

CHAPTER III

TACHILEK – KENG TUNG – MONGLA

ROAD UTILIZATION

The Tachilek – Keng Tung – Mongla road is a concrete evidence of cooperation among China, Myanmar, and Thailand. It is expected that this road will serve as mechanism in facilitating trade activities and encouraging tourism throughout the three countries. This road is the result of an initiative purposed by the Economic Cooperation as means of formalizing and developing existing cross-border trade, tourism and transport links among member countries.

With regard to the road's utilization, its objectives focus primarily on trade and tourism as significant aspects of its role and function. This chapter will thus focus on these issues in examining the utilization of the road.

Since Economic Cooperation seeks the economic and social well-being of the people in the member countries, it is also essential to explore this aspect when looking at local villagers' utilization of the road as well.

This chapter will be divided into the following three sections:

- Trade utilization;
- Tourist utilization; and,
- Local villagers' utilization.

1.) Road utilization at the border (Mae Sai)

The Mae Sai – Tachilek checkpoint is considered to be a very important gate linking Thailand and Myanmar and leading to further passage to Mongla and Dalou at the Chinese border. Thus, the statistics regarding passengers using the road are significant as they can illustrate the movement, tendencies, and purposes for travel for those using the road.

This study will examine changes in the numbers of people and cars passing the Mae Sai – Tachilek checkpoint beginning at the end of 2003, the time when the road was initially opened. Data was provided by the Thai Mae Sai Immigration Office.

Table 1: Number of passengers and cars passing Mae Sai - Tachilek checkpoint (2003 - 2005)¹

Year	Passengers		Cars	
	Thailand to Myanmar	Myanmar to Thailand	Thailand to Myanmar	Myanmar to Thailand
2003	697,618	509,078	27,197	38,109
2004	866,855	596,249	34,440	25,219
2005*	375,375	167,287	16,541	1,579
TOTAL	1,939,848	1,272,614	78,178	64,907

* Includes only January to May 2005.

The number of Thai passengers entering Tachilek on the Myanmar from Mae Sai in Thailand was up to 866,855 in 2004 from 697,618 in 2003, an increase of 169,237 passengers. The number of passengers crossing into Thailand from Myanmar also increased during the same time frame from 509,078 to 596,249 for an increase of 87,171 people.

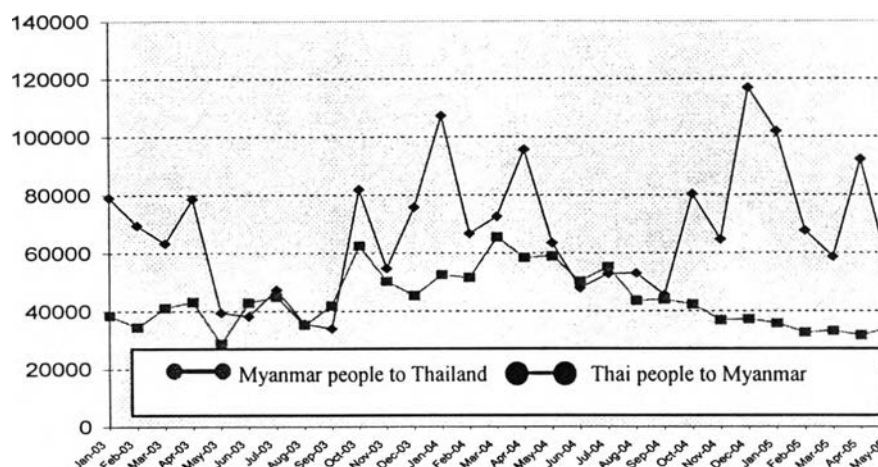
The number of cars entering Myanmar from Thailand increased from 27,197 in 2003 to 34,440 in 2004, while the number of cars entering Thailand from Myanmar decreased during the same time frame from 38,109 to 25,219. This decline is likely due to the Myanmar government's capture and crackdown on all unlicensed cars in October 2004.

1.1. Passengers crossing at the border

In examining changes in the number of passengers from 2003 to 2004, it appears that there is a high number of people crossing from Thailand into Myanmar. This number was down at the end of 2003, but then began to rise again in the beginning of 2004 and continuing to until April 2004, which was the peak for that year. While the numbers dropped again at the end of 2004, they began to rise once again early in 2005. January 2005 saw the highest number of passengers entering Myanmar since the road's construction was completed. This corresponds with the high season for travel for Thai passengers.

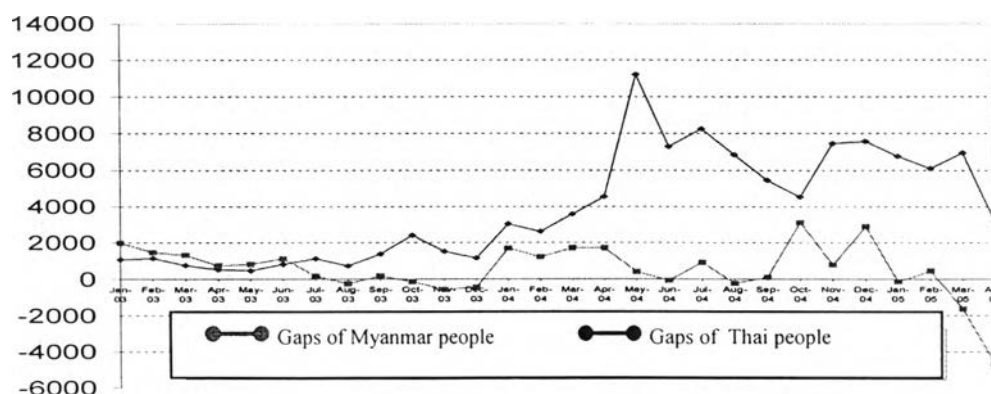
¹ Mae Sai Immigration Office, Thailand.

Graph 1: Movement of people from Thailand to Myanmar & Myanmar to Thailand (2003 - 2005)²



The number of people crossing from Myanmar to Thailand has remained stable more or less. After 2003 the number of passenger was up for a short time and continued to rise until April 2004 when it was at its highest. However, the highest number of passengers crossing from Myanmar to Thailand remains lower than those crossing from Thailand to Myanmar. Thus, more Thai travel to Myanmar as opposed to those in Myanmar visiting Thailand.

The number of passengers from Myanmar dropped steadily from the end of 2004 until the latest statistics in May 2005. This may be the result of the enforcement of stricter regulations for those crossing the Myanmar border, making it much more difficult to cross. Most significant of these statistics is the number of people who return to their home countries. **Graph 2: Number of people (migrants) from Thailand & Myanmar who cross the border and do not return to their country of origin³**



² *Ibid.*

This graph illustrates the gap between the number of people crossing the border and those who later return to their country of origin. The blue line represents the number of people from Myanmar who entered Thailand and have not yet returned, while the pink is the number of people from Thailand who entered Myanmar and have not yet returned.

This graph shows significant numbers of people who are not returning to their country of origin; these types of visitors are commonly referred to as “migrants.” Since the road has been fully operational, the number of migrants from Myanmar has changed considerably. The number of people coming from Myanmar into Thailand and not returning rose significantly from February until its peak in May 2004. The end of 2004 saw a slight decline which have been due to changing government regulations and stricter controls.

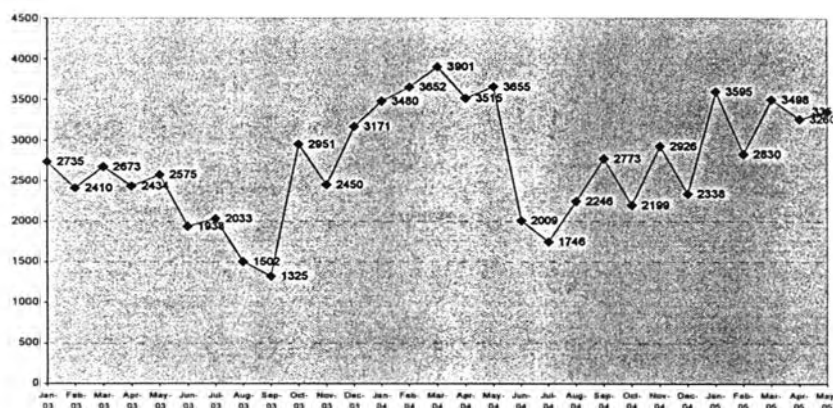
These statistics were also confirmed during the field work component of this project, as the researcher also encountered residents who referred to the high numbers of migrants. In one village located about 30 kilometers from Keng Tung, residents mentioned that “there used to be more than 40 houses in the village. But once the road was good and it was easier to move, the people have left the village. They cross into Thailand and work in Chiang Rai province as day laborers. Some work in landscaping, while others work on pig farms. The village has changed dramatically as there are only 16 houses with residents remaining, and there are no more teenagers in the village at all.”

The Mae Sai gate is the only way to legally cross the border in the area, but a Thai Mae Sai immigration official explained that “most of the illegal migration usually occurs at illegal crossing points like those migrants who simply walk across the Sai River or other natural border area.” This migrant issue is a crucial topic of concern for economic cooperation.

1.2. Cars crossing at the border

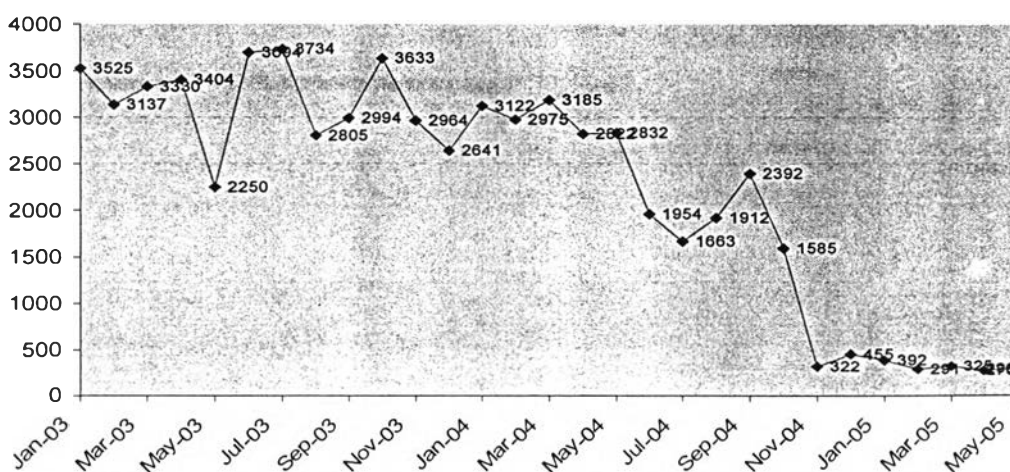
Examining changes in the number of cars crossing the border at the Mae Sai – Tachilek checkpoint after the road was fully constructed is another way to further explore the issues.

Graph 3: Thai cars entering Myanmar (2003 - 2005)⁴



The number of Thai cars entering Myanmar has increased steadily from the end of 2003 until May 2004. In June 2004 the numbers of cars did decrease. This decline continued until the end of 2004. In 2005 the road conditions were much better and the number of continues began to increase in some months, but then would decrease in others. This appears to indicate that construction of the road does not encourage or directly affect the number of cars to use the road.

Graph 4: Myanmar cars entering Thailand (2003 – 2005)⁵



⁴ *Ibid.*

The numbers for cars entering Thailand from Myanmar are a bit more interesting. It appears that the construction of the road did encourage road use. The number of cars passing checkpoints is quite high at approximately 3,000 cars per month. However, in October 2004 that number dropped significantly and remains at just 300 – 400 cars per month. The reason for this shift is likely due to stricter checks by the new Myanmar government. October 2004 was a time of political change in Myanmar and the new government was much stricter in checking the license and registration for each vehicle. Cars without the proper documentation were seized and owners of illegal cars (those without a government license) were required to hand over their cars to the government before 31 March 2005. Those who failed to do so were fined and given a seven year jail term for violating import laws.⁶ Suriyon, a Thai immigration official, confirmed this shift when he indicated that “in the past, there were around 50 – 60 cars using the road daily, but now it’s down to just 10 cars a day.”⁷ As a result of this crackdown, there has been a significant drop in road usage.

2.) Usage after the road’s completion

During this study of the Tachilek – Keng Tung – Mongla road utilization, the researcher interviewed key informants who were responsible for counting the number of cars passing along the road. This count took place on 13 July 2005 between Tachilek and Talerh. The chart below reflects the results of this count.⁸

⁵ *Ibid.*

⁶ Available at: <http://www.myanmaritime.com>. (4 – 10 April 2005).

⁷ Interview with Suriyon Pewnuan, Thai Mae Sai Immigration Official, (21 June 2005).

⁸ This data and analysis was gathered from interviews with key informants about the number of cars; field observation in Myanmar was also used.

Table 2: Number of cars using road (Tachilek - Talerh)⁹

Type of car	No. of cars (to Tachilek)	No. of cars (to Keng Tung)	Total no. of cars	Notes
Pick-up (Hilux)	222	236	458	These are used more for public transportation than delivery trucks by 2:1.
Taxi	145	157	302	Public transportation.
Pajero	47	55	102	Form of public transportation with license plate numbers SW1, SW2, and SW3. (SW stands for South Wa)
4 wheels	129	135	264	Form of public transportation with license plate numbers of South Wa such as; SW1, SW2, SW3 (some of these cars belong to Hong Pang company(HP))
Diana	60	61	123	These are used more for delivery trucks than public transportation. They usually deliver stone and sand to major cities. This type of car belonged to people from Myanmar and the Hong Pang Company.
Torage	50	53	103	An older truck that is mainly used to deliver products.
Buses and vans	14	17	31	Mostly Thai cars, only four or five Burmese cars.
Cars	75	77	152	Public transportation.
Truck (six- and ten-wheels)	19	19	38	Some cover the roof, and some cars do not carry anything. Most belong to the Myanmar government; some belong to private companies, such as Hong Pang's. This type of car usually delivers onion, garlic, clothes, etc.
Total	761	810	1,571	

⁹ Field observation and interview conducted with key Burmese informant, (13 July 2005).

This survey, conducted on 13 July 2005, shows a clear picture of how the road has been used. Data suggest that the road is used more for public transportation than for delivering products or for travel. The results of this survey regarding reasons for using the road can be categorized into three areas: travel, delivery, and tourism. These three areas will be discussed in further detail below.

2.1. Travel

The most common type of vehicle using the road is the pick-up (Hilux). There were 458 pick-ups using the road on this particular day, of 222 were traveling to Tachilek and 236 to Keng Tung. The pick-ups or Hilux (as the Burmese call them) are, according to the key informant, to be used more for public transportation. They have covered roofs and seats for passengers. Drivers usually wait until the truck is full before leaving; in many cases, some passengers need to stand. Some of the drivers receive support from the government to purchase gas because they have an agreement to support the military in transporting soldiers. After hours when they are not longer needed by the government, these trucks can be used as public transportation. They are able to charge less for their services because of the government subsidies they receive for gas. The cost for a trip from Tachilek – Keng Tung in a pick-up which receives a gas subsidy is just 500 Kyatt per person, while this same trip made in an un-subsidized vehicle will cost 2,000 – 3,000 Kyatt—six times more. For those subsidized vehicles, they must be immediately available to the military when requested and there is a quota for the number of vehicles which qualify for this subsidy. Thus, the pick-up is considered to be the least expensive form of public transport leaving from Tachilek. Other forms of transportation, such as a taxi, can cost as much as 8,000 Kyatts or more, making the pick-up nearly 16 times cheaper.

Since the pick-up is the preferred mode of public transportation, this is a reflection of the poor economy of Myanmar. Traveling in these pick-ups is very uncomfortable as they are very crowded and passengers sometimes need to stand for the entire trip. However, it remains the most cost effective, and so it preferred by many travelers.

The second most common type of transport used is the taxi. Based on field observation, there were about 145 cars traveling to Tachilek and 157 to Keng Tung. Taxis are only able to carry four to five passengers at a time. There are many areas to get a taxi; each terminal town will have a taxi stand. If you would like to go to Mongla, you go to the

Mongla taxi stand, or if you would like to go to Keng Tung, you go to the Keng Tung stand. There are not taxis stands for each large city. Most taxis are owned by the drivers who operate privately. Thus, when hiring a taxi, it is necessary to bargain for the price. It is ultimately the driver's decision to agree on a price and whether or not to take passengers. It costs approximately 8,000 Kyatts (or about 400 Thai Baht) per person to travel by a taxi from Tachilek to Keng Tung.

Taxi passengers are allowed to bring some belongings without any extra charge.¹⁰ It takes about two and a half hours to travel from Tachilek to Keng Tung by public transportation; and another two hours to travel from Keng Tung to Mongla. Even though the section from Keng Tung to Mongla is shorter than that from Keng Tung to Tachilek, the Keng Tung to Mongla section is not as popular because passengers are required to pay an extra fee to pass through Special Region 4.¹¹ During the field work, the researcher's taxi driver indicated that "people travel to Mongla only when they have to buy Chinese products because they are cheaper than Thai products." People from Myanmar do not go to the area often, only when necessary.

In addition to public transportation (pick-ups and taxis), four-wheel drive cars or "Pajeros" are also commonly used to transport people. A key informant indicated that "these types of cars are used for transporting people more than products, and are mostly privately owned. They usually have a South Wa (SW) license numbers on their car plate such as SW1, SW2 or SW3. The South Wa is a minority group which has a cease fire agreement with the Myanmar government and is located mainly in Mong Yawng (near Tachilek)."

The high number of SW license plates suggests that these types of cars are used primarily by people from the special region who have South Wa permission to do so. There were approximately 366 Pajeros on the road. The key informant explained that these types of cars are often new and very beautiful, but he is unclear as to the purpose or function of them.

One reason for using SW car plates is to avoid using government car plates because of the Myanmar government crackdown on illegal vehicles beginning in October 2004. The

¹⁰ Interview with Myanmar taxi owner, (25 June 2005).

¹¹ Thanapol Buthkhunthong, "Interview with MR.U Sai Kam. Owner of transportation business, 20 April 2004."

government did not do anything for vehicles with SW plates, and so many people chose to use the SW license plates. Thus, those with a close relationship with the Wa group prefer to use SW license plates rather than requesting plates from the government, which is often much more difficult and expensive.

Based on field research, some of the drivers of vehicles with SW plates were not from Myanmar. In some situations, the passengers could speak Chinese but not Myanmar. This would appear to suggest a close relationship between the Wa and some Chinese. This was an interesting finding. Kuensai Jaiyen, editor of *The Shan Herald Agency for News (SHAN)*,¹² mentioned this close relationship between the Wa and China in an interview. The Wa are dependent on support from China which is why they make concessions and assist the Chinese when necessary. The reason for this cooperation is because of Wa leader, Mr. Wei Hsiao Kang. Wei is the leader of the United Wa State Army (UWSA), Division 171. UWSA Brigade 894 established their headquarters in the new town of Mong Yawn; this is under his command. Wei Hsiao Kang's forces have spread to other areas such as Mong Hsat, Mong Ton and Tachilek.¹³ The Wei Movement was especially important in mid-2001 when it helped settlers to make their homes in the Pa Laew – Kenglarp area east of Tachilek on the west bank of the Mekong River at Pa Laew – Keng Larb, just across from Laos. There are plans to develop this area of the Mekong River into a major trading and tourist route connecting southern China and Thailand.¹⁴ At that time (2001), the Myanmar government asked Wei to move out, but he refused. It was not until orders came from Pang Shang at the central Wa headquarters that Wei's soldiers moved. Kuensai mentioned that this command actually came from China because China feared that the Wa may interrupt China's trade along the Mekong River. This would be a problem from Chinese economic development and growth.

This situation with Wei illustrates the relationship between the Wa and China, with China having the upper hand and given special concessions as they request. Thus, it is not surprising to find that many Chinese are given SW license plates to use the road freely. These types of SW plates do offer special benefit because they ensure smooth passage at government checkpoints.

¹² This is the primary news agency which monitors the situation in Shan state.

¹³ "Unsettling Moves," p. 22.

¹⁴ *Ibid.*

2.2. Delivering products

Apart from traveling, statistics show the second main purpose for using the road is to transport products. Large numbers of both Diana and Torage type cars are used for delivering products; 123 Diana and 103 Torage cars were counted on the day of the survey. In fact, there are more of these two types of vehicles than there are trucks. The researcher asked the villagers why there are so many Torage and Diana cars rather than other vehicles, as these cars are quite slow. The villagers indicated that “the reason there are not many vehicles other than Dianas and Torages is that most of the other cars have been seized.”

At the end of 2004, the government began more closely monitoring vehicles being driven in Myanmar. Cars without proper licenses and registration are not allowed to be driven. Many delivery cars, therefore, have been impounded by the government; Diana and Torage cars are usually properly registered, however. One person from Keng Tung shared that “Torage cars have the cheapest registration fees; it is less than 100,000 baht. Other types of cars are more expensive; a taxi costs 600,000 baht and a public transportation truck costs 500,000 baht.” Thus it is not surprising that so many Torage cars are used for delivering products.

There are also some large delivery trucks which use the road. A key informant stated that most of these trucks belong to the Myanmar government and are used to deliver products domestically. During field observation, the researcher found that there were ten empty trucks, which belonged to Myanmar soldiers, traveling to Keng Tung. Based on an interview with a tour guide in Keng Tung, these vehicles go to Yangon to pick up consumer, industrial products to sell to Keng Tung. These products are either government investments or products in which the government owns large shares. It takes about one month to make the trip from Yangon to Keng Tung. Moreover, a villager indicated in an interview that these products of Myanmar are low quality and Thai products are preferred. However, the products of Myanmar are the least expensive.

In addition to delivering products, the government also benefits from using these vehicles to transport army soldiers and personnel from Mong Phyak to Keng Tung as well as from Keng Tung to Mong Phyak. These two particular towns are home to strategic battalions of the Myanmar military, which is why it is necessary to transport soldiers between the two towns. Kuensai of the S.H.A.N. News Agency indicated that after Khin Nyunt, Myanmar

has increased the number of troops stationed in the area in order to launch campaigns against insurgency groups. Thus, it is normal to see Myanmar troops being shuttled from place to place.¹⁵

Most of the vehicles which do not belong to the government are owned by villagers. Others belong to the Hong Pang Company; these trucks normally carry products. During the field observation, villagers stated that, “the trucks sometimes do not even carry anything, while others are packed full. It is common for these trucks to have large tarps covering up the goods.” Most of the fully loaded trucks are on the way to Keng Tung from Tachilek and carry Thai products. But most of the trucks traveling from Keng Tung to Tachilek are empty. It is primarily just agricultural products such as onions, garlic and some Chinese items like cloth which are transported toward Tachilek.

The statistics obtained from the field survey regarding the number of cars using the road correspond with those provided by the Governor of Tachilek and the Vice President of Special Region 4 (SR4) during an interview with the Thai Ministry of Commerce. This interview took place during a visit by a Thai official on 17 – 21 March 2005 regarding road usage from Tachilek to Mongla. The governor of Tachilek said that, “There are around ten trucks using this road from Tachilek to Mongla.”¹⁶ This project also found ten trucks using the road, which is consistent to what the Vice President of SR4 cited when he said, “The transportation business owners have ten 10-wheel trucks to deliver products from Mongla to Keng Tung. These numbers are also the same as those given by the Hong Pang Company. One of the Hong Pang Company staff said that “the route from Tachilek to Keng Tung has less than ten 10-wheel trucks traveling per day.” Thus, it is clear that there are ten trucks which used the road, according to a variety of authorities and also confirmed by the researcher’s independent count. Thus, the number of delivery trucks traveling from Mongla to Keng Tung remains relatively low. This suggests that the road is not heavily utilized for trade despite the main purpose of the road’s construction was an initiative of the Economic Quadrangle as a means of promoting trade activities. It appears that the actual utilization of the road is more for domestic transportation via cars with SW plates to make the trip back

¹⁵ Interview with Jaiyen.

¹⁶ This interview was conducted by the Thai Ministry of Commerce on an official visit to Tachilek regarding a “consultation to agree on how to use the road.” 17 March 2005.

and forth across the region. In addition the Myanmar government is another main user for its own economic and military reasons.

2.3. Tourism

A key informant indicated that tourists prefer to travel by van, most of which have Thai plate. While making the trip to Keng Tung, the researcher counted 17 cars, 12 – 13 of which were from Thailand. The remaining vehicles were registered in Myanmar. A Myanmar tourism officer in Tachilek was interviewed and asked about any available statistics for people entering Mongla. He indicated that information is regularly gathered at the Tachilek car dock. According to these statistics, since the beginning of 2005 through 24 June 2005, there were 6,990 people who used vehicles at the Tachilek dock.¹⁷ If, for instance, one van carries ten people, that would mean 699 vans were used or approximately 175 per month. These numbers are much higher than those for trade activities, but are still quite low when taking into account advertising and commercial expenses used to promote Enomic Quadrangle tourism.

Thus, the available data regarding road usage indicates that public transportation is used primarily for domestic purposes in transporting people. The pick-up or Hilux is the most popular mode of transportation because it is the most inexpensive. The second most commonly used mode of transport is cars, especially those from special regions like the South Wa (SW). It is not entirely clear what the purpose or use of these SW cars is.

Trucks are generally under-utilized. Government trucks are used exclusively for government purposes. There are a very small number of trucks is used for distributing products, both domestically and internationally. Only ten trucks make the trip regularly between Tachilek, Keng Tung and Mongla. This is considered to be a very low number.

Regarding tourism, many feel that the road should be conducive to enhancing tourism in the region. Results show, however, that while the number of tourists in Myanmar is more than numbers for other activities, it is still low if one also considers the large amount of advertising and commercial expenses that have been spent to increase road usage.

¹⁷ Interview with Myanmar officials, Myanmar Immigration Office, Tachilek.

Purposes for road utilization

After examining the types of cars which are using the road, it is also important to understand why they are using the road and whether or not there are any problems with this usage. The following analysis of reasons for use and any related problems has been divided into three areas, according to purpose of use: 1) trade; 2) tourism; and, 3) local villager use.

3.) Trade Utilization

3.1. Trade activities

Since China and Thailand do not share a border, this road serves as the shortest transportation route linking the two countries. It is expected that it will help to encourage trade activities. Utilization for trade is considered to be the key purpose for the construction of the road, as the construction of the road was initiated under an extensive economic cooperation development project. Given that this was the primary reason for constructing the road, one purpose of this project was to determine whether or not the road was actually being utilized primarily for trade. Additionally, the researcher sought to determine different type of usage and any problems with using the road. Moreover, the project also sought to examine who was using the road and who was not, to better illustrate the extent to which the road is used for trade.

First, to best understand utilization, it will be essential to recognize the trade value for different countries that are affected by and use the road. According to the Xinhua News Agency, total trade in 2004 between Myanmar and China was US\$1.145 billion.¹⁸ In addition, the two countries also signed a trade contract to raise the current bilateral trade volume to US\$1.50 billion by the end of 2005.¹⁹ Thus, China is considered an important trade partner for Myanmar.

Trade volume between Myanmar and Thailand is also quite high. According to statistics from the Thai government, total trade in 2004 between Thailand and Myanmar was US\$1.897 million. Thailand imports more Myanmar products than any other country. Natural gas remains the major import product from Myanmar to Thailand, at 78.8% of all imported product value.

¹⁸ "Myanmar to start building sale centers in border town," *Xinhua News Agency*, (6 May 2005).

¹⁹ "Myanmar, China sign \$290 mil. trade deal," *Kyoto News*, (9 July 2005).

These statistics reflect the importance of both China and Thailand to Myanmar for purposes of trade. Myanmar can not discontinue trade with either of the two without suffering serious, adverse economic consequences.

Since China and Thailand are important trade partners with Myanmar, this leads to other questions regarding the checkpoints at Mongla (Chinese border) and Tachilek (Thai border) and the importance and role of these checkpoints in trade and subsequent effects on road usage.

At the Chinese border, Dalou (in China) and Mongla (in Myanmar) both see a lot of trade activities. The Mongla Vice President of Special Region 4 during spoke about these activities during an official Thai visit to Mongla on 17 – 19 March 2005. In reference to trade volume between China and Mongla, he indicated that, “In 2004, the value of Chinese trade in Mongla was about one billion Yuan (US\$125 million).” This is 10.91% of all trade between China and Myanmar.

Tachilek (in Myanmar) and Mae Sai (in Thailand) border point, statistics from the Thai Mae Sai Customs Office show that the import value of goods from Myanmar in 2004 was US\$12.46 million, and US\$47.89 million in exports to Myanmar. This is trade accounts for 3.181% of all Myanmar – Thai trade.

When comparing these two gates, the Mongla – Daluo and the Tachilek – Mae Sai, it appears that the Mongla – Daluo is more important, accounting for 10.91% of all trade which is three times that of the trade at the Tachilek – Mae Sai gate which accounts for just 3.181%.

While statistics show significantly higher numbers at the Mongla – Daluo gate, it is also important to consider where this trade volume is coming from. Mongla’s Vice President mentioned in an interview that Mongla is well know as a gambling area with assorted casinos and many Chinese cross over to the Myanmar side to gamble, rather than contribute to any trade in products or goods. The Chinese spend approximately 60 billion Yuan (US\$7.5 billion) annually in the casinos of Mongla,²⁰ which is more than 60 times more than the amount of money exchanged in border trade. Thus, the US\$125 million in trade at the

Mongla – Daluo gate may come from the gambling establishments and not solely from trade. These casinos do not belong to the Myanmar government, but rather, they are under the authority of Special Region 4. Thus, Myanmar itself does not receive any economic benefit from the gambling industry. As a result, the Myanmar government is less concerned with the Mongla gate. It pays much more attention to the Tachilek gate as all of the trade at this point goes directly to the Myanmar government. This is the reason why the Tachilek checkpoint is a formal government gate, while Mongla is not.

China also does not recognize the Mongla gate at an official checkpoint, but for different reasons. China did so because it sought to decrease the amount of gambling and other activities that were occurring in the area. In 2003, China launched a campaign to combat HIV/AIDS, drugs, and gambling problems, as the three are often related. For economic reasons, China would like to see this become an official checkpoint, but this is not currently possible as further talks are required with Myanmar to work out the logistics.

China's motivations and Myanmar's motivations corresponded well in this area of combating illegal and dangerous activities, as Myanmar was also looking to take power away from drug lords in the region. China cut off its financial and facility support to different minority, ceasefire groups in the nearby towns in hopes of decreasing rates of prostitution, drug use, and gambling. However, Kuensai, editor of The Shan Herald Agency for News (S.H.A.N.), explains that in reality, China made a deal with Myanmar. China was looking to expand its transportation route to Mae Sai, Thailand, but Myanmar was not helping to facilitate this because Myanmar was looking to have Mongla be entirely under their control. If it was not, Myanmar could not allow China to trade freely. Thus, to improve ease of trading (and not to decrease social problems) did China cut off its help to Mongla minority groups, thereby giving more power and control to Myanmar. The plan is to develop the importance and effectiveness of Mongla as a trade link. Thus, China cut off its support of minority groups in the area to gain favor with the Myanmar government which would lead to subsequent increase in ease of trade for China not only at Mongla, but all the way through to Tachilek – Mae Sai.²¹

²⁰ Interview with Vice President of Mongla. Conducted during the Thai Ministry of Commerce on an official visit to Tachilek regarding a “consultation to agree on how to use the road.” 18 March 2005.

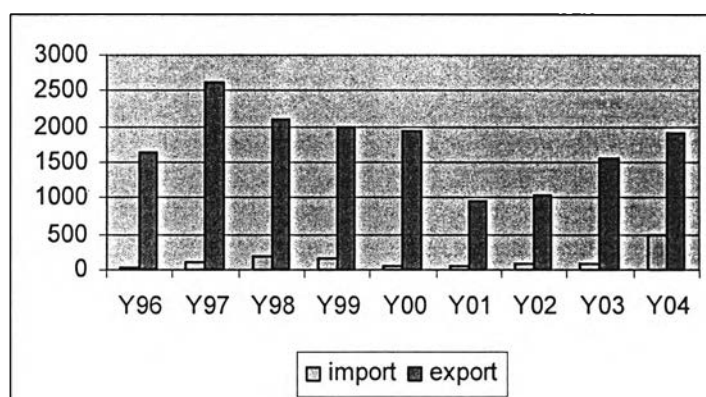
²¹ Interview with Jaiyen.

3.2. Affects of road construction on import and export values

To examine export and import values and how they have been affected by the road's construction, it is necessary to examine the trade activities at gateways between the three countries (China, Myanmar, and Thailand). Due to limited information and difficulties in getting reliable information regarding the Daluo, China checkpoint into Myanmar, the researcher focused on products entering Myanmar at the Mae Sai, Thailand checkpoint.

In 2004, the total trade value at Mae Sai checkpoint was 2.413 billion Baht which included 498.39 million Baht in imports and 1.915 billion Baht in exports. The import volume was up 85.2 million Baht from 2003; exports were also up 1.564 billion Baht from 2003.

Graph 5: Import and export trade volume at Mae Sai (1996 - 2004)²²



These statistics illustrate that after the road's construction was complete in 2004, there was a significant increase in trade. One of the reasons for this increasing may be due to the increased number of fabrics that were imported; previously, these fabrics were transported using the Mekong River.

²² Mae Sai Immigration Office, Thailand.

Products imported and exported at the Mae Sai checkpoint

Imports from Mae Sai include oil, rubber sheets, rubber tires, cement, telephone cards, pharmaceutical products, vegetable oil, rolled iron, and lubricating oil. Exports to Mae Sai include fabrics, rubies, live buffaloes and cattle, garlic, tree bark, wine, packages of dehydrated fruit, flower buds, and dried tea.

Table 3: Import and export products at Mae Sai (2004)²³

Rank	Imports	Value (Baht)	Exports	Value (Baht)
1	Fabrics	140,067,983.93	Oil	350,306,085.69
2	Rubies	67,216,251.00	Rubber sheets	209,985,993.04
3	Live buffaloes & cattle	32,299,700.00	Rubber tires	158,629,603.00
4	Garlic	25,732,055.00	Cement	98,052,578.38
5	Tree bark	24,732,055.00	Telephone cards	96,367,062.50
6	Wine	10,253,776.00	Pharmaceutical products	68,903,475.83
7	Packages of dehydrated fruit	4,531,611.50	Vegetable oil	57,143,055.00
8	Flower buds	2,108,750.00	Rolled iron	45,136,736.80
9	Dried tea	2,077,475.00	Lubricating oil	33,729,564.20
10	Other	189,182,687.47	Other	797,166,843.16
	Total Imports	498,388,199.90	Total Exports	1,915,420,997.60

With regard to the Economic Quadrangle, it is important to examine the primary objective for constructing the road which was to facilitate trade between China and Thailand, and to look at the extent to which the road is actually being used for this purpose.

In looking at the import and export statistics from the Mae Sai checkpoint, the information does not specify where the products originated. It is difficult to determine the precise origin of products because imports pay taxes on all goods, regardless of their origin. Manoo Thiengtham, a Mae Sai customs official, indicated that he noticed many of the

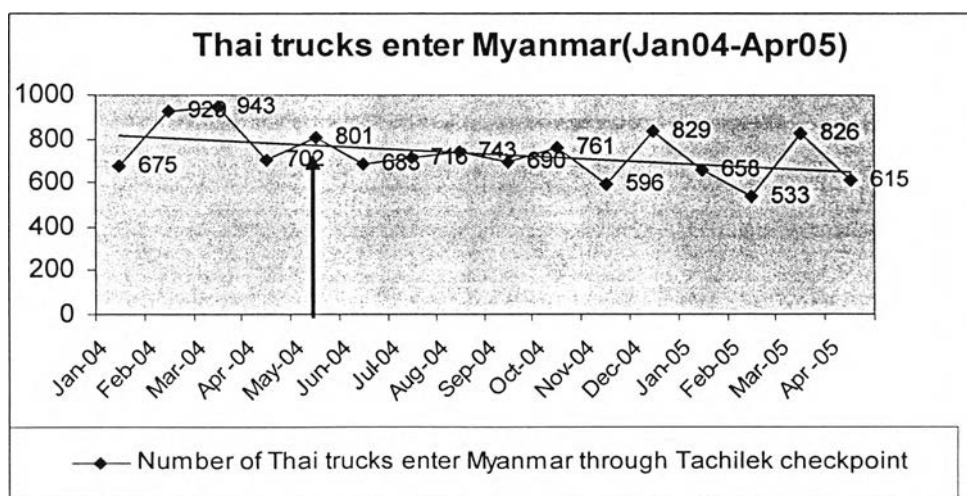
²³ Mae Sai Immigration Office, Thailand.

products which were imported to Thailand at the Mae Sai checkpoint were from Myanmar, rather than China. According to Thientham, it is only fabrics and packages of dehydrated fruit which come from China. Choochai Udomphoch, chief of Mae Sai customs office, indicated that “there are various Myanmar products which are imported into Thailand at Mae Sai. These products of Myanmar are cheaper than Chinese products. Chinese products are more expensive and account for 29% of all imports received at Mae Sai.” Exports to China from Thailand (mainly rubber sheets), on the other hand, account for just 10.9% of total exports from Mae Sai.

According to Business Week News Agency, fabrics imported at the Mae Sai checkpoint do not come from Mongla via the road. Rather, they are transported by boat along the Mekong River for much of the way. At the Baan Pong Port, 15 kilometers from the Chiang Saen border point on the river, the fabrics are then transferred to truck and cross into Thailand at the Tachilek – Mae Sai checkpoint. The reason for making this switch from river to road is purely financial. If crossing at the Chiang Saen river point, taxes are 30% more than crossing at the Tachilek – Mae Sai land point.²⁴

Thus, Chinese products such as fabrics do not travel by the road for much of the time. Thailand also does not use the road much, as reflected in the lower amount of trucks entering Myanmar after the road was completed.

Graph 6: Thai trucks entering Myanmar (Jan. 2004 - Apr. 2005)²⁵



²⁴ “Chinese cloth overcomes Thai market,” *Bangkok Business Week*, (19 November 2004).

²⁵ Field observation. 17-18 March 2005.



While the Tachilek – Keng Tung – Mongla road was completed at the end of 2003, there were no Thai trucks using the full length of the road; most products were only sent as far as Keng Tung. It was only at the official grand opening of the road on 1 July 2004 that the first Thai truck was allowed to transport goods from Thailand all the way to China. Mr. Pini Jarusombat, Deputy Prime Minister and Mrs. Saluai, deputy of the Import and Export Department in Xibsongbanna, China, presided over this opening ceremony.²⁶

However, even after being formally opened, there are very few Thai trucks which make the trip all the way to Mongla. In fact, an examination of the chart above shows that the number of Thai trucks using the road has in fact decreased overall.

Tanomsak indicated that “since the road construction was completed, there are only about ten Thai trucks using the road.”²⁷ The road is not a desirable transport route as there are still difficulties in using the road, particularly due to the lack of clear, international regulations regarding use of the road.

Thus, even though the road is physically ready for use, few vehicles actually use the road for a variety of reasons. It will be important to understand these reasons for not using the road, especially when considering the affects this has on economic cooperation within the Economic Quadrangle.

As part of this study, traders from Chiang Rai province in northern Thailand were interviewed, along with a representative from the local Chamber of Commerce and officials at the Thai Mae Sai customs office to gather more details regarding why the road is so under-utilized.

²⁶ “Open 400 kilometer Chinese-Thai road (via Myanmar).”

²⁷ Interview with Tanomsak Sereechaiyasawat, 23 June 2005.

3.3. Trade and transportation problems

3.3.1. High cost (taxes and checkpoint fees)

A critical problem which hinders road use is the high overall cost of transporting goods. A group of Chiang Rai businessmen from the Chiang Rai Chamber of Commerce Committee²⁸ who trade along this road indicated that the high cost of transport is the most important factor for not using the road.

It costs approximately 40,000 – 60,000 Baht per truck per trip carrying ten tons of product using Myanmar trucks, which is 4,000 – 6,000 Baht per ton.²⁹ This is anywhere from four to six times more expensive than using a truck to transport goods from Bangkok to Chiang Rai³⁰

Transporting along the Mekong River by boat costs significantly less at about 1,200 Baht per ton. An 80 ton ship traveling from May – December costs just 96,000 Baht per trip. In addition, transporting via the sea (Lam – Cha – Bang) costs just 21,500 Baht (US\$500) per container which is very inexpensive.

Thus, the Tachilek – Keng Tung – Mongla road is three to four times more expensive as transporting the same amount of good via the Mekong River. One of reasons for this much higher cost is because of the many fees at the various checkpoints along the road. It is necessary to pay three types of fees at these checkpoints: 1) taxes on the product being transported; 2) taxes on the vehicle; and, 3) taxes for the passenger and driver.

3.3.1.1. Transit taxes for products

The Chiang Rai Chamber of Commerce Committee (CCC) indicated that “the transit tax collected along the road is 5% of the product value. This is considered a very high tax for simply passing through a checkpoint. Moreover, when entering Mongla, trucks need to pay 1-2% more [on top of the already high 5%].” Choochai, chief of the Thai Mae Sai customs office, said that “there are a total of seven tax-collecting checkpoints. At each checkpoint, anywhere from 5 – 7.5% of the product value must be paid.”

²⁸ Interview with Chiang Rai Chamber of Commerce Committee, 25 May 2005.

²⁹ Paper from the Thai Department of Foreign Trade, Ministry of Commerce, Kungming official visit, (unpublished manuscript), 2005, p.7.

³⁰ Interview with Chuchai Udompote, Chief of Thai Mae Sai Customs Office, 25 May 2005.

In an interview with the governor of Tachilek on his official visit to the Ministry of Commerce during 7 – 21 March 2005 in Tachilek, he mentioned that the transit tax for using the road is 5% of the product's value. 2.5% of this goes to the customs office and the other 2.5% goes to the Ministry of Commerce. He also indicated that the Myanmar government collects this 5% tax only at Tachilek, and not at other checkpoints. One Thai official stated in an interview, when Thai authority requested for Myanmar to reduce the tax, Myanmar refused saying they had initially intended set the rate at 10%. Thus, they view the 5 % as being very reasonable.³¹

However, taxes must also be paid when entering Mongla. The Vice President of Mongla said in an interview that a transit fee of 2% must be paid for consumer products, 1% for agricultural products, 1% for material products, and 2% for all other types of products.

3.3.1.2. Transit tax for vehicles

In addition to product tax, there is also a tax for the vehicles themselves. Thai vehicles crossing into Myanmar must pay a vehicle tax or border pass fee at the Tachilek checkpoint. These border passes cost US\$30 for a small car (4 seats), US\$50 for a medium car (5 – 8 seats), and US\$100 for a large car (more than 20 seats).

In addition, when entering Mongla, there is another fee for vehicles. The vehicle tax at the Mongla checkpoint are as follows: 200 Yuan for 10-wheel trucks, 200 Yuan for cars that contain gas 80 Yuan for regular 4-wheel cars, 5 Yuan for motorcycles, and 40 Yuan for vans or tour buses. For Thai gas cars weighing less than 4,000 tons, the fee is 16.68 Yuan per ton per vehicle and 5.68 Yuan per ton for ever ton over 4,000.

3.3.1.3. Transit Tax for passengers and drivers

In addition to product and vehicle taxes, there is also a tax for each person. At the Tachilek checkpoint, the driver and any passengers much pay US\$10 per person to be allowed entry into Myanmar.

When entering Myanmar at Mongla, the fee is 36 Yuan per person; when entering China from Mongla, the fee is 17 yuan per person. For Chinese people crossing at Mongla,

³¹ Interview with Thai official. 23 May 2005

there is a special fee—53 Yuan per person. Once this fee has been paid, people do not need to pay any type of visitor's or tourist fees at any sites in Mongla.

Thus, the taxes for products, vehicles, and passengers – drivers make trade difficult and costly. It is also important to keep in mind that these official costs do not include the fees charged at the illegal checkpoints along the road.

In the interview with the Chiang Rai Chamber of Commerce Committee, the following two points are the primary reasons for the high cost of using the road:

1. There are many different authority groups in the area and each group collects its own fee; these fees add up quickly. There are 6 – 7 of these unofficial checkpoints which collect these additional fees.
2. There is a monopoly which controls transportation in Myanmar (both import and export) which allows them to set high service charges.

3.3.2. Uncertain and unclear regulations

A report from the Thai Mae Sai customs office mentions that after the change in leaders of the Myanmar power in October 2004, there were also changes in the staff at the border offices. In addition, there were changes in the rules and regulations regarding importing and exporting which were more complicated and difficult. These changes led to lower volumes of products being imported into Thailand from Myanmar at the Mae Sai checkpoint.³² Exports were also impacted. It was reported in a Bangkok business newspaper that after these new rules were enacted in Myanmar, the total volume of Thai exports were down by 40% when compared with 2003. Chinese products, on the other hand, continued to enjoy rather seamless facilitation of their entry into Myanmar.³³

Chiang Rai Chamber of Commerce Committee members³⁴ who regularly trade along this road also mentioned the problem of uncertain regulations. “Myanmar often closes its border without any notice. Sometimes, if there is any strange movement in Myanmar, the border will be closed. For example, when there was a bomb in Yangon, it closed. If there is

³² Thai Mae Sai Customs Office half-year report (unpublished), May 2005.

³³ “The report of China destroying Thai’s dream of being Mekong transportation center,” *Bangkok Business Daily*, (18 April 2005).

a visit from a Myanmar government leader to Tachilek, it will close as well... So it's not only when there are problems that it closes. They also close it during official visits... In addition, last year the Myanmar government confiscated all illegally licensed cars (meaning any cars which were not bought in Yangon and did not have a Yangon license plate). So most of the cars were seized and there are only a few left. But the cars belonging to the Hong Pang Company were not seized." These are all examples of the uncertainty which are common in Myanmar and directly affect trade.

Wanlop Lao-Udomtrakul, the shipping of Petroleum Authority of Thailand (PTT) patrol also illustrates this problem with uncertain rule and regulations. "Myanmar has strange rules. For example, when transporting products to Myanmar you must get the signature from the highest ranking official at the border office. If he is not in the office, you have no choice but to wait until he returns, no matter how long it takes. There is no other person who is able to sign in his place. If you do not have his signature, your vehicle will not be allowed to pass."³⁵

Because of these problems, some Thai exporters do not use the road at all. Sai Aung Min, Senior Co-ordinator of Myanmar Project, Chareon Pokphand(CP) who studies the situation of transporting products from Thailand to China along this road, since it is fairly new. He concluded that it was not advantageous for Thai exporters to use the road. According to this expert, "the main problem with using this road is that gates are closed at random by the Myanmar government. It is common for Thai exporters to have fixed appointments with distributors in China to send products, but the gates in Myanmar were closed without notice. As a result, products cannot be transported. This disrupts trade and causes many problems, particularly for fresh fruits and vegetables. Unexpected gate closures mean that some products will spoil."³⁶

³⁴ Interview with Chiang Rai Chamber of Commerce Committee.

³⁵ Interview with Wanlop Lao-Udomtrakul, PTT Shipping Agency, 24 June 2005.

³⁶ Interview with Sai Aung Min, Senior Co-ordinator of Myanmar project, Chareon Pokphand (CP), 23 May 2005.

3.3.3. Lack of controls

In addition to uncertain regulations by the Myanmar government, much of the area is not under the full control of the Myanmar government. There have been cases of fighting, theft, and banditry along the road.

According to documentation from the Thai Mae Sai customs office, in the summer of 2004, the Myanmar government eradicated the minority groups along the Thailand – Myanmar border, especially in areas across from the border provinces of Chaing Mai, Chiang Rai and Mae Hong Son in Thailand. This eradication process involved many bombings in Chiang Rad and importers fears for the safety of there products. Thus, import orders were significantly lower at that time.³⁷

The Tipco Asphalt Company experiences a very difficult situation when transporting their goods at that time. One of their trucks was burned and the drivers were killed along the Tachilek – Keng Tung section of the road. The Tipco Company was not able to make any claims or request restitution for their losses because they had not hired Myanmar soldiers to protect them.³⁸

Another problem occurred on 22 May 2003 when two trucks from Thailand were attacked along the road. This occurred just 25 kilometers from Thai border. In this case, there were Myanmar soldiers who had accompanied the trucks to protect them. Despite this, after three hours of fighting, one Mynamar soldier and two Thai drivers were killed.

General Panlop Pinmanee, Deputy Director of the Internal Security Operations Command, said that Myanmar claimed that this attack on the Thai trucks was carried out by the Wa group that was fighting against the Myanmar government. Likely reasons for these incidences are that the Myanmar government took control of many Wa businesses, including the Mayflower Bank. In addition, the Wa were no longer allowed to continue with many business concessions they had previously enjoyed. This led to angry revenge attacks by the Wa on the Myanmar government. They did not intend to target Thai trucks.³⁹ The Myanmar

³⁷ Thai Mae Sai Customs Office annual report (unpublished), 2004.

³⁸ Interview with Lao-Udomtrakul.

³⁹“Hot situation in Myanmar: Thai cars bombed and 3 killed, but Yod Suek denies the action,” *Matichon*, (23 May 2003).

government also reported that this case was not related to Thailand or Thai trucks. The situation did serve to deter many Thais from using the road further.

All of the above reflect the uncertainty of regulations and situations which have led to a lack of confidence in traders to use the road.

According to the editor of Shan Herald Agency for News (S.H.A.N.)⁴⁰, along the Tachilek – Keng Tung section of the road, the most powerful group is the Myanmar troops, followed by the local militia, then the Wa and the Shan State Army- South (SSA-S). He further mentioned that the reason why the Wa do not have much power in the area that “it is not a Wa area.”

In addition to problems with minority groups, there is also an issue in that the Myanmar government has little control over its troops. Myanmar soldiers receive very low salaries and limited training, weapons, and clothing. Thus, many soldiers must find alternative means of supporting themselves. “After Khin Nyunt, the situation has gotten worse. During the Khin Nyunt period there were many sources of income, but now the government is not good at finding income. So soldiers must find their own incomes.”

This lack of control over its troops is a critical issue for the Myanmar government which has affects on trade. The government is simply unable to control their soldiers or their actions. According to Khuesai, in August 2005 a government soldier fighting against the SSA-S not far from the road on the way to Talerh), asked a villager for information about the SSA-S army. When the villager denied knowing anything, the soldier took a young girl (14 – 15 years old) and raped. This example shows the extent of power and lack of control over Myanmar soldiers in the area. It is not surprising, then, that there are many illegal checkpoints along the road, some of which reportedly are under the control of Myanmar soldiers.

⁴⁰ The main newsagency which watch situation in Shan state.

3.4. Products and road use

3.4.1. Appropriate products

While it is more expensive to use the road to deliver products between Thailand and China when compared with using the Mekong River or the ocean, there are some products that are more suitably delivered via the road.

Small amount of products

When delivering via boat, customers must pay for the entire 80 tons which costs 96,000 Baht, regardless of the size of their shipment. For shipments under 80 tons, it is more cost effective to transfer them via the road at a cost of 40,000 – 60,000 Baht per truck per trip.⁴¹ The owner of an electric shop in Mae Sai market who orders products directly from China indicated that “sometimes he receives products via truck if they need a small amount and there is no rush on the order.” However, he said this occurs less and less often as the cost of transporting by truck is less profitable.

Road is adequate for immediate needs

Using the Tachilek – Keng Tung section of the road still works well in delivering products which need to be transported quickly. This section of the road makes for fast delivery because it takes just eight to ten to deliver,⁴² whereas it takes about one to two days to make this same trip via the river which can cause fresh products to decay or spoil.

Light products

Vehicle taxes are based on weight. Therefore, if the product to be shipped is relatively light, delivery by road is much cheaper. One of the drivers in Keng Tung said, “When traveling from Keng Tung to Mongla by car, the driver will be stopped so that the contents of his vehicle may be weighed. If it is a light load then the drivers do not have to pay the tax much, but if it is heavy the driver must pay an expensive tax.”⁴³

⁴¹ Paper from Thai Department of Foreign Trade, p.7.

⁴² “Unfourished of Chiang Rai-Keng Tung-Chiang Rung road : the cost still high,” *Thansethakij*, (27 October 2004).

⁴³ Interview with Myanmar pick-up driver, 25 June 2005.

When the water level is low

Another problem in shipping along the Mekong River is the low water levels from January to April. The low water levels cause problems with shipping because the boats can no longer travel along the usual path. In 2004, there were serious problems with shipping along the Mekong. Water levels began dropping early in December leaving many large boats trapped on sand bars at the mouth of the river. The amount of products delivered via boat that year decreased by almost fifty percent; local business owners said that the solution for this is, “something we cannot avoid—we have to travel by land instead. We had a big problem last year when we could not ship any of the products for ten days, stopping business. So we had to then use trucks, which made the price for delivery increase two or three times.”

1.4.2. Delivery with specialized vehicles

Another type of vehicle which often needs to take this route is the special vehicles which deliver commodities such as oil or gas. The Chinese government signed a contract with PTT (Thai Gas Company) to buy gas from Thailand. Currently the gas is sent to a PTT gas station at the Chinese border in Mongla.

The gas trucks have to take the Tachilek route because this type of product is sensitive to fire and requires a special type of truck for delivery. Mr. Wanlob, the importing manager for PTT, said that, “The truth is that it is possible to deliver gas by boat but it takes too long and transferring gas can be very dangerous, as it is hard to predict the condition of the boat.”⁴⁴ Therefore there are an increasing number of PTT trucks using the road to cross Myanmar.

In addition to gas trucks, there is another type of special truck which is used for carrying fresh products called container cars. Transporting by road is much faster than transporting by boat along the Mekong River. Also, products are not handled too much (excessive transferring of products may also damage the goods if vegetables and fruit are being transported). Therefore, using these container cars is necessary for international business owners in transferring more sensitive fresh product. The Hong Shen Company from China, has already used these containers for delivery purposes and been able to successfully solve the inconvenient problem of shipping by boat.

⁴⁴ Interview with Lao-Udomtrakul.

Mr. YanYawng Phuangrach, Deputy Permanent Secretary with the Thailand Ministry of Commerce indicated that Hong Shen Company owned thirteen containers. Eight of these containers were 40 feet long and five were 25 feet long.⁴⁵ Some of the containers have already been used along the Tachilek – Keng Tung – Mongla route.

3.4.3. Products sent to Myanmar

The road is not the preferred trade route to China, but Thailand does use it to frequently transport products to Myanmar. A member of the Chiang Rai Chamber of Commerce Committee spoke about the importance of the road when he said, “This road is the main road for distributing products to Mandalay and Yangon.” In the past, there were ten to twenty 10-wheel trucks on the road every day. “This road passes into central Myanmar (Mandalay) through this gate and is quicker than any other route. It takes a very long time to travel to central areas of Myanmar through Myawaddi.”⁴⁶

Thus, it is understandable why many Thai businessmen were eager and supportive of the road being built between Keng Tung and Taunggy. There is a large market for Thai products such as medicine, tires, plastic and sandals in Myanmar; if there was not a simple method for importing Thai goods into the Myanmar market, these markets would continue to be controlled by Chinese and local goods.

The encouragement from Thailand for the completion of the road was much more prominent during the time in which Thaksin Shinawatra has been Prime Minister. Thailand has given the Myanmar government a loan of six million Baht to be used to initiate increased import and export trade between Thailand and Taunggy. The Prime Minister has a policy to support trade along the Mekong River.⁴⁷

However, Mr.Boontam, Vice President of the Chiang Rai Chamber of Commerce, said that since the change in the Prime Minister of Myanmar this project has been discontinued. Some businessmen said, “Khin Nyunt’s power was taken from him and in the process the budget and money for this project have gone missing.” The project remains on

⁴⁵ Interview with representative of Hong Shen Company, Xibsongbanna, China, on official visit to Tachilek regarding a “consultation to agree on how to use the road,” 19 March 2005.

⁴⁶ Interview with Chiang Rai Chamber of Commerce Committee.

⁴⁷ “Kasikom releases research on Myanmar politics changes,” *Siam Rath*, (24 October 2004).

hold and Thai traders continue to experience problems in facilitating economic activities in Myanmar.

For the Chinese bringing their products into Myanmar, the road is not a priority. The Chinese are more eager to use the road to the west of Yunnan to Muse; this leads to Lashio and then on to Mandalay. In this case, the road connects the Chinese border to the Myanmar border in Mongla and on to Muse. The road which the Chinese built in Mongla is a two lane road, but the road in Muse is a much larger four lane road. It has been suggested that the Chinese have carefully planned their strategy to increase business in the Myanmar market through the Muse route more so than the Mongla route.

1.5. Trade Users

3.5.1. Thailand and China

It appears that Thailand and China's utilization of the road is relatively low. This is likely due to the many inconveniences of usage including aspects such as the high cost and political instability. Thus, only a small number Thai and even Chinese trucks use the road between Tachilek and Keng Tung. Mr. Tanomsak, President of Thai-Myanmar Cultural Union, mentioned in a personal interview that, "Since the road has opened, there are still quite a low number of Thai vehicles (just ten trucks) that deliver goods into China." It is costly to pay fees at each checkpoint. In addition, there is a transit quota on the number of drivers Myanmar will allow passage, and so Thai drivers must request to be a part of this transit quota from the Myanmar government. It is not easy to get permission as exporters must request permission to be included in the quota directly from the government in Yangon. Walop, head of shipping for PTT, indicated in an interview that "the [Myanmar] government will not approve your request every time. They consider the necessity of products to be transported every time. Even though the products are not for sale in Myanmar, the Myanmar government fears that the products may be sold along the way." The difficulties of requesting to be including in the transit quota are yet another set of problems to be overcome before using the road.

Mr. Suriyon Piwnuan, a police officer at the Mae Sai immigration office who monitors incoming cars, confirmed that "there are only a few trucks from Thailand which travel to China. These are primarily construction trucks or trucks for other types of projects in Myanmar such as oil trucks or trucks for mining; these trucks usually travel to Keng Tung.

Only large gas trucks, usually government trucks, travel to Mongla occasionally, but not very often.”⁴⁸ Therefore it is just a very small number of trucks which use the road for Chinese – Thai trans-border trade.

“China also has problems using this road,” said the Vice President of Xishuanbanna Prefecture Region during an official visit of the Ministry of Commerce to Yunnan. Mr. Tanomsak, who has been trading with China for decades, explained the problem that China has is “China also needs to pay much at each checkpoint, so this is a problem for China as well.” Mrs. Saluai, Deputy for the Import and Export Department in Xibsongbanna, China indicated during the opening ceremony of the Tachilek – Mongla transportation route that “there are two main Chinese delivery companies—the Shin Yang Company and the Hong Shen company” who will use this road.⁴⁹ A representative of the Hong Pang Company mentioned that, “These vehicles are mainly used during the summer season. There are about four to five freezer containers per day coming from China on summer season. Most of the Chinese containers carry vegetables and fruits. This is mostly during the summer, but it is not so much during the rainy season.”⁵⁰

The reason for using the road so much during the summer is because at that time the Mekong River is very low and transporting by boat is difficult. Thus, exporters seek other ways of transporting their products. Using this road, however, is also problematic and not a favorite for China. China uses the road only in the transport of container cars. Chinese exporters still need to pay fees at checkpoints along the road which mean higher transport costs as well. Thus, China will use this road much only when Mekong River is low.

3.5.2. Myanmar Users: The Hong Pang Company

In an interviewing with the governor of Tachilek regarding Myanmar users, he indicated that “we have found the main company which uses the road is the Hong Pang Company.”⁵¹ He further stated that “Hong Pang is a private company which takes care of the entire route.” Hong Pang is the only company which delivers products from China to

⁴⁸ Interview with Pewnuan.

⁴⁹ “Open 400 kilometer Chinese-Thai road (via Myanmar).”

⁵⁰ Interview with a representative of the Hong Pang Company, Ltd. Myanmar. 21 June 2005.

⁵¹ This interview was conducted by the Thai Ministry of Commerce on an official visit to Tachilek regarding a “consultation to agree on how to use the road.” 17 March 2005.

Thailand and from Thailand to China. Moreover, most of the Thai and Chinese importers and exporters need to use the services of Hong Pang.

Hong Pang's control over road utilization

This is possible since the Hong Pang Company is the company which actually built the road, thus it has much authority and control over how it is used. In addition, Hong Pang operates its own tollgates which lowers the cost of transport for their shipments in that they do not have to pay a fee at their own gates. HP also has an agreement and permission from the Myanmar government to run transportation activities. Therefore Hong Pang takes care of all the products traveling along this route, and it serves as the main importer of Chinese products. Thus, it can be suggested that the Myanmar government has given the Hong Pang Company much authority.

Additionally, Hong Pang has much power in this region both economically and militarily. The Hong Pang Company belongs to the Wa group which maintains a military battalion (Division 171) in Mong Yawng; this town is not far from Tachilek. Therefore Hong Pang is able to control most of this area. Even though the Wa group recently moved to the area in 1999, its power is expanding; this has left many other groups to wonder about this power. Economically, it has been observed that almost all of the large agriculture farms and big industrial sites along the road belong to Hong Pang groups, making Hong Pang become the most powerful company in the area.

Since Hong Pang has finished constructing the road, the other main merchants are also now in league with Hong Pang, as they use HP services. The Manager (Thai Newspaper) stated, "Before there were four main groups which imported products from China to Myanmar. These four groups were the most powerful in the Golden Triangle area. The first group is Hong Pang, whose main branch is in Tachilek, Myanmar. The second group is Hai Long from Special Region 4, which is situated in Mongla, near the Chinese border. The third group is A-ming, one of the famous men in Myanmar. The last group is the father Mor group, a former local leader from Myanmar who now has four nationalities: Thai, Laotian, Burmese,

and Chinese. He owns a house in Mae Sai, Chiang Rai, Thailand and owns a shipping business network in the economic quadrangle.”⁵²

Other customers are also changing to use Hong Pang’s services. The latest company to join Hong Pang for importing and exporting is Hilong, who joined Hong Pang at the Golden Triangle on 24 February 2004.”⁵³

Since the road has been built, other businessmen throughout the region have decided to use Hong Pang’s services. Why do these businessmen allow Hong Pang to control their business to such an extent rather than attempting to work independently? This is likely because Hong Pang has the necessary skills and influence in negotiating with other companies. Hong Pang already has a concession from the central government, which makes business much more convenient when delivering products. Their service is also the cheapest available and their prices are negotiable. Hong Pang also has a good relationship with Special Region 4. A report in the *Bangkok Post* on 4 April 2004 indicated that “Wei Sheuh-kang visits Mongla from time to time.”⁵⁴ The relationship between Wei and SR4 is a positive one as SR4 aims to build its income from tourism and casinos rather than focusing on the transport of products. It is not surprising that SR4 allows Hong Pang to run the transportation business for them in light of this.

Hong Pang itself is also interested in trading along this route since they also own and operate many agriculture farms in the area. Sale of these products is much easier if they control the road and transport route for delivery of these same items.

In addition to farms, Hong Pang also has many other businesses along the road. As mentioned earlier, along the Tachilek – Keng Tung section of the road, there are many fields of various plants and vegetation being grown which are all Hong Pang businesses. Some of these products will be packed with the HP symbol and sold locally, but some are also sold to China. Some, however, are not packed; these are then shipped to Thailand.⁵⁵ Thus, this is not

⁵² Chiang Mai Newscenter, “Beyond obstacles: Kunming-Bangkok road,” *Manager* [online], (1 July 2004), available at: http://www.thaipta.com/newapaper/news_ftacn81.html.

⁵³ *Ibid.*

⁵⁴ *Bangkok Post*. 4 April 2004.

⁵⁵ “Shan State: new relocation movements of Wa.”

surprisingly that Hong Pang wishes to use and control this road as so many of its businesses are dependent on the road for transport of its goods.

However, since Hong Pang is the only company which delivers products for Myanmar, Chinese and Thailand, it is also the only company that can control the price of delivery. Some question whether the Hong Pang Company is the reason behind the expensive costs of the transportation along the route or if high costs are an economical inevitability due to the unstable Myanmar government.

Some private Thai companies have begun questioning HP's motives. In an interview with a representative of the Chiang Rai Chamber of Commerce, he indicated that "one of the problems with delivery on this route is that there is no competition between companies; there is only one company which controls the business and the prices, there are only two containers for refrigerating products." Private Thai companies suggest that this may be the cause of the high cost for transporting along this road and thus serves as an obstacle to using the road. Some Thai companies have tried to use their own trucks, but the costs are so high at checkpoint that it is difficult to do it this way. Using Hong Pang's services has proven to be the most convenient in transporting goods along the road.

Thus, since it is well-known that the Hong Pang Company has full concessions from the Myanmar government to deliver products without any obstacles; other companies (Thai, Chinese, and ceasefire groups' businesses) have decided to handover their businesses to Hong Pang Company for the transport of products.

Thus, when considering the Economic Quadrangle and implementing the road for transportation purposes, it is necessary to remember that Hong Pang has much power in controlling the trade along this road. This is a new influential factor affecting the utilization or lack of utilization of the road. In addition to needing to work with the Myanmar government, which is the main factor, the private Hong Pang Company is another crucial which Thai and Chinese traders must effectively deal with.

Mya Than mentioned that "it is obvious to imply that the private sector plays a very significant role in border trade, which in turn promotes sub-regional growth. It will continue

to play a very important role, even after the infrastructure is well developed in the region and border management becomes more efficient.”⁵⁶

Apart from trading, another purpose of the Economic Quadrangle is to encourage tourism. The four Quadrangle countries have beautiful natural sites and rich, cultural monuments. Thus, the Economic Quadrangle’s initiative is to use tourism to neighboring countries which are in a very close geographical proximity as a means of encouraging travel among these countries.

4. Tourist Utilization

4.1. Myanmar policy of tourism—Shan state

Myanmar has responded well to this economic quadrangle plan. In fact Myanmar began to open up in 1988 when it formalised border trade and implemented an “open-door policy.”⁵⁷ However for tourism in Shan State, Myanmar just opened Shan State to Keng Tung) for tourists in October 1992. The Shan State in Myanmar needs to take time before opening up to the outside world. However, since this area was opened in 1992, there have been more and more tourists coming to Keng Tung. The tourists enjoy looking at the beautiful city of Keng Tung and the Tai village, which are neighbors with Jinghong and Chiang Mai. Keng Tung had shut itself off from the outside for over forty years, since 1945. Keng Tung is known as a city with over 35 ancient Burmese and Sukhothai-style temples. Therefore, Keng Tung is considered a dream destination for many Thai Buddhists.

After allowing visitors to the Shan State, there were massive numbers of people visiting Myanmar in the first five months after opening up to outsiders. From December 1992 to March 1993 there were over 2,000⁵⁸ tourists who traveled to Keng Tung. During the entire year of 1993, there were 4,759 tourists who traveled to Keng Tung from Thailand spending over US\$84,760.⁵⁹

In response to this growth in the tourism industry, the Myanmar government started to develop different facilities to encourage further tourism including things like electricity

⁵⁶ Mya Than, *The Growth Quadrangle of Mainland Southeast Asia*, (Singapore: ISEAS, 1996), p.234.

⁵⁷ *Ibid.*, p.221.

⁵⁸ Thanet Chareonmuang, “Thai-Myanmar-Laos-China: Quadrangle of Economics, Quadrangle of Culture,” (Kobfai: Bangkok, 1993), p. 45.

⁵⁹ Mya Than, “Development Dilemmas in the Mekhong Subregion,” p. 114.

and hotels. Electricity was brought to the area by setting up an electrical plant on Lwenwe Mountain, which is about 4,500 feet above sea level. The electrical generator here utilizes water power to produce an electrical current of 500 Kilowatts. The electric current from this machine is used in many government locations as well as some private places. For the local villagers, electricity comes and goes, except during the rainy season when they do not have electricity at all. This electrical plant has been supported and maintained by engineers sent from China. It is a very high quality plant and it is the first main facility of its kind to be built in Keng Tung.

In addition to the electrical plant there is also a hotel. The Myanmar government built this hotel in accordance with their standards for tourists. It was built on 9 November 1991, one year before the area was opened up to tourists. It has about sixty rooms, as well as seven guesthouses (each guesthouse has 10 – 40 rooms). Prices ranges include US\$12, US\$18, and US\$25 for two persons to stay two nights in one room.⁶⁰

The hotel is the first modern structure in Keng Tung. The government states that the hotel was built to help raise incomes for the villagers as well as improve the local economy.⁶¹ This hotel has offended many people because the hotel was on the site of the home of a former prince of Keng Tung. Villagers were able to do little to change the site and in the end were forced to accept the change. While the government claims the newly generated income will benefit local people, in reality it appears that much of this income goes back to the government. However, because of the high number of tourists coming to Keng Tung, the overall economy of is much more dynamic than in the past.

4.2. Financial support to promote tourism

In 2003, there were about 600,000 tourists who visited Myanmar, a 20% increase over 2002. These tourists brought about US\$116 million into the country.⁶² Myanmar recognized that large numbers of tourists can increase investments and benefit the government. Thus in 2004, the government began allowing international investments into the country. As a result, various foreign investment enterprises began to invest in the tourist

⁶⁰ "Tourist business booms after road constructed: cooperate 4 countries to solve transportation problem," *Manager*, (2 July 2004).

⁶¹ Promsak Jernsawat, "Travel in Keng Tung," (Athitta: Bangkok, 2000), p. 31.

⁶² "The changes of Myanmar politics," *Siam Rath*, (24 October 2004).

sector. In 2004, there was about US\$1.063 billion of foreign investment; 20.96% of all investments in the country came from these foreign investments.

Domestic investments from within Myanmar count for 4103.84 Million Kyats of hotel and tourist investment or just 3.41% of all investments. The government allows about one in five foreign investments within the country. However, foreign investors are not allowed in the Shan State.

Even though the Myanmar government encourages tourism, for the Shan State, most profits go to people and businesses of the Special Regions.

Traveling along this road, it appears that domestic investment in tourism is mostly from Special Region people and businesses. For example, Kang Long Travel and Tours Co. Ltd. is a company from Lashio town in Special Region 2; this company opened in September 2003. Another important company is the Shew Lin Star Company which promotes tourism specifically in the Special Region 4.⁶³ Shwe Lin Star belongs to Special Region 4 and is responsible for all tour groups that enter Mongla. Any tour groups coming from outside the region must pass their customers on to Shwe Lin Star if they wish to go to Mongla.⁶⁴ These Special Region businesses are significant in encouraging tourist utilization of the road. The Myanmar government does not encourage or do much to develop tourism in these Special Regions compared to other parts of the country.

Myanmar's response to increasing tourism is much better than its lack of response in facilitating trade. Myanmar is very strict about granting permission for the import and export of products, while regulations and permissions for tourism activities are much more relaxed. It is much easier to gain transit permission for tourist purposes than it is for trading purposes. Thus, Myanmar is making a concentrated effort to promote tourism throughout out the Economic Quadrangle. However, they only allow groups to travel along certain routes which they are able to control.

⁶³ "LifeStyle: Keng Tung-Mongla: The changes of Shan State," *Mekong Time* (online), (28 July 2004), available at: <http://www.mekongtime.com>.

⁶⁴ Ibid., Mekongtime.

New opportunities available because of tourism in Myanmar have led the government to be more flexible with travel, allowing the first generation of Thai investors to start businesses in the Economic Quadrangle and add to the tourism investments. For example, Mr. Chusak Trairisilp, a former senator candidate from Chaing Rai, started the Four Lenses Company, a tour agency. Mr. Tanomsak Sereechaiyasawat, a veterinarian and former head of the Chiang Rai Chamber of Commerce, operates a boat service with 34 seats as part of the Hua Hung Travel Co., Limited from China;⁶⁵ he is now the owner of Mae Salong Tour. These investors know well that Myanmar supports tourism more than transportation, and so they have pursued tour rather than trade businesses.

Moreover, in the past four to five years there have been more groups setting up tour trips to the area. Currently there are four main tour companies: PD Tour, PB Tour, Four Lens Tour, and Mae Salong Tour.⁶⁶ Those companies are significant in encouraging and enhancing tourist utilization of the road.

4.3. Tourism tendencies

The number of Chinese tourists to Myanmar began to grow with the open door policy with China which was implemented in 1982. It was the policy of Deng in China to “keep to the socialist road and concentrate our efforts on modernization” which marked the beginning of China’s initiative to begin to open up to the modernized world. It has adapted socialism to the modernized world. One such adaptation was with regard to tourism policy. In the early 1990s the government implemented a nation-wide holiday system granting each employee seven to fifteen days annual leave. This led to an improved and more popular economy in Yunnan province. A large number of Chinese tourists prefer to come to Yunnan, especially Xishuangbanna.⁶⁷ Some not only visit Xishuangbanna but also want to travel to Myanmar and Thailand as well. Mr. Tanomsak Sereechaiyasawat, president of the Thai-Myanmar Cultural Union, mentioned that there are many tourists who want to enter Thailand. “30 million Chinese tourists come to Kunming a year, and 12 million come to Xishuanbanna. From these groups, approximately three million are waiting to enter to Thailand.”⁶⁸

⁶⁵ “Greater Mekong Subregion’s private sector,” *Thansethakij*, (12 March 1997).

⁶⁶ “Tourist business boom after Thai-China road.”

⁶⁷ Grant Evan, “Transformation of Jinghong, Xishuangbanna, PRC,” *Where China meets Southeast Asia Social & Cultural change in Border Regions*, (White lotus: 2000), p.167.

⁶⁸ “Yunnan: explore travel routes in the Mekong subregion.” *Department of Public Relation*, (7 September 2003).

Chinese tourists also go to Mongla along the Myanmar border as well. It has been reported that since 1996 there has been an influx of 350,000 tourists per year, most of whom are day-trippers from China.⁶⁹ The Mongla Vice President said “there were around 400,000 Chinese tourists to Mongla in 2004.”⁷⁰ This number, on one hand, shows that the Economic Quadrangle has been able to encourage tourism. On the other hand, the main purpose for Chinese tourists coming to Myanmar is for illegal services such as gambling, casinos and prostitutes.

When China realized the reasons for this tourism boom, the Yunnan Provincial Government closed down the casinos by cutting off telecommunication, transportation and power supplies to the casino buildings. In addition, travel passes for Chinese tourists to known gambling areas were suspended. As a result, 44 casinos in Myanmar were closed and 8,043 Chinese gamblers were arrested, including 40 Chinese government officials.⁷¹

There was a new Chinese regulation which did not allow people to cross the border, even for legitimate business purposes. The reasoning behind this was that casinos attract Chinese officials to gamble in Mongla. After they become involved in the gambling they may become corrupt in order to make enough money to continue gambling. This is why China decided to close the gate at the border altogether and not allow any Chinese to cross over into Myanmar at that checkpoint. As a result, Mongla became a quiet town and was waiting for permission from the Chinese government to open its gates again. Currently, the income from casinos in Mongla primarily comes from Thai gamblers, but this happens infrequently. Thus, it is difficult to travel in and out of Mongla.

After China’s swift response to the gambling problem, Special Region 4 found itself struggling to survive. It shifted to start a new casino on the Sob-lwe river, an area that can only be reached via the Mekong River from Thailand. It is on the side of the river opposite China and hopes to replace the casinos which used to operate in Mongla.⁷² If this Sob-lwe

⁶⁹ Shan Herald Agency for News (S.H.A.N.), Available at: http://www.shanland.org/Political/News_2003/leader_of_mongla_returns_to_face.htm.

⁷⁰ Interview conducted by the Thai ministry of Commerce on official visit in Yunnan regarding a consultation to agree on use of the Tachilek – Keng Tung – Mongla road. 24 – 25 March 2005.

⁷¹ “Border Trade and Burmese Junta’s Income,” Shan Herald Agency for News (S.H.A.N.), available at: <http://www.peacehall.com/news/gb/english/2005/02/200502060630.shtml>.

⁷² J.F., “Undercurrent:Monitoring,” p. 11.

casino is able to become the New Mongla, the Old Mongla will shut down leaving the road even less-traveled. Thus, the future does not look good for the road at Mongla.

The number of Thai tourists visiting Keng Tung in the first quarter of 2004 soared 123.7% above 2003 numbers to 9,763 visitors.⁷³ Myanmar government officials with immigration, travel, and tours at Tachilek indicated the number of Thai tourists to Mongla was more likely only 6,990 people for the first half of 2005, which is still less than the number for the first three months of 2004. A tour manager with the Mae Salong tour company indicated that “the reason for less tourists is because the Keng Tung and Mongla area has become less popular. It is not new anymore, and many tour groups has been there many times already.” Myanmar has not built any new places for visitors and does not allow tourists to travel beyond Keng Tung and Mongla; therefore, tourism and economy are suffering.

It is interesting to note that when road construction was completed, the tour sites in the area were already becoming less popular and some had even closed. It is unclear whether the road will in fact enhance tourism in an area where tourism is already declining.

4.4. Personal agreements and tourism

Mr. Tanomsak, director of Mae Salong Tour, said, “This road still lacks a solid agreement between investors from Thailand, Myanmar and China concerning transporting products and promoting tourism. Therefore business owners need to make personal agreements as there is no standard agreement to which they can all abide by.”⁷⁴ It does appear that having a personal arrangement would certainly be helpful in making the process easier for tour companies.

For example, Four Lens Tour was able to make a close relationship with officials at the Ta Ping checkpoints by putting up commercial signs advertising the company at these checkpoints. Subsequent customers have confidence that the company has a good relationship with a stable entity. Eight and Nine Travel Company, which is a big tour

⁷³ Sawapat Pimchaichon, “Kasikorn releases research on Myanmar tourism, economy,” *Travel Trade Report*, (5 November 2004).

⁷⁴ “The last jigsaw to complete Chinese plan on Mekong river,” *Mekong Time* (online), (13 August 2004), available at:<http://www.mekongtime.com>.

company in Thailand, would like to travel between Mae Sai, Tachilek, Keng Tung and Mongla, but the company cannot do so on their own because they lack the necessary connections with authorities and local leaders. Mae Come Construction, which belongs to Mrs. Soithong Reein, a contractor in Chiang Rai, has had a construction business in the Shan State for the past twenty years. Kang Long Travel and Tours Co. Ltd. is another company which has a center in Special Region Zone 2. These two companies assist in making tourism more popular in the area. Shew Lin Star Travel and Tour Company, which belongs to Special Region 4 in Mongla, looks after all of the tour groups when they arrive in Mongla.⁷⁵ These types of relationships illustrate that Eight and Nine Travels Company understands the logistics of successfully traveling in the area; they must have the support from the groups who are holding the power.

This lack of a standard, concrete agreement for conducting business along the road is a problem. It hinders economic cooperation and local business groups must arrange their own personal agreements; this is an aspect of the issue which should be addressed within the Economic Quadrangle.

4.5. Tourism problems

4.5.1. Limited destinations.

Tour and travel destinations along the road are currently limited to just three areas.

4.5.1.1. No long-term tour development plans

There are currently not as many tourists along the Keng Tung – Mongla section of the road. Many repeat tourists tire of visiting the same sites over and over. However, the Myanmar government does not have any type of long-term plan to develop new places to visit or to enhance old ones.

Tour sites in Myanmar today have less interesting for tourists who have already been there at least once. For example, Keng Tung is famous for its Shan architectural temples like the Mahamuni Temple (Myanmar style), the Jomcome Temple, the Nong Tung market, and the traditional Shan dance. However, Keng Tung today and began to slowly absorb Western culture and popular, modern dancing is more popular than traditional Shan dancing. The

⁷⁵ “Thai investors and Wa connections invest in Mongla traveling place,” (21 August 2004), available at: <http://www.mekongtime.com>.

local women have also started to dress like Thai women, which is less interesting for Thai tourists to see.

For the long-term future, if there is no plan to maintain distinct, traditional cultures, they will be lost and Keng Tung will become simply another modern town like Chiang Rai or Chiang Mai. Travelling to Keng Tung will be like traveling to see old monuments surrounded by a new, modern town.

4.5.1.2. Closed casinos in Mongla

Casinos and related entertainment venues were the focus of tourism in Mongla. Other popular sites in Mongla include the Pranon Temple, which was built by China and Myanmar, as well as the Opium Museum and Tai Lue market.⁷⁶ However, casinos are by far the main focus of any trip to Mongla, which is why it is often referred to as the “Las Vegas of Asia.”⁷⁷

In the past, there were many Chinese and Thai tourists visiting Mongla. However, since China closed the gate (as discussed earlier), the casinos in Mongla are much quieter. Consequently, Mongla is now very quiet because as there are now very few tourists.

4.5.1.3. Travelers not permitted to travel outside the road

The Myanmar government has not made any effort to expand the travel routes available to tourists. Tourists are not allowed to travel beyond specific tour destinations like Taunggy, Pangsang or Mandalay. If the tourists want to go to Mandalay or Taunggy, they must leave Myanmar, pass through Bangkok and then re-enter at Yangon. This is because tourists are not allowed to travel freely, they must stick to very limited routes which do not link the entire country; the routes do not even link the different tour sites around the country, hence the need to leave the country and re-enter at a different point to visit other sites.

Since tourists are also not allowed to travel beyond specific routes, traveling becomes tedious and boring, especially for those tourists who have made the trip before—nothing is new and it is not easy to reach different sites which they may not have seen. The research team encountered similar restrictions on their movements when they attempted to visit Ban

⁷⁶ Brochures from Four Lenses Tour and Mae Salong Tour companies.

⁷⁷ J.F., “Aftershock along Burma’s Mekong,” Lahu National Development Organisation (LNDO).

Pong Port; they were not allowed to make the trip even though the port was 20 kilometers from the main road. The team had to continue on their direct journey to Keng Tung, they could not stop, or turn left or right. These types of restrictions can be stressful for passengers and tourists.

The government controls the movement of people through a series of strict checks at checkpoints which monitoring tourists' movements. If a tourists or group should stray from their approved path, they will not be allowed to pass through the next checkpoint.

Li Wen Bin, general manager of the Wa Long Company, Limited based in Pangsang, the capital of the Wa Special Region 2 in Burma's Shan State, was looking to encourage tourism in that area. He said that "Thai tourists entering Burma at the Tachilek – Mae Sai checkpoint can now travel as far as Mongla, bordering China. The government must permit Thai tourists to enter Special Region 2." Li also said, "When Thai tourists come, the Wa authorities will guarantee their comfort and safety."⁷⁸ However, for security purposes, Myanmar still does not allow people to travel outside Keng Tung and Mongla.

4.5.2. Security

4.5.2.1. Security for Myanmar and tourists

*"If road transport from Myanmar's Keng Tung to Thailand becomes safe enough for transport, it is expected that this route will play a significant role in the Mekong sub-region tourism sector. In addition, it is the shortest route linking China and Thailand."*⁷⁹

The road would be a significant route for tourism if it is safe enough. Safety and security are the primary factor to consider when planning trips to Myanmar because of the unstable political situation in the area. The Thai Farmer Bank Research Center conducted a study which found that the future of tourism in Myanmar will be affected most by the instability of the government situation.⁸⁰ If the politics are always changing, tourism will be directly affected. Sirinapa Chaisri, a Thai researcher who studied tourism satisfaction services in Keng Tung and Mongla in 2004, also confirmed that "the tourists are the most

⁷⁸ "Wa want to help with tourist development," *Bangkok Post*, (30 November 2004).

⁷⁹ Masviriyakul, p.308.

⁸⁰ "The changes of Myanmar politics."

concerned about security in traveling because this route is quite new and the situation in the country is not stable. This is tourists worry the most about.”⁸¹ Security issues are something that Sirinapa herself faced during the data collection phase for her project. She stated that “during the time of research (November and December), the government has just changed to a new prime minister, therefore there were only few tourists who registered for the trip... This situation caused the tourists to cancel their trips and there were even less tourists visiting the country.”⁸²

The decreasing number of the tourists occurs every time there is a change in government or problems within the country like the bombings in Yangon in May 2005. This event caused many tourists to cancel their trips. In fact, for this project, the researcher was unable to find a trip in June 2005 to conduct research as most people canceled their trips. A Hong Pang Company representative also said that “before there were vans coming from Thailand, but these past two months [May and June 2005] there were no tourists from Thailand because of the events in Yangon.”⁸³ This particular situation reflects the overall instability in Myanmar; there is no stability in the political situation and there continues to be movement among minority groups within the country.

It is clear that tourists are concerned for their safety when traveling inside Myanmar. At the same time, Myanmar is also concerned about who enters the country. Thus, there are many strict checkpoints to inspect and monitor the movement of people entering the country. Names are recorded and their backgrounds are checked to find if visitors are spies or investigators; this is why Myanmar has so many investigation offices. One tour guide has said, “The tourists need a series of stamps and must stop at every checkpoint. If they drive past a checkpoint without the proper stamps, they will have to drive back and get the missed stamp. These checkpoints are referred to the government checkpoints”

In addition, if there is political unrest, Myanmar will close its borders in order to prevent any movement of people out of the country. Border remains closed until the government is able to control situation. Somyot Jangawang, an immigration officer at the

⁸¹ Chaisri, “Tourist satisfaction with service along the Keng Tung – Mongla Road,” p.49.

⁸² *Ibid.*

⁸³ Interview Hong Pang representative.

Mae Sai checkpoint, said, "If their country [Myanmar] is not stable they will ask people not to cross the border for the sake of our safety."

The security issue is one which affects both tourists as well as the Myanmar government. During the field survey for this project, Myanmar officials were taking obvious steps to ensure security. Myanmar soldiers were stationed along the road to secure the entire route from Thachilek to Keng Tung. During this field work trip, soldiers were visible along the entire route holding their weapons; over the 240 kilometer route, there were about 30 soldiers.

It was noted by LND director that they are not Burmese soldiers. They are Lahu militia members, the pro-junta group who are allowed to hold guns.

There are three main reasons for Myanmar to be strict in addressing security issues.

1. Myanmar wants to protect the tourists from the insecurities within the country. This is an important reason because Myanmar wants to cooperate with neighboring countries. In doing so, it must be able to guarantee the safety of visiting tourists. Thus, guarding the road in unstable areas is necessary; this is also why militia members hold their guns at the ready while posted along the road. These posted soldiers are also monitoring any unusual movement of rebel groups.

Another measure to protect tourists in addition to guarding the road is that they are only allowed to stay in hotels guaranteed by the government. These types of hotels are registered with the government to serve foreigners. Tourists are not allowed to stay at any other type of accommodation.

2. Myanmar does not want foreigners to interfere with domestic problems within Myanmar. This is why Myanmar officials are continually checking name lists of people traveling, to ensure they do not stray from their approved route. It has been suggested that Myanmar is not yet ready for outsiders to see the instability and problems (like drug cultivation) who still exist.

3. Myanmar does not want any group to move freely within the country, thus gates are closed any time there is any unusual movement or unrest. The more unmonitored movement inside the country, the more likely it is that more trouble will occur which the government will not be able to readily control. Thus, as a result of the overall political unrest throughout the country, tourists are not allowed to move freely.

4.5.2.2. Security for China and Thailand

Since there has yet to be any sort of multi-lateral agreement among China, Myanmar, and Thailand regarding standardized use of the road, crossing the border continues to be problematic. There are some MOUs between Myanmar and Thailand and others between China and Myanmar. None of these MOUs are clear and they do not bring the three countries together.

A remaining problem regarding the security of Thailand and China is the permission in to use special Entry-Exit permit visas. Many Chinese tourists wish to enter Thailand every year, but there are ongoing problems with crossing into Thailand. The managers both Four Lenses Tour and Mae Salong Tour (Thai tour agencies) indicated that “the Chinese cannot come to Thailand because there is the government does not allow them to obtain the required Entry-Exit permit visa. The Entry-Exit permit visa is a temporary visa or borders pass for passengers who want to enter a third country without receiving an official tourist visa.

Chusak, president of Four Lenses Tour Company shared that “the Chinese usually do not want to use a passport because they do not want the stamps. If it is a stamp, then it will be recorded in an official database. For those tourists who are being watched by Chinese authorities regarding their income, the stamp suggests they are able to travel abroad. Thus, they would rather travel without stamping their passports.”⁸⁴

Chusak further explained about the advantage that of using the Entry-Exit permit visa that “it will good for Thailand, because there are many Chinese who want to visit Thailand. By allowing them to enter, this will bring in large amounts of money to Thailand, especially to Chiang Rai province.” Thus, Thai tour agencies are very much in favor of the Entry-Exit permit visas to invigorate tourism along the road. However, these permits are still not

⁸⁴ Interview with Chusak Trairisilp, manager of Four Lenses Tour, 18 June 2005.

allowed by Thai authorities and Chinese tourists are not able to easily cross the border without receiving stamps in their passports.

The Entry-Exit permit visa would increase tourist activities and help to fulfill some of Economic Quadrangle objectives. However, there will be effects in allowing this type special permit. If it is easier for the Chinese to enter, there is also the risk that migrants will take advantage of easy border crossing regulations. In addition, if the Entry-Exit permit visa is allowed, it will be important for Thailand to increase its interior monitoring of these tourists to prevent any illegal activities that often cater to tourists' desires.

Some Thai businessmen appealed to Mr. Vorakiat Somsoi, the governor of Chiang Rai, who responded to the issued during a seminar on the "Development Strategies for Northern Thailand." Mr. Somsoi proposes that Thai authorities allow Chinese tourists to use the Entry-Exit permit visa to enter Thailand, as opposed to using a passport and official tourist visa. In addition, he would like Thai authorities to coordinate with Chinese authorities to allow Thai tourists the use this same type of special visa when entering China.⁸⁵

Thai authorities did not immediately respond to this request. Thai Interior Minister Mr. Chidchai Vanasathidya was quoted in the *Manager* newspaper in 2005 as saying, "Today, the process of border passage is already appropriate. There is not a need for an Entry-Exit permit visa. The process is fine already. If it was not good, it would have been changed long ago."⁸⁶

Thai authorities do not want to allow use of the special Entry-Exit permit via. This is understandable given that the military is concerned with adverse effects of increased tourists. As has been seen in other border provinces in Thailand, when borders are opened, illegal activities invariably increase.

Mya Than indicates that there are about 350,000 illegal laborers in Thailand, most of whom are from China and Myanmar. Chinese prostitutes come from Yunnan, through the

⁸⁵ "Request government to rethink Entry-Exit Permit: Travel through Chiang Rai," *Weekly Manager*, (19 May 2005).

⁸⁶ "Minister of Interior mentions trafficking and drugs,," *Manager*, (6 July 2005).

Shan state of Myanmar. As such, movement of goods and people has caused the spread of AIDS into this sub-region.”⁸⁷

In a research paper entitled "Chinese Prostitution in Thailand," Mr. Vorasak studied 35 Chinese prostitutes that were enticed into the Thai sex trade by joint businesses run by Chinese, Burmese and Thais. He found that the route to transfer these women into the Thailand and nearby countries is the same as that of the Economic Quadrangle road.⁸⁸ Thus, the illegal trafficking of people is another area for concern when examining utilization of the road.

Four groups argue they would screen people to avoid allowing illegal migrants and others to take advantage of the special Entry-Exit permit visa. However, the government of both Thailand and China remain unconvinced and strict controls remain requiring official tourist visas stamped in official passports.

There is clear evidence that China is not negotiating on the issue of a special Entry-Exit permit visa. A report in the *Manager* newspaper said that “in the past Chinese local authorities [in Yunnan province] allowed this type of Entry-Exit permit visa, and encouraged people to use it. It was used for a long time. The use of this visa ended when a Thai official asked Beijing about this special permit. Once the central Chinese government was made aware of the special permit, its further use was forbidden. This visa is still not allowed today.”⁸⁹

This situation suggests that China is also concern about the use of this type of special visa. Easy passage for Thai people into China would not be good for China. It is currently not easy for Thai tourists to enter China. During the field work, the researcher found that the process to enter China through the Daluo checkpoint quite strict—stricter than for Chinese coming to Thailand. Thai tourists need to provide their name, surname, passport expiration date, and visa number to Chinese authorities at least 15 days in advance of crossing the border. Then while passing through the gate, officials will check the name, surname, and

⁸⁷ Than. “Development Dilemmas,” p. 116.

⁸⁸ Vorasakdi Mahatdhanobol, *Chinese Women in the Thai sex trade*. (Bangkok: Institute of Asian Studies, Chulalongkom University, 1998).

⁸⁹“Tourism gets benefits from Thai-China road,” *Manager*, (2 July 2004).

visa number to compare with the list received in advance; it takes at least ten minutes to process one person. The purpose for these strict controls is to preventing illegal movement into China.

There are also strict controls in place for people from Myanmar entering China through this checkpoint. In general, Myanmar citizens are not allowed to pass through this gate into China; it is only residents of Keng Tung province which are allowed to pass in order to visit their relatives on the China side. These strict rules are in place to prevent illegal migration into China.

Thus, China is also concerned about with security issues which may result from other member countries of the Economic Quadrangle along the road.

These problems are very real, and there are serious negative consequences to opening up any border. In this particular situation, these problems affect the road in that usage levels remain low because of strict borders controls. Thus, there will need to be more cooperation among EQ member countries (Thailand, Laos, Myanmar, and China) in seeking appropriate solutions and measures to prevent mis-use of the road while promoting positive usage.

5.) Local villager utilization

One purpose of economic cooperation is to create increased incomes and well-being for people of member countries. Thus, in order to examine utilization of the Tachilek – Keng Tung – Mongla road, it is inherent to study the usage of people who live along the road and analyze any effects (both positive and negative) that these local villagers face because of the road.⁹⁰

5.1. Utilization for travel

5.1.1. Before the road's construction

In speaking with eight villagers, the researcher found that in the past residents did not prefer to travel by car. Due to the road's very poor condition, cars would often become stuck.

⁹⁰ The researcher arranged a special in-depth interview session at the Thai Mae Sai border with eight residents who live along the road. The results of these interviews are significant in that they reflect the effects of the road and development on the local people and the area.

Before the road was improved, it was an unpaved, dirt road which was very dusty during the dry season and very muddy during the rainy season, making travel by any type of car very difficult. When traveling by car, the wheels would often get stuck in the mud, and passengers would need to get out and push the car several times throughout any journey. Because of these difficulties in traveling by car, villagers usually just walked from town to town. For very long journeys, they would travel by car, but if it was not too far to walk, they always preferred to walk. One villager indicated that he usually walked, often more than 20 miles. He said, “In the past, I usually walked to Keng Tung, though I took the car sometimes. The road was in bad condition. Cars usually got stuck in the mud and it could take up to eight hours to get to our destination.”⁹¹ Thus, regardless of whether villagers walked or used a car, it often took the same amount of time.

Another reason villagers preferred to walk in the past is because of the lack of different types of transportation. They walked because many of the vehicles that did travel along the road were for transporting products and not people. If they wanted to take a car, they would need to wait for a long time. One villager who lives about five miles away from Ta Lehr said, “Before the road was built, we usually walked to places. It sometimes took a very long time before any vehicle would pass.”⁹² Rather than wasting time waiting for hours, people simply preferred to walk.

5.1.2. After the road’s construction

After road was constructed, these two problems—poor road conditions and lack of available transportation—have been addressed. Vehicles no longer become stuck in the mud as the new road was constructed using asphalt and it is suitable to drive quickly now with no problems. This saves a lot of time when driving, making it much faster than walking now.

Now villagers only walk for very short distances, as cars are now the preferred method of transport because it is so much easier and convenient now. However, most villagers do not have their own cars and so they use public vehicles for their transportation. Most villagers use bicycles within their villages. Some also have motorcycles, but it is only the wealthier villagers who are able to afford this luxury.⁹³ In a medium-sized village today,

⁹¹ Interview with village informant, 29 June 2005.

⁹² Interview with village informant.

⁹³ *Traveling in Keng Tung*. p. 48.

there are approximately ten motorcycles. Since road construction was completed, however, there are increasing numbers of people buying motorcycles; motorcycles are now much less expensive than they were before as they are imported from China.⁹⁴

While most vehicles using the road in the past were transporting products, today there are now many options available for public transportation of people. This public transportation system is much more up to date than in the past and has led to an increase in the number of people who travel along the road. Data from the field survey found that there are three main types of passenger transportation along the road.

1. *Taxis*. There are about 200 taxis which travel from the Tachilek depot to Keng Tung, and another 50 taxis traveling from Keng Tung to Mongla daily.
2. *Buses*. Two buses leave daily.
3. *Pick-ups (Hilux)*. There are over 100 Hiluxes. Some receive a special government subsidy for gas because they support the military in providing transportation when requested. Because of these subsidies, these pick-ups are available for a much lower price. Local villagers call this kind of car a “Siyaga.” It costs about 1,000 – 2,000 Kyatt per person to travel from Tachilek to Keng Tung (about 40 Baht).

5.1.3. Frequency of utilization

While the road is much easier to use since it was developed and improved, in interviews with local villagers, it appears that the local people still do not use the road very often; they travel only when they absolutely must. Examples of reasons they would travel include going out to buy necessary products, visiting relatives, or going to the doctor. One local farmer said, “The road has been available for us to use for two years already, but I don’t get to use it often. I only travel when I have to leave town or when I have to go to buy some necessary products. I have five children so I do not have time to go places.”⁹⁵ This farmer

⁹⁴ As mentioned earlier, motorcycles imported from China are cheaper compared to motorcycles from Thailand. Motorcycles from Thailand cost one million Kyatts, but those from China cost just one hundred thousand Kyatts. Thus, motorcycles have become much more popular due to the availability of less expensive models and the improved road. This information is indicated by Sai Aung Min, Charoen Pokphand (CP), Myanmar.

⁹⁵ Interview with village informant.

did not see the road or its improvement as having anything to do with him or his livelihood. Despite living close to the main road which is not paved, he simply did not have the time to use it. His time was consumed with farming in order to support his family. Another middle-aged villager who makes less than one thousand Baht a month said, “I have only come to Tachilek once [for this interview]. I don’t come here unless I have to.”⁹⁶ Traveling means more expenses, so if it is not necessary villagers will not go out as they prefer to save their already limited income. That being said, however, the middle-aged man was still pleased with the new road, even though he does not have a chance or reason to use it. He shared further, “I like the asphalt road and the rock. It looks beautiful and refreshing. There is nothing I do not like about the road because there have never been any problems with it.”

5.1.4. Reasons for limited use

There are various reasons why the road has not been popular with local villagers.

5.1.4.1. More restrictions on passage

At present (after road was fully constructed), the government is much stricter in enforcing traveling procedures. In the past, the villagers did not have to carry their personal identification cards, but now they must carry it with them at all times. Some villagers feel afraid with the strict rules at the checkpoints. Kuensai Jaiyen indicated that villagers are afraid soldiers will do more than simply check their identification, such ask for money or not allow them to pass. Thus, local villagers do not travel much unless they have to. *Undercurrents* magazine suggested that “At each checkpoint all passengers must get down from their vehicles and display their identity cards and any other required documents, and at each customs point the driver must sign papers. If a driver or passenger does anything to upset the checkpoint officer, they will suffer consequences. Sometimes authorities take the car by force and drive it away or demand free labor.”⁹⁷ So the more local villagers travel, the higher their chances of encountering these types of negative consequences of using the road.

⁹⁶ Interview with village informant.

⁹⁷ J.F., “Undercurrent Monitoring,” p. 13.

5.1.4.2. Low income

The daily life of local villagers is such that it does not encourage regular use of the road. Most villagers who live along the road are involved with subsistence agriculture to support their own families and homes. They do not produce large quantities of products for re-sale, they operate simple farms or orchards. This type of work provides for the immediate needs of their families, but brings in very low incomes. In addition, some villagers who live on nearby hills have even less land available to farm and so they grow rice on the hillsides. This type of hillside rice cultivation is rather popular since much of the road passes through these hills, and thus, most of the local villagers live and work in these hills. So most do not have much land even for rice farming, especially those living near the foot of the mountain.

The incomes generated through these limited agricultural activities are enough for families to survive. All of their excess income is saved to support their children's education since education fees are very high and the government does not provide any type of support.

“Some families have two children which will cost them 20,000 Baht a year per child (500,000 Kyatts) [for education]. In one year these people make 100,000 Kyatts which is not enough to send their children to school.” In this situation parents need to spend years saving enough money to send their children to school. Because of these financial realities, villagers will not spend money to use public transportation on the road unless it is absolutely necessary.

5.1.4.3. Higher transportation fees

In addition to restrictions on passage and low incomes, the cost of traveling along the road is increasing. One villager indicated, “In the past it was only 3,000 Kyatts to travel in a Hilux truck; nowadays it is 4,000 Kyatts.”⁹⁸ The Hilux is considered the cheapest mode of transportation, but the cost of taking a Hilux is up 30%. Increases in transportation costs impacts the well-being of villagers, whose average income from day labor is just 200 – 500 Kyatt (10 – 25 Baht) per day.⁹⁹

⁹⁸ Interview with village informant.

⁹⁹ Interview villager from Mong Yawn township. 24 June 2005.

The villagers believe that the increase in price is because of the growing number of checkpoints. Villagers said, “Before there were just a few checkpoints, but now there are several. That is the reason why the cost of traveling is more expensive.”¹⁰⁰ The Hong Pang company tollgates are examples of additional checkpoints that have been added. According to villagers, “In the past, there were no weight tollgates, but right now they exist.”¹⁰¹

After road construction was completed, fees for using the road increased as the number of checkpoints, both legal (Hong Pang tollgates) and illegal (wooden bars), also increased. Some local villagers accept the higher prices and consider the benefits of the newly constructed road. The reason for this is that they do not have to stay overnight while walking long distances anymore. Before the road was finished, they would need to stay overnight along the route, which made the trip more expensive. One villager said, “When the road was not done, we had to pay to stay over night. We had to pay 60 – 70 Baht, including the overnight lodging costs. Now we pay only 40 Baht.”¹⁰² Another villager said, “The road is better than before. There is no longer a need to spend the night somewhere during the trip.”¹⁰³

Many villagers are affected by the increased price in traveling. One villager said, “I like the fact that the road is in much better condition. It is really helpful when we are sick. But I don’t like the higher price of transportation. I am not happy about that at all.”¹⁰⁴ These rising costs are especially difficult for local villagers who make just 200 – 500 Kyatt (10 – 25 Baht) per day; any increase in the cost of transportation is very troublesome for them.

Based on results of this research, it appears that the decision as to whether or not local villagers choose to use the road is purely a financial decision; it is not related to convenience. Villagers concede that the cost is reasonable when traveling long distances such as to Keng Tung or Taunggy, since they do not have to spend extra money to stay overnight. But for those villagers traveling short distances like to Tachilek, prices are not so reasonable.

¹⁰⁰ Interview with village informant.

¹⁰¹ Interview with village informant.

¹⁰² Interview with village informant.

¹⁰³ Interview with village informant.

¹⁰⁴ Interview with village informant.

5.2. Utilization for trade

5.2.1. Exports

The road has encouraged increased exports to Thailand and even China. There are increased numbers of middlemen who provide products to Thai buyers. Many of the middlemen are Shan merchants who purchase products from local villagers. These merchants have special permission from the government to transport large amounts of products for exports; local villagers are not allowed to do this. A higher amount of trade is good in that it allows local villagers the opportunity to sell more of their products; it can increase some villager's income.

However, there are also some negatives aspects to this. In the past, villagers were able to deliver their goods directly to Thai buyers at the Tachilek checkpoint, without using a middleman. Some villagers directly transported their goods to sell at the Tachilek bridge. But with the Myanmar government being more strict in enforcing export regulations (without a license, people are not allowed to export), it is now much more difficult to local villagers to sell their products directly to the Thai market. The middlemen do have government licenses to sell and export products, which generated a lot of income for them. The villagers, however, suffer in that they are no longer able to determine the price at which they sell their products. Rather, they are forced to sell to middlemen at a fixed price which is often much lower than normal. This middleman system also limits the amount of stock that villagers can carry; if they exceed the quota they must pay a bribe. Thus, local villagers are now competing with middlemen. The villagers are often limited in the amount of sales they are able to conduct because they do not have vehicles to transport their goods.

Thus, the only way to avoid these problems is to sell products to middlemen who come directly to their villages. These middlemen buy and sell products using fixed prices that are not negotiable. Villagers must sell their products, even though the asking price is very low. One villager shared that "since the road has been finished, I earn less. The big truck just comes and buys our products. We can not start out own businesses because we do not have permission. We have to be patient because we can not sell the mangos across the bridge. In the past we could sell mangos at the border for 7 – 8 Baht per kilogram, but not it is just 1 Baht per kilogram [for the middlement]. Now that the road is good, people who

have permission will come and buy all of our products.”¹⁰⁵ Another villager said, “The road is better—it’s easier to travel and easier to do business. We have some money left, but we are changing only a little.”¹⁰⁶ Thus, while trade is improving for middlemen and business owners, this is not true for local villagers who are seeing their profits fall because of non-negotiable prices from middlemen.

5.2.2. Imports

Since the road has been completed, there are more shops and products available in Myanmar which sell items imported from Thailand and China; most of these imported products are food. There are more Chinese and Thai products which are imported into the Myanmar market. Some prohibited products are also easy to find in general shops in villages or in Keng Tung. The role of the black market is to carry these prohibited items across the river and is a normal part of trade with Myanmar. After the road was completed, there were more Chinese and Thai products available in Myanmar shops. The Myanmar government has attempted to sell products in the area as well. During field observation, the researcher found that there were ten empty trucks, traveling to Yangon to pick up consumer and industrial products to sell to Keng Tung; it takes about one month for these trucks to make the journey from Yangon. However, these Myanmar products are not popular. Villagers have said the local products are cheap and of low quality. Thai products are favored over these local products.

While the amount of products available in local shops is increasing, the number of consumers remains very low. Villagers indicated that many of these products are not necessities, and since local incomes remain quite low, there is no interest in purchasing unnecessary items. In order to increase local consumer purchase of these imported products, it will be necessary to first develop local villagers standard of living and income levels so that they will be able to afford the products. Regardless of how well-constructed the road is, the economy and trade within Myanmar will not be affected if locals continue to live day-to-day. In fact, the situation may worsen over time and middlemen take away the little profit that villagers were able to make previously.

¹⁰⁵ Interview with village informant.

¹⁰⁶ Interview with village informant.

5.3 Impacts of the road's construction

5.3.1. Increased migration

With the new and improved road, migration is now much easier. In the past, local villagers would migrate because of the civil unrest and violence which drove people from the mountains to seek shelter elsewhere. One example of this is the Akha minority group. This group originated high in the hills of Myanmar. As a result of the many rebellions in Myanmar, there was the rear of civil unrest and the Akha slowly began to relocate away from the mountains. They remain in the thick forests, about five kilometers from the road. This new location is still consider very remote and cannot be reached by automobile; there is no trade with outsiders.

With the construction of the road and the opening of the Shan State in 1992, many villagers chose to move again. In speaking with the same group of Akha, they indicated that they first settled in the nearby hills and the community consisted of 48 houses. There are now just 16 houses remaining. Most of the villagers have all moved to Keng Tung and Tachilek in Myanmar or Chiang Rai and Chiang Mai in Thailand. Of those who remain, none are between 10 – 25 years of age. This age group has all left to work, and some have been able to escape to Thailand. One Akha villager said, “Some women became maids, but some have disappeared and were not heard from again.” There is a lot of this type of out-migration of the younger generation throughout the Shan State. In addition, large numbers of young girls and women disappear and are not heard from. This is an area of concern.

Thailand and Myanmar have spent much time already in discussing the need for stricter laws to combat human trafficking, but despite this, the problem persists. In 1997, the State Peace and Development Council (SPDC) ordered that no girls under 25 years old were allowed to travel to border town without a special certificate from military intelligence; this did little to curb the flow of human trafficking. Later in 2004, a new, stricter law against trafficking was issued. However, traffickers worked around this new law by simply increasing “travel fees.” There has been a significant increase in the cost of the Keng Tung – Tachilek trip which now costs 5,000 – 6,000 Baht. The increased cost is due to the higher costs for bribing checkpoint officials. These “fees” are increasing on the Thai side as well. For example, to travel from Mae Sai to Bangkok used to cost about 5,000 – 8,000 Baht, but it is not over 10,000 Baht. The laws and regulations have done little to lower the incidences of trafficking and illegal migration, as numbers remain more or less steady. On 7 November

2003, 21 women, 12 of which were under the age of 18, were pleading their cases in a Chiang Mai court after being taken from area brothels. During that month alone, forty women and girls were taken from area brothels, and nearly all were Myanmar.¹⁰⁷

Thanet surveyed the Economic Quadrangle in 1993 and found that “over 40,000 women in Keng Tung came to Thailand to work, mostly as prostitutes (both intentionally and unintentionally).”¹⁰⁸ The above number was calculated in 1993 when Myanmar opened its borders to its neighbors for the first time. It has been ten years since then and transportation is now much more widely available. Thus, there are currently many more immigrants coming across the border.

5.3.1.1 Movement from highlands to lowlands

Research shows that after road was completed, many highlanders moved from the mountains down villages near the road, others who belonged to the same ethnic groups often made the move also to stay together. This type of movement is especially common today during the summer months. These newcomers first meet with village leaders to ask permission to stay and learn the rules of the village. If village leader and committee agree, then the highlands migrants are allowed to settle join the community.

This issue seems to suggest that the new road attracts people from the surrounding hillsides. If this trend continues, community along the road will become more and more congested as time passes and in-migration continues. One issue which is important is that of natural resources. The amount of resources remains the same, but the number of people accessing these resources is growing. One example of limited natural resources is land for farming. One villager said, “Now there is not enough space to raise buffaloes or cows because so many people have come in and claimed the land.” This problem puts the area in an economic deadlock because there is a shortage of available jobs and resources. This is an issue which will need to be addressed by local as well as national leaders as this type of economic barrier pushes villagers into migrating to other countries.

¹⁰⁷ J.F., “Undercurrent Monitoring,” p.7.

5.3.1.2 Movement to larger towns

Many people are also moving to larger towns. Some villagers staying near Tachilek were able to secure supplemental work such as cutting bamboo trees or making charcoal. This extra work led to increased well-being for these villagers. Subsequently, others moved to larger towns seeking a better quality of life as well. For those villagers living near Keng Tung, however, farm work remains the primary occupation. For this reasons, there are few people left in these villages.

One village moved from a remote area to stay closer to the main road in 1987 because of the limits on their economic growth when they stayed far from the road. Living far from the road and far from facilities leads to economic hardship and poverty for many villagers. They have no income to support themselves and must borrow money if they became sick. One villager said, “Some families have two children which cost them 20,000 Baht (500,000 Kyatts) a year per person [for education]. In one year these people make 100,000 Kyatts which is not enough to send their children to school. In this situation the family must move to the city to send their children to school.” Thus, more are more people are moving to larger towns like Keng Tung and Tachilek.

5.3.1.3 Movement to neighboring countries

Moving to Thailand or China provides good opportunities for migrants; this type of movement is very widespread. People already living along the road have a tendency to move to more developed areas such as Mae Sai, Chiang Rai, or Chiang Mai (all in Thailand) or to the Chinese border. Uyi, a man from Keng Tung, is 78 years old and works in Noi Nor temple. He has two grandchildren—one working in Chiang Rai, Thailand and the other working in Talor, near the Chinese border.¹⁰⁹ Locals prefer to send their children to work elsewhere because of the better economic opportunities available in other areas. If they remain in their home village, there is no work or opportunity for them to advance.

5.3.1.4 Movement to other countries

A Myanmar guide indicated that today people do not only move to Chiang Rai, Chiang Mai or Bangkok in Thailand, but many people now also move to further destinations

¹⁰⁸ Ibid., *Undercurrent*, p. 47.

¹⁰⁹ Chareonmuang, “Thai-Myanmar-Laos-China: Quadrangle of Economics, Quadrangle of Culture,” p. 47.

like Malaysia and Singapore. Singapore is a favorite destination because the salaries are higher and villagers are able to send more home to their families in Myanmar. This guide also said, “You can come during Songkran (the Thai and Shan New Year festival in mid-April) and will see many workers coming home to visit their families—many of them come from Singapore.”

Migration is becoming another serious aspect of Economic Quadrangle cooperation. If the economic situation in Myanmar does not change, the number of migrants is likely to remain steady, if not increase. Some minority groups have said, “the steady migration of people from rural villages in eastern Shan State down to Tachilek, and across into Thailand in search of work is caused by extortion and other abuses by the SPDC.” Few young people remain in most of the rural villages in the greater Tachilek area. Increasing numbers of beggars from across the border are now to be seen in Mae Sai, Thailand.¹¹⁰ While migration solves the problem of lack of income for local villagers, it creates a new set of problems for receiving countries. Migration is an issue which will require the cooperation of all involved countries in order to be effectively addressed.

5.3.2 Changes in livelihood

5.3.2.1. Increased numbers of accidents

In the past, living along the road was less problematic. At that time, if a vehicle hits a villager’s buffalo, the driver could not flee because of the bad condition of road. The driver would then be responsible for the loss. However, with the improved road condition, drivers are now able to easily flee accidents.

Due to reckless drivers, the road is not always safe and there is the constant threat of traffic accidents. Villagers must now cross the road with extra caution, especially when crossing with their water buffaloes. One villager said he needed to be very careful when crossing the street, and take special care of his buffaloes when crossing as well. When asked why he did not report accidents to the police, he indicated that the process of reporting accidents is a very long one because of complex regulations, and it is much better to not report.

¹¹⁰ J.F., “Aftershock along Burma’s Mekong.”

5.3.2.2. Strict regulations

There are strict regulations which must be followed by villagers living along the road. Villagers must ensure that their buffaloes do not defecate on the road. Hong Pang Company staff check regularly. Villagers must keep the road clear; if not, an HP officer is certain to come. More recently, however, the officers are more lax and rarely come to check, so villagers do not worry so much anymore.

It appears that since the Hong Pang Company constructed the road, it has authority in maintaining and enforcing regulations concerning the road. Anyone who wishes to do anything with the road must seek permission from Hong Pang, not the Myanmar government.

5.3.2.3. A new culture

Thanet has said, “The influence of capitalism has come from Mae Sai into Keng Tung like an uncontrollable storm. The people of Keng Tung used to live simple lives, but now you can see the changes through posters and calendars, which influence the lifestyles of the people living here.”¹¹¹ Changes in the economy and led to subsequent changes in the culture of the Shan State. There is a growing capitalist influence from Thailand. The younger generation is far more interested in a fast-paced modern culture than the ancient, quiet culture of their roots.

There have been other changes since the road was completed. There are more and more younger people who drive their motorbikes from Tachilek to Keng Tung for traveling. Women dress much less modestly wearing things like spaghetti-strap dresses. Women also ride motorbikes from village to village along the road. These changes are seen to be slowly eroding the ancient, quiet culture of their origins. These changes have the older generation of villagers worried that this new culture will spread into the suburbs and the younger generation will be like that which they have never seen before. Thus, the road has also lead to the easier spread of capitalism which has been a mechanism in bringing materialism and self-centeredness to the local society. The young generation wants faster cars and nicer clothes, which is why there are so many cheap motorcycles from China sold in Keng Tung.

¹¹¹ Thanet Chareonmuang, “Thai-Myanmar-Laos-China: Quadrangle of Economics, Quadrangle of Culture. p. 47.

Another example of a new culture that is spreading along the route of the road is Thai popular songs. Discotheques in Keng Tung stay up to date and play the latest Thai songs. This influence spread quickly and easily into the previously quiet Keng Tung. It is very easy now for shop owners to ask drivers to go to Tachilek and find out which songs are popular and have them buy CDs. Shop owners in Keng Tung will get their new songs within a day now because of the improved road conditions and the ease of travel. This is an example of how the local culture is changing because of increased capitalist influences. These influences are invading local Myanmar culture via the Economic Quadrangle route. Also significant is that this new culture has not only spread into the downtown areas of Keng Tung, but has also permeated to outlying suburbs and villages as well.