

# Development of Border Trade of Thailand-Myanmar: Case Study of Ranong Province

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**Abstract**—This research has the objective to study and analyze, expanding linkage of the Thai-Myanmar trading border and ways of development trading of Thai-Myanmar border, Ranong Province. There are advantage of competition in ASEAN Community on collection data and observation, in-depth interview, group conversation and exchange opinion of public agency, entrepreneur and people. Result of study found that main development of border trade is 1) Cross-border service should be development infrastructure of land telecommunication, sea has support economics of cross-border trade, 2) International consumption service should be expand service with Myanmar and India for linkage with entrepreneur and trading from international to Thailand, 3 ) Establish business for provide service has development cooperation of logistics via Andaman of Thailand, and 4 ) Mobility personnel, exchange personnel including labor for development potential of border trade has competition advantage.

**Keywords**— Border trade, Development, Service, ASEAN

## I. INTRODUCTION

The liberalization of trade in services is an important component part towards the ASEAN Economic Community. This is due to reduced restrictions on the provider of the service in the region. And to establish its business in other member states as a condition precedent in the country, including the border trade, Thailand - Myanmar. The trade took place along the border trade by bringing in many forms. A trade office and transportation are many ways to trade the business, tourism, hotel accommodations, transport goods across the border has bring development and prosperity. There are development local, revenues of people which promote trade and economic development frontier of Thailand - Myanmar [5]. Moreover, reduction - tax, exchange trade, expansion production base. The expansion of trade has increase the path of freight, fast procedures and customs clearance to a minimum. The expansion increased customs which is the development of border economic zones and city borders consistent with the linked economic development along the border areas, Border Economic Zone Development Plan, the National Economic and Social Development No. 11 in the year 2015 [2]. Thailand going to the ASEAN Community consists of three pillars as ASEAN civil society and culture, AEC and European politics and the ASEAN Security. In particular, the AEC aims to provide citizens of the

member countries are trading with each other more and more are to come to each other easily and has the potential to compete with the outside world. Researchers saw that the AEC, Border Trade of Thailand - Myanmar must be prepared in various fields and promote trade and across border service, support for opening trade, expansion of trade, accelerate the increase in goods transport links. And other relevant He has studied the development of free trade in services of Thailand - Myanmar at the Ranong border trade, which is leading to all sorts. And export of all types including the refund of import duties and all sorts of parole. It is responsible for collecting customs. Customs fees VAT and excise to import and export according to the Customs Tariff Revenue Code and excise tax Formalities for the import - export duty. The duty exemption has refund of import duties and all sorts of parole. As well as the procedure for release goods in transit via Song island, Myanmar has another important function is anti-smuggling customs, tax evasion, violation of the prohibitions and restrictions on the drug. It also serves to provide information to the government, advises people to contact or tourists conducting the study, the public servants, entrepreneurs and other stakeholders involved in the proposed guidelines for the development of free trade in services of Thailand - Myanmar. The researchers saw that study was the first to be informed and consulted on the proposed guidelines. For agencies involved in economic development along the border areas and build competitive advantage of Thailand in the ASEAN Economic Community. With this research is important for the country to focus on the development of free trade in services of Thailand - Myanmar border at Ranong Province to create a competitive advantage of ASEAN countries. Therefore, to achieve maximum benefits in education and international relations of Thailand and the ASEAN region, this research has the following objectives. 1. To study and analyze the expansion links the liberalization of trade in services of Thailand - Myanmar under the terms of cooperation and ASEAN countries. Border trade agreements and promote the trade and economic development along the border areas. There are both of cross-border trade in services, consumption of services abroad, striving to serve and moving personnel, including opening of the ASEAN people to work. 2. To study on development of liberalization of trade in services of Thailand - Myanmar; case study: Ranong customs checkpoint has competition advantage in ASEAN regions.

## II. LITERATURE REVIEW

Economic cooperation and efforts to liberalize trade in the region began in the first ASEAN summit held in Bali,

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Indonesia in 1976 by the meeting to approve the project has measures to promote economic cooperation, two projects include ASEAN Industrial project (AIP) requiring member States to each country to produce the products that they have an advantage in comparison (comparative advantage) and the ASEAN Industrial Complementation (AIC) at aimed to facilitating the trade of auto parts in ASEAN. Despite the success of these two projects is relatively limited due to lack of feasibility of the project and the equality of producing parts of the country. In addition to economic cooperation of two projects mentioned above. The meeting was the agreement on the preferential trade of ASEAN (Agreement on ASEAN Preferential Tariff Arrangement: PTA), which allow products with origins in Southeast Asia franchise tax to enter the markets of the member countries over the same product originating from countries outside ASEAN. The ASEAN leaders have agreed to have the operation in 1997 with the objective to stimulate. And increase trade volume between ASEAN with the implementation of the PTA, however, was not successful in stimulating trade between the ASEAN countries together. The lists of countries have offered to receive this benefit less than 1% of the trade in the region. Failure of PTA has resulted ASEAN leaders recognized the need to improve economic cooperation in the region, despite efforts to push ASEAN Free Trade Area has still not been accepted by the ASEAN leaders until the summit in 1992 in Singapore[4]. The ASEAN 6 countries have decided to establish the ASEAN Free Trade Area (ASEAN Free Trade Area) within 15 years, has signed an agreement to promote economic cooperation in ASEAN (Framework Agreement on Enhancing ASEAN Economic Cooperation) and signed agreement on the use of special tariff equal (agreement on common Effective Preferential tariff: CEPT) to serve as a mechanism leading to the ASEAN free trade Area. Anyhow, the establishment of the ASEAN Free Trade Area, ASEAN's efforts to build the competitiveness of their own to cope with the international situation changed rapidly after the end of the Cold War. And the integration of the regional economy, such as the Free Trade Area of North America (North America Free Trade Area: NAFTA) and the EU (European Union: EU) and the Economic Cooperation in Asia - Pacific (Asia - Pacific Economic Cooperation: APEC) accompanying the Uruguay round of trade negotiations that are likely to be protracted and could not find conclusive. Thereafter, the ASEAN leaders have agreed to adjust the timing of the implementation of the ASEAN Free Trade Area was established as early as in the fifth ASEAN Summit in Bangkok in 1995 with the target to be processed using special tariff equal to be completed in 10 years, also in the same economic ministers of ASEAN (ASEAN economic Ministers) has signed an agreement for service (ASEAN Framework agreement on Services: AFAS) is the start of negotiations to liberalize. Trade in services among ASEAN And to fulfill its obligations under the General Agreement on Trade in Services (General Agreement on Trade in Services: GATS) of the WTO, which took effect in 1995.

Trade between countries is becoming increasingly important since the year 1980 - 2000 the value of world trade in services grew by about 8% per year, while trade grew by

only 6% per year, especially, in the markets of developed countries. These countries are trying to push for the creation of rules for trade between countries, and the results achieved in the multilateral trade negotiations, the Uruguay Round under the General Agreement on Tariffs and Trade: GATT (During 1986 - 1994) by Ministerial declaration which at the city of Punta del Este, Uruguay has imposed on trade in services is a topic that will have to negotiate liberalization and the establishment of the group talks up. Later, representatives of the countries attending negotiation on General Agreement on Trade in Services (GATS), which held that the Agreement on Multilateral Trade, International Services the first edition has been prepared. GATS comes into force on January 1, 1995, along with any other agreement under the World Trade Organization (WTO), which Thailand is one of the 117 countries participating in trade negotiations in the WTO since its current membership increased to 152 countries (2008). The liberalization of trade in services as part of efforts to strengthen economic cooperation in the region and towards the ASEAN Free Trade Area and the ASEAN Economic Community by 2020 vision of ASEAN as the ASEAN Leaders set out in the Bali Concord II by negotiating trade liberalization of services under AFAS ASEAN, which has the following objectives.

1. Encourage cooperation between Member States in order to improve the efficiency and competitiveness of services in and outside the region.

2. Eliminate trade restrictions between member countries.

3. Expand the liberalization of trade in services to a wider and deeper than that Member States have made commitments under the GATS[1].

Negotiations to liberalize trade in services among ASEAN Coordinating Committee on service, which consists of Working Group reports and the branch number 7 below.

1. Business Services Working Group
2. Construction Working Group
3. Health Care Working Group
4. Maritime Transportation Working Group
5. Telecommunication and IT Services
6. Tourism Sectoral Working Group
7. Education Services Caucus

Coordination Commission services will report the results of the negotiations in the working group and educational services to the ASEAN Economic Ministers through the Senior Economic Officials Meetings (SEOM), which Economy Minister will report to the summit of ASEAN leaders.

1. Air Transport Working Group: ATWG, which is under the supervision of ASEAN Transportation Ministers.

2. Steering Committee of the liberalization of financial services under AFAS (Working Committee on ASEAN Financial Services Liberalisation under AFAS: WC - FSL / AFAS), which is under the supervision of ASEAN Financial Ministers.

3. Coordinating Committee on Investment (CCI) has operates under ASEAN Investment Area (AIA) Agreement.

According to the principle of ASEAN operations must obtain a consensus from all the member countries, however, because of the unequal levels of development and readiness to liberalize trade in services of the member countries to make

trade liberalization. Services in ASEAN member countries, the chance to have a consensus on the measures and commitments on trade in services is relatively small. To resolve such issues is not contrary to the principle of ASEAN to push for liberalization of trade in services in the region to achieve the deadline. ASEAN leaders have agreed to negotiate a principle 10 - X or ASEAN - X in the liberalization of trade in services in the region. In addition, negotiations to liberalize trade in services in the usual way in the work mentioned above which has principles are as follows.

1. This principle allows the Member States a number with two or more can negotiate the liberalization of trade in services in advance.

2. The agreement is binding on Member States that joined the negotiations and agreement only.

3. Member States that have not joined the treaty in the first place can join a party to the agreement in the first when they are ready[7].

The negotiations to liberalize trade in services in the region surrounding the negotiations will be conducted by the Member States to submit a proposal to negotiate and conclude as package for the liberalization of trade in ASEAN. There are negotiations to liberalize trade in services in the region based on the principles and form of negotiations in trade in services with the GATS.

Free Zone, This means the district Customs Department approved the Force established by Article 97 of the Customs Act 1926, as amended by Article 8 of the Customs Act (No. 18), 2000 for industrial, commercial or other activities are beneficial to the national economy bringing into the field above, get tax benefits as provided by law. The establishment of a zone free of such could be done by approval The Director-General only is convenient, fast and principles that are consistent with international standards, as provided for in the Kyoto Protocol of the World Customs Organization. It is an alternative to the export enterprises to choose the one that best suits their business.

Border trade, related with customs system categorized as 3 formats; 1) Import means imported used or consumed in the Kingdom. Re - Import means sending out first and then brought back later. 2) Export means exports to the Kingdom. Re - Export means imported first and then return to it later. 3) Transit or Transshipment refers to transport goods across the Kingdom without the use or to earn a place in the country. This product will not be a burden to taxpayers and without the burden of having to ask for permission to import and export.

Transit trade means trade that occurs in various forms of individuals or traders from the one passed second country to a third country or third countries through the second country to country, one of the country must consent to the transit of goods through its territory as well. Border checkpoint set up by the Ministry of Transport to the approval by the way. Customs checkpoint set up by the ministerial approval for the collection of customs and transport and to check with products[6].

Mode of free trade service ; Mode 1 : Providing services across borders refers to commercial service providers in each of the service by moving the service to clients. Mode 2 : Consumption of services abroad means that the service

recipient to the service provider in the country. Mode 3 : Striving to serve Means that a service provider to open an office to better serve local clients. and Mode 4 : Moving personnel Means that a service provider to provide domestic service.

### III. METHODOLOGY

The scope of this study the authors focus on the liberalization of trade in services of Thailand - Myanmar. And Major ASEAN Economic Community in the development of free trade in services consistency with goals of AEC has scope of the analysis below.

1. Scope of content, study theories and concepts of development, essence of AEC Border trade and Thailand - Myanmar both in the past and the problems in the administration.

2. Scope of analysis heading in the direction of development in line with the policy of the government, National Economic and Social Development Plan and the development of local authorities.

3. The scope of the fiscal year 2015 to fiscal year 2016 for consideration by the national administration of government policy, and in line with national development strategies within the National Social and Economic Development Plan No. 11. (2012-2016)

In this study the researcher studying on qualitative research has scope of collection data and analysis as follows. Population of study is executives, civil servants, official, owner business, labor, Ranong Province.

1. To study and analyze on expansion links the liberalization of trade in services. Thailand - Myanmar under the terms of cooperation and ASEAN countries. Border trade agreements and promote the trade and economic development along the border areas across-border trade in services, consumption of services abroad, striving to serve and moving personnel. Including opening of the ASEAN people to work has method of research as follows. Research papers, study and analysis from document, article, any related research report, such as minutes, plans development in the framework of ASEAN cooperation, liberalization of trade in services in the region of border Trade of Thailand - Myanmar and significant details of the ASEAN Community. On the development of border trade in services liberalization Thailand - Myanmar advantage to compete in the form of cross-border trade in services, consumption of services abroad, striving to serve and moving personnel to open ASEAN people have work. Depth interviews Governor of province, Provincial Commerce, Ranong Customs Chief, related civil servant on developing products and services to comply with regulatory measures to promote trade, investment market, employment and the use of raw materials from neighboring countries. This takes advantage of the transportation links of the region. Group discussion on key issues for promoting the liberalization of trade in services to contribute to the development of free trade in services. With operators in the form of cross-border trade in services, consumption of services abroad, striving to serve and moving personnel to work.

These data were synthesized and analyzed

with empirical various documents for findings conclusion as concrete and clearly reason of support.

2. To study the development of free trade in services on borderTrade of Thailand - Myanmar; case study customs Ranong has competitive advantage in the region, the ASEAN Economic Community has method of research as follows. Depth interviews Administration officials on issues related to the development of border trade, development of free trade in services in the framework of ASEAN cooperation. Including guidelines or proposals for comment how the various sectors to be synthesized, analysis and conclusions are clearly tangible and realistic support. Groups discussions with entrepreneurs, workers, citizens on important issues for the development of liberalization of trade in services of Thailand - Myanmar. With the transfer of personnel to turn ASEAN into office personnel, exchange of knowledge Language and culture between the countries in the region is easily accessible and has the potential to compete with the world.

The researcher has monitoring data, inspection data centers, including monitoring data. By the time source, place and person is different if the information is the same or different times, if the information is the same or not, if the information is different the data point to a single well or not. In a qualitative study analysis and data processing could proceed with the process of data collection as follows; study academic or literary work involved will lead to a database in a preliminary analysis. After collecting data by observing, depth interviews and focus groups with Audio Recording recorded data were analyzed relationships and linkages[3]. By way of comparison, data, and systems based on the questions in the study the conclusions are justified and clearly presented results of the data analysis.

#### IV. FINDINGS

To development free trade service, border of Thailand-Myanmar at Ranong Province

1. Providing services across borders refers to commercial service providers in each of the service by moving the service to clients. There should be as follows: The development of infrastructure, transport links to facilitate the expansion of lanes connecting the LCP past Chumphon and Ranong. To build a bridge connecting the two border Ranong to the island to establish contact, transportation, trading, transport efficiency and expanding the economic frontier Thailand - Myanmar.

2. Consumption of services abroad means the service recipient to the service provider in the country. There should be as follows: Should expand trade in goods and services with Myanmar in products of Thailand has advantage and the product is outstanding. Should speed connectivity with operators in other ASEAN countries, India, Myanmar to Ranong, the border area is to contact investment transactions coastal trade and a gateway to other areas as well.

3. Striving to serve means that a service provider to open an office to better serve local clients. There should be as follows: Development cooperation, transport, distribution and Thailand's Andaman Sea with private operators. Distribution of transportation by sea to the port of Penang, Phuket, Satun

and from the port of Penang to Phuket, Satun, Ranong Pier to the Song Island, Myanmar. Services and freight services. The Port of commercial transactions with private operators in the country BIMSTEC comprises India, Bangladesh, Sri Lanka, Nepal, Bhutan, Myanmar and Thailand.

4. Moving personnel means that a service provider to provide domestic service. There should be as follows: Development of skills of the labor force Thailand to work with private sector operators. To study visit abroad and development of English communication skills of partner countries. The exchange of government personnel Local authorities along the border with Myanmar. To develop skills in working together, use of cognitive function has sophisticated tools and technology to create a good relationship between the two countries.

#### V. DISCUSSION

The development of free trade in services Border Trade of Thailand - Myanmar at the Ranong is 1) Service across the border should be infrastructure development, transportation, land transport. The vessel in order to expand economic, trade across borders, 2) Consumption abroad should expand trade with Myanmar, India to link up with entrepreneurs. Trading foreign to Thailand, 3) Establishment of business services, development cooperation, transport, distribution of the Andaman Sea, Thailand among the BIMSTEC countries include Bangladesh, Sri Lanka, Nepal, Bhutan, India, Myanmar and Thailand, and 4) Moving personnel, exchange of personnel, including labor, to improve interoperability. For the development of border trade to the advantage of that competition, Ranong must have driven a special economic zone. Timber industry focus Palm and fishing industry The Indian market is the distribution to Yangon, including the development of the area and the port of Ranong. The trade links across the ship to countries in the ASEAN region, the Middle East and Europe, Mala pointed Bengal will also encourage people to have more international trade. Have to come to them easily. The exchange of knowledge Language and culture between the countries in the region and has the potential to compete with the outside world.

For people who live in the area to participate in the economic development of border trade, it is important that the customs Ranong, Commerce City Province, Chamber of Commerce Administration officials, local government officials, community leaders, to collaboration. Including the management of the public in the area has participation in the preparation of plans / projects, economic development, border Ranong. Border Trade of Thailand - Myanmar and bringing the plan into action Emphasizing participation, self-reliance and mutual help, power-driven community, strengthening the development of border areas.

#### ACKNOWLEDGMENT

This study has successful from supported by Institute of Research and Development of Suan Sunandha Rajabhat University. As well as related person such as Ranong Customs Checkpoint Official, Harbor Authority of Thailand, civil

servant, official, business owner, community leader, people in border of Ranong has facilitate and participate in give data and activity has resulted to this study.

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