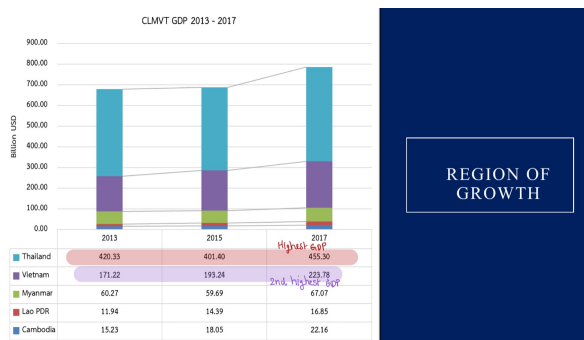


**CLMVT STRATEGY**

As we know that CLMV stands for Cambodia, Lao PDR, Myanmar, and Vietnam, in this lecture, we had discussed and included Thailand with a monogram “T”. We looked into the strategical data in term of percentage that CLMVT contributes their shares in ASEAN. From the region of growth table, CLMVT share of ASEAN in percentage in the aspects of GDP (billions of current US\$) is 28.40%, which is 785 BillionUS\$, GDP per capita (current US\$) is 76.34%, which is 3,260 US\$, and Population (millions of people) is 37.20%, which is 240.81 million people out of 647.39 million people. When we looked into these 3 aspects of Thailand, it can be concluded that Thailand has lower %GDP annual growth rate than CLMV countries, which have %GDP annual growth rate almost two times higher than Thailand. It indicates that CLMV countries are economically growing faster in comparison to Thailand. However, when looking from the bar charts, Thailand still remains high and increasing GDP, which represents that the size of Thai economy is still larger than CLMV countries. The 2nd highest GDP would be Vietnam, as the bar charts and table shown below:



Moreover, if looking in data of %CLMVT share compared with the rest of world, the data from 2013, 2015, and 2017 indicate that %share has been growing gradually from 0.88, 0.92, and 0.97, respectively. This also confirms that GDPs of

CLMVT countries have been growing throughout these years.

In term of CLMVT economics structure, from 2010 to 2017, it can be observed that the service sector has increased by 5% due to the observation from pie charts of year 2010 and 2017 in aspects of Service sector, Agricultural sector, Industry sector, and others. However, the increase in Service sector has contributed the reduction in focuses on Agricultural and Industry sectors by 3% and 2%, orderly. Moving on to FDIs (Foreign Direct Investments) in CLMVT countries, according to the

information, for Cambodia, financial and insurance activities have increased in year 2017, accounted for \$948 million from 2016 (\$646 million) and ASEAN and China account for 45% of the total FDIs. For Laos, Electricity, gas, steam and air conditioning supply contributed the largest amount of FDIs, which is \$525 million. It also continued increasing up to \$678 million in 2017. Laos has China as the major investor, accounting for 78% of total FDIs for mainly infrastructure and energy, as we know that Laos is called “The energy of ASEAN”. For Myanmar, the largest amount of FDIs would be mining and quarrying, which contributed for \$1152 million in 2016 and increased to \$1974 million in 2017. Myanmar has South Korea as its largest investor, accounting for 48% of total FDIs, which are mainly focused on mining, transportation and warehouse, manufacture. This also helps support what I have already known that Myanmar is famous for mining. For Vietnam, Japan, South Korea, and ASEAN countries are its key investors, which contribute for 67% of total FDIs (mainly on manufacture). The data show that in 2016, manufacture sector acquired \$8033 million and in 2017, it acquired \$6238 million. The FDIs share have shifted to other sectors in 2017. Lastly, for Thailand, its key investors are from Japan and other ASEAN countries. The sectors that are mostly focused for FDIs in Thailand are finance, insurance real estate, and manufacture.

In conclusion, we can see that each country in CLMVT countries has their own strength to attract FDIs. For instance, Laos is famous for energy production, Myanmar is famous for mining and quarrying, Vietnam is famous for manufacture hub, Cambodia is famous for financial and insurance activities, and Thailand is famous for finance, insurance real estate, and manufacture.

From statistical data, they also help support the idea that economies of CLMV countries have been growing very rapidly and when we compare their growths with Thailand's, we can see that the %GDP growth sizes are almost twice the size of %Thailand GDP.

**INTRODUCTION TO CONTEMPORARY MYANMAR : POLITICS, SOCIETY, AND CULTURE.**

Firstly, I would say that Myanmar is the country among CLMV countries that I know least information about. However, in this lecture, there are many interesting facts that I have learnt that help broaden my knowledge about Myanmar. Things that interest me are its histories and conflict about Rohingya refugees.

We discussed the historical background that Myanmar used to be colonised by the British. The Japanese also used to intervene in Myanmar. In year 1947, there was shocking event occurred, which was the assassination of General Aung San. General Aung San served as the 5th Premier of the British Crown Colony of Burma from 1946 to 1947.

He used to be a communist. However, later on, he had become a social democratic politician. His daughter is Aung San Suu Kyi of Myanmar (Burma), who is well-known for her non-violent struggle for democracy and human rights. Myanmar had been imposed with its parliamentary system under 1947 Constitution by Prime Minister Nu or what was called “Burmanization”. Another fact that we all know is Myanmar has always been controlled by Military government. There occurred the event during 1958-1960, which was Military intervention and interim government. In 1974, Socialist constitution was established. This created “The Burmese Way to Socialism” and Burmese Socialist Program Party or BSPP. Further important event was people uprising and political turmoil in 1988 by Aung San Suu Kyi, generated the formation of National league for Democracy. However, Myanmar has seemed to reach the stage of true democracy implementation.

Myanmar is one of very conservative countries. People have still remained their traditional ways of living, for example, males still wear Sa rung instead of wearing pants on their daily lives. Myanmar is a Buddhism country due to 87.9% of population are Buddhists. However, there are a lot of things that need to be questioned in term of freedom of beliefs as the majority of people still

have their limited mindsets. Due to this limitation of their freedom, there were various monk protests happened, which were about the conflicts relating to the nonacceptance of other religions, especially, Muslim. The talk-of-the-town topic would be Rohingya refugees, which is the group of muslim minority. According to the classification of ethnic groups in the past, Rohingyas have not been categorised in one of 7 regions. Due to this reason, they have not been classified as Burma citizens, even though, their tripe has live in the area in Myanmar for so long.

Nowadays, Myanmar has been improved quite a lot compared to the past due to foreign investors. There are improvement in infrastructure, service sector, etc. However, personally, I think that the country will be able to improve even better in term of social aspect. If people in the country has the right mindsets towards things, such as an individual freedom like freedom to believe. In term of political aspect, Myanmar is behind in term of Democracy since the military has still held major power in the country. For economic aspects, there are some improvements in the increases GDP growth, foreign trade, and FDIs. Also, the human development has been focused more, which I think it is very crucial factor for the country to be able to be developed. The focus on developing human capital is something that Myanmar government should concentrate on. Equality among people and acceptance of freedom are things that should be implemented into Burmese citizens and elites as well in order to reduce and eliminate the country's conflicts.

**ASEAN INTEGRATION AND BORDER TRADE**

AEC stands for ASEAN Economics Community, which is the realisation of the region's end goal of economic integration. AEC is a work in progress, moving in baby steps. It means that the progress has been developed gradually. It has loose and flexible integration due to diversity. The diversity in this sense can be referred to the differences among countries in ASEAN community.

Five areas of ASEAN integration that we have studied in class are such as

1. Goods <—>
2. Services <—>
3. Investment <—>
4. Labour <—>
5. Capital

These 5 aspects are connected to one another. Getting into details of each area, the first area is about goods, which lead to the implementation of tariff barriers and quotas. The question has been arisen that “How much should the country impose its tariff?”; the implementation through the government of each country’s policies towards tariff barriers. I have found that many countries set up high tariff barriers first before they reduced the tariffs due to the reason that those countries wanted to protect their local producers first so that the local sector would have time to improve and become competitive before their governments reduced their tariff barriers. Another thing that also involves with the movements of goods is trade facilitation through logistics networks, which ASEAN has its logistical advantages for peninsular ASEAN. However, island countries like Philippines, Indonesia have to face enormous costs of transportation still. For Service sector, there is not much progress in services integration as it can be seen that most country, except Singapore have not opened up for foreign shareholders in firms due to the idea that these foreigners may take over their countries.

For Investment aspect, Intra-ASEAN FDIs, which means FDIs that come from within ASEAN countries are considered low in comparison with FDI from outside ASEAN, such as Japan. When we look into labor aspect, there is still major improvement that need to be done as there are less and shallow commitments towards improving skilled professional labour. Most companies still see that the encouragement to improve their labour skills are something costly for them. So, most firms tend

to focus more on non-skilled and semi-skilled workers due to another reason that it would be less costly to them in term of wages.

Lastly, Capital aspect, it could be said that the flow has become freer. However, members are at different stages. There are 5 stages, as follows:

Stage 1 : Current Account (Goods and services)

Stage 2 : Foreign Direct Investment (FDI)

Stage 3 : Portfolio inflows (Stock and bonds)

Stage 4: Portfolio outflows

Stage 5 : Others flows (e.g. loans)

Currently, Thailand is at stage 4. The differences among countries through out these stages indicate the degree of risk. Therefore, it is unlikely that we would be following footsteps of European Union and there is no plan for a single currency like EU countries. Throughout all the lecture, it has helped me to see the clearer picture that ASEAN still needs quite some time in order to be able to improve the integration and achieve economic goals of the region.

### **China CLMV**

From afternoon session, it has helped me understand and answer one question that I have always had in mind “Why Chinese families love to have sons more than daughters”. The reason is that in the past, if any families have sons. They could send their sons to work for the government and they could earn more coupons, which were more special privileges for consumption quotas. China in the past seemed to be very competitive and provided ill-treatments, which did not seem appropriate for human rights. It used to be a communism country. People used to have less freedom and had to compete one another. However, nowadays, China has thrived to be one of most economically influential countries of the world. It has been improved in terms of technology innovation and human capital a lot, which have shifted China to become a powerful country. Technology that is booming in China now is Cashless society, which is about the implementation of the uses of QR

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codes and online transactions to purchase goods and services. This idea is very brilliant and convenient. China's e-commerce has grown rapidly and largely. This economic success of China can be used as the example to improve our economy and our technology to come up with innovations.

**URBANIZATION IN CLMV**

CLMV countries, such as Cambodia, Lao PDR, Myanmar, and Vietnam have had some similarities for their history, including relations, quest for independence, social conflicts, colonial conquest, and isolationism. They have been through social, politics, and economic reforms. Currently, Vietnam has become the most advanced country among CLMV countries. Vietnam has focused a lot on the investment of infrastructure and human resources, as I also have seen with my own eyes and from my own experiences from the trip. Vietnam has invested a lot on their infrastructure and tried to boost their economy through tourism industry. For Myanmar, they are currently out from the period of isolation. The country has moved forward towards some reforms and tried to become more democratic. When we look into Cambodia, they have tried to induce the foreign investments during these past 15 years in order to develop their country. For Lao PDR, which has the least population, therefore, the country has the smallest size of economy. However, Lao PDR has contributed their important role in term of energy production(electricity), which has been exported and bought by several countries, including Thailand. These 4 countries have their potentials in terms of human resources and natural resources. Hence, the potential of future growth can be predicted pretty clearly. Also, due to the reason that CLMV countries have tries to implement their policy reforms; move the central planning to the market based mechanisms. They have tried to improved their operational efficiencies, such as decentralisation, civil services, improvement of infrastructure, public financial management, etc.

Moreover, they have tried to improve service sector and enhance their strengths; for example, Vietnam has encouraged FDIs to come to invest in the country more and boosted their tourism by creating many new tourist attractions. Development in CLMV countries have led to changes in the spatial distribution of town and cities. Many major cities like Hanoi (Vietnam), Tak Mau and Kandal provinces (Cambodia), Yagon, Bagon, Mawlamyine, and Pathein (Myanmar) have already become big cities and slightly expanded in order to become bigger cities.

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We can see that CLMV countries have their high potentials to grow. Therefore, I think it would be very good opportunities in the meantime, it is also challenging for foreign investors to invest businesses that will be suitable and have chances to become successful in CLMV countries as they still need to learn and know backgrounds of these countries and people's lifestyles.