The Innovative Belt and Road Initiative Driving Economic Corridors between China and Thailand

Akkhaporn Kokkhangplu[1*], Wannipa Koodsela[1],
and Wanida Onlamai[2]

Received: May 23, 2024; Revised: June 19, 2024;
Accepted: July 3, 2024; Published Online: July 20, 2024

Abstract

This study aims to study and analyze opportunities and challenges, including the impacts of Belt and Road Initiative (BRI). Currently, the China-Laos-Thailand economic corridor is an area of economic connectivity for cross-border economic cooperation. Thailand is one of the countries collaborating with China and Laos in developing rail and road linkages to transport goods and passengers along the North-South economic corridor, aiming to enhance trade and economic activity within the corridor area crossing from China to Laos to Thailand. This collaboration can promote the improvement of transportation and logistics infrastructure, increasing connectivity and providing more options. Thailand, Laos, and China seek opportunities to cooperate in enhancing their respective capabilities to address the situation, strengths, challenges, and obstacles that can be managed collectively to drive the economy within their respective economic corridor areas. It can be achieved through regional development, national-level policies, and local-level collaborative management to create a shared economic corridor space for mutual benefits. In this three-country collaboration, there will be an increased focus on various aspects of development to drive decisions on policy proposals, supply chain management, and collaborative investment to elevate the value and income levels in the area.

Keywords: Innovative; Belt and Road Initiative (BRI); Thailand; China; Challenge and Opportunities

Introduction

China has clearly emerged as the world's new superpower, especially in the economy (Butt et al., 2023). Deng Xiaoping introduced the market system to reform the economic system and open up contacts with foreign countries under the "Socialist Market Economy with Chinese Characteristics" (Gong & Cortese, 2017). The phenomenal success of China's economic development has led international academics to pay attention to the model of China's development and there is a revealing that China's success is a "China Miracle" (LaRouche, 2023). The Chinese economy has grown continuously over the past four decades, making China's economy the second largest in the world, accounting for 16 percent of the total world economy (Zhang, 2023). China has become the country with the highest trade value in the world. This makes it possible to accumulate the largest foreign exchange reserves in the world. It is also a country that has investments abroad in the world (LaRouche, 2023; Zhang, 2023).

China's role in cooperation on the international scene has greatly increased in prominence under the leadership of President Xi Jinping by pushing for cooperation between countries along the lines of the Silk Road under the name "BRI Initiative" (Belt and Road Initiative). China's BRI initiative has been most discussed and watched in terms of generating economic. Chinese leaders have the perseverance to revive the Silk Road in the 21st century to use it as an important

[1]Department of Hospitality and Event Management, Faculty of Business Administration and Accountancy, Khon Kaen University, Thailand
[2]Department College of Tourism and Hospitality, Sripatum University, Khon Kaen, Thailand
*Corresponding Author Email: akkhko@kku.ac.th

strategy to expand its role and seek China's interests by linking with various regions around the world. China attempts to create a new model for integrating China with various regions concretely and practically, such as connecting the rail system through railway routes from China through many countries to the European region (Mihr & Weiffen, 2023; Rice, 2023).

China's leadership role in the world both trade and foreign affairs reflects geopolitical changes in the world in developing countries and the Asian region. Especially China would play a greater role in determining the pattern and direction of world trade and investment. Thailand, China, and countries in the ASEAN region are considered economic alliance countries. Politics and security are important in that are considered important trading partners of Thailand and ASEAN countries. It is both a market for exports and a source of imports for several products. In addition, China is considered an investor country important in Thailand and other ASEAN countries (Chiang & de Micheaux, 2022; Tse et al., 2023).

Thailand as the center of the upper ASEAN can be connected to the BRI route by both land and sea which is considered an important strategy for the economic corridor of the China-Indochina Peninsula Economic Corridor. Also, it is one of six economic corridors under the BRI initiative. Therefore, to fill the gap, this study aims to study and synthesize opportunities and challenges of the Thailand policy including the impacts of BRI. In addition, the BRI initiative should be carefully considered in both trade and investment dimensions especially the implications and opportunities for small and medium business entrepreneurs including preparing policy aspects to support the changes that will occur from China's BRI initiative, and international trade policy countries to support the BRI initiative. Thailand uses its potential to play a role among member countries of ASEAN in developing cooperation with China in both economic, social, and environmental, including BRI's impact dimensions that will occur in the future.

Literature review

International Trade Situation in China

In 2022, China face many challenges. On the other hand, the trend of international trade in China is better than expected. When considering the domestic situation in China. It is found that the value of exports of goods and services China's net GDP in 2022 accounted for 17.1 percent causing China's GDP to grow by 0.5 percent (Conchada et al., 2022). Considering the international situation, it is found that the implementation of measures to create stability in China's production and exports to drive the global supply chain and industrial chain operation smoothly under economic conditions and the fluctuating world trade. As a result, China's exports in 2022 have a value of 23.97 trillion yuan, expanding by 10.5 percent. Meanwhile, Chinese imports are also likely to expand in 2021, with a value of 18.1 trillion yuan, an increase of 4.3 percent. In addition, China's new forms of international trade such as cross-border trade and e-commerce, trade, etc., have grown in a good direction which has an import-export value of more than 3 trillion-yuan, accounting for more than 7 percent of China's total import-export value (Benzell et al., 2022).

Considering Chinese import-export products, it is found that in 2022 China import-export machinery, electrical appliances, and electronic equipment totaling 20.66 trillion yuan, expanding 2.5 percent, accounting for 49.1 percent of China's total import-export value. China's main export products include solar cells, batteries, lithium, and automobiles, with values increasing by 67.8 percent, 86.7 percent, and 82.2 percent, respectively. While the product is labor-intensive its export value was 4.28 trillion yuan, expanding by 8.9 percent, accounting for 17.9 percent of the export value. The main imported products were energy products such as crude oil, natural gas and coal, etc., which had an import value of 3.19 trillion yuan, an increase of 40.9 percent, accounting for 17.6 percent of China's total import value. Agricultural products had a total import value of 1.57 trillion yuan, expanding 10.8 percent, accounting for 8.7 percent of China's total import value (Riccardi & Riccardi, 2022).

Increasing domestic demand by consumption side, China accelerates the recovery and increases domestic consumption, such as increasing people's income and support for upgrading public housing, electric vehicle consumption, and providing care services for the elderly. In terms of investment, China will alternately push forward important projects during the 14th five-year national economic and social development plan (2021 - 2025) and strengthen infrastructure links between various regions in China. Trade supports the important role of the export sector in the Chinese economy and expands the import of modern technology important machinery equipment and energy resources (Chuvankova, 2022; Stern & Xie, 2023).

Building a modern industrial system, China will strengthen the development of core technology and components. China accelerates the exploration and drilling of mineral-like resources creates an energy system with low carbon emissions, stability, and high efficiency, and raises the production capacity of grain and food to 50 billion kilograms. China has plans to promote research and application of leading-edge technologies such as new energy and artificial intelligence, biological production, low carbon technology, quantum computing technology, etc. Also, China promotes the development of the digital economy and supports the development of the platform economy as a driving force for development, employment, and international competition (Chen et al., 2022; Stern & Xie, 2023).

Thailand Policy

For the core of the 5-year investment promotion strategy (2023 - 2027), the goal is to restructure the Thai economy towards a new economy that increases the country's competitiveness in the long term in three areas. Innovative is an economy driven by technolog y, innovation, and creativity. Competitive is an economy that has the ability to compete, adapt quickly, and create high growth. Inclusive is an economy considering environmental and social sustainability including creating opportunities and reducing inequality problems. The trend of change at the global level, whether it is the trend of environmental and health awareness, entering the digital age, and international political polarization has led to supply chain changes and large-scale production relocation (Singkorn et al., 2022). It has created investment opportunities in developing Thailand to become a regional investment center (regional hub) in at least 5 areas. Tech Hub is a center for investment in technology and innovation. It is the digital center for research and development of various technologies and future industries, such as electric vehicles and intelligent electronics, automation systems, and robots, etc. Bio-Circular-Green Economy (BCG) hub is an investment center based on the BCG economic model to meet sustainable development needs such as the agricultural and food industries (Edyvean et al., 2023). biological industry renewable energy, health, medical industry, tourism industry, etc. Talent Hub is a center for potential talent from around the world, such as experts and highly skilled personnel, people who want to work from Thailand startup groups to investors, and people with high economic status, etc. Logistics and business hubs are logistics centers to connect the region as well as a center for international business. It is the location of the regional headquarters, service businesses, financial businesses, and international trade (Phanishsarn, 2023). Finally, the creative hub is the center of the creative industry. It is the design of fashion and lifestyle film industry digital content games and esports using the cultural potential of Thailand combined with creativity and modern technology to push the creative industry onto the world.

The macroeconomic policy of Thailand focuses on emphasizing the importance of driving the country's economic growth by accelerating the export of goods to markets with favorable economic expansion trends and creating new markets. Thailand has monitored, vigilance, and assessed the impacts of global economic and financial fluctuations. Moreover, Thailand promotes business sector risk management against exchange rate fluctuations enhancing convenience and reducing costs related to exports. Thailand employs the benefits of the

Regional Comprehensive Economic Partnership (RCEP) framework in conjunction with trade barrier monitoring and addressing measures, especially those that are non-tariff. Thailand elevates the competitiveness of the export sector. To parallel with promoting private sector investment by giving importance to facilitating approved entrepreneurs and investment promotion cardholders to actualize investments between 2020 – 2022, addressing issues that foreign investors and entrepreneurs perceive as obstacles to investment and business operations. Executing investment promotion measures targeted at specific industries and services. The policy needs to drive investments in economic infrastructure and key transportation networks and develop highly skilled labor forces. Supporting the recovery of tourism and related services, with a focus on addressing issues and building readiness to increase the number of foreign tourists, promoting the development of high-quality tourism, promoting domestic tourism, and encouraging Thai citizens to travel within Thailand and ensuring the well-being of the agricultural sector and the income of farmers (Chancharoenchai & Saraithong, 2022; Itakura, 2022; Silalahi et al., 2023).

Trade between Thailand and China

The ASEAN-China Free Trade Area Agreement in 2010 covered more than 95% of the traded goods between ASEAN member countries and China (Park, 2022). As a result of this agreement, international trade between ASEAN countries and China has operated smoothly in terms of policy. However, certain goods have faced non-tariff trade barriers, such as quarantine measures, transportation issues, and concerns about product quality following the ASEAN-China Free Trade Area Agreement. The value of trade between Thailand and China increased, and it is expected to continue growing. However, it is not clear whether China's Belt and Road Initiative (BRI) has significantly boosted trade between Thailand and China. Despite setting a trade target of $140 billion within the year 2021 and having the BRI initiative in place since 2013 (approximately 6 years), it has not had the desired impact on Thailand-China trade. While China is a significant market for Thailand, most of the products exported from Thailand to China are raw materials or semi-finished goods with low added value (Rosenberg, 2022).

Currently, the top products exported from Thailand to China include plastic pellets, accounting for 10.26% (worth over USD 3 billion), followed by rubber products and chemicals at 9.37% and 9.06%, respectively. Despite China being Thailand's largest trading partner, the majority of products exported from Thailand to China are still raw materials or low-value-added semi-finished goods. Meanwhile, Thailand imports high-value capital goods and machinery from China, such as electrical machinery and mechanical equipment (Manarungsan, 2009).

Investment between Thailand and China

The Belt and Road Initiative (BRI) has emphasized infrastructure connectivity, leading the Chinese government to expand infrastructure investments in various countries along the BRI route, including projects such as railways in Laos, Thailand, Malaysia, and Indonesia. As a result, direct investments from China in these countries, including Thailand, have seen significant increases. Investments in related businesses have also contributed to higher Chinese investment figures in Thailand. In this regard, the BRI has impacted investments between Thailand and China, particularly with increased Chinese investments in Thailand. However, the impact on Thailand's direct investments in China is relatively limited (Hu et al., 2022; Nedopil, 2022; Wu et al., 2023).

This difference can be attributed to internal changes within China, which include a shift towards quality-focused development rather than quantity-oriented development. China has also placed greater emphasis on environmental concerns, increased labor costs, land prices, rent, scarcity of raw materials, labor shortages, and the withdrawal of special privileges for foreign companies investing in China. Additionally, the rising costs of doing business in China have prompted many Chinese companies to relocate their production bases to Thailand, driving increased Chinese investments in Thailand. The alignment of policies between Thailand and China, such as the Belt and Road Initiative, Made in China 2025, the Greater Bay Area (GBA), and Thailand 4.0, has provided clear objectives for Chinese companies to invest in Thailand (Phanishsarn, 2023; Srisamoot, 2022).

Infrastructure connectivity between Thailand and China

The Belt and Road Initiative (BRI) primarily focuses on infrastructure investment. The infrastructure connectivity between China and Thailand encompasses various dimensions, including land, water, and air transport.

On the land front, there are road connections, such as the Kunming-Bangkok Expressway or R3A Road, as well as roads connecting various provinces to Nanning in China, such as the R9 and R12 Roads. Water transport includes shipping on the Mekong River, and there are also maritime connections between China and Thailand.

Regarding air connectivity, most major Chinese cities have direct flight routes to Thailand. The Chinese government places significant importance on the China-Laos-Thailand railway project, as it is a key initiative within China's economic corridor development under the Belt and Road Initiative.

Although this project required multiple negotiations, eventually all three countries recognized its significance and reached a cooperative agreement. The construction and signing of the China-Thailand railway agreement, which is currently in progress, is the most noteworthy development. In case of the railway from Kunming, China, successfully connects to Thailand, it would mean that China gains easier access to Thailand and Southeast Asian countries. Conversely, Thailand can conveniently export goods to China and even Europe via the railway (Dai, 2022; Netirith& Ji, 2022; Phanishsarn, 2023; Shen, 2023).

Methodology

In this investigation, a qualitative research approach was employed, utilizing semi-structured interviews to gather data. The semi-structured interview method, recognized as a superior approach for comprehensively exploring subjects in qualitative research, was employed to pose questions to subject matter experts. The criteria were then assessed within the framework of the Belt and Road Initiative (BRI). Consequently, the essential criteria of key stakeholders were addressed within the context of BRI. The primary aim of this study was to analyze and synthesize opportunities and challenges, encompassing the impacts of BRI. The study specifically targeted representative groups from priority sectors, including five sectors across international organizations, public entities, private enterprises, international and local think tanks, leaders of business organizations (focused on trade and investment), and academic experts. This study submitted ethics in Human under the entitled "The Studies and Development of China -Laos - Thailand Economic Corridor Strategic: Northeastern Economic Corridor: NeEC" (HE663294). This research has been reviewed by the Khon Kaen University Ethics Committee for Human Research based on the Belmont Report and GCP in Social and Behavioral Research.

Sample

The results section incorporates insights gathered from twenty-seven in-depth interviews conducted through snowball sampling, capturing the perspectives of key stakeholders in China and Thailand across the trade, investment, and logistics sectors, as well as policymakers. The interviews were conducted until saturation was achieved. Over seven months from May to November 2023, data was collected in China and Thailand. The interviewees, totaling twenty -seven, represented various sectors, including international organizations (3), public organizations (5), private organizations (4), international and local think tanks (5), leaders of business organizations focused on trade and investment (5), and academic experts (5). These interviews, based on semi-structured questions, took place in China, Laos, and Thailand, shedding light on key stakeholders' perceptions of the Belt and Road Initiative (BRI).

Data collection and analysis

The research unfolded in two phases. Initially, a pilot test of interview guides involved five representative respondents to assess the clarity of the questions (Dikko, 2016; Kim, 2011). Subsequent mod-

Table 1. List of key informants in China, Laos, and Thailand

Country	Key informant (Organizations)	Number (People)
Thailand	Tourism Council of Nong Khai	2
Thailand	The Udon Thani Chamber of Commerce	4
Thailand	BOI: The Board of Investment of Thailand in Khon Kaen	2
Thailand	Nong Khai Town Municipality Office	5
Thailand	Mekong Institute	2
China	Kunming South Asia & Southeast Asia International Logistics Research Institute (SSILR)	3
China	Xishuangbanna Chongqing Chamber of Commerce	3
China	Huazhong University of Science and Technology	3
China	Yunnan Tengjun International logistics Co., Ltd.	3
	Total	**27**

ifications were made to certain questions to enhance respondent comprehension (Kim, 2011). In the second stage, face-to-face semi-structured interviews were carried out with key stakeholders to gain insights into their perspectives. A total of twenty-seven key stakeholders in China and Thailand were interviewed, with each session lasting approximately 45-60 minutes as shown in Table 1. The interviewees were chosen from diverse operational backgrounds within the Belt and Road Initiative (BRI) to ensure theoretical saturation (Patton, 1990) and demographic heterogeneity (Miles & Huberman, 2014). Interviewers have informed consent for participation in the study by verbal acceptance before the interview process. Conducted in English, the interviews were audio-recorded and later transcribed by the first author. Adhering to the interview guide developed based on the research questions, the interviews were structured. Additionally, twenty-seven key stakeholders were interviewed to enhance the richness of the data (Patton, 1990). Data was further analyzed and synthesized through a content analysis of the results led to insightful recommendations and policy recommendations for stakeholders in China, Laos, and Thailand.

Results

Opportunities and Challenges between Thailand and China

China's strategy toward the South, considering China's geographical position, its eastern region faces a vast ocean with numerous islands, which are considered Chinese land, as well as Korea, Japan, the Philippines, Vietnam, and more as illustrated in Figure 1. Some countries employ the 'string of pearls' strategy to encircle China. Consequently, this is part of the South China Sea issue. Many countries claim territorial rights over these islands due to their strategic importance in the northern region of China. China has been blocked from exiting to the east, such as Mongolia and Russia's strongholds, with no direct access to the sea. The nearest gateway to the sea is Thailand. Therefore, for China, it is necessary to build a railway along the Mekong route to connect to Europe. The best option is through Thailand, which provides access to both the Pacific and Indian Oceans. While Myanmar and Cambodia offer another route, Thailand, as the central hub of ASEAN, is better equipped for this purpose. Passing through Thailand, China can reach Malaysia and Singapore as well. Thus, Thailand plays a crucial role in China's Southward strategy.

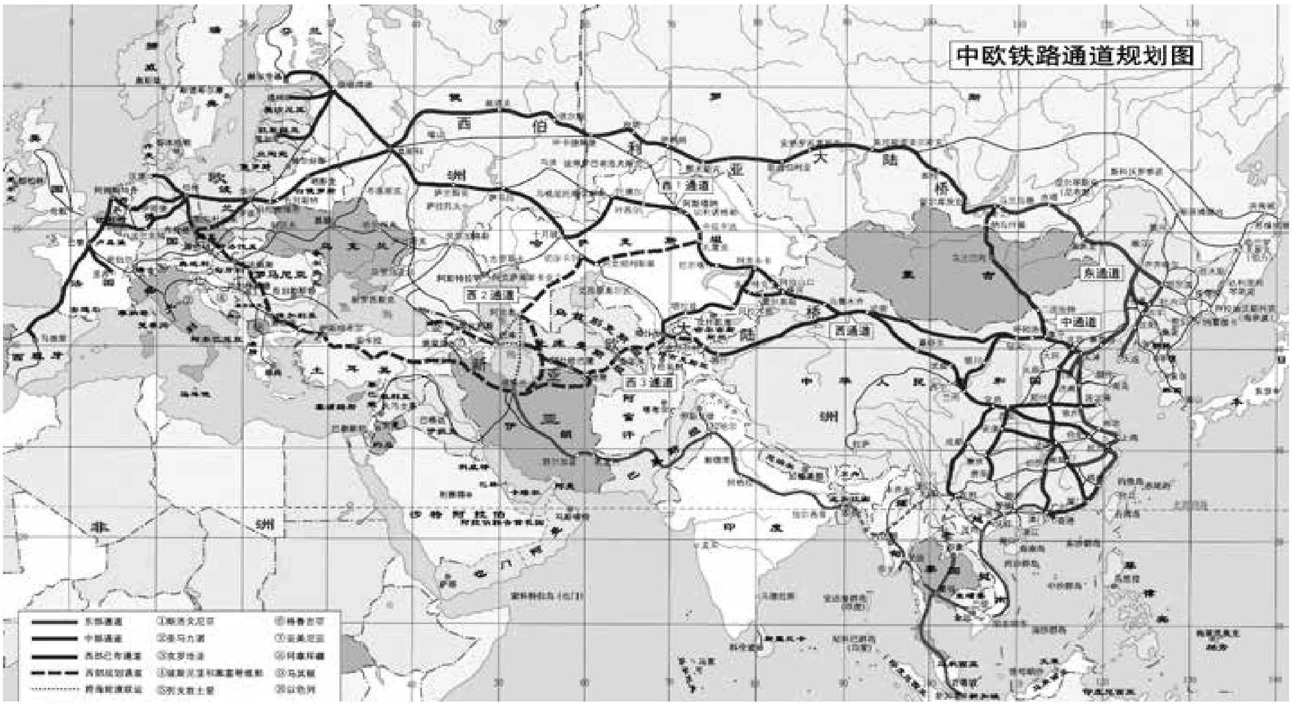

Figure 1. Main BRI routes and existing railway links (Mukhia et al., 2022)

China's vast land areas in the southwestern and northwestern regions, including Xinjiang, Sichuan, Shanxi, Guangxi, Guizhou, and Kunming, can transport goods via the Thailand-China railway. This railway is one of the best options for China. In term of Kunming connects to Thailand, it means other cities can reach Thailand, connecting China to Southeast Asia. Consequently, China seeks to build internal connections. There have been several high-speed rail projects connecting Kunming to Beijing, Shanghai, Xi'an, Chengdu, Chongqing, and more. Kunming connects to Thailand; it means it can access various Chinese cities and connect to Europe.

This initiative encourages internal development and economic growth in China. Thailand is aware of the benefits of the Thailand-China railway as well. Although some groups of people and certain scholars have different opinions on the expected benefits of building the railway, in general, the railway is seen as an opportunity to boost economic development in Thailand's northeastern region. In comparison, this region has lagged economically compared to others, partly due to limited access to transportation infrastructure, including sea transport, railways, and roads. Reduce transportation costs for Thailand. Overall, once the Thailand-China railway is completed, it will be more efficient for both passenger and freight transport. This will save time and logistics costs for the entire system. In case of Thailand-China railway is not built, it means that Thailand's railway system will remain outdated, while other countries continue to develop modern systems.

Policy recommendation in infrastructure for Thailand and China

China places great importance on the Thailand-China railway cooperation project. China has high expectations for the Thai government to push for the construction of the Thailand-China railway quickly. China is constructing the China-Laos-Thailand railway, and the Chinese section is nearly completed. The section from China to Thailand is progressing rapidly. Therefore, Thailand should expedite the construction of the railway within its borders to ensure that the entire railway network is interconnected, offering economic opportunities and connectivity to other areas in the future.

In terms of strategic importance, the Thailand-China railway is not only about connecting China and Thailand but also about creating a China-ASEAN railway network that will pass through multiple neighboring countries in the region. This will elevate the competitiveness of each country. Therefore, in case the

China-Laos-Thailand railway project is successful and can connect to high-speed rail and airports, Thailand should strategically plan to become the center of the China-Indian Ocean economic corridor.

Stakeholders at both the policy and local levels involved in the Thailand-China railway project should cooperate and consider long-term about the country's development. The government should consider the development of the entire rail system, defining the roles of the existing meter-gauge railway (1-meter gauge) and the new standard-gauge railway (1.435-meter gauge) to handle different passengers and cargo efficiently.

Local government agencies should collaborate with provincial industry councils, chambers of commerce, educational institutions, etc., to plan policies that support the changes in the area due to railway construction. Thailand and China should cooperate to develop and promote knowledge exchange in rail technology, collaborate in curriculum development for rail technology and modern logistics, and support smart city initiatives in provinces along the China-Thailand railway route.

The Thailand-China railway project presents an opportunity to spread economic prosperity to the people in the northeastern region of Thailand, creating jobs and distributing income to the local population. For this to happen, there needs to be trade, investment, and production in the northeastern region on a larger scale. However, all of this cannot happen automatically; it requires careful management and listening to the feedback of stakeholders in the area, including the public, private sector, small and medium-sized businesses, and entrepreneurs, to ensure that the benefits are managed appropriately.

Policy recommendation in trade and investment for Thailand and China

China has employed significant economic influence on Thailand considering China's economic size and role both regionally and globally. It is challenging for Thailand to compete with China. Therefore, Thailand focuses on cooperation and strives to be a part of China's plans, particularly in the economic dimension. In the economic dimension, Thailand pursues a policy that emphasizes becoming a part of China's strategy. This includes emphasizing production and consumption, such as producing goods for the growing Chinese market and becoming part of China's production supply chain to expand into global markets. Additionally, Thailand leverage and adopt Chinese innovations and technologies, especially in cutting-edge industries, under China's "Made in China 2025" strategy. The economy of China has expanded significantly, and the middle class in China has seen substantial income growth and increased purchasing power. This, in turn, presents economic opportunities for Thailand, both in terms of exports and the potential for Chinese tourists to visit Thailand more frequently.

In terms of trade, the Chinese market is crucial for Thailand as its number one trading partner. A significant portion of Thailand's exports to China consists of raw and semi-processed materials with low value-added. China does not import these products for direct consumption but rather uses them as components or raw materials in its manufacturing processes for exports. The government of Thailand, particularly the Ministry of Commerce, is considering restructuring its export product mix to China, with a focus on exporting more value-added and consumer goods to Chinese consumers. For instance, jewelry and home decor, which have seen rising demand among the expanding middle class in China, represent opportunities for Thailand. Currently, China's middle class is growing rapidly, and there is a substantial market of Chinese consumers who prefer online shopping via mobile devices. This presents a good opportunity for Thailand to shift its export structure towards the export of finished goods to cater to the increasing consumption by Chinese consumers.

Regarding investments, Chinese investments in Thailand have increased and have been linked to the BRI (Belt and Road Initiative) as well as China's policy goals, including connections to China's Greater Bay Area (GBA). The Thai government and the board of investment regulate the investment structure to prioritize qualitative benefits over quantitative ones. There should be stringent criteria or conditions when

Table 2. The quotation by key informant

Theme	Quotation
Opportunities and Challenges between Thailand and China	".......Thailand is the best location for belt and road initiative to connect with ASEAN, Thailand as the central hub of ASEAN......" (Key informant from Thailand 1)
	".......Belt and road initiative encourages the development and economic growth in many country. Thailand is the one country that would gain the benefits from this concept of China particularly Thailand-China railway......" (Key informant from China 3)
	".......the challenge of Thailand is building railway connected with China. Thailand's railway system will remain outdated, we need to develop for connecting with other countries......" (Key informant from Thailand 4)
Policy recommendation in infrastructure for Thailand and China	"......Stakeholders need to involve creating policy and should cooperate and consider to develop and enhance the infrastructure not only Thailand but also other country ......" (Key informant from China 6)
	"......Key infrastructure development between Thailand and China should be the high-speed rail connecting Thailand, Laos, and China. It will create a major economic corridor connecting to many country......" (Key informant from Thailand 2)
	"......the impact of creating infrastructure will spread economic prosperity to the people in the areas, creating jobs and distributing income to the local population......" (Key informant from China 2)
Policy recommendation in trade and investment for Thailand and China	"......Chinese market is crucial for many countries in ASEAN, therefore, we must to collaborate the policy for our country particularly in Trade and investment.......". (Key informant from Thailand 6)
	"......Thai government and the board of investment regulate the investment structure. They should be rigorous criteria or conditions when promoting for Chinese investments......" (Key informant from China 8)
	"......the Ministry of Commerce should be consider restructuring to export and import product between China especially exporting and importing value products to serve the consumers. ......" (Key informant from Thailand 11)

promoting Chinese investments, such as investments should benefit Thailand's local and regional economies. Investors should contribute to job creation and the development of various skills and technologies among the Thai workforce. For example, they were fostering knowledge transfer and the establishment of Thai-managed subsidiary companies to support parent companies. Investments should help generate added value, utilize Thailand's raw materials, particularly in agriculture, and address issues related to low agricultural product prices in certain cases.

However, China has made progress and it would benefit Thailand, such as the application of technology to alleviate poverty. Thailand should study and potentially adopt Chinese models. Concerning investment, Thailand should assess whether Chinese capital inflow will be beneficial for the Thai economy or not. It should not solely consider the project's monetary value but emphasize the quality of each type of business that Chinese investments bring to Thailand.

Furthermore, Thailand should consider the implications of Chinese investments on existing SMEs, manufacturers, and traders in the country. Currently, the economic image of China, as well as its influence and role in Thailand, has both positive and negative aspects.

Discussion and Conclusion

China has experienced rapid economic growth in recent decades, driven by low-cost manufacturing and exports, along with a large labor force and significant capital investment in machinery. However, as China is transitioning towards an aging society with a declining birth rate and a rising labor cost, coupled with pollution concerns and resource depletion, the Chinese government has been focusing on shifting its economic model. To support this transition, China has established a government fund of over 40 trillion yuan to invest in new industries, regional connections, automation in manufacturing, production standards, financial support for environment-friendly projects, the creation of local brands, and innovative companies. Additionally, Thailand has been providing patent protection for innovative technologies under the Thailand 4.0 initiative. It represents a new model for driving Thailand's economy towards a "Value-Based Economy" based on innovation, aiming to increase the income of its population. This policy requires significant adjustments, particularly for industrial manufacturers, to enable sustainable and robust growth in this new economic context.

The initiative seeks to develop new industries focusing on innovation and high technology, emphasizing production efficiency. Thailand aims to leverage its manufacturing industry, particularly in sectors like advanced automobiles, smart electronics, automation, robotics, aviation, biotechnology, and environmentally friendly petrochemicals, aligning with China's "Made in China 2025" policy. The two countries aim to connect their production supply chains and expand exports globally while learning and benefiting from China's innovative technology. China has become a global leader in AI and digital technology and encouraged strong capital and technological players to participate in Thailand's eastern economic corridor, especially in trade facilitation and customs processes. Facilities connectivity under the Belt and Road Initiative (BRI) includes connecting various infrastructure elements such as railways, roads, waterways, aviation, and data networks. China has been investing heavily in high-speed railways and collaborating with multiple countries to establish rail connections from China to Europe, significantly reducing transportation time and costs. Moreover, China has been seeking cooperation from countries in the Greater Mekong Subregion (GMS) to extend the railway network to Malaysia and Singapore (Lertpusit & Suvakanta, 2023; Wang & Lassi, 2023). The development of infrastructure under the BRI framework is expected to reduce transportation costs and time for moving goods and people in the countries along the BRI route. However, several of these countries are facing substantial infrastructure gaps, particularly related to trade and investment. Over the past decade, foreign direct investment (FDI) in BRI countries has significantly increased. The increased inflow of FDI comes from various regions, especially in the Asia-Pacific region. The improved transportation infrastructure of the BRI has reduced overall travel time and transportation costs, providing a foundation for increased investment and GDP growth. The reduction in travel time can lead to increased investment. The improved transportation infrastructure along the BRI routes may result in reduced travel time and transportation costs, ultimately leading to a 4.97% increase in FDI for all BRI countries. This has a particularly positive effect on FDI from non-BRI countries and can enhance expansion opportunities when these countries have investment-friendly environments and various business regulations (Bega & Lin, 2023; Chen, 2023; Song & Fabinyi, 2022).

Key infrastructure development projects, such as the high-speed rail connecting Thailand, Laos, and China, and the China-Laos-Thailand railway project, are crucial. These projects aim to create a major economic corridor connecting the Chinese economy to the Indian Ocean via the CLMVT countries, including Cambodia, Laos, Myanmar, Vietnam, and Thailand. When completed, the ASEAN railway network will enable faster rail transport to Europe in less than 20 days (Bega & Lin, 2023; Bing, 2022; Chen, 2023). Trade and the facilitation of trade are essential for the "One Belt, One Road" initiative. The goal is to stimulate cooperation potential among countries along the route by establishing key measures, such as creating a network for free trade, breaking down investment and trade barriers, promoting investment and trade, and fostering a business-friendly environment in the regions and countries involved. These measures aim to enhance cooperation, increase trade transparency, reduce non-tax barriers, improve trade facilitation, expand trade boundaries, enhance trade structure, and promote balanced trade opportunities. This also utilizes investment to develop trade and enhance supply chain efficiency, value chain development, supply chain, and service chain. This encourages cooperation, interaction, and mutual assistance in the operations of countries and regions along the route, including exploring new development routes together. The goal is to create a mutually beneficial open economic system characterized by balance, security, and high efficiency.

People-to-people bonds are the foundation of social integration for the "One Belt, One Road" initiative. The success of this concept depends on whether people from different countries can connect and engage with each other. People-to-people bonds are vital reflecting the level of awareness, acceptance, and participation of the people in the countries along the route. Therefore, all member countries must work together, and genuinely cooperate in various fields, such as cultural exchanges, academic exchanges, personnel cooperation, media cooperation, technology cooperation, youth and women's associations, and volunteer service. This aims to enhance mutual understanding, strengthen friendship based on shared values, and deepen cooperation at both the intergovernmental and nongovernmental levels. In terms of tourism Thailand is a key destination for tourists, including Chinese visitors. Approximately 1.55 million Chinese tourists visit Thailand, and both Thailand and China are promoting cooperation in the tourism sector. Direct flights from Kunming to various destinations in Thailand, such as Phuket, Samui, and Krabi, have increased tourism opportunities. Cooperation includes the exchange between private sector organizations, trade associations, sister cities, and friendly ports to enhance mutual understanding, promote cooperation, and benefit both sides and multiple parties.

Therefore, the cooperation between China, Laos Thailand countries along this new Silk Road has been highly successful. It demonstrates that the BRI initiative aligns with the times, development principles, and the benefits of people in various countries. It will continue to expand and develop further.

The innovative of new knowledge

This study aims to synthesize the opportunities and challenges of Thailand's policy, including the impacts of the Belt and Road Initiative (BRI) on many ASEAN countries. The BRI initiative should be carefully considered in several dimensions, especially significant factors such as regulation and law for trade and investment, infrastructure, and the relationships among ASEAN countries. ASEAN countries need to become more innovative in developing both soft infrastructure (e.g., regulation and law, standards, innovative procedures in trade and investment strategy and policy) and hard infrastructure (e.g., railways, logistics parks, electricity, water systems, etc.).

Smart policies in countries not only in China and Thailand but also in other countries can establish new innovative policies for national development. Innovative policies will enhance social well-being and the quality of life for residents in these areas. Particularly, the BRI initiative is a crucial concept for generating development in ASEAN countries, increasing the transfer of new technology and innovation from developed to developing countries, especially in Southeast Asia. Therefore, innovative policies will initiate new industries focusing on innovation and high technology, emphasizing production efficiency.

Currently, many countries are generating new policies that focus on technology and innovation in the manufacturing industry, such as advanced automobiles, smart electronics, automation, robotics, aviation, biotechnology, and environmentally friendly petrochemicals. China has become a leader in AI and digital technology, impacting many industries in Thailand, especially trade facilitation and customs processes. Technology and innovation from China have influenced small and medium business entrepreneurs, necessitating policy adjustments to support the changes arising from China's BRI initiative and international trade policies to support the BRI initiative.

Acknowledgment

The authors would like to express their deepest gratitude to the Program Management Unit on Area Based Development (PMU A) under the Office of National Higher Education Science Research and Innovation Policy Council for financial support to this study under Grant number A13F660211.

References

Benzell, S. G., Kotlikoff, L. J., Kazakova, M., LaGarda, G., Nesterova, K., Ye, V. Y., & Zubarev, A. (2022). *The Future of Global Economic Power* (No. w30556). National Bureau of Economic Research.

Bing, C. (2022). The belt and road initiative: multilingual opportunities and linguistic challenges for Guangxi, China. *Contemporary Social Sciences*, *2022*(2), 8.

Butt, D. A. J., Latif, D. A., & Haider, S. (2023). United states' containment policy: a strategic competition between us and China in the perspective of BRI vs B3W. *Bulletin of Business and Economics (BBE)*, *12*(2), 46-55.

Chancharoenchai, K., & Saraithong, W. (2022). Trade policy preferences: a case of Thailand. *International Journal of Trade and Global Markets*, *15*(1), 61-69.

Chen, X. (2023). The belt and road initiative at 10 and corridor connectivity. *World*.

Chen, X., Liu, X., & Zhu, Q. (2022). Comparative analysis of total factor productivity in China's high-tech industries. *Technological Forecasting and Social Change*, *175*, 121332.

Chiang, M. H., & de Micheaux, E. L. (2022). China's outward foreign direct investment in Southeast Asia: Analyzing the Chinese state's strategies and potential influence. *Thunderbird International Business Review*, *64*(6), 581-593.

Chuvankova, V. (2022). 14th Five-Year Plan to Promote the Development of Small and Medium-Sized Enterprises in China (2021-2025): Innovation Component. *Problemy Dalnego Vostoka*, (6), 140-152.

Conchada, M. I. P., Cabiltes, N. A. Y., Miranda, B. E. A., & Empeño, E. D. P. (2023). Monitoring the Philippine Economy Fourth Quarter Report for 2022.

Dai, Y. (2022). China's infrastructure investment to the belt and road: The case of the China-Indochina peninsula economic corridor. *The Chinese Economy*, *55*(3), 169-187.

Dikko, M. (2016). Establishing construct validity and reliability: Pilot testing of a qualitative interview for research in Takaful (Islamic insurance). *The qualitative report, 21*(3), 521-528.

Edyvean, R. G., Apiwatanapiwat, W., Vaithanomsat, P., Boondaeng, A., Janchai, P., & Sophonthammaphat, S. (2023). The Bio-Circular Green Economy model in Thailand–A comparative review. *Agriculture and Natural Resources*, *57*(1), 51-64.

Gong, X., & Cortese, C. (2017, September). A socialist market economy with Chinese characteristics: The accounting annual report of China Mobile. In *Accounting Forum* (Vol. 41, No. 3, pp. 206-220). Taylor & Francis.

Hu, W., Ge, Y., Hu, Z., Ye, S., Yang, F., Jiang, H., ... & Deng, Y. (2022). Geo-economic linkages between China and the countries along the 21st-century maritime silk road and their types. *International Journal of Environmental Research and Public Health*, *19*(19), 12946.

Itakura, K. (2022). *Impact of the Regional Comprehensive Economic Partnership (RCEP): A Global Computable General Equilibrium (CGE) Simulation*. Economic Research Institute for ASEAN and East Asia.

Kim, Y. (2011). The pilot study in qualitative inquiry: Identifying issues and learning lessons for culturally competent research. *Qualitative Social Work, 10*(2), 190-206.

LaRouche, H. Z. (2023). The Secret of China's Success Model "How China Should Be Looked At". In *China's Development and the Construction of the Community with a Shared Future for Mankind* (pp. 503-507). Singapore: Springer Nature Singapore.

Manarungsan, S. (2009). Thailand-China cooperation in trade, investment and official development assistance. *A China-Japan Comparison of Economic Relationships with the Mekong River Basin Countries, BRC Research Report*, (1), 290-367.

Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook*. sage.

Lertpusit, S., & Suvakanta, P. (2023). Challenges to Thailand's Negotiating Strategy in the Thai–China High-Speed Railway Project. *East Asian Policy*, *15*(03), 34-48.

Mihr, A., & Weiffen, B. (2023). China's Belt and Road Initiative: Curse or Blessing for Democracy in Eurasia?. *Securitization and Democracy in Eurasia*, 245.

Mukhia, Anmol & Zou, Xiaolong. (2022). Mapping India's (Re) connection to Eurasia. *Russia in Global Affairs.* 20. 184-204.

Nedopil, C. (2022). China Belt and Road Initiative (BRI) Investment Report 2021. *Green Finance & Development Center, FISF Fudan University, Shanghai*.

Netirith, N., & Ji, M. (2022). Analysis of the Efficiency of Transport Infrastructure Connectivity and Trade. *Sustainability*, *14*(15), 9613.

Patton, M. Q. (1990). *How to use qualitative methods in evaluation*. Thousand Oaks, CA: Sage Publications, Inc.

Park, I. (2022). Comparison of the Regional Comprehensive Economic Partnership and Other Free Trade Agreements. *Regional Comprehensive Economic Partnership (RCEP): Implications, Challenges, and Future Growth of East Asia and ASEAN. Jakarta: Economic Research Institute for ASEAN and East Asia*, 45-82.

Phanishsarn, A. (2023). The Link Between the EEC of Thailand 4.0 Model and China's BRI: A New Chapter of Thailand-China Economic Relations. In *Exchanges and Mutual Learning Among Asian Civilizations* (pp. 115-123). Singapore: Springer Nature Singapore.

Riccardi, L., & Riccardi, G. (2022). An Overview of China Europe Trade and Economies. *China–Europe Tax Treaties: Selected Tax Treaties and International Taxation*, 33-48.

Rice, D. (2023). An Overview of China's Belt and Road Initiative and Its Development Since 2013. *Securitization and Democracy in Eurasia: Transformation and Development in the OSCE Region, edited by Anja Mihr, Paolo Sorbello, and Brigitte Weiffen*, 255-266.

Rosenberg, J. M. (2022). *The Belt and Road Initiative: the threat of an economic cold war with China*. Rowman & Littlefield.

Shen, C. (2023). The Impact of Infrastructure Development on China–ASEAN Trade-Evidence from ASEAN. *Sustainability*, *15*(4), 3277.

Silalahi, M. F., Febrianto, D., Bastian, M. D., & Rossevelt, F. A. (2023). Regional Comprehensive Economic Partnership (RCEP) on agricultural products. *Journal Of Management Analytical and Solution (JoMAS)*, *3*(2), 58-69.

Singkorn, S., Klinbumrung, K., & Akatimagool, S. (2022, July). Development of Innovation-Based Learning and Teaching Model for Technology Education in Thailand 4.0 Era. In *2022 7th International STEM Education Conference (iSTEM-Ed)* (pp. 1-4). IEEE.

Song, A. Y., & Fabinyi, M. (2022). China's 21st century maritime silk road: Challenges and opportunities to coastal livelihoods in ASEAN countries. *Marine Policy*, *136*, 104923.

Srisamoot, A. (2022). China, Thailand and Globalization. In *China and the World in a Changing Context: Perspectives from Ambassadors to China* (pp. 181-191). Singapore: Springer Nature Singapore.

Stern, N., & Xie, C. (2023). China's new growth story: Linking the 14th Five-Year Plan with the 2060 carbon neutrality pledge. *Journal of Chinese Economic and Business Studies*, *21*(1), 5-25.

Tse, K., Ablaev, I., & Malkan, O. (2023). Potential threats the rise of China's economic and military power in the Asia Pacific region. *International Journal of Multidisciplinary Approach Research and Science*, *1*(01), 18-30.

Wang, C., & Lassi, N. (2023). Incentivizing Narcotics Control Through China's Belt and Road Initiative in South and Southeast Asia. *Journal of Developing Societies*, 0169796X231186056.

Zhang, L. (2023). Capital Account Liberalization and China's Financial Integration. *M-RCBG Associate Working Paper Series*.