Towards a better understanding of the political economy of regional integration in the GMS: Stakeholder coordination and consultation for subregional trade facilitation in China

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Executive summary

To bring about mutual benefits and development in the Greater Mekong Subregion (GMS), China has actively participated in the GMS Economic Cooperation Programme (GMS Programme) to promote social and economic development, which is supported by the Asian Development Bank. Achievements have been made in the areas of infrastructure improvement, mutual trade expansion, and increased flow of goods and experts. However, various problems and obstacles have appeared following the implementation of some of the regional initiatives. While there has been extensive discussion regarding obstacles to the implementation of the initiatives in China, very little attention has been given to the implications from the perspectives of political economics and stakeholder analysis. This paper is a first attempt to fill this gap.

The main contribution of this paper is the identification of obstacles at the different levels of coordination, and constructive recommendations for (a) improving the effectiveness of existing coordination and (b) forging linkages where necessary between the various stakeholders i.e., central and provincial governments, state-owned enterprises, the private sector – including industrial associations, and small and medium-sized enterprises (SMEs) – border communities, donors and development partners, and civil organizations are the main stakeholders. Primary data were collected through in-depth interviews and surveys in order to analyse the different degrees of influence, importance, interest and impact of each stakeholder. It was found that inter-agency coordination at the central and provincial levels needed further enhancement. Second, participation by the national internal coordinator, the National Lancang-Mekong Coordination Group of the National Development and Reform Commission and the provincial coordinator, the Yunnan Lancang-Mekong Office is insufficient. Third, coordination between the central and provincial governments is actually undertaken by the line ministries and their corresponding line departments, based on actual job requirements.

Apart from the general analysis, further focus is placed on trade and transport facilitation initiatives such as the Cross-Border Transport of People and Goods Agreement (CBTA) and Economic Corridor projects. The related main stakeholders are identified and the analysis is made based on the processes of the initiatives’ formulation and implementation. It finds that in formulating the initiatives, the central Government takes the lead and is therefore of great importance, indicating that the GMS cooperative initiatives are government-driven. However, for the initiatives’ implementation, coordination and communication between the Government and other stakeholders including state-owned enterprises (SOEs), the private sector, border communities and civil organizations are insufficient or ineffective. In addition, special attention needs to be given to those important stakeholders who will be directly affected by the implementation of the initiatives but who actually have a low level of influence, both in the formulation and the implementation of the initiatives (i.e., the industrial associations, SOEs, the private sector and border communities).

Recommendations are made on the existence and effectiveness of inter-agency coordination as well as the coordination between the Government and other stakeholder groups. Greater efforts to strengthen the authority of the coordinators at the national, provincial and prefectural levels are proposed. Organizing training courses and workshops are recommended with the objectives of enhancing understanding of the initiatives and creating better communication between the Government and other stakeholders. In addition, measures aimed at ensuring better involvement and enhanced representation of the private sector, border communities and civil organizations are suggested.
Contents

Introduction.............................................................................................................................................1

I. China and regional integration .........................................................................................................3

II. China and Regional Cooperation Initiatives ..............................................................................6

A. China and ASEAN...............................................................................................................................6
B. China and ASEAN 10+3 .......................................................................................................................6
C. China and Asia-Pacific Economic Cooperation ...........................................................................7
D. Asia-Europe Meeting .........................................................................................................................7
E. Shanghai Cooperation Organization ...............................................................................................7
F. Asia-Pacific Trade Agreement .........................................................................................................7

III. China and the Greater Mekong Subregion .................................................................................8

A. Mekong River Commission ..............................................................................................................8
B. ASEAN–Mekong Basin Development Cooperation ......................................................................8
C. GMS Economic Cooperation Programme Founded by ADB ...........................................................9
   1. Objectives and participation ........................................................................................................9
   2. Participation by Yunnan province and Guangxi Zhuang Autonomous Region ..........................................9

IV. Stakeholders in GMS regional integration ..............................................................................12

A. Definition of stakeholders ..............................................................................................................12
   1. Central Government ......................................................................................................................12
   2. Provincial and prefectural governments ......................................................................................13
   3. State-owned enterprises .............................................................................................................14
   4. Private sector ..............................................................................................................................14
   5. Border communities ...................................................................................................................15
   6. Donors and development partners ..........................................................................................15
   7. Civil organizations ......................................................................................................................16

B. Coordination among stakeholders ...............................................................................................16
   1. Coordination between the Ministry of Finance, National Development and Reform Commission and line ministries ..................................................................................................................18
   2. Coordination between the central and provincial governments ..................................................18
   3. Coordination between provincial governmental departments ...................................................19
   4. Coordination between SOEs and the private sector ..................................................................19
   5. Coordination between the Government, SOEs and the private sector .........................................20
   6. Coordination between the Government and border communities ...........................................20
   7. Coordination between the Government and development partners ........................................21
   8. Coordination between the Government and civil organizations ..............................................21

C. Degree of influence, importance, interest and impact of stakeholders ..........................................21

V. Stakeholders in transport and trade facilitation (Cross-Border Transportation Agreement and Economic Corridors) ..........................................................................................................................23

A. Genesis and implementation status of CBTA in China .................................................................23
   1. Genesis of CBTA ........................................................................................................................23
   2. Implementation status of CBTA ..................................................................................................24

B. Genesis and implementation status of the Economic Corridor in China ......................................25
   1. Genesis of the Economic Corridor ............................................................................................25
   2. Implementation status of the Economic Corridor ......................................................................26
List of Annex Tables

Annex table 1: Trade between China and GMS countries, 1998-2007 ...........................................44
Annex table 2: Trade between Yunnan province and GMS countries, 1998-2007 .........................45
Annex table 3: GMS coordination meetings arranged by Yunnan Department of Finance, 2008 ..46
Annex table 4: GMS coordination meetings arranged by Yunnan Foreign Affairs Office, 2007-2008 ................................................................................................................47
Annex table 5: GMS coordination meetings arranged by Yunnan Department of Commerce, 2008..........................................................................................................................48
Annex table 6: Major GMS cooperation conferences/training hosted, or participated in, by YPCC in Kunming, 2007-2008 ..................................................................................49
Annex table 7: List of interviewees .................................................................................................51
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AEM</td>
<td>Asia-Europe Meeting</td>
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<tr>
<td>AFTA</td>
<td>ASEAN Free Trade Area</td>
</tr>
<tr>
<td>AMBDC</td>
<td>ASEAN-Mekong Basin Development Cooperation</td>
</tr>
<tr>
<td>APEC</td>
<td>Asia-Pacific Economic Cooperation</td>
</tr>
<tr>
<td>APTA</td>
<td>Asia-Pacific Trade Agreement</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>CAFTA</td>
<td>China-ASEAN Free Trade Area</td>
</tr>
<tr>
<td>CBTA</td>
<td>Cross-Border Transportation Agreement of People and Goods</td>
</tr>
<tr>
<td>DOIA</td>
<td>Department of International Affairs</td>
</tr>
<tr>
<td>DORE</td>
<td>Department of Regional Economy</td>
</tr>
<tr>
<td>DRC</td>
<td>Development and Reform Commission</td>
</tr>
<tr>
<td>ESCAP</td>
<td>Economic and Social Commission for Asia and the Pacific</td>
</tr>
<tr>
<td>FDA</td>
<td>French Development Agency</td>
</tr>
<tr>
<td>GACC</td>
<td>General Administration of China Customs</td>
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<tr>
<td>GMS</td>
<td>Greater Mekong Subregion</td>
</tr>
<tr>
<td>GMS-BF</td>
<td>Greater Mekong Subregion Business Forum</td>
</tr>
<tr>
<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
</tr>
<tr>
<td>JBIC</td>
<td>Japanese Bank for International Cooperation</td>
</tr>
<tr>
<td>MOF</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>MOT</td>
<td>Ministry of Transportation</td>
</tr>
<tr>
<td>MoU</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>MRC</td>
<td>Mekong River Commission</td>
</tr>
<tr>
<td>NDRC</td>
<td>National Development and Reform Commission</td>
</tr>
<tr>
<td>NTFC</td>
<td>National Transport Facilitation Committee</td>
</tr>
<tr>
<td>SEZ</td>
<td>Special Economic Zone</td>
</tr>
<tr>
<td>SFA-TFI</td>
<td>Strategic Framework for Action on Trade Facilitation and Investment</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and medium-sized enterprises</td>
</tr>
<tr>
<td>SOE</td>
<td>State-owned enterprise</td>
</tr>
<tr>
<td>SOM</td>
<td>GMS Senior Officials’ Meeting</td>
</tr>
<tr>
<td>STEA</td>
<td>Science Technology Environment Agency</td>
</tr>
<tr>
<td>TFWG</td>
<td>Trade Facilitation Working Group</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
<tr>
<td>Yunnan DRC</td>
<td>Yunnan Provincial Development and Reform Commission</td>
</tr>
<tr>
<td>Yunnan LM Office</td>
<td>Yunnan Lancang-Mekong Office</td>
</tr>
<tr>
<td>YPCC</td>
<td>Yunnan Provincial Chamber of Commerce</td>
</tr>
<tr>
<td>Yunnan TFC</td>
<td>Yunnan Transport Facilitation Committee</td>
</tr>
</tbody>
</table>
Introduction

At the start of the twenty-first century, the Government of China made timely readjustments in diplomatic strategy and began to push for better relations with its neighbouring countries through mutual political trust and economic co-prosperity. These readjustments emphasized a different approach to the traditional diplomatic strategy of attaching more importance to political equality between China and its neighbouring countries.

The strengthening of cooperation within the Greater Mekong Subregion (GMS) and the establishment of the China–Association of Southeast Asian Nations Free Trade Area (CAFTA) in recent years has provided good examples for the implementation of this strategy. In addition, mutual benefits will be realized since this regional and subregional integration allows the Association of Southeast Asian Nations (ASEAN)/GMS countries greater access to the large Chinese market of 1.3 billion people, while at the same time increasing China’s access to the rest of mainland South-East Asia.

In 1992, the Asian Development Bank (ADB) initiated the GMS Programme by providing financial and technical support to promote social and economic development in the subregion. The GMS includes the six countries along the Mekong River (called the Lancang River in China), i.e., Cambodia, China (Yunnan province), Myanmar, the Lao People’s Democratic Republic, Thailand and Viet Nam. Since 1992, China has been, and continues to be, an active participant in the GMS Programme through the implementation of priority subregional projects in Yunnan province and the Guangxi Zhuang Autonomous Region (Guangxi).

In 2002, CAFTA was initiated and is expected to be fully functional in 2010. China strengthened its participation in the GMS Programme to support the establishment of CAFTA because four GMS member countries are also the four new ASEAN members – Cambodia, the Lao People’s Democratic Republic, Myanmar and Viet Nam – who have been allowed an additional transitional period of five years and are slated to complete the building of the free trade area by 2015.

As Chinese Premier Wen Jiabao pointed out at the third GMS Summit in 2008, fruitful progress has been made towards GMS cooperation. The past 16 years have witnessed a significant increase in trade and foreign direct investment in the GMS, a significant improvement in the self-development capability of each GMS country, and a closer and more harmonious relationship among those countries.

Specifically, bilateral trade between China and the GMS countries from 1998 to 2007 increased 9.5 times, from less than US$ 5.58 billion to US$ 53.01 billion. This represents an annual average growth rate of 30 per cent, which is higher than the growth rate of trade with ASEAN (see annex table 1). In addition, from 2002 to 2007, the average growth rate of imports by China from GMS countries reached 29 per cent, while the average growth rate of exports by China to GMS countries reached 44 per cent. This was made possible, in part, by infrastructure improvements in Yunnan province, e.g., the completion of the 401-km inner province highway and the Kunming–Bangkok highway.

Notwithstanding the significant progress achieved, expectations from GMS cooperation are not always met. For example, at the opening ceremony of the Kunming–Bangkok Highway in March 2008, the media forecast that 2,000 trucks with an average weight of 20 metric tons (mt) would use the highway daily. However, in 2008, an average of only 250 vehicles per day were
found to be going in and out of the Mohan border port, of which less than 40 had an average weight of 20 mt. This “Golden Channel” turned out to be less busy than people had expected.

The gap between results and expectations may, in part, be attributed to coordination and stakeholder consultation issues. Indeed, when most initiatives in the GMS Programme enter the implementation process more governmental and non-governmental stakeholders become involved, in addition to the main government agencies in charge. This paper is therefore aimed at increasing understanding of the various stakeholders involved in GMS regional integration as well as their interactions with China, in order to develop constructive suggestions for improving stakeholder consultation and coordination. Specifically, the objectives are:

(a) To identify the characteristics, including needs and priorities, of the main stakeholders involved in the GMS Programme, especially in the area of transport and trade facilitation;

(b) To evaluate the institutional and consultation mechanisms related to GMS regional integration at the national level.

The study was primarily based on a review of existing literature plus the collection of primary data through in-depth discussions and phone interviews with key persons from various stakeholder groups at the central and provincial levels in Beijing, Kunming and Xishuangbanna. The interviewees included government officers, executives of trade and logistics companies, associations etc. The names of the interviewees’ organizations are listed in annex table 7.

Section A of this paper reviews China’s regional integration with GMS and non-GMS countries. Section B identifies and analyses the main stakeholders in GMS regional integration. Section C focuses on the main stakeholders in transport and trade facilitation initiatives, specifically the GMS Economic Corridors and the Cross-Border Transport of People and Goods Agreement (CBTA). The needs and problems of the various stakeholders are also identified. Finally, section D provides constructive suggestions on stakeholder involvement in regional integration.

Since the research team was based in Yunnan province, the stakeholder analysis was conducted from the perspective of Yunnan province only. In addition, “local government” in this paper refers to the Yunnan provincial government.
I. China and regional integration

With the rapid development of regional economic integration in recent years, regional cooperation mechanisms of various types and regional trade arrangements featuring free trade areas have sprung up. In a bid to adapt to the new situation, create a sound external environment for its export-oriented economy and the development of its national economy, China has actively participated in regional economic cooperation in order to bring about mutual benefits and development in the countries and regions concerned. To date, China has taken part in a multitude of regional economic cooperative initiatives such as Asia-Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (AEM), ASEAN 10+3, the Shanghai Cooperation Organization, Greater Mekong regional cooperation and the Asia-Pacific Trade Agreement (see table 1). Meanwhile, China has initiated 12 agreements on free trade areas, involving 29 countries and regions, and which accounted for 25 per cent of China’s total export volume in 2006.¹

Table 1: Overview of China's participation in regional cooperation organizations

<table>
<thead>
<tr>
<th>Name</th>
<th>Members</th>
<th>Purpose</th>
<th>National Coordinator</th>
<th>Relationship with GMS Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASEAN</td>
<td>Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam</td>
<td>To promote: - Regional economic growth, social progress and cultural development; - Regional peace and stability; - Cooperation and mutual support for economic, social, cultural, technical and scientific issues.</td>
<td>Department of Asian Affairs, Ministry of Foreign Affairs</td>
<td>All GMS member countries (except China) are ASEAN members. China views its participation in the GMS Programme as support for the establishment of CAFTA.</td>
</tr>
<tr>
<td>ASEAN 10+3</td>
<td>Ten ASEAN countries plus China, Japan and the Republic of Korea</td>
<td>To promote mutual understanding and trust, and a friendly neighbourhood among the South-East Asian countries by strengthening dialogue and cooperation.</td>
<td>Department of Asian Affairs, Ministry of Foreign Affairs</td>
<td>The GMS Programme extends cooperation to China, Japan and the Republic of Korea.</td>
</tr>
<tr>
<td>Asia-Pacific Economic Cooperation</td>
<td>China, United States, Japan, the Russian Federation and other 21 countries</td>
<td>- To promote economic growth and development; - To enhance economic interdependence among the country members; - To strengthen the multilateral trading mechanism; - To reduce regional trade and investment barriers.</td>
<td>Department of International Affairs, Ministry of Foreign Affairs</td>
<td>Provide another platform for the GMS countries to participate in international affairs.</td>
</tr>
<tr>
<td>Asia-Europe Meeting</td>
<td>Asian 17: 10 members of ASEAN, the ASEAN Secretariat, China, Japan, Republic of Korea, India, Pakistan and Mongolia; 28 European members: 27 European Union member States and the European Commission</td>
<td>- To establish a new and all-directional Asia-Europe partner relationship for development promotion; - To strengthen mutual dialogues, understanding and cooperation; - To create a favourable environment for social-economic development through political dialogue, mutual understanding and cooperation.</td>
<td>Department of International Affairs, Ministry of Foreign Affairs</td>
<td>All GMS member countries participate in AEM cooperation, which focuses on political dialogue, economic and trade cooperation, and social/cultural exchanges.</td>
</tr>
</tbody>
</table>
| **Shanghai Cooperation Organization** | China, Russian Federation, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan | - To strengthen mutual trust and friendly cooperation among the member countries in order to achieve the regional security and stability; 
- To promote economic development in the region, and the establishment of a fair and rational new international political and economic order; 
- To promote the cultural cooperation. | Department of International Affairs, Ministry of Foreign Affairs | - |
| **Asia-Pacific Trade Agreement** | China, Bangladesh, India, Lao PDR, Republic of Korea and Sri Lanka | - To expand trade between member countries in order to promote economic development, further strengthening international economic cooperation; 
- The first regional and multilateral arrangement in which China participated, the Bangkok Agreement, functioned as a “pilot trial” for China to join the free trade area. | Department of International Affairs, Ministry of Commerce | Provide valuable experience to China for future regional cooperation and establishment of FTA. |
| **Mekong River Commission** | Permanent members: Cambodia, Lao PDR, Thailand and Viet Nam Dialogue partners: China, Myanmar | Joint management of the shared water resources of the Mekong River Basin and the economic potential of the river. | Department of International Affairs, Ministry of Foreign Affairs | Provide information on the environmental impact of GMS projects on the Mekong River basin via feasibility studies and environmental impact assessments (EIA). |
| **ASEAN-Mekong Basin Development Cooperation (AMBDC)** | ASEAN and Mekong basin countries | The enhancement of cooperation among ASEAN and Mekong basin countries via basic infrastructure, trade and investment, agriculture, forestry and minerals, small and medium-sized enterprises (SMEs), tourism, human resources and science and technology. | Department of Regional Affairs, the National Development and Reform Committee | The Pan-Asia Railway Project under the framework of AMBDC extends the road links to the railway system in the GMS area. However, the progress of this project is limited. |
| **Greater Mekong Subregion** | China, Myanmar, Cambodia, Lao PDR, Thailand and Viet Nam | Strengthening economic ties between member countries, and promoting GMS economic and social development. | Department of International Affairs; Ministry of Finance | - |

*Source: Survey by the Faculty of Management and Economics, Kunming University of Science and Technology, 2008.*
II. China and Regional Cooperation Initiatives

A. China and ASEAN

In 1991, China officially launched a dialogue with ASEAN. Since then, a China–ASEAN five-paralleled dialogue and cooperation mechanism has been jointly set up by China-ASEAN political consultation at senior official level, the China-ASEAN Business Council(CABC) the ASEAN-China Joint Cooperation Committee (ACJCC), China-ASEAN Joint Committee on Economic and Trade Cooperation, China-ASEAN Joint Committee on Scientific and Technological Cooperation. In July 1996, China changed from a consultative member to an all-directional dialogue partner of ASEAN. In 2003, China became a strategic cooperation partner of ASEAN, making it the first major country outside South-East Asia to join the latter’s Treaty of Amity and Cooperation.

In November 2002, the signing of the Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China, marked the initiation of CAFTA. Since 1 October 2003, China and Thailand have taken the lead in implementing zero-tariff treatments on agricultural products, covering 200 types of fruit and vegetables. The “Early Harvest Programme” under the agreement was implemented in early 2004. Recent years have witnessed a rapid increase of 5.7 times in bilateral trade between China and ASEAN, from less than US$ 35.56 billion in 2001 to US$ 202.5 billion in 2006, which amounts to an average annual growth of more than 20 per cent (see table 1). Currently, ASEAN is ranked fourth among China’s trade partners.

In January 2007, China signed the CAFTA Service Trade Agreement, which took effect from 1 July in the same year. With the signing of the agreement, economic integration between China and ASEAN, together with the opening up and development of the services sector in related countries, was further promoted. All this was to lay a more solid foundation for all-round strengthening of CAFTA by 2010. Moreover, this agreement was notably the first services trade agreement that China had signed with other countries under the free trade area framework.

CAFTA is the earliest and biggest free trade area in which China has participated, and will have a total population of 1.8 billion and a combined gross national product of US$ 2 trillion when completed in 2010. The estimated total trade volume of US$ 1.2 trillion will make it the third largest market in the world after the European Union and the North American free trade areas.

B. China and ASEAN 10+3

The ASEAN 10+3 (the 10 ASEAN countries plus China, Japan and the Republic of Korea) aims to promote mutual understanding and trust as well as friendly neighbourhood relations among the South-East Asian countries by strengthening dialogue and cooperation. A cooperative mechanism, centred on a leaders’ summit and under the framework of meetings of the ministers of foreign affairs, economics and trade, and finance as well as the vice-president of the central bank, has come into being. Economics, trade, finance, and science and technology have been identified as crucial areas for cooperation. At the ninth 10+3 Summit in December 2005, the member countries agreed unanimously with a proposal to expand the sphere of cooperation to East Asia. In the light of this proposal, the establishment of an East Asian community is regarded as a long-term cooperation objective. In facilitating the process of East Asian cooperation, China has also enhanced its communication and cooperation with other countries( Xu Ningning, 2008).

2 See www.aseansec.org
C. China and Asia-Pacific Economic Cooperation

APEC, which comprises 21 members including China, Japan, the Russian Federation and the United States of America, plays an orienting role in major global economic issues. APEC aims to promote economic growth and development, enhance economic interdependence among country members, strengthen the multilateral trading mechanism, and reduce regional trade and investment barriers. China takes an active part in the APEC informal summits and Ministerial Meetings. China calls for: (a) the continuing promotion of investment liberalization and facilitation; (b) the formulation of a pragmatic action plan to fulfill the “Bogor Goals”; (c) attaching great importance to economic cooperation.

D. Asia-Europe Meeting

The Asia-Europe Meeting (AEM), which consists of 45 members, is aimed at establishing a new and all-directional Asia-Europe partnership for promoting development, strengthening mutual dialogue, increasing understanding and cooperation, and creating a favourable environment for socio-economic development through political dialogue, mutual understanding and cooperation. AEM focuses on political dialogue, economic cooperation and socio-cultural exchanges. China has participated in AEM in an active and pragmatic manner, putting forward a series of proposals for, among others, promoting the multilateral trade mechanism, strengthening exchanges in regional integration, and deepening cooperation among small-sized enterprises in Asia and Europe. Meanwhile, China has successfully hosted the “Asia-Europe Trade and Investment Exposition” and the “Asia-Europe Medium and Small-scale Enterprises Ministerial Meeting and Trade and Investment Exposition”.

E. Shanghai Cooperation Organization

The Shanghai Cooperation Organization comprises China, the Russian Federation, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Its objectives are to strengthen mutual trust and friendly cooperation among the member countries, achieve regional security and stability, promote economic development in the region, and establish a fair and rational new international political and economic order. Cooperation in security, economy and culture form the main content of the organization, with regional economic cooperation forming the basis for its efforts. A three-step plan, proposed by China, is to (a) first promote trade liberalization and facilitation in a bid to improve the cooperative environment, (b) strengthen economic and technological cooperation to ensure all parties benefit from the cooperation, and (c) finally achieve the free flow of commodities, capital, technology and services within the region. The proposal has been accepted by all the parties concerned as regional economic development objectives. Currently, with drafted laws and full implementation of trade and investment liberalization, economic and technological cooperation has been achieved. Consequently, the trade volumes among member countries have shown staggering increases and their economies have become further integrated.

F. Asia-Pacific Trade Agreement

The Asia-Pacific Trade Agreement (formerly known as the Bangkok Agreement) includes Bangladesh, China, India, Republic of Korea, Lao People’s Democratic Republic and Sri Lanka. As the first regional trade arrangement in which China participated, the Bangkok Agreement functioned as a “pilot trial” for China to join the free trade area. After signing the agreement in May 2005, China and other member countries lowered tariffs on 600 types of products. In 2005, China successfully hosted the First Ministerial Council Meeting, which put the agreement reached at the third round of talks on tariff reduction under the Bangkok Agreement into practice in September 2006. Under the
agreement, China grants preferential tariff treatment on 1,697 types of goods to five other countries, with an average reduction rate of 27 per cent. These goods mainly comprise textiles as well as agricultural, chemical and plastic products. China also provides preferential tariff treatment to Bangladesh and the Lao People’s Democratic Republic, covering 161 types of products, and with an average reduction of 77 per cent. China also enjoys preferential tariff treatment provided by other member countries, covering 2,000 types of products in all, and with an average tariff reduction rate of 30 per cent. It is the first time China has provided a preferential tariff treatment that is lower than the MFN rate.

III. China and the Greater Mekong Subregion

Since the 1990s, China has actively participated in subregional cooperation in the Mekong River area with the purpose of promoting regional economic development and poverty alleviation. There are three main cooperation frameworks in which China has participated: the Mekong River Commission (MRC), the ASEAN–Mekong Basin Development Cooperation (AMBDC) founded by ASEAN and the GMS Programme.

A. Mekong River Commission

Currently, China is a dialogue partner in MRC (developed from the Mekong Committee, established in 1957 by the United Nations), which was established in 1995 by the Agreement on Cooperation for the Sustainable Development of the Mekong River Basin (Duval, 2008). The objective of MRC is to manage the shared water resources of the Mekong River basin and the economic potential of the river. On 1 April 2002, China’s Ministry of Water Resources signed an agreement with MRC to provide hydrological information on the Lancang-Mekong River. Currently, three dialogue meetings have been organized by MRC on topics covering water resources, shipping, hydroelectricity, tourism and human resources development.

China’s International Department of the Ministry of Foreign Affairs is responsible for coordination with MRC. However, specific ministries are responsible for projects in each sector. For example, the International Cooperation and Technology Division, Ministry of Water Resources, is responsible for collecting hydrological information on the Lancang River.

B. ASEAN–Mekong Basin Development Cooperation

In June 1996, China was accepted as the core country of the ASEAN–Mekong Basin Development Cooperation (AMBDC) at the first ministerial meeting in Kuala Lumpur. Eight sectors (including infrastructure development, trade and investment, agriculture, natural resources, support for SMEs among others) were given priority for further cooperation and development. The most outstanding scheme under this framework was the Pan-Asia Railway Project (the Singapore–Kunming Rail Link), for which a number of feasibility studies have been completed. However, limited progress has been made due to insufficient funding for commencing construction of the incomplete links (Duval, 2008).

The Department of Regional Affairs of the National Development and Reform Commission acts as the national coordinator of AMBDC. However, the International Cooperation Division of the Ministry of Railways is responsible for the planning and future implementation of the Pan-Asia Railway Project, and a China Working Group for the Pan-Asia Railway Project has been established. Three railway construction schemes in China have been proposed: the China–Viet Nam line in the east; the China–Myanmar line in the west; and the China–Lao People’s Democratic Republic international railway construction.
C. GMS Economic Cooperation Programme Founded by ADB

1. Objectives and participation

The objectives of China’s participation in the GMS Programme are:

(a) To serve as a land passage between the south-western region of China and the middle-southern peninsula of Asia, in order to link south-western China and South-East Asia markets;

(b) To strengthen exchanges and economic relations between China and South-East Asia as well as South Asia in a bid to develop multilayered economic and technological cooperation in various forms and content, and to forge partnerships with all countries;

(c) To accomplish sustainable development;

(d) To create more jobs, increase income, and eliminate poverty in order to promote social progress and the improvement of peoples’ living standards;

(e) To expand regional cooperation by promoting dialogue and identifying related programmes in order to forge a mutually beneficial economic cooperation relationship, create a favourable environment for international trade and investment, and facilitate the formation of CAFTA at an early date;

(f) To promote peaceful development in the subregion, and establish a solid and long-lasting cooperative relationship between China and South-East Asian countries.

As Chinese Premier Wen Jiabao noted at the third GMS Summit, held in Vientiane in March 2008, China has actively participated in subregional cooperation and carried out a wide range of activities since the second GMS Summit in 2002. China’s actions have not only promoted further cooperation in GMS, but also made contributions to the development of other countries. These actions include: sponsoring the first phase project of the Information Superhighway in the GMS and the Southern–Northern Economic Corridor; formulating and implementing the national action plan of the Framework of Trade and Investment Facilitation Strategic Action in GMS; providing training in human resources etc. In addition, since 2006 China has unilaterally granted zero tariff treatment to Cambodia (83 products), the Lao People’s Democratic Republic (91 products) and Myanmar (87 products).

Due to the strong support of the Government, China has achieved fruitful cooperation with the GMS in terms of communications, energy, telecommunications, environmental protection, agriculture, the development of human resources, tourism, trade facilitation and investment. The Ministry of Finance (MOF) is the national coordinator for the GMS Programme.

2. Participation by Yunnan province and Guangxi Zhuang Autonomous Region

Situated in the south-western border area of China, Yunnan and Guangxi are directly involved in GMS regional cooperation. The total size of Yunnan and Guangxi is some 630,700 km² with a total population of 95.16 million, according to the 2007 census. The GDP of Yunnan and Guangxi is US$ 140.3 billion while per capita GDP amounts to US$ 1,474. Because of various factors, economic and social development in Yunnan and Guangxi is relatively backward. By the end of 2007, there were 2,734,000 people in the category of “absolutely impoverished” and 6,608,000 people in the low

3 National Development and Reform Commission of China.

4 Calculation based on the standard used by the Government of China to assist the needy, that is, people with an annual income per capita of less than 693 Yuan. (This standard cannot meet the standard of US$ 1.00/person per day, set by the United Nations.)
income category. Therefore, it is imperative that Yunnan and Guangxi to take part in subregional cooperation, and that they promote the rate of development and opening up in an active and pragmatic manner.

Yunnan province shares a 4,060-km border with Myanmar in the west, the Lao People’s Democratic Republic and Viet Nam in the south. The total area of Yunnan is some 394,000 km$^2$. The population totals 47.5 million, one third of which is composed of ethnic minorities. Of the Mekong River’s 2,162-km length, 1,247 km pass through eight prefectures and 38 county-level cities of Yunnan. The drainage area of the Mekong River in Yunnan is 88,700 km$^2$, which accounts for 23 per cent of the total area of the province. The population of the 38 county-level cities by the end of 2000 was about 10.17 million, representing 24 per cent of the population of Yunnan province. The GDP of Yunnan province is ¥ 472.1 billion in 2007, ranking twenty-third in the 31 provinces and regions of China. Hence Yunnan province falls within the category of underdeveloped areas.

Through GMS cooperation, Yunnan seeks to further promote its economy under the guidance of the central Government, and continues to play a key role in subregional cooperation, in order to strengthen the combination of the local advantages in the GMS countries as well as improve the cooperation infrastructure and management. Additionally, Yunnan province continues to serve ASEAN, the subregion, the pan-Pearl River Delta and the whole country. It is actively building a platform for cooperation within China and the GMS countries. In addition, it is promoting itself as a hub of the economy through trade and friendly exchanges with South-East Asia and South Asia, and an international channel that links South-East Asia and South Asia.

Since 1992, Yunnan province has actively participated in the subregional cooperation effort and has achieved a great deal. One of its most outstanding achievements has been its improved infrastructure. The main roads that go directly from Kunming to Myanmar, the Lao People’s Democratic Republic and Viet Nam have been completed. Moreover, the completion of China’s section of the Kunming–Bangkok international artery has laid a solid foundation for commodity transfer transportation between China, the Lao People’s Democratic Republic, Myanmar and Thailand. Regular flights from Kunming to other countries in the subregion have already been put into operation, thus primarily forming an aviation distribution centre between China and other countries in the subregion. On 11 February 2007, the foundation-laying ceremony of Kunming’s new airport was held. The planned size of the new airport is four times larger than the current one (Wujiaba airport). After completion by the end of the eleventh Five-Year (2006-2010), the new airport will greatly improve passenger and cargo distribution capacity of the concerned airports in the countries of the subregion.

Meanwhile, trade between Yunnan province and the GMS countries has significantly increased at an annual growth rate of 30 per cent. In 2007, total trade with the GMS countries accounted for 24 per cent of the total trade of Yunnan, with Viet Nam and Myanmar ranking as No.1 and No.2 trading partners, respectively (see annex table 2).

Apart from the GMS Programme, Yunnan province works hard to promote bilateral dialogue and cooperation, and has set up a series of cooperative mechanisms at the provincial level such as Yunnan–northern Lao People’s Democratic Republic (nine provinces), Yunnan–northern Viet Nam (four northern provincial cities), Yunnan–northern Thailand (eight provinces in northern Thailand) etc. (see table 2).

5 “Yunnan’s Participation in GMS regional cooperation”, Yunnan Daily, March 28th, 2008.
<table>
<thead>
<tr>
<th>Mechanism</th>
<th>Members</th>
<th>Objectives</th>
<th>Provincial Coordinators</th>
</tr>
</thead>
</table>
| ADB-GMS Programme                             | Lao PDR, Cambodia, Myanmar, Viet Nam, Thailand, Yunnan and Guangxi      | - To promote the social and economic development of the subregion by strengthening economic linkages  
|                                               |                                                                         | - Poverty alleviation                                                     | Yunnan LM Office of the Yunnan Development and Reform Commission                      |
| China, Myanmar, Bangladesh and Indian Cooperation | Yunnan province, West Bengal and north-eastern India, Myanmar and Bangladesh | To promote the establishment of a regional free trade zone for the purpose of economic development | Foreign Affairs Office of Yunnan provincial government                                  |
| Yunnan–northern Lao PDR Cooperation Working Group | Yunnan and nine provinces in northern Lao PDR)                         | To promote development in northern Lao PDR and strengthen economic and technical cooperation | Foreign Affairs Office of Yunnan provincial government and Yunnan LM office            |
| Yunnan–northern Thailand Cooperation Working Group | Yunnan and eight provinces in northern Thailand                          | To promote economic cooperation at the provincial level in China and Thailand | Foreign Affairs Office of Yunnan provincial government                                 |
| Yunnan–northern Viet Nam Economic Consultation | Yunnan province, Hanoi, Lao Cai, Hai Phong, Quang Ninh                  | To improve the trade and investment environment in the region and promote the establishment of a Kunming–Hekou Economic Corridor | Foreign Affairs Office of Yunnan provincial government                                 |
| Yunnan–Myanmar Business Forum                 | Yunnan province, Myanmar                                               | To organize a regular forum and provide a platform for information exchange, business negotiation and policies study for SMEs in Yunnan province and Myanmar | Yunnan Provincial Chamber of Commerce                                                  |
| Three Cross-Border Economic Zones             | Hekou–Laocai, JieGao–Muse, Mohan–Moding                               | To promote cross-border trade between Yunnan province and neighbouring countries | Yunnan Department of Commerce                                                          |
| Two corridors, One belt                        | Five provinces in Viet Nam: Lao Cai, Lang Son, Quang Ninh, Hanoi, Hai Phong; Guangxi and three provinces (Yunnan, Guangdong and Hainan) in China | To promote mutual economic cooperation between China and Viet Nam under the Memorandum of Understanding (MoU) on Two Corridors, One-Belt Cooperative Development Plan between China and Viet Nam. | Yunnan Department of Commerce                                                          |

Source: Survey by the Faculty of Management and Economics, Kunming University of Science and Technology, 2008.
In April 2005, the State Council approved Guangxi as the second main participant in GMS cooperation. Sharing a 1,020-km border with Viet Nam, Guangxi is located in the north of Beibu Bay and adjacent to the economically developed pan-Pearl River Delta, Hong Kong, China and Macao, China. Being a gateway to south-west China, Guangxi is unique in that it connects with South-East Asia by both land and by water. Guangxi covers 236,000 km² and in 2007 had a population of 49 million, one third of which is the Zhuang ethnic minority.

In 2007, the volume of foreign trade in Guangxi reached US$ 9.28 billion. ASEAN has become Guangxi’s largest trade partner, with a bilateral trade volume of US$ 2.91 billion. The GDP of Guangxi in the same year was Y 588.59 billion, ranking it as seventeenth among the national provinces and regions. In recent years, Guangxi has made great efforts to promote international regional cooperation in pan-Beibu Bay. Among other actions, it formulated the Planning of the Economic Zone Development in Beibu Bay, which was approved by the State Council and has been put into operation. In addition, the coastal area of Guangxi has been designated as a “National Major Regional Economic Cooperation Area”. Guangxi’s participation in GMS cooperation would be a supplementary force for pan-Beibu Bay cooperation and would facilitate the all-round opening up of the area and further economic development in the region.

Since 2005, Guangxi has participated in various fields of the GMS Programme, and has promoted a number of major development and construction projects. In terms of the transportation infrastructure, Guangxi utilized a loan of US$ 752 million from ADB and launched the construction of four projects. With regard to investment and trade facilitation, Guangxi promoted the Customs Declaration facilitation with Viet Nam, instituted a customs service model featuring a “one-stop office, one-time check-up and one-card using service”. In agriculture, Guangxi undertook the Cambodian Rural Residents Methane Gas Utilization Demonstration and Promotion Programme, which is a part of the “going out programme” of the Ministry of Agriculture for China–ASEAN agricultural cooperation. In public health, in 2007 Guangxi undertook China–Viet Nam border region tuberculosis control and AIDS prevention cooperation programmes. As for tourism, Guangxi cooperated with partners in organizing four strategic programmes such as the Karst Mountain and Sea Holiday Zone in the north-eastern part of Viet Nam and on the border of Guangxi.

### IV. Stakeholders in GMS regional integration

Stakeholders are defined in this paper as the parties of either the public sector or the private sector in China that are involved in the GMS regional integration programme facilitated by ADB. This section identifies the main stakeholders and reviews how they coordinate with each other. Finally, an analysis of the degree of influence, importance, interest and impact of each stakeholder is presented.

#### A. Definition of stakeholders

##### 1. Central Government

China has two national coordinators for the GMS Programme: the Department of International Affairs (DOIA) of MOF, which is the external coordinator, and the Department of

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6 Of this amount, US$ 452 million has been used for the construction of the second phase of the Fangchenggang, Nanning-Youyiguan Expressway and the Nanning (Tanluo)-Baise Expressway. Meanwhile, construction was started at a cost of US$ 300 million on the Longlin-Baise Highway project at the end of 2007, and which is scheduled to be opened to traffic by 2010.
Regional Economy of the National Development and Reform Commission (NDRC), which is the internal coordinator.

The responsibility for coordinating with ADB, receiving the grants, submitting the proposals and transferring the information to the other line ministries in China lies with DOIA. It is also responsible for organizing domestic coordination working sessions for the GMS Ministerial Meeting and Senior Officials Meeting.

Meanwhile, the “National Lancang-Mekong Regional Development Preliminary Research and Coordination Group” (National LM Coordination Group) was established with approval of the State Council in 1994. The organizational structure of the National LM Coordination group comprises NDRC (the former national planning commission) as the team leader, with the State Scientific and Technological Commission, the Ministry of Foreign Affairs, the Ministry of Commerce and the provincial government of Yunnan as deputy leaders. Other ministries are the members.

The NRDC Department of Regional Economy is the team leader of the coordination group. The head of the Department of Regional Economy is the director of the group. As an internal consultation and coordination mechanism, no independent agency under the auspices of the National LM Coordination Group was set up and no specific personnel were employed.

The NDRC’s National LM Coordination Group is responsible for carrying out strategic surveys and formulating master plans, co-hosting the domestic coordination working sessions of the different sectors with DOIA and co-announcing the country report on the GMS Programme with the Ministries of Finance and Foreign Affairs once every three years.

Since the GMS Programme gives development priority to nine sectors, the related ministries are particularly involved. In addition, the Ministry of Foreign Affairs is involved because it is responsible for the international and domestic coordination of China’s participation in the GMS Summit as well as the interpretation and study of foreign-oriented policies etc. Other line ministries responsible for the policy formulations of their specific sectors include the:

(a) Ministry of Science and Technology (earlier-stage strategic surveys);
(b) Ministry of Commerce (trade sector);
(c) Ministry of Transportation (MOT) (transportation sector);
(d) Ministry of Agriculture (agriculture sector);
(e) Ministry of Environment Protection (environment sector);
(f) Ministry of Health (health sector);
(g) Ministry of Human Resource and Social Security (human resources sector);
(h) National Energy Administration, NDRC (energy sector);
(i) Ministry of Industry and Information Technology (telecommunications sector).

2. Provincial and prefectural governments

The year 2002 saw the establishment of the coordination and administration group of the GMS economic cooperation in Yunnan province, with the provincial governor acting as the group leader, the vice-governors as the deputy leaders, and the core leaders of different departments of

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7 In this report, province refers to Yunnan province only.
provincial level and related institutes at the prefectural (city) level as members. The Yunnan Lancang-Mekong Coordination Group (Yunnan LM Office) was set up in the Yunnan Provincial Development and Reform Commission (Yunnan DRC), which is in charge of participation by Yunnan province in GMS cooperation and related provincial coordination. In addition, different departments of the Yunnan provincial government (for example, the Regional Cooperation Office of the Provincial Foreign Affairs Office, the Department of Finance, Department of Commerce, Department of Transport, Department of Agriculture, Department of Health (DOH), Department of Human Resources, the Energy Bureau of Yunnan DRC and Yunnan Provincial Tourism Administration) have undertaken relevant tasks requiring GMS cooperation.

3. State-owned enterprises

In this paper, SOEs are defined as the large state-owned enterprises based in China that purchase raw materials and produce, and/or distribute their goods both within China and to the GMS region. Usually, they are the producers of agriculture products, manufacturers of machinery and equipment, chemical and mining corporations, and providers of telecommunications, energy, water and electricity, and logistics.

4. Private sector

(a) Yunnan Provincial Chamber of Commerce

The Yunnan Provincial Chamber of Commerce (YPCC) is a non-governmental organization involved in the industrial and commercial sectors of Yunnan province. The organization’s network covers the entire province with 146 county-level organizations and a total of 60,000 members. YPCC members are engaged in more than 20 industries and fields, such as agriculture, industry, trade and tourism. The main functions of YPCC are:

(a) Participating in decision-making consultations relevant to national affairs as well as Yunnan’s economic and social issues as well as providing suggestions and assistance in the formation and implementation of relevant laws, decrees and regulations;
(b) Representing and protecting the legal rights of members, and addressing their opinions and requirements;
(c) Providing services related to information, science, management, accounting, auditing, training and loan guarantees etc. for members;
(d) Communicating with the business communities and entrepreneurs at home and abroad with regard to setting up international cooperation platforms for facilitating private enterprises in Yunnan, exploring international markets and participating in international competition.

From the end of 1990s, YPCC began coordinating and assisting private enterprises of Yunnan in participating in GMS cooperation and development. The past 16 years have witnessed the great effort by YPCC and the establishment of a network with the Chambers of Commerce in GMS countries. In 2000, YPCC joined the GMS Business Forum (GMS-BF), which was initiated by the Economic and Social Commission for Asia and the Pacific (ESCAP) and ADB, and became its core group member. Furthermore, YPCC proposed setting up the Joint Economic Quadrangle Committee, which includes Chambers of Commerce from China (Yunnan province), Myanmar, the Lao People’s Democratic Republic and Thailand. In July 2005, YPCC hosted the “Forum of the Local Commercial and Industrial Participation in GMS Cooperation”.

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Honghe Yi and Hani Autonomous Prefecture, Dehong Dai and Jingpo Autonomous Prefecture and Xishuangbanna Dai Autonomous Prefecture.
Recently, relying on the above-mentioned networks and cooperative mechanisms, YPCC cooperated actively with the Chambers of Commerce in the GMS region, and organized a series of fruitful economic and trade activities, thus providing platforms for the private enterprises of Yunnan to participate in GMS cooperation and development (see annex table 2 for more details). The major GMS cooperation conferences/training courses were hosted by, or participated in, by YPCC in Kunming during 2007-2008.

(b) Other industrial associations

Other involved associations are engaged in specific sectors (for example, the Yunnan Road Transport Association, Yunnan Transport Association and Yunnan Vegetable Association). As their members are engaged in transportation and trade in the GMS region, those associations are also stakeholders in GMS regional cooperation.

(c) Small and medium-sized enterprises

Small and medium-sized enterprises are defined as those private companies that are doing business in both China and the GMS. Most of them are located in Kunming and border cities of Yunnan province. Their businesses cover the production and distribution of vegetables, fresh-cut flowers, agricultural products, passenger and cargo transportation, hotels, restaurants etc. Some of them are members of YPCC and some participate in the local industrial associations.

5. Border communities

With the implementation of the projects in GMS programmes, border communities or people who live in the border areas will enjoy both direct and indirect benefits through the regional development. They will be positively affected by the improvement of infrastructure and road linkages, the influx of foreign labour, job creation, human resource training, changes in the environment and livelihoods, and land expropriation in some areas.

6. Donors and development partners

Donors and development partners are defined as international organizations that provide financial, technical or expertise support for the GMS integration. The international organizations involved in China-GMS cooperation are the World Bank, ADB, United Nations Development Programme (UNDP), ESCAP, French Development Agency (FDA), International Fund for Agricultural Development (IFAD), and Japanese Bank for International Cooperation (JBIC) among others.

By the end of 2007, ADB and FDA had granted five loans to Yunnan province, with contracted loans amounted to US$ 754 million, accounting for 60 per cent of the total contracted loans to Yunnan (Chen Biao, 2008). Most of these loans were applied to infrastructure construction. The World Bank granted 19 loans, with contracted loans amounting to US$ 487 billion, representing 38 per cent of the total contracted loans to Yunnan. The bulk of these loans were invested in the improvement of public health, water-supply facilities in rural areas, education, poverty alleviation and forestry.\(^9\) The priority for this research was set by ADB, which is the coordinator, financing agency and technological supporter of the GMS Programme.

\(^9\) Chen Qiusheng, Director of the Yunnan Department of Finance, June 2008.
As a regional development bank, ADB plays a significant role in GMS regional integration. Functioning as the donor and coordinator of the GMS Programme, ADB provides financial and technological assistance. With support from ADB and other donors, substantial progress has been achieved since 1992 in terms of implementing GMS projects. As of the end of 2008, 41 GMS projects had either been completed or were being implemented, at an estimated cost of US$ 11 billion (Asian Development Bank, 2009).

7. Civil organizations

The civil organizations participating in GMS cooperation are focusing their efforts on environmental protection. Their fundamental objectives in environmental protection are to (a) set up protection measures in line with local conditions in order to combine the protection of the environment with development of the economy, (b) preserve biological and cultural diversity, and (c) promote sustainable development there.

Currently, the following international civil organizations related to GMS cooperation can be found in China: Conservation International, Nature Conservancy, World Wide Fund for Nature and Mekong Watch (Japan) as well as domestic organizations such as GREENSOS, Green Camel Bell (Lütuoling), Shangshuiguoji and the Research Institute of Plants in Mountainous Areas.

B. Coordination among stakeholders

The figure below illustrates the relationship among the stakeholders of the GMS Programme in China. It shows that the Ministry of Foreign Affairs, MOF and NDRC are the key coordinators for the national policy formulation while the line ministries play the key role in the coordination of implementing initiatives. However, NDRC and Yunnan LM Office are shown in grey because of their inadequate participation and limited coordination authority. The dotted lines indicate the limited coordination and information exchange among the stakeholders.
Figure 1: Coordination among stakeholders of the Greater Mekong Subregion in China

Source: Survey by the Faculty of Management and Economics, Kunming University of Science and Technology, 2008.
1. Coordination between the Ministry of Finance, National Development and Reform Commission and line ministries

The figure shows that DOIA works jointly with the National LM Coordination Group of the NDRC. During the process of formulating initiatives, they jointly arrange regular meetings between the line ministries or the members of the National LM Coordination Group to collect opinions on the initiatives/agreements. The line ministries report their initiative plans for GMS cooperation and DOIA summarizes them and reports to ADB. During the process of implementing the initiatives, DOIA is responsible for informing the related ministries about the agreements while the line ministries work on the action plans for each sector and put the strategic plan into practice.

Interviews have revealed that DOIA plays a role in channelling information between ADB and the line ministries.

As the internal coordinator, the coordination between the National LM Coordination Group and the line ministries is quite limited. Implementation as well as coordination of the projects is actually carried out by the specific branch of each line ministry. For example, the Department of International Cooperation in the Ministry of Transport takes the lead in implementing the GMS CBTA, while the Department of International Cooperation in the Ministry of Agriculture is the leading institution in implementing any project related to regional agricultural cooperation. In addition, the Division of International Cooperation of each line ministry is responsible for contacting the related departments at the provincial level with regard to the implementation of further projects. However, irregular coordination mechanisms exist among the different line ministries, although they do coordinate to some degree when the initiatives involve different ministries.

2. Coordination between the central and provincial governments

The line ministries play an active role in the coordination between the central and provincial governments. In practice, the Division of International Cooperation of each line ministry will make direct contact with the division dealing with international affairs in the provincial departments for specific regional project implementation, even though the Yunnan LM Office functions as the coordination institution at the provincial level. The direct links between the central and provincial line ministries shown in the figure reveal the same facts. Those divisions include the Foreign Affairs Office of the Yunnan Transport Department, the Division of Foreign Economy and Trade of the Yunnan Commerce Department, the Regional Office of the Yunnan Foreign Affairs Office, and the Foreign Affairs Division of the Yunnan Financial Department.

The grey in the figure indicates that the Yunnan LM Office of Yunnan NDRC has contributed little to coordination between the central and provincial governments. Also, coordination between the Yunnan LM offices, the provincial government and the specific provincial departments was found to be limited. There was little evidence of the Yunnan LM Office hosting working sessions, although it had been invited to participate in other GMS working sessions organized by other provincial departments. The reasons for its passive participation include a lack both of specific financial support and of support by the provincial government.

The consultation channel between the central Government and the Yunnan provincial government are the GMS domestic working sessions held by MOF and NDRC in Beijing. However, these consultations have proved to be insufficient as they are not held on a regular basis. Sometimes the orders and operational plans given by the central Government are not implemented in time because of insufficient understanding of the plans by the provincial and prefectural governments. The lack of effective information transmission mechanisms is another important factor.
Another coordination problem between the central and provincial governments is the slow feedback of the reported difficulties or problems experienced at the provincial level during implementation of the initiatives. Because the Yunnan provincial government is responsible for implementing the initiatives while final decisions or adjustments are made by the central government, the provincial departments concerned have to report existing difficulties or problems to the line ministries concerned. In this case, the speed at which problems can be solved depends totally on the working efficiency of the line ministry.

However, the degree of importance of GMS initiatives varies between the different ministries. Some may provide prompt feedback and some may not. Delays and passing on responsibility sometimes occur when more than two ministries are involved. The Yunnan provincial government apparently cannot do anything to speed up the process. One reason for this problem is the weak coordination authority of the LM Coordination Group of the national and provincial NDRCs. Hence, it will be necessary to enhance their coordination authority and speed up feedback on the reported problems.

No direct communications could be found between the central and prefectural governments, although the prefectural government had been invited to participate in the meetings organized by the provincial government when the central working group conducted field investigations.

3. Coordination between provincial governmental departments

Similar to the situation at the national level, coordination among the provincial departments is ad hoc and based on actual job needs.

The Department of Finance is the coordinator for provincial participation in the GMS Ministerial Meetings and Senior Officials’ Meetings. Annex table 3 details the GMS coordination meetings arranged by the Yunnan Department of Finance. It shows that the Ministry of Finance had actually taken on the role of leading coordinator with regard to GMS Programme evaluation, summary and future planning at the provincial level because four of the total eight meetings related to that area were organized by them in 2008. However, there was only a small number of participants at each of the meetings because they focused on managing and supervising the usage of ADB loans in Yunnan province instead of dealing with coordination.

The Yunnan Foreign Affairs Office is the coordinator for provincial participation in the GMS Summit (see annex table 4).

Other specific departments take the lead in coordination in their specific sectors. For example, the Department of Commerce focuses its coordination on the projects or initiatives for which it is responsible, such as the GMS Economic Corridor Forum and the cross-border economic zone supported by UNDP (see annex table 5).

4. Coordination between SOEs and the private sector

The figure above shows that YPCC is an important coordinator for SOEs, SMEs and industrial associations. YPCC itself represents private enterprises in Yunnan province but it is well-connected with the National Federation of Industry and Commerce, whose members form the majority of the SOEs and SMEs throughout China. In addition, the GMS Business Forum Office is based in the Liaison Department of YPCC. As a result, YPCC works actively with the provincial
government and international organizations in providing information, finding business opportunities, providing training and building communication channels for SOEs and the private sector.

Annex table 6 summarizes the main GMS meetings and training courses that YPCC organized or participated in during 2007-2008. Most of the participants were SMEs. However, 50 per cent of the activities were business talks or international communications while another 30 per cent were training programmes. Limited regular meetings, policy formulation or consultation meetings, and initiative information sharing meetings were held. However, compared with 2007, all activities were reduced during 2008 because of a lack of the sufficient financial support. These factors explain the insufficient participation by SMEs in GMS cooperation, especially with regard to policy formulation.

5. Coordination between the Government, SOEs and the private sector

The interviews revealed that the National LM Coordination Group did not hold any direct meetings or consultations with the private sector. However, the representatives of the private sector/associations had been invited to participate in the GMS Summit and GMS Ministerial Meetings through the organization of GMS-BF.

The provincial and prefectural governments are responsible for consulting with SOEs and the private sector. Annex table 4 shows that SOEs and SMEs were invited to participate in the consultation meetings organized by the Yunnan Foreign Affairs Office. This indicates that at the implementation level the Government will consult with the related associations or enterprises with the help of YPCC before developing the operational plans. Annex table 5 shows that SOEs and SMEs had been invited to participate in the “GMS Experimental One-stop Clear Customs Implementation” seminar as well as the training programme for the Cross-Border Economic Zone Research and Project Management organized by the Yunnan Department of Commerce. This indicates that the Government organized the workshops, field surveys and forums related to GMS cooperation in order to involve SOEs and the private sector.

The direct line linking SOEs, SMEs and Yunnan Department of Commerce in the above figure shows that it is the Yunnan Department of Commerce from which SOEs and SMEs seek help when they have questions or experience difficulties. The reason is that the Yunnan Department of Commerce is in charge of international trade, investment and economic cooperation in Yunnan province. For SOEs, the department’s financial status and economic strength are strong enough to make government listen to them. However, some SMEs have complained that it is difficult to find the correct channel to report their difficulties.

6. Coordination between the Government and border communities

The above figure also shows that the prefectural government is responsible for organizing coordination with the border communities. The prefectural government usually transfers the information to the local bureau offices in the border areas from which the border communities directly acquire information. In fact, little information about the GMS project has successfully reached these communities, which could benefit from the information, due to limited communication channels. These people are unable to acquire the information from the relevant website due to the lack of Internet access and the poor infrastructure in the border areas.

The interviews found that systematic coordination had been carried out in cases where villagers needed to move out or when land needed to be expropriated. For example, during the construction of the Xiao Meng Yang–Mohan road (part of Kunming–Bangkok Highway), working groups were set up in each town to visit each household and explain government policies to the
villagers. The Appropriation and Moving-out Coordination Office under the Xishuangbanna Bureau of Land Resources took care of the coordination and arranged for compensation payments to the villagers. The compensation included cash, the provision of cultivatable land at other locations, rent-free market booths for small business etc.

7. Coordination between the Government and development partners

Several working meetings were organized between government policy makers and development partners. Normally, the different development partners deal with different national coordinators in China. For example, the Ministry of Finance is responsible for coordination between international financial organizations. Under the Ministry of Foreign Trade and Economic Cooperation of China, the China International Centre for Economic and Technical Exchanges is in charge of governmental coordination with UNDP. ESCAP’s national coordinator in China is the Ministry of Foreign Affairs. Accordingly, these development partners will deal with the corresponding departments at the provincial level.

The World Bank, ADB, FDA, JBIC and UNDP all have their representatives in China, and all of them participate regularly in various types of conferences and seminars, distribute relevant operational information, and conduct coordinating work via regular working conferences and round-table meetings.

8. Coordination between the Government and civil organizations

The civil organizations have yet to establish an effective and formal channel for communication and cooperation with the central Government. As a result, their valuable field-study results have not yet been totally accepted by the Government. With financial support from international civil organizations, the small and domestic organizations conduct field surveys on the influence of GMS projects on local biological diversity and ecology following project implementation. Sometimes their sharp opinions, which are exaggerated by the media, create confrontations with the Government.

In fact, the Government will benefit if the civil organizations are involved in the process of the project planning and implementation in the GMS areas. On the basis of such consultations, their research results would help the Government in decision-making by providing some advanced environmental protection methods. They would be also helpful in sponsoring further field studies and exploration as well as the granting or receiving of funds to implement environmental protection measures in collaboration with the Government.

C. Degree of influence, importance, interest and impact of stakeholders

During interviews, table 3 was given to the interviewees in both oral and written form. The interviewees were asked to give scores for the four categories of influence, importance, interest and impact, according to the different degree that each stakeholder has on GMS integration. The averaged values of the scores were based on the agreed evaluation scale of highest (9-10), high (7-8), medium (6-7), low (4-5) and lowest (1-3). Table 3 summarizes the different degrees of the four items for each stakeholder in China.
Table 3: Indication of the influence, importance, interest and impact of each institution on GMS integration

<table>
<thead>
<tr>
<th>Institution</th>
<th>Influence: Authority to facilitate or impede</th>
<th>Importance: Actual priority given to stakeholder needs</th>
<th>Interest: Actual commitment to change</th>
<th>Impact: Actual effect of initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government and line ministries</td>
<td>Highest for policy formulation and high for implementation</td>
<td>Highest</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Provincial government and concerned departments</td>
<td>Medium for policy formulation and highest for implementation</td>
<td>High</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Prefectural government</td>
<td>Low for policy formulation and high for implementation</td>
<td>High</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>SOEs</td>
<td>Medium</td>
<td>Highest</td>
<td>Medium</td>
<td>High</td>
</tr>
<tr>
<td>YPCC and industrial associations</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Highest</td>
</tr>
<tr>
<td>SMEs</td>
<td>Lowest</td>
<td>Highest</td>
<td>High</td>
<td>Highest</td>
</tr>
<tr>
<td>Border communities</td>
<td>Lowest</td>
<td>Medium</td>
<td>Medium</td>
<td>Highest</td>
</tr>
<tr>
<td>ADB and development partners</td>
<td>Highest for policy formulation and medium for implementation</td>
<td>Highest for policy formulation and medium for implementation</td>
<td>Highest</td>
<td>Low</td>
</tr>
<tr>
<td>Civil organizations</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

* Influence: The authority that a stakeholder has to facilitate or impede project formulation and implementation.
* Importance: The priority given to satisfying the needs and interests of each stakeholder.
* Interest: The perceived level of interest/eagerness, i.e., from commitment to status quo to openness to change.
* Impact: The degree to which the projects/initiatives will have an impact on each stakeholder.

Note: Evaluation scale: Highest (9-10), high (7-8), medium (6-7), low (4-5), lowest (1-3).

Influence means the authority that a stakeholder has to facilitate or impede project formulation and implementation. Table 3 shows that the central Government and ADB are the most influential stakeholders in policy formulation as they make the strategic plans and final decisions for GMS cooperation at the national and the regional levels. But both have a reduced degree of influence on policy implementation because they are not directly involved. The provincial government and concerned departments have medium influence on policy formulation because the representatives of the Yunnan provincial government have been invited to participate in the policy formulation meetings, during which their opinions can be considered. However, they have the highest influence on policy implementation since they are the implementing agents. SOEs have medium influence since their financial authority and economic strength drive the Government to consider their needs. The influence of YPCC, industrial associations and civil organizations is low while that of SMEs and border communities is the lowest in project formulation and implementation.

In terms of the priority given by decision makers in satisfying the needs and interests of each stakeholder (“importance”), central Government, SOEs and SMEs are the most important stakeholders. The formulation and implementation of GMS initiatives serve the social and security needs of the central Government. In addition, SOEs usually contribute significantly to local economic development and they are the major traders and investors in the GMS areas. So the highest priority is given to satisfying their needs. The private sector is playing an active role in regional integration through their intensive participation in trade affairs. Hence, satisfying the needs of the private sector, especially SMEs, is given priority. Border communities have a moderate level of the importance since they will be directly affected. ADB’s needs and interests are given high priority with regard to initiative formulation but less priority is given to satisfying its requirements in initiative
implementation as it is not directly influenced by such initiatives. Civil organizations have low importance because they are not directly influenced by, or involved in regional integration.

As for actual commitment to change (“interest”), government at all levels as well as ADB show the highest level of interest because regional cooperation is aimed at poverty reduction, economic development and infrastructure improvement. SMEs exhibit high interest because the GMS Programme provides them with new business opportunities; their eagerness also drives YPCC and the industrial associations to show a high level of interest. The high interest of civil organizations comes from their sustainable development and environmental protection objectives. SOEs present a low level of interest because they have established their own channels for purchasing and distribution. Finally, the low interest of the border communities results from their low level of awareness of the GMS Programme.

In terms of the actual effect of initiatives (“impact”), the impact of the GMS Programme on ADB and civil organizations is comparatively lower than other stakeholders because the latter are involved directly in GMS cooperation. The actual effect of initiatives on government is the highest because both the central and the provincial governments are required to adjust their organization structures, working procedures etc. Other stakeholders who are highly affected are SMEs and border communities because the initiatives’ implementation has a direct effect on their businesses and life. The impact on SOEs is moderate compared to SMEs because they have their own established channels. However, they will definitely benefit from the infrastructure development and business environment improvement.

It should be noted that those stakeholders who are important and will be highly affected, i.e., YPCC and other associations, SMEs and border communities, in fact have a low level of influence on policy formulation and implementation. More attention should be given to their requirements, and more measures need to be taken to get them involved in policy formulation and implementation.

V. Stakeholders in transport and trade facilitation (Cross-Border Transportation Agreement and Economic Corridors)

The goal of the GMS Programme is the “three Cs” concept, i.e., enhanced connectivity, increased competitiveness and a greater sense of community. To achieve the three Cs, the removal or reduction of non-physical barriers, the smooth and efficient flow of people, goods, services and capital across borders, and the development of logistical systems are necessary. In another words, trade and transport facilitation must be given first priority to ensure the success of the GMS Programme. Of the trade and transport facilitation initiatives, the CBTA and Economic Corridors are the focus of this paper because of Yunnan province’s direct involvement. The starting point of the Kunming–Bangkok Highway (Western Sub-Corridor of the North–South Economic Corridor) is Kunming, and Yunnan province will be responsible for implementing CBTA. The participation of the different stakeholders in the formulation and implementation of both initiatives is covered.

A. Genesis and implementation status of CBTA in China

1. Genesis of CBTA

The Framework Agreement on Facilitating the CBTA is the most important trade facilitation initiative in the GMS Programme. It is a compact and comprehensive multilateral instrument which covers all the relevant aspects of cross-border transport facilitation (Asian Development Bank, 2004).
Since mid-2005, CBTA has been implemented on a pilot basis at seven of the 16 border crossing points as defined in Protocol 1 of the GMS Agreement. It was agreed that the detailed action plan of individual countries to implement CBTA would be formulated in 2007. Then the Government of each country was to approve all the annexes and protocols, after which the CBTA provisions would be incorporated into domestic law in 2008. Finally, 2009 was to be the year for implementing CBTA in the GMS.

Originally, CBTA was a trilateral agreement between, and among, the Governments of the Lao People’s Democratic Republic, Thailand and Viet Nam, which was signed on 26 November 1999 in Vientiane. Cambodia and Myanmar acceded to CBTA in 2001 and 2003, respectively. China acceded to CBTA on 3 November 2002 in Phnom Penh (Asian Development Bank, 2005). By March 2007, all 17 annexes and three protocols had been signed by the Governments of the six countries, with the support of ADB, indicating that a compact and comprehensive legal document suitable for GMS regional practice had been formulated to facilitate cross-border transportation of goods and people.

2. Implementation status of CBTA

The following progress has been achieved in CBTA implementation in China:

(a) In September 2003, the State Council approved the establishment of the National Transport Facilitation Committee (NTFC) of China as the national coordinator and leader of the transport facilitation. NTFC is responsible for: (i) coordinating and organizing the participation of relevant institutions in the negotiations, signing and implementation of CBTA, its annex and protocols; (ii) organizing research on the transport facilitation and proposing recommendations; and (iii) coordinating and helping to solve problems encountered in CBTA implementation;

(b) From 2003 to 2007, NTFC and its member institutions participated actively in the negotiations and signing of the 17 annexes and three protocols of CBTA;

(c) At the second conference of the GMS National Transport Facilitation United Committee held at Beijing in March 2007, China and Viet Nam signed the Memorandum of Understanding on Initial Implementation of CBTA at the Hekou–Laocai Border. The MoU states that the Hekou–Laocai border will implement the cross-border transport facilitation measures, including single-window inspection;

(d) On 15 July 2007, a training programme was organized by the Ministry of Transport in Kunming on CBTA, its annexes and protocols for the relevant departments of the Central Government, related agencies of Yunnan and Guangxi Provinces, and the inspection offices from the seven involved border ports ("Country Report on China’s participation into GMS cooperation, 2008");

(e) In January 2008, the domestic acceptance ratification of the 17 annexes and three protocols of CBTA was fulfilled;

(f) In March 2008, China and Viet Nam signed an MoU on the inclusion of the Nanning–Hanoi Corridor and Youyiguan–Huu Nghi Border-Crossing Point within the scope of the GMS CBTA;

10 The border crossing points are: Hekou, China–Laocai, Viet Nam; Bavet, Cambodia–Moc Bai, Viet Nam; Dansavanh, Lao People’s Democratic Republic – Lao Bao, Viet Nam; Poipet, Cambodia–Aranyaprathet, Thailand; Mukdahan, Thailand–Savannakhet, Lao People’s Democratic Republic; Mae Sot, Thailand–Myawaddy, Myanmar; and Mae Sai, Thailand–Tachileik, Myanmar.
11 Department of Transportation, Yunnan Province.
12 The GMS National Transport Facilitation United Committee is the coordinating organization for transport facilitation issues at the regional level. It comprises the governors from the Ministries of Transport in six GMS countries and areas.
(g) In May 2008, the Yunnan Transport Facilitation Committee (Yunnan TFC) was established as the provincial coordinator to promote CBTA implementation, with the Yunnan Department of Transport as the leader, and seven other related departments,\textsuperscript{13} three prefectural governments\textsuperscript{14} and the Yunnan Roads and Transport Association as the members;

(h) In November 2008, negotiations on the MoU on the Initial Implementation of the CBTA at the Border Crossing Points of Mo Han and Mo Ding between China and the Lao People’s Democratic Republic were initiated;

(i) On 25 November 2008, the first meeting of the Yunnan TFC Leading Group was organized with MOT support. A consultation session on the difficulties of passengers and goods transportation on the Kunming–Bangkok Highway was held, to which the transport companies from Kunming and border cities, both public and private, were invited.

Currently, four border crossing points of China – Hekou, Mohan, Ruili and Youyiguan – are under the CBTA implementation framework. Three of these border crossing points are located in Yunnan province. Great achievements have been made in CBTA implementation. For example, at Hekou the working hours for inspection reporting and receiving documents have been shortened from 5-7 days to just half a day for the process of goods inspection and quarantine. In addition, the maximum inspection time for China’s immigration inspection has been set at 45 seconds per person at Mohan; this requirement is displayed as a written notice, posted in the Inspection Hall. Although achievements have been made, difficulties still lie ahead. Thailand, Vietnam and Myanmar have not completed the domestic ratification of all the annexes and protocols; the MoU on the Customs Guarantee has not been signed; and the management system of the border checkpoints in China still has huge potential for further development. As a result, there is a long way to go in realizing the transport facilitation even after successful completion of infrastructure construction.

B. Genesis and implementation status of the Economic Corridor in China

1. Genesis of the Economic Corridor

The Economic Corridor proposal is a concept from the eighth GMS Ministerial Meeting in 1998. Its objective is to combine the construction of transport corridors and economic development in order to facilitate exchanges and cooperation between countries. “A Strategic Framework for the Next 10 Years of the GMS Economic Cooperation Programme”, which ADB issued in November 2002, proposed that the North–South, East–West and Southern Economic Corridors be designated as “flagship” projects. It gives the Economic Corridors special status and an important role in GMS economic cooperation. The second GMS Leaders’ Meeting in July 2005 passed the “Kunming Declaration”, which also agreed on the completion of the East–West Economic Corridor before 2008 as well as completion of the North–South Economic Corridor and the Southern Coast Economic Corridor before 2010. Details of the above-mentioned Economic Corridors are given below.\textsuperscript{15}

(a) North–South Economic Corridor

The North–South Economic Corridor comprises:

\textsuperscript{13} Yunnan Development and Reform Commission, Department of Finance, Department of Public Security, Yunnan Foreign Affairs Office, Department of Commerce, Kunming Customs, Yunnan Exit-Entry Supervision and Quarantine Bureau.

\textsuperscript{14} Honghe Yi and Hani Autonomous Prefecture, Dehong Dai and Jingpo Autonomous Prefecture, and Xishuangbanna Dai Autonomous Prefecture.

\textsuperscript{15} See www.adb.org/GMS/Economic-Corridors.
• The Western Sub-Corridor (Kunming, China–Chiang Rai, Thailand–Bangkok) via the Lao People’s Democratic Republic or Myanmar;
• The Central Sub-Corridor (Kunming, China–Hanoi–Hai Phong, Viet Nam); and
• The Eastern Sub-Corridor (Nanning, China–Hanoi via the Youyi Pass, or Fangcheng–Dongxing, China–Mong Cai, Viet Nam).

(b)  *East–West Economic Corridor*

The East–West Economic Corridor comprises:

(c)  *Southern Economic Corridor*

The Southern Economic Corridor comprises:
• The Central Sub-Corridor (Bangkok, Thailand–Phnom Penh, Cambodia–Ho Chi Minh City–Vung Tau, Viet Nam);
• The Northern Sub-Corridor (Bangkok–Siem Reap–Stung Treng–Rattanakiri–O Yadov, Cambodia–Pleiku–Quy Nhon, Viet Nam); and
• The Southern Coastal Sub-Corridor (Bangkok–Trat, Thailand,–Koh Kong–Kampot, Cambodia–Ha Tien–Ca Mau–Nam Can, Viet Nam).

2.  **Implementation status of the Economic Corridor**

China has been involved in the road construction of the North–South Economic Corridor, as detailed below.

(a)  *The West Line (Kunming–Bangkok Highway)*

The China, the Lao People’s Democratic Republic and Thai sections of the Kunming–Bangkok leg (Boten–Houayxay) was completed in 2007. The Yunnan province road section has been upgraded, except for the construction of the section from Mohei to Pu’er, which is ongoing. In addition, China and Thailand have reached agreement, in principle, to finance the construction of the Chiang Khong–Houayxay Bridge; the target completion date is 2011 (Asian Development Bank, 2009).

(b)  *The Central Line (Kunming–Hai Phong)*

The total length of the Central Line is 664 km, of which 400 km are in Yunnan province and 264 km are in Viet Nam. The route in Yunnan province is Kunming–Shilin–Mengzi–Hekou and the construction of expressway has been completed except for the construction of the section from Shilin to Mengzi, which is ongoing. The Hekou–Laocai road bridge across the Red River will be opened in November 2009. As for the part in Viet Nam, the highway from Lao Cai to Hanoi will be upgraded and the period of construction has been set from 2008 to 2012. The construction of the Hanoi–Hai Phong expressway began in mid-2008 and will be completed in 2012.

(c)  *The Eastern Line (Kunming–Nanning–Hanoi)*

The total length of this corridor is 1,160 km with a Nanning–Hanoi section of 380 km (Nanning–Youyiguan section, 210 km and Youyiguan–Hanoi section, 170km). The total section
Within China has been upgraded to an expressway.\textsuperscript{16} As for the part in Viet Nam, the railway from Lao Cai to Yen Vien will be rehabilitated with financial support from ADB and will be completed in 2011.

The above-mentioned road construction has resulted in a dramatic improvement of transportation conditions, and the formation of the corridor network has created conditions for forming broad-based regional economic growth. However, the next question is how to promote the utilization of the existing transportation advantages, resources and location advantages in order to transfer the economic advantages and direct the enthusiasm of local governments along the corridor into full and effective participation in GMS cooperation. This is crucial to generating income growth and boosting poverty alleviation.

In March 2008, Premier Wen Jiabao put forward the initiative of the GMS economic corridor forum at the third GMS Summit in Vientiane, and gained the support of the other GMS countries and ADB.

In June 2008, the Yunnan Department of Commerce assisted the Ministry of Commerce and the Yunnan provincial government in hosting the “GMS Economic Corridor Forum” in Kunming. The some 600 participants included the GMS countries’ leaders, Ministers of Commerce, governors/mayors of the provinces/cities located along the Economic Corridor, representatives from international financial institutions, researchers and private entrepreneurs etc. The “GMS Economic Corridor Forum” comprised the Main Forum, Provincial Governor Sub-forum and Border City Development Sub-forum. The two sub-forums encouraged the local authorities, industrial associations and private entrepreneurs to contribute their opinions concerning the Economic Corridor construction.

The objectives of the forum were (a) to connect the transport corridor with industry, trade and investment cooperation, (b) to provide an information sharing and communications platform for the local authorities and (c) a platform for private entrepreneurs to directly participate in GMS cooperation. The Joint Declaration of the Ministers of Commerce of the six GMS countries or “Kunming Declaration” approved the “Strategic Action Plan of the North–South Economic Corridor” and the “Scope of Functions of the Economic Corridor Forum”. It is expected that the GMS Economic Corridor will be a long-term cooperative mechanism in the GMS Programme.

C. Stakeholders of CBTA and Economic Corridor in China

1. Central Government

As indicated above, NTFC of China was established in 2003 as the national CBTA coordinator. Based at the Department of International Cooperation, MOT, no additional office was set up and no employees were hired. MOT is the head of NTFC, and the members include the Ministry of Foreign Affairs, the National Development and Reform Committee, the Ministry of Public Security, the Ministry of Finance, the Ministry of Commerce, the General Administration of China Customs (GACC), and the General Administration of Quality Supervision, Inspection and Quarantine. In addition, the Yunnan provincial government, Guangxi government and the Road and Transport Association of China were added to the list of members at the first meeting of NTFC in November 2007. The participation of the Road and Transport Association indicates participation by the transport companies.

\textsuperscript{16} Presentation by China at the twelfth meeting of the GMS Sub-regional Transport Forum (STF-12), 12-14 August 2008, Da Nang City, Viet Nam.
As head of NTFC, MOT is responsible for: (a) organizing and coordinating the participation of relevant ministries in the negotiations, signing and implementation of CBTA, its annexes and protocols; (b) organizing research on transport facilitation; (c) organizing training on CBTA; and (d) coordinating and solving problems in the implementation process. On the other hand, MOT represents China in: (a) submitting proposals to the GMS National Transport Facilitation Committee; (b) negotiating and signing transport facilitation agreements; and (c) expressing China’s standpoint on regional transport cooperation. Before the first meeting of NTFC in 2007, coordination was actually conducted via a working session of MOT.

In addition, MOT is the national coordinator of the Economic Corridor while the Yunnan Department of Transport is responsible for the road construction of the North–South Economic Corridor. However, for the steps such as how to promote the trade and transit via the transport corridor into the actual Economic Corridor, the Ministry of Commerce takes the lead in activities by related organizations. The GMS Economic Corridor Forum is a good example.

2. Provincial and prefectural governments

In May 2008, the Yunnan TFC was established with the Yunnan Department of Transport as the leader, and seven other related departments, three prefectural governments and the Yunnan Roads and Transport Association as members. Hence, Yunnan TFC is considered to be the provincial coordinator of CBTA. So far, two working meetings have been organized under the name of Yunnan TFC. Prior to its establishment, the Yunnan Department of Transport was responsible for the provincial coordination of both CBTA and the Economic Corridors. The Yunnan Department of Transport received instructions and orders from MOT, assisted MOT in organizing the working sessions as well as the training programme at the provincial level, and reported job progress to MOT.

The Yunnan Department of Commerce is another important CBTA and Economic Corridor stakeholder. Annex table 4 shows that three of the seven Department of Commerce working sessions involved the organization of the GMS Economic Corridor.

Since the Yunnan Department of Commerce is in charge of the provincial trade and investment affairs and deals directly with the enterprises, the local trade companies ask for help from Department of Commerce when they encounter problems or difficulties.

3. Required government actions and related problems

(a) Required actions at the central Government level

With regard to CBTA and the Economic Corridor projects, the central Government needs to:
(a) Ensure land access to GMS countries;
(b) Establish a connection between inland provinces as well as access to the sea port;
(c) Use the corridors as the gateway for the China–ASEAN trade and promote the development of the Economic Corridor with the implementation of CAFTA. The corridors will link China with the GMS countries as well as the ASEAN countries. For example, the North–South Economic Corridor goes northward via Yunnan and Guangxi.

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17 Yunnan Development and Reform Commission, Department of Finance, Department of Public Security, Yunnan Foreign Affairs Office, Department of Commerce, Kunming Customs, and Yunnan Exit-Entry Supervision and Quarantine Bureau.
18 Honghe Yi and Hani Autonomous Prefecture, Dehong Dai and Jingpo Autonomous Prefecture and Xishuangbanna Dai Autonomous Prefecture.
provinces, connecting to other parts of China. It goes southward through Thailand, Malaysia and Singapore, leading to other ASEAN countries, and intersects the East–West Economic Corridor in Thailand to provide access to the Andaman Sea and South China Sea.

(b) Required actions at the provincial and prefectural government levels

Apart from the above-mentioned required actions by the central Government, the provincial and prefectural governments need to promote local economic development by:

(a) Improving local road and transport conditions;
(b) Providing new business, trade and investment opportunities for local people through the establishment of an international transportation network;
(c) Improving the well-being of the border communities by infrastructural improvement and increasing incomes through the creation of new job opportunities;
(d) Promoting economic development by gaining access to the GMS and ASEAN markets, and creating a friendly export environment for important provincial agricultural products such as fresh-cut flowers, vegetables and fruit.

(c) Related problems

As the CBTA implementation process has started, the focus of this paper is on the problems at the governmental level regarding the implementation of the CBTA and Economic Corridor projects. The problems are:

(a) Inadequate coordination between the line ministries at the central Government level. As mentioned above, the importance of the GMS initiatives varies from ministry to ministry. In the case of ministries whose main duties are not directly related to the GMS initiatives, implementation actually increases their workload; consequently, they coordinate passively or are slow to provide feedback;
(b) Failure to fully implement the communication mechanism between the central and provincial governments. The Yunnan TFC is newly established and needs some time to review and summarize the existing problems in order to report to the central Government and acquire further support, as the policies and regulation adjustment or revisions will be carried out by the central Government;
(c) The lack of an authoritative coordinator at the provincial level, which contributes to delays in implementation. Since some provincial institutions are directly under the supervision of the central Government ministries, it is difficult for the provincial departments to influence decision-making at the central level. In this case, an authoritative provincial coordinator would help to speed up the decision-making process. For example, the Kunming Customs is under the direct supervision of GACC, from which it receives instructions. If decision-making on regulation revision is slow at GACC, the Yunnan Department of Transport can do nothing about it;
(d) A lack of knowledge and understanding of CBTA, its annexes and protocols at the provincial and prefectural government levels. Although a training course was organized in July 2007 by the Ministry of Transport to explain CBTA, its annexes and protocols, one course is far from adequate for creating full understanding of CBTA. As a result, it is difficult for provincial and prefectural officials to explain CBTA and its benefits to companies or communities;
(e) The infrastructure constructions at the border ports need further improvement. For example, the inspection equipment needs improving and the quarantine methods need updating.
In addition, problems exist at the regional level between the governments of the GMS countries and the departments concerned in China. The problems include:

(a) Variations in the administrative models and standards of the governments and the departments concerned;
(b) Difficulties in establishing an e-information exchange platform because the Internet application level differs in the border areas of the GMS countries;
(c) Limited information exchange among the GMS countries and a need to further harmonize information. For example, the related Yunnan line departments lack information about the transport administrative laws and regulations in the GMS countries, driver’s licence styles (including production methods and anti-counterfeiting technological parameters) etc.

4. State-owned enterprises

The SOEs related to CBTA and Economic Corridors are large SOEs engaged in passenger and cargo transportation, machinery and equipment manufacturing, agricultural production etc. Taking the Kunming–Bangkok highway as an example, the currently involved SOEs are the passenger and cargo transportation companies. The road they are using now is the highway from Kunming to the Lao People’s Democratic Republic because CBTA ratification has not been completed in Thailand. Interviews have revealed that:

(a) The exit procedure needs to be further simplified. Unlike residents in Xishuangbanna prefecture, people from other areas in China have to use passports and visas rather than border passes when going to the Lao People’s Democratic Republic. This creates considerable inconvenience, and has reduced the numbers of travellers;
(b) The entry fee to the Lao People’s Democratic Republic for passengers and vehicles needs to be reduced. The entry fee to the Lao People’s Democratic Republic is as high as Y 300 per person and Y 300 per vehicle, compared with the Chinese entry fee of Y 20 per person and Y 15 per vehicle.
(c) Domestic fees such as the road maintenance fees and highway construction funds on international transport buses need to be reduced with the support of the Government in order to reduce the operational cost. Compared with domestic transport buses, the international transport buses that run to the Lao People’s Democratic Republic are most of the time overcharged annually by Y 10,000 (excluding tax) on average, while the passenger buses in the Lao People’s Democratic Republic are only charged Y 1,200 (including tax);
(c) International road signage needs to be introduced on the international highway.

5. Private sector

The private sector includes YPCC, the transportation associations and enterprises that are agricultural producers and traders. In fact, the construction of the highway will reduce the transaction costs and the degree of damage to those agricultural products that require a high degree of the freshness. Hence, this study has focused on enterprises that deal with fresh-cut flowers, vegetables and fruit production and distribution in Yunnan province. Most of them are private companies or SMEs.

Table 4 shows the transportation costs and transit times for the three available methods for transporting green beans from Kunming to Bangkok. The results show that the Kunming–Bangkok Highway is the best solution for vegetable transportation because it provides the shortest transit time and a low frequency of loading and unloading, thus maintaining the freshness of vegetables. The transportation costs will be reduced by 7-10 per cent because of the reduction in the handling fee that
will result from the completed implementation of CBTA. At that time, the cost of transportation via the highway will be close to that incurred when transporting via the Mekong River.

### Table 4: Comparison of the three available transport methods for transporting green beans from Kunming to Bangkok, 2008

<table>
<thead>
<tr>
<th>Transport method</th>
<th>Route</th>
<th>Cost per metric ton (Y)</th>
<th>Frequency of loading and unloading</th>
<th>Transit time</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mekong River</td>
<td>- By truck: Kunming–Jinghong</td>
<td>1 450</td>
<td>Four times</td>
<td>Five days</td>
<td>Low cost</td>
<td>- No cold storage</td>
</tr>
<tr>
<td></td>
<td>- By boat: Guanlei port (China) – Chiang Saen port (Thailand)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- High frequency of loading and unloading</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- High degree of damage</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Not available in the dry season (Dec–April)</td>
</tr>
<tr>
<td>By sea</td>
<td>- By truck: Kunming – domestic sea port in China</td>
<td>1 044</td>
<td>Four times</td>
<td>Seven to 10 days</td>
<td>- Cold storage</td>
<td>- Long transit time</td>
</tr>
<tr>
<td></td>
<td>- By boat: Domestic seaport in China – port in Thailand</td>
<td></td>
<td></td>
<td></td>
<td>- Lowest cost</td>
<td>- High frequency of loading and unloading</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- High degree of damage</td>
</tr>
<tr>
<td>Kunming–Bangkok Highway</td>
<td>By truck: Kunming–Bangkok</td>
<td>2 340</td>
<td>Twice</td>
<td>Two to three days</td>
<td>- Short transit time</td>
<td>- High cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Low frequency of loading and unloading</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Low degree of damage</td>
</tr>
</tbody>
</table>

*Source: Survey of the Faculty of Management and Economics, Kunming University of Science and Technology, 2008.*

However, as stated at the beginning of this paper, the Kunming–Bangkok Highway is not as busy as was estimated before the completion of the road. In the box below, the article on “China–Thailand vegetable versus oil trade deal, CBTA and the Bangkok–Kunming Highway” reveals the experience of one Yunnan company that tried to make use of the implementation of CBTA to access the Thai market. It also exposes further problems facing all companies that intend to use the Kunming–Bangkok Highway. These problems include:

(a) Increased cost and transit time, resulting from the requirement for vehicle changes during transportation. Vehicles, particularly goods-transporting vehicles from China and Thailand, are unable to enter another country freely. As the ratification of CBTA has not been completed in Thailand, it can only be applied in China and the Lao People’s Democratic Republic. Chinese vehicles are able to enter the Lao People’s Democratic Republic, but cannot go directly into Thailand. At the border, Thai vehicles take over the job of the transportation. This increases loading and unloading times, and reduces the efficiency and advantages of point-to-point road transportation;

(b) Complicated and time-consuming applications for entry documents of Thai vehicles. On entry into China, vehicles from Thailand have to present a wide range of entry documents, which requires the involvement of many provincial departments – a time-consuming procedure. To go through the required procedures for the first batch of vegetables for export and transportation takes nearly one month. The formalities required are:
An entry permit issued by the Department of Transport;

A temporary vehicle licence issued by the Yunnan Provincial Department of Public Security for vehicles from Thailand;

A temporary entry permit issued by Kunming Customs together with a vehicle guarantee of Y 50,000 per vehicle;

A report record at the Yunnan Entry-Exit Inspection and Quarantine Bureau.

**Box 1: China-Thailand vegetable versus oil trade deal, CBTA and the Bangkok-Kunming Highway**

In June 2008, at the sixteenth session of the Kunming Export Fair, the Vegetable Industry Distribution Associations in Yunnan province, and Yunnan Xin Nong Agricultural Science and Technology Co., Ltd. signed a trade agreement on vegetables for refined oil with the Thailand Cultural and Economic Association and Thailand’s Paknampo Transport Co., Ltd., which specializes in fuel product transportation. Belonging to the same family business, Paknampo Transport Co., Ltd. has good connections with the two largest agricultural product wholesale markets in Bangkok that have a daily demand of 7,000 mt, accounting for half of the trade volume of such products in Thailand.

In addition, the strategic partner of Paknampo Transport Co., Ltd, the Petroleum Authority of Thailand (PTT) is responsible for the supply of refined oil. According to the agreement, the first year was to see the bilateral trade volume increase to US$ 200 million, including the 180,000 mt of vegetables exported by China, with a total value of up to US$ 100 million. In return, China was to import 12,000-15,000 mt of refined oil from Thailand annually, worth US$ 100 million. Yunnan DOC acts as the coordinator for this project because it is in charge of the international trade issues of the whole province. As a result of good coordination and support, the import quota of 55,000 mt for refined oil was approved by the Ministry of Commerce.

The above transactions would greatly boost vegetable production in Yunnan and eventually involve more than 70,000 households, whose incomes would be increased. The sale of vegetables from 4,667-6,667 ha of farmland would provide an extra benefit of Y 67/ha. In addition, employment in urban and rural areas would receive a boost, with about 80,000 people working in the vegetable cultivation and processing areas and another 7,000 people engaged in related fields such as transportation, logistics, sales and services.

In October 2008, three trucks from Thailand entered Kunming for the first time in history, collected 75 mt of vegetables from Kunming and transported it directly to major supermarkets for sale in Bangkok. Unfortunately, no refined oil was exported from Thailand to Kunming before the import quotas for refined oil, approved by the Ministry of Commerce, expired in February 2009. The second batch of vegetables for export met many difficulties and the bilateral barter trade has now come to a temporary halt (updated prior to May 2009).

(c) Complicated and time-consuming exit and entry formalities. Currently, people and commodities have to be processed at the border four times when they travel via the Kunming–Bangkok highway. This is further complicated by the varying time spans, standards and types of charge for customs clearance in each country. What would normally be a 20-hour journey is extended to two or three days, generating more expenditure even if the vehicles run day and night. In the Lao People’s Democratic Republic, unexpected charges and slowness in processing add to the lengthy time taken for drivers to go through customs clearance;
(d) Delays caused by the uncompleted Kunming–Bangkok Highway. As the construction of the planned Huay Xai Bridge has not yet started, ferries are used for crossing the Mekong River. However, coupled with the complicated customs procedures, it takes almost half a day for vehicles to cross the river, which is only 10 metres wide at that point.

In the case of other SMEs that have not used the Kunming–Bangkok Highway, their requirements are:

(a) More information about CBTA, the related rules and regulations of trade, transport, trade facilitation and investment;
(b) More coordination with the government;
(c) Proper and efficient channels for reporting problems.

6. Border communities

The implementation of CBTA and the Economic Corridor projects will have a significant effect on the border communities. Some of them will have to move from where they have lived since birth because of road construction. Some will have to give up their tradition of farming and begin to run small businesses. However, the new road will provide them with opportunities to sell their agricultural products elsewhere. The requirements of the border communities are:

(a) More convenient transportation through road construction;
(b) Infrastructure improvement in the border areas;
(c) Better job opportunities and increased income;
(d) More information on how to make use of CBTA implementation;
(e) More information on government policies.

7. Asian Development Bank

As an important CBTA and Economic Corridor stakeholder, ADB provides the financial support for the road improvement and construction projects. As an important coordinator of the CBTA and Economic Corridor projects in the GMS countries, ADB contributes to: (a) the formulation of initiatives; (b) the preparation of studies and master plans to help corridor development; (c) organizing and maintaining forums and working groups for cooperation and coordination; and (d) providing technical assistance that results in feasibility and engineering studies (Asian Development Bank, 2008). With its mission of poverty reduction and life quality improvement in developing countries, ADB expects to generate regional prosperity by promoting trade and transport facilitation.

8. Civil organizations

As mentioned above, civil organizations put their efforts into regional development, poverty elimination and environmental projection. Their fundamental objectives for environment protection are to: (a) find protection measures in line with local conditions, in order to combine environmental protection with economic development; (b) preserve biological and cultural diversity; and (c) promote sustainable development.
D.  Stakeholder analysis of trade and trade facilitation in CBTA and Economic Corridor projects

1. Degree of influence, importance, interest and impact of stakeholders on genesis and implementation of CBTA and Economic Corridor projects

As with table 3, table 5 was provided in both oral and written form to the interviewees. The interviewees were asked to give scores to the four categories of influence, importance, interest and impact, in accordance with the different degrees that each stakeholder had in the genesis and implementation of the CBTA and Economic Corridor projects. The averaged values of the scores were then made based on the agreed evaluation scale of highest (9-10), high (7-8), medium (6-7), low (4-5), lowest (1-3). While table 3 summarizes the different degrees of the four items for each stakeholder in China, table 5 indicates the influence, importance, interest and impact of each stakeholder on the CBTA and Economic Corridor projects.

Table 5: Degree of influence, importance, interest and impact of stakeholders on the CBTA and Economic Corridor genesis and implementation

<table>
<thead>
<tr>
<th>Sector</th>
<th>Influence: Actual authority to facilitate or impede</th>
<th>Importance: Actual priority given to stakeholder</th>
<th>Interest: Actual commitment to change</th>
<th>Impact: Actual effect of initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government/line ministries</td>
<td>Genesis: Highest</td>
<td>Highest</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td></td>
<td>Implementation: Highest</td>
<td>Highest</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Provincial government/ concerned departments</td>
<td>Genesis: Low</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td>Implementation: Highest</td>
<td>Highest</td>
<td>Medium</td>
<td>Highest</td>
</tr>
<tr>
<td>Prefectural government</td>
<td>Genesis: Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Implementation: High</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>SOEs</td>
<td>Genesis: Low</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Implementation: Medium</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Private sector</td>
<td>Genesis: Low</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Implementation: High</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Border communities</td>
<td>Genesis: Lowest</td>
<td>Medium</td>
<td>Lowest</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Implementation: Low</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>ADB</td>
<td>Genesis: Highest</td>
<td>Highest</td>
<td>Highest</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Implementation: High</td>
<td>Highest</td>
<td>Highest</td>
<td>Low</td>
</tr>
<tr>
<td>Civil organizations</td>
<td>Genesis: Lowest</td>
<td>Low</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Implementation: Low</td>
<td>Low</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

*a Influence: The authority that a stakeholder has to facilitate or impede project formulation and implementation.

*b Importance: The priority given to satisfying the needs and interests of each stakeholder.

*c Interest: The perceived level of interest/eagerness, i.e., from commitment to status quo, to openness to change.

*d Impact: The degree to which the projects/initiatives will have an impact on each stakeholder.

Note: Evaluation scale: Highest (9-10); high (7-8); medium (6-7); low (4-5; lowest (1-3).

In terms of “actual authority to facilitate or impede” (influence), table 5 indicates that the central Government and ADB have the highest influence on the genesis of initiative formulation because the central Government works closely with ADB in developing the initiatives, strategic frameworks for the programme, agreements, annexes and protocols etc. In addition, the central Government works out the national plan for the implementation of the initiatives. Second, the provincial and prefectural governments, border communities and civil organizations have low importance in the genesis of initiative formulation. Although the provincial government was invited to participate in the meetings on initiative formulation the central Government made the final
decisions, and there was limited evidence of consultations. There was no evidence that the prefectural government participated in the formulation process of the initiatives. The border communities received instructions and information regarding the initiatives from the authorities. Finally, the civil organizations have low influence because they are not involved in the formulation of initiatives.

In the process of implementation, the degree of influence of stakeholders differs. ADB and government at all levels have a high level of influence because the central Government makes the final decisions on the revision or adjustment of regulations, while the provincial and prefectural governments explain and implement the initiatives. Their understanding of the initiatives and working efficiency will directly influence the success of initiative implementation. As the donor of technology assistance and financial findings, ADB also has high influence on implementation. Second, SOEs have a moderate level of influence because they have the authority to make the Government listen to them. Third, the private sector and border communities have low influence because of the limited coordination between them and the Government. Finally, the civil organizations have a low level of influence because they lack an effective and formal communication channel with the Government.

In terms of actual priority given to stakeholders (importance), the central Government and ADB are the most important stakeholders in the formulation of initiatives because in practice they are the final decision makers. SOEs and the private sector have a high level of importance in initiative formulation and implementation because they are direct beneficiaries of trade and transport facilitation. The border communities are of medium importance in initiative formulation and implementation because their lives will be directly influenced by the initiatives. ADB has a moderate level of importance in initiative implementation because, as a coordinator and supporter, it is not directly affected by implementation. Civil organizations are of low importance in initiative formulation and implementation because they are not directly involved.

In terms of actual priority given to stakeholders (interest), both the central Government and ADB have the highest level of interest in the initiatives formulation and implementation because the CBTA and Economic Corridor projects will provide excellent opportunities for upgrading infrastructure, support local industries, and promote trade and economic growth. The central Government and ADB actively organize the coordination working sessions and are keen to contribute to the success of initiative formulation. The provincial government shows only a moderate interest in initiative formulation and implementation because of the limited coordination and consultation. Its moderate interest in implementation is due to the varying degrees of interest in the different departments. As mentioned above, those departments whose duties are directly related to trade and transport facilitation have the highest interest; however, other departments may be not so enthusiastic. Prefectural government, SOEs, the private sector and border communities have little information about initiative formulation so their interest is low. Civil organizations show medium interest in initiative formulation, especially with regard to the potential influence on the environment.

As for initiatives implementation, the prefectural government shows a high level of interest because the CBTA and Economic Corridor projects will help to promote local trade, generate employment and facilitate the upgrading or construction of new roads. Second, SOEs show medium interest while the private sector shows high interest. As mentioned above, SOEs have their own established channels for trade and investment in the GMS region but the private sector expects to gain better opportunities in the export market as well as cost reductions. Third, the border communities exhibit low interest because they have not been fully informed about CBTA and the benefits it will generate, even though some of the local residents are already enjoying greater job opportunities and infrastructural improvements. Finally, civil organizations have high interest because they keep a close eye on the implementation of the initiatives and any possible impact on the environment.
In terms of actual effect of initiatives (impact), initiative formulation and implementation have the highest impact on the central Government because it needs to set up working groups, strengthen coordination among the line ministries, adjust or revise domestic regulations etc. The impact of initiative formulation on the provincial government is medium as some departments concerned are invited to the formulation meetings. The impact of initiative formulation on other stakeholders is low.

In the case of initiative formulation, the level of impact on the provincial and prefectural governments, SOEs and the private sector is high. The implementation of initiatives makes government at all levels adjust its organizational structure, establish working groups, adjust or increase job responsibilities etc. Enterprises, both state-owned and in the private sector, will benefit from the improvement of the infrastructure and the economic environment that implementation of the CBTA and Economic Corridor projects will create. The highest impact will be on the border communities because they will directly experience the changes. The impact on ADB and civil organizations will be low because these two stakeholders are not directly involved in implementing the initiatives.

Tables 6 and 7 summarize the influence and importance of each stakeholder in the genesis and implementation of the CBTA and Economic Corridor projects. As mentioned above, “influence” means the actual authority to facilitate or impede, and “importance” means the actual priority given to the stakeholder. Normally, the stakeholders who are given high priority to satisfy their needs and interests should have the strongest authority to facilitate or impede. However, tables 6 and 7 present a contradictory situation.

**Table 6: Importance and influence matrix in CBTA and Economic Corridor genesis**

<table>
<thead>
<tr>
<th>High importance = high priority given to satisfy stakeholder’s needs</th>
<th>High influence = high authority to facilitate or impede</th>
<th>Low influence = low authority to facilitate or impede</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government, ADB</td>
<td>SOEs, Private sector</td>
<td>Provincial and, prefrectural government</td>
</tr>
<tr>
<td>Low importance = low priority given to satisfy stakeholder’s needs</td>
<td></td>
<td>Civil organizations</td>
</tr>
</tbody>
</table>

**Table 7: Importance and influence matrix in CBTA and Economic Corridor implementation**

<table>
<thead>
<tr>
<th>High importance = high priority given to satisfy stakeholder’s needs</th>
<th>High influence = high authority to facilitate or impede</th>
<th>Low influence = low authority to facilitate or impede</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central, provincial and prefectural governments</td>
<td>SOEs, private sector and border communities</td>
<td></td>
</tr>
<tr>
<td>Low importance = low priority given to satisfy stakeholders’ needs</td>
<td>ADB</td>
<td>Civil organizations</td>
</tr>
</tbody>
</table>

In the process of CBTA formulation, the provincial and prefectural government has low importance because only the representatives of the provincial government were invited to sit in some of the working sessions. All the final decisions were made by the central Government. In fact, the passive participation of lower levels of government has resulted in the lack of the knowledge about
CBTA in the implementation process. The implication of this finding is that involvement of the lower levels of government in this stage should be strengthened.

In addition, tables 6 and 7 clearly show that some important stakeholders, i.e., SOEs, the private sector and border communities, have low influence on initiative formulation and implementation. Table 5 also shows that those stakeholders are actually highly affected by the implementation of initiatives. As the above analysis indicators, their lack of influence is a result of the limited coordination with the government at all levels. Measures should be taken to establish a channel for them to gain access to the right information, to listen to their needs and interests, and to get them more involvement and benefit from the initiatives. As a result, a strategy to move the SOEs, Private Sectors and Border Communities to the boxes of High Importance and High Influence should be considered.

2. Factors accounting for stakeholder influence and importance in the implementation of the CBTA and Economic Corridor projects

Since implementation of the CBTA and the Economic Corridor projects has started, the following analysis focuses mainly on implementation.

(a) The lack of knowledge and understanding of the CBTA and Economic Corridor projects. The provincial and prefectural governments, SOEs, the private sector and border communities all need to have a better understanding of the CBTA and Economic Corridor projects. For government officials, having the relevant knowledge will improve their understanding of their job responsibilities and increase their job efficiency. In addition, the officials are responsible for explaining the relevant policies to local enterprises and border communities. Both SOEs and the private sector are eager to learn more about CBTA in order to identify the business opportunities. Meanwhile, ignorance of the procedures at the border checkpoints in the related countries is another factor discouraging their participation. As the stakeholders who will be highly affected by the implementation of initiatives, border communities should be given first priority in being informed about the factors that will contribute to the changes in their lives as well as how they can make use of them.

(b) The lack of adequate coordination and effective communication channels. The coordination between the different levels of government and SOEs, the private sector, border communities and civil organizations is inadequate. Enterprises, especially SMEs, complain that it is difficult to find the proper channels to report their difficulties. Recent years have witnessed growing awareness in the Government of the need to improve the situation. The participation of the Road and Transport Association in the national and provincial CBTA Transport Facilitation Committee is proof of the efforts being made on the part of the Government. In addition, the establishment of the GMS Economic Corridor successfully involved companies and people from the border areas. However, there is a tremendous need for further improvement. Lack of effective coordination between government and civil organizations contributes to disputes with some environmental civil organizations. Hence, the civil organizations fail to reach their objective of influencing government decision-making;

(c) Timeliness of domestic regulation adjustment and revision. Interviews and the case study of vegetable exchange in the refined oil trade (see box article above) revealed complaints by companies with regard to the complicated and time-consuming procedures for exit, entry and inspection of shipments. CBTA requires the use of the same documentation and single-window inspections at the border-crossing points between two neighbouring countries. For example, at the Hekou–Laocai border-crossing point only the
single-window inspection\textsuperscript{19} has been successfully applied. Currently, China and Vietnam require different forms of documentation and commodities have to be checked by both Chinese and Vietnamese customs. One reason is that the customs inspection models differ in the two countries and the cross-border inspection does not comply with Chinese law.

(d) The lack of an authoritative coordinator at the provincial and prefectural government levels. As mentioned above, the Yunnan LM office has, as provincial coordinator for the GMS Programme, contributed little to the coordination between the central and provincial levels of government. The actual coordination has been done by the Yunnan Department of Transport. However, the implementation of CBTA requires coordination between customs, entry-exit inspections and quarantine, immigration, the Department of Transport etc. As some institutions are directly under the supervision of the central Government, the coordination authority of the Yunnan MOT and the newly-established Yunnan TFC are limited.

VI. Conclusion and recommendations

A. Conclusion

The successful implementation of the GMS regional cooperative initiatives such as CBTA will enable Yunnan province, a less developed area of China, to fully realize a more efficient international flow of goods and people as well as sustainable development of the economy. However, delays to the initiatives’ implementation happened when more and more stakeholders were involved. This paper identifies the stakeholders for China’s participation into the GMS Programme and the specific stakeholders who are involved in CBTA formulation and implementation. It finds that the degrees and effects of the coordination among the different stakeholders vary because of their different needs and priorities. In addition, missing linkage or ineffective communication is found in the existing internal coordination mechanisms of China. Some important stakeholders such as the private sectors, the industrial associations and the border community actually have very little influence on both the initiatives’ formulation and implementation. Limited consultation channels have been found between the government and other stakeholders during the process of the initiatives formulation. Hence, strategies to enhance inter-agency coordination and improve the effectiveness of the coordination between the government and other stakeholders are imperative.

B. Recommendations on the existence and effectiveness of inter-agency coordination

1. Overall view

Finding 1: Insufficient participation and limited coordination by the National LM Coordination Group of NDRC.

\textsuperscript{19} The single window inspection means a country’s customs, entry-exit inspection and quarantine, immigration inspection etc. are combined in one centre in order to save time in having to go to different places for each procedure. It is the initial stage of the “single-stop” inspection. The “single-stop” inspection means joint customs inspection, quarantine and immigration procedures by the two countries concerned. According to the Yunnan Department of Commerce in 2006, to realize the “single-stop” inspection, the following facilitation measures must be taken: single-window inspection within 24-hour working hours; standardized cross-border documentation; simplification and unification of procedures; temporary arrangement of the mutually-recognized guarantee institutes; data exchange etc.
**Recommendation:** Strengthen the internal coordination authority of the National LM Coordination Group by setting up a new office and employing personnel as a permanent internal GMS coordinating centre.

The new centre should be responsible for setting directions, formulating strategic frameworks, hosting regular coordination meetings of the different sectors concerned, making decisions regarding neighbouring countries’ social and economic concerns, and establishing a database for China’s participation in the GMS Programme. The line ministry should report to the centre every month in order to update data on the formulation and implementation of initiatives. A report on the updated information should be published once every three months and distributed at the provincial and prefectural levels. The main efforts of the centre should be focused on enhancing coordination between the line ministries as well as supervising the implementation of initiatives in each line ministry.

**Finding 2:** Inadequate participation and limited coordination by the Yunnan LM office of Yunnan DRC.

**Recommendation:** Move the Yunnan LM office from the Yunnan NDRC and put it under the direct supervision of the governor of Yunnan province in order to create an authoritative provincial coordinator and enhance coordination between the line departments.

Personnel from the line departments whose duties are closely related to the present trade and transport initiatives of the GMS programme, such as those of the Ministry of Commerce and the Ministry of Transport, should be placed in the Yunnan LM Office. Funding for the operation of the office should be granted at the provincial level.

With the authority given by the governor of Yunnan province and with financial support, the office will have more negotiating power with the ministries of the central Government for speeding up the domestic procedures for the implementation of initiatives. In addition, the responsibility of the office will include following up and summarizing the implementation situation, reporting to the national coordinator, organizing the regular coordination meetings of different line departments, supervising provincial implementation, setting up channels for companies to report their difficulties and problems, and receiving reports from the prefectural level. Hence, the coordination between the central and provincial governments, between the line departments at the province level, and between the provincial and prefectural governments will be significantly improved.

**Finding 3:** Inadequate participation and limited coordination by the prefectural government.

**Recommendation:** Set up the LM office in the three prefectural governments. The concept of the Yunnan LM Office can be applied at the prefectural level. These offices should be made responsible for coordination with the provincial government as well as for summarizing and supervising implementation of the initiatives, setting up channels for local SMEs and border communities to report their difficulties and problems, and assisting the provincial government in organizing training for local officials, SMEs and border communities.

2. **Trade and transit facilitation (CBTA/Economic Corridors)**

**Finding:** A lack of updates for each stakeholder on initiatives implementation.
Recommendation 1: The Yunnan MOT should summarize the implementation of CBTA in the form of special notices and distribute such notices to other line ministries, associations and the prefectural government on a regular basis.

Recommendation 2: Regular workshops should be organized by the industrial associations and the prefectural government in order to create interactive channels for information distribution.

C. Recommendations on coordination between government and other stakeholder groups on Greater Mekong Subregion activities

1. Overall view

Finding 1: A lack of knowledge and understanding of the CBTA and Economic Corridors

Recommendation: Organize training courses and publish handbooks on the implementation of initiatives.

The central Government should be the trainer on the relevant knowledge of the initiatives and other stakeholders should be the trainees. However, training for prefectural SMEs and border communities should be organized by the prefectural government because the content should be focused and simplified. In addition, the prefectural coordinators should put aside some regular working hours to meet the border communities, answer their questions and report their problems. Apart from the training programme, initiative implementation manuals are an effective way of transferring knowledge/information at the provincial and prefectural levels. All these activities will help the stakeholders at the provincial and prefectural levels, especially SMEs and border communities, to gain a better understanding of the initiatives.

Finding 2: The private sector and border communities, which will be highly affected by the initiatives, have a low level of influence on the formulation and implementation of initiatives.

Recommendation 1: Enhance coordination between the Government and other stakeholders, and establish a channel for them to (a) gain access to the right information, (b) express their needs and interests, and (c) become more involved and gain greater benefit from the initiatives.

The representatives of the private sector, the prefectural government, border communities and civil organizations need to be invited to participate in the working sessions of the central and provincial governments. The early involvement of these stakeholders will help them to acquire the proper information through the right channels. As a result, the low level of awareness of the initiatives will be eliminated. The question then becomes: Who are their representatives? The industrial associations and YPCC are the representatives of the private sector, especially SMEs. The villagers’ committee, which is self-organized by the border communities, represents their benefits satisfactorily.

Recommendation 2: Promote the role of the associations in GMS integration. The YPCC and other industrial associations have contributed to introducing the initiatives and regional cooperation to their member companies. However, their further involvement in the initiative formulation will enable them to become an effective channel between the Government and the private sector. Encouragement and financial support should be provided to them for organizing relevant training courses for their member companies on GMS activities.
**Finding 3:** A lack of an effective communication channel between the Government and civil organizations.

**Recommendation:** Employ civil organizations, local universities and research institutions to conduct research related to the GMS Programme.

The research covers a wide range of issues including, among others: (a) the feasibility study of the initiatives and the potential effects on local society, its economy and environment; (b) updating of the initiative implementation situation; (c) studying trade and transport facilitation in other regions; and (d) the effects of GMS activities on local areas. As a result, an effective channel between the Government and other stakeholders will be established.

2. **Trade and transit facilitation (CBTA/Economic Corridors)**

**Finding 1:** A lack of sufficient knowledge about CBTA and its implementation at the provincial and prefectural levels.

**Recommendation 1:** To co-organize intercountry research on CBTA and publish a series of handbooks in different languages, covering the following areas:

- (a) Transportation administrative laws and regulations enforced by different countries;
- (b) Information on driving licences, including samples, anti-counterfeit technological parameters etc;
- (c) Licence plate information, including samples, anti-counterfeit technological parameters etc;
- (d) Information on CBTA implementation including knowledge of CBTA, customs inspection and quarantine procedures at border-crossing points, related document requirements, relevant operational institutions, payments etc;
- (e) Other information that is useful for CBTA implementation.

**Recommendation 2:** Organize regular workshops on CBTA and its implementation by the provincial and prefectural governments, and industrial associations.

The workshops, organized by different stakeholders, should be aimed at different target groups. The participants in workshops organized by the provincial government will be officials of the line departments concerned. The industrial associations will hold workshops for companies. The prefectural government will be responsible for passing on information to the border communities. Hence, the topics of the workshops will differ accordingly.

**Finding 2:** A lack of adequate coordination between the Government and SOEs, SMEs and border communities.

**Recommendation 1:** Involve SOEs and SMEs in the initiative and/or policy formulation process.

More representatives from YPCC or other industrial associations, and individual SOEs and SMEs can be invited to participate in the Yunnan Transport Facilitation Committee. The representatives will serve as a channel for collating and presenting the difficulties faced by SOEs and SMEs, and for providing feedback on updated policies.
Recommendation 2: Conduct a survey co-organized by the provincial and prefectural governments in order to gain a clear understanding of the concerns, needs and interests of the border communities.
References
### Annex table 1: Trade between China and GMS countries, 1998-2007

(Units: US$ million and percentage)

#### Imports

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<tr>
<th></th>
<th></th>
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*Source: Ministry of Commerce, Beijing.*
### Annex table 2: Trade between Yunnan province and GMS countries, 1998-2007

(Unit: US$ million)

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| Growth rate of Yunnan imports from GMS (%) | - | 55.75 | 22.77 | 38.80 | 19.34 | 19.28 | 34.19 | 29.60 | 14.47 | 49.4 |
| Growth rate of Total imports from ASEAN (%) | - | - | - | 14 374 | 19 881 | 23 661 | 30 643 | 46 634 | 53 260 | 80 370 |

| Growth rate of Yunnan imports from ASEAN (%) | - | - | - | 38.3 | 19.0 | 29.5 | 52.2 | 19.7 | 50.9 |
| Total imports of Yunnan | 72 953 | 62 524 | 63 767 | 41 481 | 79 670 | 99 109 | 150 410 | 209 664 | 284 031 | 404 363 |

| Yunnan imports from ASEAN (% total Yunnan imports) | 6.56 | 11.92 | 14.35 | 30.62 | 19.03 | 18.24 | 16.13 | 15.00 | 12.67 | 13.30 |

| Yunnan imports from ASEAN (% total Yunnan imports) | - | - | - | 34.65 | 24.95 | 23.87 | 20.00 | 22.24 | 18.75 | 19.90 |

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| Growth rate of Yunnan exports to ASEAN (%) | - | -0.7 | 25.17 | 5.60 | 7.23 | 34.0 | 26.42 | 2.97 | 24.80 | 55.40 |
| Growth rate of Total exports of Yunnan | 117 376 | 103 443 | 117 516 | 124 412 | 142 965 | 167 658 | 223 883 | 264 158 | 339 143 | 473 612 |

| Yunnan exports to ASEAN (% total Yunnan exports) | 29.02 | 32.69 | 36.01 | 35.92 | 33.52 | 38.30 | 36.26 | 31.64 | 30.76 | 34.23 |
| Yunnan exports to ASEAN (% total Yunnan exports) | - | - | - | 45.40 | 43.62 | 47.02 | 43 | 41 | 48.41 | 45.93 |

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| Growth rate of total trade with GMS (%) | - | 7.5 | 24.73 | 88.5 | -34.97 | 30.46 | 28.86 | 8.47 | 22.00 | 53.86 |
| Growth rate of total trade with ASEAN (%) | - | - | - | 70 854 | 82 244 | 102 490 | 126 847 | 155 687 | 217 454 | 297 880 |
| Growth rate of total trade with Yunnan | - | - | - | 16.10 | 24.62 | 23.77 | 22.7 | 40.6 | 37.0 |

| Total international trade of Yunnan | 190 329 | 165 967 | 181 283 | 165 893 | 222 635 | 266 767 | 374 293 | 473 822 | 623 174 | 877 975 |
| Yunnan-GMS trade (% total Yunnan trade) | 20.17 | 24.86 | 28.39 | 58.47 | 28.33 | 30.85 | 28.33 | 24.28 | 22.51 | 24.59 |
| Yunnan-ASEAN trade (% total Yunnan trade) | - | - | - | 42.71 | 36.94 | 38.42 | 34 | 33 | 34.9 | 33.9 |

Source: Department of Commerce, Yunnan province.
### Annex table 3: GMS coordination meetings arranged by Yunnan Department of Finance, 2008

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<td>Promotion Meeting of the Second Phase of the Western Yunnan Road Development Project (Construction of the International Channel)</td>
<td></td>
<td>-</td>
<td>4</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
</tbody>
</table>

* Source: Division of International Affairs, Yunnan Department of Finance, 2009.
* Includes YPCC and other industrial associations.
### Annex table 4: GMS coordination meetings arranged by Yunnan Foreign Affairs Office, 2007-2008

<table>
<thead>
<tr>
<th>Meeting name</th>
<th>Central govt. officials</th>
<th>Provincial govt. officials</th>
<th>SOEs</th>
<th>SMEs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provincial Coordination for Yunnan’s Participation in the GMS Summit, 2007</td>
<td>-</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>Provincial Coordination for the GMS Summit GMS, 2007</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Yunnan Experimental One-stop Clear Customs, 2007</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Preparation for the Opening Ceremony of the Kunming-Bangkok Highway Section in China, 2007</td>
<td>-</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>Seventh Meeting of the Joint Lancang - Mekong Merchant Shipping Coordination Commission of China, Lao People’s Democratic Republic, Myanmar and Thailand, 2008</td>
<td>-</td>
<td>30</td>
<td>-</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>Fourth Economic Corridor Meeting of Five Provinces and Cities, 2008</td>
<td>-</td>
<td>50</td>
<td>10</td>
<td>40</td>
<td>100</td>
</tr>
<tr>
<td>Mutual Meeting of the Delegation from Viet Nam National Mekong River Committee and Relevant Hydropower Station Companies and Government Departments in Yunnan, 2008</td>
<td>-</td>
<td>20</td>
<td>10</td>
<td>-</td>
<td>30</td>
</tr>
</tbody>
</table>

*Source: Regional Cooperation Office of the Yunnan Foreign Affairs Office, 2009.*
Annex table 5: GMS coordination meetings arranged by Yunnan Department of Commerce, 2008

<table>
<thead>
<tr>
<th>Meeting name</th>
<th>Number of participants</th>
<th>Central govt. officials</th>
<th>Provincial govt. officials</th>
<th>SOEs</th>
<th>SMEs</th>
<th>Associations(^a)</th>
<th>Development partners(^b)</th>
<th>Border communities(^c)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seminar on GMS Experimental One-stop Clear Implementation</td>
<td></td>
<td>17</td>
<td>10</td>
<td>5</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>37</td>
</tr>
<tr>
<td>Sixth Meeting of the Core Group of SFA-TFI</td>
<td></td>
<td>17</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27</td>
</tr>
<tr>
<td>Training Programme for the Cross-Border Economic Zone Research and Project Management</td>
<td></td>
<td>-</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>60</td>
</tr>
<tr>
<td>Main Forum of the GMS Economic Corridor Forum</td>
<td></td>
<td>40</td>
<td>100</td>
<td>20</td>
<td>20</td>
<td>5</td>
<td>30</td>
<td>-</td>
<td>215</td>
</tr>
<tr>
<td>Governor Forum of the GMS Economic Corridor Forum</td>
<td></td>
<td>40</td>
<td>100</td>
<td>20</td>
<td>20</td>
<td>5</td>
<td>30</td>
<td>-</td>
<td>215</td>
</tr>
<tr>
<td>City Development Forum of the GMS Economic Forum</td>
<td></td>
<td>40</td>
<td>100</td>
<td>20</td>
<td>20</td>
<td>5</td>
<td>30</td>
<td>30</td>
<td>245</td>
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<tr>
<td>First Meeting of the Instruction Committee of the China-Viet Nam Cross-Border Economic Zone founded by UNDP</td>
<td></td>
<td>20</td>
<td>20</td>
<td>10</td>
<td>20</td>
<td>10</td>
<td>10</td>
<td>-</td>
<td>90</td>
</tr>
</tbody>
</table>


\(^a\) YPCC and other industrial associations.

\(^b\) ADB, ESCAP and UNDP.

\(^c\) Residents of border areas.
### Annex table 6: Major GMS cooperation conferences/training hosted, or participated in, by YPCC in Kunming, 2007-2008

<table>
<thead>
<tr>
<th>Conference</th>
<th>Host</th>
<th>Sponsor</th>
<th>Central govt. officials</th>
<th>Local govt. officials</th>
<th>SOEs</th>
<th>SMEs</th>
<th>YPCC/Associations</th>
<th>ADB and development partner</th>
<th>Civil organizations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Group and Coordinating Committee Meeting for Promoting SMEs in GMS to Participate in the Global and Regional Value Chains, 2007</td>
<td>ESCAP, YPCC and the Department of Agriculture</td>
<td>ESCAP, YPCC</td>
<td>0</td>
<td>25</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>43</td>
</tr>
<tr>
<td>First Session of Yunnan-Myanmar Economic and Trade Cooperation Forum, 2007</td>
<td>YPCC and Chamber of Commerce of Myanmar</td>
<td>YPCC and the Development and Research Centre of People’s Government of Yunnan</td>
<td>0</td>
<td>50</td>
<td>5</td>
<td>125</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>200</td>
</tr>
<tr>
<td>Business Talks between Yunnan Entreprises and their Counterparts from Chiang Mai, Thailand, 2007</td>
<td>YPCC</td>
<td>YPCC</td>
<td>0</td>
<td>4</td>
<td>10</td>
<td>40</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>64</td>
</tr>
<tr>
<td>Yunnan-Myanmar Economic and Trade Meeting, 2007</td>
<td>YPCC</td>
<td>Foreign Affairs Office of Yunnan</td>
<td>2</td>
<td>6</td>
<td>0</td>
<td>89</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>107</td>
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<tr>
<td>Business Talks between Yunnan Entrepreneurs and the Thai Delegation, 2007</td>
<td>YPCC</td>
<td>YPCC</td>
<td>0</td>
<td>13</td>
<td>0</td>
<td>15</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td>Cooperation Talks between YPCC and Office for Promoting SMEs in Thailand, 2007</td>
<td>YPCC</td>
<td>YPCC</td>
<td>0</td>
<td>5</td>
<td>9</td>
<td>13</td>
<td>8</td>
<td>0</td>
<td>0</td>
<td>35</td>
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<tr>
<td>Seminar on the Development and Cooperation of Human Resources in GMS, 2007</td>
<td>National Federation of Industry and Commerce</td>
<td>YPCC</td>
<td>0</td>
<td>2</td>
<td>30</td>
<td>6</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>43</td>
</tr>
<tr>
<td>Event</td>
<td>Organizers</td>
<td>Duration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Talks between YPCC and the Business Delegation of Japan, Located in Bangkok, 2008</td>
<td>YPCC</td>
<td>0 3 0 10 2 0 0 15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training on Capability Building for Small and Medium-sized Enterprises in GMS, 2008</td>
<td>SADC, IIFT, YPCC, Thailand International Institute for Trade and Development</td>
<td>0 0 0 30 2 0 2 34</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seminar on Promoting Entrepreneurship and Facilitating Economic and Trade Development in GMS, 2008</td>
<td>SADC, EDI, YPCC and Mekong Institute</td>
<td>0 10 0 25 0 5 0 40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


a SADC: Swiss Agency for Development and Cooperation.
b IIFT: Indian Institute of Foreign Trade.
c EDI: Entrepreneurship Development of India.
## Annex table 7: List of interviewees

<table>
<thead>
<tr>
<th>Organization</th>
<th>Title of interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Cooperation Division, Department of International Affairs, Ministry of Commerce</td>
<td>Deputy Director</td>
</tr>
<tr>
<td>Chinese International Economic and Technical Exchange Centre</td>
<td>Deputy Director</td>
</tr>
<tr>
<td>Ministry of Transport</td>
<td>Director, Regional Office</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>Officer</td>
</tr>
<tr>
<td>Yunnan Lancang-Mekong Office</td>
<td>Officer</td>
</tr>
<tr>
<td>Lancang-Mekong Subregional Economic Cooperation and Trade Development Centre, Department of Commerce, Yunnan</td>
<td>Director</td>
</tr>
<tr>
<td>International Cooperation Division, Department of Finance, Yunnan</td>
<td>Deputy Director</td>
</tr>
<tr>
<td>International Cooperation Division, Department of Transport, Yunnan</td>
<td>Director</td>
</tr>
<tr>
<td>Director of Regional Affairs Office, Foreign Affairs Office, Yunnan</td>
<td>Director of the Office</td>
</tr>
<tr>
<td>International Cooperation, Chamber of Commerce, Yunnan</td>
<td>Director</td>
</tr>
<tr>
<td>Xishuangbanna Kunming-Bangkok Transport Co., Ltd.</td>
<td>General Manager</td>
</tr>
<tr>
<td>Yunnan Tongyi International Freight Co., Ltd.</td>
<td>Deputy Director</td>
</tr>
<tr>
<td>Yunnan Dehong Traffic Group</td>
<td>Manager</td>
</tr>
<tr>
<td>Kunming Zhenhui Logistics Management Ltd.</td>
<td>Manager</td>
</tr>
<tr>
<td>Kunming Jinyuan Flower Industry Co., Ltd.</td>
<td>Assistant General Manager Sales</td>
</tr>
<tr>
<td>Kunming Chennong Green Products Ltd.</td>
<td>Trade Manager</td>
</tr>
<tr>
<td>Xinnong Technology Co., Ltd.</td>
<td>General Manager</td>
</tr>
<tr>
<td>Liaison Department, Yunnan Chamber of Commerce</td>
<td>Director</td>
</tr>
<tr>
<td>Vegetable Distribution Association of Yunnan Province</td>
<td>Vice-President</td>
</tr>
<tr>
<td>Transportation Association of Yunnan Province</td>
<td>Vice-President</td>
</tr>
</tbody>
</table>