



**AMEICC**

# Joint Report

## Fact Finding Mission Along the EWEC and SEC

*NESDB & AMEICC Secretariat*

Arkhom TERMPITTAYAPASITH, Secretary-General, NESDB

Masatsugu YOSHIOKA, AMEICC Secretariat

May 29, 2014

# Mission Program

- Organized by NESDB
- Team leader: Arkhom Termpittayapaisith, SG of NESDB
- Members: AMEICC Secretariat, ADB, JETRO Bangkok, Japanese Embassy in Bangkok, Kitakyushu City, Toyota



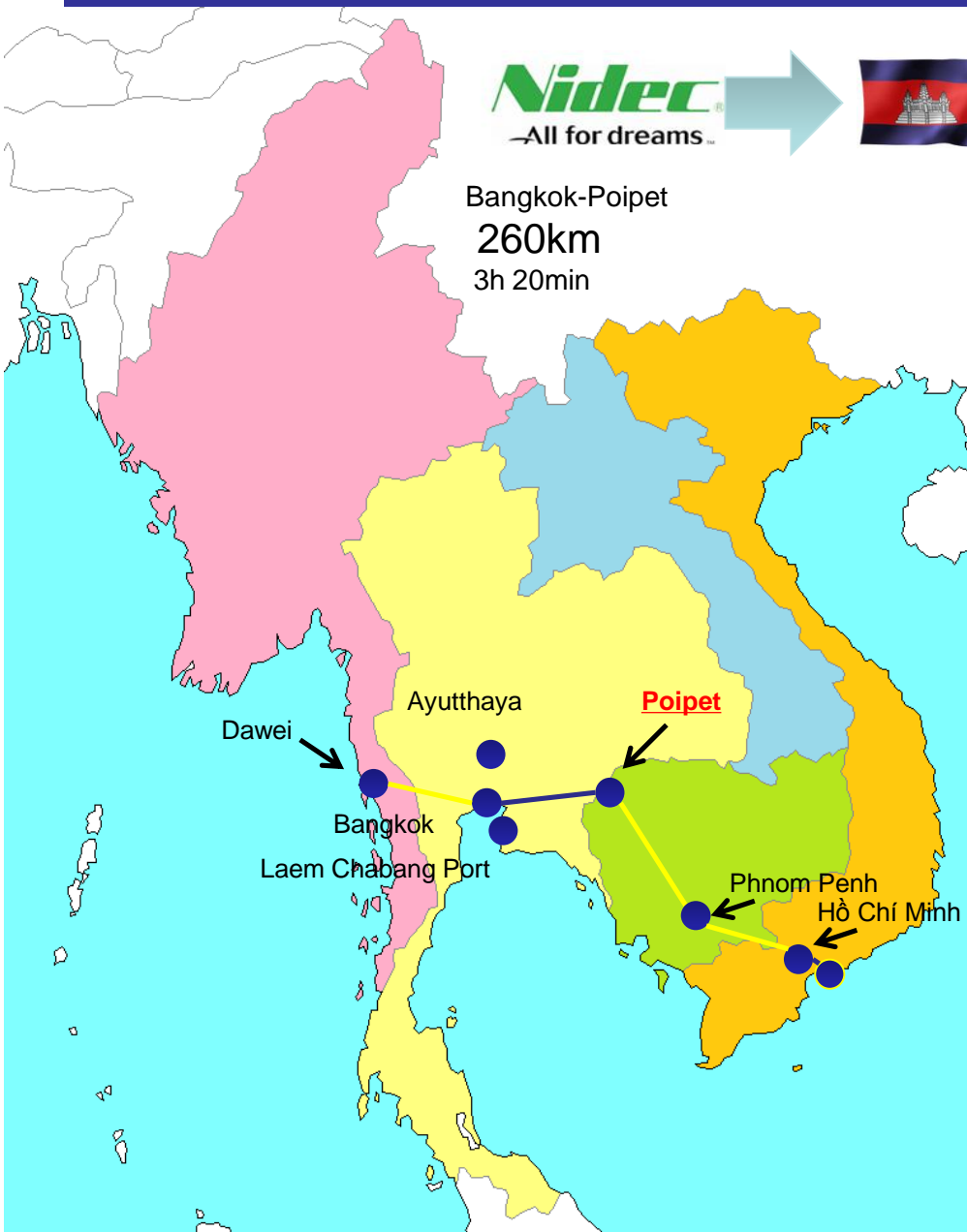
10-14 January 2014	Cambodia	Aryanyaprathet, Sakaeo - Poipet, Banteay Border Meanchey, Trat- Koh Kong Border (Southern Corridor)
20-23 March 2014	Lao PDR, Vietnam	Mukdahan-Savannakhet-Lao Bao-Hue, Danang (East side of West East Corridor) Nakhon Panom - Khammouane
15-18 May 2014	Myanmar	Mae Sot, Tak-Myawaddy, Hpa-an - Mawlamyine-Yangon (West side of West East Corridor)

# Objectives



- To monitor work progress of road improvement along the corridors
- To explore problems at the cross-border check points
- To study the special border economic development zones along the corridors and the industrial development of supply chains

# CAMBODIA: Aranyaprathet- Poipet Border



## •VISIT COMPANIES

(1) Hi-Tech Apparel Garment, Thai owned  
- Manufacturing of garment, NIKE, Tommy Filfiger etc.

(2) SC Wado Component owned by NIDEC Electronics  
- Parts for hard disc  
- Investment: 3 bn yen  
- Employee: 5000 (2014)



# CAMBODIA: Koh Kong SEZ (Southern Corridor)



FIVE companies are already established. Cambodians in KohKong can speak Thai.

## VISIT COMPANIES

- Yazaki Products(open Dec 2012)  
Electric wires in vehicle, 500workers
- Mikasa Sports (test plant 2013)  
Volley ball
- KKN Apparel  
Thai owned, 300 workers





# ISSUES : Aranyaprathet – Poipet

## 1. ROAD CONDITION



## 3. TRAFFIC JAM at BORDER GATE



## 2. UNEXPLODED BOMB



# ISSUES : Trat-Koh Kong

Trat



2. RAISED ISSUE from MIKASA, concerning Rule of Origin (ROO). President of Mikasa, Mr. Tokuno was on TV show on February 2014

Koh Kong



SEZ



1. MEETING WITH DSG of Council for the Development of Cambodia, H.E. Chea Vuthy at Koh Kong SEZ



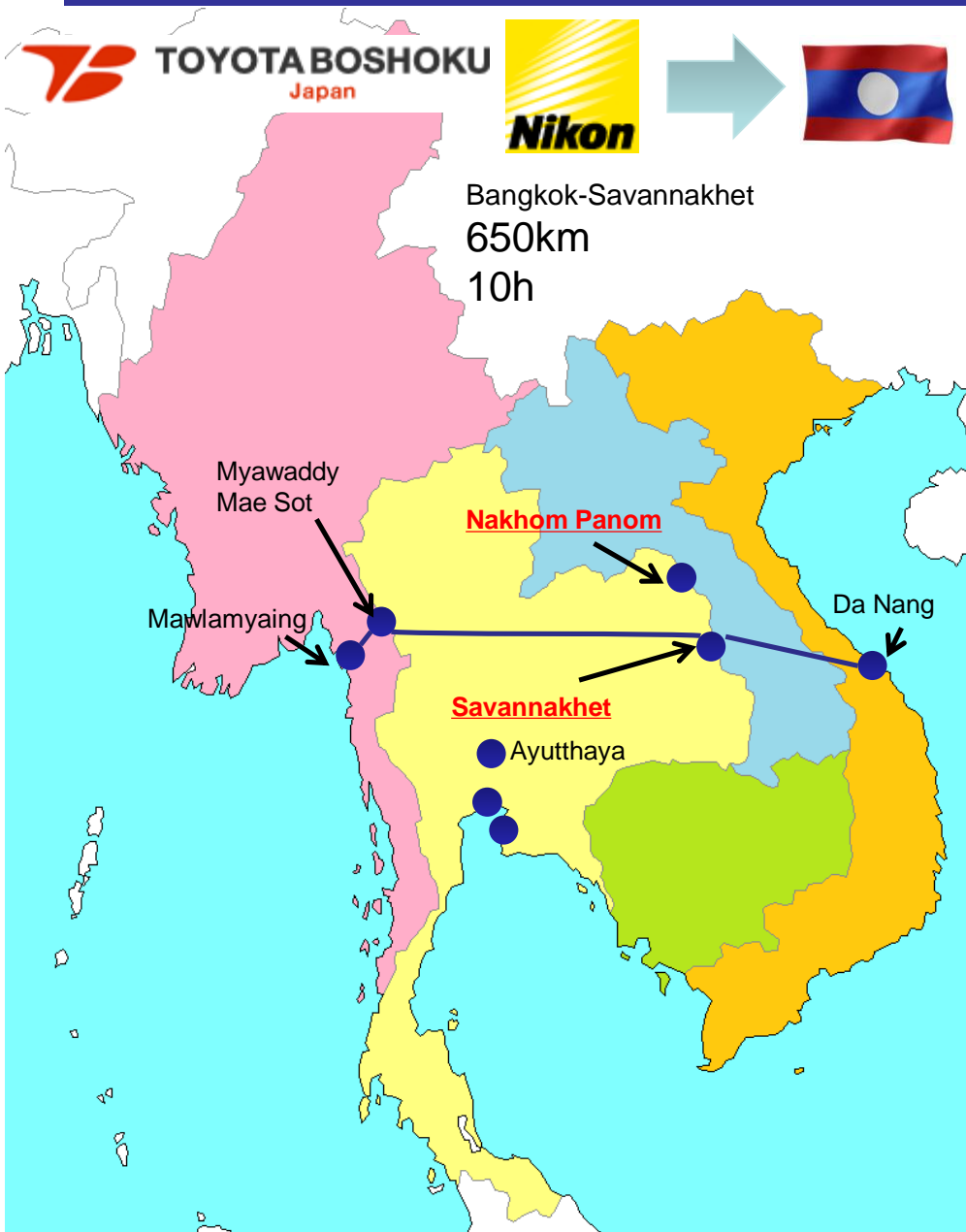
Problem of ROO  
Volley ball is exported via Laem Chabang, Thailand. In order to utilize GSP of Cambodia, they need to put seal on the package, but sometimes, it was broken at the custom of Kohkong.

→ This TV program broadcasted interview of Mikasa





# Laos: East-West Corridor (Savannakhet)

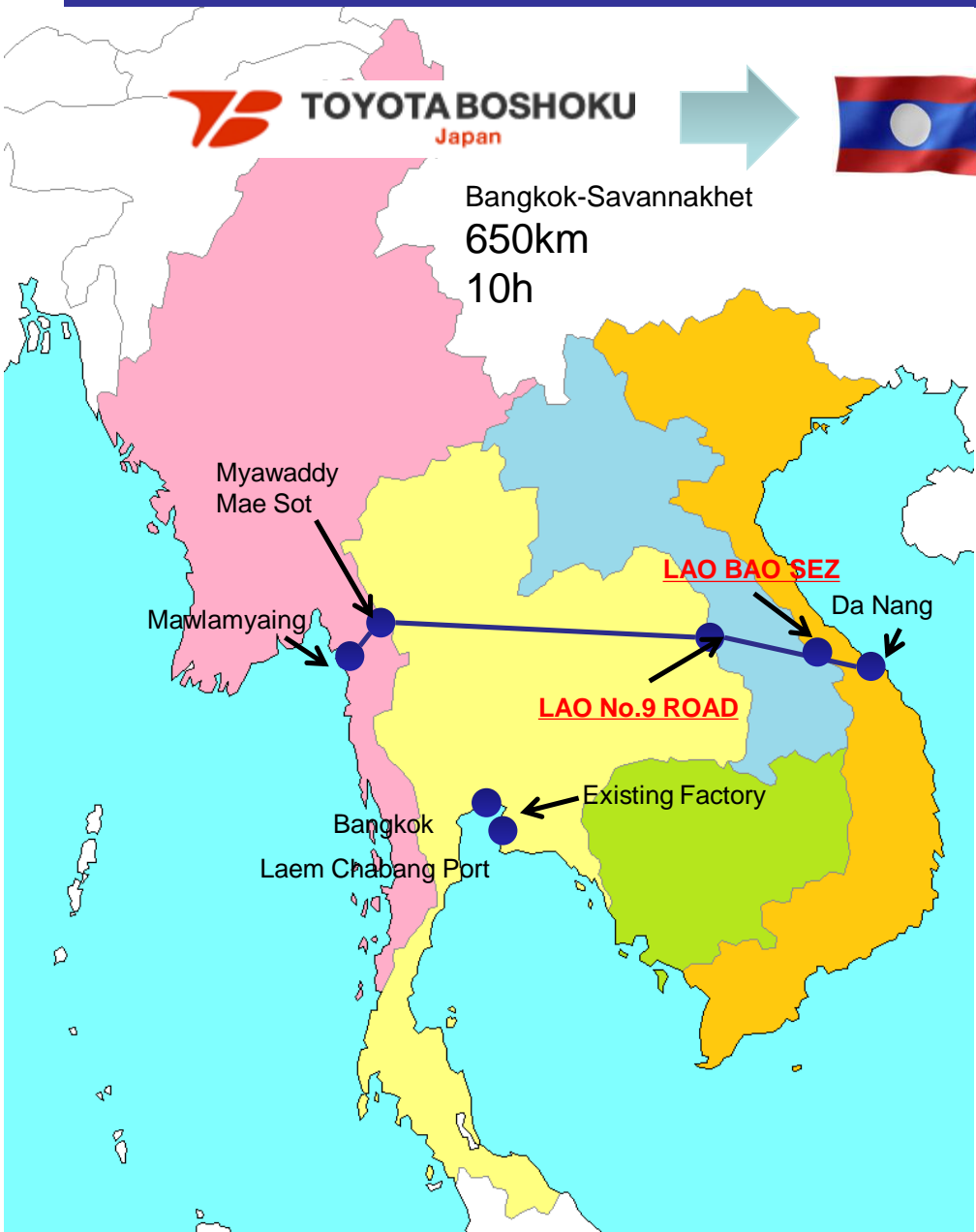


- **SAVAN SENO SEZ** (Toyota Boshoku start operation in April 21, 2014)
- **VISITED COMPANIES**
  - (1) **KP Beau lao**  
Cosmetic products, Lao-Japan JV
  - (2) **Aeroworks (Lao)**  
Interior parts for airplane, Dutch
  - (3) **Nikon Lao** (Established 2013 Mar)  
Camera Unit / Parts imported from Thailand and assembly in Laos. "Quality of Labor is the same as Thai"
  - (4) **Mitr Lao Sugar Factory**





# Vietnam: East-West Corridor (Lao Bao and Danang)



Lao National Road No.9  
- connects Mukdahan-Savannakhet  
and Lao Bao--East West corridor

## Lao Bao SEZ

Vietnam owns land of SEZ

Vietnam Companies 57

Thai Companies 2

## Visited Companies

(1) Chaicharoen Vietnam Thailand

Thai company, Energy Drink

(2) Camel Rubber Vietnam

Thai company, Tire. shipment from  
Danang



# ISSUES - EWEC in Thailand and Lao PDR.

## 1. ROAD CONDITION



## 2. OTHER Infrastructure



## 1. ROAD CONDITION

- (1) Bumpy/Rehabilitation
- (2) Only one small road station

## 2. Cross Border Transportation

One car cannot cross from T to V

## 1. CUSTOM SERVICE at Mukdahan and Savannakhet

- (1) 6:00-22:00 (not 24 hour-operation at Lao checkpoint)
- (2) Not yet single window/single stop inspection
- (3) E-customs, VAT can pay here

# ISSUES - EWEC in VIETNAM

## 1. ROAD CONDITION



## 2. DANANG SEA PORT (EAST END)



LENGTH OF BERTH 965 m  
DEPTH OF BERTH 11-12 m  
CONTAINER SHIP UP TO  
200 TEU

under upgrading construction  
(2015)  
500m, 13-14m, up to  
3000TEU



# ISSUES – Nakhon Phanom - Khammouane

## 1. Cross Border Facilitation



## Facilitate Cross Border Trade and Transport

→ To include Nakhon Phanom-Khammouane in the CBTA. (Thailand and Lao PDR)



## 2. Specific Economic Zone

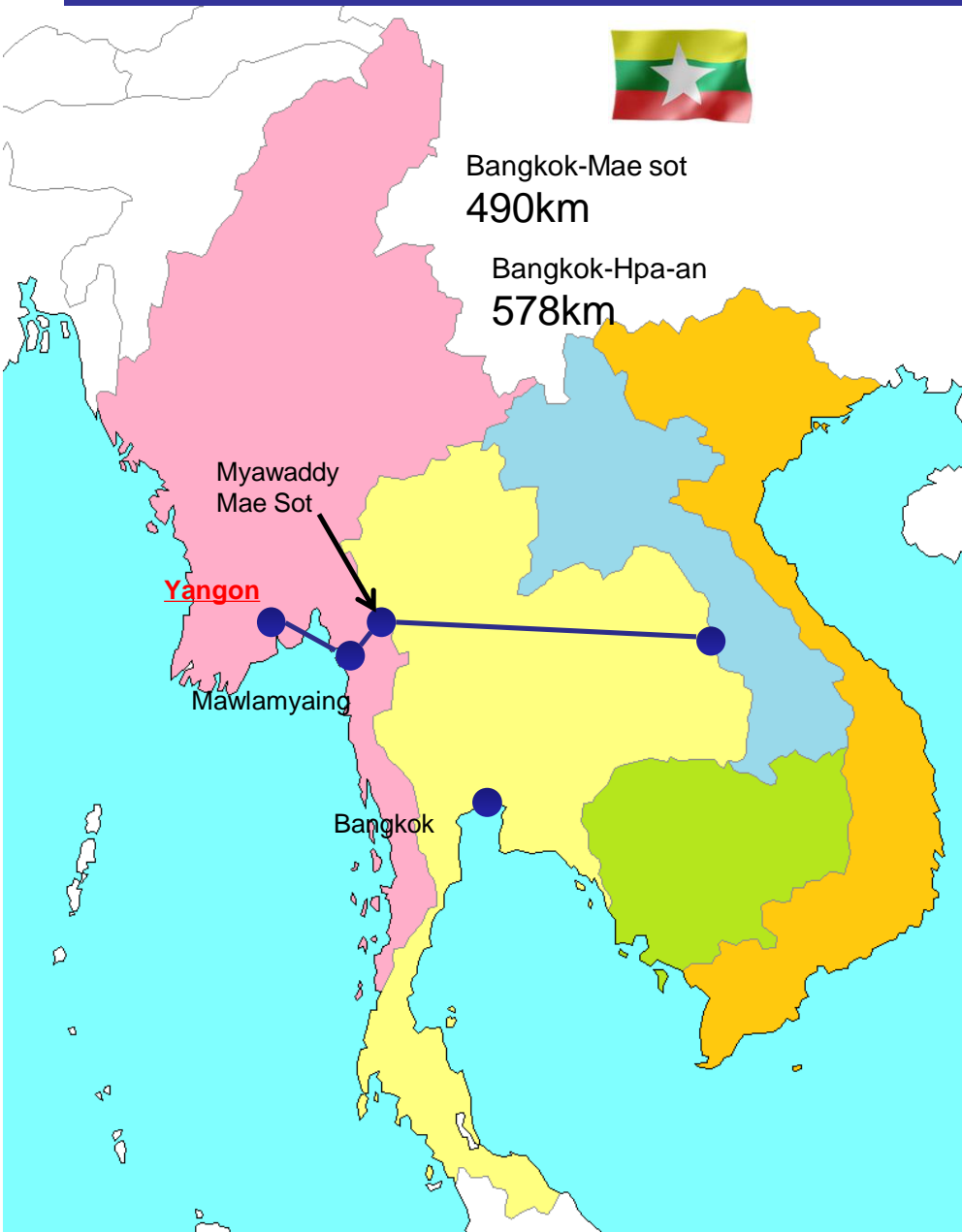
### Thakhek Specific Economic Zone

Thailand-Lao PDR-Malaysia investment (hospital)  
Chevrolet automobile  
SEZ Area : 6,470 rai





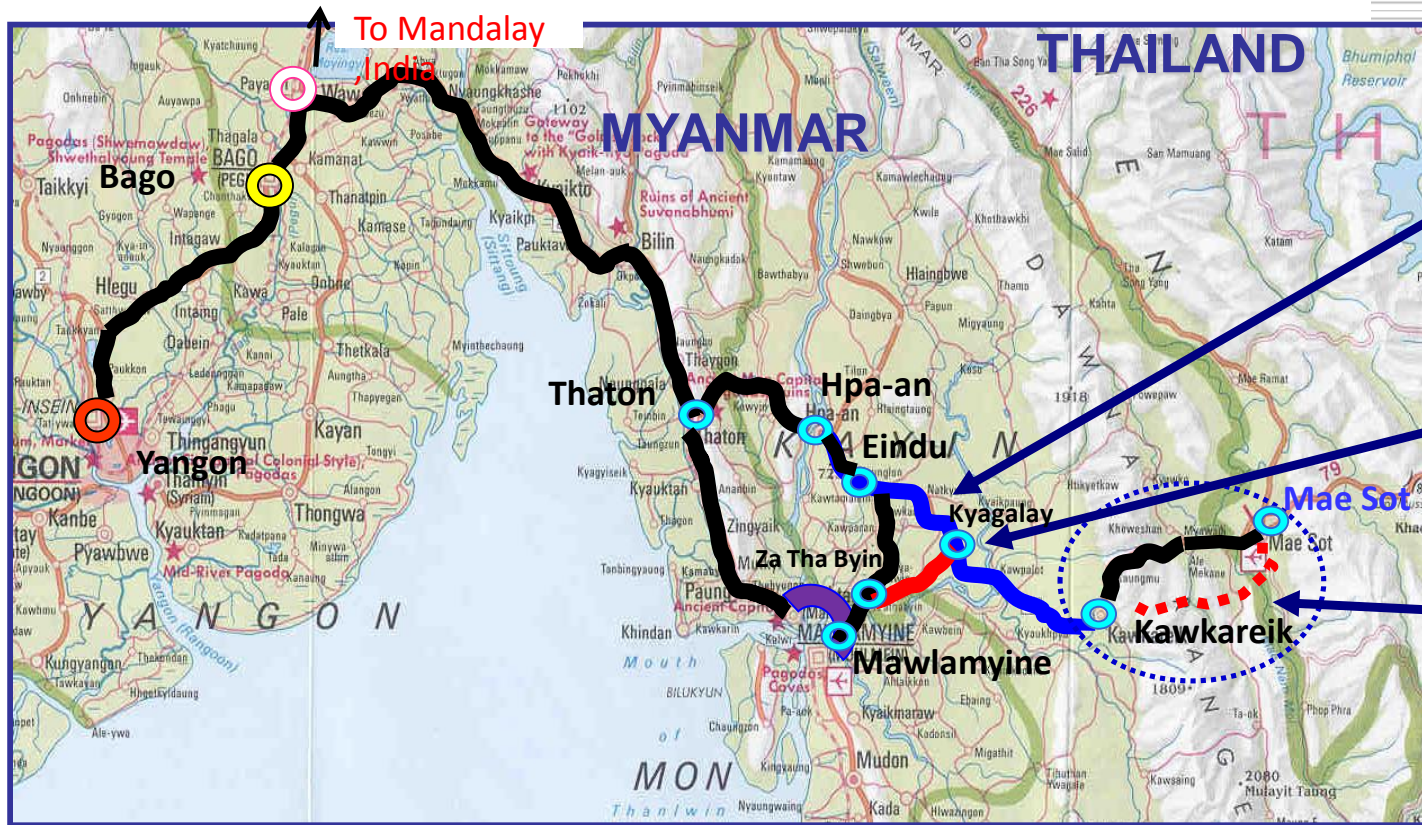
# Myanmar: East-West Corridor



- Mae Sot, Tak
  - VISITED FACTORIES
- (1) T.K. Garment  
1600 workers, Thai company
- (2) Mae Sot Ceramic limited  
Producing



# Myanmmar - East West Corridor



**TA from ADB**  
**Eindu-Kawkariek**  
**Improvement 70 km**

**Mawlamyine –**  
**Kawkariek Shortcut**  
**26 km (Kyagalay-Za Tha**  
**Byin) proposed for**  
**Japan ODA (road)**  
**and Thai Assistance**  
**(bridges)**

**New Road from**  
**Myawaddy to Kawkariek**  
**from Thai Assistance**

Bangkok-Hpa-an 578km

- Visited UMH Co Ltd. at Hpa-an SEZ  
Myanmar (100%) company, export 100% to Japan  
It wishes to produce Air Bag for TOYOTA  
"Japan is demanding market. If clear JP market, world market is easy."





# Myanmmar – Trade Zone /Industrial Park/Seaport

## 1. Myawaddy Trade Zone

11 km-far from Thai/Myanmar border  
180 hectares  
Distribution center and loading area



## 3. Myanmar Integrated Port Limited

Handling general cargo  
150,000 sq m  
200-m wharf with 10m draft  
→ Under expansion and joint venture with Malaysian enterprise



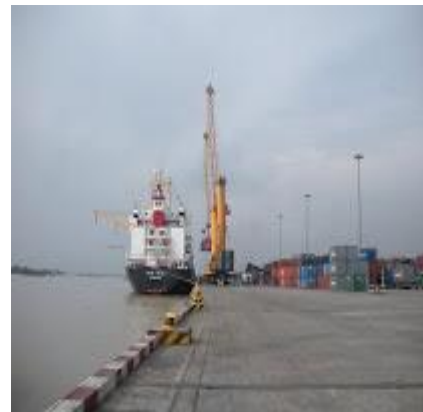
## 2. Mingaladon Industrial Park

Industrial zone  
90 hectares  
Manufacturing for products to Asia and Europe



## 4. Asia World Port Terminal

Handling container cargo  
Area 30.436 acres  
4 Wharf  
Water depth 9.5 m  
Storage capacity 7,633 TEU



# ISSUES - East West Corridor in Myanmar

## 1. Myanmar- Thailand Border



TRAFFIC JAM between the two gate

Custom Office Hour

6:30am-6:30pm

→ 5:30am-8:30pm (3hours extension)



Rehabilitation of The 1<sup>st</sup> Thai-Myanmar bridge was completed(Thai assistance).

The 2<sup>nd</sup> Thai-Myanmar bridge F/S and D/D are underway (completion within last Quarter of 2014)

Mae Sot SEZ study is in process.



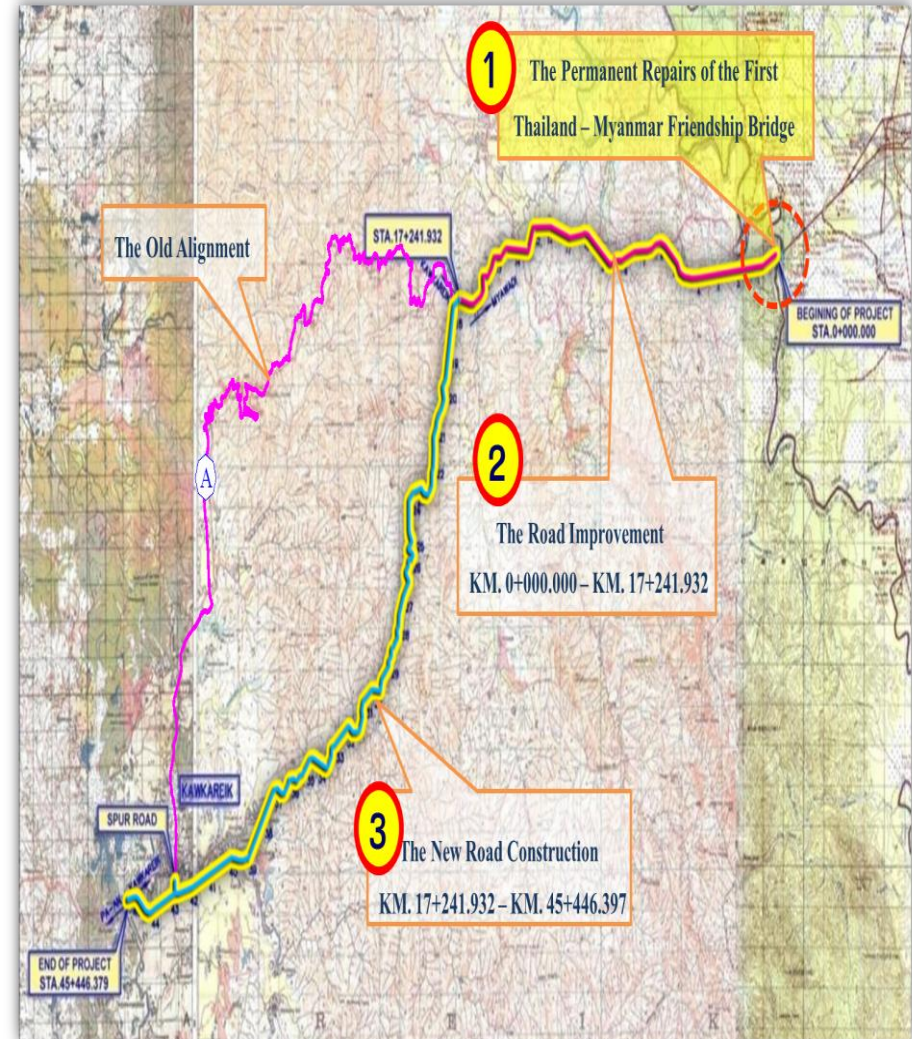
# ISSUES - East West Corridor in Myanmar

## 2. ROAD CONDITION



←information center

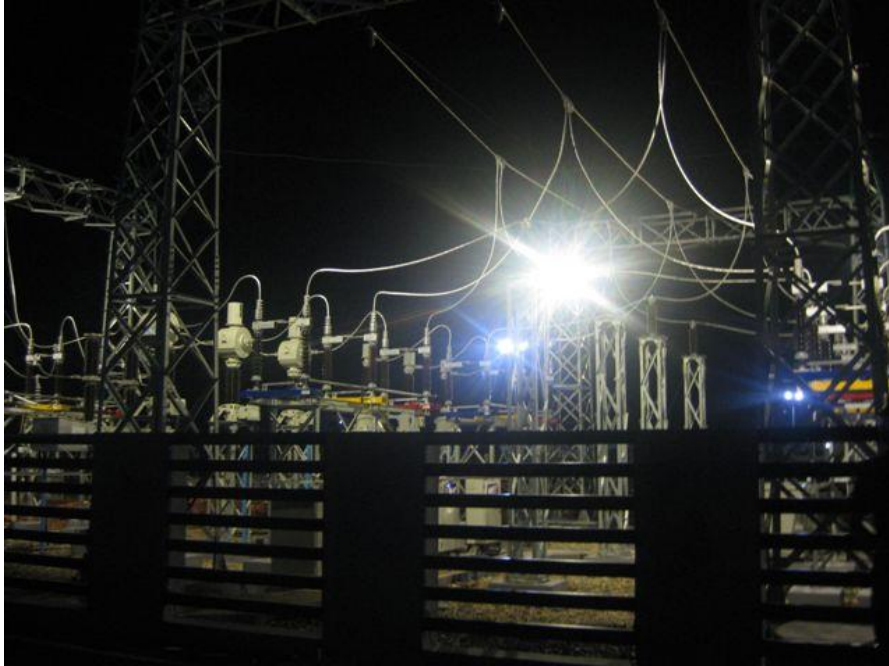
## NEW ROAD CONSTRUCTION PLAN





# ISSUES - East West Corridor in Myanmar

## 3. Power Plant in Mawlyamine



Power Plant 220MW provide Hpa-an SEZ  
Natural gas provided by government  
Production cost 3.5 cents/day Energy  
Effective Rate 30%

Kitakyushu Executive Adviser Mr. Ohue:  
New tech can improve effective rate.

## 4. Thilawa SEZ



H.E. Set Aung and SG Mr.Arkhom

Commercial operation in 2015  
Letter of Intent 38 companies  
Port depth 9m  
Natural gas pipeline,  
50MW power plant

# ISSUES - East West Corridor in Myanmar

## 5. Eco-friendly Factory



T.K. Garment  
Waste Management  
elaborate what it is doing



Ceramic Limited Partnership  
Energy Saving  
elaborate what it is doing

- **Factory should be eco-friendly. Thai companies are already pursuing.**
- **Kitakyushu City, Eco-Town of Japan, may wish to provide its hard time experiences.**

# SUMMARY\*

## 1. EAST WEST CORRIDOR : Need to upgrade or improve

- ☐ National Road No.9 in Lao (JP assist, completion in 2015)
- ☐ Danang Sea port in Vietnam (in 2015 completion)
- ☐ Thai-Myanmar traffic Jam
- ☐ Myawaddy-Kawkareik new road (Thai assist in 2015 completion)
- ☐ Eindu-Kawkareik road improvement (TA from ADB)
- ☐ Power generator in Mawlamyine
- ☐ Nakhon Phanom – Khammouane to be included in the CBTA

## 2. Thai-Cambodia Border

- ☐ Road upgrading in Poipet SEZ
- ☐ New border point selection in Aryanyaprathet and Poipet
- ☐ Border checkpoint and facility improvement at Trat-Koh Kong

## 3. SOFT INFRASTRUCTURE

- ☐ Customs service office hour
- ☐ ROO
- ☐ GREEN LANE/ RED LANE
- ☐ Literacy Rate Improvement

Lao-Thai Border (Mukdahan-Savannakhet) 6:00am-10:00pm  
Myanmar -Thai Border (Mae Sot-Myawaddy) 5:30am-8:30pm  
(Thai time)  
Cambodia-Thai Border (Aranyaprathet-Poipet) 6.00am-10:00pm



# Mekong - Japan Cooperation Towards Green and Prosperity of the Mekong Region



Thank you