

Chapter 9

Proposed Initiatives for Growth Nodes

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provinces of Dong Nai and Binh Duong. The key initiatives planned for the HCM City zone are elaborated below:

Key Initiatives

- ✓ **Comprehensive Development Zone:** It is proposed that a Comprehensive Development Zone be designated in this Growth Pole clustered around existing industries/estates in area between HCM City and Bien Hoa. The zone shall focus on attracting electronic industry. Saigon Hi-tech Park and upcoming investments like Intel's new chip plant will give fillip to cluster electronics industry as there would be important synergies that would be generated in the zone in terms of core technologies, human resource, etc. It shall integrate clusters of light machinery industries producing electrical machinery, general machinery and its parts and components.
- ✓ **Software Technology Parks:** Software industry in Vietnam is a 'sun-rise' sector and Vietnam has potential to emerge as a major software sourcing destination in Southeast Asia. Zone. The park based on Indian development model can be important tool to facilitate growth of software industry²⁶. Software Incubation Centre shall be also housed as an integral part of software park to provide workspace for start-ups. It shall also house a research institution for R&D activities.
- ✓ **Integrated Townships:** Bien Hoa has potential to be developed as satellite to HCM City. It already has robust industrial activity²⁷ and continues to get huge chunk of foreign investment to Southern Vietnam. Thus it is proposed that an integrated township be developed as part of Comprehensive Development Zone.

9. Proposed Initiatives for Growth Nodes

Chachoengsao-Prachinburi Growth Node (Thailand): Chachoengsao-Prachinburi showcases necessary potential to be developed as future industrial hub with focus on electronics, auto parts and components, high-value engineering machinery, etc. The key initiatives planned for Chachoengsao-Prachinburi growth node are given below:

Key Initiatives

- ✓ **Mega Industrial Zone:** It is proposed that Mega Industrial Zone be designated in this Node clustered around existing Industrial Estates in Chachoengsao and Prachinburi. The auto parts industry in Thailand manufactures most of the components used in automotive assembly and showcases sufficient skills. However, some of the high-end components²⁸ are still imported. Thailand can now focus on moving up the value chain and produce these components in-house. This area emerges as potential location for manufacturing firms for high-end auto parts because of proximity to Eastern Seaboard. MIZ will also house a Skill Development Centre providing specialized courses in electronics application, precision mechanics as well as industrial, mechanical, electrical engineering to meet up with skilled labour demand of industries.
- ✓ **Integrated Township:** Since Chachoengsao-Prachinburi can emerge as potential cluster of manufacturing industries, there would be need to provide residential, institutional, commercial and

²⁶ Note: India established many Software Technology Parks like Bangalore, STPI Chennai, STPI Hyderabad, STPI Mangalore, among many others.

²⁷ Note: Light machinery producing electrical machinery, general machinery and its parts and components are main industries.

²⁸ Note: Like Electronic-fuel injection systems, Moulds and Dyes, Jigs and fixtures, Anti-lock Braking Systems, Substrates for Catalytic Converters, etc.

leisure/recreation for workforce. Thus it is proposed that an integrated township be developed dovetailing on Mega Industrial Zone.

Ayutthaya Growth Node (Thailand): Ayutthaya province already has established industrial activity with high concentration of hi-tech industry like electronics. It should be developed as multi-industry zone with electronics as mainstay. It can be looked as a future growth node because of its proximity to Pathum Thani, the emerging knowledge hub. Ayutthaya should take advantage of talent pool available at Pathum Thani by focusing on complementary industries like high-end electronics, IT, pharma/biotech. Key initiatives for the growth node are as below:

Key Initiatives

- ✓ **Mega Industrial Zone:** *The new Industrial Estate or augmentation of existing Industrial Estates will be planned as part of Mega Industrial Zone. Thailand has potential to expand its electronic manufacturing industry. The zone will focus on attracting hi-tech Industry like upstream electronics value chain such as semiconductor material, diodes, transistors etc. MIZ will also house a Skill Development Centre providing specialized courses in Software Engineering, Advance Computing, Electronics Application, etc.*
- ✓ **Pharma and Biotech City:** *Pharma sector has significant potential in Thailand²⁹. Pharma city would provide companies with world-class environment for R&D, clinical trials, manufacturing and marketing bulk drugs and formulations. The park would be based on concept of 'cluster research'³⁰, that creates research communities where biotech and pharma complement each other. Therefore, an 'integrated' bio-tech and pharma cluster can be developed to attract major pharma Industries to be based inside the city. Unlike Thai Science Park in Pathum Thani, this will cater to pharma industry (Bulk drug makers, Generic drug makers, Formulation units) and Medical Biotech Companies, Stem Cells Labs, Clinical Trial Labs, Contract Research Organization, Preclinical Research Firms, etc.*

Kanchanaburi Growth Node (Thailand): Kanchanaburi can be developed as multi-industry growth node because of its proximity to Myanmar and based on its industrial, agricultural and tourism potential. With development of the corridor and the port route through Dawei, the border trade is expected to increase exponentially and this node could emerge as major service centre. It has potential to emerge as major tourism hub with proximity to numerous national parks, waterfalls, Neolithic-era caves, etc. Agriculture is principal activity in the hinterland with majority of population engaged in agricultural sector³¹. Presently the key industries in Kanchanaburi include Sugar, Agricultural products like Corn, Pulp, Paper, etc. and Jewellery. The growth node can expand its industrial base by focusing on augmenting its agro-based industries as provinces of Suphanburi and Kanchanaburi are major agricultural production areas. Following initiatives are planned for this Growth Node as presented below:

Key Initiatives

- ✓ **Mega Industrial Zone:** *It is proposed that Mega Industrial Zone be designated in this Node encompassing existing Industrial Estates in Kanchanaburi province. The new Industrial Estate or augmentation of existing Industrial Estates will be planned as part of Mega Industrial Zone. The zone*

²⁹ Note: Its population is ageing, it relies heavily on imports for meeting its health care needs & plans to establish itself as Healthcare Centre of Asia. Thus growth of Pharma & Biotech Sector will become vital to Thailand.

³⁰ Note: Cluster Research' is identified as key strategy in National Biotechnology Policy Framework 2004-09 of Thailand

³¹ Note: According to UNESCAP data, 56% of the total population was engaged in agricultural sector in Kanchanaburi, 60% in neighboring Suphanburi

shall be multi-industry zone with focus on food processing and forestry-based industries. A Skill Development Centre providing general courses on industrial, mechanical, electrical engineering will be developed in MIZ to meet up with skilled labour demand of industries.

- ✓ **Kanchanaburi Eco-Tourism Zone:** An eco-tourism zone could be created at Kanchanaburi focused on its heritage and natural beauty. The region would have leisure and sports function with facilities for camping, angling, elephant safari, cycle safari, riding trail, canoeing, white water rafting, rock climbing/mountaineering, and other adventure sports. A zone with projects like Eco-park and Campsite, Adventure Sports Complex and Resort Town can be developed.
- ✓ **Centre for Food Safety and Research:** With increased focus on agro based industries, a dedicated centre for food safety and research and training shall be established in order to assist and advise food processing companies to comply with the GMP and HACCP³² standards or standards prescribed by individual countries. Food safety is an important issue for region due to outbreak of SARS, Avian influenza. The centre shall have facilities like quarantine, food testing labs, certification labs, basic food safety training. It can collaborate with existing initiatives on promoting food safety by institutions like Thai Small Industry Finance Corporation, National Food Institute.

Further the Government of Thailand is developing a Southern Seaboard Development Project (SSBD), located in South Thailand on Andaman Sea and borders with Malaysia, in the region on the similar lines of Eastern Seaboard project. This forms a secondary alternative for possible connection between India and Mekong and thus has been considered as future growth node. For details on SSBD, please refer to Annexure 3.

Sihanoukville Growth Node (Cambodia): Being the only deep-water port of Cambodia, this zone is emerging as hotbed of industrial activities with many SEZs being planned in this region. Going forward with large number of SEZs and planned industrial investments, this region is likely to attract downstream industries which may lead to clustering effect. This region also has a high potential to emerge as a key tourist destination in MIEC. The key Initiatives for this node are given below:

Key Initiatives

- ✓ **Mega Industrial Zone:** The proposed zone can be created along National Route No.4 and clustered with planned SEZs. It will be multi-industry zone with Light Industries like, Textiles-Garments, low end mechanical products, construction materials, consumer goods, etc. as the key industry mainly catering to export markets. MIZ will also house a Skill Development Centre providing training in industrial, mechanical, electrical engineering to meet up with skilled labour demand of industries.
- ✓ **Sihanoukville – Koh Kong Tourism Zone:** Eco-Tourism corridor could be created on the west coast of Cambodia focusing on beaches (narrow stretch of west coast), islands (Koh Kong, Kiri Sakor, Koh She, Koh Thmei) and also including biodiversity zone of Cardamom Mountain. This area's natural beauty remains untapped and MIEC will support its development as tourism destination. Sihanoukville will act as the gateway for zone and connectivity with the zone shall be strengthened. A zone with facilities like Eco Park, Lodges and Campsite, Beach/Resort town, Tourist Facilitation Centre, shall be developed. Projects like Water Front, Marina shall be undertaken in Sihanoukville.
- ✓ **Upgradation of Sihanoukville Airport³³:** In order to boost tourism, MIEC will support upgradation of existing airport at Sihanoukville with connectivity to international destinations and all key airports in MIEC.

³² Note: GMP: Good manufacturing Practice; and HACCP: Hazard Analysis and Critical Control Point are a systematic preventive approach to food safety and pharmaceutical safety. It addresses various physical, chemical, and biological hazards during the production or processing process as a means of prevention rather than finished product inspection. They are recognized internationally as a logical tool for food safety system and certification.

³³ Note: Refer to Transport Linkages for detail discussions on Airports (page 15)

- ✓ **Seafood Processing Park³⁴:** Cambodia exports its fish mainly to Thailand and it mainly consists of frozen and live fish, where further value-addition is done. The same value addition can be done inside Cambodia by providing adequate facilities to fish processing industries. Thus a dedicated Seafood Processing Park for processing units with specialized facilities like cold storage, sorting and grading lines, chill room, ice factory. and a Boat-Yard for repairing and building new boats, shall be developed in Sihanoukville. It will also have a specialized Fisheries Training Centre³⁵ for providing skills training to the fishing communities/fishermen of the area as well as training for workers for meeting need of processing units.
- ✓ **Integrated Township:** Since Sihanoukville will emerge as major industrial and tourism centre, there would be need to provide residential, institutional, commercial and recreation facilities for workforce, their families as well as tourists. Thus it is proposed that an integrated township be developed dovetailing on Mega Industrial Zone.

Battambang Growth Node (Cambodia): Battambang province has a strong agricultural based economy. It is known as the rice bowl of Cambodia. In addition to rice, other crops like corn, cassava, sweet potatoes, green beans, chilies, ground nuts, soybean, jute, sugarcane, are also grown in Battambang and provinces around it. This area has potential to be developed as 'food processing hub' for Cambodia because of availability of raw material. In order to fully exploit the potential of the sector, the initial focus of development would be improving farm productivity and basic value addition such as milling, pre-processing.

Key Initiatives

- ✓ **Food Processing Park:** This Park will have developed plots and requisite infrastructure for setting up agro-processing units for primary processing of fruits and vegetables, rice milling and grading, packaging units, etc.
- ✓ **Integrated Agro-Market Complex:** The integrated agro marketing complex will have space for wholesale market to facilitate trading of agricultural produce and serve the need for processing units as well. It will serve as common collection centre for agro and horticulture products and will facilitate centralized procurement for processing units. The wholesale market will be equipped with large facilities on warehousing and also cold storage facilities to facilitate in minimizing post harvest losses. The complex will be equipped with modern amenities like central electronic auction system, mechanized handling, and wholesale block-cum-godowns. The region also has significant fruit, vegetable production and therefore there is need for specialized automatic electronic grading-sorting lines and a trimming –washing-grading- packing lines, among others. Apart from these facilities it will have common services like agro waste processing, space for Banks, traders, service providers, transporters..
- ✓ **Agriculture University:** The proposed university will be set up to stimulate agricultural research, create professionals, train farmers, which will improve agricultural productivity of the region. There is no such university in Cambodia and an Agricultural University³⁶ would boost ongoing efforts in removing pre-harvest impediments and post-harvest crop management. These universities play a key role in larger rural development efforts.

³⁴ Note: For example, a Seafood Processing Park has been developed in Kozhikode in India

³⁵ Note: These training centres will impart training on aspect of fish processing and preservation, fishing methods and gear technology, seamanship, boat building, etc. Many countries have started marine Fisheries Training Centres like India, Fiji Islands, Mauritius, Guinea, etc.

³⁶ Note: There many Agriculture Universities in the world like Punjab Agricultural University, Agricultural University of Athens, Agricultural University of Iceland, Warsaw Agricultural University, China Agricultural University, Hanoi University of Agriculture. India itself has more than 30 Agriculture Universities have been developed in India.

- ✓ **Farmers Training Institute:** This facility will be set up to facilitate farmers in upgrading their know-how, inform them about new innovations in agriculture that would eventually help to boost agri-production. The institute will educate farmers about agricultural methods, use of farm implements, etc. It will also encourage farmers to produce quality products. The institute will be equipped with hostel for farmers, exhibition hall, library, soil testing laboratory, hydroponics plant house, greenhouses, nursery labs, etc. The co-location of Agriculture University and Institute in a zone will facilitate sharing of resources and knowledge.
- ✓ **Pre-Harvest Facilitation Centres:** These centres will be opened up to provide knowledge on techniques for farming, information, services, and tools and thus support farmers. It will have specialized equipment banks, seeds distribution bank, quality-check labs, agro-information centre, agro-clinic for crop rescue in case of any disaster, crop disease monitoring.

Siem Reap Growth Node (Cambodia): This region is bestowed with sites showcasing its rich heritage and culture. Angkor Wat is the main tourist attraction and Tonle Sap and a few of the villages around it could be promoted for cultural tourism. A few villages can be marketed as floating villages for cultural tourism. This would increase income of the villagers and enable all round social development. Due to presence of international airport, it can also become gateway for untapped heritage sites of Preah Vihar and Battambang. The key Initiatives for this node are given below:

Key Initiatives

- ✓ **Heritage Zone:** MIEC will support development of a heritage zone in Siem Reap. This corridor would have historical and cultural viewing functions such as exploration of cultural ruins, and heritage circuits, community-based tourism focusing on floating villages around Tonle Sap like Peach Kuntil, Kbal Taol and Prek Kr. The zone will have tourism facilities like Museums, Craft Villages, Theatre for performances of Folk Artists, apart from Hotels, Guest Houses, Tourism Facilitation Centres, etc. It will also provide facilities and circuits to visit untapped heritage sites of Battambang & Preah Vihar. Siem Reap shall also be promoted as key MICE³⁷ destination of Cambodia and thus a Convention Centre be developed in this zone.
- ✓ **Road Link³⁸:** In order to facilitate the corridor, it is proposed to augment the capacity of the road link from Siem Reap to Battambang passing through Sisophon. The high speed corridor will reduce travel time between the two centres and facilitate faster movement of passenger vehicles.

Sisophon-Poipet Growth Node (Cambodia): The economy of Sisophon is primarily based on border trade between Thailand and Cambodia. Its proximity to key industrial clusters in Thailand offers immense potential to attract industries with forward linkages to industries in Thailand. Thus it can be promoted as key industrial zone and emerge as Growth Node. The light manufacturing industries such as low-end auto components (tyres, wheels, glass components, etc.), simple parts and components and finished products³⁹ of general machinery can be promoted here as they can gain from markets in Thailand, Bangkok, Eastern Seaboard, and emerging Chachoengsao-Prachinburi. It will benefit both Cambodia and Thailand. Thai industry can outsource some of its manufacturing activity to take advantage of lower wage rates in Cambodia, which in turn would gain from creation of employment and investments. Sisophon also offers advantage of lower land prices than border areas of Poipet. The key initiatives for this node are given below:

Key Initiatives

³⁷ Note: Meeting, Incentive, Convention & Events

³⁸ Note: Refer to Transport Linkages for detail discussions on Road (page 13)

³⁹ Note: Plough Machines, Pulley Tackle, Jacks, Machine Tools for Drilling, Boring

- ✓ **Special Economic Zone (SEZ)/Free Trade Zone (FTZ):** SEZ or FTZ shall be established at Sisophon to gain from proximity with Thailand. It would focus on Light industries particularly low end parts and components from Cambodia which are exported to industries in Thailand for assembly. Such a zone will boost cross border trade between Thailand and Cambodia. It will also house a Skill Development Centre providing training in industrial, mechanical, electrical engineering to meet up with skilled labour demand of industries.
- ✓ **International Trade Exchange Centre:** The border trade is expected to grow between Thailand and Cambodia. Poipet shall act as a service centre for the anticipated growth in cross border trade. In order to facilitate trade related activities, a Trading Centre is proposed to be set up at in this zone. The centre will have office space, Product Display Centre, Warehousing Facility, Customize Packaging and Repackaging facility, Banking and Foreign Exchange offices, Meeting rooms, Conference halls. etc for traders or industries. These facilities will provide requisite infrastructure to support trading activities.
- ✓ **Integrated Township:** Sisophon may emerge as key industrial zone and thus there would be need to provide residential, institutional, commercial and leisure/recreation facilities for workforce and their dependents. Thus it is proposed that an integrated township be developed dovetailing on SEZ. Cambodia needs sufficient urban amenities like schools, health centres, water supply, solid waste management, etc. and these townships will provide platform for developing such urban amenities.

Svay Rieng-Bavet Growth Node (Cambodia): This node is located in close proximity (less than 120 Km) to key industrial region of HCM City and South Vietnam and therefore offers immense potential to attract industries with forward linkages to industries in HCM City and South Vietnam. Emerging industrial activity in provinces of Dong Nai, Binh Duong, Ba Ria-Vung Tau will further support its promotion as key industrial zone. Light manufacturing industries such as low end parts and components of electrical machinery (parts of domestic appliances, compressors, engines, motors), Garments can be promoted here as this market can gain from markets in HCM City Growth Pole. The key initiatives for the said growth node are given below:

Key Initiatives

- ✓ **Special Economic Zone/Free Trade Zone:** SEZ or FTZ shall be established in this zone to gain from proximity with HCM City. It shall host industries which can supply parts and components to industries in South Vietnam as well as consumer markets in Vietnam. This SEZ/FTZ will also house a Skill Development Centre providing training in industrial, mechanical, electrical engineering to meet up with skilled labour demand of industries.
- ✓ **International Trade Exchange Centre:** With expected growth in the border trade between Vietnam and Cambodia, a trade centre with facilities like office space, product display centre, warehousing facility, customize packaging and repackaging facility, Banking and Foreign Exchange offices, Meeting rooms, Conferences halls etc. shall be established at border. These facilities will provide requisite infrastructure to support trading activities.

Ba Ria-Vung Tau Growth Node (Vietnam): It has potential to be developed as future industrial hub matching scale and economies of Eastern Seaboard with focus on heavy Industries like petro-chemicals, steel, shipbuilding, among others. A big refinery and downstream industries are planned along with many steel industries. Many domestic and major international corporations have planned their investments here such as South Korea-based Posco's steel plant of 3 Million TPA, Vietnam Rubber's 5 Million TPA plant, India-based Essar, Vietnam Steel, among other big companies. Development of these heavy industries will spawn number of downstream & ancillary industries and will bring high industrial production value for the entire province. The initiatives are given below:

Key Initiatives

- ✓ **Mega Industrial Zone:** It is proposed that Mega Industrial Zone be developed in this Node ideally clustered with existing industries/estates and planned projects like upcoming Refinery and port capacities at Cai Mep-Thi Vai, etc.. The Zone will also cater to upcoming key Petrochemicals, Steel, and other Heavy industries which in turn bring in downstream industries. MIZ will also house a Skill Development Centre providing training in industrial, mechanical, electrical engineering to meet up with skilled labour demand of industries.
- ✓ **Petro-Chemical Complex:** It is proposed that a specialized complex or industrial estate be established in Ba Ria – Vung Tau with requisite infrastructure for Petrochemical Industries. It should be ideally clustered with upcoming Refinery. This industrial estate will house exclusively to downstream petro-chemical industries like Olefin and Plastic, Ethylene and Polyethylene, PET, Polyester, aromatic – Derivatives, Compounds which have complementarities among themselves.
- ✓ **Seafood Processing Park:** Vietnam is among the top ten exporters of seafood to the world and Ba Ria-Vung Tau is among the major centre for seafood trade in Vietnam. The proposed park will have seafood processing units as well as production units for ready-to-eat seafood products. It will have other supporting facilities like chill room, ice factory, data management and communication centre, and a Fisheries Training Centre for training fishing communities/fishermen and training for workers of processing units.
- ✓ **Integrated Township:** Since Ba Ria-Vung Tau region will emerge as another big cluster of industries, there would be need to provide residential, institutional, commercial and leisure to accommodate resultant population Thus it is proposed that an integrated township be developed dovetailing on Mega Industrial Zone.
- ✓ **Vung Tau Tourism Zone:** It can be developed in lines with the Sihanoukville Tourism Hub. It will have sports and leisure functions with activities like water scooters, parasailing, jet skies wakeboarding, knee boarding, waterskiing, etc. Vung Tau's tourism potential can be strengthened by developing tourism projects like Marina, Water Sport Complex and Water Front Development.
- ✓ **Road & Rail Link⁴⁰:** In order to facilitate high-speed movement of cargo from Cai Mep-Thi Vai Ports to hinterland, an expressway and a rail link between Ports, Mega Industrial Zone and HCM City shall be constructed. This link is proposed to enable speedier cargo movement between upcoming port and HCM city and prevent congestion which will increase the logistic costs for industries in this node.
- ✓ **Transshipment Port⁴¹:** It is proposed that a Transshipment Port be developed in Ba Ria-Vung Tau.

Can Tho-Vinh Long Growth Node (Vietnam): Can Tho-Vinh Long provinces are located in middle of the Mekong River Delta⁴² which is among one of the most agri-productive regions of the world. This area is known for highest cropping intensity and major products are rice, fruits and vegetables. This area has immense potential to be developed as food processing and export hub because of abundant availability of raw material. The region already exports about 90% of rice and 28% of vegetable output. Thus focus of MIEC in this node would be on attracting food processing companies and provide requisite infrastructure to help minimize post-harvest losses. The key initiatives planned for the node are:

Key Initiatives

⁴⁰ Note: Refer to Transport Linkages for detail discussions on Rail (page 13)

⁴¹ Note: Refer to Transport Linkages for detail discussions on Rail (page 13)

⁴² Note: It includes provinces of Can Tho, An Giang, Bạc Liêu, Ben Tre, Ca Mau, Dong Thap, Hau Giang, Kien Giang, Soc Trang, Tien Giang, Tra Vinh, Vinh Long

- ✓ **Food Processing Park:** This park will have developed plots and requisite infrastructure for setting up Agro-processing units for processing of canned and ready-to-eat (RTE) fruits and vegetables, frozen and chilled commodities, snacks (rice crackers, noodles, cornflakes) and health food.
- ✓ **Integrated Agro-Export Complex:** The complex will facilitate export of raw and packaged foods to various countries. This complex will be equipped with large facilities on warehousing, cold storage facilities to facilitate in minimizing post harvest losses. The complex will be equipped with modern amenities, mechanized handling, automatic electronic grading sorting line, etc. The region also has potential in Floriculture and the export zone will have specialized Floriculture zone for Flower grading, sorting, and packaging units. The processing units will serve foreign markets also therefore a provision for export facilitation centre will be made which will have a separate block for exporters with customize packaging facility, pallet building station, quarantine and customs inspection, walk-in-cold rooms, a small logistics park and other facilities such as common agro waste processing plants, space for banks, traders, service providers, transporters..
- ✓ **Food Processing Training Centre:** This centre will have facilities and courses for training on various aspects of food processing in fruit, vegetable, bakery, confectionary products, cereal processing, packaging & bottling, food safety, etc. to meet the anticipated demand for qualified workforce and food engineers from fast-growing food processing industries in the region. The co-location of food processing training centre and food processing industries will create a synergy and sharing of knowledge.
- ✓ **Centre for Food Safety and Research:** It will also have a dedicated Centre for Food Safety and Research and Training in order to assist and advise food processing companies, to comply with the GMP and HACCP standards and producing safe foods. Food safety is an important issue for region due to outbreak of SARS, Avian influenza. The centre shall have facilities like quarantine, food testing labs, certification labs, basic food safety training.
- ✓ **Mekong Cultural Tourism Zone:** MIEC will support development of tourism zone in Mekong Delta with Can Tho as the gateway. The zone will have tourism facilities like museums, craft villages, local performances of folk artists, apart from hotels, guest houses, tourism facilitation centres, etc. to promote cultural viewing functions such as exploration of Mekong delta, cruises on Mekong.

Dawei Growth Node (Myanmar): Dawei can be established as major economic centre for Myanmar and MIEC. Dawei has potential to emerge as centre for export oriented and forest-based industries. Port at Dawei has potential to become a gateway to MIEC region and a nodal point for exports to Indian, West Asian and European markets. Dawei will be developed as self-sustained node as it would be a Greenfield project and presently there is no other main economic or service centre in Myanmar side of MIEC region. The key initiatives proposed for this are given below:

Key Initiatives

- ✓ **Deep Seaport:** The first priority in development of Dawei shall be construction of a Deep Sea Port⁴³ and developing of road connection to Bangkok⁴⁴ in order to boost trade between Mekong and India. The port with facilities such as crane, container yard, warehouse including cold storage and to expedite import/export transactions such as CIQS (Customs, Immigration, Quarantine, and Security) service and its consequent link to Bangkok is critical to development of this node.
- ✓ **Free Trade Zone/SEZ:** It is further proposed that an FTZ or SEZ be developed clustered with planned deep seaport. FTZ/SEZ will be a multi-industry zone offering facilities for international and regional distribution, manufacturing and products fabrication. It will mainly cater to export markets with focus on forest or wood-based industry, mechanical & electrical products, consumer goods, and other light

⁴³ Note: Refer to Transport Linkages for detail discussions on Port (page 15)

⁴⁴ Note: Refer to Transport Linkages for details on Road Link (page 13)

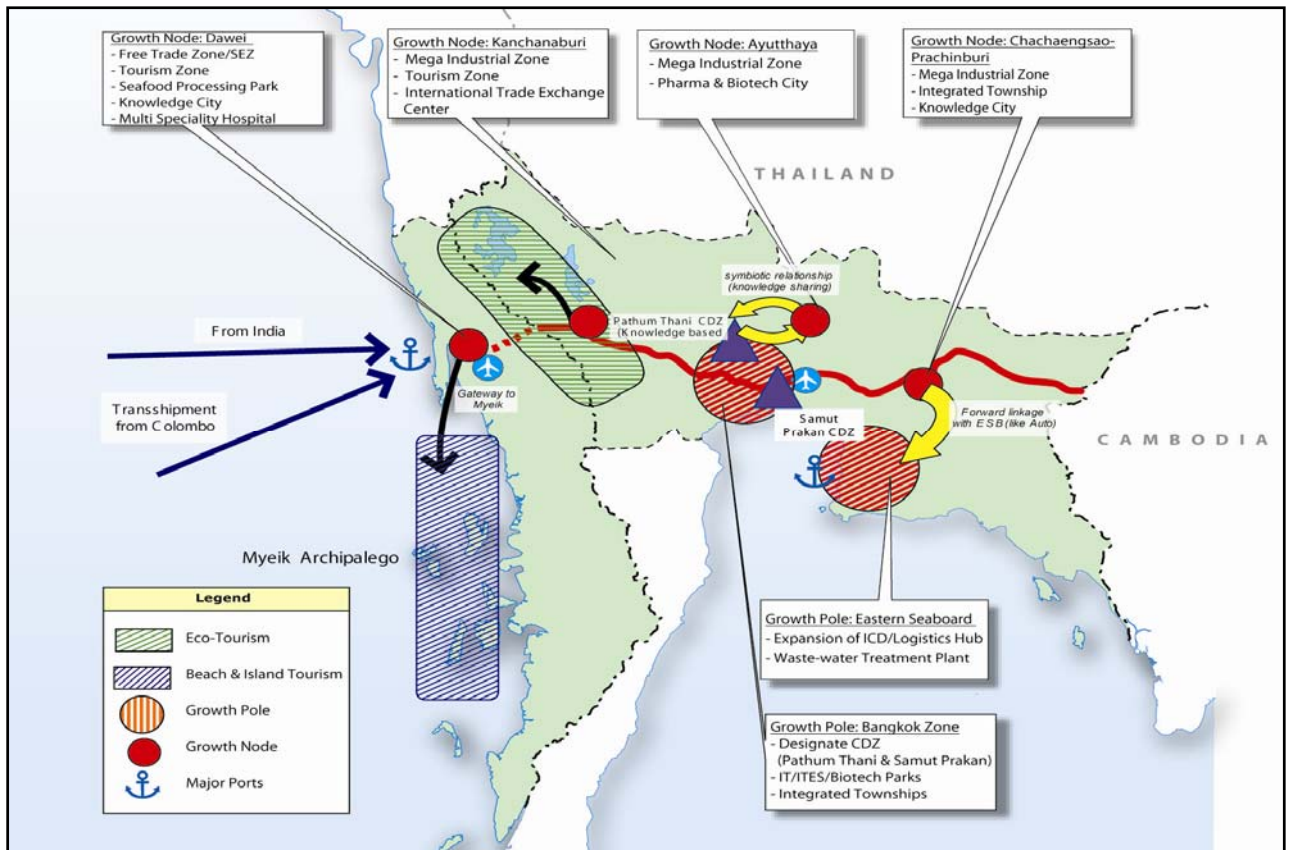
industries as the key industries. It will also have a Shipyard for repairing and building new ships. The zone will also house a Skill Development Centre providing training in industrial, mechanical, electrical engineering to meet up with skilled labour demand of industries.

- ✓ **International Trade Exchange Centre:** With expected growth in the border trade between Myanmar and Thailand due to MIEC, a Trade Centre with facilities like Office Space, Product Display Centre, Warehousing facility, Customized Packaging and Repackaging facility, etc. shall be established at border at Bong Tee.
- ✓ **International Island Tourism Hub:** Dawei will become a hub for tourism focused on Myeik Archipelago in the Andaman Sea. Archipelago consists of more than 800 islands of varying size off the western shore of Tanintharyi division. This has potential to be developed as major tourism hub like Phuket. Dawei can become a gateway to Myeik Archipelago and Thus a zone with Beach/Resort town, Tourist Facilitation Centre, Marina, Water Sports Complex and project of Water Front development shall be undertaken.
- ✓ **Upgradation of Dawei Airport⁴⁵:** In order to boost tourism in Myeik Archipelago, MIEC will support upgradation of existing airport at Dawei with connectivity to international destinations and all key airports in MIEC.
- ✓ **Seafood Processing Park:** Presently, Fisheries is the main economic activity of Dawei and Tanintharyi division with high production of Seafood such as Jelly-fish, Lobsters, Prawns which can be exported. Thus this region can be developed as main centre of fish processing in Myanmar. MIEC shall support development of seafood processing park here. The proposed park will have seafood processing units as well as production units for ready-to-eat seafood products. It will have other supporting facilities like chill room, ice factory, data management and communication centre, and a Fisheries Training Centre for training fishing communities/fishermen and training for workers of processing units..
- ✓ **Rail and Road Links⁴⁶:** In order to integrate Dawei with corridor, MIEC will support construction of missing road and rail links from Dawei Port to Thai Border and subsequently to Bangkok. Initially the road link will be established and rail will be established after traffic reaches substantial volume.

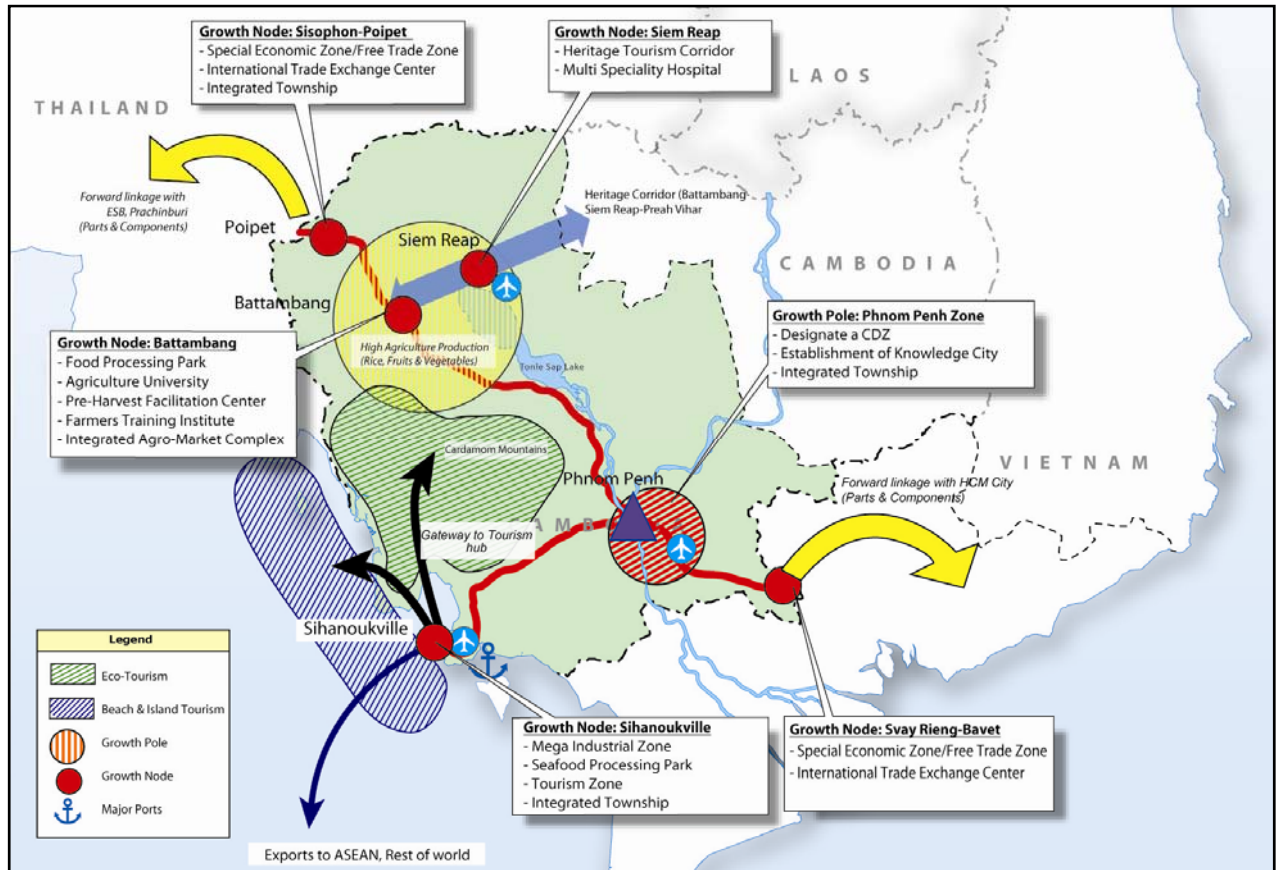
⁴⁵ Note: Refer to Transport Linkages for detail discussions on Airports (page 15)

⁴⁶ Note: Refer to Transport Linkages for detail discussions on Road and Rail (page 13)

Map 7: Proposed Initiatives for MIEC (Myanmar – Thailand)



Map 8: Proposed Initiatives for MIEC (Cambodia)



Map 9: Proposed Initiatives for MIEC (Vietnam)

