



## Silk Industry in the GMS

*Silk Routes, the first acts of globalization*



In the Greater Mekong Sub-region (GMS) countries, silk has a long and colorful history intertwined with the life and culture of the people. The Silk Routes are regarded as the first acts of globalization. The silk industry has long contributed diversified products for both domestic and international markets. At the same time, it is an important source of nonfarm employment and income in rural areas where women play a predominant role in silk-related activities.

In recent years, the silk industry in the GMS has confronted several challenges such as low production, inadequate technology, rising prices of imported yarns, and the need to modernize and establish proper market linkages. There is also a need to diversify silk-related activities, to improve market competitiveness, and to develop an approach to Corporate Social Responsibility (CSR).

### Taking a strategic approach to CSR

Along with the continuous growth of globalization and the garment trade, Asia, especially the GMS, has played a more important role in the global supply chain. International importers or buyers began to examine the behavior of the silk enterprises in labor rights, working conditions, and environmental issues from the perspective of CSR. As such, strategic approach to CSR is increasingly important to a company's competitiveness. It can bring benefits in terms of risk management, cost savings, access to capital, customer relationships, human resource management, and innovation. It also encourages more social and environmental responsibility from the corporate sector at a time when the global economic crisis has damaged consumer confidence and trust in business.

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## What makes 'Contract Farming' work?

*—Four National Studies on contract farming in CLMV countries*

Wrestles in winning over poverty by uplifting marginalized groups of small holder farmers have been one of the dominating challenges in developing regions like GMS. Among thousands of mechanisms out there, many studies have said that 'contract farming (CF)' can be a powerful mechanism that can link small-scale farmers, who are mostly poor, into bigger markets which ultimately draw substantial income into the hands of farmers and traders as well as bolstering the economy of the whole GMS region. Conflicting views opposing such idea, however, endures.



### The study results - what each country has to say about CF

'Broken dreams' and 'slave-like condition' are the terms used by some to refer to farmers who had unfortunate experiences with 'contract farming.' The questions, however, remain—'is contract farming good or bad' and 'what exactly does each country have to say about it?'

The strife to answer the questions has incited a group of researchers in CLMV (Cambodia, Lao PDR, Myanmar, and Vietnam) countries to embark on the research project on contract farming. The general objectives of the project are to see if CF practice benefits small holder

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## EDITORIAL

# MOVING FORWARD THROUGH MODERNIZATION IN THE GMS



ASEAN community is definitely becoming more and more developed. As it moves forward, we, people of the Greater Mekong Sub-region (GMS), also hope for better regional economic integration. ASEAN Economic Community (AEC) envisions having a single market and production base; to be one of the highly competitive economic regions known for equitable economic development. AEC aims to be a region that is fully integrated into the global economy.

While at the brink of AEC, the GMS continues to identify areas of collaboration and other cooperation frameworks that will synergize development within the GMS and in the whole ASEAN integration. We need to always look ahead to ready ourselves for the challenges of the future.

For certain, AEC will face challenges in keeping up to pace with the rest of the world. One of them will be in the area of modernization; but we are not just talking about technological evolution. For example, one of the world's largest contributors to productivity is the energy sector. We are now dealing with various forms of advancement such as in solar power and alternative fuels.

For ASEAN, this is quite important because we have to remain competitive with the aid of technology. These days, researchers can discover and look for solutions more efficiently; and we can now achieve communication in many different ways. Commerce will be conducted more and more through electronic use while agriculture will have more flexibility by having access to better information and choices. This is even more so in manufacturing. We need the modernization of transportation, logistics, production of agricultural products, and manufacturing and distributing products within and among other countries using the digital market.

We would like to encourage everyone to continue to strive forward and be part of the modernization of the GMS. Even though the way we are learning in the region has changed, our goal of modernizing the GMS towards the post-AEC 2015 remains vigilantly the same. As an organization that focuses on capacity building, MI aims to strengthen the links between research and policy tools in supporting the GMS development process. The Mekong Forum 2015 on "Modernizing the GMS towards post-AEC 2015" discussed and presented in length the various ways of modernizing the GMS. We hoped it would help create jointly formulated policy recommendations for the GMS governments to expedite the modernizing process and to introduce and provide new ideas that will facilitate its development.

For more information on the Mekong Forum, please visit <http://mekongforum.com/>.

## Discussing the Future of the GMS at the 2015 Mekong Forum

Under the theme "Modernizing the GMS towards the post-AEC 2015", leaders from the Greater Mekong Sub-region (GMS) gathered in Khon Kaen for the third Mekong Forum on July 8th 2015. Hosted by Mekong Institute (MI), the forum brought together senior policy makers, business and civic leaders, academics, and development practitioners from throughout the region to discuss and shape the agenda for developing and modernizing the GMS.



In light of the establishment of the ASEAN Economic Community (AEC), the discussions revolved around the need for a comprehensive process of modernization in the GMS, particularly with regards to agriculture, technology and logistics. Thereby, the forum fostered a dialogue of crucial importance, since countries in the GMS "have to remain competitive and we need technology to do that", as Dr. Narongchai Akrasanee, the then Minister of the Thai Ministry of Energy, stated during the forum.



The Mekong Forum produced fruitful discussions among the participating experts, who shared success stories and lessons learned as well as innovative ideas on modernizing both the public and private sector as a part of the development process. The participants furthermore assessed policy recommendations for the GMS governments in order to modernize the GMS after AEC 2015.

The ideas and information presented at the 2015 forum will help MI design its projects and future research plans with the aim of promoting public and private sector cooperation for regional integration.

## REGIONAL WORKS

(July – September)

### Cross-Countries Activities:

- **Training on trade events in Lao PDR, Myanmar, Thailand, Vietnam**
- **Research study on Development Potential of the Lancang-Mekong International Shipping in China, Lao PDR, Myanmar, Thailand**

- **Trainings (2) on**
  - > 'Post-Conflict Approaches towards Local Economic Development'
  - > ASEAN GAP
- **Project Survey**
- **National Consultation Workshop on CBCF**
- **Trade Event on 'Business Network of SME**
- **Monitoring Visit**
- **'Maize Threshing Model upgraded'**

- **Trainings (2) on**
  - > Trade Events Promotion
  - > Product Market Identification
- **SLVs (4) on**
  - > Community Enterprise
  - > Maize Seed Production & Marketing System
  - > Coffee Seed Production & Marketing System
- **Workshops on**
  - > Basic Course Management & Facilitation Skills
  - > Synthesis & Evaluation Workshop on "Certified Logistics Master Program"
  - > Young GMS Professional Program
- **Mekong Forum on Modernizing the GMS towards the post-AEC 2015**
- **Regional Multi-Stakeholder Policy Consultation Workshop on Cross-border Contract Farming (CBCF)**
- **3<sup>rd</sup> International Seminar and Business Matching**
- **MINZAS Roundtable Meeting**

- **National Consultation Workshop on "Contract Farming and Cross-Border Agricultural Trade**
- **RoK Business Forum on business environment in the Mekong countries for trade and investment**
- **Survey on Fresh Chili Field Data Gathering/ Postharvest Practices survey to get best practice that will be used to train farmers**
- **Training on "Good Agricultural Practices (GAP) Product Certification"**

- **Trainings (2) to 27 technicians and managers from energy authorities on:**
  - > "Planning and Construction for GMS Power Grids and Interconnections"
  - > 'Professional Training for Resource Persons'



- **Trainings (2) on**
  - > 'ASEAN GAP and Its Application'
  - > 'Postharvest Practice in Fresh Produce'
- **Study Tour on 'Sustainable Coffee Production'**
- **Dialogue Meeting (3) between coffee companies and farmer groups**
- **Mekong Senior Official Meeting**
- **'Khe Sanh Coffee Association established'**

- **Trainings (4) to 21 Gov't officials and rice millers & 50 farmers :**
  - > 'Organic Rice Producing Processing'
  - > 'Good Agricultural Practices and Product Certification'
  - > 'Good Manufacturing Practice (GMP)'
  - > 'Trade Event Promotion for Stakeholders in Rice Sector'
- **SLV to 19 Gov't officials on 'Cooperative or Association Management'**

## What makes ‘Contract Farming’ work?

—Four National Studies on contract farming in CLMV countries

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farmers in the studied areas and to try to bring to light the recommendations that will somehow improve the current practice of CF which may be developed as policy recommendations for those particular studied countries. In total, the study involved nearly 600 households of both CF and non-CF farmers.

In **Cambodia**, the study was conducted among 151 farmer households growing peppers in Kampot Province—within which 101 households are contract farmers while the remaining 50 are non-contract farmers. The study revealed that 64% of the pepper farmers had full confidence in the contracting firms or traders, while as many as 94% of the CF farmers said that firms have never failed or breached the contract.

Contract farming in Cambodia is an example of a positive model where good management can be found in CF arrangement. It can be evidently seen that what makes CF farmers distinct in Kampot Province from most of the unofficial CF arrangements is the existence of intermediary, called ‘Kampot Pepper Producer Cooperative (KPPA)’. KPPA effectively coordinates between farmers and traders as well as oversees the production process, ensuring the quality of products being produced by the farmers. In this CF model, the association also serves as representatives for the farmers by helping negotiate with traders—putting more power in the hands of farmers, monitoring the quality of the products and carrying out promotions for the products that create more market demand for the produce. In terms of policy support, pepper was certified by the Cambodian government. No chemical use is also enforced, assuring food safety and sustainable land use where soil will not deteriorate.

What contributes to the success of the CF model in Cambodia involve not only traders but other actors supporting ‘management and just enforcement of the CF through legal frameworks to ensure appropriate CF arrangement and the government’s role in strengthening interventions to help build the capacity of farmers. Also, availability to access niche market is one of the main factors that can draw soaring demands for the products for CF farmers.

The CF model used in **Vietnam** is called “50:50.” While farmers contribute land, labor, and other available resources, Chinese traders guarantee the markets and take care of all the production inputs (e.g. fertilizers, machinery, and transferring of production techniques). Since much of the expenses are covered by the traders, farmers are relieved of this huge burden. In many cases, this is the reason why farmers are in great debt. After the produce is sold at nominal market price, the total turnover is equally split between farmers and traders, or “50:50.”

In the case of Vietnam, one interesting finding was observed. It was found that men CF farmers quit once they gain sufficient capital and experience. This evidently conveys that CF can actually lift up poor farmers from their poverty trap and enable them to earn enough capital for investment without further involvement with the private company. Most farmers agreed that CF bring them benefits, notably advanced input and technical support from the traders, as well as market certainty. 80% of the contract farmers said they had complete faith in the contractors. The confidence farmers have towards the traders was mostly based on trust rather than law enforcement.



A particularly interesting finding was made in the study of pumpkin growers in *Lao PDR*.

Before 2012 speaks of low mutual trust between traders and farmers. However, in 2013, the initiation of ‘Northern Rural Infrastructure Sector Development (NRI) Project’ where the local community (DAFO, village chief and FPG) actively participated, it marked the formal beginning of contract farming in Lao PDR. During this time, the governor imposed ‘one trader-one village’ where the district governor is the key actor in enforcing the right regulatory policy. The studied area was Luang Namtha where the CF arrangements usually involve the village head and traders or the FPG (Farmer Production Group)/village head, local governmental units, and traders. Although CF generally produced good outputs and the two villages studied in Luang Namtha insisted that they benefitted from CF, the study found that non-CF farmers made more profit than CF farmers. Apparently, CF farmers brought in and transferred technological knowledge to the non-CF farmers; but while CF farmers have to pay back the input cost to traders, non-CF farmers do not have to. Also, even though the CF model used consists of intermediaries, as in Cambodia, both the representative group for farmers called ‘Farmer Production Group (FPG)’ as well as the support from extension officers from government ‘District Agricultural and Forest Office (DAFO)’, the negotiation power of farmers remains low. The reason was most that members of the FPG and DAFO have poor literacy and simply do not understand the contract. The negotiation made during the drafting of the contract is rather ceremonial than a meaningful discussion.

In *Myanmar*, the study focused on 151 maize farmers in Kayin State (80 CF farmers and 71 non-CF farmers). More than half of the CF farmers (60%) are involved in verbal contract farming which were done individually or as a group with the traders. The main reason farmers join CF was to receive cash loans from contractors due to their limited capital.

Among the four studies conducted, it was found that Myanmar is the only country that farmers were exploited by the traders. One of the reasons may be contributed to the lack of policy support from the government to ensure good CF arrangements. Farmers are responsible for almost all expenditures—both labor and input costs. Those with limited capital take out loans for the investment cost from the traders at a 5% interest rate and will have to take up most of the risks in the contract.

The results showed that 99% of the farmers said that the contract was too restrictive and 91% said there is no technical support from the contractor at all. Some suggested that the contract should be more flexible (e.g. being able

to sell to other buyers, being offered prices for different qualities of the sold products, and reduction of the interest rate for loans and inputs). In terms of supporting roles from other units, 66% said they lack support in terms of seeds, credits, and technology from public organizations or NGOs. They solely rely on the traders. Additionally, CF farmers deal with delayed payments for their farm produce. More than half of the farmers gave up CF up until 2013.

### On making CF work ‘better’

*‘It might not be enough just to have the right tool, what’s more to that is knowing how to use it.’*

Contract farming can be an effective mechanism to meet the challenges most farmers face, especially in cases where farmers have limited capital and are in need of technological knowledge, private sector involvement can be a great help. Though effective, CF is indeed a work in progress that needs to be adjusted and improved, particularly in terms of management and just enforcement.

Government involvement is one of the key factors that determines whether or not contract farming will succeed. The existence of policy support from the government results in many positive outcomes, including: improved infrastructure that lowers the cost of transportation; the promotion of high value crops as a means to improve market access; technology transfers that increase and maximize farmers’ productivity; and the establishment of legal frameworks that ensure contracts which are just and fair to both parties and which equitably divide the possible risks of CF.

Government support would have more impact by improving the officials’ capability in strengthening collective action (e.g. farmer association) in giving the farmers efficient knowledge transfer in terms of technical farming, negotiation skills, awareness towards CF impacts, as well as market analysis and financial management. Only through these will the farmer’s bargaining power increase and will be offered more competitive selling prices.

Governments can also promote the sustainable CF practices that preserve soil such as by introducing Good Agricultural Practice (GAP) into CF practices or conducting research in finding ways to make the crops give higher yield as well as have better resistance to pests without the use of chemical pesticides.

All in all, government support is of paramount importance in setting the right frame within which CF can effectively operate and ultimately succeed.



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- CSR requires engagement with internal and external stakeholders so it enables enterprises to better anticipate and take advantage of fast-changing expectations in society as well as operating conditions. This means enterprises can also act as a driver for the development of new markets and create real opportunities for growth.

- By addressing their social responsibility, enterprises can build long-term employee, consumer, and citizen trust as a basis for sustainable business models. This in turn helps to create an environment in which enterprises can innovate and grow. The economic crisis and its social consequences have to some extent damaged trust in business and focused public attention on the social and ethical performance of enterprises, including on issues such as bonuses and executive pay.

- Helping to mitigate the social effects of the crisis, including job losses, is part of the social responsibility of enterprises. In the long run, CSR offers a set of values on which to build a more cohesive society and on which to base the transition to a sustainable economic system.



The reasons for implementing CSR can be split into international and national factors. From the international perspective, implementing CSR confirms the positive trend of the development of the silk industry to meet international standards for global markets. From a national perspective, the domestic market sets higher expectations; for example, for green, low carbon, civilized, and fashionable living patterns for the development of the silk industry development alongside the constant upgrading of local demand for the consumption of textiles and clothing.

The international challenges are seen in the fierce level of international competition as well as uncertainties in the international trade environment and currency exchange rates. The national challenges include the lack of technological innovation in most small and medium-sized enterprises and the widespread lack of CSR concerns among employees, and even some employers, as well as restricted budgets.



## The role of Mekong Institute

MI in collaboration with the Khon Kaen Provincial Government has been spearheading silk promotion through annual silk events since 2013 and has continued as an annual event in Khon Kaen, Thailand. These events have brought silk business owners and leading private companies together to create awareness of business opportunities and provide scope for business synergies.

This year, the “3rd International Silk Seminar and Business Matching” was held on September 9, 2015. It aimed to introduce CSR best practices by providing a platform to showcase exquisite silk products and identify opportunities to engage with private companies for CSR outreach programs. It was also designed to enhance the capability and fulfill the potential of silk businesses in the GMS, while sharing new technology of silk production systems and innovations in the green supply chain. The seminar was attended by around 200 representatives of silk producer groups, exporters, retailers, silk experts, and technologists from 10 Asian countries, including the six GMS countries: Cambodia, China, Lao PDR, Myanmar, Thailand, and Vietnam.

The first day of the event discussed key issues in technology and silk market development as well as CSR initiatives and practices in the silk sector. Representatives from GMS countries, India, and Japan shared their experiences with business models whereby enterprises can profit while ensuring environmental sustainability. The second day of the event featured business matching among potential investors and business owners.

A highlight of the two-day event was the formation of the “Asia Silk Alliance” (ASA) which will be part of the Khon Kaen Declaration. The ASA’s objective is to bring together and develop the Asia Silk Network among stakeholders as well as to partner with one other to help develop silk communities in each country. The Declaration ASA was announced, agreed, and signed between the representatives of country members including Cambodia, P.R. China Lao PDR, Myanmar, Thailand, Vietnam, Japan, and the leader of ASA in India. The signing was witnessed by the Governor of the Provincial Government of Khon Kaen - Mr. Kamthorn Thavorn-sathit, The Queen Sirikit Department of Sericulture (QSIDS), and Mekong Institute (MI). As the organizer, MI developed a database of silk business owners for business networking to further enhance the competitiveness of silk business owners in Asia and successfully launched the web portal [www.asiasilkbiz.com](http://www.asiasilkbiz.com).

## Way Forward

One of the outcomes of the 3rd International Silk event was the ASA road map, of which there are two phases: the introduction stage from six months to one year, where MI will facilitate ASA in developing a work plan, database management, and website; and then the first three years will be the growth to maturity stage, during which the Khon Kean Provincial Government and other organizations introduced to it will take part in supporting ASA in its work ■



# Boosting maize production

*--Generate income for farmers in Kayin State*

## Why Maize in Myanmar

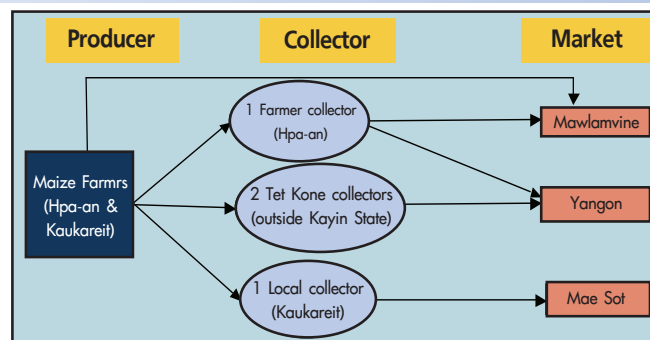
Kayin State is one of the least developed states in Myanmar. Following a cease fire and peace agreement, Kayin State has been promoting increases in the production of major crops and diversification into cash crops. Maize is one of the State Development Policy crops. It has been identified as one of the most suitable cash crops in the post-monsoon winter season and has the potential to generate income for farmers. Maize is also used for poultry feed and other industrial purposes in the domestic as well as export markets, particularly in China and Thailand.

However, maize is relatively new for the farmers and also for the local government's technical support staff. Many challenges hinder the promotion and expansion of maize production and marketing. Farmers have limited access to production technology, quality inputs (seeds and agrochemicals), and credit. They face hardships selling their maize produce since the local market and network of traders are not well-structured or well-functioning.



## How MI works —expanding maize production

Taking up on the local government's initiative and in consideration of the challenges facing the sector, in partnership with the Swiss Agency for Development and Cooperation (SDC), Mekong Institute (MI) designed and implemented a project called "Capacity Development for a More Equitable and Inclusive Growth in the GMS" that aims at facilitating the expansion of maize production and improving the effectiveness and efficiency of the maize value chain for income and employment generation in the Kayin State. The project focuses on building the capacity of farmers and local government staff by equipping them with relevant technical knowledge and know-how through on-farm demonstrations of cultivation and post-harvest management practices as well as on the adoption of more suitable and affordable threshing facilities. It has been working with different seed companies outside the state to explore new markets and to improve the availability of quality seed for local farmers. Also, the project facilitates the development of capacity and awareness to enable local maize collectors to establish a maize market system in the state and has been catalyzing the business linkages between different actors, both inside and outside the state to improve the effectiveness of the supply chain as well as to explore potential domestic and international markets for maize.



## Impacts

With support from the project, maize production has become profitable for farmers and has shown potential for up-scaling and replication in Kayin State. Since 2014, farmers started planting maize using quality seed provided by outside seed companies under a certain business relationship, resulting in better quality produce. Various Myanmar maize traders from outside Kayin State (Yangon, Mawlamyine and Tet Kone Townships) and traders from Mae Sot areas of Thailand have established business relationships to buy produce from maize farmers in Kayin State. A few local farmers have developed direct connections with traders in the Mawlamyine market. Sixty-two farmers now grow winter maize mainly in the fertile alluvial soils since 2014.

It was found that on average, 41 farmers (66.67%) have increased additional income of 106.19 USD. At the end of the season, maize farmers improved their production knowledge and skill to produce quality grains and have gained access to the markets in and outside Myanmar, laying a solid foundation for commercial maize production business development in Kayin State. The model of linking maize farmers to the markets is shown in the figure. Further development of the maize supply chain through public-private partnership should be steadfastly pursued ■



# Strengthening LMV Countries' 'Backbone'

—Preparing for the establishment of farmer organizations



One of the most valuable assets that developing countries have, other than abundant natural resources and the rich biodiversities found in ecological systems, are their farmers—the very ‘backbone’ that has helped developing countries become the leading food producers in the world economy.

Though farmers have always been the source of food, most remain as poor and powerless as they always were. One of the biggest challenges for farmers, especially small-scale farmers, is the lack of access to markets, particularly the big international markets.

In Lao PDR, agriculture contribution to GDP is around 26-30% annually. There are 3,630 farmer groups (FGs) overall, but they remain weak and unstable, with only a few members and have limited access to credit and markets.

In Vietnam, the fragmented and small-scale nature of most agricultural production means that the biggest challenges for farmers have been finding markets for their produce and making appropriate investment decisions.

In Myanmar, the report from the ‘Global Vision Organization’ conveyed that “farmers with small plots of land must prove themselves vital to the mainstream economy, or else risk being shunted aside.”

Establishing collaborative farmer groups can be one of the solutions to unleash production improvements and efficiency as well as access to markets. [Through the formation of farmer groups] smallholders can generate more income in a number of ways—such as by using better cultivation techniques and improved seed, reducing postharvest losses, and gaining better access to markets—yet as individual entrepreneurs, they may lack the knowledge or capital to change the way they operate.

By forming groups, farmers can speak with a collective voice rather than an isolated one. A farmer group can effectively transfer technical knowledge to its members, empower the once solitary voice and convey the needs of members to the public and relevant stakeholders. Farmer organizations encourage those institutions to tailor their strategies, products, and services to farmers’ needs. Given a supportive policy framework, farmer organizations are well able to drive balanced social and economic development.

## Training of Trainers (ToT)

SDC, in collaboration with Mekong Institute (MI), has initiated the EWEC project to serve people from the ground up. One of its many missions is to help the locals empower their own people by establishing farmer organizations in Lao PDR, Myanmar and Vietnam (LMV).

Since early March this year, the EWEC project, along with MI’s Rural Development Department, organized ToTs in three countries: in Quang Tri, Vietnam and Khammoune, Lao PDR in March; and in Hpa-an, Myanmar in June.

The ToTs were conducted for farmer leaders and local governmental staff who work closely with the farmers. These were designed to increase their skills and experience regarding necessary techniques, government policy and management systems for further strengthening, and establishing farmer organizations in local areas. After the completion of the trainings, the participants were asked to make action plans where they will implement the knowledge and skills gained in their own countries.

It is hoped that through trainings, the Trainers will be able to transfer their knowledge and work together collectively with farmers to improve crop production and provide better access to inputs, credits, and lucrative markets ■



## MI HIGHLIGHTS

### Ministry of Energy

The Ministry of Energy, led by the Minister, H.E. Dr. Narongchai Akrasanee visited MI on August 9, 2015. He was joined by Mr. Kurujit Nakornthap, Permanent Secretary of the Ministry of Energy, Mr. Kamthorn Thavorn-sathit, Khon Kaen Governor, and Mr. Tevin Vongvanich, President and Chief Executive Officer of PTTEP.



### 1<sup>st</sup> Governing Board Meetings for 2015 and Inauguration of the Mekong Institute Annex

MI held its first round of Governing Board Meetings for 2015 - the Steering Committee and Council Meetings on July 9-10 in Mekong Institute, Khon Kaen, Thailand. MI's new two-storey annex was also officially inaugurated. MI's new Council Chairman, H.E. Mr. Songkane Luangmunithone, Director General of Department of Economic Affairs of Lao PDR's ; Ministry of Foreign Affairs and MI Steering Chairman, H.E. Dr. Narongchai Akrasanee, Minister of Thai Ministry of Energy cut the ribbon to mark the official utilization of the new Annex.

### Thank You Luncheon to Honor MI Annex Donors

MI and Thailand International Development Cooperation Agency (TICA) hosted a thank you luncheon at the Ministry of Foreign Affairs in Bangkok to honor the benefactors of MI's new Annex Building. Guests were from CH. Karnchang Plc., Banpu Plc., Downstream Petroleum Business Group, PTT Plc., Ratchaburi Electricity Generating Holding Plc., and Mittr Phol Sugar Corp., Limited.



### 20<sup>th</sup> Greater Mekong Sub-region (GMS) Ministerial Conference

Dr. Watcharas Leelawath, MI Director, attended the 20<sup>th</sup> Greater Mekong Sub-region (GMS) Ministerial Conference in Nay Pyi Taw, Myanmar on September 9-10, 2015. The theme of the conference was "Taking Action for Inclusive and Sustainable Development in the GMS." MI submitted a written statement to the conference stating its commitment to support sustainable development by enhancing business and people-to-people connectivity across the region, and to implement various development projects including training, research and policy consultations.

### 12<sup>th</sup> Otagai Conclave

Speaking at the 12<sup>th</sup> Otagai Conclave in Bangkok on September 23, Dr. Watcharas Leelawath talked about the importance of the cross-border trade and value chain promotion. He mentioned the cooperation between MI and Otagai in providing assistance and bridging Japanese firms with SMEs along Southern Economic Corridor. He stressed the importance of that strengthening sub-regional economic cooperation and integration.



### NBT Channel Interview with MI Director

Dr. Watcharas Leelawath, MI Director was interviewed on the National Broadcasting Services of Thailand (NBT channel) on the 3<sup>rd</sup> International Silk Event. In collaboration with Khon Kaen province, MI will organize the silk event to promote awareness on the CSR initiatives in the silk sector.

### University Officials Led by the Institute for Continuing Education & Social Sciences, Thammasat University visited MI

On August 25, 2015, MI welcomed 36 officials from various universities in Thailand, led by Ajan Somsunee Duangkae, Head of the Dean Office, Research and Consultancy Institute, Thammasat University (TU). The officials are attendees of the training program on "Increasing Potential in Managerial Leading" organized by the Institute for Continuing Education & Social Sciences, TU.

## MI HIGHLIGHTS

### Japan-Mekong Industry Dialogue

Mr. Madhuriya Kumar Dutta, Program Manager of Trade & Investment Facilitation Department, represented MI in the 17th meeting on Mekong-Japan Economic and Industrial Cooperation under West-East Corridor Working Group at Bangkok on July 23-24, 2015. The meeting outlined the progress and future direction on Mekong industrial development in 2015-2020.



### 10<sup>th</sup> Otagai Forum in Nagoya

MI participated in the 10th Otagai Forum in Nagoya on July 6, 2015. The forum was attended by over 150 delegates, representing business leaders, banks, and government agencies from 12 prefectures in Japan to discuss investment opportunities in the Mekong countries.

### 70<sup>th</sup> Anniversary of the National Day of the S.R. of Vietnam

Ms. Pornwilai Pumira, represented MI the “70th Anniversary of the National Day of the S.R. of Vietnam” reception, hosted by H.E. Mr. Nguyen Ngoc Son, Consul General, Vietnam Consul General in Khon Kaen, August 28, 2015.



### MoU with NEDA

A five-year Partnership Arrangement was signed between MI and the Neighbouring Countries Economic Development Cooperation Agency (NEDA) on July 24, 2015 at MI. The MOU was signed by Dr. Watcharas Leelawath, Director of MI and Mr. Newin Sinsiri, President of NEDA.

### Transportation Institute (TRI) of Chulalongkorn University

MI signed a Memorandum of Understanding (MoU) with the Transportation Institute (TRI) of Chulalongkorn University on August 7, 2015. The five-year collaboration aims to produce research on the transportation and logistics in the Greater Mekong Sub-region (GMS).

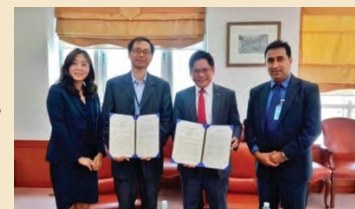


### DASTA

A Memorandum of Understanding (MoU) between MI and DASTA (Designated Areas for Sustainable Tourism Administration) was signed on September 28, 2015 in Bangkok. The two organizations committed to share knowledge on sustainable tourism, particularly on community-based tourism in the GMS and utilizing DASTA’s designated areas as sites of study visits for participants and trainees of MI’s programs.

### MOFA, Republic of Korea

MI signed a Memorandum of Understanding (MOU) with the Ministry of Foreign Affairs, Republic of Korea on September 21, 2015 in Seoul. As the Mekong ROK Cooperation Fund (MRCF) fund coordinator, MI will serve as the secretariat for the Mekong ROK Partnership in the five Mekong countries and ROK.



## TESTIMONIAL

### Mr. Nay Lwin Hut

**Assistant Director, SME Development Ministry of Industry, Myanmar**

I applied to the training course because it is important since my country is leading towards democracy and the market will be open to the global supply chain. I think the information of global market and ASEAN market situation is needed.

I can apply this knowledge because our SME department does the SME promotion. I can now share information to visitors to my department and answer inquiries about trade investment.

I am very satisfied with the course because I learned a lot on trade investment, the border market, the relationship marketing, the global market and the supply chain.

I like everything in this training especially, the methodology since it is very good and useful. The hospitality in MI is also nice. However, I expected that I could join the training longer next time.



### Ms. Phommali Saynorlath

**Officer, Trade and Production Promotion Department,  
Ministry of Industry and Commerce, LAO PDR**

It is a great training course because all the trainers provided us a lot of knowledge on product market identification. During the training, we had a chance to do some activities related to the lessons we have learnt; so I think the course is very effective.

I am working for the Ministry of Industry and Commerce; the knowledge which is very useful to me is the trade data analysis for selecting the rice market for Lao products. Three things I like the most about the training course is trade data analysis, the diversity for products since it is very important to meet the market needs, and the trade and investment in GMS countries.



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