

## **A Study on Tachileik Border Area Development**

Thet Mon Soe<sup>1</sup>

### ***Abstract***

With the aim to narrow down the socio-economic gap among states and regions and to achieve equitable and balanced development throughout the country, measures for the development of border areas are being implemented by emphasizing on education, health and infrastructure advancement. The paper is the study on Tachileik border area development with respect to the investment of infrastructure and its impacts of investment on Tachileik border area development. Public and private investment in infrastructure has stimulated remarkable socio-economic development in Tachileik border area. In social sector, there was the remarkable progress in education and health sector. In economic sector, good sector is the main contributor of GDP and also there was the remarkable progress in border trade, border tourism, and migrant workers because of better improvements in transportation, communication and electricity. In order to achieve sustainable border area development in the future, it is important to enhance harmonious development in both economic and social sectors in Tachileik border area.

**Keywords:** Border area, Investment, Infrastructure, Economic, Social, Development

### **1. Introduction**

Border areas of the country lagged behind in development in comparison with other regions of the country due to the various reasons. Before 1988, there were armed struggles in those areas so that development could not be undertaken. The insurgents encouraged the production of opium to help finance their activities. Realizing the need to promote the economic and social development of the border areas and to respond the needs of the people living there, the Government has established the Ministry for the progress of Border Areas and National Races and Development Affairs since 1992. The master plan for the development of border areas is drawn up. In undertaking the tasks for all-round development of border areas, such as building of transport and communication facilities and creating of better conditions for food, health and education of the local people, special duties have been assigned to many public servants.

Tachileik, a border town locates in eastern Shan state and is bounded with Thailand and Laos. It is the administrative seat of Tachileik Township and Tachileik District and most populated city in eastern Shan State with 51,553 residents per 2014 census

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<sup>1</sup> Tutor, Department of Applied Economics, Yangon University of Economics

count. Tachilek district is formed with Tarlay sub-township and Kyinglat sub-township. The total area of Tachilek district is 1385.09 square miles. In 1927, there were about 4 to 5 houses in Tachilek and government offices were at Haunglek. In 1939, many houses were built in Tachilek and it became government official place. In 1962, the Revolutionary Council took over the state from Shan chief and Tachilek became District Border office and started the modern government administration system. Tachilek town was defined as gazette town by the Ministry of Home Affairs and department of general administration's Notification number (1000) with the date of (4.8.1972). Tachilek border area in the past also lagged behind in development because of the armed groups. Moreover, cross-border activities at Thai-Myanmar border region were various forms of illegal economic networks such as drug and human trafficking. However, many development measures like public investment in economic and social sector are taken in Tachilek border area when armed groups came into legal fold. Moreover, the golden triangle region is notified internationally as "Opium Free Zone" which has taken by 6-year project since 1992 and implemented on April 22, 1997. The region has now developed with greater momentum over the past decade after achieving regional peace, stability and progress. Those who took arms in the past have now exchanged arms with peace and instead of taking arms they are now doing development activities hand in hand with the government and the local people.

The paper aims to examine public and private investments in Tachilek border area; to analyze the impacts of investments on social and economic well being of people from Tachilek border area. The study used descriptive method based on secondary data, reports of the relevant government department of Tachilek district and other recorded documents, articles and books of Tachilek border area.

## 2. Literature Review

In the 21<sup>st</sup> century economic geography has joined the disciplines and the focus of regional development is more on the spatial dynamics of regions-as places to live work and invest. A common thread for regional development concerns some kind of economic and social improvement as follows:<sup>2</sup>

1. More and better quality infrastructure (soft and hard);
2. Improved community services;
3. Grater and more diverse volume of production;
4. Lower unemployment;
5. Growing number of jobs;
6. Rising average wealth; and
7. Improved quality of life

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<sup>2</sup> Call, T M, (2010), *What do we mean by regional development?*, Institute for Regional Development, Cradle Coast Campus, University of Tasmania

Investment can be classified into two types: public and private. Public investment includes investment in both economic and social infrastructure, while private investment can usefully be divided into private autonomous investment and private induced investment. Public investment in economic infrastructure concerns the construction of roads, ports and airports, as well as the provision of electricity, telephone lines, irrigation systems, etc. The availability of economic infrastructure in a given region is of basic importance to its economic development since it determines the accessibility of its productive activities to extra-regional markets and the openness of its own markets to the competition of outside products. Investment in social facilities, consists of schools, hospitals, first aid posts, community buildings, sports facilities, theatres, etc.

Private autonomous investment in productive activities in a given region is by definition investment either not or not primarily determined by demand conditions in the region itself. Private investment in housing is not considered autonomous, as it responds either to increases in population or to increases in family income. Thus, private autonomous investment is a response to opportunities existing in extra-regional markets, either within the country or abroad. In other words, it relates mainly to regional exports. Three forms of autonomous investment are relevant herein agriculture, mineral production and industry.

Private induced investment in the small enterprise private sector, private productive investment in response to a growing effective demand in a region. These enterprises, such as fresh beverage plants, ice factories, retailing and personal services, will be small. They belong to the class of activities that we have defined as regional and local. Other regional activities will have to produce at costs below the production plus transport costs of their competition. As a response to a market growing export earnings, induced investment is of two types: one generates self-employment in small or very small shops and enterprises and other is made by extra-regional firms setting up branch plants.<sup>3</sup>

There are two categories according to the nature of approach in Integrated Area Development (IAD). They are - (1) Inter-Regional or Inter-Local Approach (2) Inter-Country Approach. In interregional approach, there are two ways of clustering has been used in regional development strategies. The first identifies a growth cluster basing itself from the growth pole or growth center paradigm. A growth cluster is where clustering of areas are based on criteria such as common economic activities growth potentials and physical linkages. A growth center has a center which offers more diversified and higher level of services than what is present in the influence areas which can perform any of the following roles: industrial center, trading center, administrative center, educational center, recreational center and other functional roles.

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<sup>3</sup> Hilhorst, J. (1990), *Regional Studies and Rural Development*, Institute of Social Studies, the Netherlands

In Inter-Country Approach, Douglass (1998)<sup>4</sup> observes that the current Tran border regions in Asia which had serious political and ideological conflicts in recent years and yet they now comprises zones of international economic integration and cooperation. The reductions of political tensions may explain partly the foundation of the rekindled interests in forming regional cooperation. Tran border or cross border regions are what Douglass (1998) calls the emerging forms of so-called "transitional spaces" in terms for geographies that are detached in varying degrees from normal regulation by the nation state. The more classical forms of these transnational spaces include export-processing zones (EPZs) or free port zones.

The success of cross-border regions had been attributed to three factors: economic complementarities, geographic proximity, political commitment, policy coordination, and infrastructure development. While the benefits are enormous, the costs for capital development and physical maintenance are so high. The experience of existing cross-border regions showed that member countries minimized start-up costs by taking advantage of existing physical infrastructure if possible. It's expected that on a longer term, the benefit point to both regional development goals as well as the development of human resources.<sup>5</sup>

### **3. Public and Private Investment in Tachilek Border Area**

Public investment is a type of investment in both economic and social infrastructure. Public investment in economic infrastructure concerns the construction of roads, airports, as well as the provision of electricity, telephone lines and public investment in agriculture and forestry is also important for development in economic sector.

With a view to public investment in transportation, Tachilek district in the past lagged behind in development due to lack of security and poor transport as armed agencies reigned in the region. As the government has been implementing projects for development of border areas with added momentum, the region has now been able to enjoy the fruits of development. There were no bituminous roads in the region in 2001 but now better transportation networks can be seen by building, upgrading and extending the bridges and roads such as upgrading and construction of 23 concrete bridges under 180 feet, completion the road of Meiktila - Taunggyi-Kengtung-Tachilek Union Highway 356 km (216 miles) (2005), construction of Kengtung-Tachilek road under BOT system (102 miles)(2000), upgrading Kengtung-Mongla Road in order to accessible to the neighboring countries. Moreover, many stages of development can be seen in air transportation. In 1962, Tachilek airport was only a small airport (1900ft in length and 75ft in width) with the bituminous runway and

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<sup>4</sup> Douglass, Mike, (1998), *Globalization, Inter-City Network and Rural Urban Linkage: Rethinking Regional Development Theory and Policy*, Paper Presented by Global Forum on Regional Development Policy, Nagoya, Japan

<sup>5</sup> Mercado, G.R, (2002), *Regional Development in the Philippines, Discussion Paper Series, Philippine Institute for Development Studies, Philippine*

constructed only for the landing of Army aircrafts and Darko aircrafts. In 1991, the runway was promoted from 4700ft in length to 4750ft in length for the land of Fokker and then it was further extended to 2300ft in length Nylon Bituminous road by Mayflower Company in 1996 and Tachileik airport's new building with 300 ft in length and 100 ft in width was completed on February 19, 1999.

The other was with respect to communication sector; upgrading post to secondary level (1998), extending the computer telegraph between Tachileik- Kengtung link and Tachileik-Taungyi link (2000), Tachileik-Yangon link(2000) , Tachileik-Mandalay link (2001) and Tachileik-Minesat link (2005), opening the local fax telephone number (51001) to send fax in both domestic and foreign, installing the auto telephones line 1000 (2007) by DMS-100 exchange made in Israel , construction of Tachileik BTS station (2006) in order to use GSM mobile telephone system, installation of Fiber cable connecting and transmission equipment between the border of Thailand and Myanmar (2006) by the cooperation of MPT and Thailand CAT Telecom, the tasks such as choosing the place for Tower passing the great Maekhaung river, choosing the installing place in Tachileik microwave station building to install transmission equipment to take Transborder Link (FOC Cable)(2007) between Myanmar and Laos.

Regarding to public investment in electricity sector, Tachileik is supplying 24 hours daily buying electricity from Thailand and supplying electricity 24 hours a day. One unit charge is 6.25 Baht or about 200 Kyat for ordinary household meter and 7.5 Baht or 240 Kyat for small industrial use meter 195 with 50-KV station because this service was started in (1.5.2008) by distributing from the transformer of Thai-Myanmar border town, Maesai, to the first Friendship Bridge of Tachilek town. Moreover, the power supply in Kyainglat sub-township is used by hydro power plant The construction of power plant was taken on December 12, 2007 with SPDC's temporary loan of 175 lakh and public funds 875 lakh and completed and distributed the electrical power in 24-5-2009 at the unit price of 158 kyats and the total number of meter boxes are 350. In Tarlay sub-township, electricity is used by power supply from diesel engines after formation of electric power supply committees with local authorities and townspeople.

Public investment in social infrastructure came to be the second most important investment in education and health sector. In education sector, the number of high schools rose up from 2 to 6, number of primary schools slightly rose up to 3 to 4, and the number of primary schools rose up from 69 to 75 from 2001 to 2011. Besides, one middle school among 4 schools in 2001 was upgraded to high school in 2011. The Vocational Training School of Domestic Science for women was opened by the department of education and training, ministry of the development of border regions and races in 13.3.1992 in order to have right standing of life and development of life because it not only teaches the modules but also uplifts patriotic spirit of the trainees

by taking educational talks of maternal and child health care in order to increase the awareness of human trafficking issues.

Concerning health sector , Tachileik district hospital was only a dispensary in 1953 but it has been upgraded to 16-bed hospital in 1958, 25-bed hospital in 1964, and finally upgraded to 50-bedded hospital by the letter number (kamaba/ d-150/269) of the ministry of health on September 14, 1994. As Tachilek is located in the border area, it is needed to be at the same level or status with the hospital at the other side of the country, Thailand. Therefore, several establishing and upgrading of hospital were carried out under the health department of Tachilek District such as establishing and upgrading of two 16-bed sub-township hospital, one 16-bedded general hospital, four rural health department, 20 rural health sub-department, anti tuberculosis department, Anti malaria department and anti leprosy department and anti AIDS department, 10-bed ward for anti narcotic patient (2002).

It is essential to go further and think about how better to engage in private sector investment in addressing the development challenge. Private investment can be classified into two types: private autonomous investment and private induced investment. Private autonomous investment in productive activities in a given region is by definition investment either not or not primarily determined by demand conditions in the region itself. Three forms of autonomous investment are relevant herein agriculture, mineral production and industry.

In agriculture, the agriculture sector is the main economic pillar of Tachilek border area because ethnic groups who reside in Tachilek border earn their living by agriculture. The main crop of Tachilek district is paddy which is cultivated for domestic consumption not for export and oranges and garlic are exported. From 2007 to 2011, cultivated land increased from 57178 acres to 74726 acres, land of wild forest decreased from 227320 acres to 200370 acres and wild land also decreased from 138854 acres to 121554 acres. As the result, wild land and forest are transformed into cultivated area. The ministry of agriculture makes investment in the cultivation of rubber in Tachilek district with the aim of new export product. Rubber is like the forest because it is a long-term industrial crop and the price is high as the year is longer. Therefore, the sown acres of rubber plant increases about 6 times from 2565 acres. Private forest plantation was established in 2008-2009 by the private sector in cooperation with department of forest. The kind of plantation which is interested by local people is plantation of yaymanay, pyinkatoe, Padauk and thitkhak because they are the major export item of Tachilek district. Over 45,000 Indonesian rubber strains, 20,000 Malaysian rubber strains and over 60,000 Chinese rubber strain (772/774) were planted in the farms through the 25 feet by 7 feet contour system in January 2005. The local national races were allowed to grow paddy, soya bean, maize and other crops alternately in the first, second and third year cultivation of rubber. As rubber cultivation is a long-term plan, over 750,000 grafts of rubber were sold up to 2008 and an order was placed to purchase of over 500,000 grafts of rubber from the

farm. The rubber growers will cooperate to set a plan for establishment of a 30-ton rubber factory in Shan State (East). At present, the 10-acre plot was allotted for the factory in the industrial zone. Upon completion, the factory will produce the finished goods from the raw materials.

In mineral production and industry, Tachilek district has total number of 9 mineral production companies which produce street rock crushed production, manganese dioxide mining, coal mining, and mineral mining. And, there is also the export of rock and manganese dioxide to the opposite site, Maesai. However, the production companies have low skilled workers with cheaper wages and therefore the production companies provide housing and food for their employees.

There is also the private autonomous investment in hotels and lodging house because of the increased demand from the other regions and border country. Tachilek sub-department of Ministry of Hotels and Tourism was opened in October, 1992. It takes the services such as hotels and food for foreigners who want to visit from tachilek border to Kengtung, Minelar regions and domestic trip. The services include to smoother in the case of entries and departures of package tour trip connecting with private travel agencies in Tachilek and other agencies in other nations. There was only one hotel in 2001-2002 but the number of hotels increased to 5 in 2010-2011. In addition, the lodging house increased from 5 in 2001-2002 to 14 in 2010-2011.

As a response to a market growing as a consequence of incomes increasing due to continually growing export earnings, private induced investment is of two types: self-employment in small or very small shops and enterprises and other is made by extra-regional firms setting up branch plants. First, there are 142 private small industries in Haungleik which is also known as Haungleik Industrial Zone and has the area of 601.54 acres and has the permit on (27.7.2001) with the letter number 5/18-31/U 6(813). There are 147 plots with 100 ft in length and 100 ft in width in which 138 plots are sold. Most of the businesses in Industrial ward are Drinking Water factories, Ice factories, Workshop factories, and lathe factories, etc. Second, it is also important to send and receive money for the people in Tachilek as it is a border town. Thus, investment for banking in Tachilek is essential private induced investment. There are three private bank branches in Tachilek: KBZ bank branch, Ayeyarwaddy bank branch, and CB bank branch. All banks use both Thailand and Myanmar currency in the case of service fees for sending the money because people in Tachilek use Thailand currency (Baht).

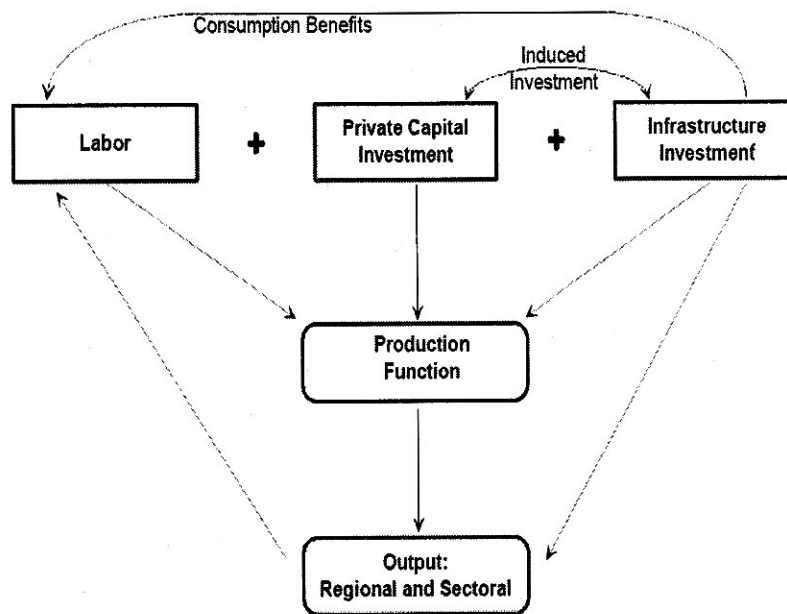
There are three markets in Tachilek : City Proper Market, Talao Market, and Haunglek Market Located immediately following the bridge that divides Myanmar and Thailand is a marketplace that sells a large variety of products, including DVDs, perfume, clothing, luggage, and wine. There are remarkable increases in the number of hotels, lodging house and small private shops and restaurants as there are increased

demands in Tachilek district. Some of the hotels and shops are owned by foreigners and other is made by extra-regional firms setting up branch plants.

#### 4. Impacts of Investment in Tachilek Border Area

There has long been a great deal of interest in the relationship between public investments in infrastructure and regional development. The impacts of investments in transportation networks, electricity, water supply, sanitation, and telecommunications on development are assumed positive. It is generally accepted that investments in infrastructure can produce substantial public benefits. The goals of regional development policy typically include creating the necessary conditions for a robust economic structure and stimulating the growth of productive activity which can be achieved by making investments in regional infrastructure.

**Figure-1: Output and Benefit Linkages of Infrastructure Development**



*Source: Guild, L.R.(1998), Infrastructure Investment and Regional Development: Theory and Evidence, Department of Planning, Working Paper Series, The University of Auckland*

According to figure 1 the output and benefit linkages of infrastructure development, infrastructure development and private induced investment are complementary that is private induced investments will be increased as there are increased investments in infrastructure. Public investment for infrastructure development increase directly and indirectly not only labor's consumption benefits but also production function and output in the region's both economic and social sectors.



There are closer diplomatic, political and security ties between Myanmar and China since 1988 after the market reforms were initiated in the country. Economic relations between the countries have also grown quite strongly throughout the 1990s and to this present day, it has become stronger than before. Border Trade between Myanmar and China has long existed for many years with China involving the major role of a supplier of consumer and capital goods.

China is also an important partner in economic cooperation mainly in the areas of infrastructure and energy. In spite of the huge border trade and other economic cooperation from China, it failed to have a substantial impact on its broad-based economic and industrial development in Myanmar. China stands as a main partner in the economy nowadays. Since the Chinese economy is fast growing, strengthened economic ties with China is hoped to be quite instrumental in the future. If Myanmar is able to reaping the benefits from the border trade, there is a huge potential for economic growth.

Myanmar and China had good relations since the historical past. In fact, the close and cordial relationship has existed for many centuries. For Myanmar, China is important trading partner that occupies an important position in the external trade of Myanmar. China has occupied a high position mainly in terms of border trade throughout the years. Since the border trade between the two countries has increased volumes, it could no longer stand as illegal but rather was legitimized and formalized in 1988. China constituted 8.1 percent of total exports of the country to the rest of the world and 20.6 percent of its total imports from the rest of the world. China ranked first in the external trade of Myanmar in 1990. Trade with China has grown rapidly while the volume of external trade of Myanmar was comparatively small in relation with Thailand or Malaysia.

**Table (5) Top Ten Export Commodities permitted by Border Trade Points between Myanmar-China**

		US\$ (in millions)			
2005-2006		2010-2011		2012-2013	
EX	Value	EX	Value	EX	Value
Mangoes	11.71	Maize	291.35	Rice	319.29
Frozen Fish	11.50	Green mung bean	84.21	Maize	171.21
Cashew Nuts	11.40	Water melon	63.24	Rubber	167.40
Yam tuber (dried)	7.24	Sugar	44.27	Beans	77.73
Cane	6.34	Rubber	35.91	Water melon	46.29
Water melon	6.12	Various kinds of Fish	22.17	Crab	20.06
Coffee mix	5.80	Cucumber	18.49	Sugar	9.88
Dried Plum	5.36	Dried Chilly	3.63	Beef meat (Frozen)	6.11

Per Capita GDP (Figure 3) rises from 202550 kyat in 2005-2006 fiscal year to 796230 kyat in 2010-2011 fiscal year. Because transit trade was permitted in 1.8.2007, there is more opportunity for businessmen to sell China made items in the Tachilek market and the main demand is from Thailand.

Second, it was very difficult for the local people to go from Kengtung to Taunggyi as there was no improvement in transportation of eastern Shan state. In addition, there was few flight and had the schedule twice in a month. And, it had also difficulty to travel by car because there was also block on the way and no restaurant along the way. With the progress of transportation sector, other sectors also harmoniously have developed. All the national people of the region are happy to see the extended construction of Tachilek airport, where even jets can land, and extension of communications links. The Expressway station is emerged as the result of development in road transport. Furthermore, there are more carlines in Tachilek district as a result of better transportation. The total numbers of carlines in Tachilek district are 447 lines which travel not only within the local but also travel to Southern Shan and Northern Shan from the Meikhtila-Taunggyi-Kengtung-Tachilek Union Highway although there was only one carline in 2001.

Third, the electricity in Tachilek in 2001 was only supplied by diesel power plant and thus there were difficulties in town security, education and health, etc. Nowadays, there is 24-hours electricity buying from Thailand and thus there are better security in the town and have much support for economy, health and social sectors. For the economy, 24-hour electricity can improve and quick the businesses in Tachilek town such as industry, hotels and shops. For the health sector, good electricity largely support the specialist's health care for the people in Tachilek district in case of operation hall use. For the social sector, variety of power supply in Tachilek district such as 24-hour electricity, hydropower plant and diesel engine power increase the knowledge of national races by watching the news from Myawaddy, MRTV, and MRTV-4.

Finally, there is more development in communication sector due to the investments of communication infrastructure. There was the difficulty in use of GSM telephones in Tachilek district until the stations are opened in 2006. Therefore, there were 220 users of GSM telephone in 2006 and rises dramatically to 3120 users of GSM telephones in 2011. But, there were no connections of GSM 'phones in Tarlay and Kyainlat sub-township and people in those places use cordless and turning phones. As the progress, there was only one Auto phone and 1 Magneto phones in 2001 but 1437 CDMA phones, 3120 GSM phones and 151 turning phones are set up in 2011. Therefore, there are significant improvements in communication sectors.

Regarding the impact on social development in line with the development of social infrastructure, teachers are the main human resource needed for the development of education sector after there is the public investment for education infrastructure such

as schools in Tachilek District. Therefore, it can be seen that the government appointed many teachers according to the local requirements.

**Table-1: Comparison of Number of Teachers and Students in Tachilek District**

No.	School Level	2001		2011		Progress	
		Teachers	Students	Teachers	Students	Teachers	Students
(a)	High School	16	546	53	1131	37	585
(b)	Middle School	143	2895	239	5676	96	2781
(c)	Primary School	98	8669	209	12606	111	3937
	Total	257	12110	501	19413	244	7303

*Source: Department of General Administration in Tachilek District, Ministry of Home Affairs*

The number of teachers increased 1.95 times from 257 in 2001 to 501 in 2011 and the number of progress was 244 and it also can be seen increase percentage of enrollment rate because the number of students increased 1.60 times from 12110 in 2001 to 19413 in 2011. To measure the effectiveness of teaching, the ratio of teachers and students is very important. As the student and teacher ratio can be said at good situation if it was between 1:25 and 1:40, the student and teacher ratio in Tachilek district can therefore be said at good situation with 1:25, 40:1 and 40:1 in 2010-2011 respectively.

In health sector, it is also needed to appoint health staff for health care of the population in accordance with the development of health infrastructure as government has built health infrastructure such as upgrading hospital, opening dispensary and rural health care centre in Tachilek district. Therefore, the number of doctors increased from 14 in 2001 to 25 in 2011. And, the number of midwives increased slightly from 26 in 2001 to 33 in 2011. As the number of health staff increases, there have been increased services for health care for people in Tachilek district. In addition, there is also Specialists' Tour for the health care of people in rural areas.

There are many improvements in health of the population in Tachilek district because of the increased health care centre and increased health staffs. the number of outpatient is greater than the number of inpatient. And, the number of birth person increased from year to year and the number of death person decreases slightly. Besides, the number of abortive patients decreased from 173 in 2004 to 158 in 2009. And, 127 patient in 2003, 103 patient in 2004, 44 patient in 2005, 44 patient in 2007, 35 patient in 2008, and 30 patient in 2009 and altogether 644 patients were treated at the hospital. The ministry of health provides free services to low income groups such as providing free medicine and other costs and supporting people's needs by having fund plant. And the government uses the system of balanced payment for the cost of health for the high and middle income groups. Most of the rich people in Tachilek district go to Maesai, Chingrai, Chinmai and Bangkok of Thailand for their

health care. But there are no free services for patient in Thailand because a patient pays 67% and hospital pays 33% for the health care and thus it is more costly. However, Tachilek People's hospital provide free services for low-income people and use the system of balanced payment for the health care even for middle income groups.

Regarding to border trade, Tachilek border trade point was opened in 1.6.1996 and trade between two countries was taken by both normal trade and border trade. In 12.7.1997, Export First system was used and then the businesses were taken by using both Myanmar and Thailand currency in addition to American dollars since 1.1.2001. Furthermore, Tachilek sub-border trade point using Transit Trade from China to Thailand was opened in 1.8.1996 in order to earn foreign currency. Nasakha committee took the task from 11.12.2000 to 11.1.2005 and then One Stop Service has taken the task (2004) and was organized by DOBT, department of Custom, department of Immigration, Myanmar Economic Bank, Local custom and the Police Force.

The trade value was slightly increased with 8.536 because export businessmen were allowed to export by finding export market since the time of OSS committee taken. There are more imports because there are increased demands in local market. And, the price of imports was nearly taken with the price in the local market and import substitution production is taken in order to increase in total trade value. The businesses are quicker and have more opportunity to import in addition to major items because there are no lists of primary (a) and primary (b) since the day of 7.7.2005. In fiscal year 2006-2007, the export value raised to 16.013 million dollar because there was the export of the variety of wood. In fiscal year 2007-2008, the export of variety of wood was declined and the import of engine wine and thus the trade balance shows deficit with (-10.666). However, there were the export of teak in fiscal year 2008-2009 and thus the trade balance shows trade surplus again.

Since Myanmar links its neighbors with various economic corridors, transit trade is allowed according to the government rules and regulations. Wanpone village, Minefone (a) village group on the bank of Mekhoung River has legal entrance and exit in order to trade China products to Thailand and trade with Laos by using transit trade. Wanpone border trade post at Myanmar-Laos border was opened on August 1, 1996. Since (28.12.1997), transit trade was taken and upgraded to international standard border checkpoints on (29.1.2007). Trade is taken from Kyinhong town, Sitsaungpanar State of China to Wanpone by shipping and then transit trade is taken to Maesai town of Thailand by cars.

The impact of investment also can be seen in labor market. Myanmar government and Thai government signed a MoU on appointment of workers and cooperation on 21 June 2003. However, it was not until 2009 that its implementation began. Since July 2009, Myanmar/Burmese migrant workers who had irregularly entered Thailand

have been given the opportunity to receive regular status upon completion of the Nationality Verification Process. Under the MoU, temporary Myanmar passport centers at Myawady, Kawthoung and Tachilek in Myanmar and at Ranoung in Thailand. From 10 July 2009 to 28 February 2011, temporary Myanmar passport and identity cards were issued to 408,160 workers. Many more workers are being sent to Thailand through the centers according to the orders.

As the consequence of opening border entry check-points, tourists are allowed to visit Myanmar with Border Pass via six border checkpoints along Sino-Myanmar border and four checkpoints along Thailand-Myanmar border. The entry checkpoints along the Sino-Myanmar, Kyugate, Kunlong and Mailar while the entry checkpoints along Thailand-Myanmar border are Tachileik, Myawaddy, Three pagodas and Kawthaung. Generally, there are five groups of tourists: foreign independent travelers (FIT), package tour, business travelers, visit friends and relatives and other.

Entries and departures are permitted in compliance with border regions management and cooperation agreement signed with Thailand on 16, May 1997. Visitors are allowed to make six-night seven day trips through entrances/exits at Tachilek, Myawady, Kawthoung covered by the agreement to border district, relevant-ministry-permitted citizens of the neighbors and third countries are permitted for 13-night 14-day trips through the border cross-in, visa-holders are allowed depart from other exits other than the border-crossing points they have entered with the recommendation of the relevant ministry and the permission of the department concern. In 1997, the fees for border pass were 200 kyat and temporary border pass was 100 kyat but now the fees increased to 500 kyat in 1.8.2006.

## **5. Conclusion**

From the study it is apparent that public investment in infrastructure such as transportation, communication and electricity, education and health sectors are not only really benefit people such as higher income and greater job opportunities in Tachilek border area but also increase the nation's GDP and revenue. Moreover, public sector should invest better infrastructures and encourage private sector participation because there are many economic growth potential in Tachilek border area. In addition, improvement in human resources in Tachilek border area is also important because the education in border area in Tachilek border area is weak although there is public investment in education infrastructure. Therefore, it is needed to co-operate teachers, students and parents because they are the major players in order to develop education.

As mentioned above study, public investments in infrastructure have development impacts on both economic and social sector. And, it is also found that development in economic sector and social sector is unbalanced in Tachilek border area because economic sector is more improve than the social sector. Therefore, it is important to develop in harmony in both economic and social sectors in Tachilek border area in order to achieve more and more development impacts in near future.

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