



## THE STRATEGIES FOR THE DEVELOPMENT OF THE CHONG CHOM BORDER TRADE MARKET IN KAPCHOENG DISTRICT, SURIN PROVINCE

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### Abstract

The present research aimed to analyze the motivation, obstacles, strengths and weaknesses, and opportunities of the trade entrepreneurs of the border market of Chong Chom, and to propose the strategies for the administration of the market in question. The population under study was Thai and Cambodian traders, the state officials concerned, customers, and other trade operators. Forty- two of them were interviewed and twenty- six participated in the group discussion. The instruments used to collect data were an interview and a participatory and non-participatory observation. SWOT technique was used to analyze data, and the results were presented descriptively. The research findings were as follows. 1. The main motivations for the Cambodian traders could be described as follows. 1) The wages and living standards in Cambodia were lower than in Thailand. 2) Sales business in Cambodia was highly competitive; they had to find a new market along the border. An analysis of the border market showed that the strengths of the border market were the availability of a wide range of merchandise, less expensive stall rents, sufficient parking space, and the name of the market. The weaknesses of the market were there was no unity in the administration by the state sector; there was less cooperation between the trade operators and the market manager; the stall structures were not durable or strong; the infrastructures were inadequate; the market lacked efficient publicity, and goods for sale were not systematically grouped. As for the opportunities, it was found that



very few Thais were traders here; the border market is located on the transportation route which was convenient for travelers; the market is located close to the hotels, the entertainment venue, and the casino on the Cambodian soil. The main obstacles were there was a privately owned market located nearby; the transport link from Phnom Penh to this border market is not in good condition. 2. The proposed strategies for the administration of the border market were as follows. 1) The border trade potential should be developed by utilizing international cooperation; the partnership network should be established to formulate the policies, regulations, and trade development; the state agency should be set up to oversee the border trade and stimulate trade and investment. 2) The business alliance should be developed by promoting an alliance in marketing and tourism; a saving co-operative should be founded for the traders; financial institutes should be increased to make it more convenient for the trade operators. 3) The market facilities and logistics should be improved; the infrastructures should be sufficient and safe; the merchandise of the same or similar category should be grouped and sold in the same space; the transportation route had to be greatly improved. 4) the entrepreneurs' potential was enhanced through training in marketing, efficient management, accounting, and providing financial sources.

**Keywords:** Strategies, Border Market, Chong Chom Border Trade

## Background and Significance

The trade channels between Thailand and Cambodia were conducted through many border checkpoints both permanent and temporary. The trade exchanges mostly took place in the border provinces of Sakaew, Trat, Chantaburi, Surin, and Sisaket. In 2018, the overall trade value between Thailand and Cambodia was 132,759 million baht, and the trade volume expanded exponentially; the export rose to 16.87% (Commercial Ministry, 2018). In 2021 (January –to June), the trade value of the Thai-Cambodian border was 83,858 million baht, or 2. 27% , compared to the corresponding period of the previous year. Thailand earned a trade surplus of 54,575 million baht (Department of Domestic Trade, 2021).

The overall value of the border trade conducted at the border pass of Chong



Chom in Surin province was 1,611.70 million baht. Thailand earned a trade advantage at this checkpoint at 1,588.84 million baht. The key items exported by Thailand were sugar, cloths and yarns, car tires, cars, equipment, and spare parts, alcoholic drinks, machines, cosmetic products, animal feeds, metal and steel, etc. (Department of Foreign Trade, Ministry of Commerce, 2011). The overall value of the border trade in 2020 at at the Chong Chom border checkpoint was 16,548.00 million baht. The import value was 3,088.96 million baht, and the export was 13,459.04 million bath. Thailand had a trade advantage of 10,370.07 million bahts (Department of Foreign Trade, 2021).

In addition to cross-border imports and exports, there are markets along the border of the two countries. These markets sell various items ranging from new clothes and second-hand ones, bags, new shoes, and second-hand ones, to electrical appliances, to second-hand cycles, to curtains and to fresh foods. Although the values of these goods are considerable, no data are systematically collected. At present, there are two cross-border markets between the two countries, one in Ban Klongluek in Tambon Takham of Aranyaprathet district, in Sakaew province, and the other in Tambon Dan of Kabchoeng district in Surin province. As many as 3,460 stalls are located in the two markets. It is estimated that more than hundred million baht is circulating in the makerts each day. The two markets are located in the Thai soil; however, 97% of the entrepreneurs are Cambodians who cross border to and fro every day to do business on Thai soil.

With the reasons and significance described above, the question remains: why are a majority of the border trade operators Cambodians? What is their motivation? And why are Thais not interested in becoming the entrepreneurs?

The researchers of the present work became interested in the causes and motivation of being operators, obstacles, strong and weak points, and opportunities. The researcher also presented the strategies to manage the border trade markets to make it more favorable to Thais who want to be engaged in the border trade.



## Objectives of the Research

1. To analyze the motives, problems, strong and weak points, and opportunities of the entrepreneurs of the Chongchom border trade market.
2. To present the administrative strategies for Chongchom border trade market, which could be useful to the country and Thai people.

## Scope

### 1. Scope of Content

The work studied the background of the Chongjom border trade market, the causes and motives of Cambodian in being entrepreneurs, the availability of goods, the methods in bringing goods to the market, distributing goods from the manufacturers to Cambodia and distributors, regulations and rules, a Thai-Cambodian trade deal. The interviews were conducted on individuals concerned from the state and private sectors and the border traders who were both Thais and Cambodians. SWOT method was used to analyze derived data.

### 2. Informants

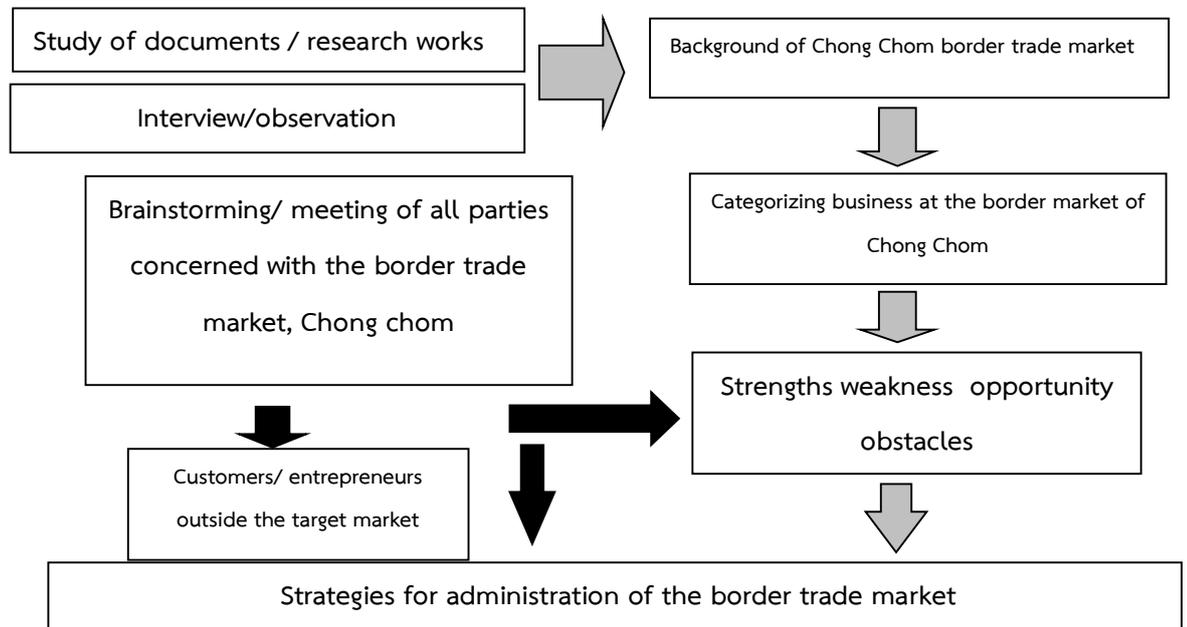
The informants were the state officials and individuals from relevant agencies, the border trade operators, and the customers in general; 42 informants were interviewed, and 26 others participated in a group discussion.

#### 1) Scope of the Study Area

The research site was the Chongjom border trade market in Tambon Dan of Kapchoeng district, Surin province.



### Conceptual Framework



### Research Methodology

A quality research was employed in the present work. Researchers studied relevant documents and conducted a field study to gather data by means of observation and interviews. Data obtained were analyzed by SWOT to identify strengths, weakness, opportunities and obstacles.

#### Areas of Study

The border trade market of Chong Chom is located at Ban Dan in Tambon Dan of Kapchoeng district, Surin province. Land transport to the site is convenient. The passenger van daily runs from the provincial bus station and the border pass of Chong Chom. The market site is 12 kilometers from the district of Kapchoeng. The border pass opens at 7.00 and closes at 20.00 every day. Cambodian traders travel to and fro daily. They also bring a huge volume of goods through this border pass. The market physical construction is a temporary building. In front of the market is the parking space. This site is the only border market of the province.



### Research Instruments

The key actors were the researchers who studied the background of the border trade market of ‘Chong Chom’ from the past to present. The researchers also observed and interviewed the target subjects for two months. Data acquired were constantly examined and validated to gain more validity and reliability. In addition, there were assistant researchers who were well trained in order to understand the scope of the research. The instruments used to collect data were observation, an interview records, recording equipment, a camera and a TV camera.

### Data Collection

Data were derived by the following methods.

1. Assistant researchers had conducted a survey of the market in order to know the number of the stalls, the types of goods available for sales, and the nationality of the shop operators.

2. Based on the initial findings, data were gathered by the following means.

2.1 Interviews The assistant researchers interviewed the traders who were categorized according to the type of the goods they were selling. The interviews covered how the Cambodians became the entrepreneurs, what type of goods they sold, how they brought goods in for sale, and how they distributed their goods. The interviews also included the regulations, rules and a trade deal between Thailand and Cambodia.

2.2 Observation The researchers and assistant researchers observed general conditions of Chong Chom border market, and the assistant researchers recorded the scenarios of the market. The researchers went to the market in question once a week to have a closer observation, and then recorded and took pictures of the general scenarios.

2.3 Data analysis A meeting was held on the strategies for the administration of the border trade. Data analyzing procedures by means of SWOT were recorded, so was the discussion. The meeting was held for those concerned with the border trade to brainstorm and to formulate the strategies on the border trade market administration.



### Informants

Based on the survey and interviews, it was found that the market under study had a total of 512 stalls. Trade operators were Thais and Cambodians. Those involved in the operation of this market were state officials, Thai entrepreneurs, and Cambodian entrepreneurs, other operators outside the target market, and general customers.

**Table 1** Informants Categorized as Groups

informants	44 individuals	
	Chong Chom market	Outside Chong Chom market
Thai traders	7	1
Cambodian traders	29	1
Private sector staff	1	
General customers	5	
<b>Total</b>	<b>42</b>	<b>2</b>

**Table 2** Participants in a Brainstorming Session

Participants	No. 26
Thai traders	8
Cambodian Traders	10
State officials	2
Immigration authorities	2
Customs Officials	2
Excise official	1
Private sector staff	1
<b>Total</b>	<b>26</b>



### Management of Data

Data derived were managed in the following steps.

1. Data obtained were verified to see if they were accurate or in accordance with the set scope. Accurate data were categorized according to the content and stored in computer.

2. Data which were categorized were checked for their validity and confidence. Data derived by different means were examined to see if they were consistent with other data. If they were, it meant that they were valid and accurate.

3. With the acquired data being complete, accurate and valid, they were re-arranged according to the scope of the research.

4. The researchers wrote a report in a descriptive method on data, data analysis, discussion, conclusion, and recommendations.

### Results

1. The motivation as to why Cambodians became the trade entrepreneurs can be described as follows. 1) Wages required for the cost of living in Cambodia were lower than in Thailand. 2) Doing business in Cambodia was much more competitive. Thus, they had to seek opportunities elsewhere. Based on the SWOT analysis, it was found that the strengths found were a wide range of goods, cheaper stall rents, adequate parking space, and popularity of the market. The weaknesses were as follows. There was no unity in terms of management; there was hardly a co-operation between the trade operators and the market manager; the market's physical structure was not enduring; the infrastructures of the market were inadequate; publicity was insufficient; the goods available for sale were not systematically grouped in the same area. It was also found that not many trade operators in the study were Thais. It could possibly be a good opportunity for Thais who wanted to be border traders. There were other positive factors: the route was convenient; the site was close to hotels, and casinos on the Cambodian side. However, there were obstacles found. They were the competing markets owned by the private operators, the transport route in Cambodia was not in good shape, and there were at times the unrest and turmoil along the border.



As regards the business operation, Thai operators mostly ran the food restaurants. They also sold wooden furniture, flowery plants, decorative plants, basketry, shoes, bags, etc. Cambodian traders offered new and old clothes, second-hand bicycles, seasonal fresh foods, new and old blankets, curtains, kitchen items, electricity appliances, old and new shoes, silverware, etc.

There were many ways in bringing goods to Chong Choom border market. Some items were brought from the border market located in Sakaew province; some were delivered to the market by sellers who acted as a go-tween; as for others, the traders would buy from the capital city, Phnom Penh; and still for other items like the curtains, the traders would place the order via the phone and have the items delivered to the site. As for seasonal fresh foods, they were available in the country and were brought here through the customs channel. Thai people who ran the food restaurants would buy fresh foods or raw materials in the morning market on Wednesday and Saturday. For other days, they would manage it at the market in Kapchoeng district of Surin province. As for other items, Thai traders would have their goods from various places such as Sakaew, Bangkok, Surin, Nakorn Prathom, and Nakorn Ratchasima.

Concerning the regulations, rules and a trade agreement between Thailand and Cambodia, a majority of Cambodians did not understand the rules, regulations and a trade deal. The main reason is that these traders were the ones who crossed the border back and forth daily. They crossed the border to the Thai side in the morning, and left for the Cambodian side in the evening. Hence, they rarely gave a serious attention to the regulations in use.

The strategies for the administration of the border trade market of Chong Chom were as follows:

(1) There should be a state agency to directly supervise the border trade. The working agency should be composed of Surin Provincial Administrative Organization, the Forestry Department, Immigration Officials, Customs Officials, and officials of the Treasury Department.

(2) The working policy had to be formulated so that the plan could be put into practice effectively.



(3) The market' physical structure should be improved and made stronger; facilities should be adequate and safe; parking space should be more spacious and trash can should be adequately provided.

(4) The goods belonging to the similar or same category should be placed in the same area.

(5) The rent for the stalls should be fair, and in case of trade accidents there should be trade relief and compensation.

(6) There should be a trade partnership comprising state agencies, the company responsible for the market management, and trade entrepreneurs so that all concerned were able to determine policies, plans, rules and regulations.

(7) The saving co-operative group should be established in the border trade market to help all traders.

(8) The market publicity should be continuously carried out to increase the number of customers.

(9) Trade operators should be continuously given training on bringing goods through the customs protocols.

(10) There should be more financial institutes to make it more convenient for trade operators to conduct financial transaction.

(11) The would-be entrepreneurs who are interested in trade business should be trained, and there should be a low-rate interest funds should be made available for those wishing to be entrepreneurs.

2. The proposed strategies for the administration of the border trade market were as follows. 1) There should be a development of the border trade potential by promoting international cooperation, setting up the partnership network to determine the policy and regulations, and founding the state agency whose duty is to directly supervise the border trade and stimulate more investments along the border. 2) There should be a business ally; there should be a saving co-operative for the trade operators; and there should be more financial institutes to make it more convenient for traders. 3) The infrastructure of transportation and logistics should be developed; the market structure or building should be made better and stronger; infrastructures should be



sufficient and safe; the goods belonging to the same category should be in the same space; the transport route should be improved.4) The trade operators should have additional training on marketing, management, accounting, and financial sources.

### Conclusion

1. The motivation for the Cambodians who were engaged in the border trade was the following. 1) The wages needed for their cost of living in Cambodia were lower than in Thailand. 2) Doing business in Cambodia was highly competitive. Thus, they had to look out for a new market along the border of the two countries. Based on the analysis, it was found that the strengths found were a wide range of goods, cheaper stall rents, adequate parking space, and popularity of the market. The weaknesses were as follows. There was no unity in terms of management; there was hardly a co-operation between the trade operators and the market manager; the market's physical structure was not enduring; the infrastructures of the market were inadequate; publicity was insufficient; the goods available for sale were not systematically grouped in the same area. It was also found that not many trade operators in the study were Thais. It could possibly be a good opportunity for Thais who wanted to be border traders. There were other positive factors: the route was convenient; the site was close to hotels, and casinos on the Cambodian side. However, there were obstacles found. They were the competing markets owned by the private operators, the transport route in Cambodia was not in good shape, and there were at times the unrest and turmoil along the border.

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## Discussion

1. The motivation as to why Cambodians became the trade entrepreneurs can be described as follows. 1) Wages required for the cost of living in Cambodia were lower than in Thailand. 2) Doing business in Cambodia was much more competitive. Thus, they had to seek opportunities elsewhere. Based on the SWOT analysis, it was found that the strengths found were a wide range of goods, cheaper stall rents, adequate parking space, and the popularity of the market. The weaknesses were as follows. There was no unity in terms of management; there was hardly a co-operation between the trade operators and the market manager; the market's physical structure was not enduring; the infrastructures of the market were inadequate; publicity was insufficient; the goods available for sale were not systematically grouped in the same area. It was also found that not many trade operators in the study were Thais. It could be a good opportunity for Thais who wanted to be border traders. There were other positive factors: the route was convenient; the site was close to hotels, obstacles found. They were the competing markets owned by the private operators, the transport route in Cambodia was not in good shape, and there were at times the unrest and turmoil along the Thai-Cambodian border. The results found in the research were similar to those found by Natthapong Jaisuetrong (2018) who researched "Development of Thai-Cambodian Border Trade at Chong Sa-ngam border checkpoint". The work in question found that the problems and obstacles concerning the Thai-Cambodian border trade at Chong Sa-ngum checkpoint could be grouped into three categories. 1) Law enforcement was inefficient owing to widespread corruption caused by bribery. Furthermore, there were no law or action to prevent corruption and exploitation. 2) Officials or staff on duty had no expertise or skills in languages like Cambodian language and English. 3) There were problems related to political insecurity in Cambodia particularly the customs protocols. In addition to this, there was a research undertaken by the Institute of Transportation of



Chulalongkorn University ( 2013) . The research was focused on the situations, opportunities, obstacles and problems, the border trade and the cross-border trade on the corridor R1 and R10, which linked Thailand, Cambodia and South Vietnam, The study found that the border trade and the cross-border trade between Thailand, Cambodia and Vietnam had risen proportionately, and the trade value had been rising continuously. However, the land transport was not so popular as the water transport because the cost of land transport was much higher.

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be done through improving transportation and trade routes, security, landscaping, public relations, and increased facilities. 4) Development of the border trade potential by promoting the cooperation between the two countries, trade development by the government agencies, stimulation of investments in the border trade, and promotion of investment in Cambodia.

## Recommendations

### Recommendations for application

1. The strategies found in the research should be evaluated by experts so that the problematic issues could be corrected.

2. The policy should be put into use only through the referendum of those who are directly and indirectly affected.

3. The relevant agencies concerned with the border trade market should be more cooperative in the trade development, and there should be a promotion of the potential of both the service providers and the trade operators.

### Recommendations for further research

1. A study should be conducted on how to be the entrepreneurs, the types of goods, distribution of goods from the producers to the distributors, rules, regulations, and a trade deal.

2. Research and development should be carried out on the patterns of the border market to accommodate more free trade zones.

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