

CHAPTER 6
COOPERATION BETWEEN THAILAND AND CAMBODIA
UNDER THAKSIN'S ADMINISTRATION

It was understandable that Thailand's policy towards neighboring countries after the Cold War period has been considerably stimulated by economic purpose. The thirst for natural resources, notably minerals, timbers and fishery products as well as economic opportunities which are considered as requirements for Thailand's continuous economic growth, has become a major driving force in determining the direction of relations with neighbors. Thailand's geographical setting, located in the middle of the Southeast Asian peninsula, sharing land and maritime boundaries with five countries namely Cambodia, Lao PDR, Vietnam, Myanmar and Malaysia, becomes an advantageous factor for maintaining good relations with those countries.

Before Thaksin Shinawatra took office as Prime Minister in 2001, there were a number of problematic issues in the relations between Thailand and the neighbors, including Cambodia. In the eyes of neighboring countries, Thailand is seen as having an image of domination. The Thai leaders always considered the country as centre of things in the region and economic interests. For this reason, the Thai Government under the leadership of Prime Minister Thaksin had given priority to the promotion of the good relations and cooperation with neighboring countries as well as Cambodia as it clearly appeared in his government's foreign policy that was announced to the parliament on 26 February 2001 and 23 March 2005. During Prime Minister Thaksin's terms of office, the Thai Government had exerted much effort to cope with plenty of issues, some of which are worth studying for better understanding of Thailand's foreign policy towards Cambodia as of the following.

I. Demarcation of Land Boundary

Border problems had continued to be a thorn in Thailand's relations with neighbors in every administration including Thaksin's administration. This vital issue emerges as the result of the unclear boundary lines. The Thai foreign policy vis-à-vis

its neighbors therefore has been affected by this problem to different degrees. In principle, Thailand has attached and observed the boundary treaties reached with the colonial powers but the issue of unclear land boundaries has sparked conflicts between Thailand and her neighbors. Moreover, the unclear boundary lines have caused non-traditional security issues in the border areas comprising all sorts of transnational crimes which have affected Thailand's efforts to foster the good relations and mutual understanding with the neighbors.

Land boundary issue is distinct from other international relations-related issues since it gains much attention from the general public, affects national security and becomes highly sensitive and emotional issue. This issue can turn out to be the cause of conflict and war in the relations between states and the solutions are mostly dealt with complicated international and domestic laws as well as specific techniques that need expertise. The most important is that the negotiation process takes time to reach the fair and acceptable solutions and the settlement of the land boundary dispute takes everlasting effects. This is the reason the disputing parties have to move with cautious steps to protect national interest. Therefore, diplomacy and negotiations have been used as an important tool for Thailand and the neighbors to settle their disputes peacefully. It is said that the land boundary issue is equivalent to the active volcano that once it erupts, a far-reaching damage may take place. Sometimes the issue keeps quiet as if it has been already resolved but in fact it is not.

1. Causes of conflict of land boundary issue

According to the Ministry of Foreign Affairs of Thailand, the length of land boundary lines between Thailand and the neighbors is approximately 5,640 kilometers which is roughly divided into 800 kilometers with Cambodia. For the part of Thai - Cambodian land boundary, it has been divided into 3 categories, namely (1) natural boundary, (2) undemarcated boundary with approximately 180 kilometers in length stretching from Chong Bok in Phnom Dangrek range in Ubon Ratchathani Province to Chong Sa-ngam in Sisaket Province where the Boundary Post No. 1 is located and (3) demarcated boundary starting from the Boundary Post No. 1 in Srisaket Province running across Surin, Burirum, Sa Kaeo, Chantaburi Provinces and ending at

Boundary Post No. 73 located at Laem Sarapatphit, Ban Hat Lek, Klong Yai District, Trat Province.¹

The Thai - Cambodian boundary line is determined by the boundary treaties concluded in early 1900s between Siam and France, former colonial power in Indochina. Most of the boundary line between Thailand and Cambodia follows the watersheds and watercourses which are uncertain due to geographical change, i.e. a river changes its course or the watershed is flattened as a result of community development or filling up river and canal for construction purposes. Moreover, the land boundary line was demarcated in the past with out-of-date mapping technologies. Therefore, the demarcation of the land boundary and the production of geographical maps were not accurate enough to determine the exact borderline as it appeared in the maps. When the uncertainty of the land boundary occurs, conflict with neighbors may arise.

The Thai - Cambodian boundary posts constructed according to the treaties between Siam and French Indochina from 1908 to 1909 were entirely made of woods. In 1918, Siam and France agreed to replace and rebuild all 73 boundary posts with concrete for durable use.² Although there are 73 boundary posts existing along the Thai - Cambodian borderline, most of them are not easily noticed by people in the real geography. This is due to many reasons, namely (1) more than 50 percent of the boundary posts are severely damaged or lost; (2) some boundary posts are put, intentionally or unintentionally, at the wrong positions from those determined by the treaties and maps annexed to the 1904 Convention (11 portions) and 1907 Treaty (5 portions); (3) some boundary posts are far from each other; (4) ambiguity of the maps annexed to the treaties which forces the contracting parties to interpret the exact locations of the boundary line; (5) demarcation of land boundary is not relevant to the real situation and ways of life of people who are residing in the border areas; (6) lack of frequent monitoring and maintenance of boundary posts.³

¹ Visanu Piranond, "Means to Solutions of Land Boundary between Thailand and Its Neighbors," A research paper proposed to the Ministry of Foreign Affairs of Thailand, 2000. (in Thai)

² Phayont Thimcharoen, "Land Boundary between Siam and French Indochina: Historical Background and Treaties," *Map Magazine* 1, vol. 27 (July - September 1984): 30 - 33. (in Thai)

³ Visanu Piranond, "Means to Solutions."

2. Cases of land boundary conflict between Thailand and Cambodia

In Cambodia, there is public pressure to maintain the position of the border. Many Cambodians believe that their country's territory has shrunk because of advances made by their more powerful neighbors, namely Vietnam and Thailand. The Cambodian Government under Samdech Hun Sen's administration has often been accused of giving land away to the Vietnamese. Moreover, there is occasional public dissatisfaction with the alleged "Thai encroachments". The classic case of the land boundary dispute between Thailand and Cambodia is that relating to Preah Vihear Temple, when the International Court of Justice made a decision in 1962 in favor of Cambodia for the sovereign rights over the Temple. However, most of Cambodians are made to believe that Thais still regard for generations that Preah Vihear Temple belongs to Thailand.⁴

There were also other cases relating to the land boundary dispute between Thailand and Cambodia that led to misunderstanding, mistrust, discord, prejudice and dissatisfaction among the Cambodians. One case was that one law lecturer of the Faculty of Laws of Thammasat University, who while attending the seminar on the protection of cultural properties organized by the Ministry of Culture on 24 December 2005 in Prachinburi Province, proposed to the Thai Government to take the Preah Vihear Temple back to Thailand for compensation of damage caused to the Royal Thai Embassy in Phnom Penh during the anti-Thai riot on the 29 January 2003. The newspaper disseminated his statement and it triggered dissatisfaction among the Cambodian scholars and students. They asked for an official apology from the Thai Government otherwise he would be prohibited from entering Cambodia. On 8 January 2004, the law lecturer sent a letter to the Minister of Foreign Affairs of Thailand clarifying that mass media had distorted his interview causing misunderstanding since he did not give an interview as such. He also expressed his regret for the misunderstanding and asked the Ministry of Foreign Affairs to convey his regret and apology to the Cambodian Government and people.⁵

⁴ *The Voice of Khmer Youth*, August 27-28, 2006.

⁵ Department of Information, Ministry of Foreign Affairs of Thailand, Press Release No. 15/2547, January 13, 2004,.

Another case was that in early April 2004, many Cambodian newspapers continuously covered a news reports relating to the removal by Thai soldiers of Cambodian houses and buildings built in the overlapping claimed border areas in between Ban Pa Raimai, Aranyaprathet District, Sa Kaeo Province and Ban Tuol Prasat, O'Chrov District, Banteay Meanchey Province. The said incident led to the confrontation between armed local authorities of both sides. The Ministry of Foreign Affairs urgently issued a Press Release clarifying that the incident ended peacefully through discussion between authorities concerned on both sides. High-ranking members of the Thai - Cambodian Joint Boundary Commission met and jointly inspected the areas in question in the following week. In order to avoid any future incident similar to the one that took place in Sa Kaeo - Banteay Meanchey border areas, the Press Release also called for both sides to strictly adhere to the terms and purposes of the Memorandum of Understanding between Thailand and Cambodia on the Survey and Demarcation of the Land Boundary signed on 14 June 2000 as it stipulates in the Article V of the MOU that "to facilitate the effective survey along the entire stretch of the common land boundary, authorities of relevant governments and their agents shall not carry out any work resulting in changes of environment of the frontier zone, except that which is carried out by the Joint Technical Sub-Commission in the interest of the survey and demarcation".⁶

Moreover, the Joint Commission of Land Boundary between Thailand and Cambodia held its Special Session Meeting in Bangkok on 14 March 2006 and agreed to dispatch their respective technical team to commence the survey and demarcation works in the areas between the Boundary Post No. 48 - 49 in Aranyaprathet District, Sa Kaeo Province and O'Chrov District, Banteay Meanchey Province and the works shall continue until the covering the whole 73 boundary posts. This was considered as one of the most concrete and successful in mutual efforts to solve their differences of land boundary lines after the two countries had been able to conclude the Terms of

⁶ The Royal Thai Embassy, Phnom Penh, Cambodia, "Incident at the Thai-Cambodian Border at Banteay Meanchey and Sa Keo Province Area," Press Release No. 3/2547, April 27, 2004.

Reference for the Survey and Demarcation of Land Boundaries on 25 August 2003 in Bangkok which was divided into 5 stages.⁷

3. Politicization of land boundary issue

On 27 July 2003, Cambodia held the general elections, the third of its kind after the signing of the Paris Peace Accord in 1991, which resulted in the victory of the Cambodian People's Party (CPP) under the leadership of Samdech Hun Sen. The CPP won 73 seats while Sam Rainsy Party (SRP) gained 24 seats and FUNCINPEC of Samdech Krom Preah Norodom Ranariddh took the rest of 26 seats. As a result, the CPP had to cooperate with other political parties to form the coalition government since it secured votes less than two thirds as needed by the constitution. The negotiation process took almost one year due to the SRP-FUNCINPEC resistance. The said political deadlock finally ended on 15 July 2004 when the National Assembly agreed to endorse the newly formed CPP-FUNCINPEC coalition government. One of the conditions leading to the compromise on the formation of the new Cambodian government was an agreement reached between the CPP and the FUNCINPEC Parties to establish a seven-member Supreme National Council on the Border Affairs to solve the long-standing, highly sensitive and emotional issue. Each of the three political parties, including the opposition Sam Rainsy Party, had nominated its member in the Supreme National Council, which also included representatives from the Senate, the National Assembly and the Cambodian Government. This indicated that the issue of boundary lines between Cambodia and her neighbors was used as political tool by all sides concerned up to the present. King Norodom Sihamoni, son of former King Norodom Sihanouk who abdicated from the throne in October 2004, had the prerogative of appointing the chairman of the Council. He had invited his king father who accepted the invitation to chair the newly formed Supreme National Council on Border Affairs by giving a reason that "*at the*

⁷ Department of Information, Ministry of Foreign Affairs of Thailand, "The Joint Survey and Demarcation of Land Boundary between Thailand and Cambodia," Press Release No. 256/2549, June 19, 2006.

*end of his life, he wishes to serve the nation and the people in the framework of his mission to protect the kingdom's territorial integrity.*⁸

At the latter stage, on 31 March 2005, Cambodia's neighbors were shocked by former King Sihanouk's strongly worded open letter written in French and sent from Beijing to the governments of Lao PDR, Thailand and Vietnam accusing them of continuing to encroach on Cambodian territories that

.....Cambodia, in her wisdom and her attachment to the ideals of Peace (the Khmer people have never been cowards fearing fighting against You), is not claiming from You the return back into her midst the Khmer Provinces, towns, lands, seas, and islands, which were "swallowed" by You between the 15th and 19th century. However, the Nation, the People, and the State of Cambodia (Kampuchea) would not accept to lose (unfairly and illegally to Your unjustifiable profit) even one square meter, one square decimeter, or a square centimeter of her (land and maritime) territorial integrity which she owned in all legality and legitimacy....

He also mentioned that if neighboring Vietnam, Thailand and Lao PDR were agreeable to appoint representatives, Sihanouk would enter into the discussions with them on the modality for undertaking the demarcation of the disputed borders based on detailed maps made by the United States in the 1960s.⁹

As mentioned above, border integrity has been a sensitive issue in Cambodia's relations with its neighbors and in domestic Cambodian politics. Many times former King Norodom Sihanouk wrote letters in French in relation to land and maritime boundary issues between Cambodia and her neighbors, particularly Vietnam and Thailand, and posted them on his official website at <http://www.norodomsihanouk.info>, hence leading to the amplification of nationalism among Cambodians and, most importantly, they were also used by the opposition and

⁸ Verghese Mathews, "Sihanouk's Tough New Mission," *Phnom Penh Post*, May 6-19, 2005, <http://www.phnompenhpost.com/TXT/comments/c1409-1.htm> (Accessed December 15, 2006).

⁹ "English Version of King-Father Norodom Sihanouk's Messages," *Khmerintelligence.org*, <http://www.khmerintelligence.org/KingFatherEnglishVersion2.htm> (Accessed February 14, 2007). Former King Sihanouk's letter in original French and official translation in English used to be posted at his official website at <http://www.norodomsihanouk.info>.

dissident groups as a political tool to destabilize national harmony and destroy the credibility of the Cambodian Government.

II. Maritime delimitation and issue of overlapping continental shelf

1. UNCLOS

The conflict on the overlapping claimed areas to the continental shelf is the big issue since it relates to national interest in terms of territorial integrity and huge benefits arising from resources under the sea, but on the other hand, the issue can be resolved amicably through negotiation based on international laws, international practices and sharing of equal benefit. For the dispute between Thailand and Cambodia concerning the question of rights over the overlapping claimed areas to the continental shelf in the Gulf of Thailand it is not as easy as one may think due to the fact that Cambodia has extended her maritime boundary on the continental shelf on 3 July 1971. The disputed areas are: (1) the northern portion of the Gulf of Thailand where Cambodia and Thailand share the continental shelf; (2) the southern part that is shared by Cambodia and Vietnam; and (3) the central part that is claimed by all three countries.

The Thai - Cambodian maritime dispute involves, primarily, historical claims to sovereignty. The overlapping claims in the central portion indicate that the disputes are the result of different interpretations of the continental shelf concept in limiting the seaward distance of shelf boundaries. The “median line” concept for boundary delimitation in the absence of agreement appears to have been ignored. Notwithstanding, many unilateral declarations made by Cambodia claiming portions of the Gulf of Thailand since 1969 and the declarations of a 200-nautical-mile exclusive economic zone by both Vietnam (in May 1977) and Kampuchea (early 1978), the disputes between the two countries were no nearer solution prior to Vietnam’s conquest of Cambodia in 1979.¹⁰

¹⁰ Lee Yong Leng, “UNCLOS III and Maritime Boundaries,” in *Southeast Asia Essays in Political Geography* (Singapore: Singapore University Press, 1982), pp. 48 - 49.

The issue on maritime boundary lines in the Gulf of Thailand eased when Vietnam and Cambodia were able to conclude an Agreement on the Maritime Boundaries in 1982 that made Vietnam lose some maritime claimed areas but left a portion of the overlapping areas of approximately 6,074 square kilometers. For Thailand and Vietnam's part, after nine rounds of negotiation, both countries finally reached an Agreement on Maritime Boundaries on 9 August 1997.¹¹ Thailand and Cambodia have overlapping continental shelf covering an area of approximately 26,000 square kilometers. Both countries began their negotiation on maritime boundary for the first time in 1995 and never continued due to domestic politics of Cambodia. The negotiations have resumed in 2002¹² and continued until the end of the Thaksin's administration, but the concrete achievement has never been reached because of each side's internal affairs and effort to maintain national interest.

2. Natural Resources

In September 1945, the United States claimed all the natural resource of the subsoil and seabed of the continental shelf contiguous to its mainland, which was named "the Truman Doctrine". This doctrine triggered off so many other similar claims that it was necessary for the 1958 Conference on the Law of the Sea to produce a convention in dealing with the continental shelf. Since the 1945 Truman Declaration, many states have claimed sovereignty over areas of continental shelves that may contain valuable resources. Continental shelves contain both living and non-living resources. Among the living resources, fish are the most important, consisting of non-sedentary species caught in the waters above the shelf.¹³

2.1 Fishing and fishery-related industries

The overfishing in the Gulf of Thailand, combined with the establishment of 200-nautical-mile exclusive economic zones (EEZs) by its neighbors in the late 1970s

¹¹ Virachai Plasai, Ekapong Paladraksa and Mongkol Visitstump, "Delimitation of Thai - Vietnamese Maritime Boundary: Legal Framework for Everlasting Relations," *Saranrom* 55 (10 February 1998): 307 - 308. (in Thai)

¹² Thanom Charoernlap, "Law of the Sea and Thailand's Territorial Sea," *Indochina Studies Journal* Year 5 - 6 (January 2004 - August 2005): 21 - 22. (in Thai)

¹³ Leng, "UNCLOS III and Maritime Boundaries," pp. 62.

and early 1980s, has created a crisis in the fishing industry. Fishery has become very significant industry in Thailand. With an annual catch of 1.8 - 2.8 million tons and exports valued at 43,000 million baht in 1988, Thailand ranked seventh as an international exporter of marine products. The Gulf of Thailand has been overfished since the 1960s. In searching for better fishing grounds, Thailand's fishermen began to stray in greater numbers into the waters of neighboring countries.

Despite frequent arrests from entering the neighbors' claimed maritime areas, the Thai fishermen still individually took the risks of entering into fishing contracts with the neighbors' provincial authorities.¹⁴ The issue of Thai fishing boats being captured by the Cambodian provincial authorities and Cambodian pirates in the overlapping continental shelf areas, particularly Trat Province's territory, was an exchange for ransoms. The Thai authorities concerned had set up measures to protect and assist the captured Thai fishing boats as well they made public relations to persuade the boat owners to instruct the masters of the boats to refrain from entering the overlapping areas and conflicting territorial waters. Although the boat owners had paid "water fee" (ค่าน้ำ) to Cambodian provincial authorities in exchange with accessibility to the fish sources in the Cambodian waters, however, the act of piracy against Thai fishing boats has often occurred due to the fact that there are too many authorities assigned to take care of the Cambodian territorial waters.¹⁵

With the establishment of EEZs, effect of the overlapping claimed areas in the continental shelf and the importance to Thailand of fish as an export commodity, it is inevitable that conflicts would occur if concrete solutions have not been properly reached. Therefore, the future of the Thai fishery-related industries would clearly rest on the negotiations between the Thai and Cambodian Governments to promote legal fishings in the Cambodian waters.

2.2 Oil and Gas

In recent years, two types of non-living resources have become very important. The first type consists of mineral deposits, which lie on, or just below, the surface of the shelf in unconsolidated deposits, including phosphorite nodules. The

¹⁴ Marc Innes-Brown and Mark J. Valencia, "Thailand's Resource Diplomacy in Indochina and Myanmar," *Contemporary Southeast Asia* 14, no. 4 (March 1993): 332 - 339.

¹⁵ *Matichon*, 7 November 1999, p. 2. (in Thai)

second type consists of mineral deposits lying deep below the surface of the continental shelf, either consolidated or unconsolidated. They include the most important fuels obtained from beneath the surface of the shelf, namely, petroleum and natural gas.

In the past decades, a number of international oil companies have come to explore oil in the shallow seas of Southeast Asia. Such explorations have led not only to arguments between oil states and oil companies over the share of the profits but also to competition and conflict among states over several issues. Since the mid-1980s, Thailand has experienced an economic boom, with annual growth rates ranging between 8 and 12 percent from 1987 to 1990. The major element in this growth has been manufactured exports. In addition, as industry has grown, so has the demand for energy. In 1991, Thailand was among the countries that had fastest rate of growth in oil consumption in the world. Local production of oil and natural gas has been insufficient to meet the local demand. Sixty percent of Thailand's energy requirements are met by imports, exacerbating the country's current account deficit. Increased demand, coupled with the current account predicament, has prompted the Petroleum Authority of Thailand (PTT) to look for oil supplies in neighboring countries.¹⁶

On 4 - 5 June 2001, Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand, paid an official visit to Cambodia at the invitation of Mr. Hor Namhong, Senior Minister and Minister of Foreign Affairs and International Cooperation of Cambodia. During the visit, Dr. Surakiart signed with Mr. Sok An, Senior Minister and Minister in charge of the Office of the Council of Ministers and Chairman of the Cambodian National Petroleum Authorities, on the Memorandum of Understanding on the Areas in the Overlapping Maritime Claims. The Memorandum, subject to the final approval of their respective governments, identified two areas within the overlapping claims areas: (1) an area to be delimited and (2) the Joint Development Area (JDA). The Memorandum also affirmed both governments' intention to simultaneously conclude an agreement for the joint development of the hydrocarbon resources located in the Joint Development Area and to agree to a mutually acceptable maritime boundary in the area to be delimited. A Joint Technical Committee

¹⁶ Innes-Brown and Valencia, "Thailand's Resource Diplomacy," 339.

comprising relevant officials of Cambodia and Thailand would be established to work out the remaining unresolved issues and to draw up a treaty between the two countries.¹⁷

The Memorandum of Understanding, therefore, marked a compromise as it affirmed the two governments' intention to "simultaneously conclude" agreements on boundary demarcation and joint development. Previously, Thailand had insisted on the sovereignty issue being resolved first while Cambodia had pushed the joint development as a priority. The overlapping maritime boundary with Cambodia is the last dispute with Thailand's neighbor, after earlier settlements made with Malaysia and Vietnam. The joint exploration and benefit sharing are among the terms to be worked out for developing the area which is believed to be richer in gas than in oil.¹⁸

After signing the Memorandum of Understanding in the Area in the Overlapping Maritime Claims in 2001, Thailand and Cambodia have made many rounds of talks on the delimitation of maritime boundary as well as possible cooperation on the surveys and exploration for petroleum in an overlapping offshore areas claimed by the two countries. However, it appears that there has been less progress since then. Their negotiation became tense when world oil prices continued to rise in the aftermath of the US invasion of Iraq in March 2003 with an aim to depose the Saddam Hussein's government.

For the exploitation of natural resources under the seas, there was a suggestion that Thailand and Cambodia should establish a joint independent agency to help supervise the administration and sharing of benefits if the negotiations succeeded. The Thailand - Malaysia Accord on the Joint Development Area (JDA) was viewed as an appropriate model of the proposed pact between Thailand and Cambodia for the exploration and exploitation of oil and gas in their overlapping continental shelf areas. A feasibility study has been conducted in the Thai -

¹⁷ Ministry of Foreign Affairs and International Cooperation of Cambodia, Press Release, June 4, 2001, <http://www.mfaic.gov.kh/cooperationdetail.php?contentid=472> (Accessed January 28, 2007).

¹⁸ Editorial, "Ensuring Peaceful Co-existence," *Bangkok Post*, June 9, 2001.

Cambodian overlapping claimed areas and it is believed to have a high potential for natural gas.¹⁹

On 10 August 2005, caretaker Prime Minister Thaksin and his key ministers, comprising Mr. Viset Choopiban, caretaker Ministry of Energy, Mr. Thanong Bidaya, caretaker Minister of Finance and Mr. Pongsak Raktapongpaisal, caretaker Minister of Transport, made a lightning one-day visit to Phnom Penh, but failed to reach an agreement with the Cambodian Prime Minister on the joint development of oil and gas resources in the disputed maritime areas. Mr. Khieu Kanharith, a Cambodian spokesperson and Minister of Information, said to the press conference on this matter that there are many formulas and both countries shall continue discussing them and the two leaders agreed to set up technical teams to work on the issue for the next six months before reporting the findings to their respective governments.²⁰ The two countries decided to equally divide the disputed areas covering a total of 26,000 square kilometers into three parts: (1) the part closer to Cambodia, (2) the part closer to Thailand and (3) the middle part. Revenue from oil found in the middle zone will be split evenly between both countries but how oil income from the zone nearer to Thailand and that nearer to Cambodia is to be split has not yet been decided. In the previous meetings, Thailand had proposed an 85 percent to 15 percent split in favor of the nearest zone of each country. He said that Prime Minister Thaksin vowed to work to finalize the parameters of the zones within six months since he wanted to help Cambodia gain oil revenue as soon as possible but was wary of political retribution at home if he gave away too much.²¹

The negotiation on the delimitation and the exploitation of petroleum resources in the overlapping claimed continental shelf areas between Thailand and Cambodia became political debate in both countries. Mr. Sam Rainsy, president of the opposition Sam Rainsy Party, commented that Cambodia should not hurry to finalize a deal with Thailand on the sea boundary in the name of oil revenue and suggested that the Cambodian Government should not think only about short term, but should

¹⁹ Thai News Agency, "Cambodia Oil Exploration Pact Possible," http://www.bangkokpost.net/breaking_news/breakingnews.php?id=112032 (Accessed September 13, 2006).

²⁰ *Bangkok Post*, August 11, 2006, p. 3.

²¹ *The Cambodia Daily*, August 11, 2006, 1 and 18.

focus on maintaining Cambodia's territorial integrity since the maritime boundary was originally drawn by Vietnam and Thailand without consulting Cambodia and is not acceptable.²² Moreover, some newspapers supporting the opposition side, such as the Voice of Khmer Youth and Moneaksekar Khmer Daily, published opinions in the negative ways by opposing the arrangement on the Joint Development Area since the area belongs to Cambodia. The Cambodian Government was ignorant in giving the Cambodian rights and interests to Thailand for free, just being told that the said area is overlapping.²³

In Thailand, there was also an opposition to Prime Minister Thaksin's move to finalize the maritime delimitation and the Joint Development Area with Cambodia on the ground that it shall be done for the interest of Prime Minister Thaksin and his clique. The leading voice came from Mr. Sondhi Limthongkul, leader of the People's Alliance for Democracy (PAD), who held a press conference on 14 September 2006 at Ban Pra Arthit accusing caretaker Prime Minister Thaksin of giving up half of Koh Kut laying off Trat Province to Cambodia in exchange for energy development concessions. Mr. Sondhi accused Prime Minister Thaksin and Energy Minister Viset Choopiban that they had reached an agreement with Cambodia on the joint development of energy resources on the said trip but the Thai Government did not reveal any details. The matter that the government failed to show transparency and keep a deal known only to a few people was criticized as not an appropriate action.²⁴

However, Mr. Prommin Lertsuridej, Prime Minister Thaksin's Secretary General, dismissed such allegation and said that Mr. Sondhi told another tale and countered that, in principle, the government represents the country and gives priority to the national interest and benefits of the Thai people. The government was careful and prudent in the negotiation with foreign countries and must have information and recommendations from ministries concerned. For the issue of the maritime boundary, the negotiation has not been concluded yet but the most important thing was that the negotiation kept continuing in the context of technical matter, although it was a

²² Ibid., 18.

²³ "Editorial," *The Voice of Khmer Youth*, August 11, 2006.

²⁴ *Bangkok Post*, September 15, 2006, p. 3.

caretaker government, in order to reach the final resolution according to existing laws and constitution.²⁵

The Ministry of Foreign Affairs on 14 September 2006 also dismissed Mr. Sondhi's allegations and made a counter-statement pertaining to the fact about the land and maritime boundaries delimitations between Thailand and Cambodia as follows:

(1) One of the main objectives of Prime Minister Thaksin's trip to Cambodia on 10 August 2006 was to discuss and follow up on the progress of the joint field work of land boundary demarcation under the Memorandum of Understanding on Land Boundary Demarcation signed by the Thai and Cambodian Governments on 14 June 2000. The Thai Prime Minister also followed up on the progress of negotiations on the maritime delimitation and the joint development in the continental shelf in which Thailand and Cambodia have overlapping claims under the Memorandum of Understanding dated 18 June 2001;

(2) Cambodia had never claimed sovereignty over "Koh Kut" since Cambodia has been recognizing that Koh Kut is Thailand's territory;

(3) In accordance with the Memorandum of Understanding signed by the Thai and Cambodian Governments on 18 June 2001, Thailand and Cambodia will negotiate the maritime delimitation above the 11 degrees north latitude, along with the negotiation of the Joint Development Area below the 11 degrees north latitude as an indivisible package;

(4) The negotiation on the establishment of the Joint Development in the overlapping area below the 11 degrees north latitude between Thailand and Cambodia would not result in the acceptance of the maritime delimitation line in that area.²⁶

III. Cambodian migrant workers and human trafficking issues

1. Significance of the illegal migrant workers issue

²⁵ *Manager Daily*, September 15, 2006, pp. 1 and 5. (in Thai)

²⁶ Department of Information, Ministry of Foreign Affairs of Thailand, Press Release No. 418/2549, September 15, 2006.

The question of the forced and illegal movement of people has taken on particular consideration as a security issue of international concern. Reinhard Lohrmann suggested that movement of people across the borders has affected security in the international relations at three levels, namely (1) national security agendas as the movement is a threat to economic well-being, social order, cultural and religious values and political stability; (2) relations between states as movement tends to create tension and burden to bilateral relations; (3) irregular migration flow might also have significant implications for individual security and dignity.²⁷

The illegal migrant means someone who enters a country other than that of which he or she is a citizen, and yet has not taken the proper legal channels to become a permanent or temporary resident and is therefore not able to obtain any of the benefits to which a migrant may otherwise be entitled. An illegal migrant also by definition normally has no lawful excuse for remaining in that jurisdiction and is liable for deportation.²⁸ In other words, illegal migration might be in some cases a product of human trafficking. Human trafficking is a crime with exploitative purpose against the person without his or her consent of being moved within the country or across the boundary whereas smuggling of people is a crime against the public order with facilitative purpose towards the person who gives consent to being moved across the national border. The illegal workers are thus able to come to Thailand by coercive means or on a voluntary basis, but all of them share the same destiny that is the lack of certainty and living with fear of being arrested and deported by the Thai authorities.

2. Illegal migrant worker situation in Thailand

Thailand's successful story about high economic performance in the late 1980s and early 1990s has been considered as a key factor that brought changes to the

²⁷ Joseph Chinyong Liow, "Malaysia's Approach to its Illegal Indonesian Migrant Worker Problem: Securitization, Politics or Catharsis?" (paper presented at IDSS-Ford Workshop in Non-traditional Security in Asia, Singapore, September 3-4, 2004), pp. 7-8, <http://www.rsis-ntsasia.org/publications/PDF/Joseph%20Liow.pdf> (Accessed January 30, 2007).

²⁸ Brian Iselin and Melanie Adams, "Distinguishing between Human Trafficking and People Smuggling" (Bangkok: UN Office on Drugs and Crime, Regional Centre for East Asia and the Pacific, 2003).

Thai society in many aspects. Thailand has transformed her agricultural economy into an industrial based economy, emphasizing worker-intensive that led to the emergence of all kinds and sizes of factories for manufacturing goods and products for domestic consumption and export to the world market.

The rapidly successful economic growth as mentioned above has eventually caused high demand for cheap workers in Thailand which was aggravated by a shortage of workers as a result of the government's effective family planning program and the flow of Thai workers to work overseas. Thai workers have become more reluctant to accept menial and lower-paid works as more jobs open in the industrial and service sectors. Consequently, there has been strong pressure for illegal migrant workers to fill in the labor gap. This made Thailand reach a turning point to become a powerful magnet for migrant labors from neighboring countries, particularly those from Myanmar, Lao PDR and Cambodia who head to Thailand seeking "better opportunity". They enter the lowest levels of the Thai worker market from which the Thai workers have turned their faces away. According to information available from various sources, it was found that fisheries, agriculture and rice milling were most in need of migrant workers because (1) Thais do not want to fill these jobs, (2) the work is hard and dirty, (3) migrants are cheaper. The Minimum wage in Thailand is about 5,000 baht per month, or 125 USD. On average, Cambodian workers in Thailand earn 4,000 baht per moth, or 100 USD.²⁹

In the case of Cambodia, poverty as elsewhere is one of the strongest push factors to create the influx of migrant workers. The per capita annual income in Cambodia ranges from 127 USD in rural areas to 383 USD in Phnom Penh. One factor involved in Cambodia's poverty is its lack of technically skilled people for the development of industry since most of them died during the Khmer Rouge regime or fled the country. Another powerful economic factor is the diminished availability of productive agricultural land.³⁰ The image of Cambodia as source of human

²⁹ Cheang Sokha and Joshua Kraemer, "Worker sign-up in Thailand moves at snail's pace", Phnom Penh Post, Volumn 14, No. 13, 1 - 14 July 2005.

³⁰ Office of the National Commission on Women's Affairs and Mekong Region Law Center, "Proceedings of the 1997 Regional Conference on Trafficking in Women and Children" (Bangkok: Amarin Printing and Publishing Public Co., Ltd, 1999).

trafficking for illegal labors is evidently indicated by the US Government in its 2005 Trafficking in Persons Report made by the United States' State Department that

*Cambodia is a source, destination, and transit country for persons trafficked for the purposes of sexual exploitation and forced work. Cambodian men, women and children are trafficked to Thailand and Malaysia for forced labor and prostitution. Cambodian children are also trafficked to Vietnam and Thailand to work as street beggars. The Government of Cambodia does not fully comply with the minimum standards for the elimination of trafficking; however, it is making significant efforts to do so despite considerable resource constraints. Cambodia does not have a comprehensive anti-trafficking law, although it has used existing statutes to prosecute traffickers".*³¹

With regard to the status of migrant workers from Thailand's neighbors, it was obvious that, in accordance with relevant laws and regulations, they are illegal or undocumented migrants. Due to Thailand's major immigration laws, namely the Foreign Employment Act of 1978, the Immigration Act of 1979, and the Investment Promotion Act of 1997, they do not allow for the admission of unskilled migrant workers and impose punishment on those who enter the country illegally. To this effect, most unskilled migrant workers in Thailand in the mid-1990s onwards were thus illegal.

According to the Ministry of Labor of Thailand, cheap migrant workers from neighboring countries have worked for farming, fishing, construction, footwear, textile factories, etc. They are particularly prevalent along Thailand's border provinces and even in inner cities like Bangkok. One of the reasons why they keep increasing and become preferable by Thai employers is their availability.³² The living and working conditions of those illegal migrant workers in Thailand have been in big question. Many of them were paid less than the minimum wage stipulated by the worker law. Some had to work long hours with unfavorable environments and shelters or had to do dangerous work without sufficient protections which could harm the

³¹ US Department of State, "Trafficking in Persons (TIP) Report 2005," <http://www.state.gov/g/tip/rls/tiprpt/2005> (Accessed February 15, 2007).

³² Philip Martin, *Thailand: Improving the Management of Foreign Workers* (Bangkok: International Worker Organization, 2003), p. 44.

basic rights of the migrant workers. Some were also cheated or paid less than promised and they could not seek help from the government officials since their immigration status was illegal.

One of the interesting points in relation to the exploitation of migrant worker in Thailand is about women and children who might be pushed into the hands of trafficking rings. Most of the Cambodian women and children were forced by organized crime syndicates to work as beggars, street vendors or prostitutes. They were lured, promised or willing to be illegally brought into Thailand. Some had to make a payment to smugglers for bringing them into the Thai territory or became victims of trafficking. When they arrived in Thailand, they could not work on their own but had to work under the control of some unregistered agents who provided them with shelters and protection.

Under the leadership of Prime Minister Thaksin who took office since 2001, the Thai economy has continued to perform better than many other countries in Asia. His economic policy, which was widely recognized as “Thaksinomics” had apparently reflected in a strong economic expansion in 2003 and continued the same path in 2004. The economy kept expanding as a result of the accelerated growth rate of private investment, rising consumer confidence with moderate increase of exports of goods and services, as well as huge public expenditure and investment.

3. Efforts to curb the illegal migrant worker issue

During Prime Minister Thaksin’s administration, the Thai Government had set its national agenda to systematically solve the illegal migrant workers from Myanmar, Lao PDR and Cambodia whose number in 2003 was expected to reach 1 to 1.2 million.³³ The Thai Government issued the Office of the Prime Minister’s regulation on the Management of Illegal Migrant Worker B.E. 2544 (2001) and the second regulation in B.E. 2546 (2003) to appoint the Committee on the Management of Illegal Migrant Worker. The committee was chaired by the Prime Minister himself

³³ Yongyuth Chalamwong, “Country Report: Thaksinomics, Labour Market and International Migration in Thailand” (Bangkok: Thailand Development Research Institute Foundation, 2003).

or his representative with the Minister of Labor as its vice-chairperson as mechanism to tackle this issue specifically.³⁴ The Thai Government launched a comprehensive plan of action on the effective management of migrant workers to the effect that all undocumented workers must show up for registration of their presence and occupation in all areas. The campaign aimed to convert the illegal status of the migrant workers to a manageable legal status. All registered illegal migrant workers were likely to be sorted out between those who were able to identify their nationality which was definitely accepted by their respected governments and those who were not able to do so. Those under the first group were easily converted into legal migrant workers under Thailand's new regulations and treated under the existing Memorandum of Understanding on Cooperation in the Employment of Workers signed between the Thai - Cambodian Governments.³⁵ Moreover, the Thai cabinet passed a resolution on 27 August 2002 allowing the migrant workers who had been registered with the Thai authorities permission to stay and work in Thailand in six categories of business, namely general worker, worker in fishery business, factory, servant, animal farm and plantation.

Table 6.1

Permission Areas and Business Categories Allowed for Migrant Workers³⁶

Year	Permission Areas (No. of Provinces)	Business Categories	Number of Migrant Workers
1996 – 97	43	24	293,652
1998	54	47	90,911
1999	43	24	99,974
2000	37	18	99,656
2001	All Provinces	10	568,249
2002	All Provinces	6	409,339
2003	All Provinces	6	288,780

³⁴ Yamila Naknava, "Maritime Migrant Worker," *Indochina Studies Journal* (January 2004 - December 2005): 61-71 . (in Thai)

³⁵ Office of Foreign Workers Administration, Department of Employment, Ministry of Labor of Thailand, Bangkok, 2005.

³⁶ Ibid.

In an attempt to establish a system to import legal workers, Thailand and Cambodia signed a Memorandum of Understanding (MOU) in the Employment of Workers in 2003, similar to the MOUs previously signed with Lao PDR and Myanmar, as a legal framework to systematically solve the problem of illegal migrant workers in Thailand and formulate appropriate procedures to import new Cambodian workers to work in Thailand legally. The MOU entitles all legal migrants to have passports, visas, official contracts and limited terms of stay in Thailand. Specifically, the newly imported workers would receive a two-year work permit, renewable only once. Fifteen percent of their wages would be deducted and returned to them upon the completion of their working terms in Thailand and departure to Cambodia with a view to assisting them to have pocket money to cover the cost for returning home. The migrant workers would have to spend money of their own for medical examination and work permits, while employers would be charged around 3,000 baht for each work permit and arrangement of utilities and other services for their staff. In addition, there were anticipated changes to the permitted categories of migrant workers as Thailand has further plans to allow the migrant workers to legally work in factories located in the border areas on a daily basis and return to their home in the evening and another category as seasonal workers who can stay to work in Thailand at border orchards and plantations for a short period of time.³⁷

In relation to the problem of human trafficking, the Thai Government under Thaksin's administration also emphasized the importance of the suppression of the said issue. Other than setting up relevant mechanisms at various levels to tackle the issue of human trafficking such as National Sub-Committee on Combating the Trafficking in Women and Children, National Committee on the Prevention and Suppression of Human Trafficking, Operation Center on Human Trafficking at 3 levels (provincial, national, and international) and some other working groups, the Thai Government also established the remedy and rehabilitation scheme with an initial fund of 500 million baht to assist victims of trafficking and those afflicted by

³⁷ Human Rights Documentation Unit, National Coalition Government of the Union of Myanmar, "Human Rights Yearbook 2005," July 2006, http://www.ncgub.net/NCGUB/2005HR_Yearbook/Situation_of_Migrants_Workers.htm (Accessed February 17, 2007).

other social problems.³⁸ Moreover, Thailand and Cambodia have been cooperating to cope with the issue of human trafficking under the framework of the Memorandum of Understanding on Bilateral Cooperation for Eliminating Trafficking in Children and Women signed in 2003.

4. Effects of illegal migrant worker issue on Thailand

4.1 Image effect According to the United States' Trafficking Victims Protection Act (TVPA) of 2000, country narrative has been set up to categorize each government's efforts to enforce laws against trafficking, protect victims, and prevent human trafficking. Each narrative explains the basis for rating a country as Tier 1, Tier 2, Tier 2 Watch List, or Tier 3. This Report is a diplomatic tool for the U.S. Government to use as an instrument for the continued cooperation. The U.S. Government may withhold non-humanitarian, non-trade-related assistance to countries in Tier 3 as well as withholding of funding for participation in educational and cultural exchange programs.

In 2004, Thailand was placed under Tier 2 - Watch List by being alleged as *a source, transit and destination country of persons trafficked for sexual exploitation and forced worker. Thailand was a destination for men, women and children from Burma, Laos, Cambodia, and China who were trafficked for forced or bonded worker and prostitution. Additionally, regional economic disparities drive significant illegal migration into Thailand, presenting traffickers opportunities to move victims into worker exploitation. The Thai Government did not fully comply with the minimum standards for the elimination of trafficking and failed to provide evidence of increasing efforts to combat severe forms of trafficking in one area: the protection of Cambodian trafficking victims, particularly those being exploited in street work.*³⁹

³⁸ National Operation Center on Promotion and Suppression of Human Trafficking, Ministry of Social Development and Human Security

³⁹ U.S. Department of State, "Trafficking in Persons Report," (June 2004), p. 109.

In 2006, Thailand status was upgraded to Tier 2 although for the Thai Government it was still alleged that “*A significant number of Cambodian children are trafficked to Thailand for the purpose of begging.*”⁴⁰

4.2 Erosion of the government authority Many governments struggle to exercise full law enforcement to protect national territory and other undertakings such as armed conflicts, natural disasters, and political or ethnic struggles. However, prevention and suppression of illegal migrant worker and human trafficking issues have undermined the government’s good intention and effort to exert its authority as a result of abusing of authority. Moreover, bribes paid to law enforcement, immigration officials, and members of the judiciary impede a government’s ability to battle the issue. The said phenomenon has taken its root in Thailand in recent years and become a difficult issue to tackle since it dealt with influential figures in society and big amount of benefits.

4.3 Economic effects Since there is a slow pace of economic improvement within the three neighboring countries combined with the growing demand of cheap workers in Thailand as a result of continued economic expansion, it can only be expected that the influx of illegal migrant workers into Thailand may rapidly grow to unmanageable levels. According to experiences of other countries like the cases of Malaysia, Singapore, Taiwan and many countries in the Middle East, it is worth noting that once an economy highly depends on foreign workers, it is very difficult to suddenly stop the need of such workers. This situation occurs because cheap foreign workers have served as an integral part of those countries’ worker market structure and have become an indispensable factor for the successful continuation of economic development as well as a driving force of comparative advantage in a highly competitive market. In the Thai case, the migrant workers are therefore necessary to the promotion of Thai economic prosperity in the long run.

Moreover, it is believed that the unregistered workers have remitted their incomes to home countries through underground channels. This process has further prevented the Thai Government from gaining a huge amount of annual revenue from the taxation of remittance from those illegal migrant workers.

⁴⁰ Ibid., pp. 243 - 245.

4.4 Politicizing of the issue of illegal migrant workers The issue of illegal migrant workers is politically sensitive both at domestic and international levels. All measures of possible solutions to the issue, such as the renewal of work permits, the incessant registration of illegal migrant workers and the announcement to punish disobedient employers and violators of laws and regulations that have hardly come into effect, have reflected the hidden agenda to allegedly make use of the issue of illegal migrant workers as a political tool to gain political and economic support from business circle.

4.5 Threat to national security From legal and political points of view, the illegal migrant workers are considered not only a threat to the social stability of the country, but also to national security that could affect the good relations and understanding between the countries concerned. Conceptually, it is relatively clear how migration poses a threat to the security of a society, particularly when borders are seen as a powerful symbolic institution of state sovereignty.

4.6 Social burdens The issue of illegal migrant workers has created a social burden to Thailand in many aspects such as (1) the increase in crime rate as it appears that the influx of illegal migrant workers into Thailand has evidently coincided with an increase in crime rates; (2) the healthcare service burden as, according to studies and research, some migrant workers were charged that they were carriers of communicable diseases, particularly the HIV/AIDS and some communicable diseases that had already been eliminated from Thailand and the high costs borne by Thai public hospitals to care for migrant workers and their families (3) the education of children born to and living with their migrant parents; (4) the cultural effect of the lifestyle of Thai people has been negatively affected by the behavior and conduct of migrant workers. This kind of phenomenon used to take place in Japan during the influx of cheap migrant workers from the developing countries that was described as “cultural shock”.

IV. Prevention and suppression of transnational crimes in the border areas

The border between Thailand and Cambodia is approximately 800-kilometers long, stretching along provinces of the lower northeastern part of Thailand from a point

known as “Chong Bok” in Ubon Ratchathani Province (where the Thai, Lao, and Cambodian borders meet and form the so-called “Emerald Triangle”) and ending in Had Lek Sub-district of Klong Yai District, in Trat Province. The lengthy land boundary line became the source and channels for the transfer of all sorts of transnational crimes ranging from illegal migrant workers, trafficking in persons, smuggling of drugs, fake goods, bank notes, cultural artifacts, arms and explosives, vehicles and motorcycles, live animals, wood and illegal logging, terrorism⁴¹, casinos⁴²

⁴¹ The Thai Government has rendered full cooperation to Cambodia on the prevention and suppression of smuggling of woods and illegal loggings by demanding that the registered Thai companies that wish to import timber products from Cambodia must show the Certificate of Origin (C/O) of the said products or evidence issued by the exporting country for the Customs Department’s consideration. The said procedure is according to the announcement of the Ministry of Commerce on the import of goods into the Kingdom (Issue No. 92) B.E. 2535 and regulation of the Ministry of Commerce on the designation of customs checkpoints for the import of timbers into the Kingdom (Issue No. 2) B.E. 2548. The latter regulation stipulates that the customs checkpoints in the provinces of Chiang Mai, Chiang Rai, Tak, Maehongson, Kanchanaburi, Ratchaburi, Petchaburi, Prachuabkirikhan, Chumporn, Ranong, Ubon Ratchathani, Srisaket, Burirum, Surin, Sa Kaeo, Chanthaburi and Trat are designated as the channels for legal import of all kinds of woods and processed timbers from neighbors, including wooden inventions, wooden wares or other things made of wood. The importers should submit the Certificate of Origin (C/O) or evidence declaring the permission given by the authority of exporting country to the Customs Department for consideration. More details, please see the Cabinet’s Resolution dated 7 March 2006 pertaining to the regulation on the import of timber products into Trat Province at http://www.cabinet.soc.go.th/soc/Program2-3.jsp?top_serl=206929&key_word=%E4%C1%E9&owner_dep=&meet_date_dd=7&meet_date_mm=3&meet_date_yyyy=2549&doc_id1=&doc_id2=&meet_date_dd2=&meet_date_mm2=&meet_date_yyyy2=

⁴² In the Thai - Cambodian border areas, there are a number of casinos popping up with a total number of more than 20 of them, all are situated in the Cambodian territories adjacent to the international points of entry where passport and border pass are used as travel document for the cross-border journey and business. The casinos are run as a part of hotel business and it is said that Thai stakeholders play a big role. Thai gamblers lose around 2.43 million USD (approximately 100 million baht) in Cambodia every month. A source at the Royal Thai Embassy in Phnom Penh said that 2,000 Thais cross the border via Klong Leuk - Poipet international point of entry every weekday and at least 5,000 on weekends. The Thai authorities worry the popularity of casinos along the border puts an economic strain on residents living in both Thailand and Cambodia. Moreover, casinos are dealing with illegal activities ranging from money laundry, drugs trafficking, illegal trade of goods, prostitutions, etc. as well as becoming hiding places for criminals and wrongdoers from Thailand. For more details, please look into Wacharin Yongsiri, *Border Trading between Thailand and Cambodia: Problems and Solutions* (Bangkok: Nam Kang Printing, 2004), pp. 185 - 193 (in Thai) and report of the seminar on the formulation of measures to control the Thais who cross the border for gambling in neighboring countries co-organized by students of National Defense College of Thailand classed 43rd and National Defense Course for the Joint State - Private Sectors classed 13th in 2000 in Ratthapirak, National Defence College, October - December 2000, pp. 94 - 101. (in Thai)

etc. Thailand and Cambodia have to cooperate on the prevention and suppression of such crimes through various mechanisms at governmental and local levels and in the context of military and civil operations. Their common efforts to promote peace and stability in the border areas use a great deal of budget and personnel but it seems that the outcome has not yet reached its goals due to some limitations such as influential figures, corruption among Thai and Cambodian officials, a conflict of interest between state authorities and the private sector, inter alia.

The issue of the threat of terrorism is also a part of Thai - Cambodian relations. Cambodia housed a number of Muslims for centuries and is alleged by many sides as heaven and a hiding place of Muslim terrorists. Outstanding case of this issue is the arrest of Mr. Riduan Isamuddin, otherwise known as Hambali who is Chairman of Regional Advisory Council of Jemaah Islamiyah (JI), an Islamic group linked to Al-Qaeda, by Thai police on 15 August 2003 in Ayutthaya Province. Hambali had bounced around incognito in Cambodia before allegedly using a Spanish passport to hide in Thailand.⁴³

After the capture of Hambali in the same year, four men were arrested in Cambodia by being alleged as members of Jemaah Islamiyah and blamed for plotting the bombing in Bali of Indonesia. Among the suspects, two are Thai nationals, namely Abdul Azi Haji Chiming and Muhammad Yalaludin Mading who went to Cambodia as teachers. The arrests were greeted with much international press attention and applause from the United States authorities.⁴⁴ In December 2004, Phnom Penh Municipal Court had sentenced one Cambodian and the two Thai nationals to life imprisonment for helping Hambali. The Cambodian Interior Ministry spokesperson Khieu Sopheak told the press that Umm Al Qura members were waiting for a chance “to strike against important locations, especially Western interests and the United States in Cambodia. The suspects used the humanitarian mission as a “shield” to cover their activities in training terrorists at their school”⁴⁵ On 29 September 2006, the

⁴³ Richard S. Ehrlich, “Bush Recalls the Capture of Hambali in Thailand,” February 13, 2006, <http://www.scoop.co.nz/stories/HL0602/S00121.htm> (Accessed February 2, 2007).

⁴⁴ Amnesty International, “Library Online Documentation Archive,” September 7, 2004, <http://web.amnesty.org/library/index/engasa230062004> (Accessed February 1, 2007).

⁴⁵ Borrull, <http://www.borrull.org/e/noticia.php?id=28428&PHPSESSID> (Accessed January 31, 2007).

Cambodian appeals court upheld a lower court's life prison sentence against them.⁴⁶ Subsequently, both of them submitted petitions to the Supreme Court. Finally, in early 2008, the supreme court also made a decision in favor of a lower court's decision. Although this incident has aroused suspicion among relatives and supporters of the defendants of transparency and due process of law of Cambodia but there is no sign that the case has affected the relations between Thailand and Cambodia.

Moreover, there is a problem related to the Cambodian Muslims who wish to cross Thailand to Malaysia for employment. This is the consequence of the 11 September 2001 terrorist attacks on the United States and bombings on the Indonesian Island of Bali which has brought tough and difficult time for Muslim development in Cambodia.⁴⁷ In recent years, the Thai authorities at the border have noticed an increase in the number of Cambodian Muslims traveling to the deep South of Thailand with unclear purpose and some to Malaysia to find jobs. Amidst the Thai authorities' suspicion, Sith Ybrahim, an ethnic Cham and Secretary of State (Vice Minister) of Cult and Religious Affairs of Cambodia on the contrary emphasized that Cambodian Muslims are not interested in Thailand's separatist violence in the southern part and they do not pay any attention to politics outside the country.⁴⁸ However, Thai security officials have tightened up measures and inspections of Muslim Cambodians as they are trying to contain violence that has rocked the three southernmost provinces of Pattani, Yala and Narathaiwat since 2004.⁴⁹

⁴⁶ International Herald Tribune, "Asia - Pacific," September 29, 2006, http://www.iht.com/articles/ap/2006/09/29/asia/AS_GEN_Cambodia_Terrorism.php (Accessed February 1, 2007).

⁴⁷ Bjorn Blengli, "Islam Anew," *Phnom Penh Post*, August 11-24, 2006, p. 11. In Cambodia, Up to mid-2006, there are currently approximately 321,000 Muslim population (24,000 Muslims in Phnom Penh), 244 Mosques, 417 Muslim villages, 3 - 7 Muslim schools per Muslim village and 1,174 Muslims who made the Hajj in 2005.

⁴⁸ *The Cambodia Daily*, November 28, 2005, p. 21.

⁴⁹ Special News Team, "Authorities Keep Close Eye on Youth Cambodian Muslims to Stir the Deep South," *Khom Chad Leuk*, December 18, 2005, p. 2. (in Thai)

Table 6.2
Statistics of Cambodians who used Passport into Thailand⁵⁰

Year	Arrivals	Departures	Missings
2003	38,722	31,643	7,079
2004	51,953	47,318	4,635
2005 (1 Jan. - 31 Oct.)	58,486	46,744	11,742

Security authorities closely monitor the rise of Muslim Cambodians entering Thailand on their way to the South. The Thai immigration officials at the southern checkpoints including those in Su-ngai Kolok in Narathiwat Province and Sadao in Song Khla Province have been on alert and asked to re-check whether the Cambodian Muslims really crossed the border into Malaysia as they had declared and whether they were carrying goods and items that are considered as dual use such as medicines. The Thai police also alert their Cambodian counterparts for security reasons and because there exists a new Muslim community comprising 50 households located about 10 km from the border town of Poipet. However, there has been no information and confirmation that the Cambodian Muslims have a close link to the violence in the southernmost provinces of Thailand.⁵¹

In coping with the transnational crimes, Thailand and Cambodia have been closely cooperating through various bilateral mechanisms, namely the General Border Committee (GBC) headed by Thai - Cambodian Ministers of Defense, the Border Peace Keeping Committee (BPKC) headed by Supreme Commander-in-Chief of Thailand and Chief of Joint Staff of Cambodia, and the Regional Border Committees (RBCs) headed by Commanding Generals of the First and Second Army Areas and the Chantaburi-Trat Task Force of Thailand and Commanders of the Fifth, Fourth and Third Military Regions of Cambodia respectively.⁵²

⁵⁰ Ibid.

⁵¹ Wassana Nanuam, "Group is going to Malaysia, via South," *Bangkok Post*, November 27, 2005.

⁵² Department of Military Border Affairs, Supreme Commander Headquarters, <http://web.schq.mi.th/~tncbcc> (Accessed July 21, 2007).

V. Consular matters and the protection of national interests

Since the border areas are sources of illegal activities of transnational crimes, the Thai authorities therefore have to strictly undertake their duties in the prevention and suppression of crimes in order to maintain peace and order in the border areas, particularly the suppression of the smugglings of drugs, goods, vehicles and motorcycles. Sometimes, the use of weapons and rigid operation by the Thai authorities against the Cambodian nationals has been distortedly and exaggeratedly reported by the Cambodian newspapers with an aim to draw public attention as it would increase their circulation. On many occasions, the opposition parties used such reports as political tool or the dissidents to pinch the Cambodian Government. This led to misunderstanding and mistrust between the two countries, at both the government and people levels. In some cases, they were raised for debate in the Cambodian National Assembly of Cambodia.

In recent years, the consular matters and the protection of Cambodian nationals have developed into a vital issue in the relations between Thailand and Cambodia, particularly after the anti-Thai riot in Phnom Penh on 29 January 2003. During the meeting between Mr. Piyawat Niyomrerks, Ambassador of Thailand to Cambodia, and Mr. Hor Namhong, Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation, on 1 March 2006, the Cambodian side requested the Thai Ambassador to communicate with the Thai authorities concerned that the Thai police at the border areas should stop acts of violence against the Cambodian migrants regardless of their status. In response, the Thai Ambassador told the Cambodian Deputy Prime Minister that the Thai Government had instructed the Thai police at the border not to act violently against the Cambodian migrants.⁵³ This means that there is still misunderstanding and mistrust at the policy level and it is necessary for the two governments to tune up their understanding with regard to the operation of authorities in the border areas.

⁵³ Ministry of Foreign Affairs and International Cooperation of Cambodia, Press Release, March 1, 2006, <http://www.mfaic.gov.kh/cooperationdetail.php?contentid=1914> (Accessed January 29, 2007).

VI. Cooperation on education and technical assistance

1. Cooperation on education

Policy of the Thai Government on educational cooperation with neighboring countries is aiming to bolster the good relations with them and assist them to eradicate poverty and social problems that would negatively affect Thailand by offering educational and technical cooperation in the areas of Thailand with high potential, i.e. agriculture, education, healthcare service, etc.⁵⁴

Thailand and Cambodia signed the Memorandum of Understanding on Cooperation on Education on 31 May 2003. After the signing of MOU, there were many exchanges of activities between both sides. In December 2004, Mr. Kol Pheng, Minister of Education, Youth and Sports of Cambodia paid a visit to Thailand to strengthen education cooperation between the two countries under the framework of the said MOU. Thailand agreed to render assistance to Cambodia in the areas of special education for handicapped persons, undergraduate education, pre-schooling, sports and culture. In August 2005, Thai high-ranking officials from the Ministry of Education visited Cambodia to further enhance their cooperation and to discuss in detail the assistance to be rendered to Cambodia relating to pre-school curriculums, high school management, special education for handicapped persons, inspections and education management to Cambodian education personnel. Also in September 2005, Mr. Chaturon Chaisaeng, Minister of Education, led a Thai delegation to visit Cambodia to expand cooperation with the Cambodian counterpart on the management and quality control of education of private universities.

There was cooperation in the educational field between the private sector and institutions such as provision of scholarships to nine Thai students to study their neighbors' languages under the sponsorship of the Savings Bank of Thailand, the establishment of the Cambodian Studies Center and the educational exchange programs between Thailand and Cambodia by Burapha University and scholarships for 26 Cambodian students to study at Assumption University (ABAC).

⁵⁴ Somsong Ngamvong, *Cooperation with Neighboring Countries of the Ministry of Education* (Bangkok: Kurusapha, 2003), pp. 3 - 4. (in Thai)

Moreover, Her Royal Highness Princess Maha Chakri Sirindhorn offered assistance to build Kampong Chherteal College in Prasat Sombor District, Kampong Thom Province, to help expand educational opportunities to the Cambodian students to continue their higher standard of education, which shall meet the need of local communities and be beneficial to Cambodia's national development. The construction of the college was completed in 2005. School's curricula are divided into ordinary and vocational fields covering in four areas, namely electricity, electronics, agriculture and animal science and fishery. Until 2006, 1,300 students and some graduated students were selected to further their study in Thailand under the Princess's patronage. The Princess also agreed to extend the assistance to school until 2010.⁵⁵

2. Technical cooperation between Thailand and Cambodia

The Government of Thailand established the Department of Technical and Economic Cooperation (DTEC) in 1963 with a view to promoting economic and social development through international cooperation. DTEC's main function was originally to oversee and deal with the development cooperation programs extended to Thailand as well as the extension of technical cooperation from Thailand to other developing countries. In October 2002, as part of a comprehensive bureaucratic reform initiated by Prime Minister Thaksin's administration, DTEC was transferred to the Ministry of Foreign Affairs after 30 years under the umbrella of the Office of the Prime Minister. This transfer coincided with the evolution of Thailand's role in the international cooperation community to the extent that Thailand has altered her position from playing the role of an aid recipient to that of an aid donor. DTEC therefore changed its name to Thailand's International Cooperation Agency (TICA). Within five years from 1998 to 2002, Lao PDR received the largest share of Thailand's technical cooperation budget, amounting to 307.83 million baht. Cambodia

⁵⁵ External Relations Bureau, Office of Permanent Secretary, Ministry of Education of Thailand, <http://www.bic.moe.go.th> (Accessed December 20, 2006).

received assistance with total value of 125.68 million baht while Vietnam and Myanmar received 87.67 million baht and 47.55 million baht respectively.⁵⁶

Thailand and Cambodia commenced their technical cooperation in 1991 under the two frameworks, namely the Joint Commission (JC) on Bilateral Cooperation between Thailand and Cambodia co-chaired by Minister of Foreign Affairs of the two countries and Annual Consultation on Technical Cooperation between Thailand and Cambodia. The main objective of the assistance is to support the Cambodian Government in its implementation of the so-called National Program to Rehabilitate and Develop Cambodia, the Socio-Economic Development Plan and Millennium Development Goals (MDGS). As Cambodia is one of Thailand's closest neighbors, Thailand has therefore given high priority to Cambodia and emphasized three areas of cooperation, namely agriculture, education and healthcare service as well as other areas such as providing assistance upon Cambodian requests, i.e. human resource development, rural development, industrial development, cooperation on trade, investment, information technology, tourism and management, etc. Moreover, TICA also extended assistance to Cambodia under the framework of ACMECS.

Examples of Thailand's technical assistance through TICA were medical training for personnel of Samrong Referral Hospital (2002 - 2004), the establishment of Cambodian - Thai Skill Development Center in Phnom Penh with an aim to develop worker's skill to fill in Cambodia's labor market, Animal Health Improvement Projects in the Northwestern Provinces of Cambodia, etc. Moreover, TICA provides a great number of scholarships to Cambodian students at master degree, short-term training programs and study visits in Thailand.⁵⁷ In summary, from 1993 to 2006, Thailand provided technical assistance through TICA in the with amount of 494.30 million baht (16.70 million baht in 1993, 19.80 million baht in 1994, 18.10 million baht in 1995, 45.90 million baht in 1996, 56.10 million baht in 1997, 44.50 million baht in 1998, 15 million baht in 1999, 13.20 million baht in 2000,

⁵⁶ Department of Technical and Economic Cooperation (DTEC), "Thai International Cooperation Program 2002 Report (October 2001 - September 2002)" (Bangkok: DTEC, 2002). (in Thai)

⁵⁷ Department of Thailand's International Cooperation Agency, Ministry of Foreign Affairs of Thailand, March 2005.

25.85 million baht in 2001, 54.08 million baht in 2002, 81.35 million baht in 2003, 38.38 million baht in 2004, 36 million baht in 2005, 29.34 million baht in 2006).⁵⁸

VII. Power cooperation

1. Purchase of power from Thailand

In Cambodia, electricity sells at between 600 and 2,000 riel (6 - 20 baht) per kilowatt-hour, among the highest prices in the world. This is the reason why the Cambodian Government has sought cooperation to connect the high-tension electricity lines from neighboring Thailand and Vietnam into Cambodia which could reduce the electrical cost to as low as 250 riel (2.5 baht) per kilowatt-hour. However, Cambodia's electrical supply remains underdeveloped.

For the power cooperation with Thailand, the Ministry of Industry, Mines and Energy of Cambodia signed an agreement on power purchasing with Thailand's Electricity Generating Authority of Thailand (EGAT) to connect 115 KV lines to supply 85 MW of power to Banteay Meanchey, Siem Reap and Battambang Provinces. The project is estimated to cost approximately 20 million USD and will run for 12 years under a build-operate-transfer (BOT) agreement. The problem is that the electrical poles and high-tension lines to be connected in the border areas are constructed in the overlapping claimed areas between Thailand and Cambodia in the areas between the boundary posts No. 48 and No. 49. However, after tough negotiation for a couple of years and some measures that were established for the protection of their respective legal rights related to the borderline, the connection of high-tension lines between Thailand and Cambodia was realized at the end of 2007.

Following this incident, with an aim to help mitigate the power shortage situation in Cambodia, Samdech Hun Sen, Prime Minister of Cambodia, made an announcement on 27 November 2006 inviting foreign investors, particularly from China, to help develop hydroelectric power plants in Cambodia and to further

⁵⁸ Thai Cooperation Branch I, Development Cooperation Bureau, Thailand's International Cooperation Agency (TICA), July 2007.

diversify the power supply away from costly gasoline and diesel generation.⁵⁹ This is another opportunity for investors from Thailand to play a greater role in the development of energy and power in Cambodia.

2. Development of hydropower plant

Thailand and Cambodia were planning for a decade on the development of the Stoeung Mnam / Stoeung Metuk hydropower plant in Koh Kong Province of Cambodia and Trat Province of Thailand. The project comprises three parts, a dam to block waters flowing from Stoeung Mnam river, a reservoir and water release pipes to the electricity-generating factory. A feasibility study has shown that the dam could be constructed in either Thailand or Cambodia. The budget for the construction shall be from various sources. The Thai side also considers using water flowing from the power plant before it is released into the sea, i.e. to be irrigated for agricultural or industrial purposes in the eastern part of Thailand which is heavily in need of water. The reasons the construction project has been kept on the shelf is that there are land-mines heavily planted in the area of the construction project and de-mining cost is very high, approximately 20 baht per square meter. Moreover, the two countries are competing to have the electricity-generating plant constructed within its territory, due to the fact that the released water from the power plant is useful for agriculture and industry. Moreover, Samdech Hun Sen, Cambodian Prime Minister, who paid a working visit to Thailand on 13 - 14 May 2005 also followed up on the development project of Stoeung Mnam / Stoeung Metuk with Prime Minister Thaksin.⁶⁰ Until the end of Thaksin's administration, the cooperation on the development of this hydropower plant still lacks concrete progress.

⁵⁹ Cheang Sokha, "Grid holds hope of cheaper power in 2008," *Phnom Penh Post*, December 1-14, 2006, Business Section, p. 7.

⁶⁰ Kraisak Choonawan, "Relations and Problems in the Thai - Cambodian Border Areas," *Foreign Policy Remarks* 1 (2002): 32 - 45. (in Thai)

VIII. Land transportation linkage

1. Road development

1.1 Development of National Road No. 48 (Koh Kong - Sre Amble)

On 26 May 2003, the Thai cabinet passed a resolution agreeing to help Cambodia to develop National Road No. 48 (Koh Kong - Sre Amble) with its length of 152 kilometers as part of the South-South Corridor under the framework of GMS linking between Bangkok - Phnom Penh - Ho Chi Minh City. The official assistance comprised:

(1) Grant aid with the amount of 288 million baht to be used for the construction of 4 bridges along the road and 5 million baht for the study of potential and economic activities of the road;

(2) Soft loan with the amount of 567.8 million baht to be used for the development of National Road No. 48 by the Cambodian side. The signing of the loan agreement took place on 9 July 2003.

On 3 August 2004, the Thai cabinet passed another resolution agreeing to provide additional loan to Cambodia with the amount of 300 million baht to be used for the reduction of slope and enhancement of traffic safety en-route through the National Road No. 48 to ensure that trucks with containers are able to run through the sloping road. Thus, the total value of the soft loan extended to Cambodia is 867.8 million baht.⁶¹ The development of National Road No. 48 is completed and opened to public use on 14 May 2008. It would facilitate transportation, trade, investment, and tourism between eastern Thailand (Chonburi, Rayong, Chantaburi, Trad), Cambodia (Koh Kong, Sihanouk Ville, Kampot, Phnom Penh, Svay Rieng) and the southern part of Vietnam (Tay Ninh, Ho Chi Minh City, Baria-Vung Tao).

1.2 Development of National Road No. 67 (Sa-ngam - Anlong Veng - Siem Reap)

On 10 June 2003, the Thai cabinet passed a resolution agreeing to render official assistance to Cambodia for the development of National Road No. 67, with its

⁶¹ Thai Business Council in Cambodia, http://www.tbcc-kh.com/Announcement_kh.htm (Accessed February 1, 2007).

length of 151 kilometers, linking Sa-ngam Pass in Srisaket Province with Anlong Veng District in Oddar Meanchey and Siem Reap Provinces of Cambodia. The assistance comprised:

(1) Grant aid with amount of 126 million baht to be used for the survey works and the design of National Road No. 67 linking between Sa-ngam - Siem Reap (18 million baht) as well as the construction of National Road No. 67 section Sa-ngam - Anlong Veng (95 million baht) and the rehabilitation of the road section Sa-ngam - Siem Reap pending the development of the road to be carried out by the Cambodian side at the later stage (13 million baht);

(2) Soft loan with the amount of 1,300 million baht to be used for the development of National Road No. 67 section Anlong Veng - Siem Reap which would be carried out by the Cambodian side.⁶²

The 1,300 million baht loan agreement was signed on 10 August 2005 during a visit to Cambodia by caretaker Prime Minister Thaksin, between representatives of Thailand's Neighboring Countries Economic Development Cooperation Agency (Public Organization) (NEDA), Export-Import Bank of Thailand (EXIM Thailand), and Senior Minister / Minister of Economy and Finance of Cambodia. The loan has been used to finance the Cambodian Government's procurement of goods and services from Thailand for the development of National Road No. 67. The Cambodian Government was required to engage with the Thai construction contractors and project consultants to fulfill this project.⁶³

After the completion of the development of National Road No. 67 in 2009, the Thai and Cambodian people will benefit from a more convenient land transportation network and the expansion of trade and investment between the two countries. The project will also help enhance regional tourism stretching from the Northeastern of Thailand to Cambodia's Angkor Wat and Angkor Thom, which is formerly famous as one of the Seven Wonders of the World, in Siem Reap Province. This will eventually result in the rising demand for Thai products including construction materials, agricultural equipment, consumer products, etc.

⁶² Ibid.

⁶³ Public Relations Division, EXIM Thailand.

Thailand's assistance to Cambodia for the development of roads is in line with the Cambodian Government's national policy. This appeared in the Prime Minister of Cambodia's statement in an official inauguration of the 18-km section of National Road No. 67 (Section Sa-ngam Pass - Anlong Veng) and the commencement of the development work of the 131-km section of National Road No. 67 (Section Anlong Veng - Siem Reap) on 27 December 2006 that

*....The Cambodian Government is still strongly committed to successfully accelerate economic growth and social development, which aim at rapid poverty reduction of Cambodian people. In this spirit, "roads and bridges remain the hope and are necessary means to accelerate economic growth and contribute to national development through improving the living standard and welfare of our people.The new road help develop the additional road network, which will facilitate those people living along in their travel, communication, job finding and doing business, as well as enhancing the capacity of road transportation, exchange of goods, expansions of agriculture and industry and improving the access to health services, effective education and income generation for the people so that they can escape from the poverty.Indeed, the tremendous benefits from transportation infrastructure will make our hope come true as old saying "having road means having hope".*⁶⁴

2. Railways development

Cambodia's railway is in a poor condition as a result of prolonged war and decades of neglect. The last 48 kilometers of track linking the border town of Poi Pet in Banteay Meanchey Province of Cambodia and that of Aranyaprathet District in Sa Kaeo Province of Thailand were destroyed during the internal conflicts. The Asian Development Bank therefore provides the budget of 42 million USD to help rehabilitate Cambodia's railway network and reconstruct the destroyed lines as a step

⁶⁴ Cambodia New Vision, the Cabinet of Samdech Hun Sen, Prime Minister of Cambodia, http://www.cnv.org.kh/2006_releases/27dec06_anlongveng_road.htm (Accessed February 4, 2007).

toward the boosting of regional transport links under the Greater Mekong Sub-region Program. The project is co-financed by a 13 million USD loan from the OPEC Fund for International Development. The Government of Cambodia will contribute 15.2 million USD.⁶⁵ Malaysia also contributed a grant (in kind) of used rails with total length of 106 kilometers and value of 75 million baht.⁶⁶

For Thailand's part, Caretaker Prime Minister Thaksin pledged a financial assistance of 100,000 USD (about 3.7 million baht) to Cambodia in a bid to help it speed up the long-delayed rail project which would link Aranyaprathet District and Cambodia's Si Sophon District. The Thai prime minister's offer would cover the freight charge to transport old railway components from Malaysia's Padang Besar to Aranyaprathet in Sa Kaeo Province. However, Prime Minister Thaksin turned down a Cambodian request for 13 million USD or about 480 million baht in loans for the entire project in Cambodia. Instead, Thailand urged his Cambodian counterpart to turn to the Asian Development Bank by giving a bold reason that "Thailand is not rich enough to provide a huge amount of money".⁶⁷

After the completion of the rehabilitation project in 2009, the railway in Cambodia shall form a strategic part of the Greater Mekong Sub-region's Southern Corridor that connects Cambodia, Thailand, and Viet Nam. Restoring it will pave the way for the proposed future construction of a new railway line between Phnom Penh and Ho Chi Minh City in Viet Nam. This would complete the Singapore-Kunming Railway Link (SKRL)⁶⁸ and further strengthen economic development and regional cooperation among the three countries.⁶⁹ Within Cambodia, efficient railway services will improve the efficiency of the transport sector at large by offering a safe and cost-effective alternative to truck transport for heavy and hazardous cargoes such as

⁶⁵ Asian Development Bank, "Restoration of Cambodia's Railway to Boost Regional Transport Links," <http://www.adb.org/Media/Articles/2006/11183-cambodian-railway-projects/default.asp> (Accessed December 19, 2006).

⁶⁶ "Malaysia is ready to transport 4.2 tones of rails to Aranyaprathet for Cambodia to connect Singapore – Kunming," *Manager Daily*, November 1, 2006, p. 10. (in Thai)

⁶⁷ *Bangkok Post*, September 11, 2006, p. 2.

⁶⁸ Singapore - Kunming Rail Link (SKRL) is a regional cooperation under the ASEAN framework. The rail link project will start from Singapore through Malaysia, Thailand, Cambodia, Vietnam to Kunming in the southern part of China PRC with the total length of 5,000 kilometers. The SKRL shall connect with railways of trans-syberia and finally those of Europe.

⁶⁹ Asian Development Bank.

cement, containers and fuel. This would help reduce the general transport costs and would cut down future heavy truck traffic on the roads. This in turn reduces the future cost of road maintenance and the risks of traffic accidents, by easing traffic and keeping transports of hazardous materials away from the crowded villages and towns.

IX. Economic cooperation between Thailand and Cambodia

1. Trade relations between Thailand and Cambodia

1.1 Bilateral Trade

In 2000 - 2006, bilateral trade between Thailand and Cambodia reached 204,780.6 million baht and Thailand had a trade surplus with Cambodia of about 193,688.16 million baht. In 2000 alone, the trade value between them was 14,665.5 million baht before increasing steadily from 21,316.4 million baht to 22,622.3 million baht, 29,183.6 million baht, 30,204 million baht, 38,137.7 million baht and 48,651.10 million baht in 2001 - 2006 respectively.

For export, in 2000 - 2006, Thailand's export to Cambodia was worth 199,234.38 million baht and the export volume increased constantly. In 2000, Thailand exported goods to Cambodia in the amount of 14,348.8 million baht before rising up to 20,771.2 million baht, 22,140.8 million baht, 28,676 million baht, 29,091.3 million baht, 36,867.6 million baht and 47,338.68 million baht in 2001 - 2006 respectively. Major Thai exporting products to Cambodia included oil and gasoline, sugar, cement, soft drinks and energy drinks, motorcycles and parts, etc.

For import, in 2000 - 2006, Thailand imported goods from Cambodia with total value of 5,546.22 million baht. In 2000 - 2006, Thailand's import from Cambodia reached 316.7 million baht, 545.2 million baht, 481.5 million baht, 507.6 million baht, 1,112.7 million baht, 1,270.1 million baht and 1,312.42 million baht respectively. Major imported goods from Cambodia were vegetables and related products, iron, steel and related products, minerals, metal fragments, garment products, livestock and agricultural products, etc.

1.2 Border trade

In 2000 - 2006, border trade between Thailand and Cambodia reached 154,309.73 million baht or equivalent to approximately 75 - 80 percent of the bilateral trade between the two countries and it increased every year at a steady pace. The volume of border trade between the two countries ranked fourth and made approximately 6 - 7 percent of Thailand's border trade with neighboring countries.⁷⁰ Thailand gained border trade surplus with Cambodia worth 141,072.13 million baht. In 2000 alone, border trade between them was 11,249.50 million baht before increasing to 15,742.99 million baht, 18,850 million baht, 17,782.02 million baht, 23,529.70 million baht, 31,128.18 million baht and 36,027.34 million baht in 2001 - 2006 respectively.

For export via border areas in 2000 - 2006, Thailand exported to Cambodia in the amount of 147,690.17 million baht and the value kept increasing steadily. The export volume in 2000 reached 10,810.30 million baht and increased to 15,358.85 million baht and 18,383 million baht in 2001 and 2002 respectively. Affected by the anti-Thai violence in Cambodia and a short closure of the Thai - Cambodian border checkpoints in early 2003, the export volume in 2003 dropped slightly to 16,794.20 million baht before gaining its strength to 22,083.17 million baht, 29,592.77 million baht and 34,667.88 million baht in 2004 - 2006 respectively. Major Thai goods exported to Cambodia via the border areas included agro-industrial products, vehicles, parts and components, garment products and fuel products, etc.

For import via border areas in 2000 - 2006, Thailand imported from Cambodia in the amount of 6,618.80 million baht and the volume was varied. The import value in 2000 was 439.2 million baht before it slightly dropped to 384.15 million baht in 2001. After that, the import increased markedly to the level of 466.24 million baht, 987.82 million baht, 1,446.53 million baht and 1,535.4 million baht in 2002 - 2005 respectively before slightly falling to 1,359.46 million baht in 2006.

⁷⁰ In 2004-2006, volume of border trade between Thailand and neighboring countries reached 1,316,938.10 million baht. The proportion of border trade in the bilateral trade between Thailand and Malaysia, Myanmar and Lao PDR in the said period were 60-64%, 19 - 20% and 8 - 9% respectively. For more details, please visit the website of the Department of Foreign Trade at <http://www.dft.moc.go.th/level3.asp?level2=110> (Accessed August 25, 2007).

Major imported goods from Cambodia were garment products, iron and metal products, construction materials, agricultural products, marine products, livestock, wood and processed wood products, etc.⁷¹

Thailand and Cambodia have to rely on each other in doing border trade due to the fact that Thailand sells consumer products, construction materials, agricultural machines, fuel products, vehicles and motorcycles to Cambodia while Cambodia, vice versa, sells agricultural products, natural resources such as fresh water marine products, cattle and gems to Thailand. It is believed that the border trade between Thailand and Cambodia still has a bright future on the grounds of economic expansion, continuous development of transportation network, and the construction boom in Cambodia as it appeared that the border trade volume between the two countries in 2006 hit a record of more than 36,000 million baht. This has caused strong trade deficits in the trade relations between the two countries.

To improve the situation, Thailand has sought and applied new measures to help Cambodia produce a variety of products to sell to Thailand which would finally reduce Cambodia's large trade deficit. To this effect, Thailand has encouraged Cambodia to grow more cash crops that are needed by the Thai market, imported agricultural products at 0 % import duty under the ACMECS scheme, and promoted the investment in the border areas with a view to generating employment among the Thai and Cambodian people who are residing in the said areas.

⁷¹ Department of Foreign Trade, Ministry of Commerce of Thailand, [http://www.dft.moc.go.th/level4Frame.asp?sPage=the_files/\\$\\$59/level3/trade.htm&level3=1091](http://www.dft.moc.go.th/level4Frame.asp?sPage=the_files/$$59/level3/trade.htm&level3=1091) (Accessed January 31, 2007).

Table 6.3
Bilateral Trade between Thailand and Cambodia (2000 - 2006)⁷²

Unit: Million Baht

Items	2000	2001	2002	2003	2004	2005	2006
Bilateral Trade							
Trade Value	14,665.50	21,316.40	22,622.30	29,183.60	30,204.00	38,137.70	48,651.10
%△	(5.21)	(45.35)	(6.13)	(29.01)	(3.50)	(26.27)	(27.79)
Export	14,348.80	20,771.20	22,140.80	28,676.00	29,091.30	36,867.60	47,338.68
%△	(7.22)	(44.76)	(6.59)	(29.53)	(1.45)	(26.73)	(28.63)
Import	316.70	545.20	481.50	507.60	1,112.70	1,270.10	1,312.42
%△	(43.13)	(72.15)	(11.68)	(5.42)	(119.21)	(14.15)	(3.34)
Trade Balance	14,032.10	20,226.00	21,659.30	28,168.40	27,978.60	35,597.50	46,026.26
Border Trade							
Trade Value	11,249.50	15,742.99	18,850.00	17,782.02	23,529.70	31,128.18	36,027.34
%△	(7.18)	(39.94)	(19.74)	(-5.67)	(32.32)	(32.29)	(15.74)
Export	10,810.30	15,358.85	18,383.00	16,794.20	22,083.17	29,592.77	34,667.88
%△	(9.36)	(42.08)	(19.69)	(-8.65)	(31.49)	(34.01)	(17.15)
Import	439.20	384.15	466.24	987.82	1,446.53	1,535.40	1,359.46
%△	(28.08)	(12.55)	(21.37)	(111.87)	(46.44)	(6.14)	(-11.46)
Trade Balance	10,371.10	14,974.70	17,917.52	15,806.38	20,636.64	28,057.37	33,308.42

Table 6.4

Thailand's Top Ten Products Exported to Cambodia via Border Areas (2004-2006)

Unit: Baht

No.	2004		2005		2006 (January - October)	
	Product Item	Value	Product Item	Value	Product Item	Value
1	Agro-industrial Products	3,343.19	Agro-industrial Products	4,659.20	Agro-industrial Products	5,336.70
2	Vehicles, Equipments & Parts	2,562.70	Miscellaneous Products	2,783.21	Miscellaneous Products	4,184.18
3	Fuel Products	2,038.78	Textile Products	2,708.43	Vehicles, Equipments & Parts	4,181.02
4	Construction Products	1,663.74	Vehicles, Equipments & Parts	2,650.29	Textile Products	3,383.48
5	Soft Drinks & Energy Drinks	1,113.02	Fuel Products	2,020.93	Industrial Products	2,372.21
6	Textile Products	840.45	Soft Drinks & Energy Drinks	1,473.93	Fuel Products	2,104.37
7	Chemical Products	667.82	Electric Appliances, Equipments & Parts	1,465.57	Construction Products	1,762.87
8	Consumer Products	528.44	Construction Products	1,418.06	Soft Drinks & Energy Drinks	1,252.92
9	Consumer Products	492.52	Consumer Products	872.96	Electric Appliances, Equipments & Parts	522.24
10	Electric Appliances, Equipments & Parts	-	Consumer Products	780.09	Chemical Products	484.74
Total		13,250.66		20,832.67		25,584.73
Others		8,514.30		8,760.10		3,314.26
Total		21,764.96		29,592.77		28,898.99

⁷² Adapted from Table of Volume of Trade between Thailand and Cambodia, Department of Foreign Trade, Ministry of Commerce of Thailand, [http://www.dft.moc.go.th/level4Frame.asp?sPage=the_files/\\$59/level3/cambodia_8.htm&level4=1875](http://www.dft.moc.go.th/level4Frame.asp?sPage=the_files/$59/level3/cambodia_8.htm&level4=1875) (Accessed August 25, 2007).

Table 6.5

Thailand's Top Ten Products Imported from Cambodia via Border Areas (2004 - 2006)

Unit: Baht

No.	2004		2005		2006 (January - October)	
	Product Item	Value	Product Item	Value	Product Item	Value
1	Iron & Steel Products	329.33	Agricultural Products	341.39	Iron & Steel Products	216.06
2	Woods, Processed Woods and Products	215.10	Textile Products	306.48	Textile Products	207.49
3	Agricultural Products	183.95	Woods, Processed Woods and Products	232.57	Construction Products	168.51
4	Marine Products and Livestock	100.47	Iron & Steel Products	118.97	Agricultural Products	120.36
5	Textile Products	74.09	Marine Products and Livestock	79.34	Miscellaneous Products	71.16
6	Vehicles, Equipments and Parts	24.65	Agro-industrial Products	77.64	Marine Products and Livestock	50.44
7	Metal Products	15.88	Paper Products	21.42	Paper & Pulp Products	42.77
8	Non-electric Machine & Equipments	15.78	Miscellaneous Products	21.42	Agricultural Products	42.44
9	Paper & Pulp Products	15.70	Pulp Products	11.19	Woods, Processed Woods and Products	35.42
10	Agro-industrial Products	11.16	Metal Products	9.97	Vehicles, Equipments and Parts	3.99
Total		986.11		1,220.39		958.64
Others		460.42		315.01		16.40
Total		1,446.53		1,535.40		975.04

1.3 Promotion of trade relations through the Joint Trade Committee

In 2000, Thailand and Cambodia signed in Bangkok the Memorandum of Understanding on the Establishment of Thailand - Cambodia Joint Trade Committee as mechanism for the promotion and determination of solutions to issues in the trade relations between the two countries. After the establishment, the said committee held its first and second meetings with the following results:

1.3.1 On 8 March 2004, the first meeting of the Joint Trade Committee was held in Thailand which was co-chaired by Mr. Watana Muangsook and Mr. Cham Prasih, Ministers of Commerce of Thailand and Cambodia respectively. The objective of the meeting aimed to lay solid groundwork for both countries to cooperate on the trade relations which mostly emphasized trade facilitation under the framework of ACMECS.⁷³ Highlights of the achievements of the meeting are as follows:

⁷³ Opening statement by Mr. Watana Muangsook, Minister of Commerce of Thailand, on the occasion of the first meeting of the Joint Trade Committee (JTC) between Thailand and Cambodia held on 8 March 2004 in Bangkok.

(1) Both sides shall designate their respective financial institutions to promote cooperation on account trade. The Thai side tasked the Export-Import Bank of Thailand to work out with the Cambodian side in details;

(2) Thailand shall purchase 8 categories of agricultural products from Cambodia, namely soybean, maize, sweet corn, castor-beans, potatoes, cashew nuts, peanuts, eucalyptus at 0 % of import duty. This undertaking shall enable Cambodia to export more products to Thailand and help improve the trade balance between Thailand and Cambodia at certain level;

(3) Thailand shall increase the list of goods under the ASEAN Integration System of Preferences (AISP)⁷⁴ from 48 items in 2003 to approximately 310 items in 2004, such as frozen crab, dried chili, cotton seed, broom, cotton goods and synthetic fabrics, plate and floor cleaning cloth, etc.;

(4) Thailand shall bear expenses for Cambodian businessmen to participate in 12 trade exhibition fairs to be held in Thailand including Gems and Ornaments Fairs, Fashion and Leathers Fairs, Food Fairs;

(5) Both sides shall encourage cooperation on customs by adopting the One Stop Service scheme as pilot project at the Klong Leuk - Poi Pet international point of entry with a view to simplifying the customs procedures and facilitating the border trade which would eventually help expand the volume of bilateral trade between Thailand and Cambodia;

(6) Thailand has undertaken the feasibility study on the establishment of the central market for export and import in Cambodia which would finish in 2004.

http://www.dtn.moc.go.th/web/185/OpeningRemarks-Thai.asp?g_id=185&f_id=3566
(Accessed August 27, 2007).

⁷⁴ AISP is a new measure to provide special customs preferences to new members of ASEAN, namely Cambodia, Lao PDR, Myanmar and Vietnam (CLMV) for 8 years (1 January 2002 - 31 December 2009) under the Initiative for ASEAN Integration (IAI) which is voluntarily offered by the the rest of ASEAN members without negotiations. In 2002 - 2005, Thailand has already provided AISP to Cambodia for 48, 49, 309 and 340 items respectively. Important Cambodian products under the AISP scheme are cattles, fish baby for breeding, shrimp (fresh or dried), crab, sweet corn, longan, lychee, dried chili, soybean, sesame, milk bottle, mat, artificial fabric textile, garment products (polyester / animal fur), panties, shoe, metal frame / structure, etc. See more details at the website of the Department of Trade Negotiations, Ministry of Commerce of Thailand, [http://www.dtn.moc.go.th/ web](http://www.dtn.moc.go.th/web) (Accessed on 17 February 2007).

The central market shall be used as the accumulation and distribution center for goods, particularly agricultural products;

(7) Both sides called for the inclusion of cooperation on transboundary transportation under the Agreement on the Transboundary Transportation in the Greater Mekong Sub-region within 2005.⁷⁵

1.3.2 From 14 to 16 February 2006, Cambodia hosted the Second Meeting of the Joint Trade Committee between Thailand and Cambodia in Siem Reap Province which was co-chaired by Mr. Somkid Jatusriphitak, Deputy Prime Minister and Minister of Commerce of Thailand, and Mr. Cham Prasidh, Minister of Commerce of Cambodia. The meeting was said to have achieved fruitful results which served as important groundwork for both sides to enhance the commercial relations between the two countries as follows:

(1) Setting up goals on trade, investment and tourism Both sides agreed to double their bilateral trade and investment volume within a period of 3 years (2006-2008) and to double a number of package tour visitors from the third countries to travel to Thailand and Cambodia within 3 years.

(2) Economic cooperation strategy

(a) Strengthening of entrepreneurs: Both sides concurred to develop and improve the economic skills of Cambodian entrepreneurs in order to be prepared for economic expansion and everchanging business environment.

(b) SMEs and OPOP/OVOP: The Thai side shall support and help Cambodia develop the One Province One Product: (OPOP) / One Village One Product (OVOP);

(c) Technical assistance: The Cambodian side asked the Thai side to render assistance on the training courses to Cambodian officials in trade and commercial field;

(d) Trade Fair: Supporting Cambodia to take part in 10 trade fairs (6 booths per each trade fair) to be held in Thailand in the year 2006, namely Gems

⁷⁵ Department of Trade Negotiations, Ministry of Commerce of Thailand, http://www.dtn.moc.go.th/web/62/566/8-Mar-47.asp?g_id=566&f_id=3559 (Accessed August 27, 2007).

and Ornaments Fairs, Gifts and Souvenirs Fairs, Garments and Textiles Fairs, Food Fairs and Furniture Fairs.

(3) Strategy in conformity with ASEAN 2 + X

(a) Tourism: Both sides agreed to use the ACMECS Single Visa scheme as core mechanism to increase the number of foreign tourists from the third countries to travel to Thailand and Cambodia. Moreover, they shall cooperate to develop tourist-related businesses;

(b) Investment in the Special Economic Zone (SEZ): The Thai investors have shown interest to invest in the SEZ in various fields, i.e. energy, telecommunication, agriculture, fishery, textile, wooden furniture.⁷⁶

2. Thailand's investment in Cambodia

In terms of the accumulated investment (fixed asset) from Thailand to Cambodia from August 1994 to September 2004, hotel-tourism, manufacturing, transportation, communication and agro-industry accounted for 48.4, 24.4, 19.5 and 7 percent respectively of the total 255 million USD. With regard to the building of hotels, there was a great deal of investment by foreign funds, starting from Singapore's Hotel Cambodian in 1990. The advancement by Thailand was approved for 9 projects from 1994 to 2004, 4 of which were approved in 1996 (see Table 6.6 and ANNEX 4). Thai hotels advanced not only to Phnom Penh but also to local cities such as Battambang, Koh Kong and Siem Reap Provinces.

In the early 1990s, transportation, hotels and construction accounted for the majority of investment from Thailand. Recently, Thailand has also invested in manufacturing such as garments and plastics. The major fields in the 31 manufacturing projects approved were food processing (9), textile-garments (6), chemicals (5) and wood processing (3). Particularly, for the food processing industries, Thailand invested in the manufacturing of drinking water, noodles, liquor, fish-processing, and dry foods.

⁷⁶ Bureau of East Asian Economic Cooperation, Department of Trade Negotiations, Ministry of Commerce of Thailand, February 2006.

Considering the developmental stage of Cambodia, potential of the agro-industry is considered high. A representative Thai agro-industry, CP (Charoen Pokphand) has since 1996 carried out production of animal food, broiler farming, and breeding of chickens and running the related fast food restaurants in Cambodia. Even in communication industries, such important infrastructure as aviation control systems, the broadcasting operations of radio and television (Channel 3) and mobile telephones have been supported by Thai industries. The Shinawatra group owned by Prime Minister Thaksin entered the Cambodian market in 1999.

In June 2004, high-ranking officials from the Cambodian Ministry of Commerce visited Thailand and recommended the use of the GSP (Generalized System of Preference) quota which Cambodia was allocated in Europe and the United States by Thai investments in the manufacturing sectors. In addition, Cambodia recommended that Thailand should invest in agriculture and food processing in which Thailand could profit from the procurement of raw materials while Cambodia could gain from the benefit of technology transfer.⁷⁷

In 2003 – 2004, Thailand's investment in Cambodia grew at about 0-5 percent as a result of the anti-Thai violence that took place in early 2003. In 2004 onwards, investment from Thailand gradually took firm root once again in Cambodia. Mr. Vinai Virapuchong, President of Thai Nakhon Pattana Co., Ltd., whose business in Cambodia had been severely affected by the afore said violence in Cambodia in 2003, made his decisive determination to stay in Cambodia and rebuild the Royal Phnom Penh Hotel, which is scheduled to complete its construction works in 2009. Mr. Suphachai Virapuchong, Managing Director of Thai Nakhon Pattana Co., Ltd., also spent hundreds of millions baht to construct Phokeethra Country Club, the first international-class golf course in Siem Reap Province, to serve the tourism expansion in this ancient city of Cambodia where more than 1.4 million foreign tourists visited in 2005 and is expected to hit 3 million tourists within 2010.

⁷⁷ Takao Tsuneishi, "The Regional Development Policy of Thailand and Its Economic Cooperation with Neighboring Countries," (A Discussion Paper No. 32, Institute of Developing Economies, July 2005), pp. 24 - 25 and 40, http://www.ide.go.jp/English/Publish/Dp/pdf/032_tsuneishi.pdf (Accessed February 17, 2007).

Table 6.6
Thailand's Direct Investment in Cambodia (August 1994 - September 2004)

Category	No.	Ratio(%)	Registered capital (US\$1,000)	Ratio(%)	Fixed asset (US\$1,000)	Ratio(%)	Contents
Agro-industry	5	8.9%	16,666	11.3%	14,394	7.0%	animal feed 2 projects (CP 1), sugar refining, tapioca mill, tanning. 1project each
Mining	1	1.8%	1,980	1.3%	173	0.1%	sand taking
Manufacturing	31	55.4%	54,752	37.1%	50,085	24.4%	
Food processing	9	16.1%	7,448	5.1%	14,684	7.1%	drinking water, needle, liquor, icecream etc.
Wood working	3	5.4%	33,920	23.0%	22,131	10.8%	furniture making 3 projects
Textile-garment	6	10.7%	5,775	3.9%	7,555	3.7%	garment factory 6 projects
Transport Machine	1	1.8%	2,000	1.4%	1,150	0.6%	motorcycles assembly (Hond)
Chemicales	5	8.9%	2,294	1.6%	2,013	1.0%	plastic (2), battery, paint, detergent, one each
Oil-gass	3	5.4%	815	0.6%	733	0.4%	lubricating oil (1) LNG (2)
Construction materials	2	3.6%	1,250	0.8%	278	0.1%	cement (1), roof tile(1)
Others	2	3.6%	1,250	0.8%	1,541	0.7%	carton box (1), cigarette(1)
Hotel-tourism	12	21.4%	54,300	36.8%	99,537	48.4%	hotel construction-operation 9 projects
Hotel	9	16.1%	52,000	35.3%	95,262	46.4%	1996 approval (4), 2000 approval (2)
Tourism	3	5.4%	2,300	1.6%	4,275	2.1%	agro-tourism, museum, bowling alley
Transportation communication	6	10.7%	19,689	13.4%	40,053	19.5%	airport-control-system operation, telecommunication 3 projects(one is Sinawatra), TV broadcasting 2projects
Construction	1	1.8%	40	0.0%	1,273	0.6%	road construction
Total (Note)	99	176.8%	147,427	100.0%	205,515	100.0%	

(Notes) Number and amount are the accumulated figures from August 1994 to September 2004. Although the total figure of the registered capital shown by the CIB is US\$135,952,000 that is different from the actual calculated figures (147,427,000), here listed the later.

The figure of fixed asset shown by the CIB is 205,543,000 that is also different from the actual accumulated figure a little. Therefore, the fixed asset is used here.

(Source) Author's calculation from Cambodian Investment Board, Council for the Development of Cambodia.

Moreover, Thai Beverage Group of Beer Chang is another Thai business scheduled to invest in the construction of a five star hotel in Siem Reap Province and to grow oil plants of hundreds of thousands rais in Koh Kong Province. Other than investing in the telecommunication field, Samart Corporation also won a concession to construct and manage a new historical museum belonging to the Cambodian government in Siem Reap Province.⁷⁸

X. ACMECS

1. Overview

In the aftermath of the anti-Thai violence in Phnom Penh on 29 January 2003, the Thai Government has been shifting and has redesigned its foreign policy towards neighboring countries by giving priority to the promotion of mutual

⁷⁸ Zoom, "Shouldering with Cambodian Minister," *Thai Rat*, August 29 2006, p. 5 and "Siem Reap Today," *Thai Rat*, August 30, 2006, p. 5. (in Thai)

understanding with neighbors, and assistance to neighbors in the areas relating to the socio - economic development through the policy dubbed “Prosper thy Neighbors”. The newly adopted policy was believed to help Thailand and its neighbors go shoulder-to-shoulder on the basis of mutual interest and partnership for growth. Thailand’s new vision to foster relations and cooperation with neighboring countries is reflected in the report entitled “Global Partnership for Development: Thailand’s Contribution to Millennium Development Goal Eight and UNDP Human Development Report 2005”.

This report became a powerful account of how Thailand has emerged as an important donor, trading partner, and provider of foreign direct investment for the benefit of the least developed countries (LDCs) in the region and beyond. The report also contained surprising information pertaining to Thailand’s official development assistance (ODA), that Thailand was a significant contributor of development assistance to her neighboring least developed countries (LDCs). Thailand’s ODA amounted to 0.13 percent of its gross national income in 2003, not far behind Japan (0.20 percent), Italy (0.17 percent), and the United States (0.15 percent). OECD countries, on average, gave only 33 percent of their ODA to LDCs, while Thailand gave 93 percent to the countries most in need of support. This meant that Thailand provided more aid to LDCs as a percentage of its income than several OECD countries. The report concluded that, looking into the future, Thailand has a great opportunity to learn from the successes and failures of development cooperation in the past decades. Thailand could thus be a “leap-frog” by adopting international best practices and cutting-edge thinking from the more progressive OECD donors in guiding its development assistance to LDCs in the region and beyond. The Report also recommended that future ODA from Thailand could expand in support of social sectors such as health, education, community development and poverty reduction.⁷⁹ The said Thailand’s effort to help develop neighboring countries was clearly reflected in its initiative to establish the cooperation under the framework of the so-called Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy or ACMECS.

⁷⁹ Department of Information, Ministry of Foreign Affairs, “Thailand Gives Lion’s Share of Aid to Low-income Neighbours, Kingdom Tops Region for Lowest Tariffs to Poorest Countries,” Press Release, September 13, 2005, <http://www.mfa.go.th/web/200.php?id=3877> (Accessed January 10, 2007).

2. Background and logic

Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand, expressed his view to explain a logic pertaining to the establishment of the new cooperation framework called the Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy or ACMECS, that the existing cooperation frameworks within the region have acted as building blocks or bricks that are used piece by piece for putting up a wall which finally helps us understand a bigger picture of multilateral cooperation in Asia. However, a broader scope of international cooperation could not become strengthened and successful if it is not based on strong smaller cooperation frameworks. ASEAN was raised as an example that the ASEAN economic integration between its 10 members cannot be sustainable if new members, namely Cambodia, Lao PDR, Myanmar and Vietnam are still poor. Although the Singaporean Prime Minister has proposed the use of the Initiative for ASEAN Integration (IAI) to encourage more developed members to help the newer members but the scheme intended to emphasize human resource development which needed time. ASEAN has moved forward by having the Free Trade Agreement with China PRC and other countries in the future. With this reason, the remaining four member countries should not be left behind. Therefore, the establishment of ACMECS is based on the following logics and factors:

Firstly, in order to promote the substantial and sustainable economic integration in ASEAN, there should be some countries that can render concrete assistance to the said four countries to stand on their own legs, in not only the area of human resource development but also all necessary fields. This was why Prime Minister Thaksin Shinawatra had strong determination to introduce the economic cooperation strategy with neighboring countries and this framework could play role as a building block, an important brick, that becomes a solid groundwork for ASEAN to play a bigger role under the frameworks of ASEAN plus 3, Asian Cooperation Dialogue (ACD), etc. If its legs are getting weaker, ASEAN cannot stand or move forward.

Secondly, when combining the economic performance of Thailand, Cambodia, Lao PDR and Myanmar altogether, it was found that 91 percent of the

total gross domestic product belonged to Thailand while the rest of 9 percent belonged to the remaining three countries. In the next 5 years, the economic growth of Thailand would probably reach 6, 7 or even 8 percent which constituted a new proportion of 95 percent to 5 percent. In the context of international politics and economic development, the said phenomenon was not desirable in theory since it caused political instabilities and economic disparities leading to misunderstanding, mistrust, discord, prejudice and sensitivity among peoples.

Thirdly, rendering assistance to neighbors was equivalent to helping Thailand which was due to the fact that a number of the problems that became the burden of Thailand for tens of years, have been occurring at the end of their causes. For example, a drugs issue in Myanmar has originated from the poor economic performance and the incessant fighting between different ethnic minorities that were financed by illegal activities such as trafficking in persons, drugs, arms, etc. The reason Thailand has inserted her effort to help Myanmar restore national unity and terminate fightings within the country was that it would help solve Thailand's problems to a certain degree. If they stop fighting, they shall not need money to buy arms, produce drugs or become illegal migrant workers. Thailand has negotiated with the governments of Myanmar, Cambodia and Lao PDR to take back their people, every country agreed to do so and signed the Memorandum of Understanding with Thailand. However, the problem occurred when the workers had no works to do after returning to their home country and finally sneaked illegally into Thailand once again to find jobs. This issue can be solved if the economic situation in those countries improved.⁸⁰

Since the Thai economy has developed far more rapidly compared with the neighboring countries, economic gaps have considerably widened. In terms of the share of industry in the Gross Domestic Product (GDP) in 2003, Thailand and Vietnam accounted for 44 percent and 40 percent respectively while Myanmar, Lao PDR and Cambodia were still agricultural countries. The GDP index was 0.27 in Vietnam and less than 0.04 in Myanmar, Cambodia and Lao PDR when the GDP of Thailand was

⁸⁰ ACMECS Strategy: Helping neighbors equals helping Thailand, Prachachart Thurakij, July 27, 2004. Interview with Dr. Surakiart Sathirathai, Minister of Foreign Affairs of Thailand. (in Thai)

counted as 1. In addition, the annual per capita income of Thailand was 4.5, 5.9, 7.1 and 14.3 times larger than Vietnam, Lao PDR, Cambodia and Myanmar respectively.

This economic gap, particularly the income gap between Thailand and the neighboring countries, has resulted in the influx of illegal migrant workers into Thailand and become the main cause of drugs inflow and various crimes. For example, the number of arrested migrant workers in 2002 was 149,506 persons. Among those, Myanmar, Cambodians and Laotians accounted for 87,536 persons, 46,586 persons and 13,373 persons respectively. It was estimated that more than one million illegal migrant workers stayed in Thailand, most of whom were from Myanmar, Lao PDR and Cambodia. In order to solve these issues, the Thai Government planned to set up special economic zones in the border areas to relocate agriculture and worker intensive industries from the center to the said areas and to utilize the cheap workers and resources of the neighboring countries and finally to stop the inflow of the illegal migrants and other relevant problems.⁸¹

Therefore, from both the viewpoint of domestic regional development and economic policy towards the neighboring countries, the development of border areas have become significant issues to tackle. In addition, regional development policy in Thailand has been undertaking a new phase of regional and transboundary development.

3. ACMECS's Plan of Action

Prime Minister Thaksin Shinawatra revealed clearly and positively an outward policy towards the neighboring countries in 2003. At the special ASEAN Summit on SARS (Severe Acute Respiratory Syndrome) held in Bangkok in April 2003, Prime Minister Thaksin proposed and advocated the establishment of the ECS (Economic Cooperation Strategy). After having a ministerial-level meeting among relevant countries and related workshops, the ECS plan was adopted and endorsed as the "Bagan Declaration" and its Plan of Action at the ECS Summit held on 12 November 2003 in Bagan, Myanmar which was attended by leaders from Thailand,

⁸¹ Tsuneishi, "The Regional Development Policy," p. 7.

Myanmar, Cambodia and Lao PDR (See ANNEX 5). The ECS was later changed to ACMECS (Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy) after the name of the main rivers flowing in the member countries. The Kasikorn Research Center (KResearch) was of the view that ACMECS member states will benefit from having cooperation in the agricultural sector in the way that it helps boost intra-ACMECS trade and economic growth. The implementation of cooperative projects within the group will help distribute wealth from Thailand to neighboring countries.⁸²

ACMECS's Plan of Action covers a period of 10 years (2003 - 2012) to implement 46 common projects by all member countries as well as 224 bilateral-country projects, all of which are categorized as the short-term (2003 - 2005), the medium-term (2006 - 2008) and the long-term (2009 - 2012) projects. It was agreed that the meeting at ministerial level and high-ranking official level would be held once a year and the summit meeting at prime minister level would be held bi-annually. The Plan of Action comprises 5 core areas of cooperation which are:

(1) Trade and investment facilitation: To utilize the relative advantage of member countries, to promote effective distribution system of goods, investment and employment generation, to increase income and decrease socio-economic disparity. (coordinating country: Thailand);

(2) Cooperation in agriculture and manufacturing: To promote cooperation through the improvement of infrastructure, cooperative production, institution on marketing and purchasing (coordinating country: Myanmar);

(3) Cooperation in transportation linkage: To develop and utilize transportation linkage between the member countries, promote trade, investment, agricultural production and tourism through transportation linkage (coordinating country: Lao PDR);

(4) Cooperation in tourism: To promote cooperation on tourism among member countries and within the region (coordinating country: Cambodia);

⁸² Kasikorn Research Center (KResearch), "ACMECS: Economic Cooperation, Thailand and Indochina," November 1, 2005, <http://www.kasikornresearch.com>. (Accessed February 17, 2007).

(5) Human Resource Development (HRD): To develop people and institutions in the region and relevant strategies for human resource development. (coordinating country: Vietnam)⁸³

Prime Minister Thaksin was highly advocated by leaders of neighboring countries on the cooperation projects under the framework ACMECS. Although Vietnam did not participate in the scheme at first stage, it joined the plan on 10 May 2004 following the announcement of its intention to participate by the Foreign Minister of Vietnam in April 2004.⁸⁴

Some of the outstanding roles of Thailand in the development of cooperation under the framework of ACMECS were:

(1) Cooperation with Cambodia to launch ACMECS Single Visa arrangement as pilot countries to promote tourism and to facilitate immigration procedures for tourists from the third countries who wish to travel to Thailand and Cambodia, and within the region. Tourism in ACMECS has great potential as it turned out that the figures of foreign tourists traveling to ACMECS member countries in 2004 reached 17,272,204 with an increase of 11.56 percent over the 14,445,234 persons in 2003;⁸⁵

(2) Contribution of 100 million baht (2.5 million USD) as funds to support ACMECS common projects as well as Thai bilateral ACMECS activities identified as priority projects in 2004 - 2005;

(3) Development of ACMECS's website to facilitate coordination of projects and provide a channel for public outreach on the work of ACMECS;⁸⁶

(4) Host of the second ACMECS Summit in Bangkok on 3 November 2005 with participation of the Vietnamese Prime Minister for the first time;

(5) Contribution of 2.5 million USD as seed funds for combating the Avian Influenza following the issuance of the Declaration on Partnership in Combating

⁸³ "Bagan Declaration and Plan of Action," <http://www.mfa.go.th/web/1655.php> and Department of Information, Ministry of Foreign Affairs of Thailand, Press Release, November 4, 2003,.

⁸⁴ Tsuneishi, "The Regional Development Policy," pp. 13 - 15.

⁸⁵ KResearch, "ACMECS: Economic Cooperation."

⁸⁶ Ministry of Foreign Affairs and International Cooperation of Cambodia, Press Release, November 2, 2004, <http://www.mfaic.gov.kh/cooperationdetail.php?contentid=502> (Accessed January 29, 2007).

Avian Influenza and Other Infectious Diseases at the second ACMECS Summit in Bangkok.

(6) The import of approved agricultural products under the Contract Farming scheme at 0 % import duty from other member countries;

(7) Extension of 100 fellowships in the areas of alternative energy and public health to member countries;

(8) Development of broadband technology for e-learning, e-health, and e-approval for customs formalities;

(9) Establishment of a coordinating working group to meet in Bangkok every two months to follow up on the progress in ACMECS works.⁸⁷

In the context of cooperation between Thailand and Cambodia under the ACMECS program, it has been carried out on a step-by-step basis by authorities on both sides. The progress of cooperation, particularly the short-term programs such as the feasibility studies for the establishment of Export Processing Zone (EPZ) in Koh Kong Province and the establishment of Wholesale and Export Central Markets in the border areas, the matching of Thai - Cambodian Sister Cities, cooperation on account trade, contract farming, the purchase of 10 categories of agricultural products (soybean, maize, sweet corn, castor-beans, potatoes, cashew nuts, peanuts, eucalyptus, Job's tears and mung beans) at 0 % import duty, one-stop service arrangement at the Thai - Cambodian border checkpoints, trade promotion and exhibition. Such cooperation was intensified by the resolutions agreed at the first and second meetings of Thailand - Cambodia Joint Trade Commission held in Bangkok on 8 March 2004 and in Siem Reap Province from 14 to 15 February 2006.⁸⁸

For the establishment of Industrial Estate or Export Processing Zone in Koh Kong Province, the Industrial Estate Authority of Thailand (IEAT) made a feasibility study in 2004 on Trat - Koh Kong border economic zone to establish the Neang Kok Industrial Zone with an area of 2,000 Rai, 2 kilometers away from Ban Had Lek,

⁸⁷ Department of Economic Affairs, Ministry of Foreign Affairs of Thailand, <http://www.mfa.go.th/business/2318.php?id=2101> (Accessed January 30, 2007).

⁸⁸ "Thailand and Cambodia Achieved Trade and Investment Agreements to Implement the ECS for Stronger Economy of Neighbors," *Thai Post*, March 10, 2004. See more information on the resolutions of both meetings at <http://www.moc.go.th>. (Accessed January 10, 2007). (in Thai)

Klong Yai District, Trat Province. The project is based on the plan of action under the framework of the ACMECS scheme and will be a source of employment for local people in the border areas. The estate is targeting industries that use local workers and raw materials including industries emphasizing marketing such as food, fishery related, glass, textiles, electronics, motorcycles and parts.⁸⁹

Thailand's initiative on the establishment of ACMECS framework was fully welcomed by the Cambodian Government as the Cambodian Prime Minister had voiced his comment at the ECS summit held in Bagan, Myanmar on 11 November 2003 that it is appropriate that Thailand play a role of prime mover and leader of this framework since Thailand is more advanced than the other four countries in terms of economic development, technical expertise and financial resources. This will help achieve as soon as possible the concept of "four countries - one economy".⁹⁰

XI. Cultural diplomacy

Following the anti-Thai violence in Cambodia in 2003, the Thai and Cambodian Governments jointly established the Thailand - Cambodia Joint Commission on the Promotion of Cultural Cooperation. The commission was established in accordance with the resolution of the Joint Cabinet Retreat between Thailand and Cambodia in 2003 with the objective of using a mechanism to foster people-to-people mutual understanding by using cultural cooperation as its means. Activities of the commission are mainly focusing on cultural cooperation project and cultural exchange activities. Members of the Thai side come from Thailand - Cambodia Cultural Association of Thailand under the chairmanship of Dr. Tej Bunnag, Advisor to the Office of His Majesty's Principal Private Secretary and former Permanent Secretary of the Ministry of Foreign Affairs of Thailand, while

⁸⁹ Industrial Estate Authority of Thailand, http://www.ieat.go.th/main/new03_1.php3 (Accessed February 17, 2007).

⁹⁰ Ministry of Foreign Affairs and International Cooperation of Cambodia, Press Release November 11, 2003, <http://www.mfaic.gov.kh/cooperationdetail.php?contentid=529> (Accessed January 29, 2007).

members of the Cambodian side are relevant officials and academicians and headed by Prof. Dr. Sorn Samnang, Director of the Royal Academy of Cambodia.⁹¹

It is very important to understand that cultural cooperation is necessary in the promotion of the close relations and good understanding between Thailand and Cambodia, which share a similar culture and identity in many aspects. This undeniable fact is best reflected by Dr. Tej Bunnag's remarks to a group of Cambodian students and intellectuals who visited Thailand from 31 July to 6 August 2005 that it takes 30 - 60 years to build good relations between Thailand and Cambodia which is equivalent to one's life-time. But the Thais and the Cambodians still lack good understanding between each other as a result of history in the colonial time. This has made neighbors in Indochina know each other even less. The relationship just began in the past 14 years when the Paris Peace Accord had been reached, which led to a termination of war in Cambodia and foreign influence in this region.⁹²

For the promotion of cultural activities and cooperation between Thailand and Cambodia under the framework of the cultural commission, the outstanding examples that should be raised are as follows:

1. The first meeting of the Thailand - Cambodian Joint Commission on the Promotion of Cultural Cooperation was held in Phnom Penh and Siem Reap Province from 18 to 21 May 2004 to determine its policy, strategies, principles, and plans of action as framework of cultural cooperation between the two countries.⁹³ The second meeting was held in Nakhon Ratchasima and Buriram Provinces from 16 to 18 June 2005 to review their cooperation as well as ways and means to strengthen its cultural cooperation. The meeting reached substantive agreements on various matters, particularly the establishment of three sub-committees on culture, history and tourism, as stipulated in the Joint Commission's strategies and Plan of Action, with a view to translating a number of cultural activities into effective practice by both sides.

⁹¹ Cultural Relations Division, Department of Information, Ministry of Foreign Affairs of Thailand.

⁹² *Manager Daily*, August 5, 2005, p. 10. (in Thai)

⁹³ Thai Business Council in Cambodia Website, http://www.tbcc-kh.com/Announcement_kh.htm (Accessed February 1, 2007).

2. One of vital activities that appeared in a plan of action was the translation of the selected Thai - Cambodian Royal Chronicles. Dr. Tej Bunnag disclosed that the Sub-committee on History proposed to compare and translate the Thai - Cambodian Royal Chronicles existing in the same period into Thai, Khmer and English. If the contents are found different, it would be taken into extensive discussions and related evidences would be used to verify its correctness and credibility. This is the best way to find out the acceptable conclusion of each side's historical facts. The review of history is the way to examine accuracy of history through the debate and exchange of views among the Thai - Cambodian historians. The interpretations should attach to the available truths but the correction of history should never take place. If any errors were discovered in the historical records, they would be kept as valuable lessons.

3. In the context of tourism, the Sub-committee on Tourism wished to produce the standard tourist guide book based on truths and facts to disseminate correct information of cultural and historical attractions to the tourists. Both sides were of the same view that the Khmer civilization's trail should be developed linking Angkor Wat in Siem Reap Province of Cambodia with Prasat Phimai in Nakhon Ratchasima Province in Thailand, as cultural and historical tourism route. This would be beneficial to the promotion of cultural tourism between the two countries.

4. The Sub-committee on Culture also proposed to use Kantrum (กันตรึม), a type of Khmer folk music popularly played in Thailand's lower Northeastern part bordering with Cambodia, as a medium to boost mutual understanding between people at grassroots. Moreover, on the occasion of the 55th anniversary of the establishment of diplomatic relations between Thailand and Cambodia (19 December 2005 - 19 December 2006), the Royal Thai Embassy in Phnom Penh also organized a concert and folk performances with the participation of Thai - Cambodian artists.⁹⁴

5. In 2004, the Thailand - Cambodia Cultural Association under the supervision of the Ministry of Foreign Affairs of Thailand carried out various cultural projects and activities with a view to fostering cultural relations and people-to-people contacts between Thailand and Cambodia such as the exchange of visit between

⁹⁴ Nanthida Phoungthong, "Thailand and Cambodia to Scrutinize History for Producing School Lesson," *Kom Chad Leuk*, June 24, 2005, p. 9. (in Thai)

media representatives, cultural and media-related seminars, arts performance of the Cambodian La Khon Khol, “Chambang Weyreap”.⁹⁵

6. In 2005, the Thailand - Cambodia Cultural Association, in collaboration with the Ministry of Culture and Office of the Commission for Higher Education and Buriram Rajabhat University of Thailand, undertook the translation works of five selected textbooks on Khmer culture written by Cambodian scholars with a view to disseminating knowledge on Khmer culture among the Thais that would help promote mutual understanding between people of the two countries which are (1) Tikrong tek Angkor, Chhomhor aryathor Khmer (The Hydro-city Angkor, Origin of Khmer Civilization or อองโกร นครน้ำ แหล่งกำเนิดอารยธรรมเขมร), compiled by Nouth Narang; (2) Robam Khmer (Khmer Dances or របាំเขมរ), compiled by Pich Tum Krael; (3) La Khon Khol (Khmer Mask Theater or ละครโขน), compiled by Pich Tum Krael; (4) Sbek por ning sbek touch (Shadow Puppet Theater or หนังสีและหนังเล็ก), compiled by Pich Tum Krave; (5) Pro Leung mia da tipatai knong sangkom Khmer (Spirits of Maternity in Khmer Society or จิตวิญญาณมารดาธิปไตยในสังคมเขมร), compiled by Nguon Nhel.⁹⁶

7. In 2006, the Thailand - Cambodia Cultural Association supported the production of dictionary of Khmer words in Thai language by Mr. Santi Pakdeekam who is an expert on Khmer studies and lecturer at the Srinakarinviroj University. The objectives of the production of this dictionary were to create material that would be useful for learning from each other, to inform Thai people that Thais and Cambodians are kin and to commemorate the 55th anniversary of the establishment of diplomatic relations between Thailand and Cambodia.⁹⁷

⁹⁵ Cultural Relations Division, Department of Information, Ministry of Foreign Affairs of Thailand.

⁹⁶ Poomjit Ruangdej, trans., .Project on the Study of Cultural Relations between Thailand and Cambodia” (paper for academic seminar on Cultural Relations between Thailand and Cambodia, Buriram Rajabhat University, August 7-8, 2005), <http://web.bru.ac.th/~photo/data/research01.pdf> (Accessed February 11, 2007).

⁹⁷ Vorarat Taniguchi, “Books Connect Relations,” *Matichon*, December 19, 2006, p. 21. (in Thai)

8. From 27 to 29 July 2005, the Ministry of Foreign Affairs of Thailand sponsored a visit to Cambodia of a party of Thai actors and famous film stars led by Mr. Sombat Metanee and Mrs. Aranya (Namwong) Sirachaya under the exchange program to promote mutual understanding and the good image of Thailand. The Thai film stars met a Cambodian actor Dy Saveth, a co-star in a Thai film entitled “Love across the Horizon” (รักข้ามขอบฟ้า) which was produced more than 30 years ago. Dr. Tej Bunnag, Chairman of the Thailand - Cambodia Cultural Association said that this exchange project not only aimed at drawing people of the two countries closer but also helped make a debut to renew cooperation in the film industry and production of television programs between Thailand and Cambodia. This was due to the fact that after the anti-Thai violence in 2003, the Thai film and television programs have been absent from the Cambodian markets.⁹⁸

9. The Ministry of Foreign Affairs of Thailand has arranged the presentation of Royal Kathin to Buddhist temples in Cambodia annually with a view to nurturing Buddhism in Cambodia and boosting people-to-people relations between the two countries. For example, from 5 to 6 November 2003 and from 20 to 21 November 2004, the Royal Kathins were presented by Dr. Tej Bunnag, as representative of His Majesty the King of Thailand, to Unalom Temple in Phnom Penh and Preah Sihanouk Thammathirat Buddhist Institute in Kampong Speu Province respectively.⁹⁹

XII. Tourism cooperation

Thailand and Cambodia have initiated cooperation on the promotion of tourism since the two countries are houses of well-known tourist attractions as well as the World Cultural Heritage sites such as Angkor Wat, Ayutthaya and Sukhothai. Such cooperation schemes, for example, are the “Two Kingdom One Destination” in order to promote the two countries as a single tourist destination and "Five Countries One Destination" under the ACMECS in which Thailand and Cambodia are going to cooperate on the ACMECS Single Visa scheme as the pilot countries.

⁹⁸ *Manager Daily*, August 2, 2005, p. 10. (in Thai)

⁹⁹ Thai Business Council in Cambodia Website, http://www.tbcc-kh.com/Announcement_kh.htm (Accessed February 1, 2007).

Other than the promotion of tourism cooperation under the framework of ACMECS, there are efforts from many sides to strengthen cooperation in this area such as the Second Meeting of the Joint Trade Committee during which the Tourism Authority of Thailand agreed to join forces with airlines and tour operators to develop Thailand and Cambodia as a World Class Tourist Destination. One of the initial plans is to promote four new routes of Bangkok - Phnom Penh, Chiangmai - Phnom Penh, Bangkok - Siem Reap and Phuket - Siem Reap. Other plans include cooperation in the exchange of information on marketing and the management of tourism industry and the development of travel websites.¹⁰⁰

Moreover, there was a joint initiative between the governments of Thailand, Lao PDR and Cambodia to expand tourism cooperation under the concept of the “Emerald Triangle”. The Emerald Triangle was initiated in June 2000 by Samdech Hun Sen who proposed Thailand, Cambodia and Lao PDR to cooperate on economic development in the connected southern Lao PDR, northwestern Cambodia and northeastern Thailand with a view to enhancing potentials on political, economic and social strength without destroying environments. Thailand supported this initiative and Lao PDR agreed to participate in the program and accepted to host the first summit meeting on the Emerald Triangle as suggested by Thailand (See ANNEX 9).

For Thailand’s part, the cabinet passed a resolution on 12 February 2002 agreeing to the establishment of the Working Group on Emerald Triangle chaired by the Minister of Foreign Affairs. The Working Group held its first meeting on 19 April 2002 and concurred that the project areas in Thailand should cover that of Ubonratchathani and Srisaket Provinces and determined practical areas of cooperation in tourism, agriculture, small scale processing industry and human resource development.¹⁰¹ However, it seems that the cooperation under the framework of the Emerald Triangle still lacks progress due to some circumstances, for example, the project to build golf course in the areas where the boundaries of the three countries meet is impossible since there are landmines heavily planted in the areas and the

¹⁰⁰ Tourism Authority of Thailand, “Thailand and Cambodia plans on bilateral marketing activities to boost tourism,” March 3, 2006, <http://www.tatgovernor.com/govcorner.aspx?id=518> (Accessed December 15, 2006).

¹⁰¹ Department of International Economic Affairs, Ministry of Foreign Affairs of Thailand, <http://www.mfa.go.th/business/1487.php> (Accessed January 30, 2007).

unresolved boundary issue, less investment in infrastructure and development of tourist accommodation, etc.

XIII. Conclusion

As Thailand and Cambodia are neighboring countries that share a common land boundary at the length of approximately 800 kilometers, the closeness has greatly provided opportunity for both sides to exchange their national traditions and heritage for hundreds of years, which made the two countries similar in many aspects. On the other hand, such physical connectedness opens loopholes and becomes a source of a number of issues that negatively affect the good relations and understanding between the two countries and compel them to cooperate with each other in order to solve any emerging issues and to promote the close cooperation for the happiness and mutual benefit of the people of both countries.

The said issues are covering the disputes over the unsettled land and maritime boundary lines, transnational crimes in the border areas, particularly those related to drugs trafficking, smuggling of arms and explosives, trade of contrabands and smuggled goods, cultural artifacts, cars and motorcycles, etc. Among other things, there exists a problem of disparity in socio-economic development that needs close and sincere collaboration from both sides as it becomes a source of undesirable things ranging from the issue of illegal migrant labor, human trafficking, crimes, health and food, mistrust, discord, prejudice, sense of domination, etc. To tackle those problems, Thailand has exerted her goodwill effort and rendered all possible assistance to help Cambodia remedy the situation for mutual benefit on the basis of neighborliness and partnership. This effort is in line with Thailand's policy labeled "Prosper thy Neighbors" and "Forward Engagement" under Prime Minister Thaksin's administration as discussed earlier in this thesis.