GUIDELINES FOR DEVELOPMENT OF GOVERNMENT UNITS AT THAI'S CROSS-BORDER TRADE CHECKPOINT BETWEEN THAILAND AND MALAYSIA

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ABSTRACT

Government units are organizations that provide convenience services to people and businesses that take part in business activities across country borders. Thailand and Malaysia's trade makes up a large volume of the land import/export in Southeast Asia, and the main exports are electrical and electronic equipment. Economic value has steadily increased and declined in 2020 after the coronavirus disease spread across the world. This paper presents the issues with and guidelines for the development of the government units at the Thai cross-border trade checkpoint between Thailand and Malaysia. From the study found that Thai's government units at the cross-border trade checkpoint have faced several problems such as a lack of equipment for inspectors. The fact is that officers are not given a job description, and the government should develop more of an infrastructure. The Thai government should prepare all facilities and provide training to gain more knowledge about relevant laws. In addition, it should set up one government unit/department for cross-border trade management with management authorities.

Keywords: Cross-border trade; Checkpoint; Borderland; Development.

INTRODUCTION

Cross-border trade is international trade and selling for the exchange of goods or services between two countries (Selvadurai, 2010). Cross-border trade is an important mechanism to boost the economy in Thailand and Thailand's border trade with four neighbor countries (Malaysia, Laos, Cambodia, and Myanmar); Malaysia is the biggest partner for border trade. In 2019, the import/export value between Thailand and Malaysia was approximately 17,183.94 million US dollars, and in 2020 the import/export value declined to approximately 6,639.24 million US dollars (Department of Foreign Trade, 2020). Thailand exports to Malaysia were 8.74 billion US dollars during 2020. The major exports are electrical and electronic equipment, machinery, reactors, boilers, and rubber. Malaysia's exports to Thailand were 10.79 billion US dollars, and the major exports are electrical and electronic equipment, mineral fuels, oils, distillation products, machinery, nuclear reactors, and boilers (Trading Economics, 2021); the import/export value declined be-cause of the coronavirus disease (COVID-19). In addition, the Thailand and Malaysia cross-border trade value accounted for almost 45 percent of the total cross-border trade between Thailand and its five neighboring countries; the majority of products exported by Thailand to Malaysia are products from the southern Thailand region and Sadao cross-border checkpoint because a major trade route is located on the path that links Malaysia to

Bukit Kayu Hitam town and, consequently, Penang, Kuala Lumpur, and Singapore (Anuar & Harun, 2018).

However, the problems with the Thai–Malaysian border trade involve Thai regulation and the fact that the rules are not appropriate. Thailand shows delays in the inspection of delivery permits and merchandise licenses for transported goods, fraudulent action that is not legally enforceable against Malaysian buyers, and corrupted practice among some government officers (Kusagayavong, 2002). In addition, the main problems of the cross-border trade checkpoint in the Nara-thiwat province are a lack of infrastructure, government officers, equipment, and language skills (English & Melayu) among Buddhist officers. (Most officers speak and understand simple English words, and only a few can speak English very well.) However, if officers are local residents and respected in Islam, they can speak Melayu (Malay language) (Promsaka Na Sakolnakorn & Doungsuwan, 2016). As mentioned regarding the importance of cross-border trade between Thailand and Malaysia, as well as from the recent literature reviews, this paper found many problems that serve as obstacles to the development of a cross-border trade checkpoint. So, this paper presented the issues with and guidelines for the development of the Thai cross-border trade checkpoint between Thailand and Malaysia.

LITERATURE REVIEW

This paper focuses on the literature review with regard to three main issues: cross-border trade, cross-border trade between Thailand-Malaysia, and cross-border trade development.

Cross-border trade is defined as the flow of goods and services across international land borders; thus, cross-border trade is about al-lowing traders to take advantage of the differences in the supply, demand, and prices of various goods and services available on either side of the border (World Bank, 2007). Cross-border trade is between two neighboring countries that have a common border, and it can con-tribute to a regional integration effort and function as a regional competitive instrument to propel the domestic regional economy into the global marketplace (Selvadurai et al., 2011).

Cross-border trade between Thailand, Malaysia, and Singapore has resulted in some of the busiest borders in Southeast Asia (Malaysiakini, 2020). Southern Thailand and Malaysia share a border that stretches 647 kilometers, and their bilateral trade is the largest in ASEAN in terms of value; however, non-tariff barriers are currently the biggest obstacle to the mobility of goods and services and the movement of people within the region. In addition, the committee of ASEAN countries has attempted to reduce non–tariff barriers as much as possible by reviewing the problems within each country, and there is a contact point to facilitate improvements in each country (Parpart, 2016). Moreover, due to the spread of COVID-19 in all member ASEAN states in 2020, Thailand's exports to Malaysia and Singapore have been supported by a stronger demand for intermediate products that are essential for the production of medical supplies and work-from-home products (Kasikorn Research Center, 2020).

The cross-border infrastructure between Malaysia and Thailand re-quires a major upgrade to facilitate trade and investment flows; thus, both countries should upgrade the three cross-border checkpoints: Rantau Panjang-Sungai Golok, Pengkalan Kubor-Tak Bai, and Bukit Bunga-Buketa. In addition, both governments should seriously consider expanding the existing Rantau Panjang-Buketa Bridge and proceed with the proposed Pengkalan Kubor-Tak Bai Bridge. In addition, both governments must demonstrate their commitment to enhancing the socioeconomic status of people at the border (Focus Malaysia, 2020). To develop cross-border trade,

stakeholders must have cross-border planning, such as transport networks and services; in addition, countries should jointly deliberate on a transport infrastructure, including all operational aspects of transport to connect both sides of the border, such as ticketing systems, understandable information sources, and legal and administrative procedures. In addition, joint management structures can facilitate the establishment and operation of genuine cross-border trade (Nanudorn et al., 2012; Evrard & Engl, 2018).

METHODOLOGY

This study applied qualitative methods with in-depth interviews, a focus group, and a fieldwork survey, and Thailand's cross-border trade checkpoint between Thailand and Malaysia in Songkla, Yala, Satul and Narathiwat provinces served as the location of this study.

Methods

This study utilized in-depth interviews of a population selected using purposive and snowball sampling with 25 Thai officers working in a cross-border trade checkpoint at Sadao, Banprakob, Padangbesar, Sungaikolok, Tak Bai, Bu Ke Ta, Betong, and Wangprachan, and it included 5 Thai business owners, 3 Malaysian officers, and 5 Malaysian business owners. In addition, the study utilized a focus group to discuss development guidelines for Thai's cross-border trade check-point.

Data Analysis

For data analysis, this study used investigator and methodological triangulation techniques to check and compare the data. Then, it used content and descriptive analysis to analyze the full data set.

RESULTS

The study found that most infrastructures, such as the buildings, roads, and technology systems of Thailand's cross-border trade checkpoint, are still not prosperous and need more development compared with the Malaysia cross-border trade checkpoint that stands on the opposite side, and service systems in Malaysia appear to have more convenience compared with Thailand, so the cross-border checkpoint between Thailand Malaysia has several issues, as shown in Table 1.

TABLE 1
PROBLEMS OF CROSS-BORDER TRADE CHECKPOINT BETWEEN THAILAND AND MALAYSIA

Province	**Cross-border Trade Checkpoint**	*Important Issue*
Narathiwat	Sungaikolok	- A canal serves as a natural border in the area, and the cross-border bridge between Thailand and Malaysia is narrow and has only two transport lanes. This causes traffice jams. - The number of government officers is not appropriate for job function.

	Tak Bai	- There is no land transportation, only water transportation. - There is a lack of equipment for inspectors to check fruits, meats, and vegetables, and there is not a toxin-examination room. - The number of government officers is not appropriate.
	Bu Ke Ta	- There is no building for a border trade service center. - There is a lack of equipment for inspectors to check fruits, meats, and vegetables, and there is not a toxin-examination room. - The number of government officers is not appropriate.
Songkla	Sadao	- There are traffic jams and long queues for truck convoys, tourists, buses, and private cars. - There are long waiting times and lines for immigration.
	Banprakob	- There is a need to develop more infrastructure. - There is a lack of equipment for inspectors to check fruits, meats, and vegetables, and there is not a toxin-examination room. - The number of government officers is not appropriate.
	Padangbesar	- There is an issue with smuggled goods.
Yala	Betong	- The number of government officers is not appropriate. - There is a lack of equipment for inspectors to check fruits, meats, and vegetables, and there is not a toxin-examination room.
Satul	Wangprachan	- The government should develop more of an infrastructure. - The number of government officers is not appropriate.

In addition, at the Sadao immigration checkpoint, officers must be more concerned about completing their duties, especially when many travelers cross the border. From the interviews, the fieldwork study found that officers do not open more immigration counters when there is a long queue. This is compared with Malaysia and Singapore, which will open more immigration counters when there is a long line of people hoping to check their passports. As mentioned above, regarding the checkpoint problems, the Thai government should be more concerned and set up a larger fiscal budget to develop the cross-border trade checkpoint because it will benefit the country's image.

The government should recruit more officers to work in their appropriate job description, recruit local residents to work as officers, and train them to serve as immigration officers, toxin-examination room officers, and customs officer.

The government should prepare officers to work in any job description or cross-border trade checkpoint because this fieldwork study found that, in some areas, one officer worked as animal and vegetable inspector at three different cross-border trade checkpoints at Narathiwat province.

The government should be more concerned about management and focus on the Sadao immigration checkpoint; for example, it should be more concerned about corruption issues and training officers to be more mindful about service because it sees a large amount of cross-border trade and the highest volume of land import/export in Thailand.

Officers must improve their skills speaking the English and Malay languages (Laeheem et al., 2021).

In Yala and Narathiwat, the government should develop more of a budget for inspectors' equipment, as well as construct a toxin examination room within every cross-border trade checkpoint.

The government should be more concerned about customs systems and connect all customs checkpoints in Thailand. In addition, the government should collaborate with other governments in ASEAN countries (Malaysia, Singapore, Cambodia, LAO PDR, Indonesia, Myanmar, Vietnam, Brunei, and Philippines) to develop collaborative customs systems, as well as use this system to gain more information about the import/export supply chain between ASEAN countries.

The buildings, infrastructure, and environment of the cross-border trade area make up the country's image, so the Thai government should quickly develop a model that provides adequate technology and convenience for travelers. In some areas, such as Narathiwat province, the Sungaikolok cross-border trade checkpoint must be renovated and expand traffic channels across the border bridge. Also, the Tak Bai cross-border trade checkpoint must construct a bridge between Thailand and Malaysia.

Cooperation and information and knowledge sharing be-tween Thailand and Malaysia are important in solving cross-border trade problems. So, the Thai government should do the following: 1) The Thai and Malaysian governments should set up training and communication centers in order to disseminate knowledge about regulations relating to cross-border trade to all stakeholders, such as Thai and Malaysian government agencies, entrepreneurs, and companies providing logistics support; 2) Thailand and Malaysia should engage in more collaboration at all levels of government, from local to central; 3) Thailand should improve its trade laws and regulations; and 4) Thailand and Malaysia should set up policies for cross-border trade together..

In addition, for environmental development, the Thai government should be concerned with green policy, such as using a clean and green city concept for sustainability in the regions. Clean and green cities focus on the balance between society, the environment, and the economy by encouraging people to change their behaviors toward international cultural standards—that is, how to remain sustainable, apply regulations and laws as part of the clean and green city movement, and create more opportunity for people to live and work in a city that is safe, prosperous, and sustainable while also caring for the environment (Promsaka Na Sakolnakorn, 2018; Ruenpakpoj et al., 2020). Moreover, the Thai government should draft a labor agreement with Malaysia to create more opportunity and protection for Thai work in Malaysia (Promsaka Na Sakolnakorn, 2019) because there are many Thai residents in the south of Thailand who travel to Malaysia for illegal work.

CONCLUSION

In conclusion, cross-border trade between Thailand and Malaysia can be developed through industrial connections between the two countries, and the development will have an impact on economic spillovers through trade and investment. This economic profit from activity

will cross the two extreme regions, and the economic activities will generate economic growth within the border regions and benefit both bordering countries (Anuar & Harun, 2018; Promsaka Na Sakolnakorn et al., 2010). In addition, both Thailand and Malaysia should solve any cross-border trade problems together, and the Thai government should set up only one government unit/department for cross-border trade management with management authority because many units and departments are currently involved in managing cross-border trade. Moreover, be-fore opening a new port of entry, both governments should prepare all facilities and train officers and entrepreneurs to gain more knowledge about relevant laws, as well as provide resources for new officers in order to avoid problems regarding insufficient status and crossing delays. Thus, a parking place for trucks and other vehicles awaiting customs checks should be prepared, and equipment such as X-ray trucks should be provided to support one-stop service and increase convenience and effectiveness. In this way, the governments can avoid a situation where traders circumvent the law by not declaring goods at customs at all cross-border trade checkpoints.

To further the development of governmental organization, the Thai government should improve the management of government units so as to ensure more competencies and effectiveness; for example, Naipinit et al. (2016) explained that the characteristics of successful organization include more serious emphasis on working operations than on working papers, changes in agent leadership, concerns for customer satisfaction (for this paper, this means travelers, people, import/export businesses, and all participating stakeholders who have activities crossing the border), team-building management and a readiness to change, an emphasis on human capital and management with participation, organizational operation with a kind of expertise, an adequate organizational structure, flexible management, and the use of smart technology and communication.

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