



College of Management
Mahidol University

Logistics and Supply Chain Development in ASEAN : **International Logistics and Cross Border Trade and**

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Understanding: ASEAN Logistics and Cross Border

- **Brainstorm /Discussion:**
 - ASEAN Logistics
 - Cross Border Trade Development
 - Major Cross Border Trade Factors



International Logistics Cross border Development

MAGA TRENDS



INDUSTRY 1.0



INDUSTRY 2.0



INDUSTRY 3.0



B 2 B



**Supply Chain
Re-design**



Border Trade

INDUSTRY/ THAILAND 4.0



B 2 C

- **SMART City/Smart Border**
- **E-Commerce**
- **City Logistics**
- **Good Governance**

**Customer
Oriented
-LEANGILE**

**Industry Innovation
Business Analytics**



ASEAN Development?

- Urbanization – Change from rural to urban
- Infrastructure Development (Domestic and International)
- Development of Trade Facilitation → One Stop Services
- Development of Institution ((Domestic and International)
- Development of Human Resource in the city/ country/other countries



Border Trade/Business Re-design → Change from B-B to B-C

BORDER SMART CITY → Logistics, Big DATA, IOT

Demand Pull/Demand Oriented → Customer Satisfaction

3 FLOWs Re-design

- People
- Product
- Capital

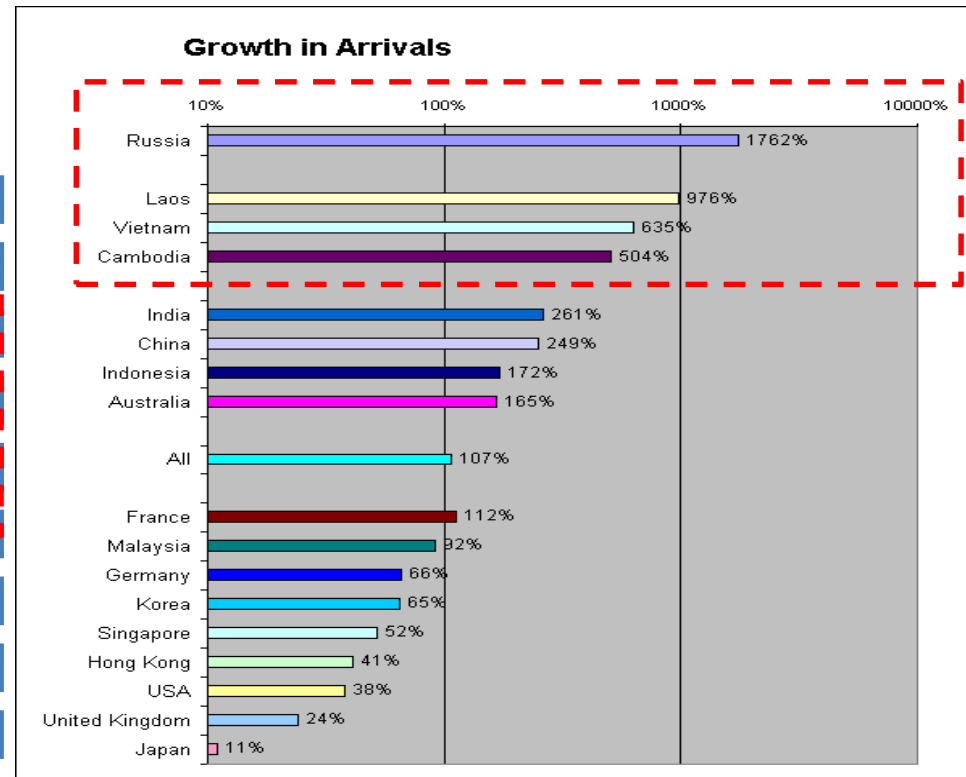
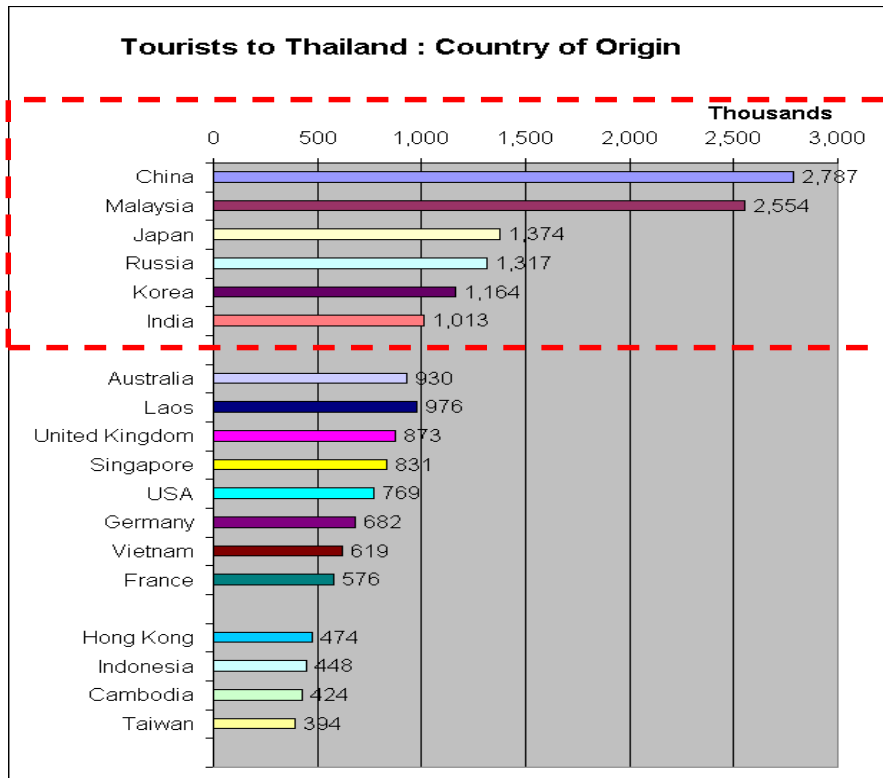
- People-



Tourists

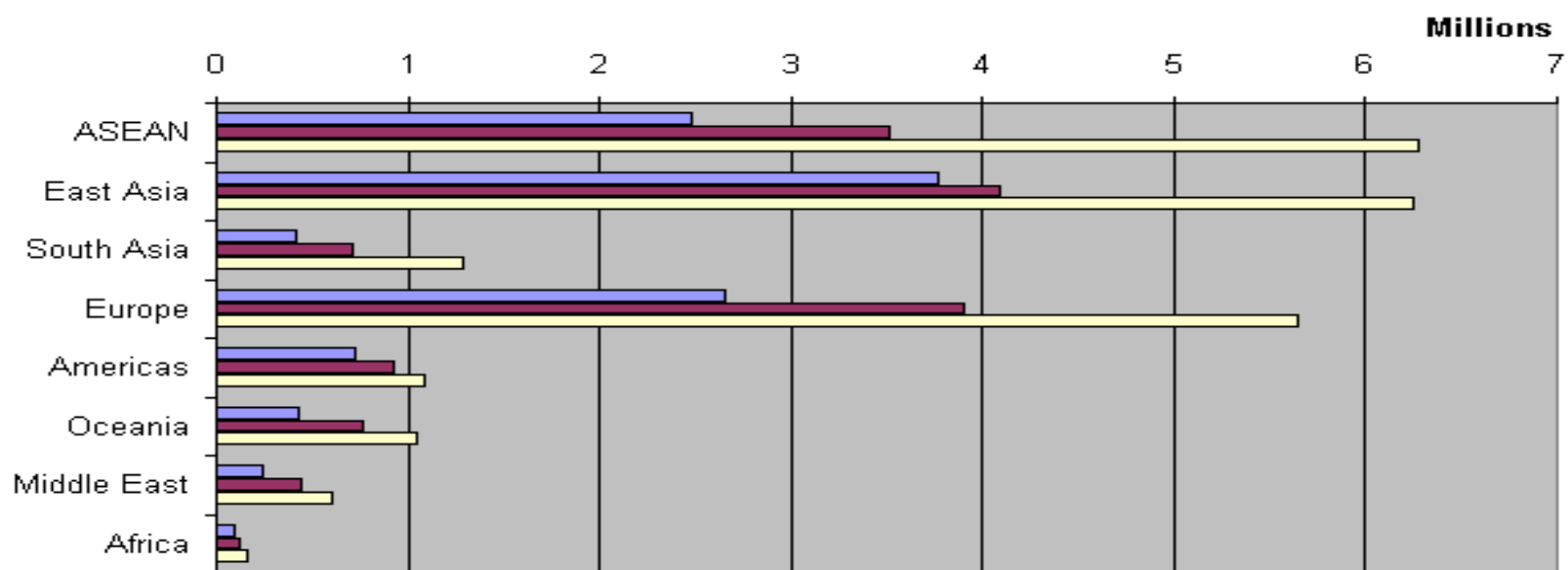
Who are traveling to Thailand?

Passenger



New Rich?

Tourist Arrivals by Region of Origin



Passenger



Ex-Rich?

New Rich?

The Shiftment in the “New-Rich” Era ;

- The Landscape
- Demography
 - Aging Society
- Stakeholder



이런 모습, 상상은 해보셨나요?

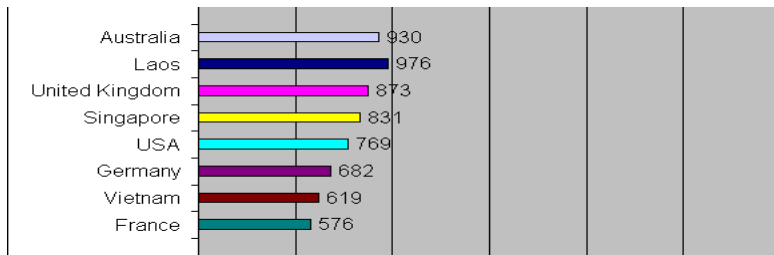
이러한 모습이 많은 나라, 상용화되면 200만 명 이상의 노인, 세계에서도 고령화가 가장 빠른 나라 중 하나인 한국, 2000년 노인인구 비율이 12.2%에 이르렀던 나라이고, 고령이 되면 노인 인구는 계속 증가할 것입니다. 노인 인구는 계속 증가할 것입니다. 노인 인구는 계속 증가할 것입니다.

공익광고협의회
한국농림수산식품부

Passenger



Ex-Rich?

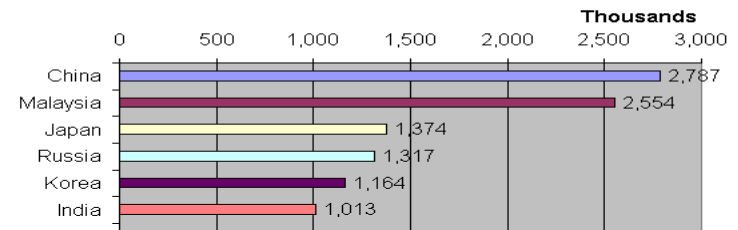


- Sea-Sun-Sand
- Five Star Hotel
- First/Business Class for A/L



New Rich?

Tourists to Thailand : Country of Origin (2012)

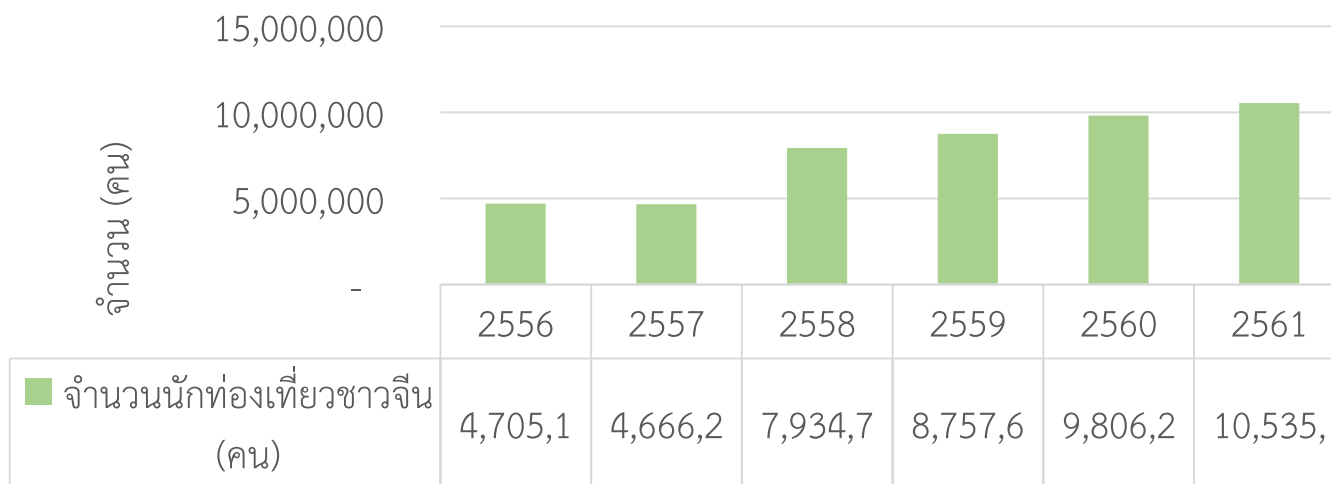


- No-Sun! But indoor (Activity-based : MBK , Golf)
- Budget Hotel
- Low cost Airline



Chinese Tourists to THAILAND

สถิตินักท่องเที่ยวสัญชาติจีนที่เดินทางเข้ามาในประเทศไทย



Source: Department of Tourism, Ministry of Tourism and Sport (2019)

- People-



Lost in Thailand



"Little China Town"

- People-



Logistics Linkage: R3a Route

- Products-



Agricultural products

- Capital-

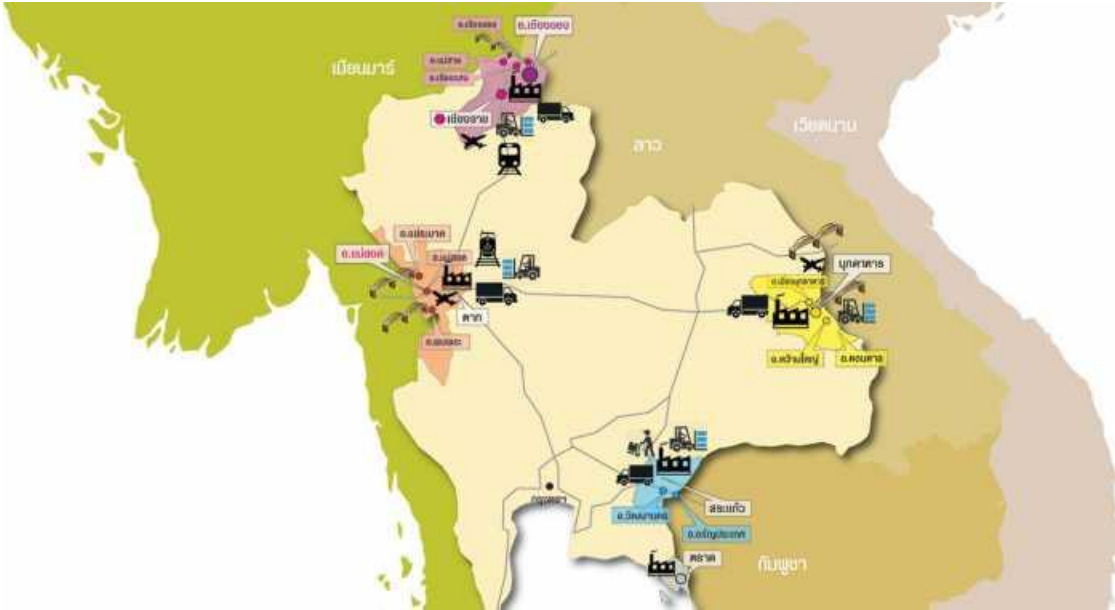


Investment

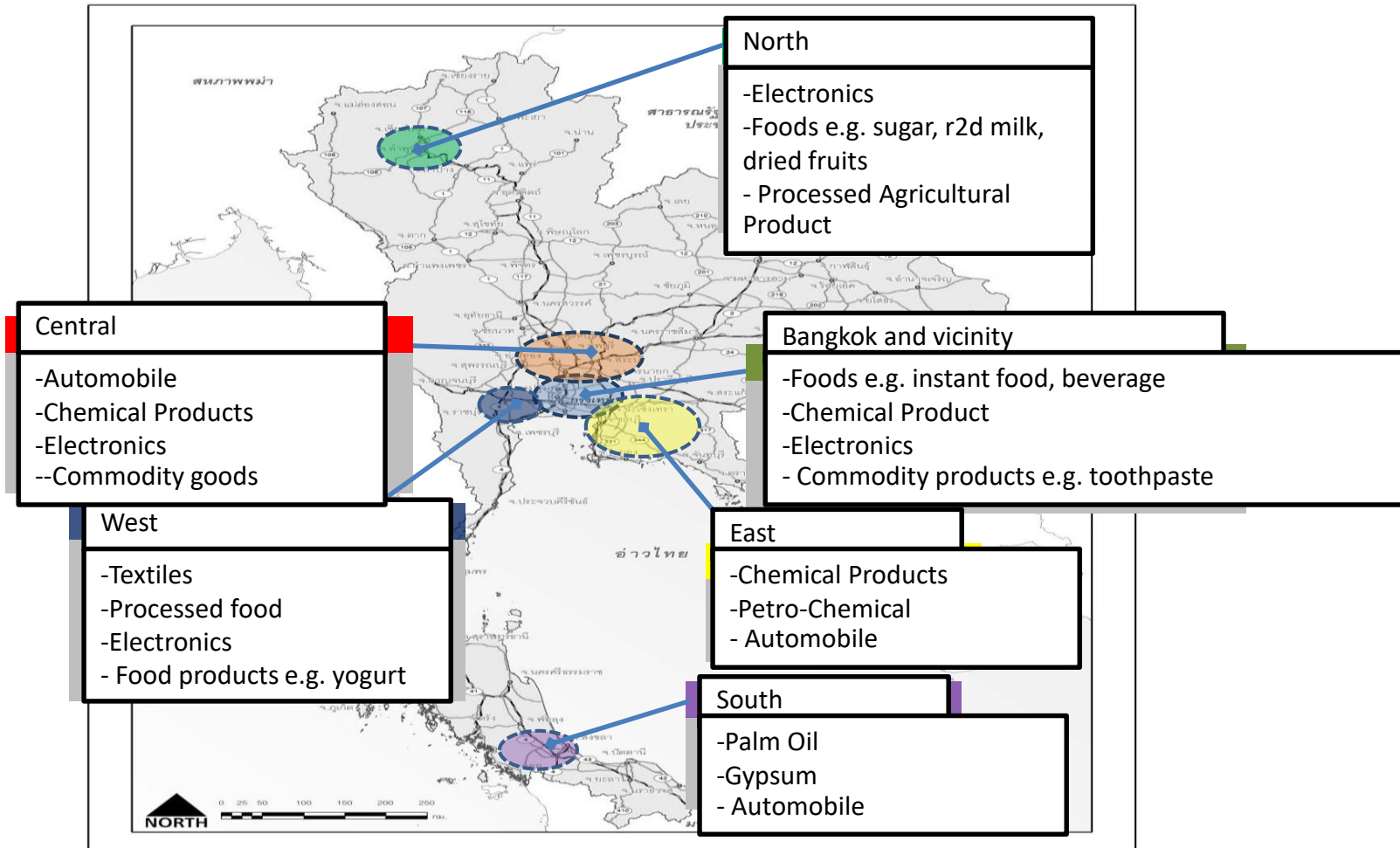


-Capital-

CLMV investment: eg. Logistics Business



Industrial Zones



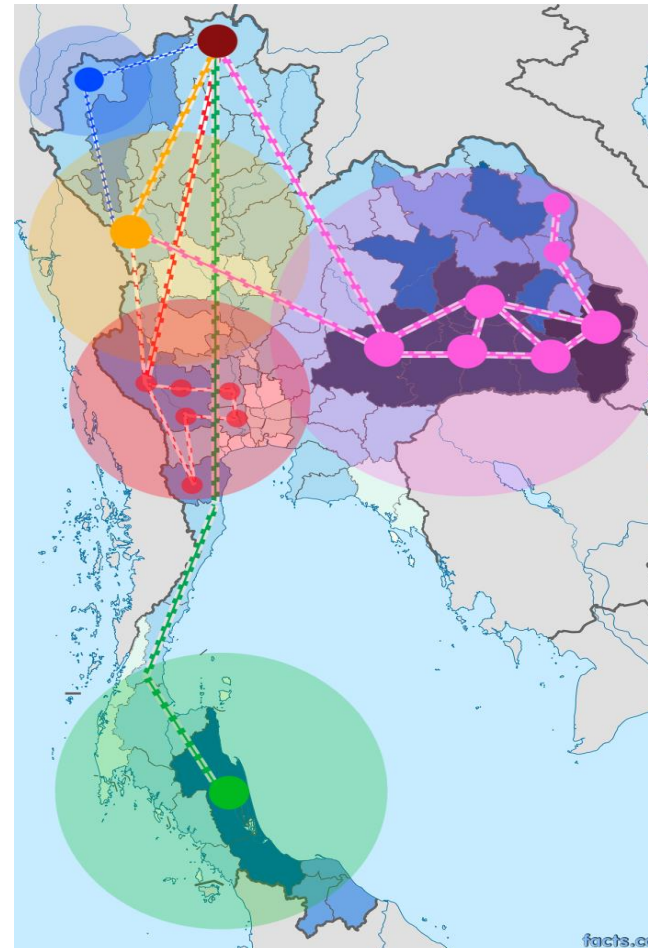
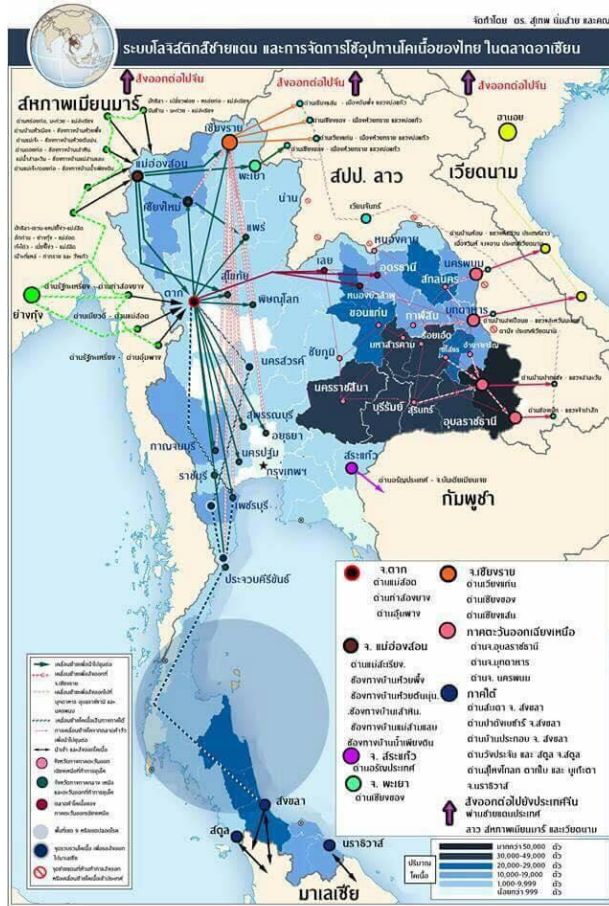
CASE STUDY



Yunnan Natural Rubber Industrial Co. Ltd.,



Cattle Beef



CASE STUDY

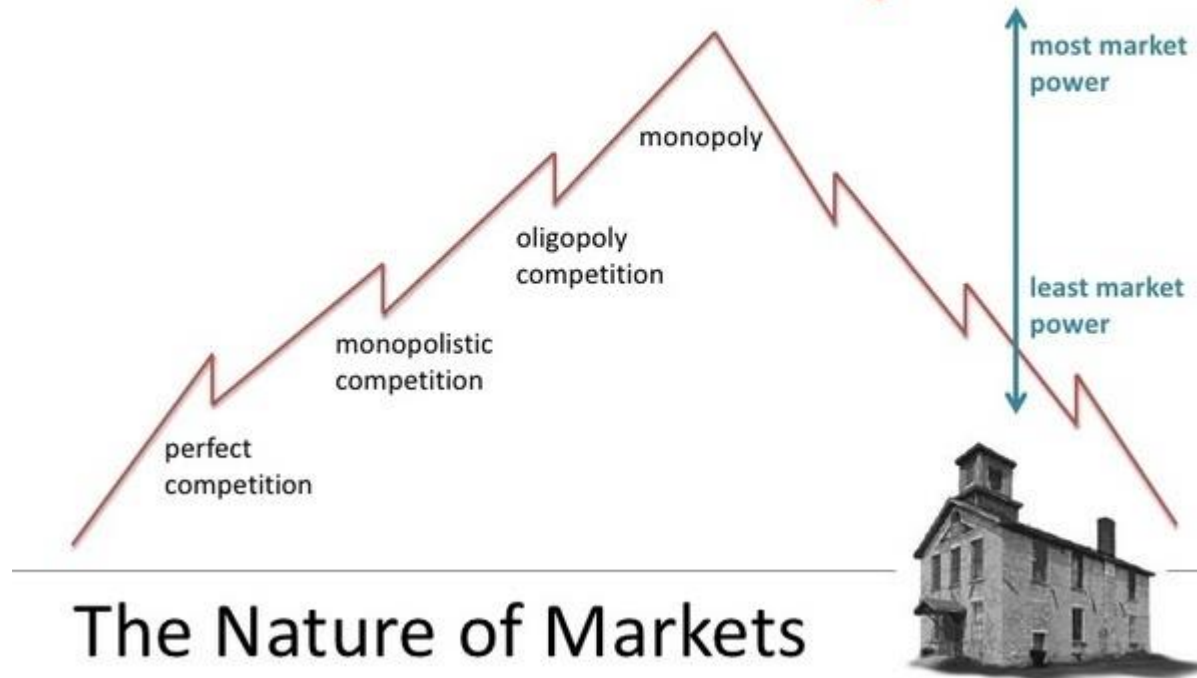


CASE STUDY



Market Power?

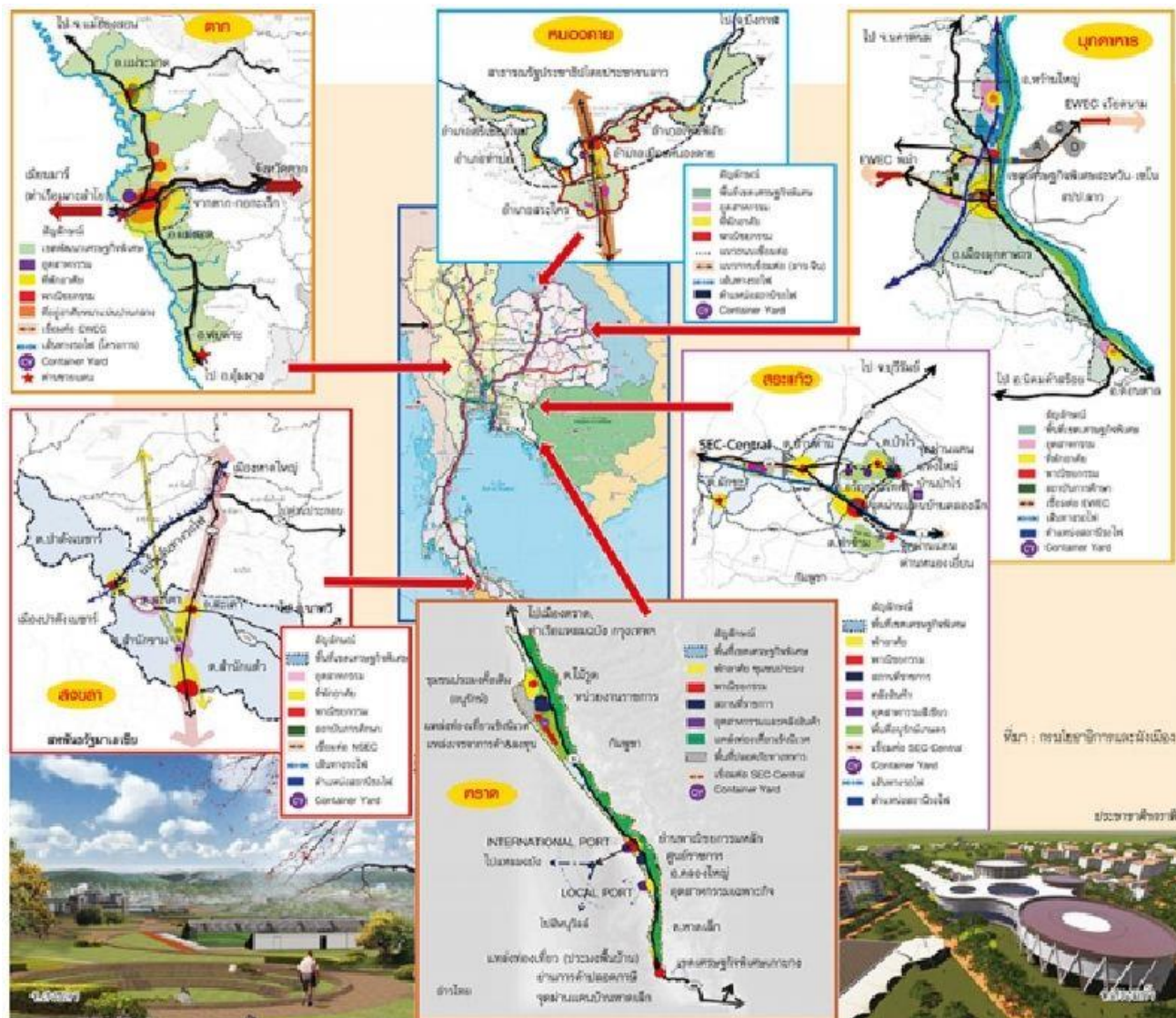
market structure & power



Border Trade Situation

Thailand Border-Trade Overview





Informal Cross- Border Trade (ICBT)

- ◆ A significant proportion of cross-ASEAN border trade.
- ◆ Despite efforts to promote trade integration among AESAN Partners, formal trade links is still facing several constraints.
- ◆ Some of these constraints push traders to ICBT but there are also exclusive incentives/ advantages that promote existence of ICBT.
- ◆ While it may be relatively easy to eliminate constraints to formal trading, the same may not provide better incentives for traders in the informal sector to turn to formal trading.



A case study

Source Country

“Push” Factors

famine
poverty
low wages
unemployment
crowding
high taxes
discrimination
religious persecution
civil war
violence and crime
forced military service
social immobility

“Stay” factors

family ties
friendships
social status
cultural familiarity
employment
property
familiarity
certainty
political privileges



Immigrants

Costs of Moving

transport costs
dangers of the voyage
time of travel
lost income during move

Destination Country

“Pull” factors

higher wages
employment
property rights
personal freedom
economic freedom
civil rights
law and order
peace
religious freedom
educational opportunity
social mobility
lower taxes

“Stay away” factors

language barriers
cultural barriers
discrimination
low social status
unemployment
low wages
lack of political rights
unfamiliarity
uncertainty
war
crime

Formal Exit Barriers

Exit Visa
Exit Tax
Prohibition
Imprisonment
Penalties on Family

Formal Entry Barriers

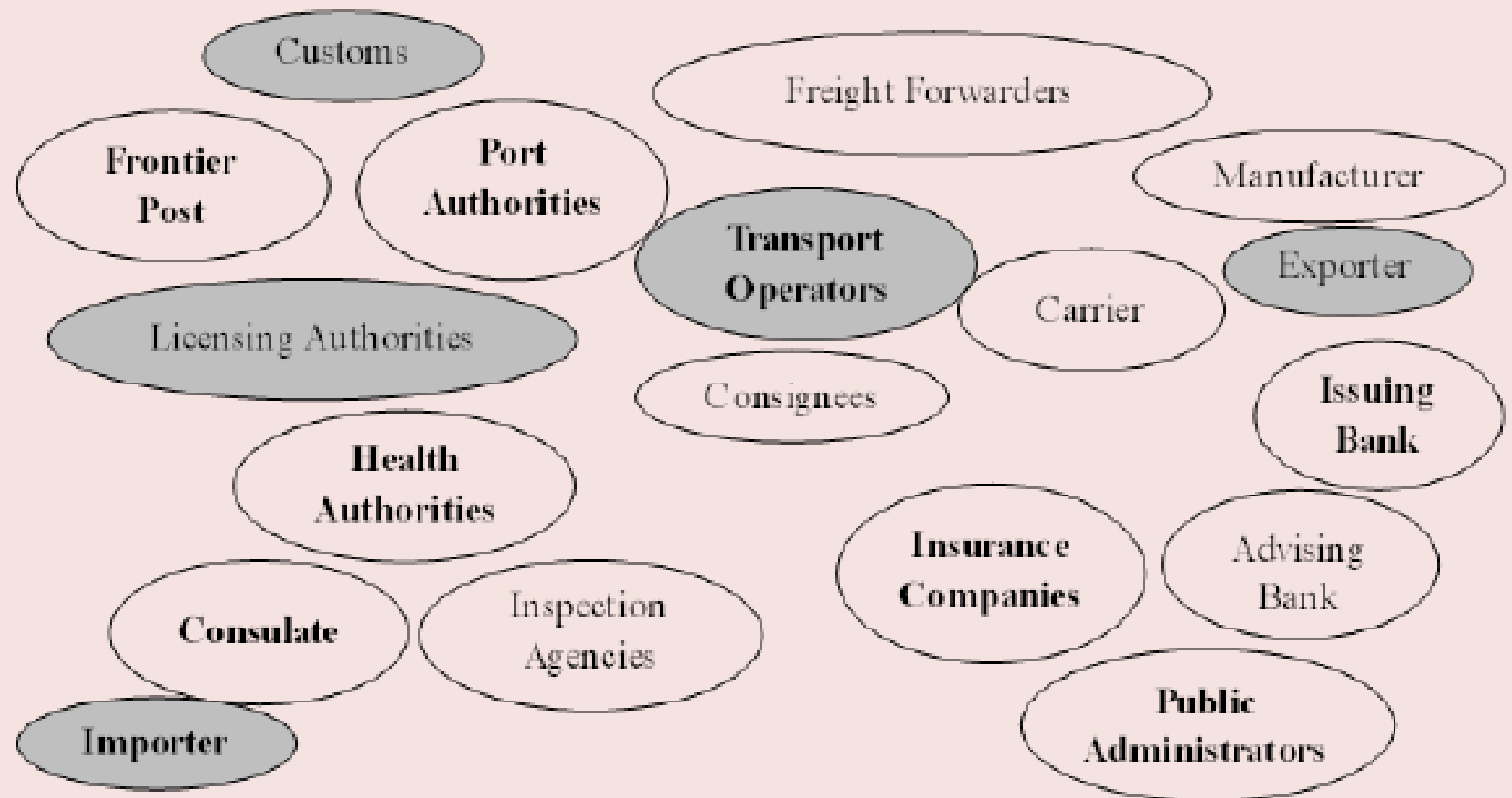
Entry Visa
Quota
Prohibition
Imprisonment
Fines

Cross Border and Transport Management:

Case Study: Chiang Rai Borders



Related Stakeholders of International Customs and Trade Logistics



CHIANG RAI BORDER CITY TO ASEAN ECONOMIC COMMUNITY



Chiang Rai Border Trade

Border

Myanmar



100 km



30 km

Laos PDR



90 km



90 km

Border Trade



Myanmar



Laos PDR

Transit Trade



Southern China

Trade Channel

5 Permanent Crossing Points

11 Border Trade Check Points

Channel of Cross Border Trade

To Myanmar



1

Chiang Sean District

2 Permanent Crossing Points
2 Border Trade Check Points

2

Chiang Khong District

1 Permanent Crossing Point
1 Border Trade Check Point

4

Thoeng District

1 Border Trade Check Point

3

Wieng Kean District

2 Border Trade Check Points

To Laos PDR



1

Mae Sai District

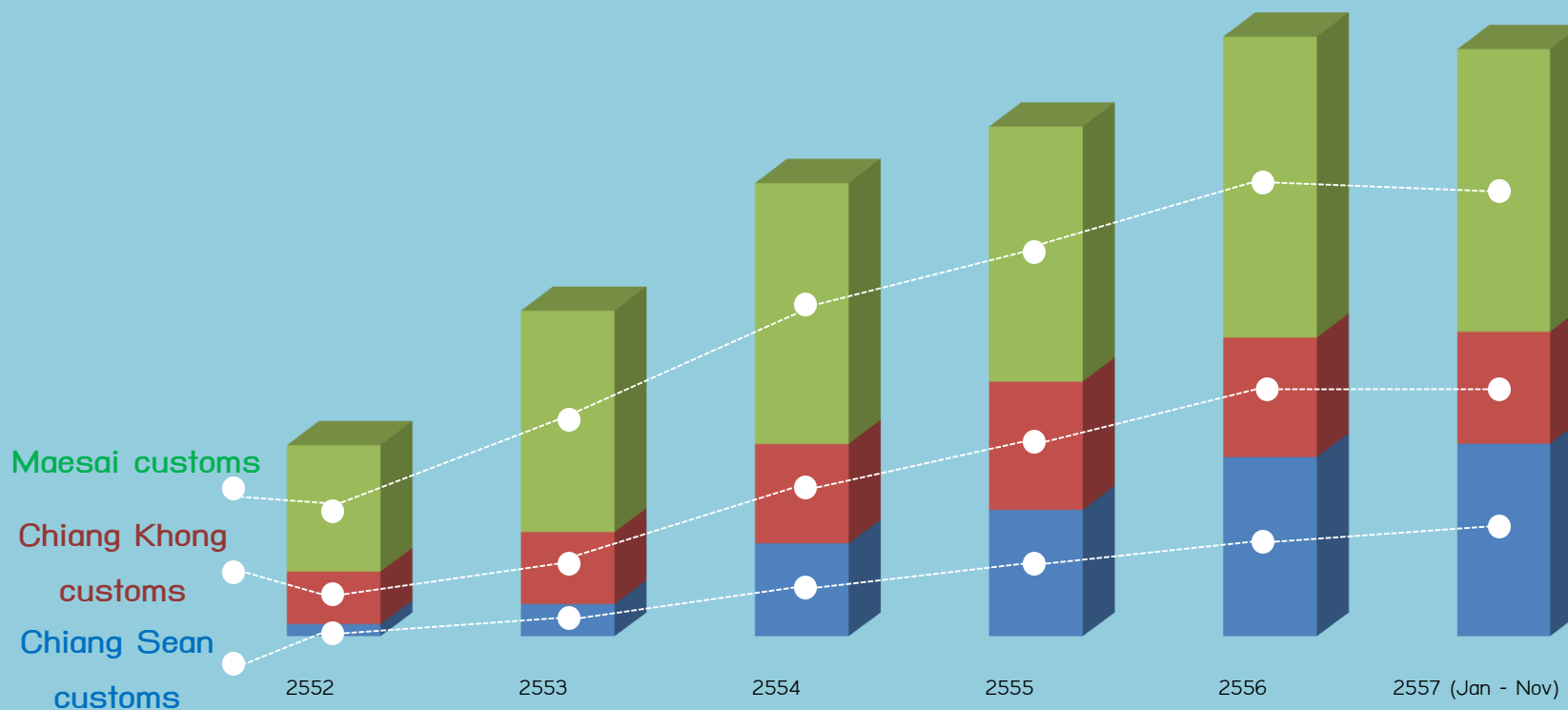
2 Permanent Crossing Points
4 Border Trade Check Points

2

Chiang Sean District

1 Border Trade Check Point

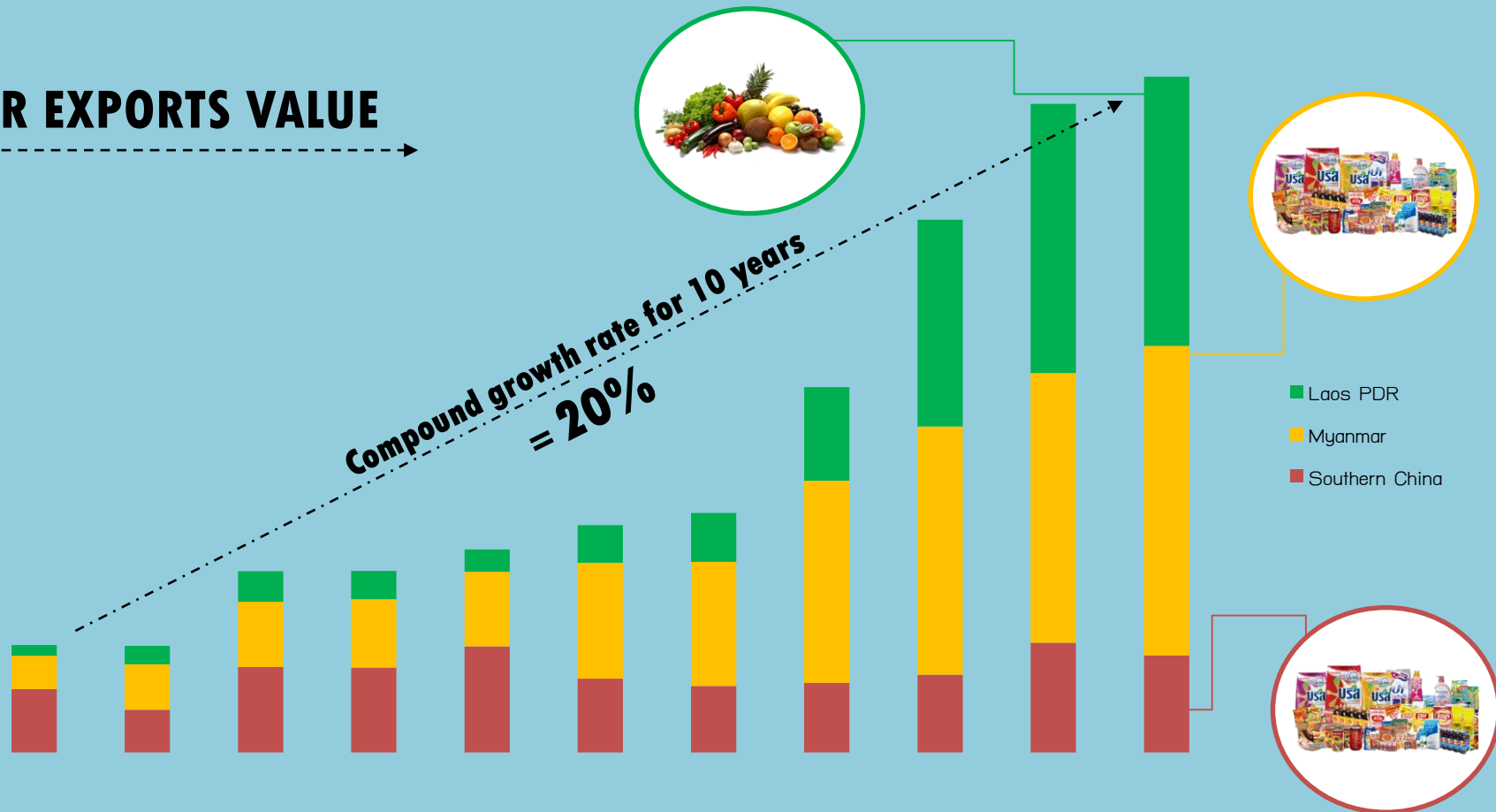
Chiang Rai Border Trade Situation



Source: Bank of Thailand, Office of Commercial Affairs Chiang Rai, Border Trade Center Service (Department of Foreign Trade)

Chiang Rai Border Trade Situation

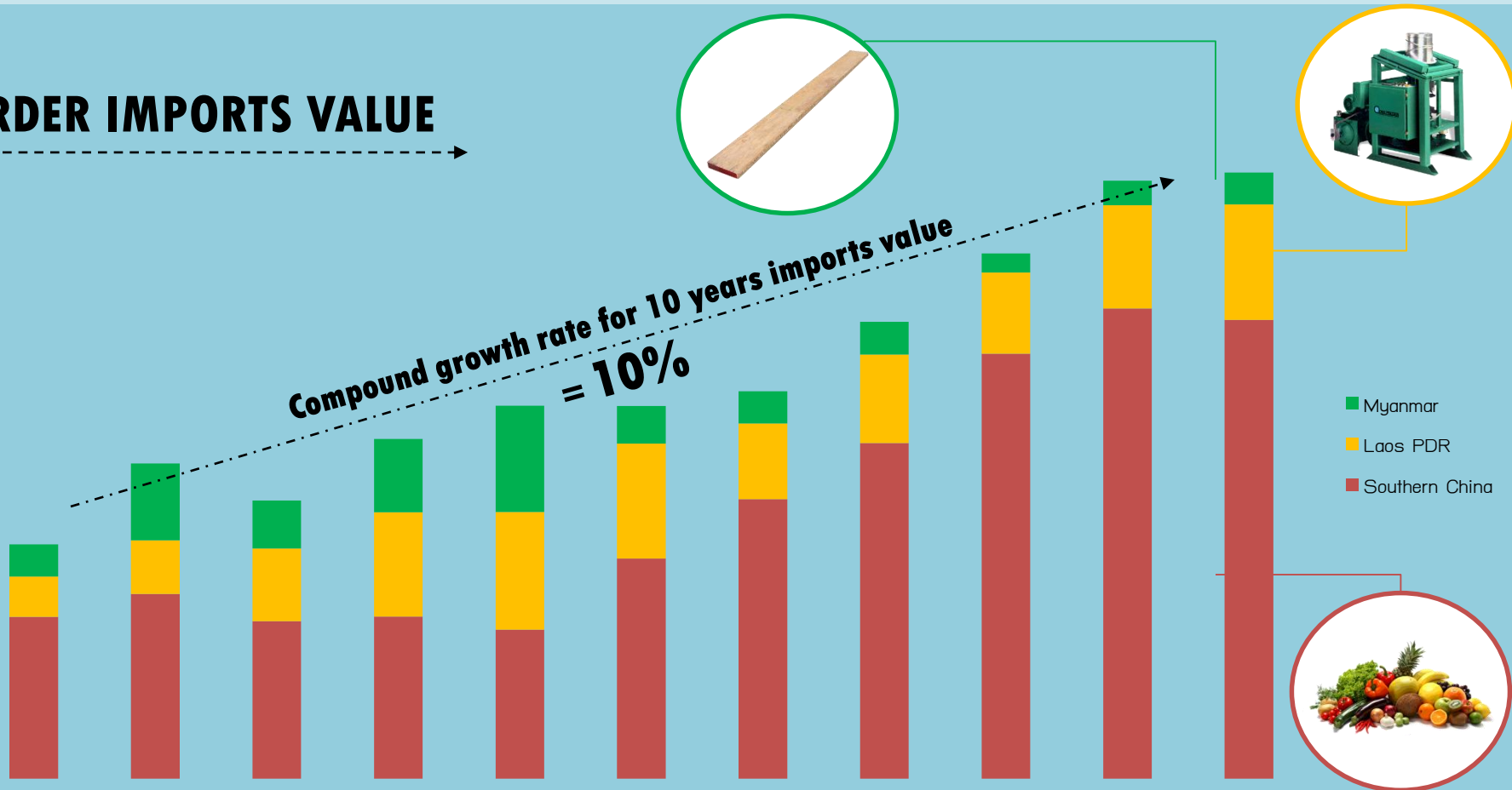
BORDER EXPORTS VALUE



Source: Office of Commercial Affairs Chiang Rai

Chiang Rai Border Trade Situation

BORDER IMPORTS VALUE



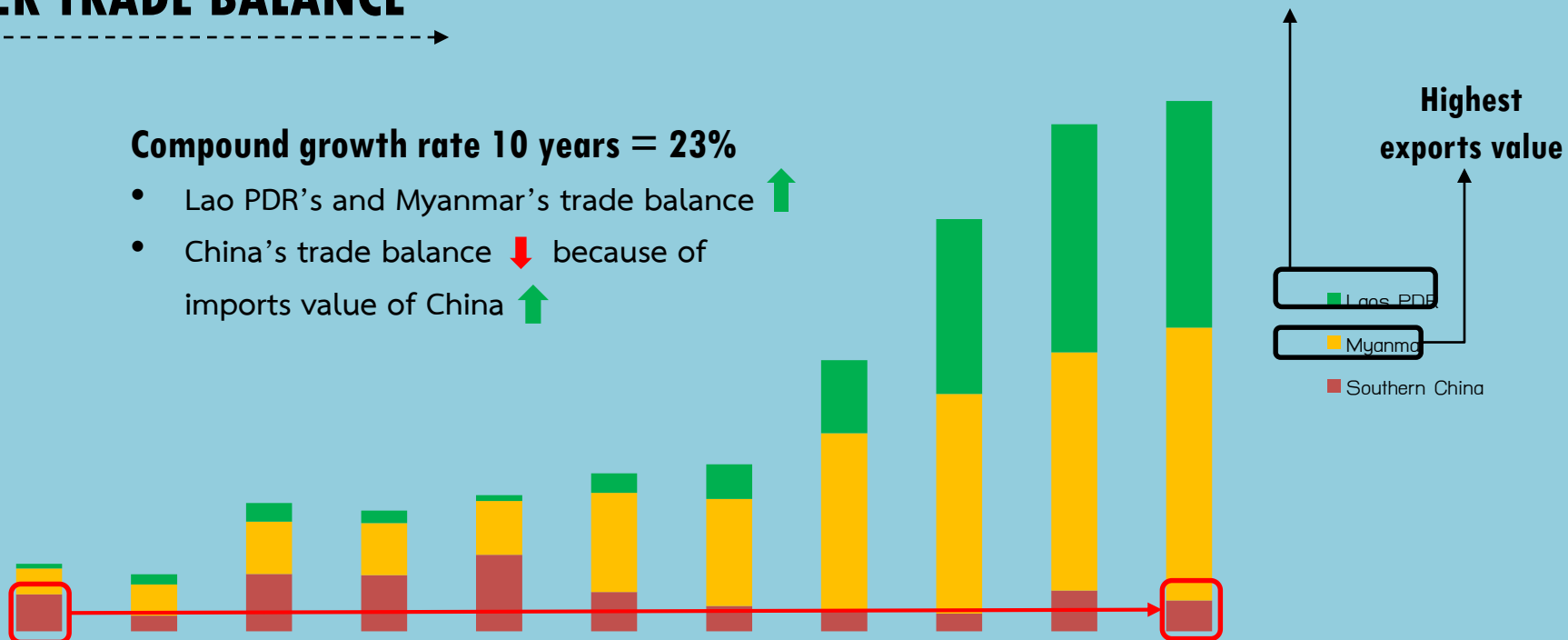
Source: Office of Commercial Affairs Chiang Rai

Chiang Rai Border Trade Situation

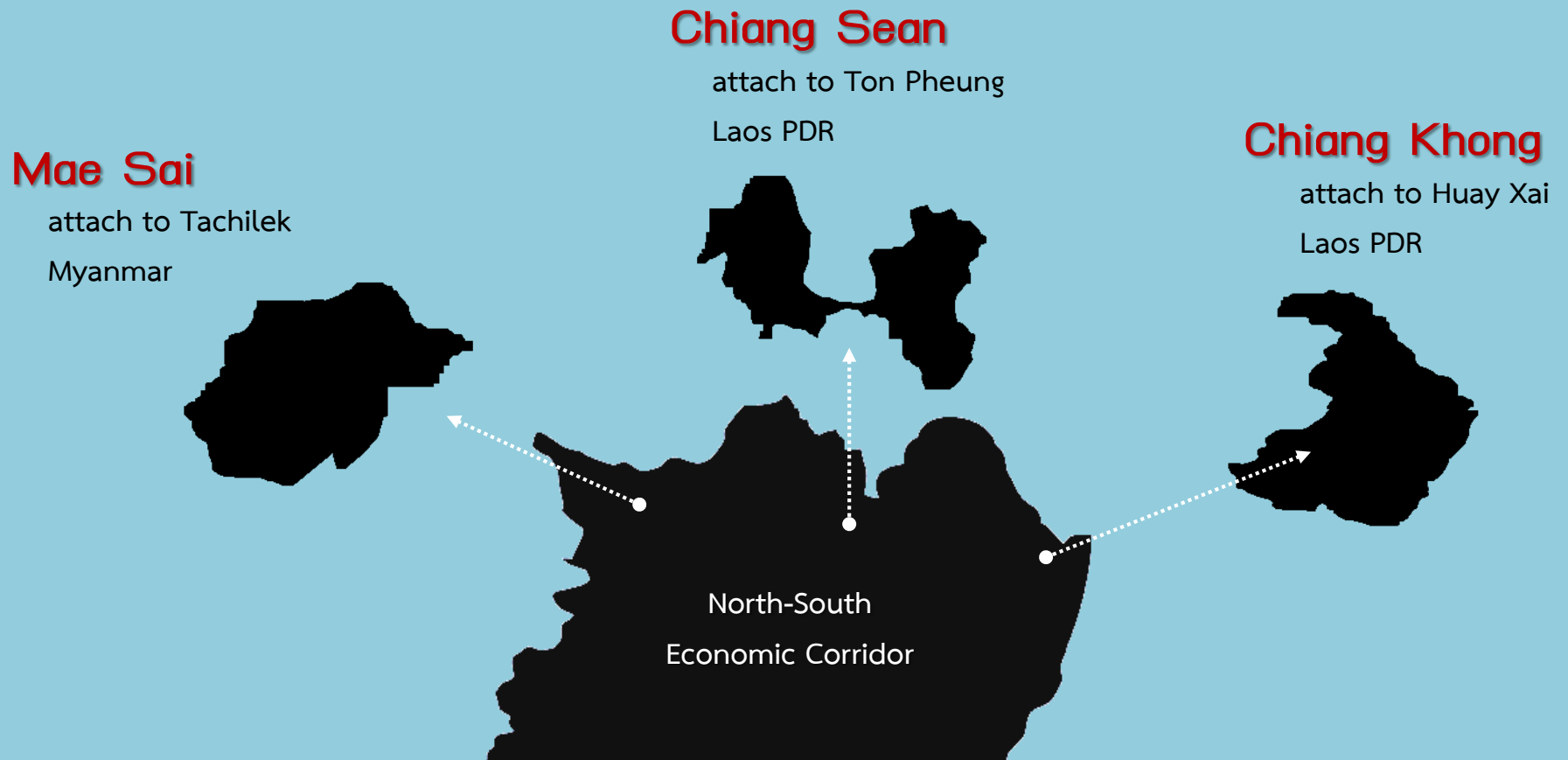
BORDER TRADE BALANCE

Compound growth rate 10 years = 23%

- Lao PDR's and Myanmar's trade balance 
- China's trade balance  because of imports value of China 



Potential Border City for Development



Special Economic Zone Plan



Mae Sai

- Trading City
- Emphasis on trading consumer goods tourism
- Rely on modern international financial services



Chiang Sean

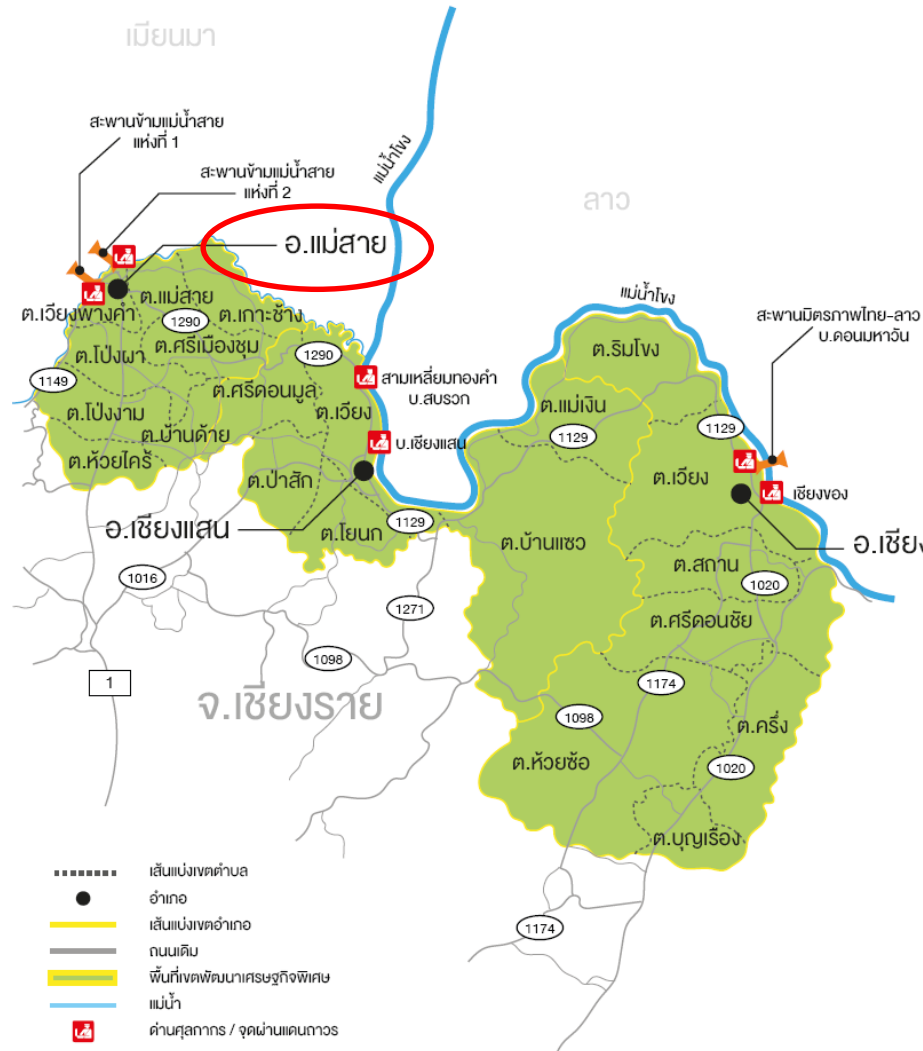
- GMS tourism and Port City
- Water transportation, trading and tourism
- Cultural heritage and Lanna civilization tour history



Chiang Khong

- Transshipment and distribution center in many forms (Logistics City)
- The site of bridge on the NSEC
- Tourism city and the way through to Luang Prabang, Laos PDR

"Mae Sai"



"Trading city"

..... เส้นแบ่งเขตตำบล
● อำเภอ
—— เส้นแบ่งเขตอำเภอ
—— ถนนเดิม
—— พื้นที่ถดถอยน้ำประทุงถึงพิศษ
—— แม่น้ำ

ด้านบุคลากร / จุดผ่านแดนทาง



40



International Economic Cooperation and Logistics Linkages

1. Great Mekong Sub-Region

- **GMS** Economic Corridors consists of 6 members, including Thailand, China, Vietnam, Cambodia, Laos and Myanmar
- Chiang Rai area is located on North-South Economic Corridor which has a start point on Kunming (China) and split the end point on Thailand and Vietnam.
- R3 route is divided into sub-path through Lao PDR on east and through Myanmar on west
- R3W route is start from Bangkok to Mae Sai, Chiang Rai province which is complete, but some route from Bangkok to Chiang Khong or R3W is incomplete such as route from Chiang Rai to Chiang Khong still a 2 lane road
- R3 route will encourage the role of border trade especially in specific area such as “square emerald” (Thailand-Myanmar-Laos PDR-China)



Source: <http://www.siamintelligence.com>



GMS Economic Corridor

- Northern Corridor
- North-South Corridor
- Western Corridor
- North-Eastern Corridor
- East-West Corridor
- Eastern Corridor
- Central Corridor
- Southern Corridor
- Southern Coastal Corridor

GMS East-West Transport Corridor



108°30'E

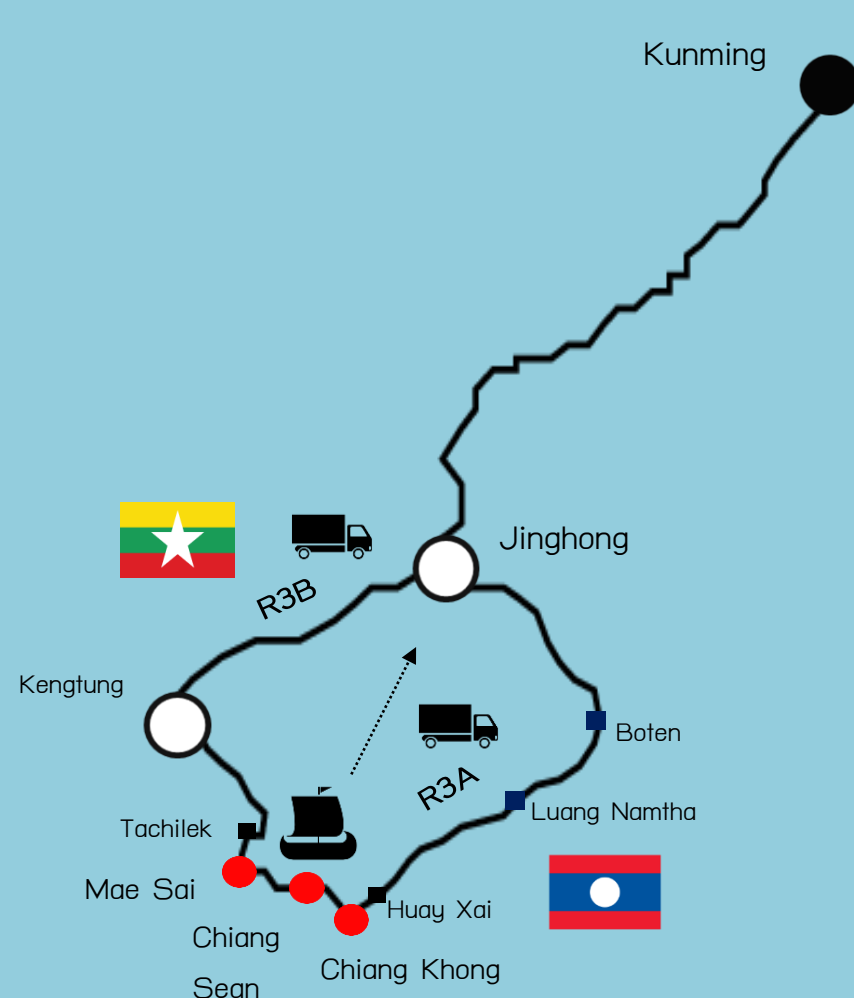
GREATER MEKONG SUBREGION EAST–WEST TRANSPORT CORRIDOR PROJECT

★ National Capital
● City/Town
● Border Crossing Point
— ADB-financed Project Road
— Government of Japan-financed Project Road
— National Road
— Provincial Road
— East–West Economic Corridor
— River
--- International Boundary

Boundary are not necessarily authoritative.



Border City on North-South Economic Corridor

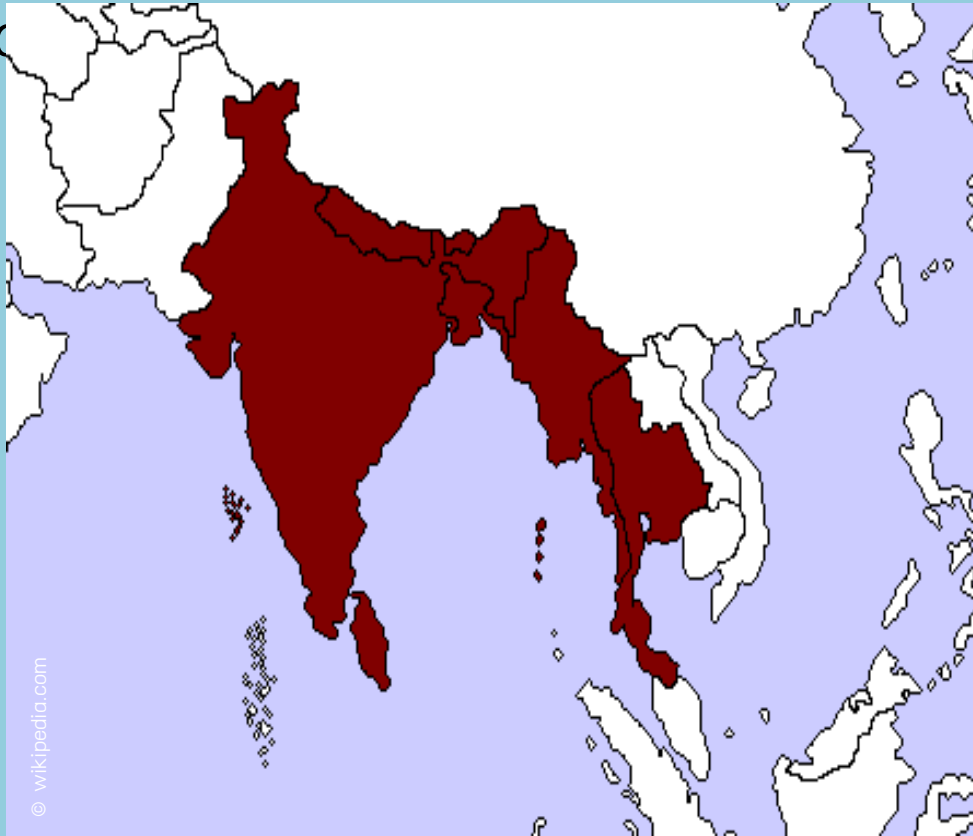


Three possible routes link from Thailand to Southern China

1. Through Myanmar is Mae Sai – Tachilek – Kengtung – Tahluo – Jinghong – Kunming about 393 km
2. Through Laos PDR is Chiang Khong – Huay Xai – Luang Namtha – Boten – Jinghong – Kunming about 322 km
3. Maritime commerce from Chiang Khong to Jinghong about 344 km

International Economic Cooperation

2. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic

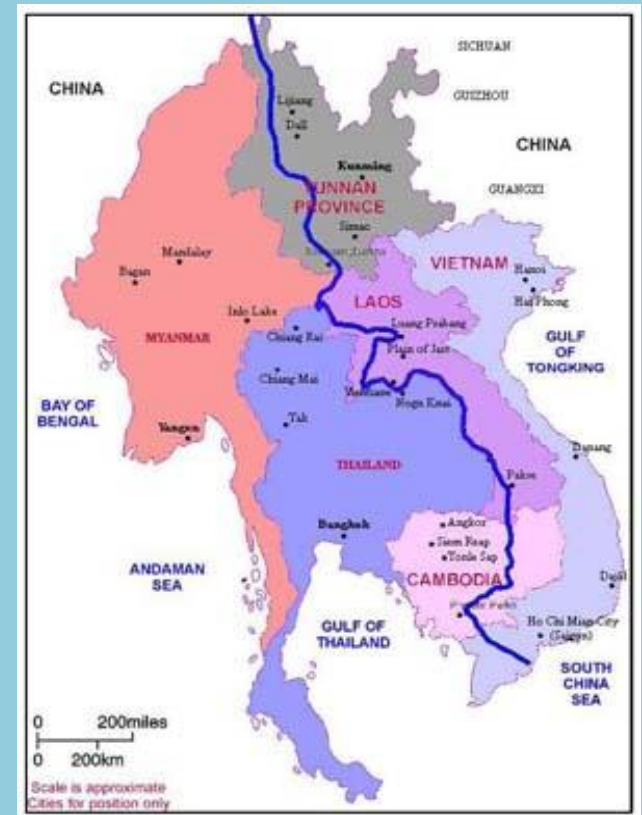


- **BIMSTEC** is a technical and economic cooperation between 7 countries in the Bay of Bengal, consists of Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand
- Aims to emphasize the potential of the region to take advantage of new opportunities and challenges and accelerate the implementation of existing cooperation in the field
- It also focus on free trade negotiations as well as transnational issues and facilitate travel among the parties such as BIMSTEC Business Travel Card and BIMSTEC Visa.

International Economic Cooperation

3. Aeyawadee-Chaopraya-Mekong Economic Cooperation

- ACMECS is a business cooperation and agreement between Thailand, Myanmar, Laos PDR, Cambodia and Vietnam
- A framework for economic cooperation in the region is set up to take advantage of the strength and diversity of the 5 member countries to promote the balance of development
- Currently, ACMECS cooperated in 8 areas; trade facilitation, investment, agriculture, industry and energy, transportation, tourism, human resource development, health and environment



Source: <http://www.mfa.go.th>

International Economic Cooperation



- R48 route (Koh Kong – Srae Ambel)
- R67 (Choam –Anlong-Veng-Siem Reap)



- Improvement of Wattay International Airport
- Uttaradit-Pak Lai, Saiyaburi route
- Hueang River Bridge
- R3 route (Huay Xai – Luang Namtha)
- Huai Koan – Pak beng route
- Mekong River Bridge the third (Kakhon Panom – Commuan)
- Mekong River Bridge the fourth (Chiang Khong – Huay Xai)
- Nongkhai-Thanaleng-Vientiane



- Mekong River Bridge the second
- Mae Sot-Myawaddy-Kawkaeik railway

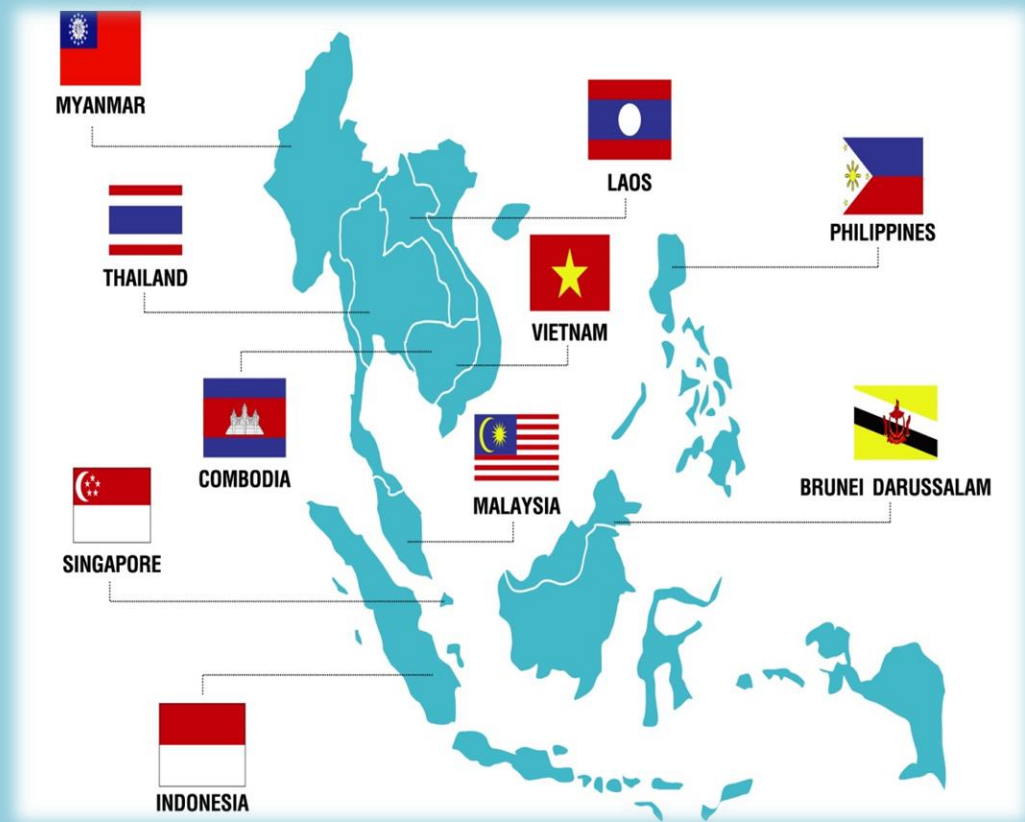
Example of ACMECS project

- Promoting the use of local currencies in border trade, Elevating and establishment of the twin border cities (Sister Cities)
- Training and seminars for college scholarships to members ACMECS
- ACMECS Single Visa
- Contract-farming investment project between neighboring countries
- Communicable diseases prevention and health care quality improvement assistant

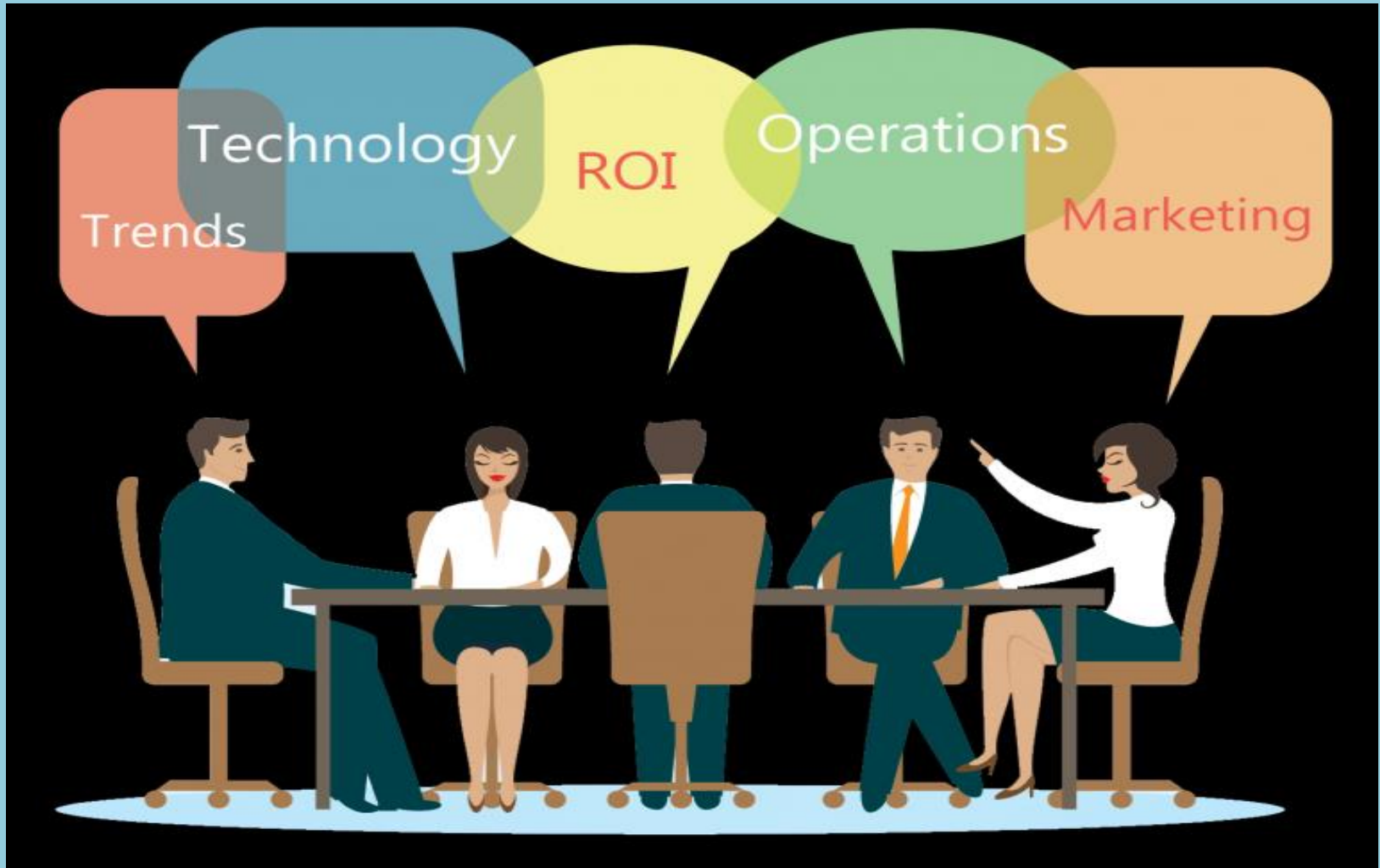
International Economic Cooperation

4. Asean Economics Community

- **AEC** is the integration of the 10 countries consist of Thailand, Myanmar, Laos, Cambodia, Vietnam, Malaysia, Singapore, Indonesia, Philippines and Brunei Darussalam
- Aims to provide mutual economic interests according to 4 blueprints
 1. Single market
 2. Highly competitive
 3. Equally economic development
 4. Global economic integration



Workshop



The background of the slide is a complex, low-poly geometric pattern in various shades of blue, ranging from dark navy to light cyan. The pattern consists of numerous triangles and polygons of different sizes, creating a textured, crystalline effect. A white rectangular border is centered on the slide, enclosing the text.

Thank you for your kind attention