



# **Mainstreaming Regional Cooperation in the National Development**

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## **The Case of Thailand in the GMS**

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# Presentation Outline

**GMS Program in Brief**

**The Case of Thailand**

**Sharing Experiences**

# GMS Fact Sheet



## Market Potentials:

- 326.8 millions of population
- 2.6 million sq KM area
- US\$1850 GDP per capita
- 6.5% average GDP Growth in past decade
- Connect to 2,400 millions pop. (PRC+ India)

## Achievements:

- Tourist Arrival 25 Million
- FDI 7,000 Million USD
- Export to GMS 200,000 million USD

# Development of GMS Program : 20<sup>th</sup> Year Anniversary

## 3Cs Strategy ---- Connectivity – Competitiveness – Community

**From 1992  
Establishment  
of the GMS**

**From 1994  
Infrastructure  
Development**

**From 2000  
Building  
Competitiveness**

**From 2012  
Strategic  
Partnership**



ADB Secretariat  
GMS National  
Coordinator  
Strategic Framework  
and Action Plan

- GMS's Key Success Factors:
- Output Oriented Approach
  - 2+x Approach
  - Strong Partnership with DP
  - Sense of Ownership



Major Backbone Projects  
Financial Mobilization  
One Tourism Destination



Economic Corridor  
Development  
Cross Border Transport  
Agreement  
Supply Chain & Logistics  
Sustainable Development



ASEAN Economic  
Community  
Public Private Partnership  
Climate Change & Disaster  
Management

# Challenges for GMS in the Next Decade



- How can we better utilize infrastructure ?  
How to transform road linkages to Economic Corridors?

How can we effectively address soft issues ?

How can we better handle the negative effects of increased connectivity?



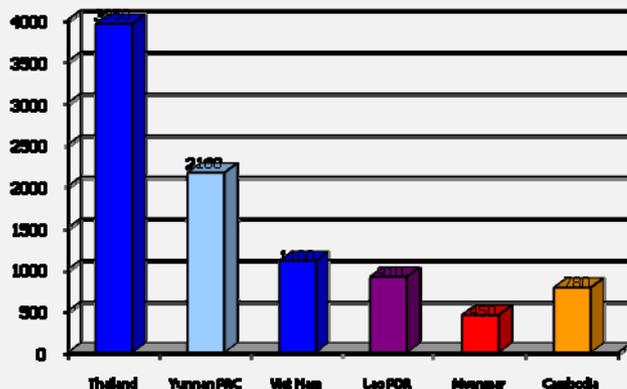
- How can we mobilize resources for more investment and get more private participation ?

How can we tap into emerging opportunities in dynamic Asia and World Economy?

How can we help our local to get more benefit ?



GDP Per Capita (PPP) Y2009



- How can we reduce gaps among countries/among urban-rural ?

How can we protect environment and achieve green growth?

How can we handle emerging crisis ?



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# GMS in Thailand's National Agenda



## 11<sup>th</sup> National Plan

Creating Regional Economic Cooperation and Connectivity

## Neighboring Countries Cooperation Strategy

- Partnership for Development
- Decreasing Development Gap among Countries
- Building Capacity to Deal with Transboundary Issues

## Bilateral Cooperation Plan with Neighboring Countries

Bilateral Cooperation Plan with Cambodia, LaoPDR and Viet Nam

## Spatial Development Strategy

- Border Town Development
- Special Policy for Cluster Development
- Special Border Economic Zone

## Regional & Provincial Strategy

- Northern Region, Northeastern Region, Central Region
- 25 Provinces along the Economic Corridors

**Mission**

**“Prosperity with Justice, Equitability and Resiliency”**

**Key Objectives**

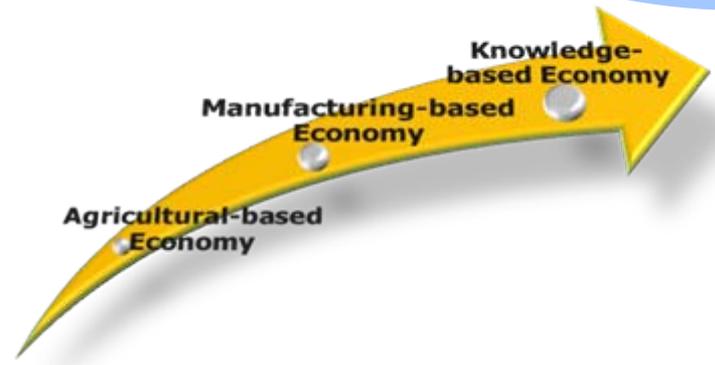
- Balanced, Strong, Self-reliant Economy
- Improved Competitiveness
- Social Safety Net Available for All
- Peaceful Society under Good Governance

**Development Strategy**

- Creating Justice in Society
- Promoting Life Long Learning
- Creating Balance and Security on Food & Energy
- Economic Restructuring
- **Creating Regional Economic Cooperation & Connectivity**
- Sustainably Managing Natural Resources & Environment

**Future Trend of Economic Restructuring**

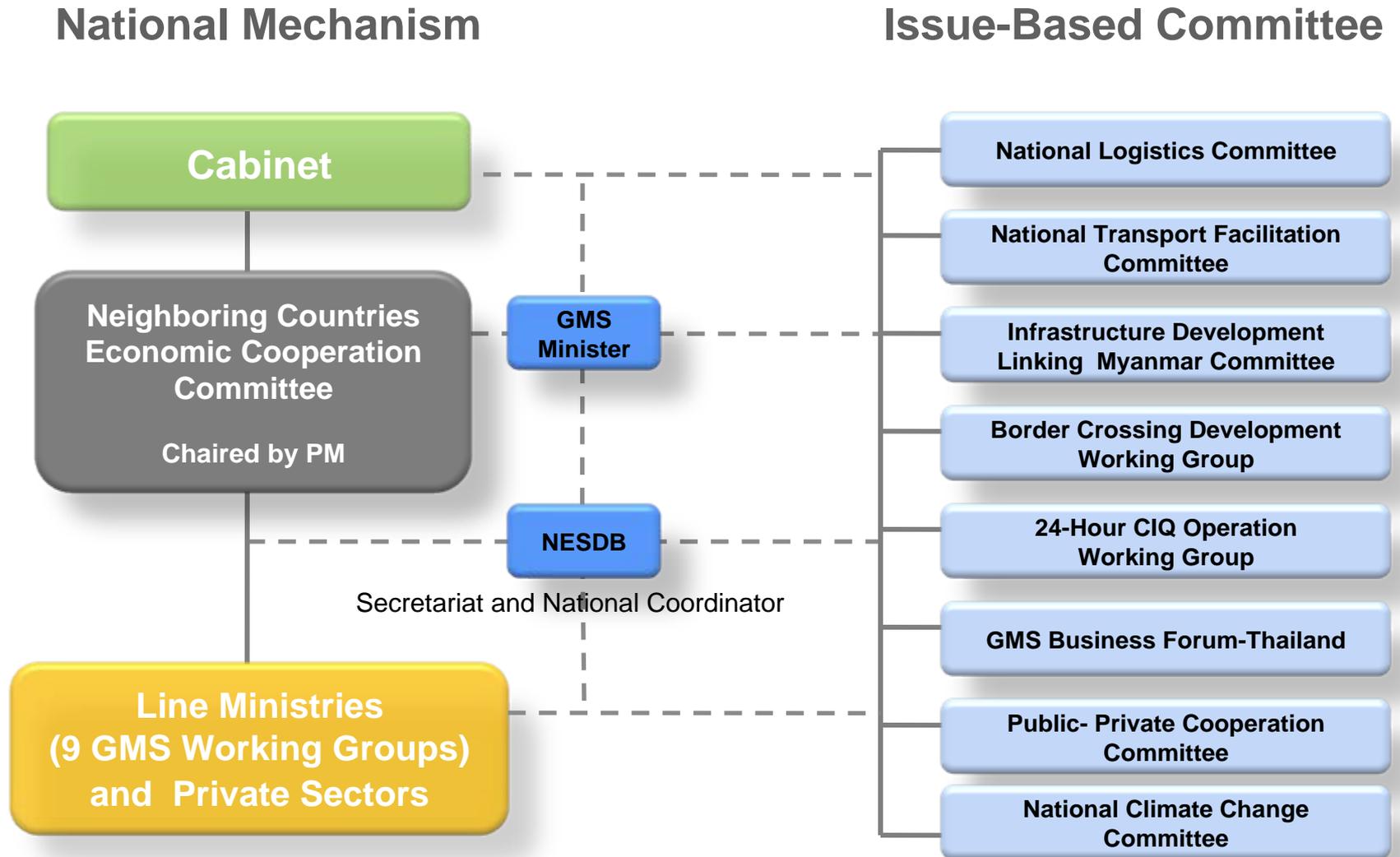
- Creating value to goods & services throughout supply chain.
- Improving country’s competitiveness , income distribution and balance.
- Increasing standard of living.



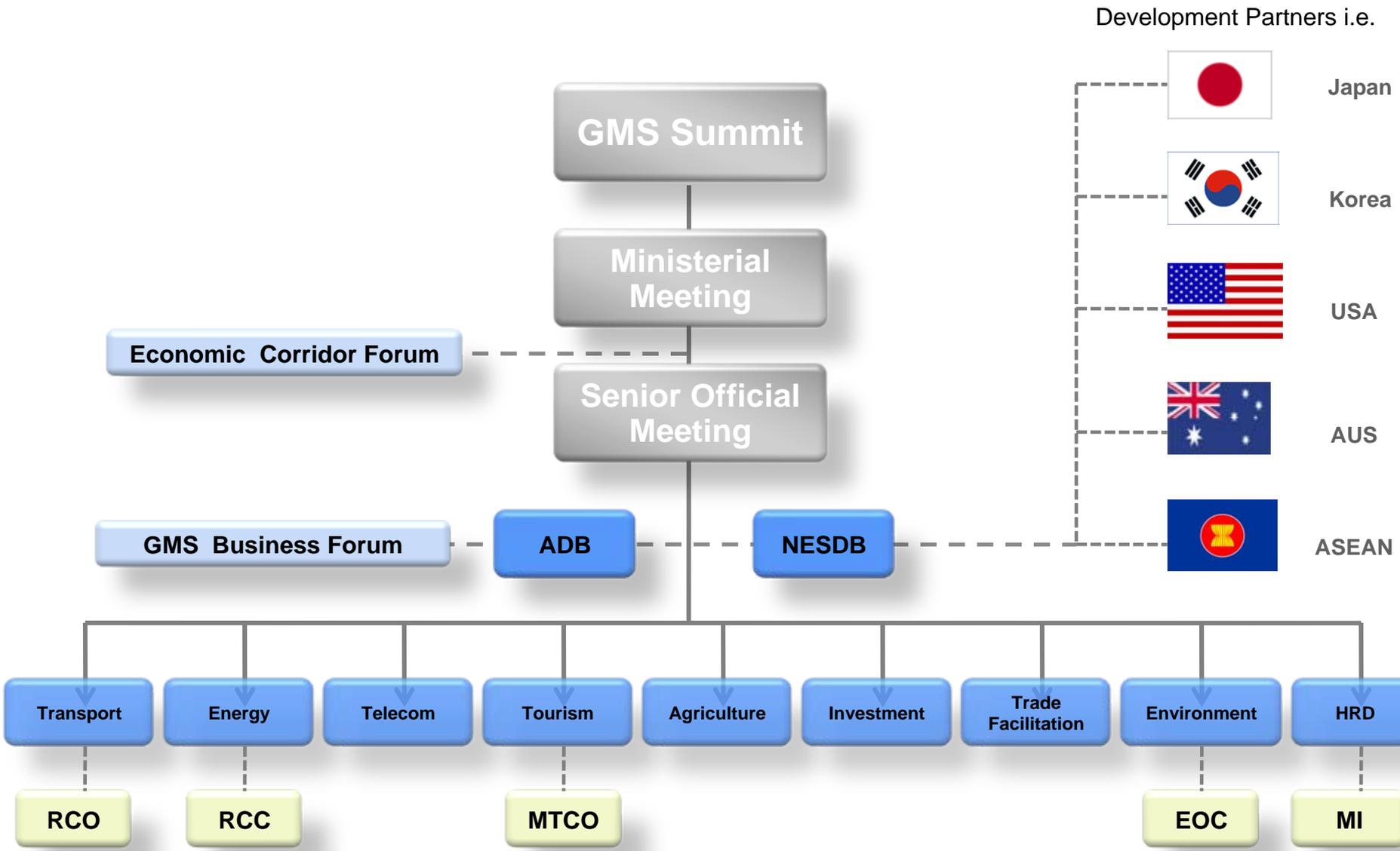
<p>Development Logistics System to Link with Asia and the World</p>	<p>Expand Production Bases, Investment and Explore new market</p>
<p>③ Lower Development Gap and Increase Closer partnership With Neighboring Countries</p>	<p>④ Balance Role and Power of Development Partners</p>

Market Indicators:  
 • 11.3 million of pop. in GMS  
 • 10.5 million of pop. in AEC-47  
 • 2,400 million in PE China + India  
 \* International trade flow: 1.13 trillion USD in 2008 = 740 bn USD, projected to 20.12  
 600 million USD in 1995-2000 to 2008  
 = small effort, 2,400 bn, 100 to 200B

# Mechanism at National Level



# Mechanism at Subregional Level



# Neighboring Countries Cooperation Strategy

**TICA**

**NEDA**

- Technical assistance

- Soft loan and Related Grant

Assistance

GMS Countries

Show Case of South-South Cooperation (THA-LAO-PRC)



**Road No.3**  
Bangkok – Kunming  
via Lao PDR

**4<sup>rd</sup> Friendship Bridge:**  
Chiang Khong –  
Huayxai

1. NSEC Bridge / Cost of construction shared by China and Thailand / Construction began Feb. 2010 / Completed in 2012

2. Road in Louangprabang / 18 Millions Baht / Completed

15. Bridge over Mae Sai River / 40 Millions Baht / Completed

16. Myawady-Kolariek-Thalon Road (189 kms) THA assists constructing the first 18 kms / THA finished the Detailed Design for 40 kms hill portion route / New revised cost is 872 Mil. Baht and result in decrease the length from 40 kms to 29 kms

17. R67 Chong Sa-ngum-Siem Reap (151 kms) worth 1,300 Mil. Baht / Under Construction

18. R68 Chong Chom-Klalanh (113 kms) worth 1,400 Mil. Baht / Loan Agreement is finalized

19. R48 Koh Kong-Sre Ample (151 kms) worth 1,156 Mil. Baht / Completed

Total 19 Projects

Worth 11,412 Millions Baht (326 Millions US\$)

Myanmar 2 Projects worth 152 Mil. Baht

Lao PDR 14 Projects worth 7,278 Mil. Baht

Cambodia 3 Projects worth 3,982 Mil. Baht



**Thailand : Infrastructure Development Assistance to Neighboring Countries**

3. R3E Chiangrai-Kunming : Laos Portion (228 kms) worth 1,385 Mil. Baht / Completed

4. Huaykohn-Pakbong (49 kms) worth 820 Mil. Baht / Completed in 2009

5. Railway Route (Nongkhai-Thanaelaeng (3.5 kms) worth 197 Mil. Baht / Completed

6. Rehab. Of Wattai Airport, Lao PDR worth 320 Mil. Baht / Completed

7. Construction of Drainage system in Vientiane worth 160 Mil. Baht / Completed

8. R11 Vientiane-Xaiyabouli (62 kms) / THA assists FIS worth 8 Mil. Baht

9. Bridge over Heuang worth 43 Mil. Baht / Completed

10. III Friendship Bridge (Nakhon Phanom-Kummuang) worth 1,885 Mil. Baht / Begin construction in 2009

11. Road from Port to R13 worth 30 Mil Baht / Completed

12. The II Mekong Friendship Bridge / Completed

13. Savannhaket Airport Development / under drafting discussion with Lao PDR

14. Pakse Airport Development worth 320 Mil. Baht / Under Construction

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# Strengthen Local Participation in the GMS Program

## Northern Thailand Brainstorming Forum of GMS Issue



## Capacity Building



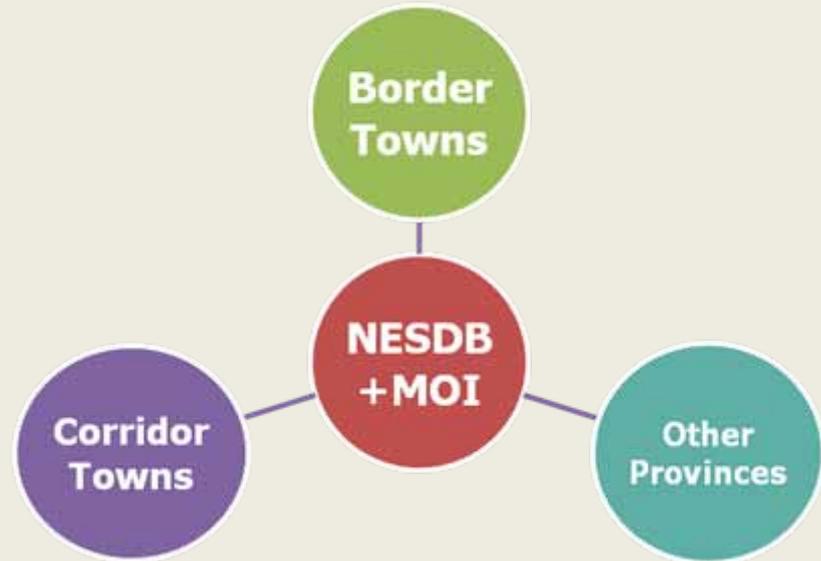
- Provincial Governors and Officers
- CIQ officers
- Logistics Providers
- Truck Drivers
- Farmers
- Private Sector/SMEs
- Service Sector

## Information Sharing



Website  
Quarterly GMS  
Progress Report

## Economic Corridor Forum (ECF)



## NESDB Approach

- Create Coordination Channel
- Promote Public hearing and Brainstorming
- Support Capacity Building
- Improve Information Sharing

# Priority Projects in Thailand to Support GMS Program



Exchange of Traffic Rights  
Railways linking PRC  
Labor Training Center



Contract Farming  
Special Economic Zone



Spatial Development &  
Border Facilities  
to Link with Dawei Port




High Speed Train    Hydro Power



24-Hour CIQ Operation



2nd & 3rd Mekong Bridges  
24-Hour CIQ Operation  
Supply Chain Development



Single VISA  
One Tourism Destination

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# Sharing Experiences of Thailand

## Constraints and Gaps

- **Some of Line Ministries see regional cooperation as second priority.**
- **Required internal process has delayed some of Thailand's implementation under GMS.**
- **Development Gaps among the countries lead to social problems, conflict between national and regional interests.**
- **Political uncertainty especially at the border and the slow progress of border demarcation**
- **Difficulties in management sensitive issues i.e. Mekong water utilization**
- **There are still limited local and private sector participation in the GMS program**

## Government's Effort

- **Incorporate GMS into national plan and national Agenda and Involve top decision makers in the related mechanisms.**
- **Introduce "Quick Win Projects" to accelerate the cooperation.**
- **Adopt "Assistance to Neighboring Countries" as one of key strategic approach for Thailand's regional cooperation.**
- **Strengthen partnership with international organizations and allow their roles as neutral bodies to help facilitate issues/projects.**
- **Bring more stakeholders into the planning and evaluation process**
- **Put more effort to build capacity of the local authorities**
- **Improve regulatory framework and encourage more private sector involvement**

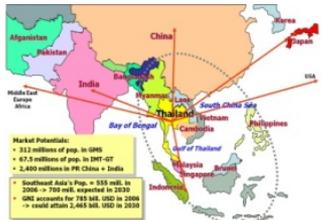
# Benefits from GMS Cooperation

## Growing Role of Thailand in Subregional and Regional Economy:



- Expand Thailand's trade and investment to GMS countries
- Play active role to support ASEAN by bridging the gap among ASEAN and CLMV and perform as emerging donor for neighboring countries

## Building up Thailand's Competitive Advantage :



- Reduce risk from dependence on world economy
- Lower logistics cost and cross border procedure
- Promote co-production activities and regional supply chain based on comparative advantage
- Provide new option for tourism by tourism linkages across countries
- Increase energy security and sustainable development

## Strengthening Efforts to Deal with External and Emerging Issues:

- Increase capability to deal with transboundary and emerging issues i.e., Communicable Disease Control and Surveillance Systems; Food and Drug Control;
- Create collective effort to interact with donors and development partners





**Thank You for Your  
Kind Attention.**

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