

Myanmar and GMS Economic Cooperation (1996-2007)

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Abstract

This paper explores Myanmar in the Greater Mekong Subregion (GMS) in the context of bilateral and multilateral cooperation with the member countries of the Mekong. The Greater Mekong Subregion – comprising Cambodia, Laos, Myanmar, Thailand, Vietnam, and Yunnan Province of China – has evolved as a rapidly emerging area of growth and opportunity. In this subregion, due to the deep and dark shadow of the Cold War, economic integration among the six countries has been limited. However, developments since the early 1990s – both within and outside the subregion – have created a more favorable environment for closer economic cooperation. The main purpose of this paper is to assess the prospects of Myanmar's economic growth within the GMS framework. Why did Myanmar join to the subregion and what did she expect from it? How can GMS contribute to Myanmar's economic development? These are some of the questions that this paper will address.

Keywords: Economic Integration, GMS, Myanmar, Economic Cooperation

Introduction

Post Cold War international relations have witnessed remarkable systemic changes in both political sphere and economic arena. With the demise of the old pattern of politico-military bloc system, a transitional phase has followed, leading to an emergence of new economic and trading blocs that strengthened state-to-state relationship at the regional level. With the advent of globalization, an institutionalized regional cooperation has become a defining characteristic of contemporary world politics. The rise of regional cooperation has also stimulated the multilateralism. In Asia-Pacific region, economic integration has steadily increased regional economic cooperation for development. The remarkable economic performance of the region over the last three decades has expanded the scope for economic cooperation. As a result, various initiatives have emerged within existing formal groupings such as the Association of the Southeast Asian Nations (ASEAN), and the Asia-Pacific Economic Cooperation (APEC) initiatives, as well as informal and limited efforts at subregional economic cooperation, also referred to as “growth triangle” or “growth polygons”.²

According to Asia Development Bank (ADB), the growth triangle concept refers to the exploitation of complementarities among geographically contiguous countries to help them gain greater competitive advantages in export promotion. Growth triangle helps to solve the practical problems of regional integration among countries with different stages of economic development and, sometime, even with different social systems. Growth triangle is also preferred to some existing types of economic cooperation because it entails low level of political and economic risks, and is preferred to regional trading bloc because it is more exported and because of its

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² Pante, Filologo, Jr., “Prospects of Economic Cooperation in the Greater Mekong Subregion,” *Development in the Mekong Subregion*, Workshop Proceedings 1-2 October 1996, edited by Stensholt, Bob. Melbourne, Monash Asia Institute, 1996, p.136

non-exclusionary nature, does not invite retaliatory action from outside³. At present, one of the greatest growth areas in Indochina subregion is the six countries of the Mekong River, namely Cambodia, Laos, Myanmar, Thailand, Vietnam, and Yunnan Province of China which is now known as the Greater Mekong Subregion (GMS).

The Origin of the GMS and Its Program

The concept of economic cooperation among countries in Indochina is not new and joint efforts to develop Mekong River have always been a major component of proposals for subregional cooperation. The Mekong River is the longest river on the Indochina Peninsula, stretching 4500 kilometers and with a basin of 18500 square meters. It originates from the Tanggul Mountains in Qinghai Province of China and flows along the border areas of Laos, Myanmar, Thailand, Cambodia and Vietnam which later runs into the South China Sea⁴. Myanmar only shares four percent of the total length of Mekong River in Southeast Asia.

The Mekong intersects through Yunnan Province of China, Myanmar, Thailand, and the Indochinese countries. The origin and history of GMS cooperation may be traced back to the year 1957 when the Mekong Committee was established at the initiatives of the UN Economic Commission for Asia and Far East – ECAFE (now known as the Economic and Social Commission for Asia and the Pacific – ESCAP) and the four riparian countries of the lower Mekong Basin (Cambodia, Laos, Thailand, and South Vietnam). Dams and electricity plants were then built with aid from the industrial countries. The initiative focused on the development of communications and infrastructure, water management and agriculture. But that initiative came to a halt because of the continuing turmoil in the subregion and the post-1975 events in Indochina⁵. The Mekong Committee was recognized and renamed as Interim Mekong Committee (IMC) in 1978. China and Myanmar refused to join IMC.

The idea of economic cooperation centering on the Mekong has been revived in recent years with the ending of the cold war and the return of peace to Cambodia. The Mekong Committee was restated as the Mekong River Commission (MRC) in 1992, and the auspices of the ESCAP and Asian Development Bank (ADB). The aim of the MRC was to achieve long-term development in the region. Cooperation in the MRC is based on the Agreement on Cooperation for the Sustainable Development of the Mekong River Basin signed in 1995⁶. It is called economic cooperation in the Greater Mekong Subregion. China and Myanmar became dialogue partner in the MRC in July 1996.

The region was racked by conflict, so there was little cooperation over the three decades. The progress gained substance only in 1992 when ADB initiated a

³ Krongkaew, Medhi, "The Development of the Greater Mekong Subregion in the APEC Context", *The Greater Mekong Subregion and ASEAN: From Backwaters to Headwaters* edited by Kao Kim Hourn and Kaplan, Jeffery A., Phnom Penh, Cambodian Institute for Cooperation and Peace, 2000, pp. 34-5

⁴ Khin Maung Lay, U., "Priorities of the Greater Mekong Subregion: Issues, Strategies and Realities: A Myanmar Perspective" *The Greater Mekong Subregion and ASEAN: From Backwaters to Headwaters*, edited by Kao Kim Hourn and Kaplan, Jeffrey A., Phnom Penh, Cambodia Institute for Cooperation and Peace, 2000, pp.178-80

⁵ Kalam, Abul, *Subregionalism in Asia: ASEAN and SAARC Experiences*, New Delhi, UBSPD Ltd., 2001, p.39

⁶ Yasuda, Osamu and C.H. Kwan, "The Indochina Economic Zone", *Asia's Borderless Economy: The Emergence of Subregional Zones*, edited by Chen, Edward and C.H. Kwan, Australia, Allen & Unwin, 1997, p.145 (Henceforth, Yasuda, O. and C.H Kwan: "The Indochina Economic Zone")

more organized program of cooperation among its members. The GMS program is a market-based integration as opposed to institutional integration. As a program of market-based integration, the GMS agenda has concentrated on the provision of physical infrastructure. Thus, the GMS program initially focused on basic infrastructure, especially transportation and energy projects that would help link the subregion and enable development of the resource base⁷. In this manner, the program contributed to both the freer flow of people and goods and to sharing of resources essential to industrial development and modernization. It also led to international recognition of the subregion as a growth area.

The dimension of the program has been increasingly expanded to other sectors. Transportation projects that involve bilateral and multilateral agreements among GMS countries are either being implemented or closer to implementation, complementing earlier projects that embodied subregional benefits but which were implemented on a purely country basis. Energy projects involved bilateral agreements from the outset, but these were essentially commercial agreements concerning electricity purchases in the specific hydropower sites⁸.

Increasing attention under the GMS program has also been given to other sector: human resource development, tourism, the environment, investment and trade. GMS program includes numerous flagship initiatives. Among the most important are the developments of three economic corridors that link the subregion: the East-West Economic Corridor (EWEC), the North-South Economic Corridor (NSEC), and the Southern Economic Corridor (SEC)⁹. These corridors are creating a network of roads that connect the region, reducing the cost of transporting goods and people from one corner of the region to the other.

Rationales and Objectives of the GMS

Regional economic cooperation is an important element of development strategy for all countries. The GMS economic cooperation program represents a major undertaking in rich natural and human resources of the subregion. The GMS countries share borders and similar cultural heritages, and the following common features and interests, which form the bases for economic cooperation.

The Mekong region comprises approximately 309 million people and covers a land area of 2.6 million square kilometers. The subregion is endowed with rich natural resources. Along with its strong agricultural base, the GMS contains vast amounts of timber, fishery resources, a wide variety of minerals, petroleum, natural gas, coal and vast energy potential in the form of hydropower¹⁰. It provides the opportunities for many agro-based industries. Besides, the GMS forms a “land-bridge” in the heart of

⁷ Sakai, Kazu, “Economic Cooperation in the Greater Mekong Subregion”, *The Greater Mekong Subregion and ASEAN: From Backwaters to Headwaters*, edited by Kao Kim Hourn and Kaplan, Jeffrey A., Phnom Penh, Cambodia Institute for Cooperation and Peace, 2000, p.15

⁸ Economic Cooperation in the Greater Mekong Subregion: An Overview, Manila, ADB, December, 2000, p.3 (Henceforth, Economic Cooperation in the Greater Mekong Subregion).

⁹ Butiong, Ronald Antonio Q., “GMS Governments Ink Landmark Power Pact”, http://www.adb.org/Documents/Periodicals/ADB_Review/2002/vol34_6/gms-govt-power...5/30/2007, p.3

¹⁰ Do Van Bach, “Sensitive Political and Security Implications of the Great Mekong Subregion in Southeast Asia”, *The Greater Mekong Subregion and ASEAN: From Backwaters to Headwaters*, edited by Kao Kim Hourn and Kaplan, Jeffrey A., Phnom Penh, Cambodian Institute for Cooperation and Peace, 2000, p. 147

Asia, essentially linking East Asia to Southeast Asia; it also has the potential to forge links with South Asia in the west¹¹. Such advantages presented in the Mekong region enforced the establishment of the GMS program.

Among the GMS countries, only Thailand has had a free market economy for decades. The rest of the countries in the subregion are still undergoing transition from centrally-planned to more open and market-based system¹². Low levels of productivity, inadequate amounts of goods, and severe economic problems compelled the governments of five GMS countries to reduce the state's productive role in the economy and allow the business sector to take a greater role in the developing countries both economically and socially¹³. To date, the GMS economies came to open up and the private sector now functions openly and telecommunication, transportation networks are more effectively conducted. Such situations paved the way for closer economic cooperation in the Mekong Subregion.

The GMS program is result-oriented, designed to serve the interests of the participating countries in greater economic cooperation. Thus, one of the core objectives of the GMS program is to link these economies together in the hope of stimulating faster growth and eventually global competitiveness. Among the key objectives for the GMS, as identified by the ADB are:

- facilitating subregional trade and investment;
- facilitating subregional development opportunities, particularly for energy, tourism, and other projects;
- facilitating the resolution of transborder issues such as disease and environmental degradation; and
- facilitating fulfillment of common resource or other needs¹⁴. These main objectives are meant to improve employment opportunities, generate higher living standards, reduce poverty, and modernize the various economic sectors.

The GMS is not a highly structured regional grouping like the ASEAN, but all the members of the GMS, except for Yunnan Province of China, are the members of ASEAN. China is also one of the members of ASEAN plus three countries. The intention is not to create a trade bloc, all GMS projects have not to involve all six members. Thus, bilateral arrangements are also considered to be vital building blocks of multilateral cooperation and are encouraged within the GMS framework.

Myanmar's Decision to Join the GMS

The rationales for economic cooperation among nations are that they benefit all participants. Subregional cooperation is essential to the facilitation of coordinated sustainable economic growth and reduction of poverty in the riparian countries. In this sphere, the support of donor countries and international assistance agencies plays an important role¹⁵.

¹¹ Bryant, J.: "Cooperation works", [http://www.adb.org/Documents/Periodicals /ADB-Review/2005/vol37-3/cooperarion-work...5/30/2007](http://www.adb.org/Documents/Periodicals/ADB-Review/2005/vol37-3/cooperarion-work...5/30/2007)> p. 2

¹² Yusuda, O. and C.H. Kwan: "The Indochina Economic Zone", p. 147

¹³ "The GMS Story", UNIC Document Series, Yangon, UNDP, 2000, p. 1

¹⁴ Economic Cooperation in the Greater Mekong Subregion, p. 6

¹⁵ Nguyen Thanh Duc, "Vietnam's Interests in the Greater Mekong Subregion(GMS) and the Effect of GMS Cooperation on Some Domestic and Foreign Policies in Vietnam", *Economic and Non-Traditional Security Cooperation in the Greater Mekong Subregion(GMS)*, edited by Jorn Dosch, Collin Durkop, and Nguyen Xuan Than, Singapore, Konrad-Adenauer-Stiftung, 2005, p. 119

From 1962 to 1988 Myanmar had a centrally-planned socialist economy. In 1988, socialist policies were abandoned when a new military regime called the State Law and Order Restoration Council (SLORC)¹⁶ took over the Government and initiated economic reform in Myanmar in response to the rapid deterioration of the economy since 1985. The main reason for the change is that the centrally planned economy neither generated growth nor sustained development in Myanmar. Thus, an appropriate environment and a whole set of supportive measures were necessary. For that, macroeconomic stability, political stability and certain changes in the institutions, existing laws and regulations, and price and other reforms were required. According to these requirements, in March 1989, the new regime revoked the 1965 Law for the Establishment of a Socialist Economic System and introduced an open-door economic policy. Many rules and regulations which had impeded private sector participation in external trade were removed. Foreign investment rules have been liberalized¹⁷.

With the GMS cooperation, there are many opportunities for private sector to participate in investing in many sectors, which are already defined in the programs, especially in infrastructure, energy, telecommunication, trade, transportation, tourist related services and industry. As evidence, Thailand has become the largest investor in Myanmar among the member countries.

Myanmar is actively taking part in regional cooperation in a bid to further its pace in the process of regional integration. Myanmar stands as the biggest nation in Southeast Asia in term of inland area with the sole link between Southeast Asia and South Asia¹⁸. Thus, Myanmar's geographic location will offer to play an increasingly important role in the development of the GMS. When transport infrastructure was further improved, Myanmar would serve as a gateway for land access to China and India, the world's largest consumer markets. Myanmar joins to this subregion is importance to the utilization of regional cooperation as a platform to endeavor for better play of its strategic location.

Myanmar and GMS Economic Cooperation

In the past, economic integration among the GMS countries was limited and highly informal, and was conducted bilaterally. Recent economic and political developments within and outside the region have helped to strengthen economic cooperation. In 1992, with the assistance of ADB, the six countries entered into a program of subregional economic cooperation¹⁹. Although the GMS officially began in 1992, it was not until 1994 at the Third Conference on Subregional Economic Cooperation in Hanoi that the GMS got its feet on the ground. The Third Conference represents the transition from merely consultation and background studies to feasibility assessments and implementations. Since then, Myanmar has worked for closer economic ties together with other member countries by taking part in the implementation of the GMS programs which prioritized some 100 projects in seven sectors including transport, energy, telecommunication, environment, human

¹⁶ The military leaders renamed SLORC as the State Peace and Development council (SPDC) in 1997

¹⁷ Ariff, Mohamed, "East Asian Transitional Economies: Economic Dynamics of Reform Process and Performance", *Asian Transitional Economies: Challenges and Process Reform and transformation*, edited by Seiji Naya and Joseph Tam, Singapore: ISEAS, 1995, p. 61

¹⁸ "Myanmar actively takes part in regional cooperation", <http://emglish.people.com.cm/2006/10/28/eng/20061028-315974.htm>. 1

¹⁹ Economic Cooperation in the Greater Mekong Subregion: Facing the Challenges, Manila, ADB, June 1996, p. 3

resources development, trade and investment²⁰. Among these sectors, this paper will mainly discuss the transportation and energy sectors of Myanmar within the GMS framework.

Substantial progress has been achieved in the implementation of transportation and energy sector projects linking the subregion. In the implementation of the projects, Myanmar has been forced to rely largely on its own resources and bilateral cooperation, as a result of economic sanctions and a complement halt to financial assistance from multilateral institutions, including ADB. However, most encouraging, Thailand offered a soft loan to Myanmar for the road construction from Chiang Rai in Thailand to Kengtong in Myanmar²¹. Moreover, Thailand and Myanmar signed an agreement on 19 May 2003 to build a second "friendship bridge" across the Mae Sai River to facilitate trade, communication, and tourism in the upper Mekong region. In addition, the Myanmar government upgraded the 163 km road section from Muse to Lashio²² through a 30 year "Toll Road System" under a build-operate transfer (BOT) scheme. The road has already been opened to traffic. Lashio-Loilem-Kengtung Road (R7) is a linkage between R3 and R4. Thus, it will certainly promote trade and tourism between China, Lao PDR, Thailand and Myanmar. Covered by the Mekong projects in the road transport sections, Myanmar has implemented projects of Lashio-Muse road, Lashio-Hsipaw- Loilem-Kengtung road and Tachilek-Kengtung-Mangla road by using its own funds and participating private sector²³.

Also very encouraging, the East-West Corridor Project is well advanced, thanks to aid from Thailand and technical assistance from ADB. When this project is finished, this road would link the Indian and the Pacific Ocean, greatly facilitating intraregional transportation and trade. Myanmar and Thailand signed a memorandum of understanding in May 2005 on cross-border transportation so that trucks would be able to pass through the Myawaddy-Mae Sot checkpoint to deliver freight to cities in either country²⁴. This arrangement is part of the East-West Corridor. These road transport projects are truly subregional, and will open up new areas to trade and investment. Myanmar has successfully implemented domestic projects related to regional development by developing linkage schemes with regional countries.

In the water transport subsector, aimed at developing the international passenger and cargo transportation, trade and tourism on the Lancang-Mekong River – the four countries in the upper reaches of the Mekong River – China, Laos, Myanmar, and Thailand – signed a commercial navigation agreement in April 2000 in Myanmar. The Lancang-Mekong international waterway was officially opened to commercial navigation in June 2001²⁵. Lancang-Mekong subregional navigation is facing favorable opportunities. It will help social and economic development of the

²⁰ *Economic Cooperation in the Greater Mekong Subregion: Toward Implementation*, Manila, ADB, April 1994, p. 60

²¹ This section is part of the (R3) Chiang Rai-Kunming Road Improvement Project via Myanmar and Lao PDR.

²² Mya Than, "Myanmar's Cross-Border Economic Relations and Cooperation with the People's Republic of China and Thailand in the Greater Mekong Subregion", *Journal of GMS Development Studies*, Vol.2, No.1, ADB, December 2004, p. 51 (Henceforth, Mya: "Myanmar's Cross Border Economic Relations and Cooperation").

²³ Myanmar to host four-country commercial navigation meeting, <http://www.burmanet.org/news/2007/04/05/xinhua-general-news-service-Myanmar-to-host...5/30/2007>, p. 4 (Henceforth, Myanmar to host Four-Country").

²⁴ Mya: "Myanmar's Cross Border Economic Relations and Cooperation", p. 51

²⁵ Myanmar to host Four-Country", p. 1

poor areas along the river and change some of the unwelcome economic behaviors so as to contribute to drug control, poverty alleviation and economic development of these areas.

Myanmar also signed an agreement and a protocol with regard to cross-border transportation in April 2004 in Phnom Penh. Moreover, the Wan Pon Port checkpoint from the Myanmar side was upgraded on 29 January 2007 along with Ban Muang Mom checkpoint from the Lao side to meet international standard to boost arrivals of world tourists and those from the third countries visiting the two border areas. Myanmar has agreed with four other members of the GMS- Thailand, Laos, Cambodia and Vietnam on cooperation in freight transportation services as part of its bid to further the economic cooperation in the subregion. Under a memorandum of understanding signed among freight forwarder's associations of the five GMS member nations at a forum held at the Pattaya Beach in Thailand, in June 2007. Cooperation had been made on exchange of information and freight transportation services in the subregion. In doing so, improved transportation links within the GMS are central to increasing trade and economic exchange.

Regarding energy, Myanmar has large petroleum and gas resources, and has potential for hydropower development. Under the subregional cooperation program, Thanlwin River Hydropower Project and Yadana/Yetagon (Myanmar)-Rachaburi (Thailand) Gas Pipeline Project have been implemented. These two projects have contributed significantly to Myanmar for foreign exchange earnings. Thanks to aid from Thailand, Myanmar has begun building a hydropower dam on the Thanlwin River along the Myanmar-Thailand border and constructed a series of five hydroelectric power plants to export electricity to Thailand in August 2004. The first of that series is going to be the Tasang dam project with a capacity of generating over 7,000 megawatts²⁶. The project is expected to produce 35,446 million (kilowatts per hour). Three more dams on the Thanlwin Rivers are being prepared, mostly backed by Chinese state-owned energy companies

In addition, Yadana/Yetagon-Rachaburi Gas Pipeline Project is aimed at establishing a system for transport and sale of natural gas from Myanmar to Thailand. Under this project, the first offshore gas project is to be developed in Myanmar named Yadana (jewel). And, the second offshore project is Yetagon field at a cost of about US \$ 700 million. The purchase contract from the Yetagon field was signed in March 1997²⁷. The successful implementation of the Yadana and Yetagon projects enabled Myanmar to become an energy exporter in the subregion, thereby covering scarce foreign exchange for the country. Other regional development projects under the GMS include telecommunications, tourism, environment, human resource development, and trade and investment in which Myanmar is actively carrying out cooperative development projects among member countries. This paper will briefly discuss above mentioned sectors.

Since telecommunication is the life blood of regional development for the remote areas in the Mekong basin, attempts to improve telecommunication industries in the region were made. Under these industries there comprise thirteen transmission projects in communication transmission sector and five projects in feasibility study

²⁶ Tin Maung Maung Than, "Myanmar's Energy Sector Backing on Natural Gas", *Southeast Asian Affairs 2005*, Singapore: ISEAS, 2005, p. 277

²⁷ "B1: Implementation of the Yadana-Ratchaburi (Myanmar and Thailand) Gas Pipeline Project", <<http://www.adb.org/gms/pp/b1.asp>, 5/4/2007>

subsector. Myanmar is ready to cooperate in carrying such transmission projects as (TC4) Myanmar-Thailand #1 Optical Fiber Cable Link, (TC5) Myanmar- Thailand # 2 Optical Fiber Cable Link, (TC10) Thailand- Myanmar- Yunnan Province of the PRC Optical Fiber Cable Link and (TC12) Myanmar-Yunnan Province Optical Fiber Cable Link respectively²⁸. As a result, Myanmar has now increased micro wave stations from 71 in 1988 to 230 in 2006 by 3.2 times and increased of 159 new stations. Cellular, CDMA, GSM telephone system as well as internet services are introduced and being expanded. The number of telephone exchange increased from 245 in 1988 to 866 in 2006 increasing 621 exchanges²⁹. By 2012, all mainland Southeast Asian countries will be interconnected with each other, by a series of all-weather roads or "corridors". Together with improvements in power and telecommunications, these roads will play a key role in increasing the connectivity of the GMS countries and thereby promote closer economic cooperation. Increased connectivity will lead to greater economic opportunities.

Regarding tourism, Myanmar has been actively involved in regional as well as subregional cooperation efforts for the development of both intra-regional and inter-regional tourism development. Myanmar government has opened border checkpoints with China and also with Thailand in order to increase tourist arrivals to the country. Moreover, the Wan Pon Port checkpoint on the Myanmar- Lao border was upgraded to meet international standard to boost arrivals of world tourists and those from the third countries visiting the two border areas³⁰. Through border checkpoints, border tourism is growing steadily and there are enormous potentials for economic growth.

Myanmar has emphasized its efforts in the preservation and protection of the environment. Myanmar has participated actively in regional and international forums on the environment and has signed the conventions on biodiversity and climate change at the Rio Summit. The country is implemented in subregional environmental cooperation projects, especially those concerning health aspects of the environment in the border areas, such as prevention of AIDS and malaria³¹. Myanmar recognizes that human resource development is a key element in its economic development and has therefore accorded high priority to the sector. Accordingly, Myanmar established the Mekong Institute at Khan Koen University in collaboration with the Governments of New Zealand and Thailand to foster regional cooperation and development in the Greater Mekong Subregion through training³². Myanmar already has bilateral technical cooperation programs with its neighboring countries and is interested in subregional cooperation programs and projects in this field.

In the field of trade and investment, Myanmar has liberalized both domestic and external trade, opened up border trade, and has promulgated the Foreign Investment Law. Myanmar has already strong bilateral trade relations with neighboring countries and increased subregional trade. Myanmar has opened her doors to foreign investment; foreign investors are already participating in oil and gas,

²⁸ *Economic cooperation in the Greater Mekong Subregion*, pp.22-4

²⁹ *The Newlight of Myanmar*, Vol XIV, No.ccxxxvi, 18 December 2006, Yangon, New Light of Myanmar Press, p. 5

³⁰ Naing Bua, U., "Country Breakout Sessions: Myanmar", *Fifth Mekong Tourism Forum Proceeding: "Uncovering the Tourism Jewels of the New Century"*, April 6-8, 2000, Phnom Penh, Cambodia, 2000, p. 3

³¹ (Henceforth, *Economic Cooperation in the Greater Mekong Subregion: August 1993*)

³² *Economic Cooperation in the Greater Mekong Subregion: August 1993*, p. 31

hotels and tourism, manufacturing and other sectors³³. As of January, 2005, the amount of FDI in Myanmar reached over US\$ 7 billion from 27 countries most of which came from regional countries. Of the four largest, Thailand and China are GMS countries and the other two are Japan and Singapore. This suggests that GMS's FDI plays a significant role in Myanmar.

Conclusion

A collaboration of the GMS is an important element in the process of regional integration. The integration process itself will be significant for the well being of the people in the region as this would provide in the future a viable foundation for a long term economic growth and sustainable development. The synergy of GMS economic integration certainly offers a huge potential for growth and profit for Myanmar through expanding the infrastructure, promoting trade, investment, and tourism, integrating the private economy in GMS projects and improving better transport routes across the borders, developing power supply. More specifically, the GMS could be turned into an economic area with the potential to be one of the world's fastest and attractive economic and investment areas. The strong spirit of cooperation between GMS countries will serve as a kind of insurance that will keep the development and governance in Myanmar on track. Besides, regional entities could act as a buffer against the turmoil of financial or trade markets, and thus help member countries to counteract the economic and financial crisis together.

Myanmar is rich in much-needed energy resources and has a role to play in the region. Myanmar's main investors are from Asia. Of the four largest, China and Thailand are GMS countries. As a matter of fact, Myanmar can offer a favorable market for the economic and geopolitical interests of individual GMS countries and their corporate sectors. Myanmar stands as the biggest nation on Southeast Asia in term of inland area with the sole link between Southeast Asia and South Asia, which would serve as a land-bridge by linking East Asia and South Asia for greater trade facilitating of the subregion.

Myanmar could be economically and politically developed within the GMS framework but Myanmar encountered many challenges such as drug smuggling, trafficking in persons, the spread of infectious disease, environmental degradation, and so on. Though there are constraints in the process of GMS cooperation, Myanmar believed that the GMS scheme provides huge opportunities for the future economic development in the region with the strong commitments of member countries. To overcome the challenges and to maximize the benefits from economic integration, Myanmar also believed that the GMS members would sharpen common vision and redouble efforts for the future cooperation. As mentioned above facts, Myanmar actively participate in the regional economic cooperation.

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