Problems and Obstacles of Automobile Trade Management on the Thai-Myanmar Border in Mae Sot District of Tak Province

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Abstract - This study's objectives were to explore the state, potential, and problems and obstacles of automobile trade management on the Thai-Myanmar Border in Mae Sot District, Tak Province. The four study scopes were trade regulations and procedure standards, political policy, fair trade competition, and men. This qualitative research gathered data from online documents and from 2 groups of 5-member key informants categorizing into the policy administrator group and implementation group. Data analysis employed documentary analysis and descriptive analysis. The findings are the following: 1) The state of the trade management is at present a cross-border trade with Thailand the Myanmar 6th ranking trade partner. Thailand has the advantage on border trade lower pricing, 2) The trade potential is at very high growth. Thailand holds advantage on trade balance with growing trade value. Mae Sot District has high potential for development into Thailand's western trade and economic center, and 3) The problems and obstacles of the automobile trade management on trade regulations and procedure standards are different government regulations between Customs Department and Ministry of Commerce causing difficulty and confusion to conform to. On political policy, the Myanmar politics are in transition and not stable with longer period for change. On fair trade competition, the related government units should improve the regulations and procedure into the same direction with reduction on procedures for better trade competition. On men, some government officials still lack skills and some still adhere to self interests.

Keywords - Thai-Myanmar Automobile Border Trade, Problems and Obstacles, Mae Sot, Tak Province

I. INTRODUCTION

The most important goal of country development is the growth of the country, which can be measured by gross domestic product. The measure of expenditure-based gross domestic product is comprised of domestic consumption, private sector investments and net imports and exports. Recently, gross domestic product has been derived from net exports with increasing value and the proportion of economic structure affecting gross domestic product has improved. The rapid change of economic structure leads to the need of more systematic and standard production management. Border trade occurs in the border area between people or entrepreneurs reside in different countries without any trade agreements. The most commonly traded goods are consumer goods used in daily life and local currencies are used. Some border traders follow custom clearance procedures, while some of them do not because the transportation of goods can be easily carried out and is hard to control. The formal establishment of the ASEAN Community, preparation and utilization of benefits from ASEAN economic, social and cultural, political and security integration, strategy formulation for stepping to ASEAN Community in 2015 can enhance the potential of border trade leading to trade opportunities and advantages, which can be realized when government and private sectors jointly drive...
the commerce and economic systems and investments, and entrepreneurs who export used cars to the third country must register with Department of Foreign Trade, Ministry of Commerce. The entrepreneurs have to confront not only the domestic problems and obstacles, but also those from external factors, such as Myanmar’s political policies, Myanmar's unrest political situation, import restriction imposed by trade regulations and measures, Myanmar’s public utility systems, and problems relating to transportation and communication etc. affecting the convenience in carrying out the trade.

II. PURPOSES OF THE STUDY

1. To study the situation of car trade management at Thai-Myanmar border, Mae Sot district, Tak province.

2. To study the potential of car trade management at Thai-Myanmar border, Mae Sot district, Tak province.

3. To study the problems and obstacles in car trade management at Thai-Myanmar border, Mae Sot district, Tak province.

III. SCOPE OF THE STUDY

The study was aimed to study and analyze the situation, potential and problems and obstacles in car trade management at Thai-Myanmar border, Mae Sot district, Tak province relating to trade regulations, procedures and measures, political policies, fair trade competition and personal factors.

IV. PRACTICAL APPLICATION

1. To use as a guideline for capacity building in car trade competition at Thai-Myanmar border, Mae Sot district, Tak province.

2. To study the potential of car trade at Thai-Myanmar border, Mae Sot district, Tak province, to use as a guideline for government’s border trade development plan.

3. To use as a guideline for decision making in business operation by entrepreneurs who are interested in operating border trade.

V. DEFINITION OF TERMS

- **Border Trade** means various types of trade between people or entrepreneurs residing in a province, district, and village near a border with a neighboring country. The trade and barter is conducted between residents living along a border of both countries, the value of each trade is not high, the most commonly traded commodities are consumer goods used in daily life, some commodities go through custom clearance procedure, and some of them are illegally smuggled. The border trade can enhance other competitions and enable the transit trade.

- **Transit Trade** means the trade which allows the trade partner country to transit the goods to the third country or allows the third party to transit the goods to the trade partner country, for example, Thai allows Myanmar to transit the goods to the third party or allows the third party to transit the goods from Thai to Myanmar.

VI. SOURCE OF DATA IN THE STUDY

The primary data was derived from the in-depth interviewing with two groups of key informants: implementer group and policy administrator group, each group is comprised of 5 persons.

The secondary data was derived from the analysis of official government papers, online data and relevant studies.

VII. INSTRUMENTATION

The study was based on the semi-structured interviews derived from the analysis of papers derived from the literature review. The content validity was reviewed by the Dissertation Advisory Committee.
VIII. DATA ANALYSIS

Data analysis was conducted by literature review by analyzing papers. The descriptive analysis of interview was conducted.

IX. RESULT OF THE STUDY

A. The Situation of Car Trade Management at Thai-Myanmar Border, Mae Sot District, Tak Province

Thailand is the center of South East Asia, bordered with neighboring countries. Thai goods have a competitive advantage in a neighboring market due to low transportation costs. Free trade policy in Thailand generate increased commercial opportunities and investments. Thai-Myanmar border trade tends to expand due to bilateral economic and commercial cooperation between Thai and Myanmar. The participation in Dawei Deep Seaport Development Project will enable Thailand to have a more significant role and become the important economic hub.

B. The Potential of Car Trade at Thai-Myanmar Border, Mae Sot District, Tak Province

Thai-Myanmar border trade has a strong potential for growth because Myanmar has a population almost equal to that of Thailand and special economic zone establishment in Dawei, the trade hub enables Thailand to have more business opportunities. Thai goods can be delivered quickly by transportation service and place of receipt can be designated. Investment promotion for Dawei Deep Seaport Project by Thai government sector will encourage Thai investors to invest in heavy industry in Myanmar.

C. The Problem and Obstacles in Car Trade Management at Thai-Myanmar Border, Mae Sot District, Tak Province

The analysis was conducted by collecting secondary data derived from the review of relevant theories and studies in accordance with the four-dimensional framework of problems and obstacles in car trade management at Thai-Myanmar border, Mae Sot district, Tak province and by collecting primary data derived from the interview with 2 groups of persons: implementer group and policy administrator group, each group is comprised of 5 persons. The primary data and secondary data was analyzed together by descriptive analysis and documentary analysis. The topics of analysis are as follows:

- **Trade Regulations, Procedures, and Measures**
  
  The difference of Trade Regulations, Procedures and Measures between Customs Department and Ministry of Commerce makes a process more complicated. A variety of goods needed to go through custom clearance procedure makes trade regulations, procedures and measures more complicated.

- **Political Policies**
  
  Myanmar’s politics is changeable and unstable, so its policies change at all times. The problems of border closure or import restriction in Myanmar have respectively decreased. The laws and regulations of 2 countries do not bring benefits for border trade and need rather long time to amend. Myanmar lacks capacity to improve its infrastructure.

- **Fair Trade Competition**

  Car entrepreneurs are under different regulations of government agencies and have different costs of goods. Fair trade competition must be implemented to reduce the trade competition between the entrepreneurs. The regulations and procedures of each government agency should be imposed in the same direction.

- **Personal Factors**

  Some officials seek benefits for themselves, lack knowledge to work and are unable to complete the work in time. Other problems include lack of coordination, extortion by border government officials, lack of interest in learning Myanmar language and frequent transfer of Myanmar officials.

X. SUMMARY OF THE STUDY RESULT

As to the problems and obstacles relating to trade regulations, procedures, and measures
along the Thai-Myanmar border, laws, regulations, traditions and cultures are different between 2 countries. Policies, regulations and laws of each country do not bring benefits to border trade. The process of investment approval takes a long time and is complicated. The regulations' lack of clarity still exists. Myanmar military government's regulations are unstable and barely flexible. The purpose of the study was to study the problems and obstacles in car trade management at Thai-Myanmar border, Mae Sot district, Tak province, and what car entrepreneurs, government and private sectors should do to formulate the guideline for car trade development in the border trade area in Mae Sot district, Tak province including the possibility to present the implemented guideline.

XI. DISCUSSION

The analysis result of 3 purposes of study is consistent with the study result. As to the problems and obstacles relating to trade regulations, procedures and measures along the Thai-Myanmar border, laws, regulations, traditions and cultures are different between 2 countries. Policies, regulations and laws of each country do not bring benefits to border trade. The process of investment approval takes a long time and is complicated. As to the political policy, Myanmar’s politics is changeable and unstable. Some officials lack knowledge and expertise to work and some of them seek benefits for themselves. According to the literature review, the result is consistent with the study of Nisit Panthamit (2542: KOR-NGOR) on The Border Trade Problem in Upper Northern Thailand: A Case Study in Chiang Rai, Chiang Mai, Nan, Mae Hong Son. Thesis, M. Econ. (Master of Economics) Chiang Mai: Chiang Mai University.

According to the above summary of study result and discussion, there are suggestions for relevant agencies and next studies as follows: Car entrepreneurs and relevant agencies should always learn political policies of both Myanmar and Thailand to understand changes and find solutions for problems timely. As to the fair trade competition, the regulations and procedures should be imposed in the same direction to reduce problems relating to the trade competition between the entrepreneurs. As to personal factors, relevant government agencies should provide a training program or seminar to improve their ability to perform in the workplace. As to the development of Tak Province border trade, all relevant parties should jointly plan, execute, identify and solve problems.

REFERENCES

(Arranged in the order of citation in the same fashion as the case of Footnotes.)


