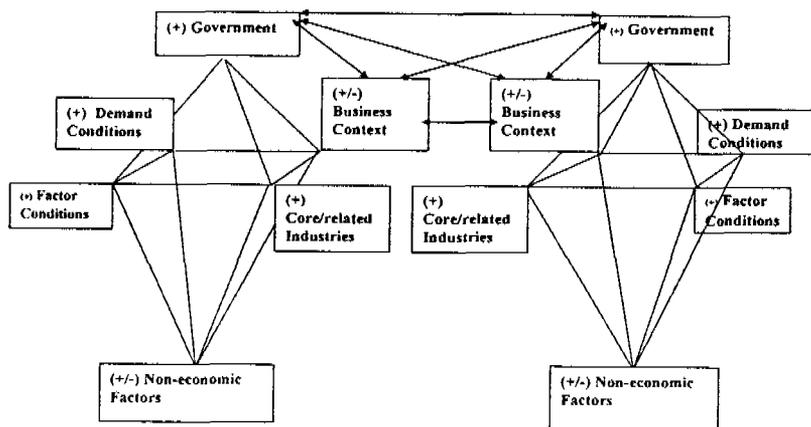


Abstract

The purpose of this thesis, entitled "The Economic Linkages between Thailand and China's Southwestern Provinces: Possibility, Opportunities and Obstacles," is threefold. The first objective is to analyze the significance and economic potentials of the Southwestern provinces of China in the agricultural, manufacturing and services sectors. The second objective is to analyze the opportunities and inherent advantages for Thailand in enhancing the relationship with China by forging economic linkages with the Southwestern provinces of China. The third objective is to explore the possibilities of, and analyze the potential obstacles and problems in, the economic linkage, as well as the concrete forms of linkage.

For this study, I apply the "Interconnecting Diamonds" analytical framework which is modified from the "Diamond Model" framework developed by Michael E. Porter. The research methodology used is a qualitative analysis based on both documentary research and field research. The main study area covers four Southwestern provinces of China, namely, Sichuan Province, Chongqing Municipality, Yunnan Province and Guangxi Zhuang Autonomous Region.

Analytical Framework



Interconnecting Diamonds

by Aksornsri Phanisharn (2006)

The research findings, derived from studying and analyzing the six key determinants in the "Interconnecting Diamonds" analytical framework, can be summarized into four important points which are outlined below.

First, there are four major indicators which reflect the possibility of economic linkages between Thailand and the four Southwestern provinces of China. These are 1) factor conditions, 2) demand conditions, 3) core and related industries, and 4) role of government. The major industries which show potential for economic linkages between Thailand and the concerned provinces are 1) automobiles and parts thereof, 2) processed foods, 3) traditional Chinese medicine and medicinal herbs, 4) tourism, 5) energy and 6) logistics and transportation.

Second, there are two sensitive variables which may give rise to obstacles concerning the potential economic linkages between the two economies. These variables are 1) business context and 2) non-economic factors.

Third, there are various possible types of cooperation and economic linkages between the two sides, namely, government to government, business to business and government to business. The appropriate type for each individual case depends on the industry or the type of activities concerned.

Fourth, the proposed linkages will enhance the economic potential of all parties as the economies of Thailand and of China's southwestern provinces have great potential to complement each other. The economic linkages will mutually benefit each other in utilizing the potentials of their domestic production factors and demand conditions, because the linkages will result in an enlarged market and interconnected business context for all concerned. Accordingly, closer economic ties and linkages will benefit the economies of all parties involved.