

## RESEARCH ARTICLE

### Utilization of the Greater Mekong Subregion Cross-Border Transport Agreement (GMS-CBTA)

Pittaya Suvakunta  
College of Interdisciplinary Studies  
Thammasat University  
[spittaya@tu.ac.th](mailto:spittaya@tu.ac.th)

Viralbajra Prasertsak  
College of Interdisciplinary Studies  
Thammasat University  
[vprasert@tu.ac.th](mailto:vprasert@tu.ac.th)

Theraphat Chaiphiphat  
College of Interdisciplinary Studies  
Thammasat University  
[ctheraph@tu.ac.th](mailto:ctheraph@tu.ac.th)

Sivarin Lertpusit  
College of Interdisciplinary Studies  
Thammasat University  
[lsivarin@tu.ac.th](mailto:lsivarin@tu.ac.th)

Weera Naruepatarawanon,  
[khetrat\\_tu@windowslive.com](mailto:khetrat_tu@windowslive.com)

#### Abstract

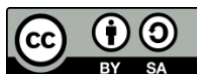
*The aim of this study was to analyze spatial data on the current status and progress in the implementation of the Greater Mekong Subregion (GMS) Cross-Border Transport Agreement (CBTA). Problems, obstacles, and opportunities related to the agreement during implementation were examined. This qualitative research was performed using field surveys, stakeholder interviews, and brainstorming in focus groups. The results revealed that there is a need to develop road and rail transportation systems that connect with the customs houses of Mae Sai, Chiang Saen, Chiang Khong, Nakhon Phanom, and Nong Khai in Thailand. Cross-border*

*transportation with neighboring countries needs to be improved as well because the transportation through customs houses is cheap and provides certain schedules. Cross-border regulations were found to be a major obstacle. In order to promote smooth cross-border transportation, negotiations at the state-to-state level and private-to-private level are needed. The connection of logistics networks under the GMS-CBTA framework will be flexible and can be adjusted according to the changing situations in the region and globally. Cooperation of the GMS in the transportation system could provide a mainland link that connects the Indian Ocean with the Pacific Ocean. It could provide a short and fast alternative route that could promote the potential of GMS competition at a global level, enhance bargaining power, and maintain the balance of power in the region.*

**Keywords:** cross-border transportation, GMS-CBTA, logistics, Greater Mekong Subregion

#### I. Introduction

The Greater Mekong Subregion (GMS) Cross-Border Transport Agreement (CBTA) is a framework agreement that facilitates cross-border transportation within the sub-region. It has two main objectives: 1) to facilitate cross-border transportation and promote the logistics of road transportation for goods and passengers, as well as 2) to support the multimodal transport through the development of laws, regulations, procedures, and protocols of the cross-border transportation of people, vehicles, and goods, which are related to the responsibility of transport operators between member countries in a simple, consistent, and uniform way. The GMS-CBTA consists of 17 annexes



and three protocols. It covers cross-border transportation, immigration, customs, and quarantine. The cross-border facilitation includes 1) the operation of Single Window Inspection (SWI) for the cross-border transportation of goods; 2) joint operations of Single Stop Inspection (SSI) by inspecting and releasing goods in Common Control Areas (CCAs); 3) the implementation of harmonization /integration of the system; 4) the exchange of traffic rights and cross-border requirements of individuals; 5) the establishment of transit traffic regimes through the exemption of physical inspection of goods, collateral application, and transportation controls; 6) determine the qualifications of vehicles that travel across borders; and 7) determination of standards for infrastructure, such as roads, bridges, traffic signs, and signals.

All member countries signed the agreement in 2003 and ratified all annexes and protocols in 2015, which resulted in the full enforcement of the agreement. However, during this period, member countries were unable to effectively implement the agreement due to several obstacles, such as differences in domestic regulations, the insufficiency of facilities and infrastructure, and the lack of knowledge and understanding of border officers. The GMS-CBTA simplifies the process of transporting goods and people across borders in six member countries of the GMS, which includes Cambodia, Laos, Vietnam, Thailand, and South China (Yunnan Province). These countries share the same set of specific information: 1) the current condition and advancement of the project

under the GMS-CBTA; 2) the current condition and growth of the infrastructure; 3) statistics on travel, transportation, and the number of international routes in the GMS region; and 4) evaluation of the performance related to the CBTA within a specific country to gather necessary information, coordinate meetings, formulate inquiries, select participants, and analyze and process data.

The inception of economic cooperation in the GMS took place in January 1992. Its primary objective was to foster economic, social, cultural, and political collaboration with the subregion. This collaboration involved six member countries with the backing of the Asian Development Bank (ADB) and the governments of all six member nations. It originated from cooperation in the subregion and was legally established in 1999. The GMS-CBTA was established with the goal of enhancing cross-border communications for both travel and freight transport. This agreement seeks to streamline processes by minimizing bureaucratic requirements, simplifying import and export procedures, and reducing the time taken for logistics operations.

There have also been other developments in the economic corridor of the Mekong River. These developments can be categorized into different periods, beginning with the establishment of economic cooperation. The first ministerial-level meeting of the member states took place on January 1, 1992, and continued in 1994. The ADB started with the approval of a high-speed railway project in Yunnan and a power plant in Laos. In



1998, an economic stimulus was approved to promote growth. In 1999, Thailand, Laos, and Vietnam signed a tripartite agreement that allowed for cross-border transportation known as the GMS-CBTA, and Cambodia also joined in 2001. The inaugural GMS Summit of Leaders took place in 2002, and in 2003, both Myanmar and China (specifically Yunnan Province) joined the GMS-CBTA, thus including all members. In 2011, the 4th Summit officially established the New Strategic Framework (2012–2022).

Meetings and discussions among the leaders and governments of the member countries of the GMS from 1992 to 1994 resulted in the establishment of a cooperation framework. This framework included plans and strategies for the development of the Mekong Subregion Economic Corridor with the aim of creating a suitable framework for cooperation in potential future development. The meetings and negotiations resulted in the implementation of economic development projects with collaboration between the countries in the GMS.

From 1994 to 1997, detailed studies were conducted in various sectors to identify projects that should be initiated. This included an assessment of the investment potential in the structural investment economy with a focus on constructing a bridge across the Mekong River to facilitate international border-area development. The bridge would reduce physical barriers to communication and logistics and stimulate further projects in other areas. However, the period after the Asian financial crisis in 1997 led to a slowdown in development. Although these issues have

hindered the group's attempts to collaborate effectively, they have led to a more solidified group integration.

In the early 21st century, the inaugural summit of the heads of member states in 2002, which involved a significant initiative focused on the Economic Corridor of the Mekong River and resulted in the implementation of many projects. These projects encompassed the establishment of road networks to enhance economic connectivity among member states, the implementation of measures for environmental management and biodiversity protection, the promotion of agricultural cooperation, and the pursuit of regional energy stability, among others. The summit of leaders has undergone a significant transformation as member countries have formulated a collective vision agreement to address the economic disparities and foster relationships, prosperity, and cooperation in the economic domain through a strategic plan known as the 3 Cs: Connectivity, Competitiveness, and Community.

In 2004, Guangzhou Province, China, joined the collaborative initiative, contributing abundant natural resources as well as its growing economy and population. The 4th GMS Summit in 2011 resulted in the advancement of economic development through various means, enhanced cross-sector investment assistance, the dissemination of affluence from urban to rural regions, and increased solidarity for economic advancement. These changes have resulted in alterations or enhancements in policy,



collaboration, and methods for economic development.

Multiple literature reviews have examined the GMS-CBTA, but they are obsolete and solely concentrate on policy at the state level. For example, Umezaki's indicates that the agreement has faced numerous challenges and barriers within the context of international collaboration. Upon examination of the agreements, it is evident that the GMS-CBTA is experiencing significant delays in its implementation.

Thailand, Vietnam, and Laos (the three founding member nations) signed the GMS-CBTA in 1999, and subsequently, all six countries engaged in negotiations to finalize the agreement and held a ceremony to sign it in 2007. However, the agreement has not been put into effect as of now and is not mandatory in any way. The CBTA came into effect in August 2015 after the six countries signed a comprehensive document and held a ceremony. However, the process required a considerable amount of time, resulting in delays and a lack of modernity, and as a result, revisions were necessary for both the terms in the agreement and the ceremonial procedures (Umezaki, 2017).

While the CBTA has been put into effect, the complete execution is still pending for the involved parties. For instance, the CCA at the border crossing point is not fully prepared. Construction and settlement have finished in Thailand, but the necessary arrangements have not yet been made in Laos to carry out various ceremonies in the jointly controlled area. This delay is due to the

Ministry of Communications of the country party, which is responsible for overseeing operations under the CBTA. In 2016, the CBTA remedied the problem by endorsing the implementation of an agreement that simplifies cross-border transportation facilities. This agreement is known as the CBTA Early Harvest and was introduced in 2018 specifically for the River Basin Area.

The initial agreement was based on the Memorandum of Understanding (MoU), which documented an agreement to allow each country to issue a GMS Road Transport Permit and a temporary Motor Vehicle Temporary Admission Document (TAD) for non-traffic vehicles and a maximum of 500 passengers. This facilitated the implementation of the CBTA. Member States' rights to block the passage of such vehicles through the border by officials is subject to certain limitations (Umezaki, 2017). The Neighboring Countries Economic Development Cooperation Agency (NEDA) has undertaken an extensive research project that focuses on the supply chain in the Mekong subregion and particularly on infrastructure development in 2021. It has been discovered that there are ongoing technological hurdles, legislative obstacles, institutional challenges, limitations in physical capability, and coordination problems. The advancement of the CBTA has not met the anticipated level.

Multiple MoUs were made before the 2015 convention at both bilateral and tripartite levels, which included the utilization of some CBTAs. The SSI was introduced in the Bay-Sunbridge and Marmara-Broad Universe



regions. The Swedish Subregion has established an SWI system that allows for the completion of customs procedures for harvests at a single spot. During the initial shipment transit, the authorities had not provided information regarding the quantity of shipments on the river. However, the CBTA reached an agreement that allows each shipment to be transported over the course of one month.

Laos initially specified that transportation to and from the nation is restricted to border crossing stations located along National Route No. 3, No. 9, and No. 13. Maximum stays of 30 days are permitted in the member state for a duration. During each journey, a TAD serves as a valid "passport" and is issued by the relevant authorities in the vehicle's country of origin (i.e., the country where the vehicle is registered). This document allows the vehicle to stay in the host country for a maximum of 30 days. The customs authorities of the host country need to inspect the vehicle upon entry and exit. To establish the presence in a member state, a maximum of 30 additional days is necessary. It is unnecessary to indicate the frequency of cross-border arrangement establishment or the maximum duration for implementing the CBTA (NEDA, 2021).

Regarding strategy, the GMS Transport Sector Vision (TSS) 2030 has recommended a strategic impetus to serve as the foundation for strategic assistance. The CBTA point is located in chapter 2, where it serves as a strategic support base. It encompasses the following plans: enabling the movement of

goods and people across international borders, promoting the liberalization of communication services, and referring to the context of the European Union as an example. It is a key goal of TSS 2015. This goal remains pertinent and suitable. Particularly with the establishment of the Asian Economic Community in 2015, there has been development of a market vision and integration foundation that allows for enhancements in the areas of commodities, services, investments, money, and skilled labor.

The GMS member countries lack collaborative endeavors to achieve the desired objective. Therefore, there is a minimal amount of work required to synchronize the targets. Principally, the authorities in borderland have implemented measures to decrease the flow of commodities across the border. The GMS agreement has streamlined the transportation of all goods throughout the GMS to any border (NEDA, 2021).

There have been suggestions to enhance and modernize the incomplete cross-border facilities. This includes implementing information technology (IT) systems to support various processes, such as a CCA or SSI. These systems would be jointly operated by border officials to ensure a unified inspection process with a specific focus on entry inspections. Under this arrangement, officials from an outgoing country would travel to a country of entry within the CCA and undergo observation. The relevant border units of a country, such as customs, immigration, and plant and animal protection, would handle the release process within the same area (NEDA, 2021).



The literature does not reflect the drastically changing circumstances that have occurred following the COVID-19 pandemic. Additionally, the domestic policies of member nations have been continuously changing, which has had an impact on the progress of the CBTA. Therefore, the purpose of this research is to achieve two specific goals related to the advancement of CBTA. Firstly, the spatial data pertaining to the member states and development of GMS-CBTA implementation were examined and evaluated. Secondly, the challenges, barriers, and recommendations for the successful implementation of GMS-CBTA were assessed.

The GMS-CBTA is an enforceable agreement among the six member countries of the GMS, namely Cambodia, Lao PDR, Myanmar, Vietnam, Thailand, and southern China (Yunnan Province). (Asian Development Bank, 2011) The agreement aims to accelerate international transport in GMS by evaluating the outcomes of the CBTA implementation in each member country.

The CBTA agreement began with the three GMS member countries, namely Thailand, Laos and Vietnam, agreeing in November 1999 in Vientiane, Lao PDR. Later in 2001, Cambodia joined the agreement and in 2003, Myanmar and Yunnan Province of China signed a joint agreement. Member countries prepared 20 annexes and protocols to the agreement to set out the details of joint implementation and all 20 versions have been signed. The agreement will come into effect when all member countries ratify the agreement, annexes, and protocols. In

particular, in 2011, the fourth GMS Summit endorsed the new strategic framework from 2012 to 2022 to ensure its effectiveness.

The main goal of GMS-CBTA is to optimize cross-border transportation, including travel and cargo movement across the GMS region, encompassing streamlining the logistical operations within the subregion, accelerating import-export protocols, and minimizing paperwork intricacy. This agreement aligns with the Asian Development Bank, Strategy 2030, which aims to promote sustainable development in the Asia-Pacific region comprehensively. It emphasizes the importance of adaptability and the continuous effort to eradicate poverty.

The CBTA is a flagship initiative under the Greater Mekong Subregion Economic Cooperation Program to promote transport and trade facilitation. When fully implemented, the CBTA will improve the efficiency of transport services by facilitating cross-border transport, complementing economic corridors and physical infrastructure and investment, and creating a more favorable environment for cross-border trade, investment, and tourism.

The program is helping to expand transport and traffic rights along the GMS-CBTA. route network; simplify and modernize customs procedures and border management and strengthen the capacity of sanitary and phytosanitary agencies in the subregion. (Asian Development Bank, 2011) The CBTA is a single comprehensive legal instrument that includes all of the non-physical measures for cross-border land transport. Under the CBTA,



vehicles, drivers, goods, and passengers will be allowed to cross national borders through the GMS road transport system.

The Agreement promotes the elimination of intermediary stops or transshipment, as well as promoting the reduction in the amount of time spent crossing borders (link to the CBTA Main Agreement). Increasing the number of border checkpoints that are implementing the CBTA will help maximize the effectiveness of the GMS transport networks. The CBTA complements the existing physical infrastructure of the GMS countries.

## II. Methodology

This study utilized qualitative research methodologies to gather and analyze data from primary and secondary sources, such as official state documents and academic literature. This research has pursued the crucial collection of data and implementation of field studies, discussions with focus groups, the creation of vital agendas, and data analysis and integration. For data collection, besides examining documents, in-depth interviews were conducted with 60 stakeholders, who consisted of representatives from the public and private sectors, such as government officials from custom houses and the Ministry of Commerce, scholars from local universities, and delegates from trade groups and industrial councils in Chiang Rai, Nakhon Phanom, Nong Khai, and Laos. (International Institute for Trade and Development. (2024) Moreover, field research was done at the key customs checkpoints: Mae Sai Customs House, Chiang Saen Customs House, Chiang Khong Customs

House, Nakhon Phanom Customs House, and others.

The study also investigated the current conditions and progress of operations in the GMS-CBTA to comprehensively address the difficulties, obstacles, and prospects associated with implementing operations under the agreement. To obtain progressive information, this research has collected data through field studies, discussions with focus groups, the creation of vital agendas, and data analysis and integration. The main goal of GMS-CBTA encompasses streamlines the logistical operations within the subregion, along with accelerating import-export protocols and minimizing the complexity of paperwork. This agreement aligns with the ADB Strategy 2030, which aims to comprehensively promote sustainable development in the Asia-Pacific region. It emphasizes the importance of adaptability and the continuous effort to eradicate poverty.

## III. Discussions

The investigation of the GMS-CBTA implementation progress was structured into two parts. The first part provides geographic data to demonstrate the current condition and operational progress within the framework. The following section provides a more comprehensive analysis of the difficulties, obstacles, and prospects.

### *a. Current Status and Progress*

Meetings between the GMS member countries' leaders and working groups between 1992 and 1994 established various blueprints and strategies for the advancement



of the Mekong Subregional Economic Corridor. Moreover, from 1995 to 1997, they thoroughly examined the specifics of projects launched in the Economic Corridor with a particular focus on investments in infrastructure and the Mekong River bridge construction project, but the economic crisis in 1997 hindered the development. However, at the first GMS summit in 2002, member nations crafted the strategic plan known as the 3 Cs. This milestone event led to the initiation of several notable endeavors within the region. These initiatives encompassed the development of crucial road infrastructure to connect member nations along the Economic Corridor, the implementation of environmental management strategies, and concerted efforts towards biodiversity conservation.

Furthermore, member countries committed their cooperation in the realm of agriculture and energy stability. In 2004, China (notably Guangxi Province) became a participant in this cooperative venture. This inclusion facilitated the Economic Corridor's access to abundant natural resources and subsequently catalyzed substantial advancements in both its economic landscape and demographic aspects. Later, the fourth GMS Summit in 2011 brought about the enhancement of Economic Corridor development in various fields, including the promotion of multiple sectors of investment, distributing prosperity from urban to rural areas, and promoting unity. These constructive objectives have resulted in modifications and additions to the Economic Corridor's policies and strategies, such as supporting and facilitating trade, transportation, and sustainable environmental management;

promoting the sub-region as a unified tourism destination; and human resource development.

The three specific objectives of the CBTA pertain to cross-border transportation via roads, encompassing both commercial and non-commercial vehicles operated by public or private entities, as they enter, exit, or transit through the territories of the member countries. They also include instances of crossing rivers or utilizing ferries when bridges are not available. However, they do not have direct authority over trade and immigration matters. This agreement does not affect the member states' domestic laws to authorize the entry of goods and people into their territory in compliance with local regulations about the cross-border goods' export and import as well as the entry and exit of people (NEDA, 2021).

The GMS-CBTA's difficulties and obstacles stem from the substantial delay in its enforcement. Although the initial signing was in 1999, followed by completion of detailed annexes and procedures with full signatures in 2007, the agreement has yet to be implemented. However, in August 2015, after all six member countries had ratified the annexes and procedures, the CBTA gained enforceability. As a result, the collective agreement's lengthy completion period has led to the development of outdated and delayed regulations, necessitating revisions to various provisions in the Annexes and Protocols (Umezaki, 2021; NEDA, 2021).

Despite the GMS-CBTA having been enforced, its complete implementation is still pending for member countries. For instance, the CCA located at Mukdahan-Savannakhet,





Thailand, has finished site preparation and construction, while Laos is still in the process of carrying out different protocols within the CCA, as previously specified by the CBTA Early Harvest Agreement of 2018. This situation aligns with the conditions outlined in the MoU, which grants member countries the authority to issue GMS Road Transport Permits and TADs for the temporary entry of goods and non-resident passengers (up to a maximum of 500 copies). As a result, the implementation of the CBTA has been limited.

Other obstacles were issues with the facilitation of border control officers due to inaccuracies in the transport license and temporary import documents provided by the country of origin. These documents did not match the vehicles that were waiting to cross the border at the transit point, so their passage was prohibited. Additionally, there have been challenges in terms of technical, legal, institutional, and physical capabilities, as well as coordination. For example, the implementation of SSI customs procedures at the Lao Bao-Dan Savan international border checkpoint and Mukdahan-Savannakhet, as well as the one-stop customs SWI procedures at the Hekou-Laokai checkpoint, did not meet the expected outcomes. According to the Early Harvest Facilitation Agreement, permits and temporary import documents can be issued for cargo vehicles specified under Protocol 1 of the CBTA. On the other hand, transportation regulations in Laos are restricted to the border crossing points of Bo Ten, Huai Xai, Dan Savan, and Savannakhet and only adhere to national routes No. 3, No. 9, and No. 13.

Myanmar ratified the CBTA Early Harvest in 2020 and has implemented a requirement that vehicles be accompanied by a valid transport permit and TAD issued by the authorized organization of the vehicle's home country. They may not exceed 30 days of stay in the member country on each trip with a TAD. Moreover, visa acquisition is mandatory for both import and export from the customs department of the receiving country to ensure that the stay in the country does not exceed 30 days, but crossing borders an unlimited number of times is permissible. To successfully create a CBTA and have significant implications for border opening, it is necessary to expedite additional actions because border crossings are the weakest link in the economic chain, both in terms of time and cost, as well as physical infrastructure improvements (NEDA, 2021).

Subsequent strategic drivers that serve as fundamental pillars are required to achieve the overall vision of TSS 2030. The foundation of CBTA the strategy includes plans to promote cross-border transport, expand markets, and liberalize transportation services, similar to the European Union strategy. This goal was previously included in the TSS 2015 strategy, particularly in response to the establishment of the ASEAN Economic Community in 2015. The vision was to establish a unified market and production base to facilitate the flow of goods, services, investment, capital, and skilled labor. The GMS-CBTA aims to enable the free movement of commodities, automobiles, and people throughout the GMS region, including trucks, drivers, cargo, and goods. Improved border management and coordination have resulted



in shorter border crossings, and improving cooperation between border areas and post-border agencies has resulted in significant progress in the implementation of the CBTA (NEDA, 2021).

There are proposals to improve and enhance the incomplete cross-border facilities to provide convenience for border crossings. This includes installing an IT system to support mutual work processes in both the internal and the external CCA. The process involves conducting a comprehensive inspection at a single service checkpoint, where officials from neighboring countries with a shared border work together to carry out the inspection. The aim is to streamline the inspection process by focusing on the entry point, with officials stationed in the country of exit conducting inspections in the country of entry. This is known as observation at the country of entry in the CCA or SSI.

Despite the simultaneous efforts of various units at a country's border checkpoint, such as customs, immigration, and quarantine for plant and animal diseases, their duties primarily involve inspecting travelers. The areas of improvement under the GMS-CBTA include passports/visas, driving licenses, foreign exchange, customs, health/epidemiology, vehicles (registration, roadworthiness, insurance), and goods (customs, quality, phytosanitary/plant protection, veterinary), as well as SWI. However, there are still problems and obstructions with the readiness of neighboring countries' IT infrastructure systems and cooperation in pushing for the GMS-CBTA,

which is still not yet able to be implemented concretely (NEDA, 2021).

The different regulatory frameworks lead to differences in the technical standards of vehicles. These are different transportation regulations for each country. Both type and size of car Cargo weight rating create obstacles for cross-border transport and transit between member countries. Vehicles that do not meet the country of origin requirements require a transshipment at the border to vehicles of the country of origin, which results in higher transport costs and time. (International Institute for Trade and Development, 2019) Moreover, each member country has different logistics capabilities. Whether it is the performance of different facilities and infrastructure systems This directly affects the level of logistics capabilities. including the level of expertise of logistics operators in each country This remains an obstacle in linking cross-border/transit freight between member countries.



**Fig. 1.** Thailand's Cross-Border Key Position Under the GMS-CBTA.

**Source:** ADB

The current implementation of the GMS-CBTA is also hindered by legal issues within member countries and other constraints. For instance, Thai law prohibits



foreign customs officers from carrying out duties at Thai customs checkpoints, and Chinese law prohibits the transportation of foreign cars within the country, while Vietnamese law imposes speed limits of 40–50 kilometers per hour on vehicles. Furthermore, the opening and closing times of customs facilities vary across countries, local officials have a deficiency in knowledge and understanding of operations, the pertinent documents have not yet been translated into an international language, and the bus routes vary across different countries. It may take time to fully implement the agreement, but entrepreneurs should be attentive to the significance of the GMS-CBTA as it presents an opportunity to enter new markets and decrease transport expenses (Exim Bank of Thailand, 2021).

*b. Mae Sai Customs House, Chiang Rai Province*

The results showed that the implementation of the GMS-CBTA still has three obstacles. First, due to the duty officers' lack of knowledge and understanding of the agreement, it is necessary to create a GMS-CBTA implementation guideline as a manual for operations to establish efficient and standardized working practices for implementing the agreement in Thailand, Myanmar, and Southern China. This will facilitate cross-border transport and establish operational standards internationally accepted.

Second, due to member countries' lack of sharing and coordinating platform, it is highly recommended to establish a group of

committees that will facilitate border transportation in Mae Sai-Tachileik District. In this case, Thailand has the potential to play a leading role in establishing and being a model for Myanmar by being a driving force through trilateral negotiations with Myanmar and Southern China. One example is the case study of the permanent border crossing point of the Thai-Myanmar Friendship Bridge across the Mekong River at 2 Mae Sai District, Chiang Rai Province.

The third obstacle is the changing internal political and border security of member countries. Thai-Myanmar border security cooperation entails regulatory refinement to facilitate the extension of the GMS-CBTA. However, domestic political complexities within Myanmar have impeded progress, and consequently, trade volumes between Thailand, Myanmar, and Southern China have come to a halt.

Nevertheless, Thailand holds significant importance as a trading partner for China. China has implemented a policy to advance its interests by utilizing the R3B route, which is a key component of the GMS-CBTA policy. Hence, it is imperative for the governments of Thailand, Myanmar, and Southern China to actively advocate and facilitate the utilization of the R3B route as the primary means of transporting goods between these countries.

*c. Chiang Saen Customs House, Chiang Rai Province*

The Chiang Saen Customs House plays an important role in facilitating the Mekong



River route, which connects Thailand, Laos, Myanmar, and China. Problems and obstacles are outlined in the GMS-CBTA and can be categorized into two primary issues. The first issue is the development of the Mekong River for energy and navigation, which includes dam construction in China and exploding rapids. To control water levels, China has built 7 large dams, with another 20 dams under construction, resulting in insufficient water volume for large-scale navigation in the Mekong River during the dry season. This effect has enabled China to control and regulate the shipping of goods in the Mekong River. Furthermore, Chinese sea captains are the most experienced on the Mekong River, followed by those from Laos and Myanmar. Thailand lacks personnel capable of navigating the Mekong River, forcing Thai entrepreneurs to rely on China for transportation along the river. This has an impact on shipping schedules because Chinese cargo ships are large and can carry goods weighing 250 to 500 tons.

The second concern pertains to the potential hindrance in port management. The port faces higher transportation expenses and limited equipment for loading and unloading goods, including rubber-tired gantry cranes, reach stackers, and forklift trucks, which forces operators to procure their own tools. This inconvenient situation further escalates expenses and hinders the efficiency of utilizing ship transport.

The post-COVID-19 outbreak has led to a substantial decrease in trade and the volume of trade at border crossings. The regulations for cross-border transportation between adjacent countries along the routes that

currently lack transportation infrastructure are outlined in the GMS-CBTA. However, when analyzing the data on imports and exports, it becomes apparent that the majority of these transactions involve goods that fall under the categories of "sensitive" and "highly sensitive." Unlike other customs points, these goods are not exempt from taxes.

The current issue is the insufficient preparedness to offer comprehensive customs clearance services in compliance with the GMS-CBTA. This pertains specifically to the execution of SWI, SSI, and a CCA process. If these issues are resolved, Mae Sai Customs House and Chiang Saen Commercial Port will emerge as significant alternatives for transporting goods across borders, particularly those of importance to Thailand, Laos, Myanmar, and Southern China.

#### *d. Chiang Khong Customs House, Chiang Rai Province*

The Chiang Khong Customs House serves as a cross-border checkpoint within the framework of land transport negotiations between Thailand, Laos, and China at the Chiang Khong-Huai Sai checkpoint (Thailand-Laos). Boten-Bohan serves as a border crossing point between Laos and China. This checkpoint is responsible for facilitating and overseeing the movement of cross-border passengers and goods, streamlining cross-border procedures, vehicle approval, and establishing transportation service fees. It is also responsible for overseeing and enforcing adherence to agreements between GMS member countries to optimize the utilization of the R3 route from Bangkok to Laos and



Kunming, which will result in reduced travel time, minimized transportation expenses, and enhanced travel convenience, Thailand-Laos-China, Office of the Secretariat of the House of Representatives, (World Bank (2021). Despite the member countries' mutual commitment to implement the CBTA, there are still significant challenges at both the domestic and international levels, as outlined below.

The first obstacle is simplifying cross-border procedures by implementing concurrent inspections conducted by relevant organizations in each country. Challenges were encountered due to the existence of varying preparation measures across member countries, and the lack of alignment between national policy and operational situations in member nations hinders the effective implementation of cross-border processes. The second concern pertains to the possibility of granting special rights in the cross-border release of perishable goods and exemption from customs duty for containers bearing customs stamps that are utilized in cross-border transport for hazardous materials. The exemptions will be authorized on a case-by-case basis.

Particularly, since the COVID-19 pandemic, member countries have implemented new trade regulations and procedures, such as a significant increase in the import tax in Laos. For instance, imports of goods from Thailand or China into Laos undergo inspections and are subject to taxation by customs agencies. Trade agencies also conduct inspections and impose taxes on these imports. Consequently, imported goods into Laos will be subject to double taxation.

The third issue applies to the admission of automobiles entering the country. The member country is required to acknowledge and approve certificates of registration, license plates, and certificates of joint inspection from other member states. However, neighboring countries have made alterations to their transportation legislation and logistical systems due to the COVID-19 pandemic. In the past, trucks of Thai goods driven by Thai drivers were able to cross the border and deliver goods at the Laos-China border checkpoint (Boten-Bohan).

However, Laos has recently implemented new regulations that restrict Thai trucks to drive only in a specific area at Huay Xai City, Bo Kaeo subdistrict. After reaching this point, Lao drivers take over and continue delivering the goods to their final destinations at the Chinese border. Furthermore, Laos has established a Logistics Transport Association to autonomously facilitate the transportation of commodities across the border within the Laos (Interview, Probkran Awatchanakarn, January 18, 2024).

These changes significantly affect Thailand's transportation industry. Although Thai transport entrepreneurs propose the establishment of car-sharing associations, similar to China's approach, with the aim of distributing income among different groups. However, a problem arises from the collection of both specified and unspecified fees by Laos as shipping costs, leading to significant expenses for entrepreneurs. Consequently, rising transportation expenses and declining actual income burden Thai entrepreneurs with overall increased costs.



It is recommended that the private sector in the Chiang Khong area, particularly entrepreneurs involved in border trade and exports, consistently adjust and monitor the situation. This is because border trade necessitates not only knowledge, comprehension, and adherence to Thai laws, but also an understanding of the regulations and practices of neighboring countries and local areas. Furthermore, it is common for various countries to make annual modifications to their measures and enact new rules and regulations, including Thailand.

Additionally, the government should form a committee consisting of experts from both the public and private sectors who possess expertise on matters concerning the Thai border and the Laos-China region. To negotiate with neighboring countries at the associate level, it is important to prioritize a “bottom-up to top-down” process. This means promptly addressing the concerns of local practitioners and the local private sector at the Chiang Khong border, who can provide valuable information about practical issues, obstacles, and solutions. By considering these inputs, the government can issue rules and regulations that are relevant to the actual problems being faced. This approach is preferable to starting negotiations at the policy level and then imposing them on the local government as it may lead to inconsistencies, outdated policies, or difficulties in implementation, which would not effectively align with the GMS-CBTA.

#### *e. Nakhon Phanom Customs*

Nakhon Phanom Customs serves a logistical corridor known as R12 or the East-West Economic Corridor, which connects Thailand, Laos, Vietnam, and China. The R12 route is composed of two segments. The first segment runs from Nakhon Phanom in Thailand to Thakhek in Laos, passing through Nam Phao and Cha Lo in Vietnam, while the second segment goes from Hu Nghi to Youyiguan in China. The route starts in Nakhon Phanom, Thailand, and then passes through Tha Khaek in Laos, Nam Phao and Cha Lo in Vietnam, and finally ends in Maung Cai and Dongxin in China. These two routes converge at the Youyiguan checkpoint, which is the Chinese customs checkpoint.

The road route holds significant importance due to its linkages with other crucial routes, including Highway AH1, the primary route leading to Hanoi, and the Ho Chi Minh Highway, the main route connecting Northern and Southern Vietnam. This route also passes important economic zones in Central Vietnam, including the Vung Ang economic zone. Hence, the R12 route is a crucial hub for the distribution of diverse products and facilitates the integration of economic, cultural, and tourism activities, particularly for the provinces located in the northeastern border region of Thailand. (Pittaya Suvakunta, (2024) This route plays a significant role in boosting the economy and facilitating tourism by providing convenient travel options for travelers from Laos and Vietnam to visit Thailand, and it is also regarded the most direct link to Vietnam. (DITP, Trade Logistics)



In terms of statistics, the transportation of Thai fruits to China, particularly durian in both fresh and frozen forms, has consistently increased each year due to rising demand among Chinese customers. The export value to China in 2020 amounted to 53,459 million baht, with a growth rate of 52 percent per annum, particularly during the first four months of the year. Exporting to China has significant economic value, resulting in an influx of 25,086 million baht into the country. This in turn leads to employment and income generation for Thai farmers, while also benefiting transport operators involved in the product supply chain. However, there are still hazards and challenges involved in transporting goods to China via land routes, including treacherous mountainous terrain and curvy highways (Logistic Magazine,2021).

The R12 route remains a two-lane road, and the lack of lighting and presence of numerous uneven and gravelly areas are generating significant traffic delays. There is a high occurrence of traffic collisions due to poor vision caused by dust. Thailand and Laos have collaborated to enhance the route in order to facilitate more freight transportation and tourism. The R12 route offers the most efficient connection between Thailand, Laos, Vietnam, and Southern China. (Pittaya Suvakunta, (2024)

The R12 route also provides an alternative for private companies to ship commodities and establish production facilities in order to meet the demand in the Mekong sub-region. Thailand and Laos have collaborated to enhance the infrastructure in

order to facilitate transit and promote tourism. Furthermore, Laos is suggesting a significant expansion of infrastructure in line with the land-locked to land-linked strategy. This strategy aims to establish connecting routes and designate the Vung Ang port in Vietnam as the official conduit for importing and exporting goods from the Laos. Expanding transit choices and sea access in the Mekong Subregion is seen to have positive implications for the business sector across all countries involved.

The Thai government has been compelled to provide support for various projects in Nakhon Phanom Province, including the customs checkpoint at the 3rd Thai-Lao Friendship Bridge, the development of the Nakhon Phanom Special Economic Zone, the construction of a border transportation center, and a road construction project connecting the airport to Mittraphap 3. These projects are crucial for facilitating exports and imports and promoting economic growth in the region. The initiatives include of a one-stop service center, paperless trade, the agreement on cross-border transport in the GMS-CBTA and Vung Ang Port. The objective of these initiatives is to elevate Nakhon Phanom Province from its current status as a prominent secondary city to that of a significant metropolis.

#### *f. Nong Khai Customs*

Beginning with a visit to the Nong Khai region and the capital city of Vientiane on February 21, 2024, discussions and exchanges were held with the Nong Khai Customs Checkpoint prior to crossing to meet with



professors from the Faculty of Economics at Lao National University and the Mekong River Committee. On March 5, 2024, an online meeting was held with members of the Nong Khai Chamber of Commerce. During this session, challenges and obstacles encountered during the border crossing between Thailand and Laos were presented as follows.

(1) The expansion of trade routes to China remains restricted. Although the Laos-bound railway line has been inaugurated, the restriction persists due to impediments caused by inadequate infrastructure, particularly bridge congestion, which hinders the transport of products. Conversely, on the Laotian side, action has been taken to regulate the crossing of transport vehicles across the border and mandate the replacement of tractors at the Thanaleng land port in Laos.

(2) Customs has assisted railway authorities by allowing officials to be sent to oversee the discharge of goods, enabling the clearance of containers at the Nong Khai Railway Border Checkpoint. Furthermore, the authorities have procured a portable X-ray device to enhance the efficiency of inspections at the railway crossing. Nevertheless, the project remains unfinished due to a disagreement between the two organizations regarding the placement of the X-ray machine. Currently, when items are released, a human inspection is still necessary instead of utilizing X-ray scanning.

(3) Entrepreneurs face a challenge of dealing with unpredictable transportation expenses that have significantly increased since the COVID-19 pandemic. Previously, merchandise could be conveyed from Thailand

to the Lao market via the river port. Following the COVID-19 scenario, the closure of river ports necessitated the transfer of all products via road and rail, which evidently increased transportation expenses. Business operators are urging authorities to reopen port controls. Thailand has eased restrictions on the transportation of products via boat, but Laos has not yet granted authorization.

(4) Regarding the Vientian logistics park Co.Ltd (VLP) and Tha Na Laeng land port, investment is being made in infrastructure development, which includes the acquisition of modern equipment for the purpose of loading and unloading. The Thanaleng Dry Port is fully operational and has sufficient space to accommodate a significant volume of transportation. Entrepreneurs perceive that due Laos' significant investment in logistics infrastructure, the cost of logistic operations in VLP is comparatively high.

Several parties are impacted by the excessive expenses, such as Chinese businesspeople from the Chaichettha Special Economic Zone, who intend to invest in logistics on the Nong Khai side. Nevertheless, there persist issues concerning investment laws and uncertainty surrounding the Nong Khai Special Economic Zone. Meanwhile, Vietnamese entrepreneurs are also discussing the necessity of transporting goods from Central Vietnam through Thailand to use the train system in Nong Khai through Mukdahan.

An entrepreneur proposed that Thailand engage in government-to-government dialogue regarding the transparent border crossings and associated expenses. Furthermore, there is a proposal to





enhance the Thanatha railway and transform it into a transit hub to rival the Lao VLP. This would effectively destroy the monopoly currently present in business activities. The preliminary design of the new railway bridge over the river incorporates a dual-track system. The format consists of a one-meter rail and a standard rail. Prices will be more manageable if the Chinese rail system at Tha Na Laeng is linked with the normal rail system and then the containers are moved to Tha Na Tha on the Thai side.

There is an issue of railway development to link the Thai rail system with the Chinese rail system at Thanaleng land port in the inability to transfer containers from Thai tracks to Chinese lines. Despite the tools being prepared, goods being transported from Thailand to the Chinese rail system must make a mandatory stop at Tha Na Laeng. Subsequently, the tractor is replaced with a Lao tractor and travels to Vientiane South Station, where it is then detached from the tractor and transferred to a rail system.

A fresh issue regarding cross-border transit has been identified at the Nong Khai crossing. Transportation expenses have experienced a substantial and unpredictable increase, which is compounded by the uncertainty surrounding legislative changes. One reason for this is that Laos has successfully created and introduced a VLP and a physical land port at Tha Na Laeng. Laos has also assigned different cargo carriers to be transferred utilizing Lao vehicles at the Thanaleng land port.

Another significant issue is the lack of accessibility to Thai-Laos Friendship Bridge No.

1, which has been operational since 1994. The bridge serves as both a means of transportation for cars and trains, resulting in significant congestion. The availability of train journeys restricts transportation by rail from Thailand. Thailand, China, and Laos have mutually agreed to enhance their infrastructure by constructing parallel bridges specifically designed for railway transportation. The railway will establish a connection between a station on the Thai side and Thanaleng station. Nevertheless, the progress of the new bridge development project is contingent upon approval of the budget and the subsequent commencement of construction, which will require more time. It is anticipated that this will require a minimum of three more years to finish.

#### **IV. Conclusion and Recommendation**

The GMS-CBTA will only come into effect if all member nations adhere to their ratifications and protocol. The ADB has commenced the execution of the CBTA at selected border crossings between contracting countries that share borders, specifically Laos-Vietnam, Thailand-Laos, and Thailand-Cambodia, in compliance with the agreement. The construction of the 4th Friendship Bridge, Chiang Khong - Huai Sai, is a part of the R3 route (Bangkok-Kunming) project, which falls under the framework of cooperation in the GMS. This bridge will enable member countries of the GMS to effectively reduce travel time by utilizing the R3 route (Bangkok-Laos-Kunming). It will also minimize transportation expenses and enhance interconnectivity among individuals residing in the sub-region.



Preparations are underway to commence the transit of products and persons between Thailand, Laos, and China. Along the Bangkok-Laos-Kunming route, which is continuing with the process of creating a formal agreement between Thailand, Laos, and China. Thailand has drafted a memorandum of agreement called the Initial Implementation of a Cross-border Transport Agreement (IICBTA) between Thailand, Laos, and Vietnam, similar to the way it has been done in Thailand.

Border crossing procedures are being streamlined. The objective is to achieve acceptance of simultaneous inspections by the appropriate authorities and to streamline the inspection process for cross-border transportation of individuals, ensuring that products are inspected only once. The recommendations of the World Health Organization are being implemented for the transportation of individuals across borders. International shipment and exemption from tariffs on merchandise containers bearing customs stamps that are utilized for cross-border transportation of hazardous materials will be granted permission on an individual basis. Furthermore, priority will be given to the cross-border clearance of perishable commodities. Recognition of automobiles, recognition of registration/license plate certificates, and recognition of vehicle inspection certifications from third parties are also necessary, along with the mutual acceptance of domestic driver's licenses and the establishment of transportation service charges based on market mechanisms. A collaborative task force comprising Thailand,

Myanmar, Laos, Vietnam, and China should also be formed to oversee and enforce adherence to the GMS-CBTA.

By conducting in-depth interviews in five specific areas, this study on the GMS-CBTA has revealed the emergence of new forms and methods of development that have a significant impact on improving logistics efficiency. These developments aim to address structural issues in a systematic and tangible manner. The objective is to establish a seamless and sustainable direction for cross-border mobility in the Mekong Subregion, which requires government and private sector cooperation.

### **Acknowledgement**

This article is part of project funded by the International Institute for Trade and Development (ITD).

### **Works Cited**

- Asian Development Bank. (2011). The Greater Mekong Subregion Economic Cooperation Program Strategic Framework 2012–2022. Mandaluyong City, Philippines: Asian Development Bank, 2011.
- Asian Development Bank. (2011). Greater Mekong Subregion Cross-Border Transport Facilitation Agreement: Instruments and drafting history, Mandaluyong City, Philippines: Asian Development Bank. 2011.
- Awatchanakarn, P. (2021). New Not Normal Border Trade at Chiang Khong – Huai Sai: Who will fall and who will survive? Border Economics and Logistics Office, Mae Fah Luang University. <http://rs.mfu.ac.th/obels/?p=1924>



- DITP, Trade Logistics, (2021). Route R12: Thailand - Laos - Vietnam - China, the economic gateway of the northeastern region, connecting. <https://tradelogistics.go.th/th/article/>
- Exim Bank of Thailand (2021). GMS CBTA increases the efficiency of international transportation in the Mekong Subregion. <http://thaifranchisedownload.com/dl/group12120120711112724.pdf>
- International Institute for Trade and Development. (2019) GMS Cross-Border Transport Facilitation Agreement. <https://www.posttoday.com/columnist/591726>
- International Institute for Trade and Development. (2024). GMS Cross-Border Transport Facilitation Agreement: GMS CBTA, Bangkok, 2024.
- Logistics Time Magazine (2021). R12 route: the most popular and shortest route for sending Thai fruits to the land of the dragon. <https://www.logisticstime.net/archives/25386>
- NEDA (2021). Research Project on Supply Chain Dynamics in the Mekong Subregion and Implications for Infrastructure Development, the Supply Chain in the Mekong Subregion). 2564, 3–80.
- Suvakunta, P, et al., (2024). Route R12, an opportunity for Thailand and its neighbors (1) <https://www.bangkokbiznews.com/business/economic/1134262>, TU-RAC, 2024.
- Suvakunta, P, et al., (2024). Route R12, an opportunity for Thailand and its neighbors (2) <https://www.bangkokbiznews.com/b>usiness/economic/1135243, TU-RAC, 2024.
- World Bank (2021). From Landlocked to Land-Linked: Unlocking the Potential of Lao-China Rail Connectivity. <https://documents1.worldbank.org/curated/en/648271591174002567/pdf/Main-Report.pdf>
- Umezaki, S. (2017). Chapter 2 Transport Facilitation in the Era of the ASEAN Economic Community. Retrieved July 11, 2021. [https://www.eria.org/uploads/media/7\\_RPR\\_FY2017\\_18\\_Chapter\\_2.pdf](https://www.eria.org/uploads/media/7_RPR_FY2017_18_Chapter_2.pdf)

