Economic Corridors in the Greater Mekong Subregion

Economic corridors are areas, usually along major roadways, that host a variety of economic and social activities. This includes factories, tourism, trade, environmental protection activities and other aspects of the economy and social development of an area.

An economic corridor is much more complex than a mere road connecting two cities. It involves not only the development of infrastructure but also the crafting of laws and regulations that make it easier to do business, access markets, and conduct other activities that support trade and development in a comprehensive manner.
Economic corridors bring a wide range of benefits, far beyond what any single project can deliver. There are three main economic corridors in the Greater
Mekong Subregion. Plans are underway to expand these corridors [2], and strengthen links between GMS nations’ capital cities.

**The North-South Economic Corridor (NSEC)**

More than 1,200 years ago, during the Tang Dynasty, merchants in Yunnan, People's Republic of China, began forging trade routes to carry the region’s aromatic tea and other goods to the far corners of Asia. One of these southern caravan trails cut through what is today Luang Namtha Province in the Lao People’s Democratic Republic (Lao PDR), and across the Mekong River into Thailand.

Today these routes are being revitalized. Route 3 Highway in Lao PDR, stretching from Boten at its northern border with the PRC to Houayxay in the south, is at the heart of this transformation. The new road was the last remaining link in the Greater Mekong Subregion’s (GMS) North-South Economic Corridor extending from Kunming, PRC through northwest Lao PDR and down to Bangkok.

The corridor plays a critical role in providing Yunnan Province and northern Lao PDR access to important sea ports. This opens access to important markets, given the existing road network from Singapore via Malaysia to Chiang Rai, and from Kunming to Beijing.

The North-South Economic Corridor involves three routes along the north to south axis of the GMS geography:

- **The Western Subcorridor:** Kunming (PRC) – Chiang Rai (Thailand) – Bangkok (Thailand) via LAO PDR or Myanmar
- **The Central Subcorridor:** Kunming (PRC) – Ha Noi (Viet Nam) – Hai Phong (Viet Nam) which connects to the existing Highway No. 1 running from the northern to the southern part of Viet Nam
- **The Eastern Subcorridor:** Nanning (PRC) – Ha Noi (Viet Nam) via the Youyi Pass or Fangchenggang (PRC) – Dongxing (PRC) – Mong Cai (Viet Nam) route.

GMS Ministers have endorsed the following extensions and/or realignment for this corridor based on a study by the Asian Development Bank [3]:

- Include the Kunming–Dali–Ruili–Muse–Mandalay–Nay Pyi Taw–Yangon route, which is the main trade route between the PRC and Myanmar.
- Add an extension to the Kunming–Dali–Ruili–Muse–Mandalay–Nay Pyi Taw–Yangon route to link Mandalay to Tamu at the border with India, using the Mandalay–Kalewa–Tamu route via Monywa or Shwebo
- Add the Boten–Oudomxay–Luang Prabang–Vang Vieng–Vientiane–Nong
Khai–Udon Thani–Nakhon Ratchasima–Laem Chabang route. This will incorporate Vientiane, the capital of the Lao PDR, into the GMS corridor network.

- Include a link between Vientiane and Hanoi using the Paksan–Nam Phao–Cau Treo–Vinh route with an extension to Vung Anh.

**The East-West Economic Corridor (EWEC)**

Not long ago, transporting goods through the Lao People's Democratic Republic to Viet Nam was a long slog over cracked asphalt. Trucks formed a bumper-to-bumper caravan, dodging potholes all the way. Hard rains would turn parts of the route into a muddy creek.

Today, the trip is a few hours and traders are making the most of it. This once-rugged path is now a key passageway along the ADB-supported East-West Corridor, which runs from Da Nang Port in Viet Nam, through Lao PDR, Thailand, and to the Mawlamyine Port in Myanmar. It extends 1,320 kilometers, intersecting the North-South Economic Corridor at the provinces of Tak and Phitsanulok in Thailand.

The East-West Economic Corridor links important commercial areas:
- Mawlamyine-Myawaddy in Myanmar;
- Mae Sot-Phitsanulok-Khon Kaen-Kalasin-Mukdahan in Thailand;
- Savannakhet-Dansavanh in Lao PDR; and
- Lao Bao-Hue-Dong Ha-Da Nang in Viet Nam.

GMS Ministers have endorsed the recommendation of an Asian Development Bank study to extend the western end of EWEC to Yangon–Thilawa in Myanmar, using the Myawaddy-Kawkareik-Eindu-Hpa-An-Thaton-Kyaikto-Payagi-Bago-Yangon–Thilawa route, with a possible extension to Pathein.

**The Southern Economic Corridor (SEC)**

This vital passageway links Cambodia with six provinces in Thailand including Bangkok, four regions in Viet Nam including Ho Chi Minh City, and six provinces in Lao People's Democratic Republic (Lao PDR). It also
reaches to Dawei in Myanmar.

It covers the development of the following subcorridors:

- The Central Subcorridor: Bangkok-Phnom Penh-Ho Chi Minh City-Vung Tau;
- The Northern Subcorridor: Bangkok-Siem Reap-Stung Treng-Rattanakiri-O Yadov-Pleiku-Quy Nhon;
- The Southern Coastal Subcorridor: Bangkok-Trat-Koh Kong-Kampot-Ha Tien-Ca Mau City-Nam Can; and
- The Intercorridor Link: Sihanoukville-Phnom Penh-Kratie-Stung Treng-Dong Kralor (Tra Pang Kriel)-Pakse-Savannakhet, which links the three SEC subcorridors with the East-West Economic Corridor.

_Last Updated: 25 August 2017_

_Learn more:_

- What is the Greater Mekong Subregion Program? [4]
- Explainer: What is an Economic Corridor? [5]
- Review of Configuration of Greater Mekong Subregion Economic Corridors [3]
- Project Information: Development Study of GMS Economic Corridors [6]

**Greater Mekong Subregion Secretariat**

Regional Cooperation and Operations Coordination Division, Southeast Asia Department, Asian Development Bank
Address: 6 ADB Avenue, Mandaluyong City 1550, Metro Manila, Philippines
Telephone: +63 2 632 4444
Fax: +63 2 636 2226
Send an email to the GMS Secretariat

For inquiries about the website, please email the Web Team.

Subscribe to our newsletter.
View past issues.

Follow us on Facebook, Twitter and LinkedIn.