MEKONG CONNECT

Volume 01, Issue 02, June 2019

DEVELOPMENT AND CONNECTIVITY

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Foreword

Welcome to the second issue of the Asian Vision Institute's Mekong Connect.

This issue will explore the theme of 'Mekong Development and Connectivity,' featuring a wide spectrum of regional perspectives.

The Mekong is a new growth centre and strategic frontier in Asia, and has an important role to play in the realisation of the 'Asian Century.' With its economically strategic location in the heart of Asia, the Mekong has the scope to become increasingly significant in regional and global supply chains.

Beyond economic linkages, Mekong countries are well positioned to be engines of regional development and multilateralism. With the emergence of nascent cooperative mechanisms pertinent to the region, including the Lancang-Mekong Cooperation, the Greater Mekong Sub-region, the Free and Open Indo-Pacific, the Ayeyawady-Chao Phraya-Mekong Economic Cooperation, Mekong-Japan Cooperation, and the Lower Mekong Initiative, among many others.

Robust and sustained economic growth throughout the region will contribute to the maximisation of these regional cooperation frameworks towards the diminishment of development gaps. At the same time, as framework constituents, the Mekong countries will also be responsible for socialising the norms of international cooperation across these frameworks to promote complementarities and foster a community based conceptually on a shared, positive-sum future.

It is without a doubt that the perspectives in this issue reflect the duality of diversity across the Mekong and a shared vision for common development and connectivity.

Mathew Bukit and Leng Thearith,

Mekong Connect Editors

MEKONG CONNECT

Published by:

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Development and Connectivity

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Cambodia's Strategy and Perspective

Sok Siphana

Cambodia has experienced continuous economic growth over the past two decades and has played an active role in ASEAN community building and the strengthening of Mekong subregional cooperation. Thanks to ASEAN's community-building efforts, Cambodia has been working vigorously to enhance its regional connectivity through enhanced trade, investment, tourism and development with neighbouring ASEAN member states and other parts of the Greater Mekong Subregion. In the meantime, Cambodia's population has reached 16 million people, a good percentage of which are living in, or in the process of migrating to, urban areas. With a steady population increase and pressure from rapid urbanisation, the Royal Government of Cambodia is constantly seeking ways to introduce important measures to improve the well-being of its citizens and deliver broad-based, inclusive growth in line with the United Nations Sustainable Development Goals (SDGs).

In light of rapid development in the Mekong subregion, Cambodia is under tremendous pressure to accelerate its integration process as a key step towards sustaining its economic growth, reducing the development gap and improving connectivity with its Mekong neighbours. In recent years, the progress of "Industry 4.0" is very visible, not just in developed countries, but also in the Mekong. Cambodia is a latecomer but new technologies, such as Internet Of Things (IOT), are quickly being developed and adopted. These technologies have also integrated production, sales, logistics and improvements in the efficiency of supply chains.

Currently, Cambodia is still dependent on light industries such as garments and footwear, which rely completely on low production costs and trade preferences with developed countries. Light industry will continue to take a leading role in employment generation and exports during the transition period. As economic growth increases labour costs, the official minimum wage level has risen commensurately over the years, eroding to some extent the country's competitiveness vis-à-vis other lower-wage countries such as Bangladesh, Myanmar and even some regions in Vietnam. Although the shift in the industrial structure towards more value-added and skill-oriented production has begun, it may take several more years before this transition is fully completed. To counter that effect, reducing logistics costs is indispensable for the survival of light industry in Cambodia.

With the recent launch of the fourth phase of the "*Rectangular Strategy of Growth, Employment, Equity and Efficiency (2018-2023)*", along with its "*Industrial Development Policy 2015-20125 (IDP)",* the Royal Government of Cambodia aims to shift from light to higher value-added industry by attracting manufacturing industries from strategic partners such as Japan, China and Thailand.

Cambodia recognised the "Industry 4.0" trend as a game changer and has responded quite openly to these current cutting-edge technologies and business models in the hope to attract more investment and higher-value

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manufacturers by developing logistics hubs. Ultimately, as the country upgrades its Information and Communications Technology (ICT) backbone infrastructure, it can position itself as a "regional logistics hub" to complement traditional transport infrastructure like roads, ports, railways and airports.

Enhanced transport connectivity, inside the country and intra-ASEAN (but more so within the Mekong subregion), is required for Cambodia to secure economies of agglomeration and integrated production networks to enhance intra-regional trade, attract foreign investment and promote deeper ties with other Mekong countries. Upgrading transport infrastructure and strengthening the overland linkages would spur domestic economic development and enhance the mobility of people, goods and services within the country.

Cambodia is geographically well-suited to be a logistics hub for Southeast Asia. It is part of dynamic global supply chains involving various countries in the Mekong with a vast subregional transport network already in place. It is only logical to further improve logistics development and industrial development as an inseparable pair for ensuring inclusion in the global value chain. The logistics sector would provide value to the new value-added manufacturing base by way of lowering costs, stabilising the time of cross-border transport and providing more choices of transport modes and sophisticated logistics services.

At the time of writing, the Ministry of Public Works and Transport is in the process of finalising a National Transport and Logistics Master Plan in order to lay out the future path of transport infrastructure and logistics development in the country and to create the necessary conditions for their sustainability.

The focus of the Master Plan is to foster the capacity of the transport and logistics sector so that it can serve as a regional connecting hub for trade in the Mekong subregion. The development of the Master Plan drew impetus from the Industrial Development Policy, which emphasises the transformation of the industrial structure from labour-intensive industries to technology-driven industries.

The Master Plan sets out an ambitious multi-year strategy for Cambodia's entire transport and logistics sector to improve roads, railways, ports and inland waterways, urban transport, trade logistics and strengthen the capacity of all institutions related to transport infrastructure and operations.

There are four transport corridors within the country, namely the Greater Mekong Subregion (GMS), the ASEAN Highway, the Asian Highway and the Cambodian domestic regional. Road transportation accounts for an overwhelming majority of the transported volume of passengers and freight. However, the railway and waterways offer more efficient energy consumption per unit of transported volume and are superior for long-distance mass transit. Consequently, the Master Plan aims to form an efficient transportation network and transport hubs through integrating the railway and waterways. Access roads to international borders with Thailand, Vietnam, Laos and the international seaport will also be very important for supporting the functions of the international corridors and local economy.

This Master Plan envisages the expansion of trade and commodity flows to and from neighbouring countries by way of strengthening international highways and improving access to the border areas of neighbouring countries. International routes are important for promoting and developing international trade and tourism, not only in Cambodia but also in other Mekong countries. To that effect, two more expressways are proposed, namely the Phnom Penh-Sihanoukville Expressway and the Phnom Penh-Bavet Expressway to link the Phnom Penh-Sihanoukville Economic Growth

Corridor and Special Economic Zones (SEZ) near the Cambodia-Vietnam Border to support the growth of manufacturing.

In the short term, rail freight transport will be further promoted under the Northern Line Railway Improvement Project and the Southern Line/Sihanoukville Port Access Railway Improvement Project. In the medium term, new projects will focus on the development of a railway regulatory framework and technical standards as well as on the implementation of cross-border railway agreements.

Inland water transport will also see significant improvements with the implementation of several projects that focus on the maintenance and development of navigation aids in the Phnom Penh Autonomous Port Commercial Zone, the development of administrative agencies for nighttime border navigation and the construction of a new Multipurpose Terminal at Tbong Khmum.

The development of the Sihanoukville Port will be accelerated with the construction of a new container terminal, which will include deepening of the port, a new access road and truck parking area, the construction of a Multipurpose Terminal and the construction of the Port SEZ Logistics Center.

Moreover, the Master Plan takes into account several urgently needed actions to help Cambodia deliver on its wider Sustainable Development Goals. Agriculture has played a significant role in the national economy and engages the majority of the population. In recent years, there has been a steady expansion of agricultural product exports, such as rice, cassava and rubber. In the coastal regions spanning Koh Kong, Sihanoukville, Kampot and Kep provinces, there is significant potential for seafood production and processing, while livestock, nuts and forest products abound in the north-western and north-eastern regions. Moreover, Cambodia has many world heritage sites scattered across different parts of the country and tourism is one of the sectors with the highest potential for development. Strengthening road accessibility to tourism areas will activate the potential of the tourism sector, while boosting employment opportunities for locals and contributing substantially to poverty reduction.

The implementation of the Master Plan will not be an easy task. It requires commitment from government leaders and international development partners. To achieve the goals set out in the Master Plan, more financing is needed from donors. Already, key development partners have been working feverishly with the Ministry of Public Works and Transport to undertake and implement feasibility studies and sectoral master plans, all of which have provided enormous inputs for the design of the Master Plan.

The most significant works worthy of being mentioned include the 2017 Road Network Master Plan by China; the 2017 Master Plan Report of the Feasibility Study on Waterway Improvement for Port Logistics Development in Cambodia by KOICA; the 2015 Design of a Master Plan for Regional Waterborne Transport in the Mekong River Basin by the Mekong River Commission; the 2014 National Railway Master Plan by KOICA; the 2014 National Expressway Master Plan by China; the 2014 Comprehensive Urban Transport Master Plan in Phnom Penh Capital City by JICA; the 2011 National Port Master Plan supported by JICA; the 2017 Preparatory Survey for Sihanoukville Port New Container Terminal Development Project by JICA; and the 2018 Study on Logistics System Improvement Master Plan in the Kingdom of Cambodia by the World Bank and JICA.

Consistent with the vision of the Royal Government of Cambodia to become an upper-middle-income country by 2030 and a high-income country by 2050, as set out in its Rectangular Strategy Phase IV, Cambodia

envisions a country seamlessly and comprehensively connected and integrated into the ASEAN Economic Community. The Master Plan is another concrete action by the Government to contribute to this ambitious goal.

The Connectivity Factor in ASEAN-China Relations

Kavi Chongkittavorn

ASEAN and China are moving towards a new phase of their relations, which will be characterised by stronger connectivity and cooperation within the Belt and Road Initiative (BRI). Following years of recalcitrance since the BRI was launched in 2013, due to ASEAN's concerns about the financial burdens and shared benefits, more BRI projects are at stake in the region today. Accordingly, ASEAN and China are increasing their consultations on development strategies in the region.

ASEAN and China are moving towards a new phase of their relations, which will be characterised by stronger connectivity and cooperation within the Belt and Road Initiative (BRI). Following years of recalcitrance since the BRI was launched in 2013, due to ASEAN's concerns about the financial burdens and shared benefits, more BRI projects are at stake in the region today. Accordingly, ASEAN and China are increasing their consultations on development strategies in the region.

All ASEAN leaders—including the eight heads of state, one vice president and one prime minister—comprising one-fourth of the 37 global leaders who attended the second Belt and Road Forum in Beijing at the end of April, indicated the importance and value they attach to China's BRI schemes. At the first BRI forum last May, several ASEAN countries were conspicuously absent without explanation. This time though, all ASEAN leaders expressed keen interest in working and planning together with China to improve their overall connectivity-related infrastructures.

So far, only individual ASEAN members, not ASEAN as a group, have undertaken BRI projects with China. Each member has its own unique domestic priorities and terms of reference that determine the nature and cost of projects with China.

Within the ASEAN context, China's negotiating tactics have varied from one country to the next. Under close scrutiny, China is resilient and pragmatic, especially in dealing with recipient countries that are important to China's core interests. A case in point was the success of renegotiating Malaysia's East Coast Rail Link (ECRL) project. After Prime Minister Mahathir Mohammad took power last May, he immediately suspended the project, citing financial unsustainability and the threat of a debt trap. After several weeks of discussions and renegotiation, China and Malaysia finally revived the mega-project.

China still has many deals pending with Thailand and Myanmar. Beijing's ongoing high-speed train project with Thailand has not yet been concluded after nearly four years of painstaking negotiations due to a variety of factors, especially those related to loans and interest rates, as well as the role of domestic stakeholders. Thailand is also aware of the debt trap danger, but officials are confident it can be avoided because of Thailand's wide network of financial resources. However, other ASEAN members could face future financial burdens as they lack funding resources, forcing them to rely solely on China's financial assistance.

In Myanmar, the situation is more complex, as China and Myanmar have yet to agree upon the future of the US$3.6 billion Myitsone Dam, which was abruptly halted at the end of

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2011. Whatever decision is taken by Nay Pyi Taw on the dam will affect existing and future BRI-related projects in Myanmar. During a meeting with State Counsellor Daw Aung San Suu Kyi, Chinese President Xi Jinping gave Myanmar a one billion yuan grant and pledged a win-win result, assuring Myanmar of mutually-beneficial cooperation on BRI schemes. Both countries also agreed on the development of the Myanmar-China Economic Corridor.

In the case of Malaysia, China was positive and immediately responded to Kuala Lumpur's demand to renegotiate the ECRL. Malaysia has one of the most comprehensive relationships with China of any ASEAN member. Under former Prime Minister Najib Razak, Malaysia signed up for nearly 30 projects under the BRI framework.

At the second BRI summit, the resumption of the ECRL has given rise to the so-called "Mahathir Model," which has been hailed as China's new pragmatic foreign policy engagement. In the past few weeks, Mahathir, with his well-known straightforward comments and criticism, has praised China's flexibility.

Malaysia's experience will increase ASEAN's overall bargaining power and provide a much-needed impetus for other ASEAN members. In particular, Indonesia and the Philippines are two maritime nations that need urgent improvement of their marine-based infrastructure, especially port facilities throughout the countries' far-flung islands. In engaging with China, however, both countries have faced severe domestic criticism due to a lack of transparency and information. From now on, societal stakeholders will be increasingly involved in any deals with China.

China is well aware that it is extremely important to have ASEAN, as a group, on board with BRI schemes. For the time being, despite all the pleasantries, ASEAN has not yet officially endorsed the BRI or made any attempt to synergise it with the ASEAN Master Plan on Connectivity (MPAC). In 2015, Chinese Foreign Minister Wang Yi proposed the establishment of a high-level group to coordinate BRI and the MPAC, but ASEAN has remained non-committal.

However, at the BRI summit, Thailand, as the current ASEAN chair, invited China to become a development partner in the subregional connectivity plan under the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). China is positive that there will be more synergy between the BRI and ACMECS in the coming years. Since all the ACMECS members belong to ASEAN, it could function as a mechanism linking the BRI and MPAC.

At the upcoming ASEAN-China summit in Bangkok in early November, it is quite possible that ASEAN will endorse the BRI in full if there are better mechanisms, especially on financial arrangements and shared benefits, as requested by ASEAN. Nonetheless, China-ASEAN relations also depend on the progress of negotiation over a Code of Conduct (CoC) in the South China Sea. Thailand and the Philippines (the latter of which is coordinating ASEAN-China relations) are working closely to push for an early conclusion of the COC. Chinese Prime Minister Li Keqiang reaffirmed recently that a draft would be completed in 2021, and representatives from China and ASEAN have scheduled three readings this year of the single drafted text.

Under the Thai chair, ASEAN has put much emphasis on strengthening ties with major powers, which helps explain why ASEAN decided to formulate its vision of future cooperation with dialogue partners. The ASEAN Indo-Pacific Outlook, which will be revealed at the ASEAN Summit in Bangkok in late June, demonstrates the grouping's resolve to further raise its international profile and strengthen its centrality.

Efforts to promote the 1976 Treaty of Amity and Cooperation in Southeast Asia as an international code of conduct are another barometer. Now, nearly 40 countries from around the globe have acceded to the treaty, which calls for non-interference and non-use of force.

In the future, ASEAN centrality will have to be all-encompassing, not only limited to political and security matters but also including developmental programmes as well. Therefore, the overall ASEAN attitude towards the BRI in the coming months is crucial. Like it or not, central to the grouping's stability and prosperity are its ties with its 'Plus Three' dialogue partners—China, Japan, and South Korea.

With an increased level of trust between China and ASEAN, China's ties with the other two Asian economic giants would also improve. China-ASEAN relations are also closely linked to the numerous ASEAN Plus Three frameworks. Therefore, future BRI schemes should seek further involvement of third-party partnerships to make them more inclusive and sustainable, as framed by an ASEAN-led developmental strategy.

Community Visioning

A Tool for Inclusive and Sustainable Urban Development

Nop Sothun

Along with maintaining constant economic growth and building a prosperous society, the Cambodian government has aimed to promote inclusive and sustainable urban development. This article proposes that community visioning can serve as a contributing mechanism to Cambodia realising its goals. Apart from briefly highlighting the current trends and key issues of Cambodia's urban development, this paper will outline the concept of community visioning. Additionally, the question of why community visioning is crucial for urban development planning and how it can be effectively undertaken will be addressed.

Cambodia's Urban Development Trends and key Challenges

Cambodia has experienced rapid urbanisation in the last decade, which is seen as a way to facilitate economic growth and modernity. The expansion of urban areas has been mostly concentrated in potential economic zones such as Phnom Penh, Battambang, Siem Reap, Sihanouk Ville, or Bavet. In accordance with a vision of modern development, these areas have been transformed into commercial zones and civilised residential blocks through foreign direct investment (FDI) projects. A number of national and foreign investments have been encouraged and supported by the government because this is seen as a key factor to maintaining a constant national economic growth rate of around 7% per annum and enabling Cambodia to be more competitive in the ASEAN region.[i]

Rapid urbanisation leading to the increased population of urban areas, however, has presented various key challenges. The proliferation of rural-to-urban migration has brought about difficulties for the government to adequately provide necessary infrastructure and services for all urban residents. Apart from the increased demand for public services, a high density urban population can lead to more congestion, pollution, or untidiness, which in turn requires more commitment — of both time and resources — to be satisfactorily addressed. Moreover, the process of transforming urban areas to feed the demands of private investments or construction sectors, such as infrastructure, commercial centres, or real estate, has compromised urban ecosystem dynamics, which can be a challenge to achieving the government's goal of green growth development. The decline of urban resources such as lakes, forests, or catchment areas, have concerned many residents due to the limited urban capacity to cope with potential natural disturbances (heat waves, floods, landslides, or storms). Cambodia's urban development has been critiqued for being absent of a clear vision, and whether this development process will lead to inclusive growth and sustainability remains questionable.

What is Community Visioning?

Community visioning is seen as both a process and a product. [ii] The process involves communities (local residents, authorities, and other relevant actors) outlining what they value about their communities and formulating a consensus on what they would prefer to preserve or change in the future. In this process, members can honestly discuss real situations or problems in their community,

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though the purpose of community visioning is not to attribute blame to any party. The product of the discussion is called a vision statement which can be used as a guideline for the community to perform their tasks towards common goals. The process of developing the statement is more important than the actual statement because poorly-designed discussion processes can lead to a non-representative statement, which cannot not be accomplished.

Community visioning can be a straightforward process. Active involvement of all key actors is necessary to formulate a mutual agreement upon the vision of their community's future. In addition, relevant officials and experienced experts are needed to play roles in facilitating discussion, verifying queries or reconciling disagreements.

To exercise fruitful community visioning, five important steps must be considered. Firstly, the community's geographical boundary should be clearly identified because this helps maintain focus on a particular zone. Secondly, community resource inventory and analysis needs to be conducted to identify the community's key potentials and limitations. Thirdly, a shared vision statement should be developed and written by reflecting on what members want for the future of their communities. Fourthly, key action plans need to be identified based on the key strategies. These key strategies have in turn been identified based on achieving the defined common vision statement. Finally, the implementation of action plans must be carried out with a clear timeline of monitoring and evaluation to reflect on what has been done well and what has not.

Why is Community Visioning Crucial for the Cambodian Urban Development Process?

Community visioning is fundamental for the development of urban areas in Cambodia because it can provide a clear view or guidance for shaping and directing the development process. Through exercising community visioning, communities will be able to examine and explicate their key issues related to economic, social, or environmental factors, and form a vision statement representative of shared aspirations for their community. With this, key actions and the monitoring mechanism will be identified for problem solving, which contributes to the realisation of their long-term vision. For example, through community visioning, communities can help improve urban landscape design or land use planning with an appropriate identification of where to build commercial zones, residential areas, schools, hospitals, or where to preserve parks to ensure inclusiveness, sustainability, and the system dynamism of areas. The results from exercising community visioning, moreover, can be integrated into urban development master plans or policies at higher levels. This kind of practice truly aligns with the government's strategies of promoting bottom-up approaches, where all stakeholders are encouraged to participate in shaping and contributing to the long-term development of urban areas.

However, the potential limitations of community visioning should also be acknowledged. In theory, effective community visioning requires a democratic governance system, where power relations between key actors is well balanced, leading to cooperative decision-making.[iii] In practice, this process can be time consuming because it is not always easy to determine the best intersect between parties' different priorities in order to minimise compromising their interests. Maintaining groups' momentum, commitment and effective collaboration can also be a daunting task. However, these constraints can possibly be minimised by starting with a manageable scale of pilot projects. Establishing an appropriate incentive system (financial, certificates of appreciation, study tours, etc.) could be crucial to motivating

collaborative efforts. Furthermore, a common foundational understanding of key actors' inter-dependence needs to be built. From this, key actors will be more cognisant of the need to pursue common benefit in the community visioning exercise.

Conclusion

Community visioning plays an important contributory role in promoting inclusive and sustainable urban development because it helps mobilise views and inputs from relevant actors to balance key sectors (economic, social and environmental) in urban areas. This can possibly reduce fragmentation of resource use for urban development activities because with clear visions and action plans, resources can be effectively and systematically allocated based on priorities. Despite such, strong commitment, recognition, and support from government agencies and stakeholders are needed to ensure the effective exercise of community visioning and the implementation of actions plans. A clear vision is imperative for a future of sustainable and inclusive urban development in Cambodia.

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[i] Royal Government of Cambodia (RGC). (2016) Phnom Penh Green City Strategic Plan 2016-2025.

[ii] Planning for the Future: A Handbook on Community Visioning, The Center for Rural Pennsylvania, An agency of the Pennsylvania General Assembly, 2006.

[iii] National Civic League (2000) The Community Visioning and Strategic Planning Handbook.

China's Perspective of Global Connectivity and its Recent Practice

Progress and the way Forward

Ren Yuanzhe

Connectivity has always been a key word to understand the relationship between China and the world in the new era. Achieving global connectivity is one of the goals of China's Belt and Road Initiative (BRI), in Asia or even on the global stage. In September and October 2013, Chinese President Xi Jinping proposed to jointly build the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road" (hereinafter referred to as the Belt and Road Initiative/BRI) during his visit to Central and Southeast Asian countries. The initiative, which has now been developed over six years, has become a significant Chinese concept and solution to promote global common prosperity and build a community of shared future for mankind. It is also an integral part of Xi Jinping's thought on socialism with Chinese characteristics in the new era, opening up the gate of China as well as reaching a new level of connectivity. Thus, the connectivity, manifesting itself in the construction of the Belt and Road Initiative, could be regarded as a Chinese version of regional integration and global governance.

The Evolving Understanding of Connectivity

China has paid special attention to connectivity in recent years. On November 8, 2014, China hosted the Dialogue on Strengthening Connectivity Partnership in Beijing. The 22nd Asia-Pacific Economic Cooperation Leaders' Informal Meeting, which was held later that year, also made all-round infrastructure and connectivity construction an important issue. Moreover, connectivity was a core issue for discussion at the "First Belt and Road Forum for International Cooperation" held in 2017. The issue, "promoting connectivity to explore new growth impetus", became one of the three major topics in the "Second Belt and Road Forum for International Cooperation". The continuous advancement of the BRI has led to the practical realisation of connectivity. China aims to achieve high-quality development of the BRI through emphasising connectivity. There are three factors that outline the importance of connectivity in BRI-led development.

Firstly, connectivity reflects the Chinese government's long-term diplomatic thinking. It manifests a thought pattern of win-win cooperation rather than a zero-sum mentality. From the Chinese perspective, each country and civilisation has its own uniqueness while also facing common interests, responsibilities, and fates. Only if we seize upon and gradually strengthen our common benefit can conflict and confrontation be avoided and a new type of international relations then be constructed.

Secondly, connectivity is in line with Chinese strategic thinking on partnership and non-alignment. The key to building the BRI is its connectivity. The second forum officially proposed the idea of building a global connectivity partnership to achieve common development and prosperity. Partnership and non-alignment is an emergent paradigm of friend-making in international relations; it

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regards cooperation and development as its primary goals, which is in accordance with the current norms of international relations. Since alignments indicate a mindset of making enemies, the new international relations should transcend it. Since the Cold War ended, China has endeavoured to build a global network of partnerships. At present, China has established 72 partnerships with 67 countries and five international organisations and formed a preliminary global partnership network. The Central Conference on Foreign Affairs Work, which was held last year, has clearly stressed the need to make friends and form a network of partnerships around the world, under the premise of the principle of non-alignment. To further deepen this partnership network, the connectivity of people, finances, materials, and wisdom is also emphasised.

Thirdly, connectivity involves multiple dimensions. In the 21st century, connectivity in Asia is a three-fold concept including hardware connectivity of transportation infrastructure; software connectivity of rules, regulations, standards, and policies; and humanistic connectivity of promotion of mutual trust and cultural exchanges, which covers five types of connectivity (connectivity of policy, infrastructure, trade, finance, and people). Among them, infrastructure construction is a fundamental and chief priority of connectivity.

The Fruitful Outcome of China's Connectivity Initiatives

In recent years, China's achievements in promoting connectivity are parallel with promoting BRI. BRI aims to upgrade connectivity, enhance stable and practical cooperation, encounter various risks and challenges together, and achieve win-win cooperation and bring mutual benefit to all shareholders. Until 2018, more than 140 countries expressed their support for BRI. Now, 126 countries and 29 international organisations have signed BRI cooperation documents with China, and some African and Latin American countries have also shown a willingness to participate in BRI cooperation.

China's all-around connectivity networks can be generalised as "Five-dimensions connectivity": policy coordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bonds, which are the core contents of the BRI. In the last five years, the BRI has achieved profound success in all of these five fields.

First, in enhancing policy coordination connectivity, the pursuit of the BRI is not meant to reinvent the wheel. Rather, it aims to complement the development strategies of countries involved by leveraging their comparative strengths. China has enhanced coordination with the policy initiatives of relevant countries, such as the Eurasian Economic Union of Russia, the Bright Road initiative of Kazakhstan, the Development Road initiative of Mongolia, and the Master Plan on ASEAN Connectivity. In particular, the North British Economic Center, proposed by the United Kingdom, has also become a key docking project for the BRI. Many countries' development strategies will be coordinated with BRI projects, which will help to achieve comprehensive development, reverse the initial skepticism of some countries, and greatly enhance strategic mutual trust.

Second, infrastructure construction and connectivity play a role of great importance role in BRI. In recent years, China and countries along the BRI route have promoted several large-scale projects: the Jakarta-Bandung High-Speed Railway, the China-Thai Railway, the China-Laos Railway, and the Hungary-Serbia Railway. One representative project is the Addis Ababa-Djibouti Railway, which is the second standardised railway in Africa. This railway, turning Ethiopia from a land-locked nation into a land-connected nation, is an important channel for its opening up. In addition, the total number of China

Railway Express to Europe trains exceeded 10,000 in 2018.

Third, the BRI continually strengthens trade connectivity. According to statistics, the total trade volume between China and countries along the BRI in 2013-2017 reached US$5.2 trillion, representing a 1.1% annual growth rate. China's investment in these countries has now surpassed US$77.3 billion, with an annual growth rate of 7.2%. The contract value of newly signed projects was US$518.7 billion, with an annual growth rate of 19.2%. Chinese companies have invested US$30 billion in over 80 economic cooperation zones, and these enterprises provide an important platform for local light industry, textiles, building materials, and home appliances production, generating 200,000 jobs. These are actual benefits brought to people and countries along the BRI route.

Fourth, in continually expanding financial connectivity, China has proposed multiple forms of financial cooperation such as the Asian Infrastructure Investment Bank (AIIB), BRICS New Development Bank, the BRI Fund, and the China-Central and Eastern Europe Cooperation Fund. Taking the AIIB as an example, the bank has approved more than US$5.3 billion in project investment to countries and regions along the BRI. These new financial mechanisms and traditional multilateral financial institutions, such as the World Bank, complement each other. China has confirmed "Guiding Principles on Financing the Development of the Belt and Road" with 17 countries, and published "Opinions on the Establishment of the 'the Belt and Road' International Commercial Dispute Settlement Mechanism." China has also signed bilateral currency swap agreements worth RMB1.4 trillion with 24 countries and established RMB settlement agreement with seven countries along the BRI.

Fifth, in deepening people-to-people communication, China has promoted cooperation in science, education, culture, health, and people-to-people exchange, and has facilitated communication between parties, think tanks, twin cities, and social organisations. As of June 2018, China has established more than 700 twin cities with over 50 countries. Every year, the Chinese central government provides 10,000 government scholarships to relevant countries. China's local governments have also set up special Silk Road scholarships. Two-way tourism exchange under the "Belt and Road" framework has exceeded 25 million people. China has also printed guidelines for strengthening soft power construction, proposing "the Belt and Road" Green International Union Initiative, and signing culture cooperation agreements with more than ten countries. "The Belt and Road" official website is running in six languages. People-to-people connectivity is the foundational work that helps advance the BRI.

Major Challenges in Promoting Global Connectivity in the Future

With BRI connectivity strengthening dramatically on a global scale, disruptive issues also arise. Firstly, the risk of major powers' strategic competition is aggravated. The US is the most unstable and disruptive factor. Since Trump was inaugurated, the US has tended to view the BRI from a competitive perspective. It has published a series of reports and policy documents to mobilise all relevant resources to target China's BRI through slandering and resistant remarks, even going so far as trying to replace the BRI with other initiatives. In some sense, the gradual escalation of competitive plans and destructive actions by the US government has become a major obstacle to the advancement of global connectivity. The competition between the Indo-Pacific Strategy, which the US is gradually forming, and the BRI will weaken the speed and effectiveness of connectivity.

The second major challenge is changes in domestic politics. At present, many countries jointly engaged in the construction of connectivity are undergoing social transformation, in which the problems of development, governance, and ethnic relations are of extreme complexity. Domestic political risks, unstable economies, and deteriorating security situations are exacerbated, which may have a direct impact on the sustainability of connectivity construction.

Non-traditional security threats like terrorism are also critical. The global counter-terrorism situation is increasingly severe, and infrastructure is vulnerable to attack from terrorist groups. A number of recent global terrorist attacks against major infrastructures such as airports and train stations have not only caused public panic but also brought serious damages to people's lives, which should arouse concern from the international community.

In order to provide a secure environment for the construction of the BRI, China hopes to effectively protect the implementation of connectivity programmes and cross-border infrastructures against terrorist attacks by means of international cooperation to strengthen intelligence sharing, improve risk assessment, and intensify joint law enforcement through bilateral and multilateral channels. Moreover, each country should make it their main responsibility to ensure the security of infrastructure by strengthening their capacity to cope with terrorist attacks.

On the whole, adhering to the principle of achieving shared growth through discussion and collaboration, promoting the construction of the BRI, and establishing a global connectivity partnership have not only been the general plans for China's opening up and foreign cooperation for a long time, but are also a significant platform for practicing the idea of a community of shared future for mankind. China will continue to invest more energy and resources, promote global connectivity, and achieve common development with other countries.

Myanmar's Transportation Network with Regional Connectivity

Khin Ma Ma Myo

Myanmar is the largest country in mainland Southeast Asia, with an area of 676,578 square kilometres. It borders with India and Bangladesh in the west and northwest, China in the north and northeast, and Lao PDR and Thailand in the east and southeast. Transportation plays a very important role in national development and unity. It is also essential for socio-economic relations and connectivity with regional countries in the age of regional integration. Successive governments in Myanmar have laid down national development goals which prioritise the transportation sector, including transport policies to build smooth inland transportation and transport links with regional and neighbouring countries.

The Myanmar government formulated the National Transport Master Plan (NTMP) in 2012, which included 142 proposed projects. In accordance with the NTMP, mid-term and long-term transportation policy is outlined to develop transport corridors across the country. The National Logistics Master Plan is currently in the draft process and will play an important role in upgrading and developing all four modes of transportation. The transport sector is overseen by the Ministry of Transport and Communications (MOTC), with the Ministry of Construction (MOC) and its Department of Public Works serving as the main implementation bodies for construction of transport infrastructure. The MOTC and MOC are responsible for both the local transport sector and regional transport infrastructure projects in Myanmar.

Myanmar's Road Transport Network

Road transport is the main mode of transportation, accounting for 90% of freight and passengers in Myanmar. The improvement and building of bridges and extensive roads are government priorities since 60% of highways are in poor condition. Moreover, Myanmar has carried out large highway projects with neighbouring countries, bilaterally and with regional and sub-regional institutions. These projects are the Asian Highway (AH), the ASEAN Highway, the Greater Mekong Sub-region (GMS), Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy flagship projects, the Tripartite Highway, the Kaladan Multi-Modal Transit Transport, and the Ruili-Kyaukphyu-Yangon Road under the China-Myanmar Economic Corridor (CMEC). These are major links to countries in South and Southeast Asia.

The Asian Highway project is a major road transport project between Myanmar and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). The project covers 143,000 kilometres in thirty-two countries. Myanmar signed the draft agreement on Asian Highways in 2004. There are four sections that pass through the country. The Asian Highway No.1 (AH 1) from Myawaddy to Tamu links the Thai-Myanmar border to India; the AH 2 starts from the Thai-Myanmar border City, Tachileik, and runs to the central Myanmar city of Meiktila; the AH 3 connects Kyaington to a border town, Mongla; while the AH 4 links Mandalay city to Muse at the China-Myanmar border. These four sections link with major highways and the border areas

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of China, Laos, and Thailand. Moreover, AH 1 is located in the East-West Economic corridor of the GMS. The Second Myanmar-Thailand Friendship Bridge was opened in March 2019 on the Asian Highway between Myanmar and Thailand.

The ASEAN Highway is the major road link among ASEAN's ten member countries. The route consists of twenty-three designated sections with a length of 38,400 kilometres. Seven routes pass through Myanmar, totalling a length of 4,543 kilometres. They are ASEAN Highway No. 1, No. 2, No. 3, No. 14, No. 111, No. 112, and No. 123, linking Myanmar with Thailand, Laos, Vietnam, China, and India.

Myanmar engages in active cooperation in sub-regional transport sector projects. The first sub-regional road link was from GMS transport corridors, developed with support from the Asian Development Bank (ADB). Five out of nine corridors pass through Myanmar: the North-South Corridor (Kunming-Bangkok), the East-West Corridor (Malamyine-Danang), the Southern Corridor (Dawei-Quy Nhan/Vung Tau), the Northern Corridor (Gangheng-Tamu), and the Western Corridor (Tamu-Mawlamyine). These routes showed that Myanmar could easily link with China, Thailand, Cambodia, and Vietnam. Another cooperation mechanism is the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). The ACMECS 2019-2023 Master Plan primarily focuses on connectivity among its five member countries by upgrading the East-West and North-South Corridors of the GMS. Its flagship projects initiated the study of Facilitation of Cross Border Movements of Goods and Passengers among Laos, Myanmar, and Vietnam.

Under the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) arrangement, the Tripartite Highway between India, Myanmar, and Thailand was agreed in 2003. The highway covers 1,360 kilometres from Maesot, Thailand, to Moreh, an India border town, passing through Myanmar. The first 160 kilometres is called the India-Myanmar Friendship Highway. Two crossings were opened in 2018 and are the gateway from India to ASEAN via Myanmar, demonstrating the important role of Myanmar as a transit route between South Asia and Southeast Asia. Furthermore, bilateral transport plans enhance connectivity between the two regions. For example, the Kaladan Multi-Modal Transit Transport project between India and Myanmar. Under this project, the highway between Paletwa and Mizoram border will provide smooth transportation for trade and tourism to the northwest area of India. There will be more highway projects under the CMEC and Belt and Road Initiative (BRI), including the proposed Ruili-Kyaukphyu-Yangon Road.

Highways across Myanmar are essential not only for its relations with regional countries but also as transit routes for smooth intra-ASEAN trade and movement of people. Moreover, the road transport network in Myanmar has contributed to seamless links among China, India, and ASEAN countries.

Rail and Other Modes of Transport

Myanmar has the longest network of rail lines among ASEAN countries, spanning 5,934 kilometres. However, facilities and basic infrastructure are outdated and need to be improved. Myanmar Railways (MR) is responsible for the management of rail transport and its reforms. Ten railways projects have been proposed to modernise and rehabilitate the rail transport system while the National Railway Strategic Plan is prepared. There are plans to link Myanmar's domestic rail lines with neighbouring countries, particularly Thailand, India, and China. The major regional railway project is the Singapore-Kunming Rail Link (SKRL),

which stretches from China to Singapore, linking China, Myanmar, Cambodia, Laos, Malaysia, Thailand, Singapore, and Vietnam. Route No. 2 passes through Myanmar and the missing link is still under construction. Additionally, Myanmar has cooperated with neighbouring countries for bilateral railway projects. At the 14th Special Working Group Meeting in 2012, the Dawei-Kanchanaburi project was proposed by Thailand. The feasibility study of the Dawei Special Economic Zone (SEZ) included ground surveys for the new rail route. The Muse-Kyaukphyu Rail Transportation Project was launched in 2011 after a Memorandum of Understanding was signed between the China Railway Engineering Corporation (CREU) and MR. The estimated cost of the project is US$20 billion and was widely criticized by local people. However, the agreement expired in 2014 and failed to implement any construction. Under the CMEC and BRI plans, the Muse-Mandalay Railway project was signed in October 2018, with the ground survey to be carried out into 2019. The project covers a 431-kilometre route between the central Myanmar city of Mandalay and Muse, which is a town near the Chinese border.

Myanmar has utilised inland and maritime transportation since its colonial period. It has a long coastline but commercial shipping and ports are not very efficient. The Myanmar government has been striving to build new deep sea ports and joint SEZs and expects new ports to be regional sea ports when the ASEAN community is realised. The Kyaukphyu Deep Sea Port is in the final stage of construction, while Thilawa Port and Dawei Deep Sea Port are in their initial stages of construction. Mawlamyine Port is being considered for improvement into a deep sea port and could be a key port for the East-West Economic Corridor and the region. The maritime transport sector in Myanmar has great potential for regional trade and connectivity in ASEAN. Furthermore, SEZs with access to a deep sea port could boost trade and commercial shipping between Myanmar and the rest of the world.

Another mode of transport is air transport, which is crucial for domestic and international transportation. In the age of globalisation, the air transport network is a strategic economic tool for the market-oriented economy. Myanmar has 33 airports, which includes three international airports. Air transport services for passengers and goods are provided by seven domestic airlines and 21 international airlines. However, airports have been mostly under renovation and the air service industry is not modernised.

Conclusion

The growth of intraregional and interregional transport linkages is indispensable for ASEAN integration and extensive interactions with all countries. Transportation will be central to the realisation of ASEAN Connectivity. The 17th ASEAN Summit in October 2010 adopted the Master Plan on ASEAN Connectivity (MPAC). Its initiatives have been implemented under physical connectivity, institutional connectivity, and people-to-people connectivity. Myanmar has actively participated in all measures, but its transport network with regional countries has contributed greatly to a seamlessly-connected ASEAN, with five overland crossings with Thailand, one with Laos, and one with China and India. The two regional and three sub-regional and bilateral highways connect Myanmar with nearby countries. SKRL railways and CMEA rail routes have become important for regional freight and logistics services. There will be several new BRI highways, sea ports, and high-speed railways throughout the country in the near future. Moreover, these transport routes through Myanmar connect ASEAN countries with China and India. Myanmar will eventually become a transit trade route and transport hub in the region. As Myanmar's transport network expands regional markets and

investment, transaction costs will be reduced. This will help to bridge the development gap in ASEAN. Furthermore, the transport network could connect people across borders and bring about closer understandings of different cultures and customs. Myanmar's transport network surely contributes not only to regional connectivity but also delivers regional socio-economic benefits.

Japan's Strategy in the Mekong Region

Sim Vireak

Concerted actions and tangible achievements over the past 10 years of Mekong-Japan cooperation have significantly contributed to the transformation of the Mekong region into a global growth centre.

Japan's commitment to promoting quality growth—both hard and soft infrastructure connectivity—further boosts the economic potential of the region, particularly narrowing the development gap within ASEAN. Such commitment and efforts by Japan have been consistently hailed by the Mekong countries.

Every three years Japan hosts the Mekong-Japan Summit in Tokyo, where major strategies are announced. Last year, Japan hosted the 10th Mekong-Japan Summit Meeting, at which they announced the "Tokyo Strategy 2018 for Mekong-Japan Cooperation." This strategy focuses on three pillars, namely (1) vibrant and effective connectivity, (2) people-centred societies, and (3) the realisation of a Green Mekong. Leaders of the Mekong countries and Japan also decided to elevate their cooperation to a strategic partnership.

There are three forms of connectivity: "hard connectivity," including the promotion of "quality infrastructure"; "soft connectivity," including cooperation in the digital field; and "industry connectivity," including the promotion of investment and the development of Special Economic Zones (SEZs).

The promotion of people-to-people exchanges and people-centred development have been the cornerstone of Mekong-Japan cooperation, given that Japan has persistently supported the region in its efforts to achieve the United Nation Sustainable Development Goals (SDGs).

Japan has pledged to train approximately 30,000 people over three years, and people-to-people exchanges are being boosted in the lead-up to the "Mekong-Japan Exchange Year 2019" and the Tokyo 2020 Olympic and Paralympic Games.

The realisation of a Green Mekong demonstrates the cooperation's commitment to addressing climate change, disaster risk reduction, marine debris pollution and water resources management, and creating resilient societies that are environmentally friendly.

All of the above three pillars are being pursued in coordination with the SDGs, realising a Free and Open Indo-Pacific (FOIP), and building synergies with the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS).

Unlike the "New Tokyo Strategy 2015," in which Japan committed around 750 billion Yen (about 6,821 million US$) in Official Development Assistance (ODA) to the Mekong region for three years (2016-2018), the "Tokyo Strategy 2018" did not involve a specific financial pledge.

It is worth noting that financial pledges for Mekong-Japan cooperation are not an exclusive or standalone packages, but rather a combination of all Japanese assistance to the region. In the list of projects, there is no clear distinction between bilateral projects, Mekong sub-regional projects, or other multilateral projects.

In this sense, Mekong-Japan cooperation is not a separate tool, but rather an integral part

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of Japan's diplomatic toolkit, through which it can harmonise all of its ODA to the region to best support its diplomacy and the economic development of the region.

Japan's interest in pursuing Mekong-Japan cooperation has both strategic and economic implications.

In terms of strategic interest, Tokyo has utilised this framework to boost its own version of a Free and Open Indo-Pacific Strategy, which generally aims to create a strategic equilibrium in the Indo-Pacific. Japan, unlike the US, does not have any intention to or interest in challenge China, but rather accommodates and coexists with China.

Prime Minister Hun Sen was the first leader from Southeast Asia to explicitly express support for Japan's Indo-Pacific Strategy. As far as people-to-people and economic connectivity are concerned, Cambodia welcomes Japan's commitment under FOIP to ensure peace, stability, prosperity, and enhanced connectivity for the region.

The Mekong region links the Indian Ocean and Pacific Ocean and thus has a geographic comparative advantage in implementing FOIP connectivity projects. The Mekong could potentially become the hub of future Indo-Pacific connectivity projects.

Japan is interested in promoting a free and open maritime order based on the rule of law for the Indo-Pacific region, which extends from the Asia-Pacific through the Indian Ocean to the Middle East and Africa. This geographical scope is larger than that of other countries' definition of the Indo-Pacific region.

Japan promotes FOIP based on three pillars, namely ensuring freedom of navigation and the rule of law, pursuing economic prosperity by improving connectivity including through the development of quality infrastructure, and ensuring peace and stability by supporting the development of maritime law enforcement capabilities.

In the economic dimension, Mekong-Japan cooperation is a tool to support synergy between the Japanese government and the private sector in fostering Japan's presence in the region. Japan's private sector has invested more than 2 trillion yen (about 18,190 million US$) in the region from 2015-2018. Tokyo has increased its usage of ODA to leverage more private-sector investment in the region. Such a trend is warmly welcomed by the region as Japan's investment tends to focus on manufacturing, which is a long-term investment that can offer sustainable income generation, skill development and technology transfer for local people, and also environmental considerations.

This approach is well harmonised with the business strategy of Japanese enterprises, which tend to consider the Mekong region not as specific country-to-country investment destinations, but rather as a region-wide production and supply chain that can diversify risks and maximise utilisation of the different corporate incentives that each Mekong country has to offer.

Cambodia's interest in participating in Mekong-Japan cooperation is driven by the vision to enhance shared peace and prosperity, promote economic development and poverty reduction, and leverage the Mekong region as a global growth centre.

Sustainable peace and development are the core collective interests of all the Mekong countries, which are, except for Thailand, post-conflict nations. From the nation-building perspective, development challenges and thirst for infrastructure are immense. Therefore, the Mekong countries need more international support in order to catch up with other ASEAN member countries.

On top of hard and soft connectivity, Cambodia has drawn attention to the importance of "industry connectivity," which was laid out in the Tokyo Strategy 2018.

With the completion of the Tsubasa Bridge, a Mekong connectivity project, traffic volume on Cambodia's National Road No.1 increased from 5,000 vehicles per day in 2009 to 11,000 vehicles per day in 2016. The bridge greatly reduced the time required to cross the Mekong River and shortened travelling time along the Southern Economic Corridor by facilitating 24-hour passage. In addition, the ongoing development of National Road No. 5, which is also part of the development of the Southern Economic Corridor, has also facilitated greater flows of goods and people.

The Cambodian government regards Japan as one a key strategic and economic partner in its diversification and hedging strategy. Japan is regarded as a benign power and sincere partner. Japan has won the heart of the Cambodian people. Heart-to-heart relations between the Cambodian and Japanese people are the backbone of the long-term bilateral strategic partnership.

In Cambodia, Japanese enterprises have already started to take advantage of enhanced hard and soft infrastructure connectivity under the current "Thailand+1" modality, whereby major Japanese factories in Thailand outsource downstream production chains to Cambodia to supply parts and components to the main factories in Thailand. It is expected that this trend will be replicated under a "Vietnam+1" model in the near future.

Cambodia has the ideal geographic location to maximise the utilisation of corporate incentives as well as to reduce costs and make supply chain networks more resilient. Cambodia has taken concrete measures to improve logistics and transport networks so that more Japanese companies will invest in the Kingdom.

Cambodia has also encouraged Japan to invest in the digital economy in the Mekong region as youthful populations are embracing the internet and rapidly connecting to the digital economy, creating enormous potential for economic growth throughout the region. Cambodia sees the need to institutionally equip the region with platforms to support e-commerce and other innovations to catch up with the fast-evolving Fourth Industrial Revolution.

It is also worth noting that Japan provides more opportunities for Mekong people to learn skills and about technologies in Japan. According to the Ministry of Labour and Vocational Training, some 9,000 Cambodian workers are currently employed in Japan. Once training is completed, these technical trainees become important assets for their home country in addressing the shortage of middle management and skilled labour. Mekong-Japan cooperation could enhance the welfare of those trainees while in Japan and support their re-integration in order to contribute to further industrialisation and development of the region.

Lancang-Mekong Cooperation and the Mekong Region 2.0

Delivered at the International Workshop on Mekong Region 2.0 in Chiang Rai, Thailand on 22 May 2019

Liu Cheng

Thank you, Mr. Chair! I want to use this opportunity to thank ISIS Thailand and the Asia New Zealand Foundation for inviting me. In this session, I would like to share five points on Lancang-Mekong Cooperation (LMC) and Mekong Region 2.0. It's my personal view, of course.

Firstly, China participates in Mekong subregional cooperation as one of the basin countries. China, at least Southwestern China, belongs to the Mekong Region. I want to argue that China is not an external partner or extra-regional player. China is a latecomer in subregional cooperation compared with some cooperative mechanisms which were founded in the last century, but she is absolutely one of the basin countries of Mekong River, geographically and historically. China does call the Mekong River a different name, but we share the same river where all basin countries gain common benefits and share similar challenges. That is why China lists the Lancang and Mekong in a parallel position, and some people are used to reversing the order from Lancang-Mekong to Mekong-Lancang. As you know, Lancang, meaning one million elephants, is also the name of the first dynasty of Laos and the main avenue (Lan Xang Avenue) of Vientiane today. We may somehow realise the natural connection between China and Mekong states in Southeast Asia or the Mekong mainland. It is also an original dynamic to build up a new institution to include all basin countries of a river, the first time in history. I think this is the very moment we transform the natural connection into concrete cooperation. Thailand should be specially mentioned for its unique contribution to first propose LMC, sparking the Mekong Region 2.0 for subregional cooperation.

Secondly, Mekong Region 2.0 means environmental change. Even though we may give a more accurate definition to Mekong Region 2.0 in order to make it a solid concept, it is really an insight to let us consider the cooperative environment in the Mekong Region now. In my point of view, Mekong Region 2.0 doesn't mean some mechanisms are old and the others are new. It means we have to recognise that the process of industrialisation and modernisation with new generation technology will deeply change the environment of subregional cooperation in the next 20 years. Frankly speaking, the environmental change has similarities with climate change, it doesn't wait for whether you are ready or not. Around one month ago, China claimed that the electricity produced by man-controlled nuclear fusion will be commercially used before 2050. Only seven countries in this world have this type of technology. The U.S. and Japan have more advanced technology in this field. These two countries may take this technology into commercial use before 2040. This news reveals the importance of the way we choose to push forward subregional cooperation in the next 20 years based on increasingly advanced technology. Every cooperative mechanism should bear in mind that we must follow the direction of development. It seems as though every mechanism will face similar

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challenges, which require us to make more moves to adapt to the change.

Thirdly, firmly promoting multilateralism could sustain the positive momentum of subregional cooperation in a sustainable manner. Mekong subregional cooperation is energised to attract all stakeholders to join. This is a positive signal that almost all stakeholders use their comparative advantages to promote subregional cooperation. Some reviews criticize that the crowded cooperative environment makes a lot of waste. However, more vertical exchanges among cooperative mechanisms could give more impetus to efficient cooperation. The Mekong River Commission (MRC), for example, has a very long history in subregional cooperation, which has collected many valuable data and formed many standards in the field of water resource management. I was told that the MRC has very kindly expressed their wish to share those data and standards, which can be used in future cooperation for reference. The MRC also officially released a statement to welcome the LMC in its very early stage. Besides, China was invited to attend the meetings of the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). I think this could make more positive cooperation since ACMECS also has a long history of promoting subregional cooperation. I believe we have every reason to cooperate, whatever it focuses on, and build on a solid basis, including all regionally recognised achievements and traditions. What is equally true is that all cooperative innovations in this subregion should understand that every cooperative mechanism is actually inter-connected and interdependent. Those principles, such as openness, transparency, and inclusiveness, are not something we just talk about, but we should also put it into practice.

Fourthly, LMC is working together with other cooperative mechanisms in subregional cooperation. LMC has a very similar cooperative framework to ASEAN and other regional and subregional cooperation mechanisms. The framework of LMC is called “3+5+X” which means three pillars, five key priority areas, and more fields we could explore in the future. This framework features adherence to the coordinated development of the three pillars, namely political and security issues; economic and sustainable development; and social, cultural, and people-to-people exchanges. Practical cooperation is carried out in five key priority areas, which are connectivity, production capacity, cross-border economic cooperation, water resources, agriculture, and poverty reduction. After three years of development, the LMC has gradually found more distinct ways to establish cooperative connections with other mechanisms. I would like to share an example of think tank exchange. The Global Center for Mekong Studies (GCMS), the LMC think tank exchange network, holds a think tank forum every year. GCMS invites all LMC member states’ think tank experts plus representatives from other countries of ASEAN, the ASEAN Secretariat, Greater Mekong Subregion, the MRC, the Mekong Institute, and so on. We believe that with more stakeholder participation, greater consensus can be reached.

Fifthly, the Lancang Mekong Economic Development Belt (LMEDB) is the next step that LMC will take. Last December, six foreign ministers of LMC member states unanimously agreed to “fully play the role of the cooperation projects and initiatives including LMEDB” and “start to discuss the specific plans for jointly building LMEDB,” confirmed in the Joint Communiqué of the Fourth Foreign Ministers' Meeting of LMC, which was held in Luang Prabang, Lao PDR. Apparently, LMEDB will be one of the key words of LMC in the following years. Generally speaking, the LMEDB is a basin-ranging economic development plan, which are the detailed measures to implement the economic pillar of LMC, agreed by six

member states since the first Leaders' Meeting in 2016. This plan is trying to promote regional economic development to a new, higher level through step-by-step, incremental reforms in a gradually advancing manner. After the Foreign Ministers' Meeting, Wang Yi, State Councilor and Minister of Foreign Affairs of China, delivered a speech to share his ideas about the LMEDB. His discourse can be summarised into three points, which are 'one support,' 'two hubs,' and 'radiate hinterland.' 'One support' means "supported by the Lancang-Mekong River Golden Waterway". 'Two hubs' means "taking the industrial development centre and major infrastructure as the hubs." 'Radiate hinterland' means "radiate the development of the hinterland of the whole basin."

I totally believe that the LMEDB is a good starting point to strengthen our connection with other cooperative mechanisms.

Thank you for listening.

Infrastructure Connectivity in Vietnam

Nguyen Tuan Khanh

In Vietnam, the process of rapid urbanisation and large-scale development has created significant pressure on infrastructure systems, together with increasing urban populations. Vietnam is the leading country in Southeast Asia with regard to proportional spending on infrastructure development, which makes up 5.7% of GDP. However, infrastructure systems in Vietnam are still lacking and are of insufficient quality. Consequently, there is still a bottleneck restricting the development of the economy and this poses major challenges to achieving sustainable economic growth in Vietnam.

The capital needed for development investment in the infrastructure of Vietnam, for the 2011-2020 period, is approximately US$400 billion, of which transport infrastructure requires US$154 billion, and IT and communications infrastructure requires US$14 billion.

Transportation Connectivity Infrastructure

Currently, there are two main ongoing projects for transportation in the two biggest cities of the country: two Metro lines in Ho Chi Minh City (HCMC) and Hanoi. These projects are the main transportation infrastructures to promote the development of satellite economic zones connecting the two cities. In addition, other important projects being implemented include the Hanoi-Hai Phong Highway, Bach Dang Bridge, Van Don International Airport, and National Highway 4B, among others. Moreover, many other projects are being launched to complete the East-West Economic Corridor, the highway linking HCMC and Phnom Penh.

The National Strategy for Social and Economic Development of Vietnam 2011-2020 stated that building synchronous infrastructure with modern projects focusing on transportation systems and urban infrastructure would be a strategic breakthrough. Currently, there is investment in large-scale transportation infrastructure projects, assuring basic connectivity among regions of the country. This includes National Highway No.1, which has been upgraded and enlarged from Thanh Hoa to Can Tho; the Ho Chi Minh trail through the highland area, which has been completed; and 1,050 kilometres of expressway, which has been accomplished and is in use.

By 2020, Vietnam is striving to complete the North-South Expressway, the highway connection to the airports and major seaports, and develop a system of urban railways in Hanoi and Ho Chi Minh City. In Hanoi and Ho Chi Minh City, public transport will also be developed in large quantities, such as metros, overhead trams, and buses.

Information and Telecommunication Connectivity Infrastructure

Systems of information and telecommunication infrastructure are relatively modern and span the entire nation. Within telecommunication systems, national information is rapidly developing with advanced technology, breadth of coverage spanning all corners of Vietnam, and connectivity with high flux to countries in the region and the world. By 2010, the number of internet subscribers reached 30 per 100 inhabitants and telephone users reached 80 per 100 inhabitants, which ranks high relative to the rest of the world. Systems connected to the international development of diversity,

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both in transmission modes and speed of connections—including the system of submarine fiber optic cables and terrestrial and satellite station communications—form a super-telephoto information highway linking the domestic and international. The successful launch of the telecommunications satellites Vinasat-1 has placed Vietnam as the 93rd country in the world, and the sixth in the region, to launch its own satellite. Strong development of telecommunications and large-bandwidth internet connections provide various types of, and better quality, services as rates plummet and spur more competitive markets.

The Programme for Information Technology Goals 2016-2020, promulgated by the Prime Minister through Decision No. 153/QĐ-TTg, has stated goals including 100% of ministries, provinces, and central cities having a shared platform for national database usage; 50% of IT systems at the provincial level connected to the National Database; and 30% of local administrative procedures accessed online at level four. Moreover, these goals aim to remove Vietnam from the list of top 20 countries with high rates of malware and dangerous viruses. The government has demonstrated real concern and has taken full advantage of the country's breakthrough developments in IT infrastructure. Decision No. 149/QĐ-TTg (January 21st, 2016) approved the Programme of Development for Wide Bandwidth Telecommunication Infrastructure by 2020. Decree No. 16/CT-TTg was also approved on May 4th, 2017 for enhancing capacity as the country approaches Industry 4.0.

Some special nation-wide information systems have been developed and put to use such as weather forecast systems, financial information, taxation, customs, and electronic interbank payments. Electronic commerce has supported the rapid development of business and market expansion. Information technology is also applied in many social activities.

Recommendations for the Development of the Infrastructure System in Vietnam

Firstly, the state should focus on investment in important projects with breakthrough potential; Public Investment Law should be promulgated to increase investment efficiency and avoid losses and waste in the construction of infrastructure.

Secondly, there is a need to promote and attract more diverse sources of investment from domestic economic sectors, as well as from foreign investment, to ensure consistent infrastructure development.

Thirdly, there is still the need to continue utilising official development assistance for investment in infrastructure development, particularly in large-scale transportation projects.

Finally, continue to promote the application of new science and technology in the construction and operation of infrastructure projects in order to reduce the level of development disparity between Vietnam and other countries in ASEAN and the world.

Our Vision

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- To promote Asian wisdom and perspective and the values of humanity, peace, and cultural diversity in Asia.

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