

# The Logistical, Economic, Tourism and Security Effects from the Laos-China Train Project

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One Belt, One Road is a network linking China with the regions of Asia, the Middle East and Europe; thus, the Kunming–Vientiane train line route is being constructed along with the Bohan–Boten special economic zone that is located a distance of 227 kilometres from Thailand. As a result, the Northern region of Thailand will be impacted by this train route. This study on the effects of the Laos-China Railway Construction Project (Boten–Vientiane section) in Chiang Rai and Phayao provinces of Thailand has the objectives of examining the opinions of the Lao towards the construction of the railway, the mutual benefits for Thailand and Laos, and the logistical, economic, tourism, and security effects caused by the construction of the Laos–China railway near the areas of Chiang Rai and Phayao provinces. The results of the study indicated that the railway will lead to an increase in the import and the export of goods between countries, which will result from the development of a convenient transportation and logistics system that allows more tourists from China to travel to Laos and Thailand. This will increase employment and the income entering into the country and result in a tourism route linking Chiang Mai and Luang Prabang. The behaviour of tourists may change, such as increased travel by airplane, railway, car, and boat. The results also suggest that Phayao province will be affected in the area of tourism more than other aspects, while Chiang Rai province will be impacted in terms of border trade, exports and imports, and tourism.

**Keywords:** *Laos-China Railway Project (Boten-Vientiane), OBOR, New silk road, Logistics, Tourism.*

## Introduction

One Belt, One Road (OBOR), which is also known as the New Silk Road, is the developmental strategy of China that will lead the country forward into greatness at the global level. With this network of routes, there is a plan to make China become the centre of the New Silk Road, that will be able to link trade routes, investments, transportation, culture, and tourism with the continents of Asia, Europe, and Africa. One of the connecting routes of the One Belt, One Road project is the land transportation route that will connect China and Europe together as the original Silk Road did in ancient times. This route is a link by a secondary transportation system of the high-speed rail network of China entering the deep parts of Central Asia and then passing through the Middle East. Also, there is a link connecting China with the Greater Mekong Subregion (GMS), and China is proceeding with the construction of the Kunming–Singapore railway line, which will pass through the Lao P.D.R., Thailand and Malaysia and cover a distance of approximately 3,000 kilometres (Thansettakij Multimedia, 2016). The important area in this China–Laos railway route is at the China–Laos border, where the Bohan–Boten special economic zone, which is a project that China has pushed to become an economic centre of the two countries, is located. The largest railway station on this route will be located here, and the industrial zone will be divided into various categories, including business, finance, banking, trade, education, and transportation centres and the rail system logistics. China will use this point to connect to Thailand in the border area of Chiang Khong district of Chiang Rai Province and Phu Sang district in Phayao Province as well as to the Lao P.D.R. There is also a construction project to build a highway from Luang Namtha province to Bokeo province and to connect to the border area of Chiang Khong in Thailand as well. Thus, it is probable that the area of the Northern region of Thailand, which is located at a distance of approximately 227 kilometres from the border area of Boten, Luang Namtha province (Prakobsiri Pakdeepinit, 2018), will receive both the positive and negative effects in terms of logistics, economics, tourism and security from the construction of this railway line.

Therefore, this study of the effects in terms of the logistics, economics, tourism and security from the project to construct the Laos–China railway (Boten–Vientiane section) in the areas near Chiang Rai province and Phayao province will provide information about the impacts that will occur and how these four aspects will have an effect on the area of Thailand that has the border area in contact with the country of Laos. This information can assist with establishing the directions, policies and strategies that are appropriately related and up-to-date with regard to the situation, which may lead to driving the economic links between the countries in a direction that is correct and appropriate. As the construction involves co-operation between the countries in the development of economics, trade, and investment to build a transportation network for a basic structural link in terms of convenient facilities, technology, and tourism resources, the objectives of this research are to investigate the

opinions of the Lao P.D.R. with regard to the project to construct the Laos–China Railway (Boten–Vientiane section) in the areas of Bokeo, Luang Namtha, and Oudomxay provinces as well as to study the mutual benefits between Thailand and the Lao P.D.R. and the logistics, economic, tourism and security effects from the project to construct the Laos–China Railway (Boten–Vientiane section) in the vicinity of Chiang Rai province and Phayao province in Thailand.

## Literature Review

### The effects of *One Belt, One Road*

The policies of One Belt, One Road have effects on Thailand that are unavoidable due to it being a route linking with the region of ASEAN, and Thailand being considered the central hub of this region. Thus, it can be said that the impacts on Thailand that are caused by the policies of One Belt, One Road are indirect effects. However, they will also provide benefits to Thailand, including in the economic, social and cultural dimensions, which is considered an opportunity for Thailand to expand trade and investment into the country with links to the neighbouring countries and the world's global market through this route.

The successful OBOR projects that have already occurred include the China-Pakistan Economic Corridor project, valued at 62 billion US dollars, that consists of the construction of roads, railway routes and power plants, the port project in Sri Lanka with a value of 1.1 billion US dollars, the high-speed train project in Indonesia and the construction of an industrial estate in Cambodia, among others. For the objectives of the 21<sup>st</sup> Century Silk Road, China requires new economic stimulus. Therefore, the OBOR project will be a new engine that will help drive the economy as well as solve the problem of domestic production overcapacity. The OBOR project extends from Laos, then enters Nong Khai province, Thailand and continues south to the Gulf of Thailand, where the terminus is located at Laem Chabang Port. This will allow Thailand to directly gain benefits in terms of the consumption of food, energy, oil, accommodation and various machinery parts and services for maintenance, while with regard to transportation, it is believed that this expansion will allow for the reduction of the cost per unit and result in the expansion of the carrier system in Thailand to accommodate the increasing demand from China. Therefore, Thai business leaders must adapt and prepare to study the preferences of Chinese people towards Thai goods, so that these product groups are offered for sale as well as to continuously develop raw materials into new products to fulfil the requirements of the Chinese customers. Meanwhile, the government must accelerate the development of the Eastern Economic Corridor Project (EEC) for a quick completion to develop the infrastructure with the expansion of roads, a deep seaport, airports and power plants in order to accommodate the investment of China as well. If these projects mentioned above achieve success, it will result



in the economic growth of Thailand at an approximate rate of 5% per year continuously into the future (Natasom, 2018).

As a result of the One Belt, One Road project, it is expected that Thailand will receive major impacts from the project to construct the Singapore-Kunming railway line that will link the countries of Singapore, Malaysia, Thailand, Cambodia, the Lao P.D.R., Vietnam, Myanmar, and Yunnan province of China. The project requires links from China to all of the regions of the world in order to expand the trade routes, which will lead to co-operation in the construction of railways between China and many of the countries in the ASEAN region. Because Thailand is the transportation and logistics hub in the region, there will also be expanded opportunities in the neighbouring countries, especially the CLMV group of countries, namely Cambodia, the Lao P.D.R., Myanmar, and Vietnam, and links to the global market through these routes of the One Belt, One Road project. Furthermore, along the One Belt, One Road routes, there will be the creation of new markets, new cities, and new centres of trade to accommodate the trade and sales, which will be one more opportunity from which Thailand will gain benefits in terms of the export of Thai goods and services. There will be a large increase, especially in goods in the category of food, to the new cities that will rise along this route, as well as the use of the benefits from routes of One Belt, One Road in each country; hence, there needs to be an adjustment of the rules and the trade regulations to bring them into line with a single universal standard. Therefore, the effects that Thailand will receive in terms of the economy, society, and culture that will occur from this railway construction project are the focus of this study.

## **Research Methodology**

### ***Population and Sample Selection***

The aim of this research work was to conduct a study in the area of Thailand that includes Chiang Rai and Phayao provinces and areas in the Lao P.D.R. consisting of Bokeo province, Luang Namtha province and Oudomxay province, due to this area having the territories that are in contact with the border area, which provide a linking route for commerce with the country of China. The route passes through the Lao P.D.R. and enters into Thailand, which is the area that is expected to receive the impacts in terms of logistics, economics, tourism, and security, with both positive and negative effects resulting from the construction of this railway line. The population and sample group in this research work were selected by purposive sampling and consist of two main groups, which are the group including the government sector and the private sector of Thailand, comprising the Immigration Department, the Customs Department, the Office of Tourism and Sports, the Chamber of Commerce, the Department of Commerce, and the second group of the government sector and the private sector in the Lao P.D.R., including the Bureau of Foreign Affairs, the Bureau of Public Relations, Culture, and Tourism, the Trade and Industry Council of Lao, the Thai–

Laos Business Council, the International Freight Forwarders Association of Laos, the Association of Tourism Businesses and Tourism Operators of the Lao P.D.R., and others.

### ***Data Collection Procedure***

The methods used in the data collection were the In-depth Interviews and the Focus Group sessions with government sector agencies, the private sector and the academic sector, including both sides from Thailand and the Lao P.D.R. Following this, the areas were surveyed for the data and meetings were held with the relevant agencies at the level of the main research area. Furthermore, the method of the analytic hierarchy process (AHP) was applied using the factors that are the effects from the Laos-China Railway Construction Project. The introduction of the factors that will have an impact on the details of each of the effects and the conducting of the analysis in order to recommend the weight values of the effects in each of the factors were conducted in order to identify in which order the effects from the Laos-China Railway Construction Project (Boten-Vientiane section) will occur. For the evaluation of the effects in various aspects, the abovementioned data was used in the analysis in the next step by applying the theory of the Fish Bone Diagram in the analysis of the opinions in order to evaluate the effects and the mutual benefits between Thailand and the Lao P.D.R. that will occur in the area of the study, including four dimensions, which are the logistics, economics, tourism and security.

### **Research Results**

From this data collection, it was possible to summarise the effects that will occur from the Laos-China Railway Construction Project (Boten–Vientiane section) into four main aspects as follows:

1) Regarding the logistics, the agencies of the government sector and the private sector of the Lao P.D.R. have the opinion that the construction of the Laos-China railway in terms of the logistics will provide opportunities in trade, investments, business, tourism, and retail businesses and is an opportunity for Thai business leaders to enter into the investment, along the Laos-China railway in the Lao P.D.R. and the expansion of the production base in the Lao P.D.R., especially in the various special economic zones along the railway route, which is a gateway for entering into the markets of China. Moreover, in the next phase, the Laos-China railway line will be connected to Thailand and be able to link with the railway under the Eastern Economic Corridor Project (EEC), which is the centre for trade, investment and transportation that is an important link with the CLMV group of countries and the ASEAN region. Furthermore, the modes and routes of the transportation of goods for the import and the export of goods of the Northern region of the Lao P.D.R. also uses the modes and routes of transportation by roads parallel with the Laos-China railway project linking China and the

Lao P.D.R. through route R3A, and the number of freight vehicles between China has increased with the majority of the goods being crops, vegetables and fruit along the North-South Economic Route from China through Bokeo and entering Thailand by using route R3A that passes through Chiang Khong district of Chiang Rai province to Chiang Mai province. When the Laos-China railway linking the countries of China and the Lao P.D.R. is opened for use, it may cause the types and routes of bus transportation to decrease in volume, and the bus companies will also decrease accordingly due to people travelling by electric trains with a lower cost instead (Department of Public Works and Transportation, Bokeo province, 2019).

These positive effects for logistics will lead to the development of freight transportation networks and the model of logistics activities between the countries, such as the construction to expand the traffic lanes in order to solve the problem of the route entering into the border area, where there is also a problem of traffic bottlenecks. In order to link to this potential trade gateway at the border area, the Department of Highways has plans to implement a project to develop highway network links between the countries as well as to develop the freight transportation networks and road links with railway freight transportation networks and also to develop the goods distribution centres and transportation links. In contrast, negative effects will also occur, which are that the number of bus companies will decrease, resulting in the problem of moving people and the development of a new infrastructure as the types and routes of bus transportation will decrease in number, and the volume of traffic will exceed the capacity to provide services.

2) Regarding economics, from the in-depth interviews with the relevant agencies of Bokeo province, there is the opinion that the goods that are currently imported and exported from the Northern region of the Lao P.D.R. are mostly crops, vegetables, and fruit. Along route R3A (Bokeo province), Chiang Khong, Chiang Rai, and Chiang Mai provinces, where the number of freight vehicles from China has increased by an average of 200 trips per day, if the Laos-China Railway Construction Project is completed, the transportation will increasingly change to the use of electric trains due to the decreased fares and shipping costs, which will have impacts on the transportation business operators. For the commercial trade businesses or the sale of jewellery, Thailand and the Lao P.D.R. may have co-operation in order to make the markets stronger so that they are better able to compete with the products of China. In addition, the transportation of goods through the Customs Departments at Boten and Chiang Khong will likely be more convenient than before in terms of the transportation of goods to the country of China. However, the negative impacts from goods being smuggled into and out of the country is increasing. Therefore, there should be an effort to have contracts signed between the three parties of Thailand, the Lao P.D.R., and the country of China, as currently, there are only two-party contracts, such as the countries of Thailand - the Lao P.D.R., and the Lao P.D.R.- China exclusively (Department of Trade and Investment, Bokeo province, 2019).

The mutual benefits in terms of economics that there are for Phayao and Chiang Rai provinces and the Lao P.D.R. are the import and export of goods that will greatly increase when Chiang Rai will have an increase in the export of consumer goods and imported agricultural goods, resulting in both countries being able to collect more customs duties at the border, followed by investment in the area increasing, the majority of which will be investment from the private sector. When there is increased investment, it will result in there being a higher demand for labour as well. Moreover, the transportation along the Lao-China railway route will cause investment and employment to greatly increase and also result in a major increase in the income from the operations and investments as the main income that both countries will receive from the transportation and storage of goods. Chiang Rai province will gain benefits from their portion of the income from the export of consumer goods that will rise, while the Lao P.D.R. will gain benefits from the use of the higher quality consumer goods from Thailand. However, this does not affect the increase of income in this part, but when the volume of trade in the border area, both in terms of the import and the export of goods, has increased, there will also be an effect on the smuggling of goods to avoid tax or illegal goods into the country. Thus, both Chiang Rai province and the Lao P.D.R. should have co-operation in the establishment of customs measures that are convenient, but concise as well as strict in the inspection of goods that are imported and exported, in addition to the strengthening of co-operation with various domestic and international agencies in order to reduce the problem of the smuggling of goods to avoid tax or illegal goods into the country as well.

The positive effects in terms of economics are the border area trade that has a growing trend both in terms of the exports from Chiang Rai province and the imports of Phayao province, which will have an impact on the amount of customs duties that will greatly increase as well as the investment by the private sector in terms of transportation, businesses, and the storage of goods, the industrial production of consumer goods, and various life insurance and health insurance businesses. Furthermore, this will enable the revenue department to be able to collect more tax from the business sectors, as well as reduce the problem of labour shortages by the employment of foreign labour. However, when the border area trade has a growing trend, there will be an effect of various customs measures in order to reduce the problem of the smuggling of goods tax to avoid tax or illegal goods into the country. Therefore, all relevant sectors should co-operate regarding the need to be strict in the inspection of imported and exported goods. Furthermore, the challenge is that those measures must also be concise by improving convenience and speed in the customs procedures in order to facilitate the importers and exporters.

3) Regarding tourism, from the survey of the opinions of the head of the Tourism Department of Bokeo province in the Lao P.D.R., it was found that the construction of the Laos-China railway will provide both land and water tourism routes to gain popularity from the increased

number of tourists due to the main route being able to link the important tourism locations, such as the cities of Luang Prabang, Vang Vieng, Vientiane, Pakse, and others. In addition, the Lao P.D.R. has policies concerned with the development and improvement of tourism routes by land, water and air in order to be able to accommodate tourists that travel by train through offering more convenience and comfort for tourists, in which the plan is to develop tourism, including the improvement of ports and the development of airports, the construction of highways, visitor welcome centres and tribal performance centres, and the development of tourist attractions in local areas, tourism services businesses, infrastructure and tourism facilities for convenience (Department of Tourism, Bokeo province, 2019).

In addition, the mutual benefits regarding tourism between Thailand and the Lao P.D.R. will be the new tourism routes that will provide links between Thailand, Laos, and China. The main tourism route is the Kunming-Xishuangbanna-Luang Namtha province-Bokeo province-Chiang Rai route, which is the route that tourists will be able to travel on to enter into Thailand more conveniently than other routes because of the short distance and the easy access. Furthermore, there is also a project to construct a special expressway, and travel facilities in the future that will save more time and reduce travel expenses, resulting in an expected increase in the amount of Chinese, Lao and Thai tourists travelling for tourism in the Northern region of Thailand. In addition, this will also cause an increase in the various modes of transportation for tourists that link railway stations and tourist attractions, causing a rise in the level of tourist attractions, tourist activities and the promotion of various types of marketing in order to attract tourists to spend a longer amount of time in tourist destinations. However, the Laos-China railway will also cause the effect of the migration of the service sector workers, damage to the environment of the tourist destinations that are fragile, and social and cultural changes in local areas, so all relevant agencies should have the oversight and legal measures in order to control the serious problems that will occur, as well as the building of knowledge and understanding for tourists of appropriate examples of behaviour in the area of tourism in order that natural resources and the fascinating cultures of local areas remain sustainable.

4) In terms of security, regarding the opinions on the security of the Lao P.D.R. that is connected with the Laos-China Railway Construction Project (Boten – Vientiane section), from the data on the social changes that are related with the migration of the Lao P.D.R., it was found that the amount of the labour population of the Lao P.D.R. is insufficient for the demand for domestic labour. Therefore, the country of the Lao P.D.R. must not experience problems with unemployment and migration from the countryside into the cities as the related government agencies that have been established for the development and the job promotion centres will provide the labourers of the Lao P.D.R. with sufficient potential, which will accommodate the employment that will arise from the construction of the railway route. There is also the promotion for secondary school students at the end of their studies to

continue their education in the country of China in order to respond to the labour requirements of the business sector in the future.

The Lao P.D.R. has applied the latest technology for use in the surveillance of smuggling into the country at both international land crossings and along the natural border by conducting rigorous inspections of persons, goods and vehicles. Thus, there is strong confidence that the Lao P.D.R. has potential in the prevention of transnational crimes. More than that, the government of the Lao P.D.R. also continuously gives importance to and has campaigns to prevent human trafficking and illegal commerce, such as illegal goods and addictive drugs, in order to prevent and solve the problems of human security.

The government of the Lao P.D.R. are also aware of the need for basic public facilities in order to prevent accidents that may arise regardless of the planning from the transportation of goods that is expected to occur following the completion of the construction of the railway. An upgrade of the public health system will also be accomplished by conducting a project to establish standardised hospitals and the procurement of modern medical equipment.

Regarding the mutual benefits between Thailand and the Lao P.D.R. in the area of Chiang Rai and Phayao provinces and the areas of Bokeo, Luang Namtha and Oudomxay provinces in terms of security, from the study of the mutual benefits and the social changes, it was found that when the project to construct the railway is completed, communications, transportation, the population and the goods will significantly increase in both countries, resulting in a need to raise the level of vigilance in the surveillance of crossings for both people and goods, including for the transmission of disease. This rise in the level of surveillance will cause problems along the border area of both countries to decrease, while consequently, the convenient communications and faster transportation may lead to the possibility that transnational crimes will become easier in both countries. Thus, there is caution regarding the information about transnational crimes. These are therefore the mutual benefits in terms of the security of both countries.

## Discussion

1) Regarding **Logistics**, it was found that the opinions of the Lao P.D.R. towards the Laos-China Railway Construction Project (Boten–Vientiane section) is that it will bring opportunities in trade, investment, business, tourism, and retail businesses and is an opportunity for Thai business leaders to enter into the investment along the Laos-China railway when the project is complete. Also, this strategic co-operative project between the governments of both countries will help change Laos from a landlocked country that does not have a border area that connects with the sea into a country that has an outlet to the sea, and this route will link the Lao P.D.R. and the country of China as well as the other countries in

the ASEAN region. Moreover, the administration of Oudomxay province in the Lao P.D.R. has applied the concept of Transit-Oriented Development (TOD), which is the development plan combining the building of the railway system, urban development, and the expansion of cities so as to link with the railway route in order to connect tourism services for passenger transportation and the transportation of goods both domestically and internationally. This is in line with the research work of Jantima Kheokao (2017), who studied the factors that are related with the development of the high-speed railway system in China, the Lao P.D.R., and Thailand by research from documents, observations and interviews with the people that are related to the establishment of policies of the high-speed railway of Thailand and the Lao P.D.R., from which it was found that Laos will focus on solving the problem of being 'Land Locked' to becoming 'Land Linked,' in order to facilitate investment in the GMS group of countries in transportation and tourism between the countries.

The mutual benefits regarding the logistics between Thailand and the Lao P.D.R. were found to include making the form of transportation and the routes increasingly more convenient and creating the mutual benefits concerned with the development of logistics systems and transportation routes between Chiang Rai province, Thailand and the Lao P.D.R. With regard to the mutual benefits between Phayao Province and the Lao P.D.R., the project to construct the railway will lead to the mutual benefits in the development of logistics systems, transportation routes, trade, investment and tourism between Phayao province, Thailand and the Lao P.D.R., which is in line with Chalongphob Sussangkarn et al. (2011), who stated that the construction of the Bangkok-Chiang Mai high-speed railway will be able to reduce the density of travel along the Bangkok-Phitsanulok route and the Bangkok-Nakorn Sawan route and that travel by other modes of transportation as well as reduction of the cost of trade with the country of Laos will encourage economic growth, and the construction of the links in order to be a trade gateway to the other countries will lead it to become a distribution centre for goods as well as in both trade and tourism. Furthermore, because there needs to be the development of the management of passengers for convenience, speed, and efficiency, there must be an upgrade of the stations along the route so as to be able to accommodate more goods and tourists in the future, the development of the tourism industry, and the work of the railway organisation itself. In addition, Zhang (2009), studied the development of the transportation system in order to link with the supply chain system in the tourism business, which has been studied extensively, and it was found that the communications allow for the creation of interaction and links between various production activities in the economic system. Thus, the benefits gained do not only occur in terms of economics and business.

The positive effects of the logistics include the freight transportation networks and the types of logistics activities that will lead to the development of freight transportation on road networks in the area of the transportation of other goods, the development of cities, the railway stations, and the freight transportation networks, as well as the development of goods

distribution centres and transportation links, and the shipping routes. This will result in the development of the types of shipping and other types of shipping routes and the internal transportation links that connect the CLMV group of countries within ASEAN. With regard to the negative effects from the logistics, the number of bus companies will decrease, the problem of moving and resettling people will occur, and the development of a new infrastructure for the shipping routes will make the types and routes of bus transportation decrease in volume, which will cause the volume of traffic to exceed the capacity of the vehicles that are used in the transportation of goods in providing services. Thaiprayoon et al. (2019) mentioned that the One Belt, One Road Project primarily benefits the logistics services supply chain (LSSC), which is considered as a new type of supply chain with the basic components that include functional logistics service providers (FLSP). In addition, Kanokphon Surakarnka (2008), conducted a study to investigate the development of the logistics networks in order to accommodate the route of the North-South Economic Corridor (NSEC) and the route of the East-West Economic Corridor (EWEC), and from the results of the study, it was found that in the current situation regarding the logistics system networks in the NSEC and EWEC projects, the GMS involves the co-operation of six countries, which are Thailand, Myanmar, Laos, Cambodia, Vietnam and China (Yunnan). The GMS group of countries encompasses an area that is abundant with natural resources, as well as functioning as the central point in the links connecting the regions of South Asia, East Asia, and Southeast Asia. The problems that will occur in the closing of the use of the road network between countries based on the routes of the NSEC and EWEC are as follows: 1) foreign labour, 2) the regulations in bringing trucks and goods across borders causing various problems, 3) the characteristics of the vehicles that are used to carry the goods, and 4) the international customs system that lacks continuity and flexibility.

As for the recommendations for future research on the effects of the development of the Laos-China railway system, the researchers think that the railway system that will be constructed will have impacts on changing the communication systems, both the system in the Lao P.D.R. through the changes to the supply chain system by allowing for changing of the network of transportation routes, as well as the changing of the routes, the cost and the price of the goods that are exported from Thailand to both the Lao P.D.R. and the country of China. Therefore, the future research should be focused on comparative studies of the changes in the ability of Thai goods to compete in the markets of the Lao P.D.R. and the country of China due to the use of the Laos-China railway (when it is completed in the future). Moreover, the study of the ability in the competition of the Thai manufacturers and businesses for various categories of goods, especially those groups of goods that have weaknesses and must face competition that will be higher when the Laos-China railway system is completed, such as agricultural goods and consumer goods that the Lao P.D.R. and China are able to produce themselves and have potential as exports to Thailand. This type of research study will allow for the discussion and analysis of the results, to be able to deeply

explore in detail the problems in the production, marketing, laws and policies much more clearly, as well as to be able to identify the guidelines for the development of the ability in competition that are especially specific and clear for the improvement of those goods.

**3) Regarding Tourism,** from the study it can be seen that the areas of Chiang Rai and Phayao provinces and the Lao P.D.R. will gain direct benefits from tourism, because the Laos-China railway will lead to many new tourism routes, such as the Kunming-Xishuangbanna-Luang Namtha province-Bokeo province-Chiang Rai province tourism route and the Chiang Rai-Bokeo province-Luang Namtha province-Boten special economic zone route, and others. The routes for tourism from Kunming city and Yunnan province entering into Thailand by passing through the border area of Boten, Luang Namtha province, and Bokeo province in the Lao P.D.R. and then entering into the border area of Chiang Khong, Chiang Rai province will permit tourists to be able to travel to various provinces in the Upper Northern region of Thailand more conveniently than other roads due to the short distance and the easy access, and there is also a project to construct a special expressway and convenient facilities for travelling in the future, from which they will be able to save time and reduce costs in travelling to Thailand. Thus, tourism will be increasing, because it is expected that Chinese tourists, people from Laos and tourists from other countries, such as those in Europe and America, will travel for tourism in Thailand faster and more conveniently. The Laos-China railway will play a major part in supporting the businesses, services, and tourism in Chiang Rai province, such as restaurants, hotels, traditional Thai massage services, spas, souvenir shops, malls and department stores, transportation companies, travel agencies, convenience stores, tourist destinations, etc. due to the goods and tourism services in Thailand having low prices and the popularity of food and beverages of Thailand with tourists from both China and Laos. In addition, there is the natural beauty, unique characteristics, and fascinating Thai culture, which have caused Thailand to become the travel destination that is ranked number one by Chinese tourists (Marketeer, 2019), which is in line with the research work of the Bank of Thailand, in which it was found that the China-Laos railway will allow the tourism industry of Thailand to have an opportunity to grow businesses in three broad categories, which include the health services group, such as hospitals, traditional Thai massage, and beauty clinics because of the confidence in the quality and the public health standards of Thailand as well as both travelling and crossings that are convenient, the groups of malls and department stores, restaurants and hotels due to prices of goods and services being low and the food and beverages of Thailand being popular with both Chinese and Lao people, and the group of educational institutes and language schools because the number of educational institutes in China is insufficient and the tuition fees in Thailand are not very expensive when compared with the developed countries (Bank of Thailand, 2019).

Therefore, business owners in Chiang Rai province, Phayao province and the Lao P.D.R. should conduct preparation for the expansion of business and investment in the tourism and

businesses providing services. Thailand will be able to expand the business, manufacturing, and tourism service sectors that are high quality in the Lao P.D.R. and in the border areas of Thailand in order to expand the trade base in Laos and the exports to the region of southern China, such as souvenirs, organic produce, and processed food. In addition, the tourism service sector in Thailand has expertise and unique characteristics, especially in areas such as health tourism, arts and cultural tourism, hotel management, food and beverage production, and others. Because the area of the northern region of the Lao P.D.R. has territory that is adjacent to the country of China, with potential abundant resources and the Boten special economic zone, it will become a gateway, and there will be opportunities for the successful expansion of business.

In addition to the expansion of business and investments in tourism and services, business owners should also conduct an adjustment of their business operations so as to be in line with the flow of tourism along the railway route and the new tourism trends of the Chinese people. From the investigations of the tourism behaviour of the new generation of Chinese people, it was found that the Chinese are smart shoppers that search for data on the internet, are a group of tourists who are mostly of a young age, are confident and like to do what they love, enjoy independent travel in order to experience life, prefer simplicity and convenience, and like to take risks and dare to spend money (Rachapol Tachapongkit, 2019). Therefore, business owners should provide various convenient facilities so as to be in line with the tourism behaviour of the Chinese people, such as allowing them to make payments with mobile phones or applications that Chinese people like to use or the development of systems for scanning QR codes in order to access the data concerned with tourism and tourism services in order to increase the improvement of various conveniences and facilities of the hotels and guesthouses. This can also include transportation that is able to link to various locations within urban areas and other cities, and is convenient and fast and can link to wi-fi for the providing of other services that will help tourists be able to make decisions more easily or to purchase tickets for participation in various activities conveniently and quickly. This will provide tourists with more opportunities to enjoy experiences from other activities at the level of local areas, which will be another guideline in the promotion of the strength and potential in becoming a tourist city of Thailand and the Lao P.D.R. as well as ensuring the tourism sector of Thailand and the Lao P.D.R. achieves growth that is stable.

**4) Regarding Security**, the study of the comments on the mutual benefits and the effects of security from the Laos-China Railway Construction Project were focused on examining the social changes, primarily through the in-depth interviews. It was found that the effects of energy and the environment mostly arise within the Lao P.D.R., which is the location of the railway route. Furthermore, the results show that the possibilities that will arise in security may not be surveyed from the general public due to the requirement for statistical data and

the need for the analysis of trends from those people that have expertise and experience and have continuously performed security work in that area.

For identification of the effects that will occur with Thailand in the area of Chiang Rai and Phayao provinces, the relevant agencies have given importance to migration based on the location due to migration being a problem of the first order that will occur if there is investment in business sectors along the border area following transportation route R3A. This is in line with Hastings and Raghavan (2015) and Suntata Pontrai (2010), who mentioned that migration flows to the communities that have a good quality of life. After that, the safety in terms of road use is a public problem, along with the additional problems of crime. Thus, the increasing amount of the population and the more convenient travel can lead to transnational crimes that often occur with convenient traffic and fast communications (May, 2017).

### **Recommendations**

From the results of this research, it can be clearly seen that Thailand should have the development of a road network in the areas of Chiang Rai and Phayao provinces, or links between countries, in order to improve the capacity for competition with other countries and the upgrade of the quality of life of the people in order to accommodate the effects from the Laos-China Railway Construction Project, as well as both the development of freight transportation networks and roads linked with other forms for the transportation of goods, such as transportation by railway and by air, including the development of goods distribution centres and transportation links, etc.

Furthermore, the relevant agencies in all sectors should co-operate to prepare guidelines for the accommodation of the economic changes that will occur, both in terms of customs procedures that should have guidelines in the establishment of measures that are concise in the increased inspection of imported and exported goods by using time more effectively when conducting border area trading, the fostering of co-operation between customs with agencies that have knowledge and understanding and are involved with the the inspection of various imported and exported categories of goods, and the improvement of the efficiency and speed of the inspection as well. As for tourism, the government sector and the private sector should co-operate to develop the modes of public transportation vehicles in order to link with tourist destinations for convenience and speed, and utilise many types of transport vehicles, which will allow tourists to gain convenience and comfort when travelling for cross-border tourism in the border areas between the three countries, which is increasing and causing an expansion in cross-border tourism and the expansion of other related business. Moreover, there should be the improvement and development of tourist destinations, between routes both in Thailand and in the Lao P.D.R. so as to provide outstanding tourism activities that are interesting and reflect the unique characteristics of local areas, have sufficient facilities for convenience, and



have public transportation vehicles that are able to link tourist destinations conveniently and quickly in order to allow tourists to spend a longer amount of time in tourist destinations, resulting in increased spending that provides income for communities and the building of a circular economy for countries as well.

However, in the co-operative meeting of Thailand, Myanmar, the Lao P.D.R. and China for the development of the agreements of co-operation that are arranged every year, it was mentioned that there should be a rise in the level of co-operation in terms of security that is related to the social changes, especially with regard to transnational crimes and human trafficking, which will have an impact on the security of the lives and assets of people in all four countries if there is no concrete co-operation in the prevention and suppression. Moreover, the relevant agencies in Thailand should conduct a study of the trends of the impacts from the effects resulting from the construction of the Laos-China Railway Project in order to use it as a set of guidelines in the establishment of public policies that will accommodate the problems that will occur from the migration, based on the demands for labour that will result from the construction of the Laos-China railway. Finally, the stakeholders in every sector should also play an active role in the establishment of the policies in order to alleviate the severity of the effects that may have an impact on safety in the lives and the assets of the people residing in the affected areas.

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