important for the TLH as Myawadee is a key connectivity node with Thailand. This loan is based on a proposal by the National Economic Development Agency (NEDA) to provide financial assistance to Myanmar to fund the third phase of the Greater Mekong Subregion development project for Myawadee town. Under the proposal, a 30-year loan of B777 million with an interest rate of 1.5% will be given to Myanmar, with a grace period of 10 years.

The loan conditions require goods and services from Thailand for at least 50% of the value of the contract. Constructors and project advisers must hold Thai nationality, and Thai laws will be enforced in the loan contract. Myawadee town plays an important role in the economic development of Myanmar and Thailand because it is a major border trading area between Myanmar and Thailand through the Mae Sot district of Tak. The border town serves as a transport route for goods and people from Thailand to other important towns in Myanmar.

The Thai government has already built a B1.1 billion bridge over the Moei River to relieve traffic congestion at the Mae Sot checkpoint. The bridge, which has already opened, is part of a larger plan to connect Mae Sot and Yangon, Myanmar, and improve access to the Indian Ocean, according to the Thai Minister of Transport (Bangkok Post 2019b).

In 2017, the Myanmar government approved a proposal allowing the Thai government to help improve the condition of a 68-km road that serves as an important link in the EWEC transport route. The Thai cabinet endorsed a plan to help Myanmar improve a 68-km section of the road linking Endu and Thaton in southern Myanmar at a cost of B1.8 billion, which will be shouldered by the Thai government (Bangkok Post 2017).

However, after numerous negotiations between both sides, Myanmar decided on a build–operate–transfer arrangement with a Chinese contractor. Currently, there are problems as the Chinese contractor is not able to complete the project as per the agreed timeline, and Myanmar has requested assistance from Thailand's Department of Highway (DoH) to assess the challenges of this specific project. The DoH went to the construction site during 23–25 September 2019 to offer advice to the Myanmar side but cannot interfere with the contract as the issue is between Myanmar and the Chinese contractor. The DoH has therefore no knowledge of the design standard or end date of the project as it is not under their responsibility. Figures 3 and 4 show the status of the road linking Endu and Thaton in September 2019.

Figure 3: State of Road between Endu and Thaton

Figure 4: State of Road between Endu and Thaton

Source: Pictures Courtesy of the Department of Highways (DoH), Ministry of Transport, Thailand.

This four-lane highway, completed in 2020, links Ta to Mae Sot, this will be one of the most beautiful roads in Thailand. The budget for building the road is B4 billions. Thailand has been developing not only its own infrastructure but also the infrastructure in its neighbouring countries, such as the new highway linking Myawadee and Korakeik in Myanmar. This new highway cuts the transit time drastically to Mawlamyine and enables faster access to Yangon.

Figures 5 and 6 show the new four-lane highway linking Tak to Mae Sot. The quality of the road is good, thus supporting faster transit times for trucks going to and from the Thai–Myanmar border.

Figure 5: Highway Linking Ta to Mae Sot

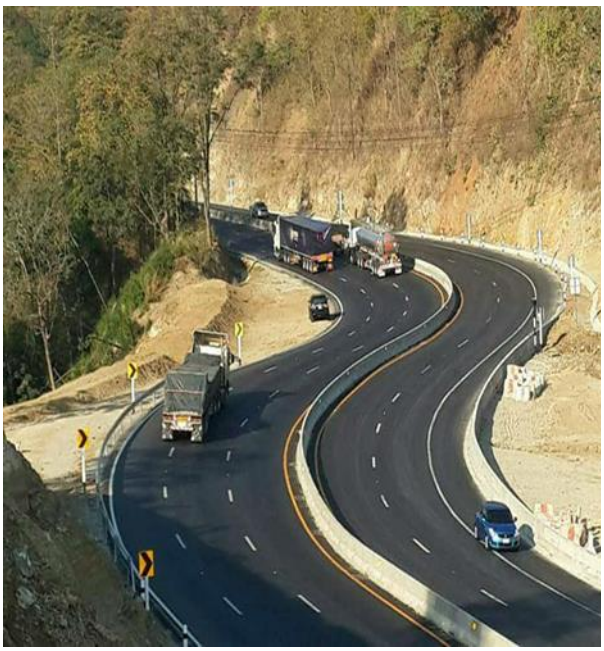
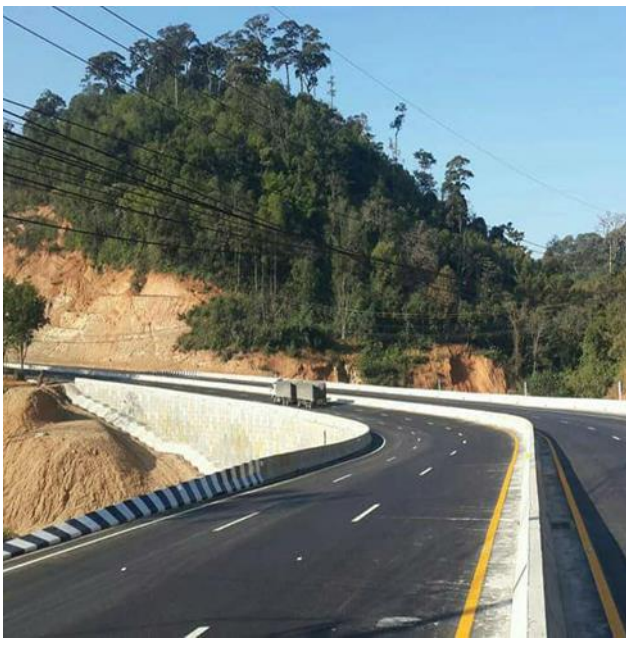


Figure 6: Highway Linking Ta to Mae Sot



Source: Pictures Courtesy of the Department of Highways (DoH), Ministry of Transport, Thailand.

5. Institutional Arrangements: The Initial Implementation of the Cross-Border Transportation Agreement

The Initial Implementation of the Cross-Border Transportation Agreement (IICBTA) between Thailand and Myanmar took effect with a memorandum of understanding signed in March 2019. It furthers cross-border trade and regional transport networks and connectivity through mutual cooperation and shared prosperity. The Myanmar–Thailand IICBTA will start with each party by issuing 100 transport permits, and will incorporate an expanded route network encompassing Yangon and Thilawa in Myanmar, and Bangkok and Laem Chabang in Thailand, as well as the Myawadee–Mae Sot border crossing point.

Myanmar commenced the agreement with Thailand on 22 October 2019. It will facilitate transport at the Myawadee–Mae Sot checkpoint in Tak. Authorised vehicles from each side will be able to cross the border and will be granted a permit to stay in the other country for 30 days. Therefore, cargo trucks from Myanmar can cross the Mae Sot checkpoint to two destinations, namely Laem Chabang Port, Chon Buri, and the border province of Mukdahan. At the same time, vehicles from Thailand can carry goods from the Mae Sot checkpoint all the way to the Thilawa Special Economic Zone in Yangon (extended from Myawaddy originally). This will help Thai companies save time and transport costs and facilitate exports via cross-border trade.

However, Thai truckers and logistics service providers are not keen on this arrangement as they would prefer to have exchanges of truck tractor units at the border. This sentiment is also echoed by some Myanmar providers, as local providers would prefer that their most expensive assets still remain in their respective country and only the trailers moved from origin to destination.

6. Summary

Thailand expects a lot from the TLH. Trade and investment are expected to grow on both sides, but with a strong possibility of bypassing Myanmar. Thailand believes that the benefits will mostly be for Thailand. This belief may be right for the Thai government, but the picture is less clear when it comes to the private sector, as shown in Table 6.

Table 6: TLH Perspectives

Benefits	Answer
Thai government	Yes
Private sector	Probably yes
Logistics service providers	Unsure

Source: Author.

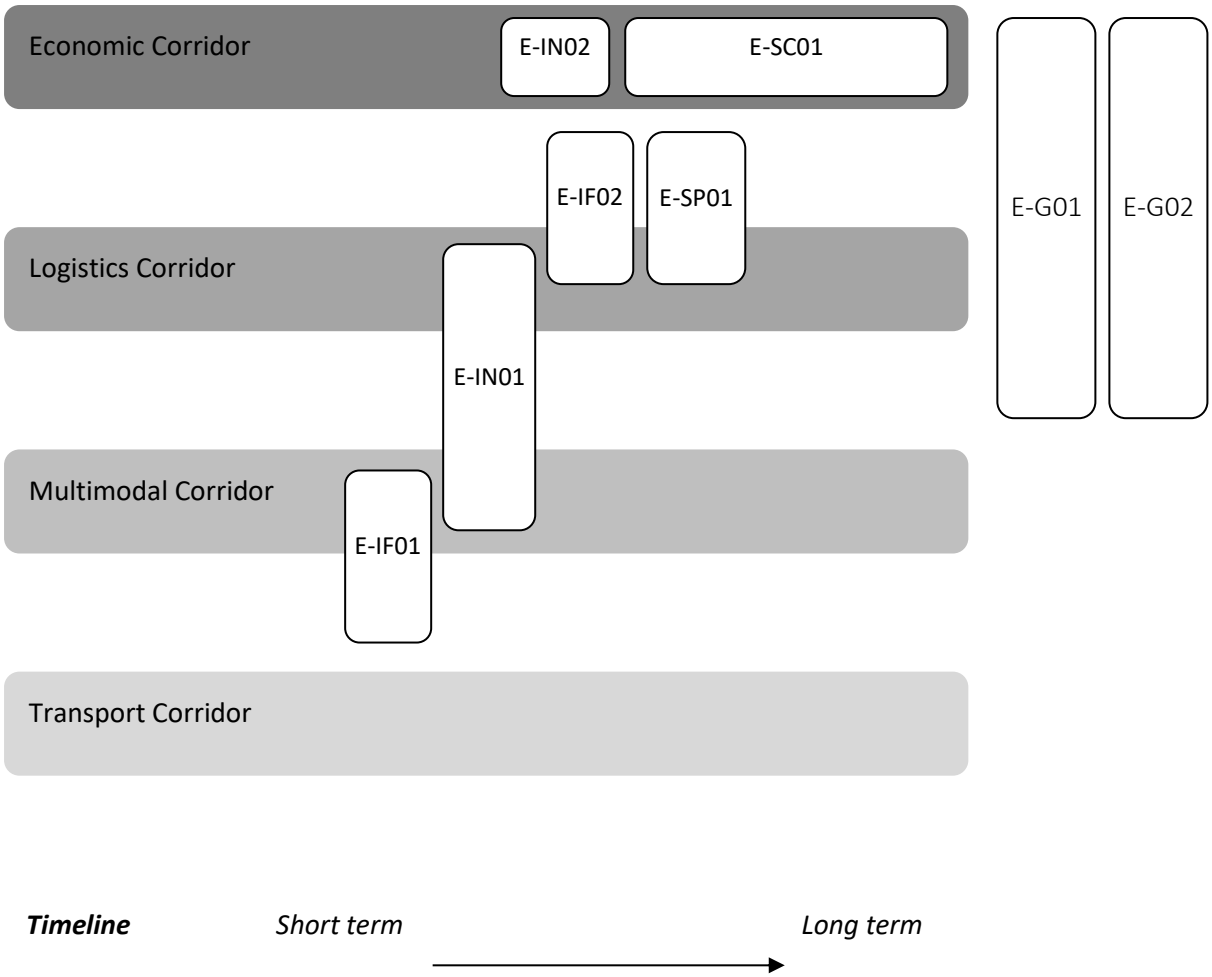
This study has tried to explore the development of the TLH from a Thai perspective. The development of the TLH is still on the country's agenda, but there are many projects under the Ayeyawady–Chao Phraya–Mekong Economic Cooperation Strategy (ACMECS). There is also Thai bilateral aid to Myanmar and the Thai national border development policy that support the TLH, albeit under a different agenda.

The physical route on the Thai side is currently completed with improvements made on the Myanmar side with the help of Thailand. The TLH infrastructure is slowly improving, but some of the border facilities are still insufficient and inefficient. In addition, local service providers lack in technology and logistics skills, resulting in strong competition from foreign-owned service providers.

Transit via Myanmar from Thailand to India is still impossible. Even though there is now an IICBTA, the supporting and administrative procedures are still lacking as trans-loading and border crossing still remains a barrier to the seamless movement of freight, people, and vehicles along the TLH.

It is important that the following policy recommendations are made and presented in order to improve the logistics integration of the TLH for the purpose of transforming it into a full-fledged economic corridor. Each proposed project concept is based on the specific findings on the issues described in this study. Priority should be given to the proposed pilot implementation of trade and transport facilitation measured along the TLH as existing trade and transport facilitation measures have yet to be fully implemented. Figure 5 illustrates the proposed projects classified by the issues identified in the study as key to the development of the TLH into an economic corridor.

Figure 5. TLH Policy Recommendation Framework



Source: Author.

In each policy dimension, specific programmes are proposed. These specific programmes are again based on the study's observations.

1. Infrastructure-Based Programme:

1.1 E-IF01: TLH Basic Infrastructure and Logistics Facility Development

- To improve and develop basic logistics infrastructures along the TLH in order to facilitate the movement of commodities. The developments include (i) road improvement, (ii) border-crossing facilities, and (iii) supporting facilities (free zones and inland clearance depots).

1.2 E-IF02: Information Technology Development for TLH Development

- To develop information technology infrastructure for the development of TLH and to promote IT utilisation in business procedures as well as for all border-crossing activities.

2. Private Sector/Trader-Based Programmes:

E-SC01: TLH Investment Forum and TLH Trade and Transport Facilitation Sub-Committee

- To establish an international forum focusing on accelerating and attracting investment and promoting the TLH to local, regional, and international traders.
- To establish a TLH Trade and Transport Facilitation Sub-Committee aimed at promoting trade collaboration, establishing business networks, and facilitating any initiatives to develop economies along the TLH.

3. Institutional Framework-Based Programmes:

3.1 E-IN01: IICBTA Promotion, Clarification, and Full Implementation

- To promote and accelerate the full implementation of the IICBTA.
- India should join the CBTA and expand it to the South Asian Association for Regional Cooperation (SAARC) countries.

3.2 E-IN02: TLH Business and Officials Capacity Building

- To increase businesses' and officials' strengths using knowledge management concepts.

4. Service Provider-Based Programme:

E-SP01: TLH Local Service Provider (LSP) Promotion and LSP network Development

- To promote local logistics service providers and develop clusters and networks of regional service providers.

5. Other Programmes:

5.1 E-G01: TLH Road Map Development

- To develop an appropriate road map and development direction for TLH focusing on supporting economic activities along the TLH.

5.2 E-G02: TLH 'Reality-Check' Study

- To explore the current situation and understand if there is a real demand for transit goods along the TLH (end to end).

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