

Greater Mekong Subregion and Economic Corridor Development

**Study Tour to Thailand of
CAREC National Focal Points
26-27 September 2012**



GMS Program: An Overview



- **Participating Countries:**
 - Cambodia, People's Republic of China, Lao PDR, Myanmar, Thailand, and Viet Nam
- **Strategic Priorities:**
 - Vision – a more integrated, prosperous, and harmonious subregion
 - “3Cs” – Connectivity, Competitiveness, Community
 - 9 priority sectors
- **GMS projects** – totaled \$15 billion as of December 2011



Roads

Telecommunications

Power Transmission Line



Infrastructure Development in GMS (1992)



Roads

Telecommunications

Power Transmission Line



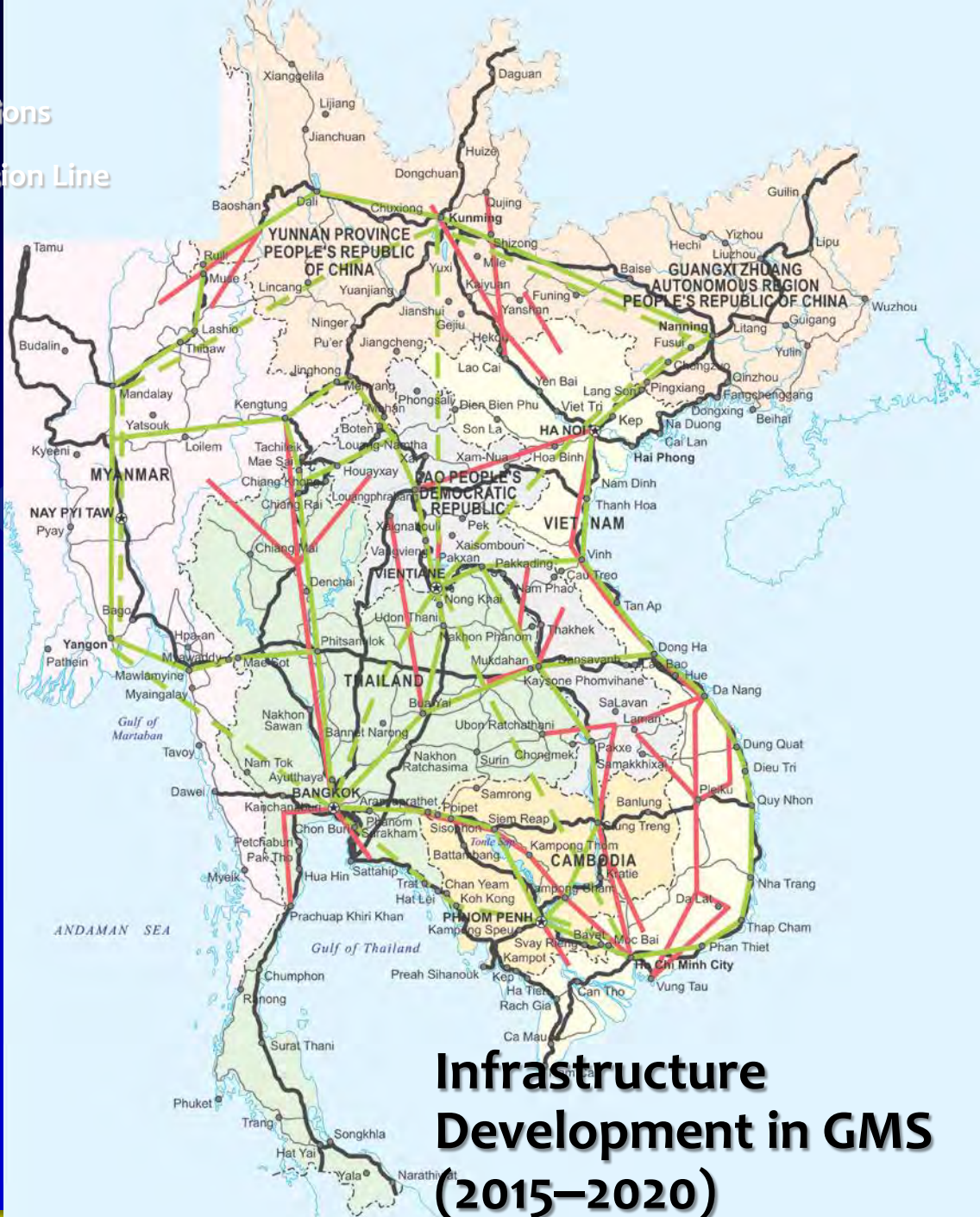
Infrastructure Development in GMS (2010)



Roads

Telecommunications

Power Transmission Line



Infrastructure Development in GMS (2015–2020)



Significant Achievements

- Improved physical connectivity
- Power grid interconnection, major hydropower projects
- Optical fiber interconnection, information superhighway network
- Some progress in CBTA implementation; bilateral agreements on exchange of traffic rights
- Work on cross-border trade in food and agri products, climate change adaptation
- Increased international tourist arrivals, tourism revenues, MTCO
- GMS Business Forum
- Phnom Penh Plan for Development Management
- Initiatives to address negative externalities (communicable disease control, HIV/AIDS prevention, safe migration)
- Sustainable development efforts to protect fragile ecosystems



Way Forward: New GMS Strategic Framework

2012-2022 – General Features

- Builds on success/progress of GMS Program
- Maintains current vision and goals
- Continues with overall principles and action-oriented approach to cooperation:
 - ✓ country ownership
 - ✓ equal consultation
 - ✓ mutual benefit
 - ✓ steady progress
 - ✓ results-orientation
 - ✓ recognition of varying levels of development
- Anchored on corridor-development approach



The Economic Corridor Approach

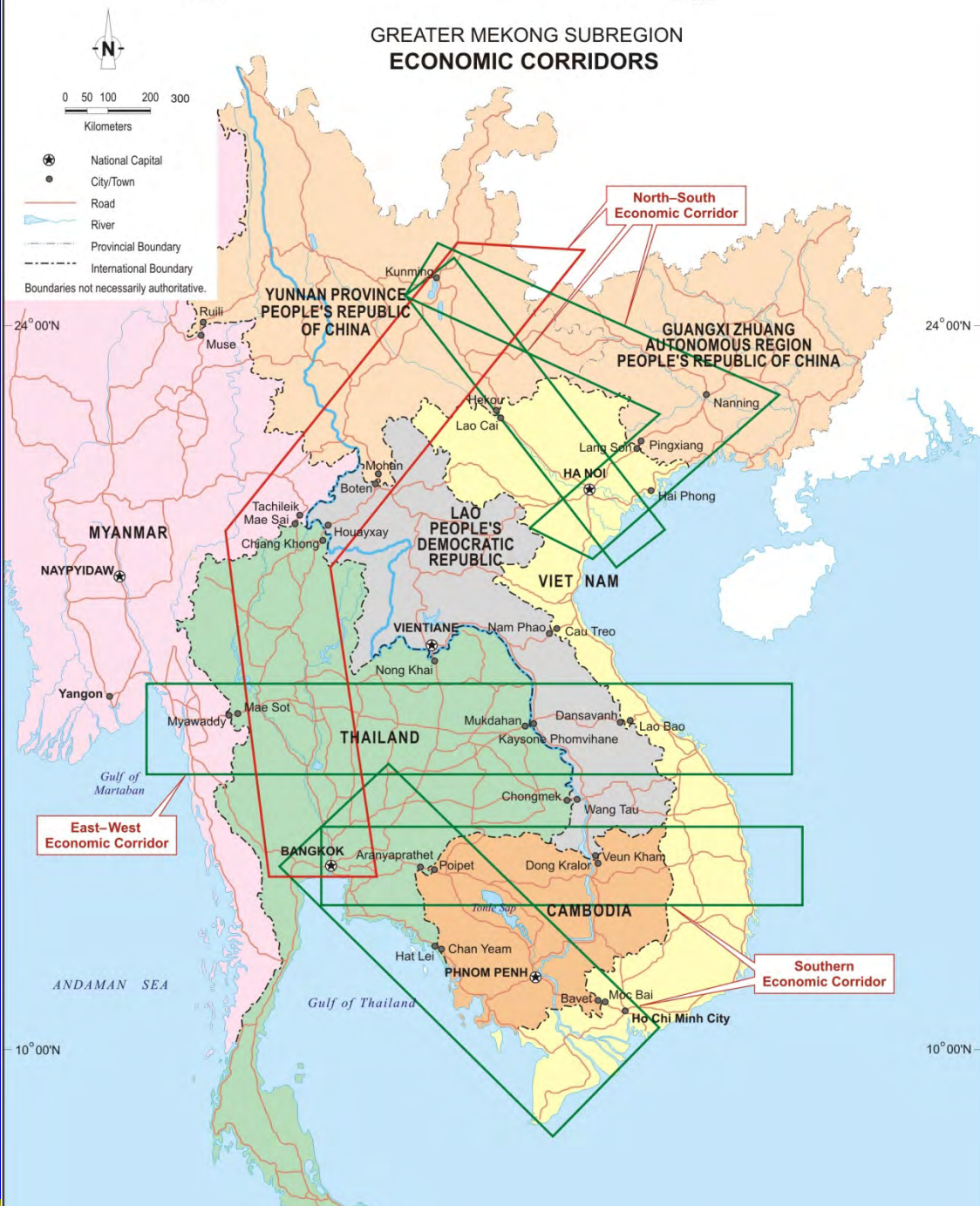
Infrastructure is developed in specific geographical areas based on economic potential.

Successful economic corridors serve as:

- Links to major markets/corridor nodal points;
- Arteries of trade, open opportunities for participation in regional and global value chains;
- Catalyze private investment;
- Provide demonstration effects;
- Extend connectivity to remote locations.



GREATER MEKONG SUBREGION ECONOMIC CORRIDORS



East-West Economic Corridor

North-South Economic Corridor

Southern Economic Corridor



Infrastructure and Investments

Impact of Corridor Development

First round of corridor investments: building the infrastructure base – mainly transport (bulk of GMS projects so far), then extends to other basic infra, e.g., power, telecoms

As corridors advance through various stages of development, investments change in character:

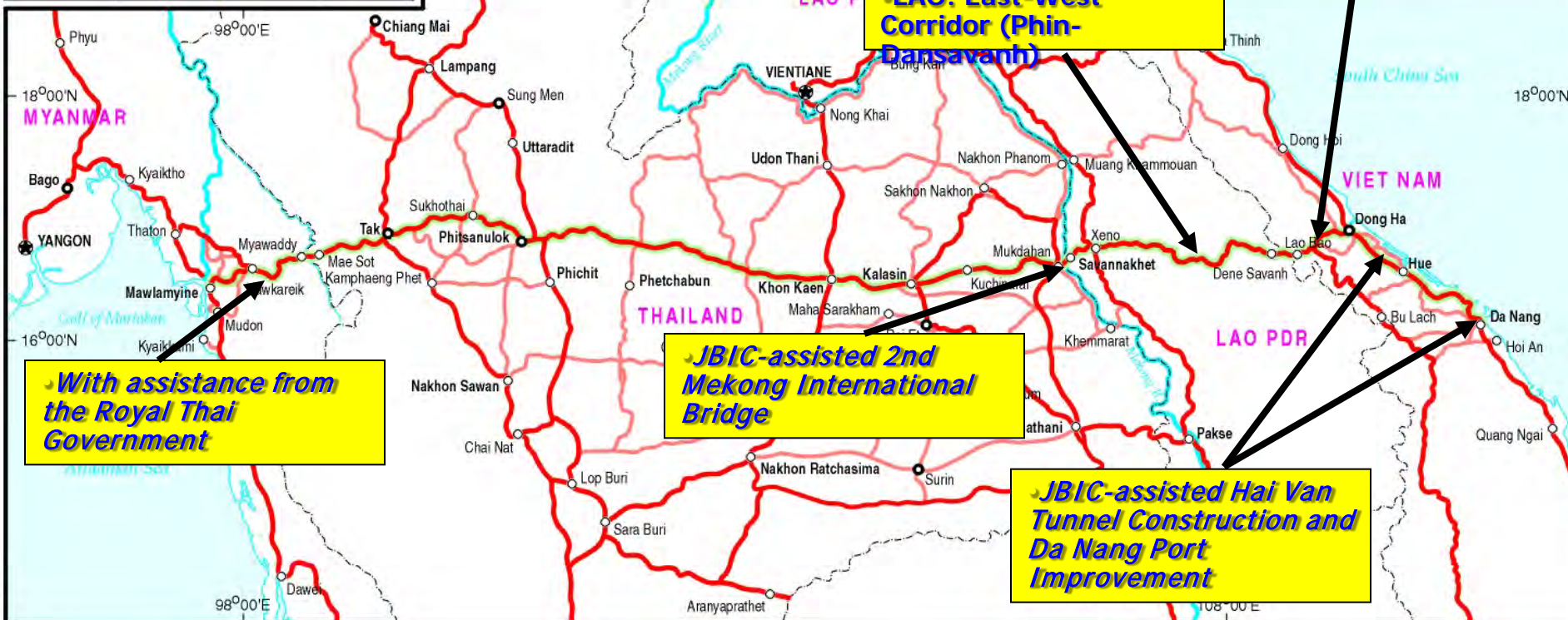
- **Trade and logistics corridor** -- logistics facilities and services -- e.g., dry ports/inland container depots, warehouses, border SEZs, inter-modal transport links
- **Urban development corridors** -- utilities (urban water supply, power distribution, ICT), urban sanitation facilities, urban mass transport
- **Full economic corridors** – investments diversified across sectors





East-West Economic Corridor

- National Capital
 - City/Town
 - National Road
 - Provincial Road
 - East-West Economic Corridor
 - River
 - - - International Boundary
- Boundaries are not necessarily authoritative.



VIE: East-West Corridor (Lao Bao-Dong Ha)

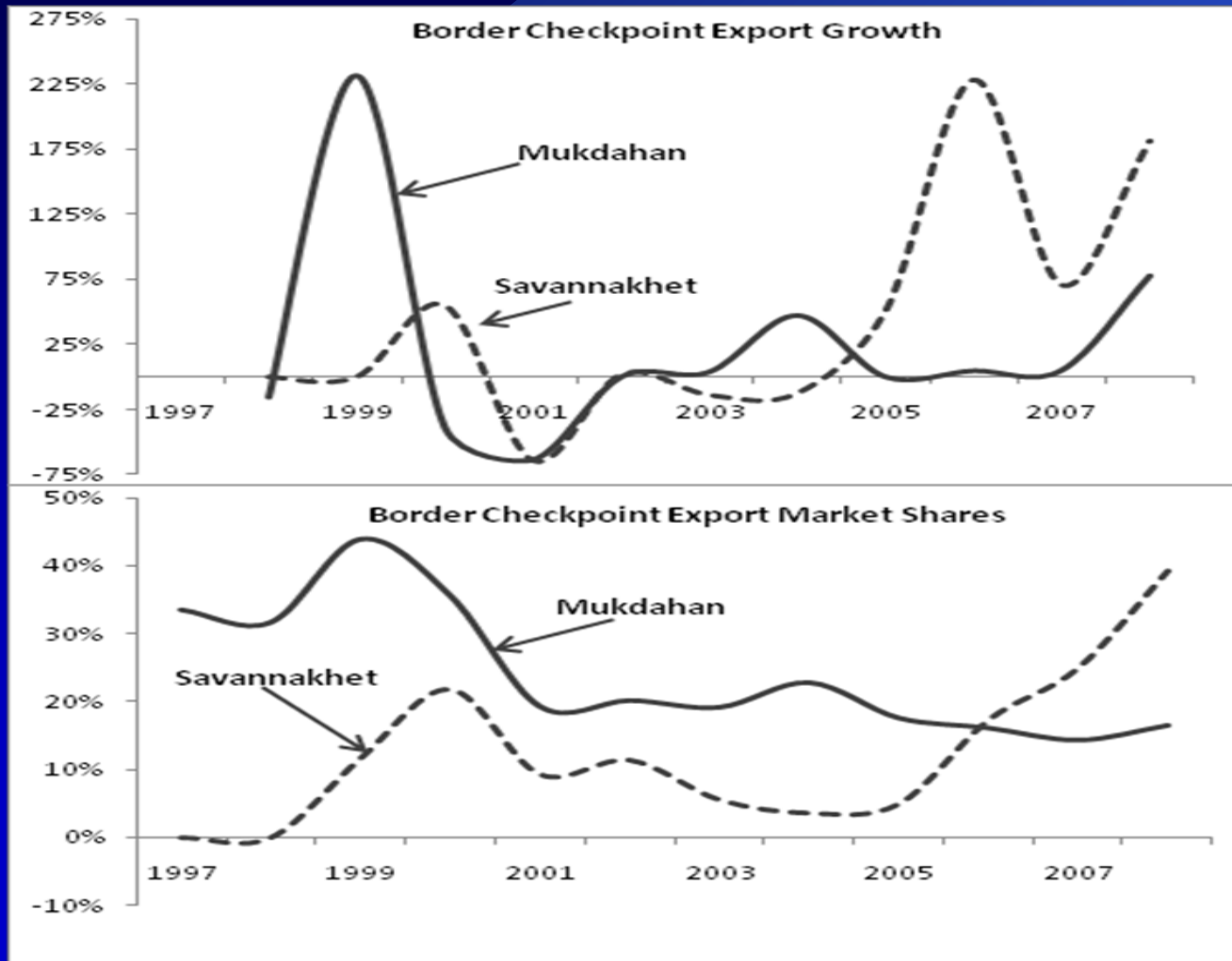
LAO: East-West Corridor (Phin-Dansavanh)

With assistance from the Royal Thai Government

JBIC-assisted 2nd Mekong International Bridge

JBIC-assisted Hai Van Tunnel Construction and Da Nang Port Improvement

Export Performance of Thai–Lao EWEC Border Trade, 1997–2008



•Source: EWEC Strategy and Action Plan

Poverty Reduction Impact of the EWEC

Benefits from EWEC for Savannakhet Province, Lao PDR:

- Travel time and cost savings – e.g., bus trip from border with Viet Nam to Savannakhet reduced from 12 to 3 hrs
- New buildings, service and other commercial facilities along Route 9
- FDI: increased from US\$18M to US\$200M
- New income/livelihood opportunities for villagers
- Improved access to schools and safe water
- Poverty incidence down by 35% in Savannakhet



Thank you

