

**ANNEX 5**  
**BAGAN DECLARATION<sup>1</sup>**

We, the Heads of Government of the Kingdom of Cambodia, the Lao People's Democratic Republic, the Union of Myanmar and the Kingdom of Thailand:

**BUILDING** on good neighborliness, similar historical, cultural and religious heritage, and mutual interest;

**REITERATING** our aspiration and our strong willingness to establish a firm foundation for common action to live in peace with one another and in shared prosperity through fostering mutual understanding, confidence, good neighborliness among the four countries and mindful that sustainable economic development cooperation requires a secure political environment;

**REAFFIRMING** our commitment to accelerate economic growth, social progress and cultural development in the region through joint endeavors in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of nations;

**DESIRING** to achieve prosperity in the region, through enhanced solidarity, mutual respect, close friendship, good neighborliness and active cooperation among the four nations, to fully harness our enormous economic potential to promote spontaneous and sustainable economic development, and to uplift the welfare and quality of life of our citizens;

**CONSCIOUS** of the need to explore further ways and means by which our peoples could achieve greater economic growth, establish social and cultural ties and people to people contacts;

**ENVISIONING** to transform the border areas of the four countries into zones of durable peace, stability and economic growth, to promote social progress and prosperity of our peoples and to blend local, national and regional interests for common benefit and shared prosperity;

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<sup>1</sup> Department of International Economic Affaris, Ministry of Foreign Affaris of Thailand, <http://www.mfa.go.th/web/1655.php> (Accessed January 30, 2007).

**CONVINCED** that the Economic Cooperation Strategy (ECS) will act as a catalyst to promote regional cooperation programmers, especially in the context of ASEAN Economic Community and to complement ongoing bilateral frameworks;

**REAFFIRMING** our commitment to the principles enshrined in the Bangkok ASEAN Declaration of 1967 and the Treaty of Amity and Cooperation in Southeast Asia.

**DO HEREBY DECLARE THAT:**

1. The main objectives of the ECS are:

- To increase competitiveness and generate greater growth along the borders;
- To facilitate relocation of agricultural and manufacturing industries to areas with comparative advantage;
- To create employment opportunities and reduce income disparity among the four countries;
- To enhance peace, stability and shared prosperity for all in a sustainable manner.

2. The ECS activities shall be:

- Complementary to and enhance the existing bilateral and regional economic cooperation;
- Deliverable with tangible results, utilizing comparative advantage of each country;
- Feasible and be acceptable to the countries concerned;
- Undertaken on the basis of voluntary and equitable sharing of benefits;
- Undertaken on the basis of consensus between the partners concerned.

3. The areas of cooperation of the ECS shall include:

- Trade and Investment Facilitation:
  - To capitalize the comparative advantage of the countries concerned;
  - To facilitate smooth flow of goods and investment for job creation;

- To create income generation and reduce socioeconomic disparities.
- Agricultural and Industrial Cooperation:
  - To strengthen and enhance cooperation efforts in agriculture and industry by establishing and improving infrastructure facilities, joint production, marketing and purchasing arrangements, research and development and exchange of information.
- Transport linkages:
  - To develop and utilize transport linkages among the countries concerned;
  - To facilitate Trade, investment, agriculture and industrial production and tourism.
- Tourism Cooperation:
  - To promote a joint strategy for tourism cooperation among the countries concerned;
  - To facilitate tourism among the four countries and from the other regions.
- Human Resources Development:
  - To enhance capacity building of peoples and institutions;
  - To initiate measures to develop a HRD strategy that is regionally competitive.

**DO HEREBY AGREE:**

1. To task the Ministers to implement the attached Plan of Action and the Common and Bilateral Projects, in an efficient and expeditious manner.
2. To encourage the private sector to fully participate in the implementation process in order to ensure the success of the ECS objectives.
3. To mobilize the provision of grant aid or soft loans in order to maximize investments in border areas.
4. To convene Summit Meeting of the Heads of Government biennially, and Meetings for the Ministers and the Senior Officials annually, to expedite the implementation of the ECS.

5. To call this agreement "Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy" or ACMECS.

Done in Bagan, Union of Myanmar, on the Twelfth Day of November in the Year Two Thousand and Three.

For the Kingdom of Cambodia



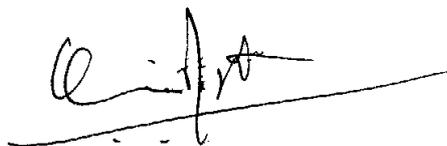
SAMDECH HUN SEN  
Prime Minister

For the Lao People's Democratic Republic



BOUNNHANG VORACHITH  
Prime Minister

For the Union of Myanmar



GENERAL KHIN NYUNT  
Prime Minister

For the Kingdom of Thailand



DR. THAKSIN SHINAWATRA  
Prime Minister