



Urban Development in CLMV

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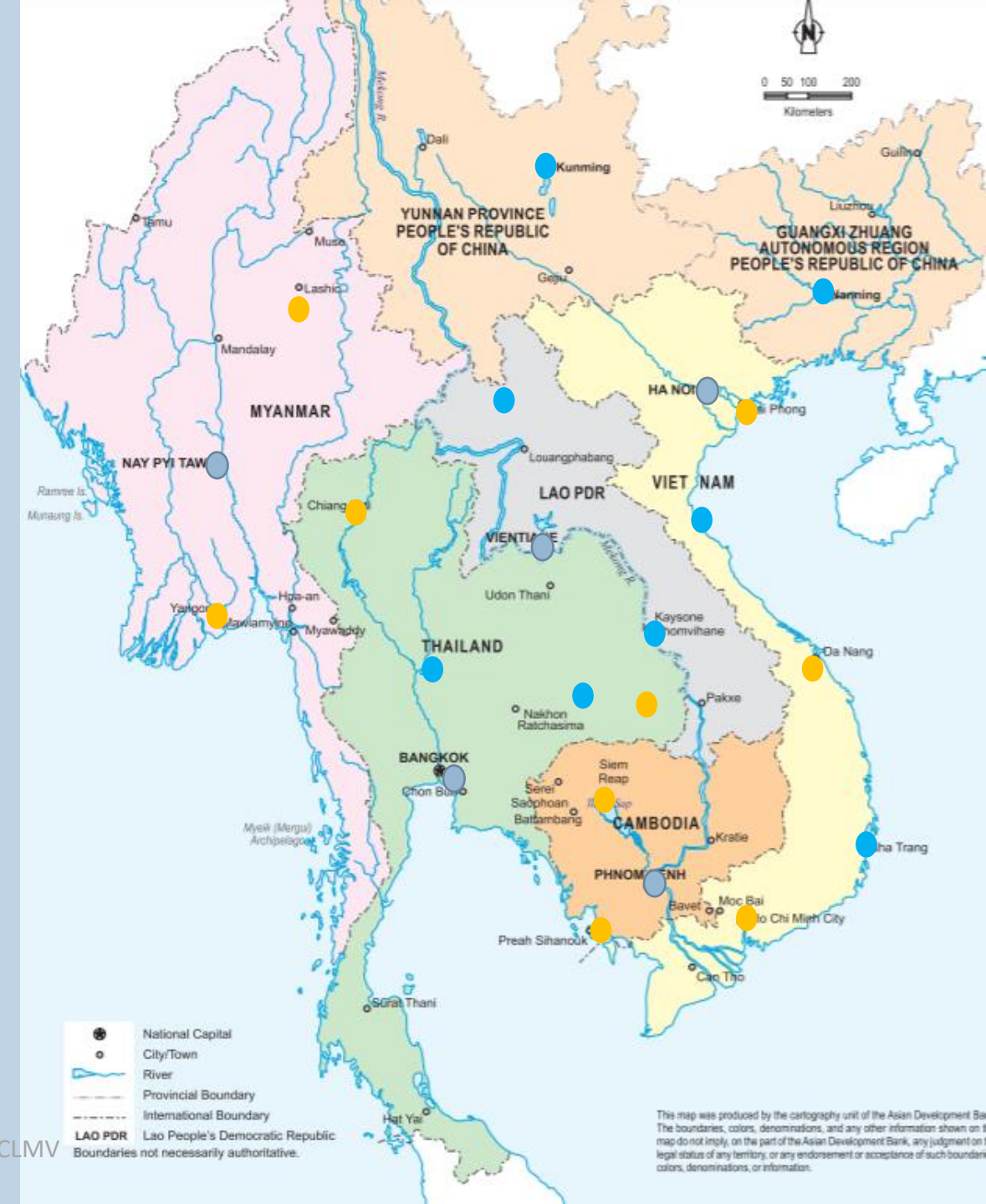
For today's attendance please open Zoom and access this link

<https://forms.gle/Y4Bcs52hzvuFaNQ19>

It will be open from 9:30-9:40
Thank you

Overview

- Most large cities in CLMV were once the seats of ancient Kingdoms and are located along waterways needed for movement of goods and people
- When European colonial powers came to the region, they established their ports of trade in these cities
- With increased intra-regional trade, border towns have gained importance in the region



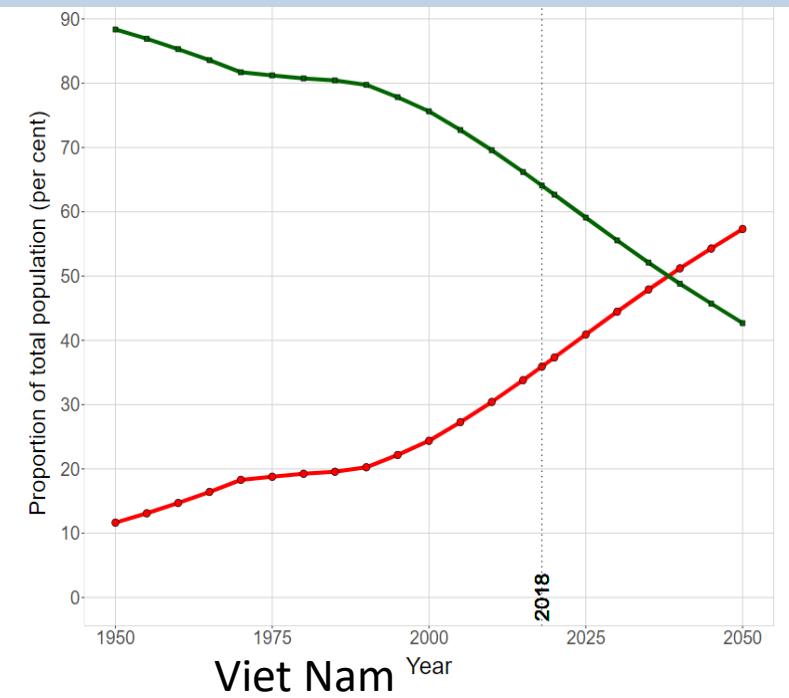
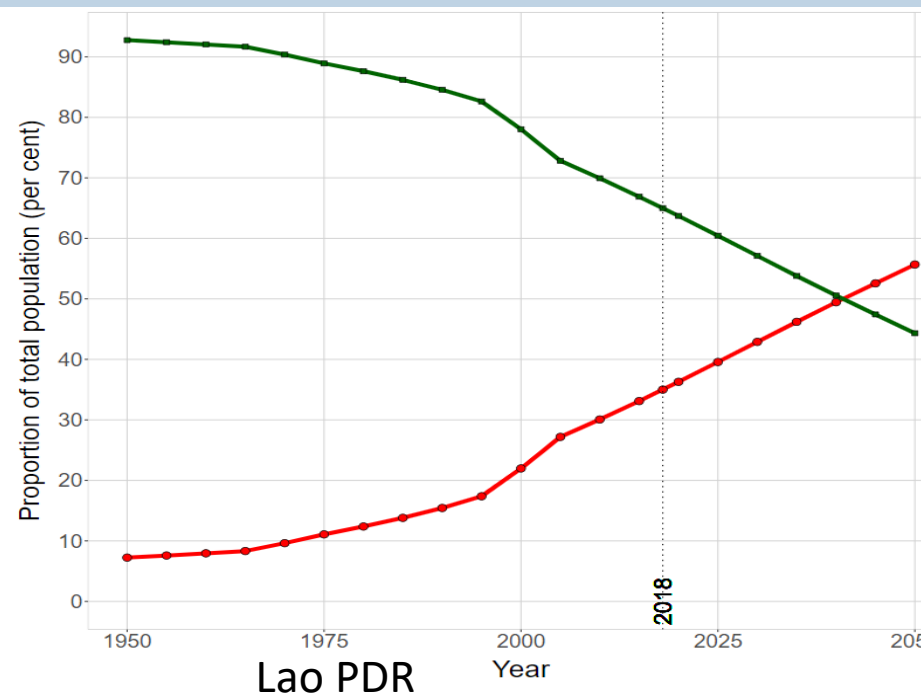
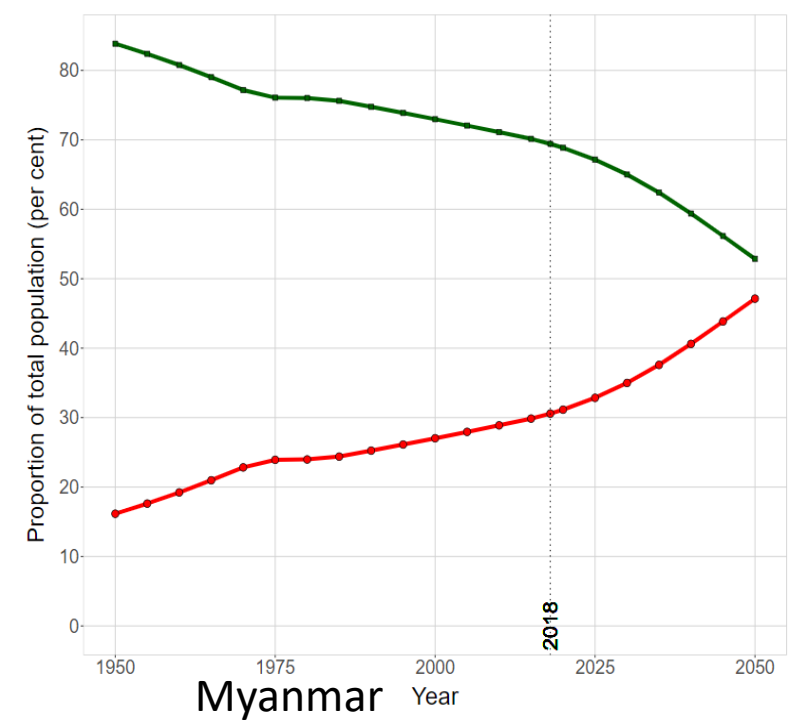
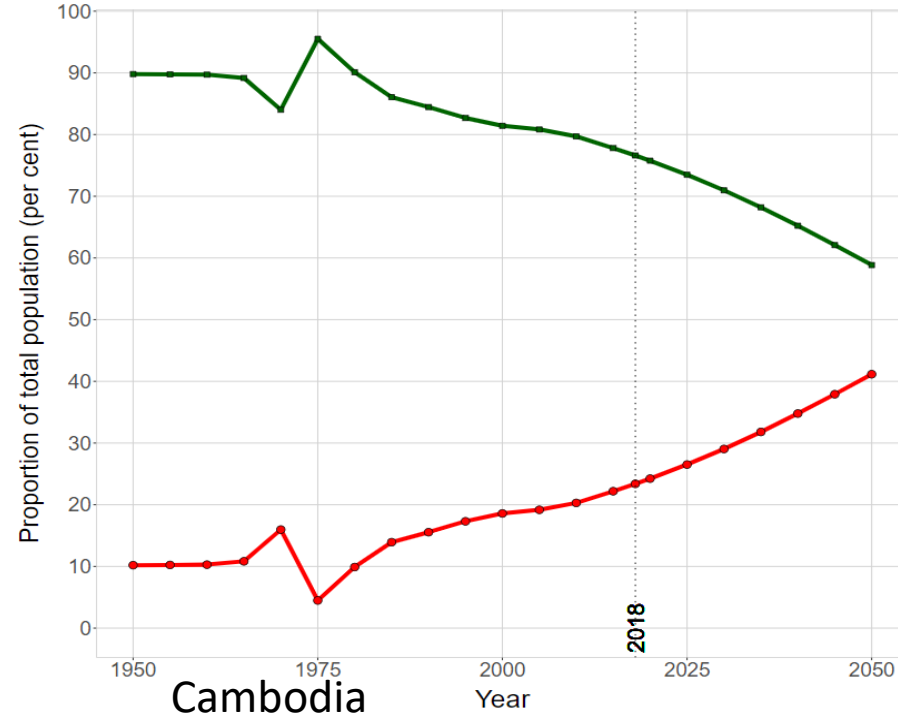
Primary and secondary cities

	Primary City	Population (000)	Secondary Cities	Population (000)
Cambodia	Phnom Penh	1,800	Sihanoukville	156
			Battambang	150
			Siem Reap	139
Lao PDR	Vientiane	1,000	Savannakhet	120
			Pakse	80
			Luang Prabang	90
Myanmar	Nay Pyi Taw	4,705	Mandalay	1,138
			Mawlamyine	498
			Bago	415
Vietnam	Hanoi	7,100	Ho Chi Minh City	6,270
			Hai Phong	1,241
			Can Tho	1,108

Characteristics of urbanization in CLMV

	Economic development	Urban development
- 1980s	- period of economic and political reforms; shift from state-led to market based approach	- increased diversification of rural employment; more non-farm activities
- 1990s	- opening up of economies - gradual inflow of foreign aid - improvements in road transportation	- more job opportunities in urban areas - increased mobility and rural-urban migration
- 2000s	- further sector reforms, development of SEZs, increased foreign direct investment, easement of cross-border movements, rise in tourism	- Increased urban-rural linkages - Improved urban infrastructure and services - Increased congestion, environmental pollution

Urban vs rural population



Patterns of urban growth in the GMS

- Continued dominance of primary cities
- Development of small and medium towns
- Increased rural-urban linkages
- Emerging growth centers

Continued dominance of primary cities

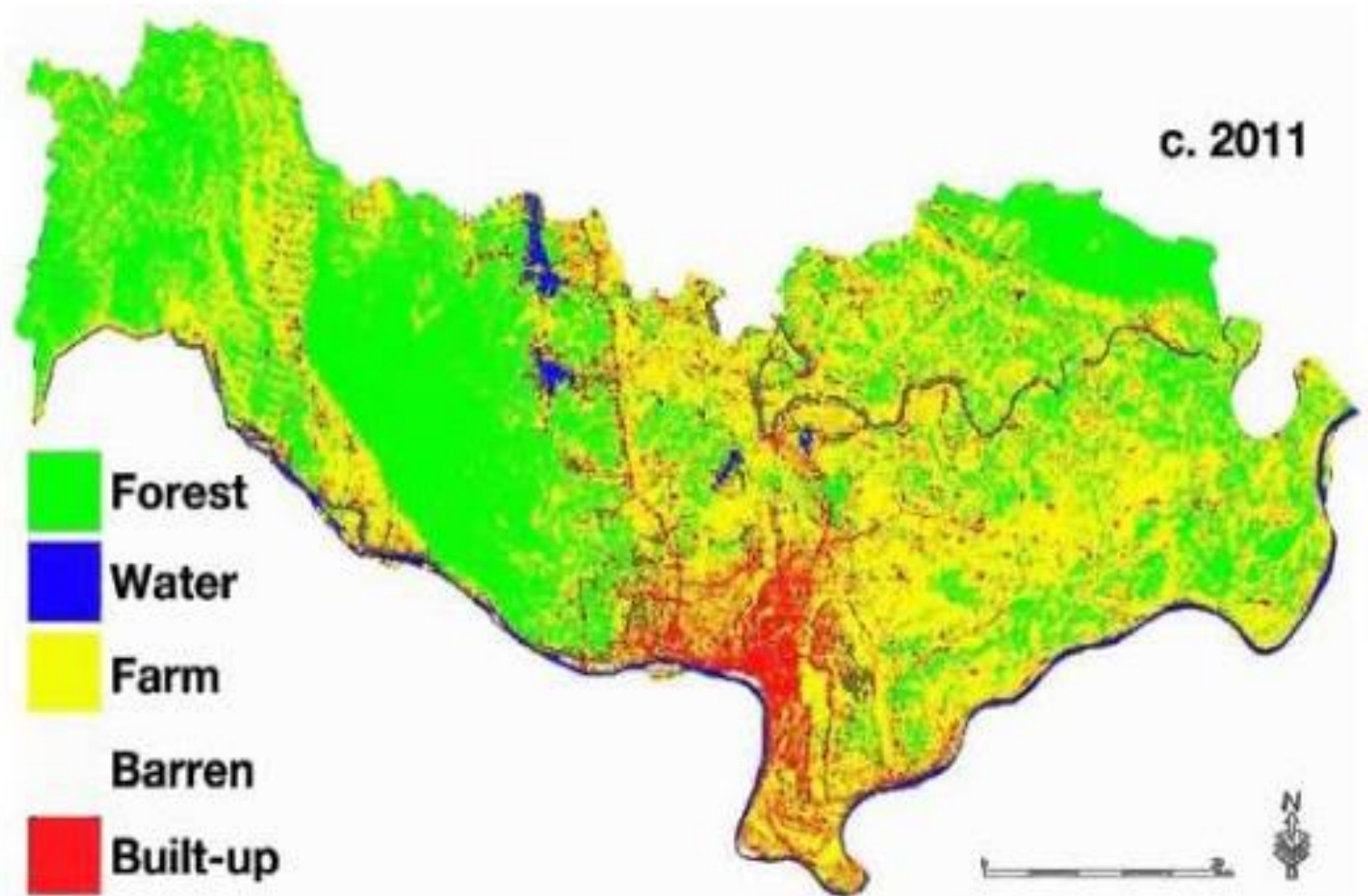
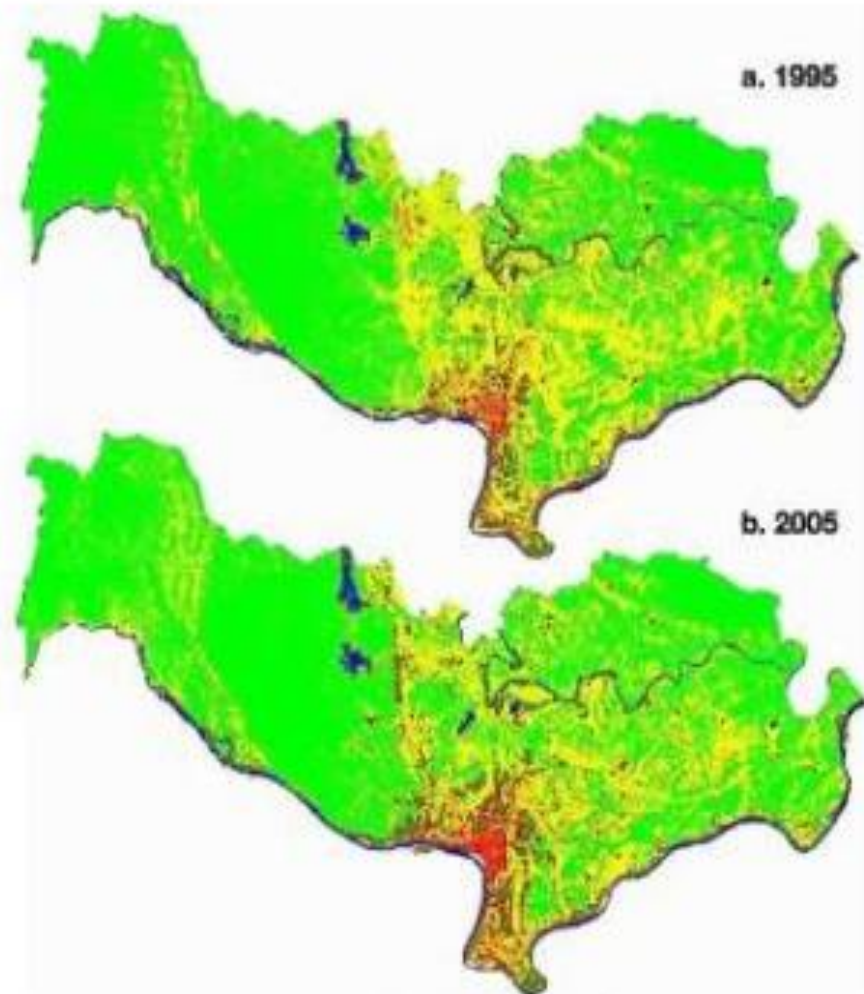
- Largest cities in CLMV will continue to grow as these are the centers of finance, business and administration.
- With more migration and the need to expand, cities will annex more land in the outlying districts
- Problems of infrastructure and urban services will increase



Built up area of Phnom Penh, 2001-2015



Built up area, Vientiane, 1995-2011



Development of small and medium towns

- Small and medium towns do not develop as quickly as primary cities
- However small and medium towns are potential engines of growth



Development of small and medium towns

- Small and medium towns serve as markets for agricultural goods and provide agricultural inputs to their surrounding areas
- Creates employment and links between rural and regional markets

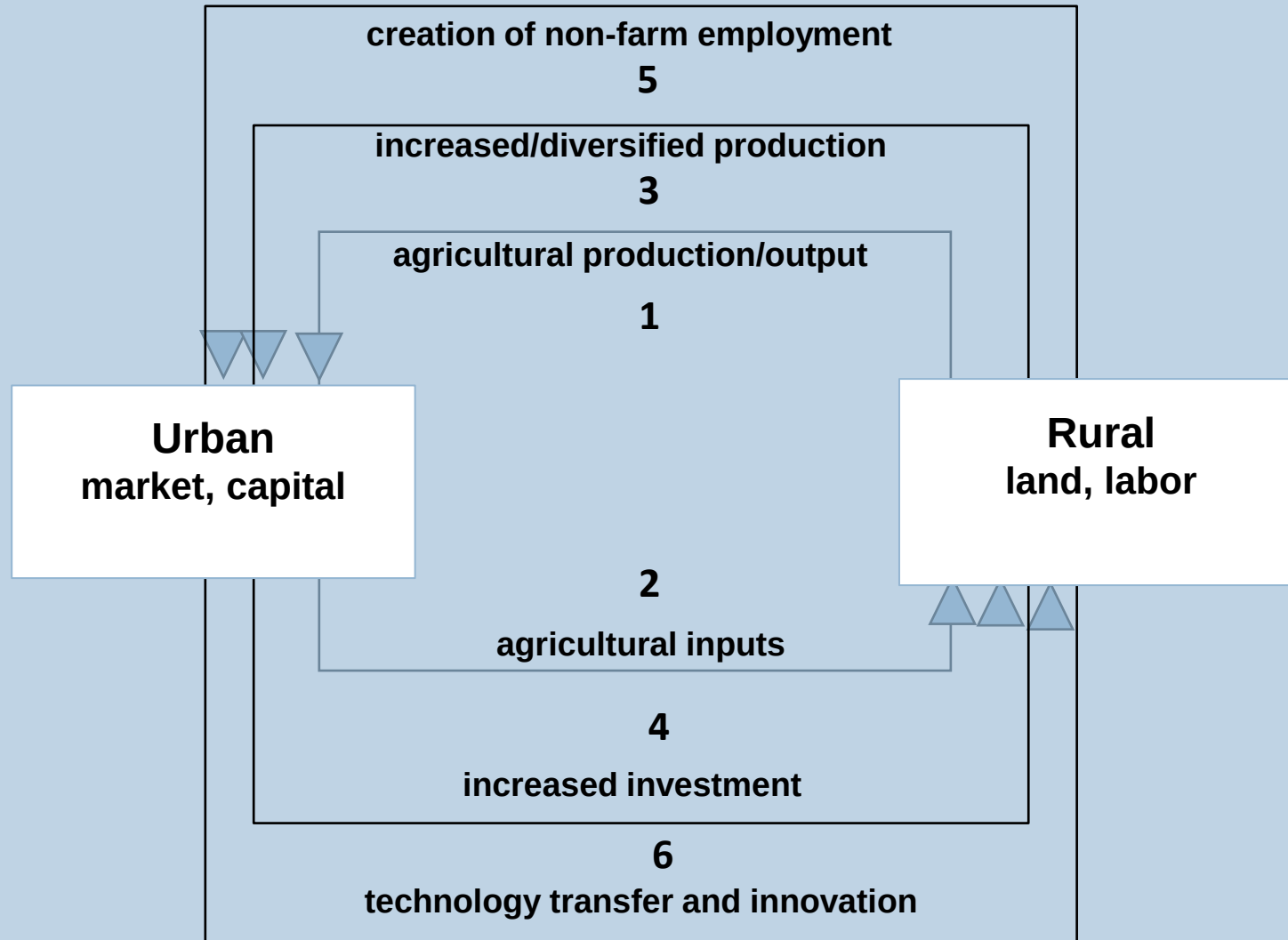


Increased rural-urban linkages

- Agriculture will still play a major role; urban-rural links will intensify
- Increased agricultural output results in surplus; which farmers can sell to the market
- Profits can buy agriculture inputs or diversify production
- Capital accumulates and can be used to increase investment
- Result: non-farm employment and acquisition of technology



Increased rural-urban linkages



Emerging urban growth centers

Several types of towns are expected to grow quickly while others will decline:

- border towns
- towns along economic corridors
- tourist towns
- towns that serve as logistics centers and special economic zones



Border towns

- Increased inter regional trade and improvements in transportation have created opportunities for the development of border towns:
- Savannakhet-Mukdahan,
- Lao Bao-Dansavanh (LAO-VIE)
- Mae Sot-Myawaddy (THA-MYA)
- Poipet-Aranyaprathet (CAM-THA)
- Bavet-Moc Bai (CAM-VIE)
- Lao Cai-Hekou (VIE-PRC)



Tourism-based towns

- Improved connectivity and transportation, ease of access, relative security and more disposable incomes have transformed historical and cultural sites into tourist areas



Towns along economic corridors

- Some towns are strategically located along economic corridors. With the benefits of investments in commerce, transport, and other infrastructure, these towns have potential to accelerate economic growth. Examples:
- Savannakhet, Luang Prabang, Pakse (Lao PDR)
- Battambang, Bavet, Poipet (Cambodia)
- Da Nang, Thanh Hoa, Nha Trang (Viet Nam)
- Mandalay, Bagan (Myanmar)



Special economic zones

- FDI has played an important role in accelerating development of SEZs
- Government role: provide land, infrastructure and a combination of tax breaks, labor regulations and other incentives to attract private sector
- SEZs employment but also stimulate other investments and entrepreneurial activities through capital, technology and market access



Special economic zones



Savannakhet-Seno Special Economic Zone, Lao PDR

Urban growth clusters

Hanoi-Haiphong-Halong

Kunming-Hanoi

Nanning-Hanoi

Danang-Savannakhet-Udon Thani

Vientiane-Udon Thani

Bangkok Extended Metro Region

Bangkok-Chiangmai

Phuket

Siem Reap-Battambang

Phnom Penh-Sihanoukville

Phnom Penh-Ho Chi Minh City

Can Tho-HCMC-Nha Trang

Yangon



Conclusion

- Urbanization will continue into the future as rural-urban migration accelerates in CLMV countries
- Major economic growth will be in urban areas: economies of scale and concentration of economic activities
- Growth will vary across cities, depending on infrastructure investments, human resource capacity and ability to attract private sector investments

Conclusion

- Urban growth follows economic growth; improved government capacity is needed to address issue of uncontrolled growth
- Urban development in CLMV countries is rapid but uneven
- Growth clusters and large urban areas will outpace their rural counterparts

THANK **Y**OU!

Merry Christmas!

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