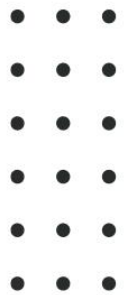


# Cross-Border Trade in The Lao PDR

Case Study: Bokeo, Xayabouly,  
Savannakhet, and Champasak



+856 21254826  
<https://dri.gov.la/>  
5th Floor MPI Building

## Preamble

Cross-Border Trade (CBT) significantly implements the National Socio-Economic Development Plan (NSED). The total trade value of Lao PDR covered 105% of the GDP in 2022; its trading partners are ASEAN, which covers more than half of the total trade of Lao PDR. Thailand has the highest value, accounting for about 40% of the exports in 2022. Furthermore, Lao PDR has the longest border in Thailand, encompassing numerous international border points, both local and traditional, and sharing a similar culture and language. Simultaneously, the Lao government strives to promote both direct and indirect CBT development, including infrastructure development and policy formulation to facilitate this approach. However, there are some barriers to formulating policies on economic growth due to the emergence of certain CBT activities, which make it difficult to collect data accurately. Hence, this work employs qualitative and quantitative research methods to examine the effects of positives and difficulties. It comprises six objectives as follows: 1) Study the characteristics of the sample households and businesses residing in the nearby border; 2) review the product lists of CBT; 3) scrutinize the non-tariff barriers that may arise from informal CBT; 4) and 5) investigate the correlation levels between CBT and remittances to the livelihood of sample households. 6) Summarize and illustrate the policy recommendations to promote informal trade over formal trade.

**Director General**

**Development Research Institute**



**Dr. Sitthiroth RASPHONE (Ph.D)**

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## **Research team**

### **Leader**

Sithiroth RASPHONE (PhD)	Director General of DRI
Sisavanh DIDARAVONG	Deputy Director General of DRI

### **Editors**

Sithiroth RASPHONE (PhD)	Director General of DRI
Ms. Sisavanh DIDARAVONG	Deputy Director General of DRI

### **Researchers**

Oulaphone PHEUANGSAVANH	Director of Division
Lattaphong Makdara	Deputy Director of Division
Nilongkone NAMPHOXAY	Deputy Director of Division
Souksanh VILAYRATH	Researcher

### **Designers**

Nilongkone NAMPHOXAY	Deputy Director of Division
Phainid KHAMVILA	Researcher
Phonelavanh THEPSIMUANG	Researcher

### **Prepared by:**

Development Research Institute  
Ministry of Planning and Investment  
Vientiane Capital, Lao PDR  
Tel: +85621 254826  
Published: 2024

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## **Acronyms**

ASEANs	Association of Southeast Asian Nations
AVG	Average
CBT	Cross-Border Trade
DFT	Department of Foreign Trade
DRI	Development Research Institute
GDP	Gross Domestic Product
HH	Household
MPI	Ministry of Planning and Investment
NESDC	National Economic and Social Development Council
NSEDP	National Socio-Economic Development Plan
OECD	The Organization for Economic Co-operation Development
Lao PDR	Lao People's Democratic Republic
RCA	Revealed Comparative Advantage
SEZ	Special Economic Zone
UNDP	United Nations Development Program
USD	United States Dollar



## **I. Introduction**

### **1.1. Background**

Lao PDR is a developing and landlocked nation located in ASEAN, and it is also part of the center Great Mekong Sub-region. The country is bordered by five nations: China, Vietnam, Thailand, Cambodia, and Myanmar. The economy of Lao PDR relies heavily on imports from surrounding nations. Laos experiences relative trade disadvantages compared to other nations in the area due to its geographical position, mainly because of high transportation costs. This has led to difficulties in conducting business. Laos relies heavily on imports for its industrial inputs due to its hilly topography. This has resulted in deficient road system, which in turn leads to longer transit times, and many processing document steps. Nevertheless, to capitalize on the advantages of the country's geographical position, the government places importance on fostering international economic connections and cross-border trade (CBT) with neighboring countries. This strategy aims to stimulate economic development and improve the quality of life for the Lao population residing in border regions. When examining the commercial connections of the Lao PDR throughout time, it is evident that Thailand shares the longest border with Lao PDR compared to other nations in Southeast Asia. Despite having distinct governmental systems, Lao PDR and Thailand exhibit culture and linguistic similarities. Additionally, Thailand has the position of being Laos's primary commercial partner, accounting for 40 percent of its total trade value.<sup>1</sup> The study indicates that there is a significant difference in the trade value between Laos and Thailand, both in terms of exports and imports. This information is based on the data report from Thailand and Laos, which will be discussed in depth in the forthcoming article. The researchers hypothesize that the difference in the value numbers is partially due to informal commerce, which takes place along the widely accessible border and relies on crossings that significantly impact the way of life for residents on both sides of the strait. This feature presents a challenge when it comes to evaluation.

Although the government's policies aim to encourage official border trade, informal border trade is inevitable owing to factors such as familiarity, convenient transit, the complexity of trade permit documentation, a lack of comprehension of rules, and other related issues.

This situation underscores the difficulties associated with maintaining a consistent trade environment, including the interlocking border, the constant flow of the Laos-Thailand border, the presence of similar spoken languages and traditions, and the convenience of walking and crossing, which lead to straightforward trading.

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<sup>1</sup> Source: 2023 summary report, Ministry of Industry and Commerce, calculated by the DRI

Upon reviewing papers and conducting sample group interviews, it was discovered that one of the obstacles lies in the lack of systematic data collection for Laos-Thailand border commerce. This applies to both trade value and the number of border trade operations. Informal border commerce arises from several sources, as previously noted, and the official data collecting system has been unable to gather all the data owing to the absence of regular reporting. Hence, it may be asserted that the existing data does not precisely depict the actual border trade statistics. The official system is unable to document the smuggling of products across the border, particularly when individuals enter and exit Thailand through customs and/or local checkpoints. Consequently, there is a gap in the recording and collection of trade data between Lao PDR and Thailand, which remains harmonized. This paper examines the trade situation at the Laos-Thailand border in four provinces: Bokeo, Xayabouly, Savannakhet, and Champasack. It aims to provide policy recommendations that will support the conclusion of the 9<sup>th</sup> Medium-and-End-of-Term Socio-Economic Development Plan and the next 5-Year Plan.

## **1.2. Objectives**

This research consists of six objectives:

- Objective 1: Study the characteristics of selected sample households and businesses in the border areas of specific provinces;
- Objective 2: to Review the product lists of CBT;
- Objective 3: Explore non-tariff barriers that can facilitate informal cross-border trade;
- Objective 4: To analyzes the relationship between CBT and the livelihoods of selected families in the border areas;
- Objective 5: To analyze the relationship between remittances and the livelihoods of households in the border regions;
- Objective 6: To propose trade policies that enhance trade facilitations and support the shift form informal CBT to formal trade.

## **II. Literature Reviews**

### **2.1. Definition of Cross-Border Trade**

Cross-border trade refers to the exchange of goods and services between nations that shared a common borders. This trade occurs through many official channels such as international, local, and customs checkpoints, as well as unofficial methods including door-to-door transactions (NESDC, 2016), which border trade includes both legal and informal economic activities, particularly involving those living in border regions across the country.

DFT (2020) defined CBT as a type of trade that occurs between individuals living in a province that shares a border with a neighboring nation. Border trade is caused by the scarcity of vital commodities, including products and cash that are crucial for the everyday lives of people residing along the border. Both in the form of barter between products and goods and in the form of money transactions. Recently, the development of logistics infrastructure has led to the rise of borderless modes of transportation, particularly online commerce, resulting in an increasing trend of cross-border trade becoming a business model. . OECD<sup>2</sup> has highlighted that trade primarily involves the exchange of goods and services between permanent residents or import-export business operators, with payment in the form of mutually agreed-upon stamps from trading partners. Additionally, it predominantly depends on US dollar measures to contribute to the computation of GDP, namely in terms of export and import values. Over the past decade, there has been a significant increase in the exchange of services, including several sectors such as transportation, tourism, commerce, construction, finance, insurance, and more. Aung (2009) indicated that CBT plays a crucial role in economic development, poverty alleviation, and income generation for individuals living in border areas. It can also open up opportunities for the production and export of diverse goods. .

In summary, this study defines CBT as direct trade, as well as trade facilitated by intermediaries, re-trade, and import-export enterprises. The primary emphasis is placed on the individuals residing along the border.

## **2.2. Trade facilitation and informal cross-border trade**

The precise definition of trade facilitation focuses on resolving and improving logistical challenges linked to the transportation of communities across borders, while also boosting the efficiency and ease of document processing involved with cross-border-trade. Currently, trade facilitation refers to the enhancement of administrative, managerial, procedural, and logistical efficiency at the import-export and customs checkpoints. It also includes improving the trade-related environment and increasing transparency in tax collection. (Wilson & Mann, 2003). Wilson et al. (2005) Trade facilitation is crucial for export-import trade industry, which consists of different indicators. There are four primary trade facilitation methods in this industry: 1) infrastructure refers to the points where goods enter and exit, which includes improving the warehouse and making the process of compiling documents more efficient. ; 2) The tax environment with low tax rates or tax exemptions; 3) the regulatory environment, and 4) the e-business infrastructure. These measures aim to assist specific commercial enterprises gradually improving their import-export growth. No matter how much each country's

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<sup>2</sup> Source: <https://www.kantox.com/en/glossary/cross-border-trade-cbt/> accessing date: 16 November 2023

government implements policies to facilitate trade, such as tax cuts or the elimination of certain stages of paperwork, it is impossible to completely avoid informal border trade, a phenomenon known as illegal border trade that occurs across countries.

According to Aung (2009), Bouet et al. (2018), and Morrissey et al. (2015), informal CBT is the smuggling of goods across borders. There are two types of informal cross-border trade: cross-border drug trafficking and non-compliant transportation of goods associated with export-import trade. An illustration of this phenomenon is the act of evading the procedure of assembling trade permit paperwork and remitting customs fees to the government sector, which is linked to the augmentation of capital. Specifically, it involves circumventing the need to pay taxes and customs fees applicable to both registered and unregistered enterprises. Nevertheless, Aung (2009) illustrated that informal CBT not only creates cash for individuals residing but also offers a chance to generate income for community.

### **2.3. Size and Factors Determining Informal Trade Expansion**

Recently, there is a significant and extensive growth in informal trade. One of the reasons for this increase in many regions worldwide is the imbalance in socio-economic development within countries. Additionally, the influence of the external economy, particularly in terms of border trade, also contributes to the emergence of informal trade.

Medina et al. (2017) discovered that income inequality, high unemployment rates, and uneven distribution of economic development leading to a gap between rural and urban areas are the primary variables that fuel informal trade in various locations worldwide, and. Furthermore, informal trades are influenced by the uneven enforcement of laws across different economic sectors and the existence of legislative loopholes that fail to regulate all economic activities, particularly those related to taxation and the promotion of production, trade, and services. Jarreau et al., (2016) have explained that external variables that contribute to informal trade are the socio-economic disparities between neighboring nations and trading partners. . These countries engage in trade to maximize profits and generating significant value through informal trade. According to the OECD data, the group of emerging nations demonstrates that informal trade represents a larger proportion of their GDP compared to transitional and developed countries. For example, developing countries in Africa contribute 42% to the global GDP, Latin American countries cover 40%, and Asian countries cover 35%. Transitional countries, such as the former Soviet Union countries (25%), and Central European and Eastern European countries (20%), also play a significant role. The developed countries in the OECD, which belong to the group of countries with the lowest coverage rate, only account for 12% of the Global GDP.

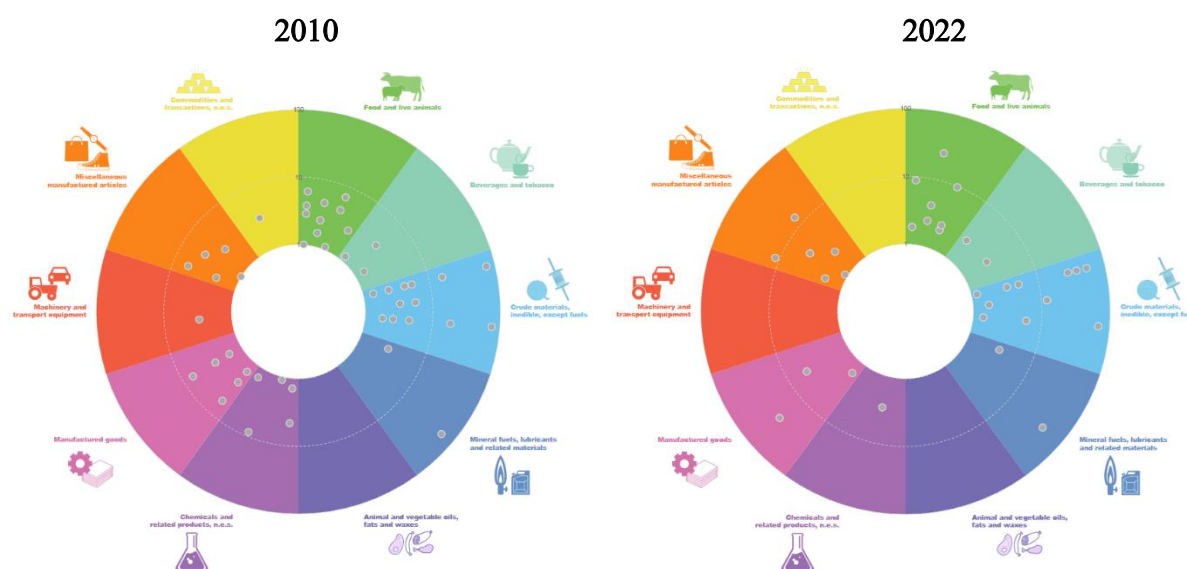
## 2.4. Trading Features in Laos

### 2.4.1. Revealed Comparative Advantage (RCA)

The Lao government has prioritized the development of connection infrastructure to link with global and regional economies under the Landlocked to Land-linked policy. The government initially aimed to establish communication infrastructures and logistics to enhance and expedite commerce, connectivity, services, tourism, and other related activities. The development of the Laos-China Railway specifically aims to establish a convenient land connection between ASEAN and China. Its primary objective is to create the land port as a hub for the transfer of products. Since the inauguration of the Lao-China Railway, Lao's exports to China, particularly agricultural goods, rubber, minerals, and other commodities, have experienced significant enhancement. Additionally, Lao PDR has emerged as a pivotal transit point for goods originating from neighboring countries on route to China.

Nevertheless, an analysis of the Revealed Comparative Advantage (RCA) indicates that the trade's competitiveness has remained relatively stable throughout the last decade (from 2010 to 2022) as seen in Figure 01. Most commodities belong to the natural resource category, including minerals, wood pulps, timber, charcoal, rubber, and electricity. The competitiveness of commodities in the processing, food, and livestock industries is notably low, which presents a difficulty largely owing to the scarcity of skilled labor in the production process. Moreover, the bulk of Lao PDR's exports are received by the neighboring nations in the area, resulting in limited involvement in the production chain processing and deficiency in creating additional value.

Figure 01: Revealed Comparative Advantage of the Lao PDR 2010 and 2022 (RCA)



Source: <https://unctadstat.unctad.org/EN/RcaRadar.html>

#### 2.4.2. Lao PDR-Thailand Border Trade.

Lao PDR and the Kingdom of Thailand have an extensive trade history facilitated by numerous border checkpoints, both international and customary, spanning the country from north to south. These checkpoints include river crossings and the Lao PDR-Thailand International Friendship Bridge. According to statistics provided by Ngwitulsatit et al. (2017), Lao PDR and Thailand have a combined total of 49 border points, consisting of 20 permanent checkpoints and 29 customs checkpoints, which can enhance the efficiency, simplicity, and convenience of exporting and importing commodities between the two nations. Thailand has the top position as Laos' primary commercial partner, followed by China and Vietnam.

In 2023, the Lao PDR had a total trade value of around 15,558 million USD<sup>3</sup>; its export value increased by 2.1 percent compared to the previous year, reaching around 8,370 million USD. The import value amounted to around 7,189 million USD, reflecting a 5.6% rise. In 2023, the trade balance showed a surplus of almost 1,181 million USD (Figure 02). However, the trade balance between Laos and Thailand has constantly shown a deficit since 2019 (as seen in Figure 03). The overall trading value between Laos and Thailand was about 6,218 million USD, accounting for an average of 40% of the total trading value in Laos<sup>4</sup>; Laos exported goods worth 2,884 million USD to Thailand, and imported goods worth roughly 3,334 million USD, resulting in a trade deficit of 450 million USD.

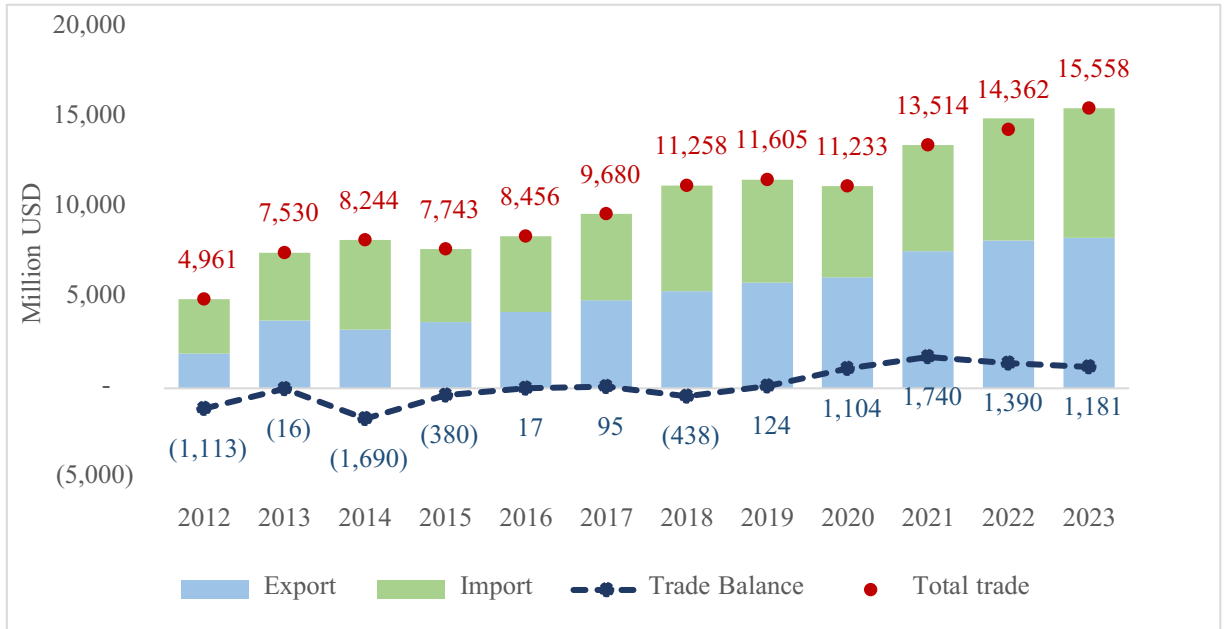
Nevertheless, an analysis of trade value data between Laos and Thailand reveals that the overall recorded trade data between the two nations still exhibits an average disparity of around 15% from 2019 to the first half of 2023 (Table 01). Of these, the export value of Laos and the value of Thailand's imports remain stable over the years. However, there is a difference in the import data of goods, with Laos importing goods worth 1,696 million USD and Thailand exporting goods worth 2,203 million USD, resulting in a difference of approximately 30% in the first 6 months of 2023. On average, from 2019 to the first 6 months of 2023, the trade balance data shows a difference of more than twice the amount (Figure 04). Based on this data, it seems to show that informal border trade from Laos is sizable and presents difficulty in formulating policies and overseeing economic progress within the country.

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<sup>3</sup> Source: The Ministry of Industry and Commerce's total exportation-importation data as of December 2023

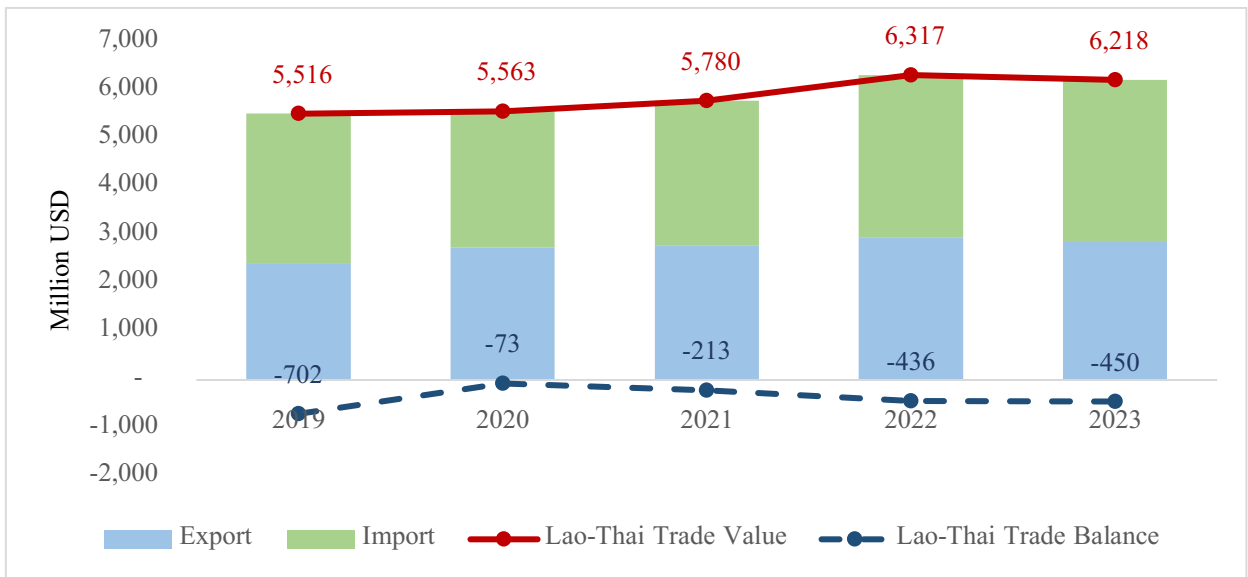
<sup>4</sup> Source: the Ministry of Industry and Commerce's Lao-Thai export-import data as of December 2023.

**Figure 02: The total trade value in the Lao PDR**



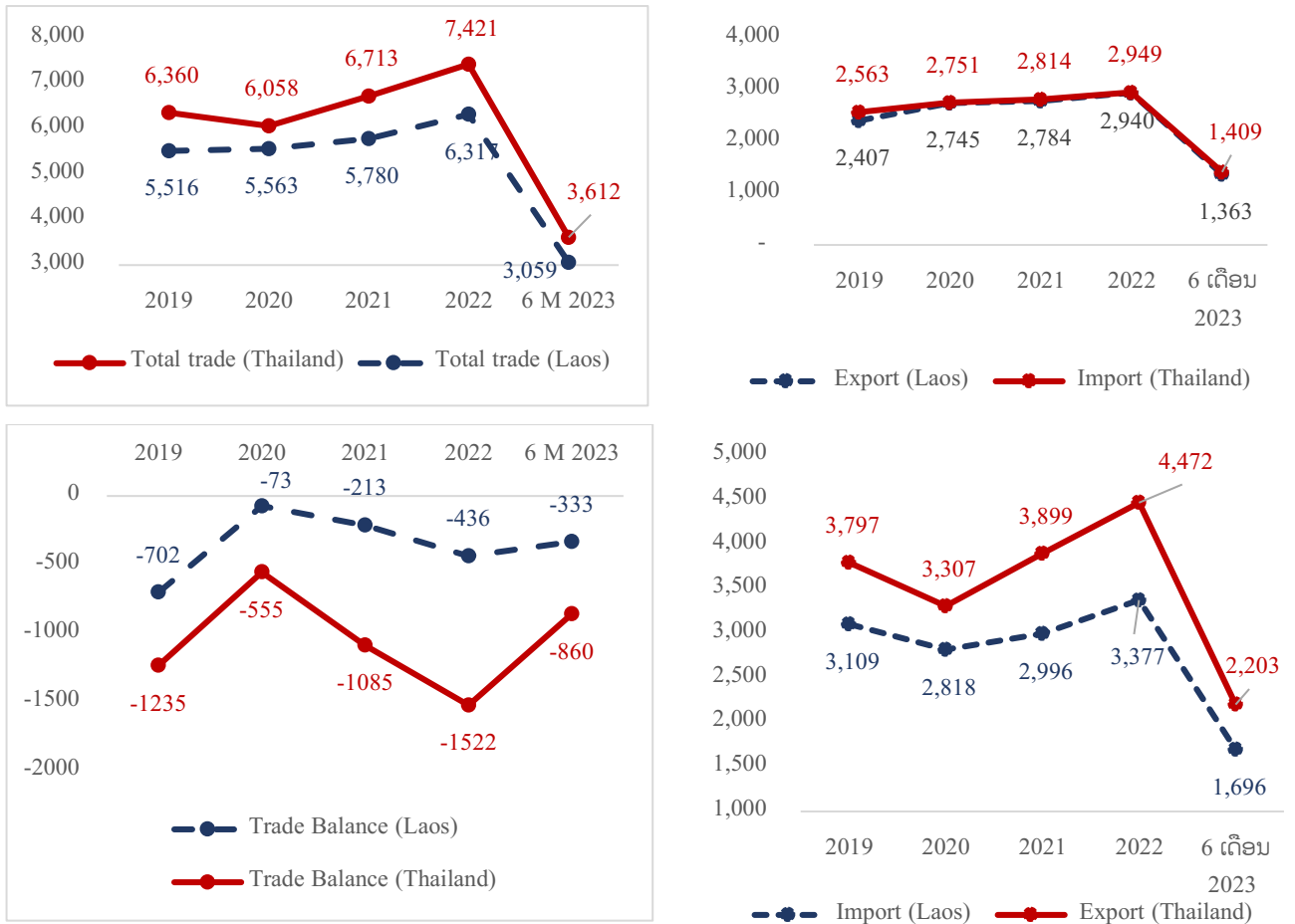
Source: Ministry of Industry and Commerce of the Lao PDR

**Figure 03: Lao-Thai trade value**



Source: Ministry of Industry and Commerce of the Lao PDR

**Figure 04: Gap in trade value data recording from Laos and Thailand from 2019 to the first 6 months of 2023 (million USD)**



Source: Ministry of Industry and Commerce, and <https://data.go.th/>

**Table 01: Trade data collection gap from Laos and Thailand (by year)**

Year	2019	2020	2021	2022	The first 6 Months 2023
<b>Total trade value</b>	15%	9%	16%	17%	18%
<b>Export</b>	6%	0%	1%	0%	3%
<b>Import</b>	22%	17%	30%	32%	30%

Source: Ministry of Industry and Commerce and <https://data.go.th/>, calculated by the DRI



### 2.4.3. Trade Situation in a Case Study in Four Provinces (Bokeo, Xayabouly, Savannakhet, and Champasak)

The Trading circumstances in the four case study provinces display diverse patterns and difficulties as a result of their distinctive producing area and distribution marketplaces. Upon closer examination of the imports, it becomes apparent that every province imports comparable things, such as consumer goods that have a substantial impact on everyday life, or agricultural goods if they are intended for export. In Savannakhet province, the export value of agricultural goods is relatively low compared to the processing and mineral industry. This is because Savannakhet province is primarily focused on minerals and the development of Special Economic Zones. These zones mainly import raw materials, equipment, and machinery for the production of processed goods, which are then re-exported by large companies within the province. (Table 02)

- **The trade situation in Bokeo province:** The province has one Special Economic Zone and seven cross-borders with Thailand. Among them, there are two international checkpoints, three customs checkpoints, and two local checkpoints. The predominant commodities of the province are agricultural namely fruits and rubber. The province has a trade deficit of 43.1 million USD in 2019, with exports worth 18.6 million USD, including bananas, rice, and rubber, and imports worth 61.7 million USD, consisting of fuels, gas, and cement. The trade deficit in 2023 amounted to 59.6 million USD. The total value of exports, mostly consisting of rubbers, sesame, and oilseeds, reached 20.4 million USD. On the other hand, the value of imports, which encompassed construction materials, food, and apparel, reached 80 million USD. The province's potential exports have not significantly changed during the pre- and post-COVID-19 period. Once banana production was stopped, rubber remained the principal product, with banana cultivation making up a minor portion of the replacement crop. Moreover, the vast bulk of imports consist of consumer products that are utilized in daily life.
- **The trade situation in Xayabouly Province:** The province has a total of seven cross-border points to Thailand. Among them, there are a total of four international and three customs checkpoints. The province has a trade imbalance of 8.9 million USD in 2019. Pests and diseases, such as maize, dry cassava, and Job's tears, harm crop productivity, leading to a trade deficit in agricultural goods. Exports reached 32.2 million USD, while imports totaled 41.1 million USD in 2019. The internal trade balance in 2023 surpassed 36 million USD. The value of exports is projected to reach 89 million USD, while imports are expected to amount to 53 million USD. During the 2019-2023 period, there is minimal variation in the

category of products, particularly imported goods, which mostly consist of fuel, gas, and consumer items that cater to everyday needs. The primary export commodities consist of crops, including cassava, dried cassava, and corn.

- **Trade situation in Savannakhet Province:** Savannakhet province encompasses one Special Economic Zone (SEZ) and shares borders with Thailand through a total of seven checkpoints: one for international travel, two for local travel, and four for customs checkpoints. The province focuses its output on the processing industry to export, namely inside the SEZ. The majority of imported items consist of components, materials, and machinery utilized in the manufacturing of re-exported products. In 2019, the internal trade surplus reached 491 million USD. The imports, valued at 1,087 million USD, encompassed electronics intended for reprocessing and machinery for the production activities of the MITLAO sugar company. The total value of exports amounted to 1,577 million USD, encompassing various products such as copper plates, electronic components, granulated sugar, rubbers, and others. The trade balance within the province surpassed 638 million USD in 2023; Imports which consisted of fuel, consumer products, waste paper, and scrap wood, were valued at 1,380 million USD. The total value of exports reached 2,018 million USD, including communities such as gold ore, cassava, papers, and rubbers.
- **Trade situation in Champasack Province:** Champasack province shares borders with Thailand through three border points: one for international and two for traditional checkpoints. The province's agricultural products serve as the main source of domestic export output, resulting in a trade surplus of 12 million USD in 2019. The province assessed the worth of its imports at a total of 260 million USD, mostly comprised of fuels, vehicles, spare parts, and luxury items. The total worth of exports, predominantly consisting of contract agricultural goods such as cassava and coffee, amounted to US\$272 million. The trade balance exceeded \$136 million in 2023. The total import value amounted to \$332 million, encompassing petroleum, motor vehicles, and construction equipment. The entire value of exports amounted to US\$468 million, mostly consisting of agricultural commodities, contract crops, and processed industrial items.<sup>5</sup>

Generally, the trade circumstances in the four provinces are comparable, as are the sorts of imports. The exported items are low-value agricultural products that are small in size and lack variety, therefore negatively affecting the total trade balance deficit.

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<sup>5</sup> Details in table 02

Table 02: Details of the four provinces

No	Provinces	2019				2023				Trade Balance (million USD)	
		Imports (million USD)	Import goods	Exports (million USD)	Export goods	Imports (million USD)	Import goods	Exports (million USD)	Export goods	2019	2023
1	Bokeo	61.7	Fuel, gas, cement	18.6	Banana, rice, rubbers	80	construction, food, clothes	20.4	Rubbers, sesame, oilseeds	-43.1	-59.6
2	Xayabouly	41.1	Fuel, gas, and consumption goods	32.2	Maize, cassava, job's tear	53.1	fuels	89	Cassava powder, cassava, corn	-8.9	36
3	Savannakhet	1087	Electronics, production machines	1577	Copper, electronics, rubbers, sugar	1380	Paper, fuel, consumer goods	2018	Papers, Cassava powder, gold and silver	491	638
4	Champasak	260	Fuels, vehicles, spare parts, luxury goods	272	Contact farming goods, cassava, coffee	332	fuel, vehicles, spare parts, construction goods	468	Contract farming products and manufacturing	12	136

Source: Summary report of the National Socio-Economic Development Plan 2019 and 2023 of 4 provinces, Department of Planning and Investment of 4 provinces

### III. Methodology

#### 3.1. Study design

This study will employ two types of study methods: descriptive analysis and quantitative analysis.

- **Descriptive Analysis:** This method describes the general condition and economic situation of the sample group of four target provinces, with particular emphasis on the period before COVID-19 and the present (2023), based on the data collected from the respondents. For example, the characteristics of the respondents, the characteristics of the household, the economic characteristics of the household, the characteristics of trade with Thailand, including the characteristics of the transfer of money back home of the household members with the frequency and proportion of remittances. Subsequently, we generate a visual representation, such as a chart or graph, to depict the juxtaposition of distinct components within the dataset.
- **Quantitative Analysis:** This method is a statistical approach that uses equations to examine analyze and test simulated variables to determine the correlation between independent and dependent variables.

#### 3.2. Selection of study area.

The study's scope is to identify representative provinces from three regions bordering Thailand. The northern region consists of Bokeo and Xayabuli provinces, which share a border with Thailand. There are a total of 14 crossing points in this area, including six international checkpoints, four local checkpoints, and six customs checkpoints. Champasak Province, situated in the southern region of the country, borders Thailand with ease. It provides three border points: one international and two customary checkpoints<sup>6</sup> (Table 03). Despite Khammoun Province having a greater number of permanent checkpoint and other types of checkpoints, we chose Savannkhet Province for the central region. The basis for our choice was derived from the province's dimensions, its fast expanding economy, and its position along a river.

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<sup>6</sup> **Source:** LAO PDR enacted Law No. 59/NA on the Entry, Exit, and Protection of Foreigners. On December 26, 2014,

\* **International Borders:** allows foreigners, aliens, and stateless persons to enter and exit using legal documents.

\* **Local checkpoints:** allow citizens living between provinces to enter and exit using legal documents.

\* **Customs checkpoints:** allow citizens residing on the border between cities to enter and exit using legal documents.

**Table 03: Lao-Thai cross-border trade channels**

list	Province	Border types	Name of Lao-Thai borders
1	<b>Bokeo</b>	International borders	Friendship Bridge border IV
2			Tri-golden angle border
3		Local borders	Tonpherng border
4			Huaysay border
5		customary borders	Namkerng
6			Parktha border
7			Ban Dan border
8	<b>Xayyabouly</b>	International borders	Numheuang border
9			Phudu border
10			Num nguen border
11			Pangmone border
12		customary borders	Thongmixay border
13			Na Kha border
14			Huaytong border
15	<b>Savannakhet</b>	International borders	Friendship Bridge Border II
16		Local borders	Thapaxom border
17			Thaheuadoisan border
18		customary borders	PakSebungfai border
19			Don Wai border
20			Rao Mark Hood border
21	<b>Champasack</b>	International borders	Vang Tao border
22		customary borders	Xong Ta Ou border
23			Ban Mai Sing Sam Phanh

Source of data: Tax Department of the Ministry of Finance

### 3.3. Duration of study

The study is conducted from:

- July-September 2023: Collect secondary data from various sources to integrate it into the existing framework.
- September-October 2023: Gather primary data from the sample group.
- November 2023-March 2024: the tasks to be carried out include summarizing the data, collecting data, analyzing the data, and summarizing the outcomes of the study.

### 3.4. Population and sample selection

The population was selected from the total number of households in 24 villages of 8 districts in 4 target provinces, which have 9,428 families. Due to time and budget constraints in this study, collecting all households' data in 24 villages is impossible. As a result, the team selected a sample group to represent the population within the 24 target villages using the Taro Yamane formula, as follows:

$$n = \frac{N}{1+Ne^2} \quad (1)$$

$n$  = Size of sample

$N$  = Total population

$e$  = Error omission of sample = 5% (0.05)

The formula can be calculated as follows:

$$n = \frac{9,428}{1+9,429(0.05)^2} = 384 \text{ Sample} \quad (2)$$

The proportional sample groups of each village collected for the study are as follows:

**Table 04: Number of sample groups.**

No.	Provinces	District	Km to border	Villages	Number of Household (N)	Number of sample size (n)
1	Borkeo	Huayxay	Near	Phonsavang	201	8
2			Middle	Phonthong	298	12
3			Far	Phonsin	109	4
4		Tonpherng	Near	Don Savanh	298	12
5			Middle	Khounbong	115	5
6			Far	Si Don Xay	688	28
7	Xayyabouly	Kheanthao	Near	More	436	18
8			Middle	Huaypet	216	9
9			Far	Don Men	240	10
10		Parklay	Near	Phakeo-	920	37
11			Middle	Sisaartxomphou	179	7
12			Far	Souvannaphoun	636	26
13	Savannakhet	Kaisonphomvihan	Near	Nakea	525	21
14			Middle	Huamueang Tai	409	17
15			Far	Phonsim	723	29
16		Xayphouthong	Near	Muangkhai	946	39
17			Middle	Huahard	256	10
18			Far	Teakded	83	3
19	Champasack	Phonthong	Near	Vangtao	431	18
20			Middle	Nonsaard	132	5
21			Far	Nonsavanh	621	25
22		Sukhuma	Near	Phonpherng	97	4
23			Middle	Dong Hua Ban	126	5
24			Far	Hieng	744	30
<b>Total</b>					<b>9,429</b>	<b>384</b>

Source: Development Research Institute Team, 2023

The household sampling is random from the whole population in Table 04 shows that the distribution of samples in each community is not consistent. The sample size varies among different communities, with some having a small sample and others having a bigger one. Moreover, a limited sample size might result in survey results that do not accurately represent the overall conditions of the houses in the village. Consequently, the team calculates the averages number of households by taking 16-18 samples per village in the survey. Nevertheless, during the interview, several communities reported several homes exceeding 16. As a result, there are a total of 416 samples from the interviews.

### 3.5. Data collection tools

The data collection for this study entailed utilizing a questionnaire that was developed based on an examination of both domestic and international documents and research papers. Additionally, a sample study was conducted, involving 416 families from 24 villages spanning 8 districts and 4 provinces, using the randomly approach. Furthermore, interviews were held with members from the public sector, and entrepreneurs. The questionnaire is partitioned into six distinct sections as below:

1. Individuals are defined by factors such as gender, age, status, lifestyle, primary occupation before and after COVID-19, and level of education.
2. Production assets, which include agricultural land, livestock, and other assets.
3. Income for the past year.
4. Expenditures for the past year.
5. Migration includes age, reason for travel, mode of travel, and value of repatriation.
6. Border trade includes household business, source of funds, the purpose of crossing into Thailand, the value of trade with Thailand in the past year, mode of clearance, mode of transport, and fulfillment of regulatory obligations.

### 3.6. Tools for econometric analysis

This study employed a data analysis technique to ascertain the correlation between the dependent and independent variables across two or more data sets. The variables included in the OLS Model are derived from economic theory, statistics, and relevant scientific literature, and may be expressed as liner equation as follows:

$$\begin{bmatrix} HH\_Income \\ HH\_Rice \end{bmatrix} = \begin{bmatrix} \beta_{10} & \beta_{11} & \beta_{12} & \beta_{13} & \beta_{14} & \beta_{15} & \beta_{16} \\ \beta_{20} & \beta_{21} & \beta_{22} & \beta_{23} & \beta_{24} & \beta_{25} & \beta_{26} \end{bmatrix} \begin{bmatrix} 1 \\ Border\_Trade \\ Remittance \\ A \\ B \\ C \end{bmatrix} + \begin{bmatrix} \varepsilon_1 \\ \varepsilon_2 \end{bmatrix} \quad (3)$$



#### IV. Results of the study.

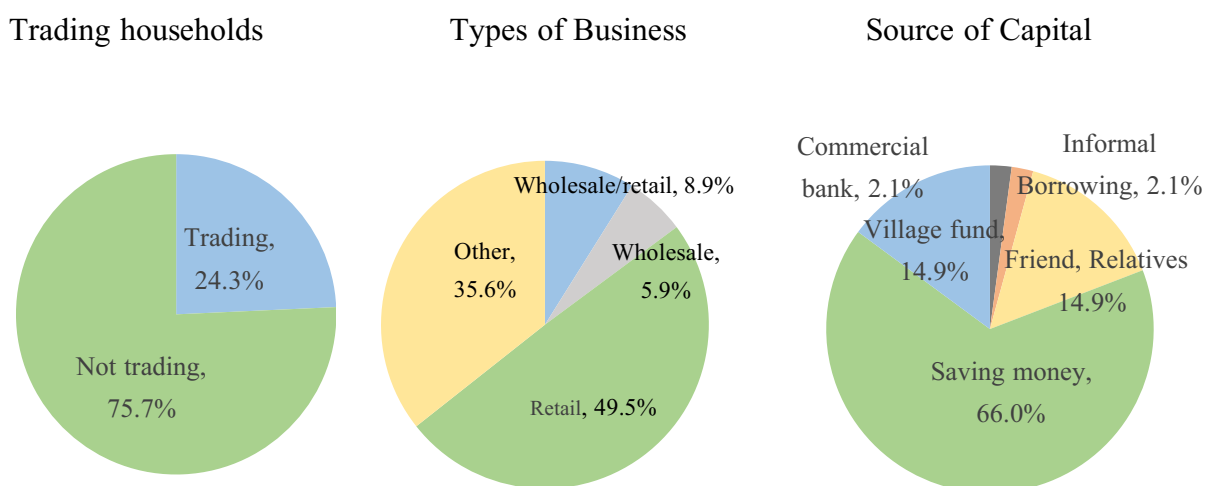
##### 4.1. Objectives 1 and 2: Study the characteristics of selected sample households and businesses in the border areas of specific provinces and the product lists of CBT.

###### ❖ Household trading overviews.

An analysis of the trade profile of the sample group residing in districts bordering Thailand reveals that approximately 24% of the total sample group engaged in trade activities. Among these households, wholesale trade, especially the sale of general daily necessities, constituted 49.5% of the trade sector. The total business capital value for this trade activity amounted to 10,100 million kips, which accounted for approximately 15.8% of the total trade revenue generated by the sample group (total sample income of 64,200 million kips). The primary source of funds used in trading is household savings, which cover a ratio of up to 65.95%, followed by loans with relatives and friends, accounting for 14.89%. The proportion of households borrowing money from banks for wholesale trading is only 2.13% (Figure 05).

Only a tiny proportion of families are able to obtain bank loans due to the complex requirements and numerous stages involved, including high interest rates that are not justified by the revenues of micro-enterprises, which are not considered worthwhile investments. Consequently, the majority of families opt to invest and trade based on their potential. Simultaneously, the variety of trading options is limited and the scale of businesses is modest, resulting in traders being hesitant to assume risks. They are unwilling to take out a loan from the bank and are determined to avoid being in debt.

**Figure 05: Trading households, types of trading, and sources of capital**



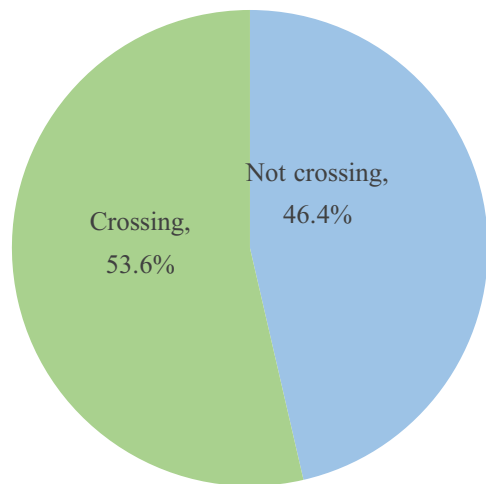
Data source: from collecting actual data in 4 targeted provinces

❖ **The overview of crossing to Thailand**

Regarding the sample group, 53.61% of households had members who crossed to Thailand, while the remaining 46.39% of households had no members who crossed to Thailand. The average proportion of households with members who have traveled to Thailand once a month is 18.65%, while the proportion of households that have engaged in commerce is 60.62%. The primary reason for entering Thailand is to undergo health check-ups and receive medical treatment, accounting for 40.41% of the total. Sightseeing is the second most common purpose, accounting for 31.61%, followed by shopping, which accounts for 29.02% (Figure 06). Approximately 50% of households living near the border choose to access health care services in Thailand, potentially due to concerns regarding the quality of medical services provided in their own country. Despite allocating a larger budget, the domestic healthcare system has not been able to meet the demand and provide services of comparable quality to those available in Thailand. Additionally, the distance to hospitals in their own country is greater, resulting in longer travel times compared to accessing healthcare services in Thailand.

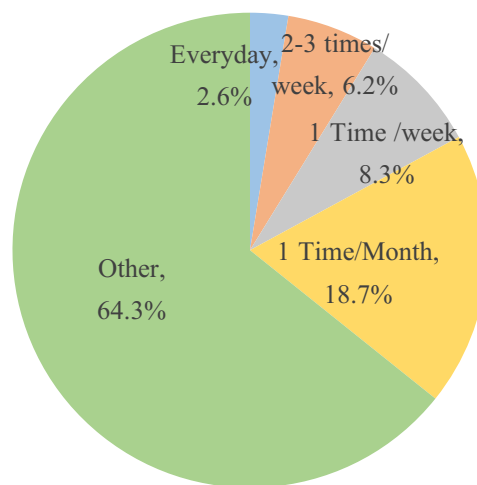
**Figure 06: Purposes and situation of households that cross to Thailand**

The situation of households crossing to Thailand

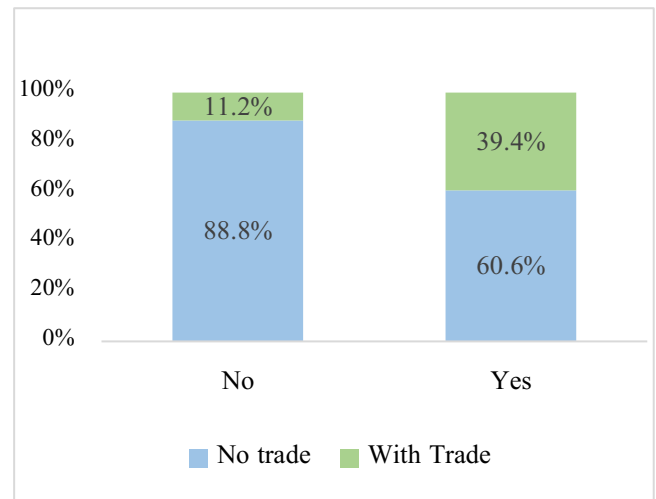
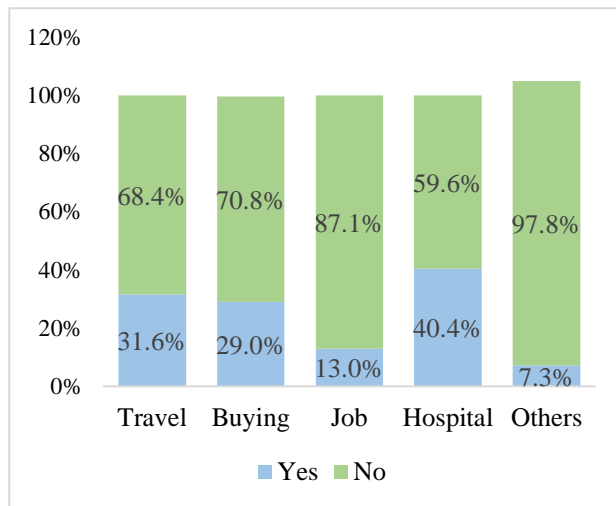


Purpose of crossing to Thailand

Frequency of crossing to Thailand



Trading households and crossing to Thailand



❖ **Household income status**

Based on the survey results finding, households involved in alternative business ventures had a higher income compared to families involved in wholesale-retail commerce. Households involved in various trade-related activities, such as transportation, harvesting, and purchasing of produce, have an average annual income of 322 million kips (only 36 households). On the other hand, households engaged in wholesale or retail trading, primarily importing consumer goods for sale within the village, have an average annual income of 226 million kips (65 households). Additionally, households that do not participate in commercial or entrepreneurial activities, such as agriculture, horticulture, or hiring employees, have a far lower mean income of just 120 million kips annually. The biggest group consists of 315 households, (as shown in Table 05).

Upon examining the income status of households residing in the sample distance from the border region, it was discovered that households in close proximity to the border had an average annual income of 225 million kips. This was followed by households with an average distance of 120 million kips per year, and households with an average distance of 118 million kips per year (Table 06). Households near the border have greater potential to earn income from border trade compared to those farther away, yet the majority of their trade primarily involves imports from Thailand. Conversely, families in close proximity to the border engage in the exportation of non-timber products and agricultural goods. The data suggests that there is a low level of economic activity, as industries are not operational and most people in rural regions depend exclusively on retail commerce for their exports.

**Table 05: Average income divided by type of business (Kip per year)**

<b>Trade and Business</b>	<b>Number of household</b>	<b>Average income</b>
Wholesale-retail trade	65	226.000.000
Other business	36	322.000.000
Not trading and not doing business	315	120.000.000

Data source: collecting data from the field survey, by DRI

**Table 06: Average income divided by village distance (Kip per year)**

<b>distance of the village</b>	<b>Number of households</b>	<b>Average income</b>
Village near the border	139	225.000.000
Middle Villages	140	118.000.000
Villages Far from the border	137	120.000.000

Data source: Field survey from sample, by DRI

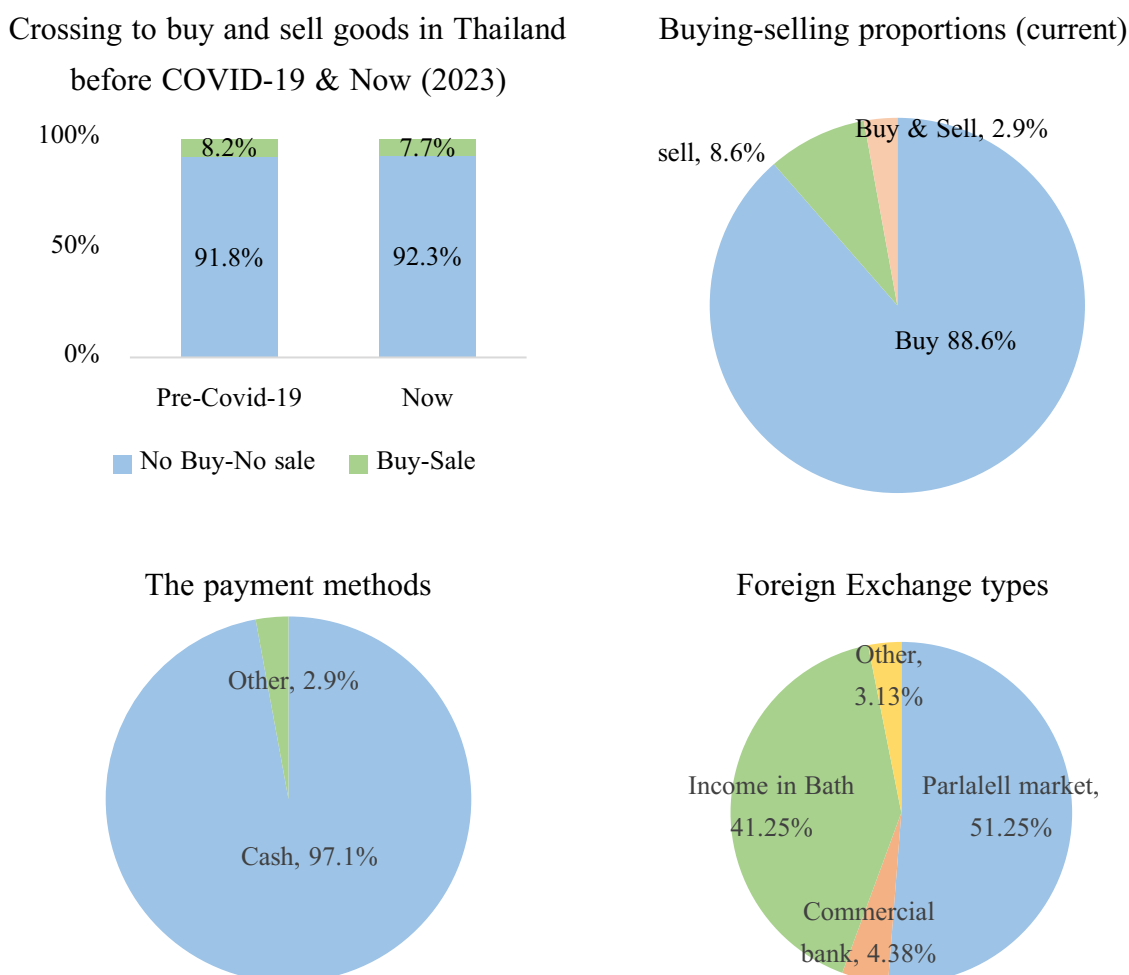
*\*\*Note: The determination of the near, medium, and far border distances is based on the types of checkpoints attached to the surveyed villages, which, through actual tracking, can be averaged as follows: nearly villages are less than 3 kilometers, medium villages distances are higher than 3 but less than 18 kilometers, and far villages are higher than 18 but less than 30 kilometers from the border.*

#### **❖ Circumstances of buying and selling goods**

Upon analysis, it was found that around 8% of the sample group engaged in cross-border trade by crossing across to Thailand. Out of them, the proportion of households that switched to purchasing things was 88.57%, whilst the proportion of families that engaged in selling commodities was just 8.5%. Despite the widespread impact of the COVID-19 epidemic on many economic activities, it has had minimal influence on the number of households crossing the border to engage in shopping and selling items in Thailand. Over the

last year, households have crossed over to sell goods in Thailand totaling 38,000 million kips, while crossing to buy products and services in Thailand totaling 54,200 million kips, a deficit of 16,200 million kips. The value of goods and services purchased in Thailand covers 84.42% of the total household income (total sample income is 64,200 million kips). The main items for sale are non-timber products, while items purchased in Thailand include: health care treatments, medicines, food items (vegetables, fruits, meat, beverages, and condiments), household appliances, clothing, fertilizers, animal feed products, and commercial service items such as beauty salon supplies. Cash was the only payment method for these trade transactions. Regarding foreign exchange situation, households that use the exchange rate outside the system pay up to 51.25%, while 41.25% do not wish to exchange due to their existing foreign currency income. However, it is concerning that only 4.38% of households that cross to buy and sell goods in Thailand use the bank's exchange rate. This may be partly due to the significant disparities in exchange rates both within and outside the system, as well as the lack of formalization in managing off-system exchange rates.

Figure 07: Circumstances of buying and selling in Thailand

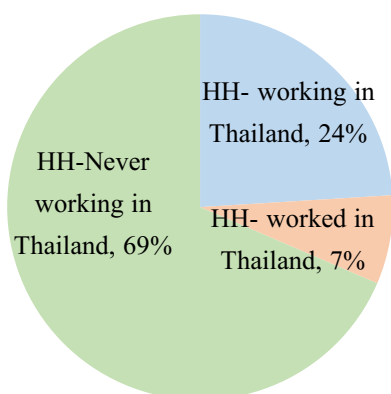


❖ Data source: from the survey in 4 case study provinces.

❖ **Remittances status.**

The analysis of remittances from workers who migrated to work on the Thailand within the sample group revealed that there are 131 households, representing 31.5% of the total sample group (including households with members who had previously or were currently working). Out of the total households, 100 have members who are currently employed in Thailand, making up 24% of the total. Additionally, there are 31 households with members who used to work in Thailand but are not currently working there, accounting for 7.5% of the total. The remaining households, totaling 285, do not have any members who have migrated to Thailand, making up 68.5% of the total. (These figures are shown in Figure 08 and Table 09). At the same time, the amount of money sent by workers planning to work in Thailand is on average 2.290 million kips (or an average of 22.9 million/person/year). In Xayabouly province, the total amount of money sent as remittance labor is 174 million kips, with an average of 15.8 million kips/person/year. In Savannakhet province, the total amount is 722 million kips, with an average of 20.6 million kips/person/year. Lastly, in Champasack province, the total amount is 1,390 million kips, with an average of 25.7 million kips/person/year. For households in the Borkeo province, no workers are working abroad (Table 08)

**Figure 08: Percentage of households that go to work in Thailand**



**Table 07: Number and percentage of households working in Thailand**

Status of Households	Number	Percentage
Working in Thailand	100	24%
Used to work in Thailand	31	7,5%
Never work in Thailand	285	68,5%

**Table 08: The total amount and average value of money remittances sent by workers employed in Thailand, categorized by province.**

Provinces	Number	Value/Year	Average value Kip/Person/Year
Xayyabouly	11	174.000.000	15.818.182
Savannakhet	35	722.000.000	20.628.571
Champasack	54	1.390.000.000	25.740.741
Total	100	2.286.000.000	22.860.000

Data source: Calculated from survey results in 4 case study provinces

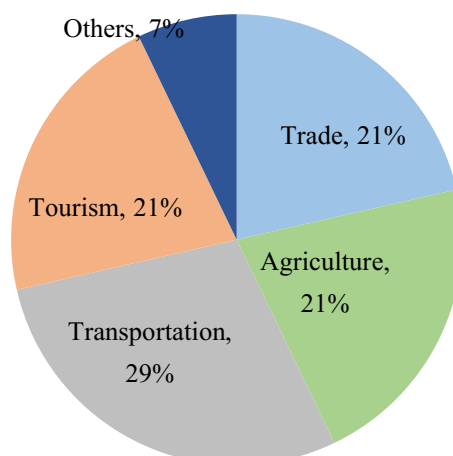
#### **4.2. Objective 3: study non-tariff trade barriers.**

The sample total random entrepreneurs group from the four case study provinces 20 firms, with 5 companies per province being included. Out of these categories, trade accounts for 21%, agriculture accounts for 21%, transport accounts for 29%, tourism accounts for 21%, and the remaining 7% is covered by other sectors (Figure 09). 50% of the companies engage in commerce with other nations, with 50% of their trade being conducted with Thailand, 31% with China, and 19% with Vietnam. The primary commodities traded are agricultural products, followed by transportation services and consumer goods.

Doing business with foreign countries presents numerous obstacles, including tax barriers, the complex and time-consuming process of preparing commercial documents, the high costs of document compilation, regulatory requirements, limited access to notification documents, and public sector policies, delay, limited export quotas from partner countries, combined with the depreciation of the dollar and inflation, have led to an increase in labor costs and production capital. Moreover, the presence of deteriorated roads has caused disruptions in transit timetables. Competition issues develop in agricultural production, especially when Chinese enterprises join the market and operate under their own identities, thereby taking market share from domestic producers.

As a result of these challenges, entrepreneurs have adapted their company strategies to enhance operational efficiency. This includes minimizing the import of nonessential production materials, lowering inventory levels, expanding product variety, and shifting towards online advertising. In order to enhance agricultural output, endeavors have been undertaken to circumvent the involvement of intermediaries and instead convert agricultural products into packaged goods.

**Figure 09: Business Type of specific Entrepreneur**



**4.3. Objectives 4 and 5: To analyze the relationship between CBT, remittances, and the livelihoods of selected families in the border areas**

There are 2 models used in this study: 1) The 1st OLS model studies the relationship of border trade with household income, which income is an essential indicator to improve the standard of living, and the 2nd OLS model studies the relationship of border trade on the households agricultural production because most of them are engaged in agriculture to improve their livelihood (Table 10 and 11).

**4.3.1. Average value, variance value, minimum value, and maximum value of variables**

This study established a set of 10-12 components or variables to determine the coefficients of the independent variables that may effectively explain the dependent variables. The factors being measured in this study include household income and rice production. The study examines several independent variables, including border trade/crossing activities for buying and selling with Thailand, income derived from remittances, village funds, the proximity of factories to the village, villages situated near the border, province, the educational attainment of the household head, the primary occupation of the household head, households involved in trade, agricultural lands, and the types of machinery used for production, such as motorcycles, wheelbarrows, and tractors. Tables 9 and 10 below present the mean, currency conversion rate, lowest, and highest values.



**Table 09: Descriptive statistics of variables used in the study (Model 1)**

Variable	Unit	Amount (Obs)	(Mean)	(Std. Dev)	(Min)	(Max)
<b>(Dependent Variable)</b>						
Household Income	Ln style	383	17,8	1,3	10,3	22,8
<b>(Independent Variable)</b>						
Border Trade	Dummy	383	0,08	0,3	0	1
Remittances	Ln style	383	4,1	7,2	0	18,6
<b>(Characteristics of the village)</b>						
Village Fund	Dummy	383	0,6	0,5	0	1
Factory near village	Number	383	0,5	0,5	0	44
Village near border	Dummy	383	0,4	0,5	0	1
<b>(Characteristics of the household)</b>						
Household education level	Level	383	2,6	0,8	1	4
Farmer	Dummy	383	0,	0,5	0	1
Micro-business	Dummy	383	0,2	0,4	0	1
<b>Factors of production</b>						
Production machine	Unit	383	0,9	0,9	0	5
Animal	Unit	383	2,6	0,8	0	117

Data source: Development Research Institute and Training Center, the MPI

Table 10: Descriptive statistics of variables used in the study (Model 2).

<b>Variables</b>	<b>Unit</b>	<b>(Obs.)</b>	<b>(Mean)</b>	<b>(Std. Dev)</b>	<b>(Min)</b>	<b>(Max)</b>
<b>(Dependent Variable)</b>						
Rice Production	Ton	255	3,6	2,7	0,3	25
<b>(Independent Variable)</b>						
Household income	Ln types	239	17,6	1,2	13,5	20,9
Border trade	Dummy	255	0,05	0,2	0	1
Remittance	Ln types	255	4,7	7,5	0	18,6
<b>Characteristics of the village</b>						
Village funds	Dummy	255	0,7	0,5	0	1
Village near border	Dummy	255	0,4	0,4	0	1
<b>Characteristics of the household</b>						
household head education	Level of education	255	2,6	0,8	1	4
<b>Factors of production</b>						
Agriculture land	Hectares	254	3,4	4,9	0	44
Production machinery	Unit	255	1,1	0,9	0	5
Livestock	Unit	255	9,1	13,4	0	100

Data source: Development Research Institute and Training Center, the MPI

### 4.3.2. Estimated results from modeling (OLS regression).

Table 11: Results of estimation from the model 1

<b>Household income</b>	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
Border trade	-0.00474	0.286764	-0.02	0.987	-0.56865	0.559161	
Remittances	-0.00333	0.010659	-0.31	0.755	-0.02429	0.01763	
<b>Village funds</b>	<b>-0.35226</b>	<b>0.15361</b>	<b>-2.29</b>	<b>0.022</b>	<b>-0.65432</b>	<b>-0.05019</b>	<b>**</b>
<b>Factory near village</b>	<b>0.270148</b>	<b>0.157499</b>	<b>1.72</b>	<b>0.087</b>	<b>-0.03957</b>	<b>0.579863</b>	<b>*</b>
Village near border	0.009035	0.144495	0.06	0.95	-0.27511	0.293177	
<b>Farmer</b>	<b>-0.42993</b>	<b>0.139963</b>	<b>-3.07</b>	<b>0.002</b>	<b>-0.70516</b>	<b>-0.1547</b>	<b>***</b>
Household Business	0.215822	0.185966	1.16	0.247	-0.14987	0.581515	
Production vehicle	0.116189	0.070939	1.64	0.102	-0.02331	0.255688	
<b>Livestock</b>	<b>0.014974</b>	<b>0.004817</b>	<b>3.11</b>	<b>0.002</b>	<b>0.005501</b>	<b>0.024446</b>	<b>***</b>
<b>Non-education</b>							
Primary school	0.295263	0.230328	1.28	0.201	-0.15766	0.74819	
Secondary-high							
school	0.131596	0.222992	0.59	0.555	-0.30691	0.570098	
Upper high school	0.349138	0.278967	1.25	0.212	-0.19944	0.897712	
<b>Bokeo</b>							
Xayabouly	-0.00755	0.214141	-0.04	0.972	-0.42865	0.413543	
Savannakheth	-0.01384	0.220449	-0.06	0.95	-0.44734	0.419665	
Champasak	-0.12006	0.208614	-0.58	0.565	-0.53029	0.290166	
Constant value	17.69649	0.289819	61.06	0	17.12657	18.2664	<b>***</b>
Mean dependent var		17.801	SD dependent var		1.315		
R-squared		0.115	Number of obs		383		
F-test		3.166	Prob > F		0.000		
Akaike crit. (AIC)		1281.032	Bayesian crit. (BIC)		1344.201		

Note: (\*): means confidence level 90%,

(\*\*): means confidence level 95%,

(\*\*\*): means confidence level 99%,

Data source: Development Research Institute and Training Center, the MPI

❖ **Study results from Model No. (1) to study the role of border trade with household income:**

Model 1's results in Table 11 show a statistically significant relationship between four factors and household income, which we can explain as follows:

- 1) There is no statistically significant relationship between border trade activity and household income. This suggests that engaging in border trade does not contribute to an increase in family income. Given their retail and small-scale characteristics, most of these households acquire things with the intention of reselling them within their local community. At the same time, the households that collect samples and sell commodities also participate in the trading of raw resources, considering forest products to have little value. Hence, border trade operations do not have the potential to enhance revenue or uplift household livelihoods.
- 2) The variable associated with access to village funds exhibits a statistically significant negative correlation with family income. If a household has access to the village fund, its income will fall by 0.3% compared to a home without access to the village fund. This indicates that the village fund has a restricted capacity to provide loans and is focused on households with specific characteristics that are not likely to significantly increase household income. In particular, it excludes households engaged in business activities or those with access to substantial capital from sources such as banks and other large funds.
- 3) There is a favorable correlation between households located near factories and household income. Proximity to the industry results in a roughly 27% boost in household income compared to households located distant from the factory. This implies that it provides households with the chance to engage in non-agricultural activities and earn more income as a result of improved job prospects.
- 4) The variable representing agricultural household occupation has a statistically significant inverse correlation with household income. If the primary occupation of the household is in the agriculture sector, the household income will see a 40% fall in comparison to other occupations. The outcome implies that the opportunity has the potential to generate employment in sectors other than agriculture, resulting in improved earnings through enhanced job prospects.
- 5) There is a statistically significant positive association between livestock, which are considered household assets, and family income. An increase in the number of large animals by 1 will result in a 1.4% rise in income. Animal husbandry serves as a significant source of revenue for households, enabling them to mitigate numerous hazards.

Furthermore, there is no statistically significant correlation between household income and characteristics such as remittance, proximity to the border, involvement in retail trade, assets used for production, and household education level.

❖ The study examines the impact of border trade on rice production among households, in the model number 2

Table 12: the forecast result of model 2

Rice production	Coef.	St.Err.	t-value	p-value	[95% Conf. Interval]	Sig
<b>Household income</b>	<b>.434</b>	<b>.142</b>	<b>3.06</b>	<b>.002</b>	<b>.155</b>	<b>.714</b> ***
Border trade	-.174	.748	-0.23	.816	-1.648	1.299
Remittance	.014	.025	0.57	.568	-.035	.064
Village fund	-.382	.4	-0.96	.34	-1.17	.406
Village near border	.417	.353	1.18	.239	-.279	1.113
Agriculture land	.058	.036	1.64	.102	-.012	.128
<b>Production machinery</b>	<b>.383</b>	<b>.178</b>	<b>2.15</b>	<b>.033</b>	<b>.032</b>	<b>.733</b> **
<b>Livestock</b>	<b>.057</b>	<b>.013</b>	<b>4.37</b>	<b>.000</b>	<b>.031</b>	<b>.082</b> ***
<b>Non-education</b>	0	.	.	.	.	.
Primary school	.739	.598	1.23	.218	-.44	1.917
Secondary – high school	.337	.581	0.58	.562	-.807	1.482
Upper high school	1.468	.703	2.09	.038	.083	2.852 **
<b>Borkro</b>	0	.	.	.	.	.
Xayyabouly	-.92	.508	-1.81	.071	-1.921	.081 *
Savannakheth	-.385	.554	-0.70	.487	-1.476	.706
Champasak	.251	.523	0.48	.632	-.78	1.281
Constant value	-5.442	2.573	-2.12	.036	-10.513	-.372 **
Mean dependent var		3.657	SD dependent var			2.771
R-squared		0.250	Number of obs			238
F-test		5.322	Prob > F			0.000
Akaike crit. (AIC)		1120.999	Bayesian crit. (BIC)			1173.083

Note: (\*): means confidence level 90%,

(\*\*): means confidence level 95%,

(\*\*\*): means confidence level 99%,

The result of model 2 in Table 12 reveals three factors that exhibit statistically significant associations with family income, which may be further explained as follows:

- 1) Households involved in cross-border trade do not contribute to an increase in rice output at the household level. The household engages mostly in retail trade as its main occupation. Simultaneously, the agricultural production inside the sampled household is solely for consumption purposes, with no surplus available for export;
- 2) There is a statistically significant positive correlation between household incomes and rice output. A 1% increase in revenue results in a 0.004 tons or 4 kilograms increase in rice output;
- 3) There is a statistically significant positive correlation between the use of production vehicles and rice output. Increasing the production vehicle by 1 results in a 0.4-ton improvement in rice yield.
- 4) There is a statistically significant positive correlation between livestock and household rice output. An increase in the population of big animals will result in a corresponding increase of 0.05 tons in the rice field.

There is no statistical correlation between household income and characteristics such as household remittances, households having access to Village finances, households near the border, agricultural producing area, and household education level in the context of household retail trade.

**❖ To sum up of two models:**

The findings from both study models indicate that border trade has little impact on the income creation and livelihood of border residents, mainly because it operates on a very small scale. Agricultural output in the area is marked by dispersed home farming, which does not facilitate the opportunity for the border community to market valuable products, particularly those derived from the forest, a small number of agricultural products that are not a factor in increasing household income. Simultaneously, non-agricultural jobs contribute significantly to better household income, particularly for households possessing assets, capital, and ability, since they are more likely to have greater economic prospects.

CBT does not significantly contribute to the development of community production, such as rice production, for households involved in agricultural activities. This is because household agricultural production is primarily focused on meeting family consumption needs, involves small quantities, and lacks access to markets and sources of capital. Hence, it is imperative for future policy to establish the means for households to enhance their production capabilities and acquire additional skills in non-agricultural sectors, thereby ensuring a more varied and stable revenue source.

There are some constraints that the research team must address to enhance this work. The data collected primarily represents individuals who are not part of the population group involved in border trade. Instead, most of them are involved in various occupations, including agriculture and trade. Consequently, the simulation model does not accurately demonstrate the direct correlation between household income and border trade as it should. Conducting interviews in the region posed difficulties in accessing the desired sample of homes due to the overlap between agricultural, horticultural, and public sector work, resulting in changes in the makeup of households. Nevertheless, the survey continued, necessitating the homes to await their return from work. The survey was conducted during either the early morning or late evening, facilitating clear and succinct replies to certain questions. There is still a restricted availability of tax information.

#### **4.4. Objective 6: Policy recommendations to facilitate and transform cross-border trade into a formal system.**

Through the examination of interview data, models, and entrepreneur interviews, it is evident that border commerce significantly improves people's livelihoods and offers profitable prospects for those living in close proximity to the border. Border commerce has a direct positive impact on individuals by creating revenue for their households, and it also has an indirect effect by enabling access to health care services in Thailand. Nevertheless, the data collected from a subset of families indicates that they are unable to fully capitalize on the available chances and potential owing to many elements that the public sector has not sufficiently encouraged. The public sector should prioritize the promotion of policies aimed at incentivizing individuals to expand small enterprises on a larger scale and develop greater value-added goods. This will enable them to maximize the advantages derived from cross-border commerce. The following policies should be given particular attention and support:

##### **+ Implementing Policies that promote the development of labor skills and increase the capacity of individuals to participate in non-agricultural employment.**

- Enhance workforce capabilities and entrepreneurial acumen to participate in diverse non-farming professions, with a particular focus on empowering women.
- Enhance the educational standards for youth residing in border regions and allocate additional scholarships to facilitate their participation in professional and vocational training programs.

##### **+ Funding policies:**

- Enhance opportunities for farmers and dealers to obtain low-interest financing and alleviate onerous requirements for obtaining cash, particularly from agricultural promotion banks and policy banks;

- Increasing the number of bank service branches to enhance accessibility for financial transactions, including currency exchange, and remittances from workers, etc.;
- Establish loan policies for individuals and cross-border trading entities based on seasonal considerations. This is necessary as data indicates that a significant number of individuals resort to using personal funds for investments due to high loan interest rates and complex loan requirements that do not align with their financial situation;

**+ Production promotion policies:**

- Technical promotion is effective for individuals with the capacity to enhance production capacity, whilst those who are not yet proficient should focus on improving their understanding of the processing procedures to enhance the product's worth.
- Facilitate the transition from fragmented individual border commerce to the formation of production collectives and specialized border trade groups, while offering training and developing models for production and trade group models;
- Develop a strategy to ensure the stability of product prices and quantities, Create a plan to guarantee the price and quantity, particularly during significant price fluctuations. This can be achieved through negotiations with buyers in neighboring countries, focusing on border trade between provinces, or by establishing a regular exchange market to facilitate the trading of goods and foster opportunities for bilateral entrepreneurs to sell their products;
- Prioritize the coordination of negotiations aimed at resolving issues, challenges, and obstacles to CBT (cross-border trade) with neighboring countries, particularly those related to non-tariff barriers.
- Encourage the growth of agriculture in designated areas, including border regions, by adhering to contractual quotas for small and medium-sized entrepreneurs. This involves utilizing high-quality plant seeds and exchanging knowledge and techniques in crop cultivation, animal husbandry, and fishery to enhance productivity, while ensuring compliance with Sanitary and phytosanitary measures (SPS).

+ Create a user-friendly trade information exchange system to enable the private sector to monitor production and trade policy information established by the public sector. This system will permit the creation of an updated database (Electronic Platform) to support commercial activities.

+ Expedite the enhancement of infrastructure, including roads, power, and water supply. Enhance the efficiency of the one-door system to enhance convenience and minimize superfluous paperwork, while reducing production costs.



## V. Conclusion

The trade between Laos and Thailand along their shared border plays a crucial role in the daily lives of the people residing in that region. It helps improve the living conditions of the local population by providing essential goods and services, including access to healthcare, infrastructure development, and other necessary resources and etc. Nevertheless, the findings of this study suggest that the present involvement of border commerce has not yet had a positive impact on household income, specifically in terms of improving the overall quality of life for households. This indicates that there is no statistically significant correlation between border trade and household income and production. Furthermore, it has been discovered that the establishment of varied, non-agricultural jobs has a statistically significant association with individuals' means of subsistence. This is due to the fact that households with substantial financial resources and a high level of skills will have the advantage of being able to establish secure and lucrative employment, particularly if they are involved in entrepreneurial endeavors. Most households now lack the necessary skills, knowledge, and resources to engage in their traditional agricultural practices and take part in the lucrative opportunities linked to cross-border commerce.

Hence, it is imperative for the central and local governments to implement strategies that encourage the manufacturing of export commodities at the border, facilitate the creation of financial resources and loans for export producers, enhance the scrutiny of imported goods that can be domestically produced, and improve the essential infrastructure for the welfare of the local population in the immediate and distant future, for example, improve the internal public service system and promote convenience by reducing unnecessary paperwork and shifting to electronic collection of fees for transparency and fairness to the internal business sector. Furthermore, it is imperative to develop aptitudes and expertise that will empower individuals to engage in a wide range of professions outside conventional agricultural practices, particularly in the realms of employment, commerce, sales, and services associated with cross-border trade endeavors.

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**Appendix:**

## Appendix 01: Types of Household Businesses.

<b>Household business</b>	<b>Number</b>	<b>Percentage</b>
<b>Retail and wholesale</b>	<b>65</b>	<b>15,6</b>
<b>Other business</b>	<b>36</b>	<b>8,7</b>
<b>Non-business and trade</b>	<b>315</b>	<b>75,7</b>
Agriculture	219	52,6
Offer	25	6,0
Labor	22	5,3
Other occupations	49	11,8
<b>Total</b>	<b>416</b>	<b>100</b>

## Appendix 02: Household education level and average income according to education

<b>Education level</b>	<b>Number of family heads</b>	<b>Percentage</b>	<b>Average income</b>
Non-education	44	10,6	93,900,000
Primary school	143	34,4	158,000,000
Secondary school	124	29,8	109,000,000
High school	53	12,7	127,000,000
Profession	33	7,9	319,000,000
Bachelor's degree	18	4,3	354,000,000
Upper bachelor's degree	1	0,2	349,000,000
<b>Total</b>	<b>416</b>	<b>100</b>	

Appendix 03: Number and percentage of ethnic groups

<b>Ethnicity</b>	<b>Number of households</b>	<b>percentage</b>
Lao	369	88,7
Hmong	2	0,5
khamu	44	10,6
Other	1	0,2
ລາວ	416	100

Appendix 04: Average income by target province

<b>Provinces</b>	<b>Number of household</b>	<b>Average income</b>
Borkeo	103	113.000.000
Xayyabouly	104	184.000.000
Savannakheth	103	198.000.000
Champasak	106	124.000.000

Appendix 05: Average income by business type and province

<b>Provinces</b>	<b>Bokeo</b>		<b>Xayabouly</b>		<b>Savannakhet</b>		<b>Champasak</b>	
	<b>No of HH</b>	<b>Income AVG (mil Kip)</b>	<b>No of HH</b>	<b>Income AVG (mil Kip)</b>	<b>No of HH</b>	<b>Income AVG (mil Kip)</b>	<b>No of HH</b>	<b>Income AVG (mil Kip)</b>
Wholesale- Retail	27	133	14	210	6	191	18	389
Others Businesses	5	54,9	26	98	3	2.880	2	72,5
Not doing trade/business	71	109	64	212	94	112	86	70,2

Appendix 06 the value of goods exported to Thailand divided by 15 main items from 2019 -2023 (millions of US dollars).

List	Products	2019	2020	2021	2022	2023	Δ %	Total
1	Electrical energy	1,249,369,187	1,684,939,058	1,943,757,877	2,201,510,372	2,045,237,031	-7.10%	9,124,813,526
2	Casava	69,509,847	173,170,845	219,454,775	284,190,479	286,482,938	0.81%	1,032,808,885
3	Electrical machinery and parts thereof	144,232,773	78,418,773	105,102,807	114,469,062	88,769,458	-22.45%	530,992,873
4	Part of digital and video camera recorders	227,687,548	164,790,206	122,372,272	99,697,367	87,551,753	-12.18%	702,099,145
5	Cement	61,313,214	68,066,062	91,060,413	127,356,193	78,892,735	-38.05%	426,688,617
6	Copper and articles thereof	400,439,785	151,608,882	53,435,361	61,791,478	56,053,152	-9.29%	723,328,657
7	Raw coffee	10,023,990	6,860,126	14,819,012	21,406,587	30,558,146	42.75%	83,667,861
8	Articles of iron or steel	1,143,324	4,066,022	11,104,870	6,552,162	23,121,976	252.89%	45,988,355
9	Potassium chloride	-	-	-	6,010,000	21,851,120	263.58%	27,861,120
10	Gold	14,184,502	149,739,946	14,652,606	9,644,400	19,364,307	100.78%	207,585,760
11	Optical, photographic, cinematographic	19,283,512	16,054,836	18,091,821	17,198,197	18,500,608	7.57%	89,128,973
12	Fertilizer	7,135,409	60,582,074	9,809,746	8,560,748	9,902,367	15.67%	95,990,345
13	Mize	5,336,150	4,650,850	2,670,900	2,614,400	9,797,590	274.75%	25,069,890
14	Cabbages	16,764,300	12,575,200	20,070,036	16,357,618	9,645,720	-41.03%	75,412,874
15	Beverages	8,685,498	8,369,630	11,374,492	5,988,097	9,058,789	51.28%	43,476,505
	<b>Top 15 products</b>	<b>2,235,109,039</b>	<b>2,583,892,510</b>	<b>2,637,776,989</b>	<b>2,983,347,158</b>	<b>2,794,787,689</b>	<b>-6.32%</b>	<b>13,234,913,385</b>
	<b>Other</b>	<b>171,912,551</b>	<b>161,176,597</b>	<b>145,983,231</b>	<b>138,406,987</b>	<b>89,066,431</b>	<b>-35.65%</b>	<b>706,545,796</b>
	<b>Total</b>	<b>2,407,021,589</b>	<b>2,745,069,107</b>	<b>2,783,760,220</b>	<b>3,121,754,145</b>	<b>2,883,854,120</b>	<b>-7.62%</b>	<b>13,941,459,181</b>

Source of data: Ministry of Industry and Commerce

Appendix 07: The value of imports from Thailand divided by 15 main items from 2019 - 2023 (millions of US dollars).

List	Products	2019	2020	2021	2022	2023	Δ %	Total
1	Diesel fuel	495,328,250	338,871,990	450,223,022	874,186,957	898,609,677	2.79%	3,057,219,897
2	Gasoline	115,214,072	97,871,576	140,871,961	233,618,084	247,902,413	6.11%	835,478,106
3	Beverages	88,360,571	41,340,458	60,796,761	224,417,291	194,594,496	-13.29%	609,509,576
4	Sugar	205,896,968	218,504,227	241,592,530	245,651,844	218,615,030	-11.01%	1,130,260,598
5	Vehicles (Except motorcycle and tractors )	4,583,452	2,012,000	8,505,058	187,354	24,598,320	13029.34%	39,886,184
6	Machinery and parts thereof	185,339,758	117,442,535	188,677,824	165,771,148	145,420,393	-12.28%	802,651,658
7	Electrical energy	32,731,184	41,826,862	77,392,980	86,378,902	73,419,254	-15.00%	311,749,182
8	Plastics and articles thereof	95,183,442	97,061,268	100,985,306	87,820,266	121,326,911	38.15%	502,377,194
9	Digital and video camera recorders	74,369,732	76,666,379	84,271,282	96,896,909	95,138,266	-1.81%	427,342,568
10	Insulated wire, cable	209,186,121	138,557,794	107,638,048	87,356,578	82,364,754	-5.71%	625,103,295
11	Electrical machinery and parts thereof	130,322,330	70,926,347	97,003,472	100,252,073	80,908,134	-19.30%	479,412,358
12	Wood and articles of wood	233,196,411	319,945,544	286,555,275	132,246,907	46,738,405	-64.66%	1,018,682,542
13	Animal fodder	42,242,401	47,209,226	68,734,431	70,788,999	66,950,367	-5.42%	295,925,423
14	Inorganic chemicals	7,031,818	10,733,966	15,798,207	16,234,676	19,441,181	19.75%	69,239,848
15	Parts and accessories of vehicles	58,885,144	44,056,812	41,753,485	48,732,949	54,076,854	10.97%	247,505,244
	<b>Top 15 products</b>	<b>1,977,871,652</b>	<b>1,663,026,985</b>	<b>1,970,799,641</b>	<b>2,470,540,937</b>	<b>2,370,104,457</b>	<b>-4.07%</b>	<b>10,452,343,672</b>
	<b>Other</b>	<b>853,951,783</b>	<b>755,092,242</b>	<b>1,048,665,825</b>	<b>878,505,807</b>	<b>963,919,918</b>	<b>9.72%</b>	<b>4,500,135,575</b>
	<b>Total</b>	<b>2,831,823,434</b>	<b>2,418,119,227</b>	<b>3,019,465,466</b>	<b>3,349,046,744</b>	<b>3,334,024,376</b>	<b>-0.45%</b>	<b>14,952,479,248</b>

Source of data: Ministry of Industry and Commerce

### **General Instructions for Household Survey**

Hello, my name is ..... I lead an investigation on the survey in your community. This survey is under the research of DRI, MPI supported by UNDP.

In this survey, I will ask for information about you and your family members, all of which will be kept secret and used for research purposes only.

Title: An Investigation into Cross-Border Trade in Lao PDR: A Case Study of Bokeo, Xaiyabouly, Savannakhet, and Champasack Province

#### **Objectives:**

To examine the current state of trade both within and outside the system within the province of the case study;

To identify the list of primary goods traded at the border;

To investigate non-tariff trade barriers that could potentially lead to off-the-shelf trade;

To investigate the influence of trade on the living conditions of households along the border;

To examine the impact of remittances on household livelihood;

To formulate policy recommendations on trade;

Targets: Border provinces

1. Borkoe; 2. Xaiyabouly; 3. Savannakheth; 4. Champasak

Study areas: 24 villages, 8 Districts (urban and rural districts) in 4 provinces;

Household Questionnaire

Respondent ID: .....

Household number: .....

Number of families living in the same household: .....

Village name: .....

District name: .....

Date and time interview: ..... / ..... / 2023;

Respondent status:

Main language:

Religion:

Nationality:

Ethnicity:

- |                      |
|----------------------|
| 1= Head of household |
| 2= Spouse            |
| 3= Children          |
| 4= another member    |

- 1= Lao
- 2= Phutai
- 3= Hmong
- 4= Khmu
- 5 = Other

- 1= Buddhism
- 2= Christian
- 3= Ghost
- 4= Other

- 1= Lao
- 2= Vietnamese
- 3= Chinese
- 4= Other

- 1= Lao loum
- 2= Khmu
- 3=Hmong
- 4= Other

Name of interviewer: .....

Questionnaire entry name: .....

Name of checking questionnaire: .....

Section1: Household roster

Please tell us the members of your household. Members are those who have been listed in the same family book.

Person ID	Relation to HH head: 1. Head chief 2. Spouse 3. Children 4. Uncle/aunt 5. Parents 6. Bro/sis 7. .... In Law 8. Other	Sex 1=Male 2=Female 3=Other	Age	Marital status 1=Single 2=Married 3=Divorced 4=Widowed	Habitation 1=Permanent 2=Temporary 3=Visitor	Main occupation						Level of education 1=Kindergarten/primary school 2=Secondary school 3=High school 4=Professional 5=Blacher's degree 6=Postgraduate 7=Non-education
						3 Main occupations in the past 12 months						
						Pre-covid19			Now			
						1	2	3	1	2	3	
1												
2												
3												
4												
5												
6												



7												
8												

Section 2: Production assets, farmland, animals, and other assets.

Please tell us about your household's agricultural land and assets, and animals and other assets.

1	Residential land	m <sup>2</sup>		
			1	= Land for building house + Retail land +house.
2	Agriculture lands	m <sup>2</sup>		
			1	= Land owned (purchased)
			2	= Land owed (inherited)
			3	= Land rented from other
			4	= Land rented out to other
			5	= Farm land
3	Production Assets	Amount		
			1	= Tractor owned
			2	= Trucks (Ex: Hyundai)
			3	= Yanma
			4	= Threshing machine
			5	= Rice mill

		6	=	Boat
		7	=	Other ( .....)
4	Number of animals	Amount		
			1	= Buffalo
			2	= Cow
			3	= Pigs
			4	= Goat
			5	= Poultry
			6	= Other
5	Vehicles	Amount		
			1	= Bicycle
			2	= Motorbike
			3	= Car (pickup truck, car)
			4	= Other
6	Other assets	Amount		
			1	= TV
			2	= Fridge
			3	= Washing machine
			4	= Frozen machine
			5	= Gas stove
			6	= Other

Section 3: Income

Please tell us your household income earning in the past 12 months.

Income Source		1 year production		Sale		Unit price		Total sale amount		Other cost ( labor, fertilizer)		
1	Rainy Rice	Pre-Covid19										
		Now	kg	kg	kip/kg	kip		kip				
	Dry season rice	Pre-Covid19										
		Now	kg	kg	kip/kg	kip		kip				
Income source				Sale value in 1 year				Other capital (Includes: Labor wage and Fertilize.....)				
2	Vegetable		Pre-Covid19				kip				kip	
			Now									
3	Fruit		Pre-Covid19				kip				kip	
			Now									
4	Animals		Pre-Covid19				kip				kip	
			Now									
			Pre-Covid19									

5	Handicrafts product	Now		kip		kip
6	Rubber	Pre-Covid19		kip		kip
		Now				
7	Sugar can	Pre-Covid19		kip		kip
		Now				
8	ໄມ້ເສດຖະກິດ	Pre-Covid19		kip		kip
		Now				
9	Cassava	Pre-Covid19		kip		kip
		Now				
10	Maize / Corn	Pre-Covid19		kip		kip
		Now				
Income source		Sale value in 1 year			Other capital (Includes: Labor wage and Fertilize.....)	
11	Fisheries	Pre-Covid19		kip		kip
		Now				
12	Forest product (.....)	Pre-Covid19		kip		kip
		Now				
13	Charcoal	Pre-Covid19		kip		kip
		Now				
		Pre-Covid19				

14	Labor wage	Now		kip
15	Salary	Pre-Covid19		kip
		Now		
16	Interest rate from deposit money	Pre-Covid19		kip
		Now		
17	Profit	Pre-Covid19		kip
		Now		
18	Remittance	Pre-Covid19		kip
		Now		
19	Rental	Pre-Covid19		kip
		Now		
20	Pension	Pre-Covid19		kip
		Now		
21	Other.....	Pre-Covid19		kip
		Now		

Section 4: Expenditures.

How much does your household pay for living? Remark: you can answer amount spend either in a month or year.

Expenditure source		Pre-Covid 19		Now	
		Amount spent (kip)		Amount spent (kip)	
		1 month	Total 1 year	1 month	Total 1 year
1	Health care annual				
2	Education cost				
3	Electricity bill				
4	Water supply bill				
5	Food				
6	Rental fee + Other leasing				
7	Investment cost /Production includes: Farm				
8	Other expenditures (Total 1 year)				

Section 5: Migration

❖ Used to work in Thailand: Please fill in the information of each family member who used to work in Thailand in the table below:

List	Sex 1=Male 2=Female	Age	Reason for working in Thailand	Types of going		Reason for not going again	Period of working there	Average remittance sent back home 1 year	Received remittance systems
				Through representative labor company	By themselves/ Relative				
1									
2									
3									

❖ Working in Thailand: Please fill in the information of each family member that currently works in Thailand in the table below:

List	Sex 1=Male 2=Female	Age	Reason for working in Thailand	Types of going		Period of working there		When are they gone?	Average remittance sent back home 1 year	Received remittance systems
				Through representative labor company	Through representative labor company	Long term	Seasonal			
1										
2										
3										

Section 6: Border trade

1. Types of Household business: 01) Retail 02) Wholesale 03) Retail/Wholesale 04) Other.....
2. Do you have a business licenses? 1) Yes 2) No
3. Do you often go to Thailand? 01) Everyday 02) 2-3 Times a week 03) Once per week 04) Once per month 05) Other.....
4. Why did you cross to Thailand? 01) For travel 02) Sell and Purchase goods 03) Work purpose 04) Heath care service 05) Other.....
5. If there is a trade with Thailand, How much are the sell and purchase Values?

Purchase Values	Sell values
In 1 month: .....	In 1 month: .....
In 6 months:.....	In 6 months: .....
In 1 year:.....	In 1 year:.....

6. How do you pay for buying and selling goods in Thailand: 01) By cash 02) by bank system in Laos 03) By bank system in Thailand  
04) Other.....
7. What kind of exchange rate system do you use? 01) Commercial bank rate 02) Parallel market rate 03) No need to exchange due to having Thai bath as an income 04) Other.....
8. What kind of transportation do you use: 01) by owed 02) by transport company 03) by bus 04) by boat 05) other.....
9. What is the distance from the house/shop to the international border local border or traditional border: .....



10. Identify the 5 major goods of specialization you have bought and sell within Laos and from Thailand during the past 12 months (1 Year):

No	Good export to Thailand	Price/Unit (kip)	Total selling value (kip)	Do you pay taxes at the checkpoint village or other organization?	Why don't you pay tax according to regulations?	Good import from Thailand	Price/Unit (kip)	Total Buying value (kip)	Do you pay taxes at the checkpoint or village or other organization?	Why don't you pay tax according to regulations?	Remark
Pre-covid 19	1										
	2										
	3										
No	Good export to Thailand	Total selling value (kip)	Do you pay taxes at the checkpoint village or other organization?	Why don't you pay tax according to regulations?	Good import from Thailand	Price/Unit (kip)	Total Buying value (kip)	Do you pay taxes at the checkpoint village or other organization?	Why don't you pay tax according to regulations?	Remark	Total selling value (kip)
Now	1										

	2											
	3											

11. Total investment value of trade: .....Includes value of loan? .....

12. Where is the start-up funding source you get from? (Multiple answers)?

- 01) Commercial bank      02) Saving money    03) Loan from microfinance institute    04) Relatives/friends    05) Village fund.  
 06) Parallel Market      07) Pay the lottery      08) Other.....

13 How much do you pay for a loan? Interest rate?.....%.....

14 How long do you engage in cross border trade?.....

15 What is the main factor that attract you to do cross border trade with Thailand?

- 01) it can create income 02) Unemployed    03) Other.....

16 Is cross-border trade the main source of income for your household?      01) Yes      02) No

17. Please rate factors that impact your household's livelihood on doing cross-border trade with Thailand.

Impact factors	Level				
	Very little 0%	Less 25%	Moderate 50%	A lot 75%	the most 100%
1. Household's income					
2. Household members have more opportunities to access to education					
3. Open more opportunities to access health care (due to more income)					
4. Having more ability to buy / asset owed (Ex: Buy a car, buy a house,)					
1. Having the opportunity to operate or extend business					
6. Having more ability to contribute money to the community.					

18. Overall, do you think cross-border trade activity can improve your household's livelihood?

.....

.....

19. What problems and difficulties do you think your family faces in cross-border trade?

01) Accessing funds      02) Poor condition of infrastructures      03) High logistic cost      04) official Exchange rate.

05) Other .....

20. What form of assistance would need to help you overcome these challenges?

.....  
.....

(Thank you)

Questionnaire (entrepreneur)

1. Province: .....
2. Name of interviewer:.....
3. Sex:     1) Female         2) Male
4. Age: .....
5. Position:.....
6. Mobile number:.....
7. Organization /Company name:.....
8. When do you establish business? .....
9. What kind of business of your company?
  - (1) Trade sector;
  - (2) Agriculture sector;
  - (3) Logistic sector ;
  - (4) Tourism sector;
  - (5) Other.....
10. Total number of staff: .....Female:.....  
Do you foreign trade partner company?     1) Yes     2) No
11. What are the main 3 countries that you trade with?.....
12. What are the main 3 products that you trade on cross-border trade?  
.....  
.....
13. In your opinion, what are the main factors that impact cross-border trade?
  - (1) rules, regulations, laws;
  - (2) Document processing is complex and take too much time;
  - (3) Technology for production;
  - (4) Quality check (QC);
  - (5) Classification of different goods;
  - (6) Production funds;
  - (7) Shipping time;
  - (8) Insufficient infrastructure;
  - (9) Liquidation ການຊໍາລະສະສາງ;
  - (10) Supply of raw materials;
  - (11) Funds;

(12) Government supposition; (13) Other.....

14. To what extent do you think the increase of consumer prices is affecting your businesses?

No impact      Less impact      Moderate impact  Have impact  High impact

15. Do you know about non-tariff barriers? (NTBs)?

I do not       I hear about it       I fully understand about NTBs

16. In your perspective, which are the barriers/non-tariff barriers that have a negative impact on your organization/business currently??

.....  
.....  
.....

17. How to do non-tariff barriers mentioned in no. 17 affect your business especially those related to production costs, competitiveness power, and market access?

.....  
.....  
.....

18. In the past, what measures have you or your organization taken to reduce the impact of non-tariff trade barriers as mentioned in no 17 to continue your business activities?

.....  
.....  
.....

19. What would you like to propose to the relevant sectors to help effectively solve the problem of non-tariff trade barriers?

.....  
.....

20. Other recommendations? (If have)?

.....  
.....

(Thank you for your cooperation)

### Village Questionnaire

Date of interview \_\_\_\_\_

Respondent's name \_\_\_\_\_

- 1. Village head    2. Vice village head
- 3. Other

Mobile phone of interview \_\_\_\_\_

Interviewer's name \_\_\_\_\_

District \_\_\_\_\_

Village \_\_\_\_\_

Total number of household in the village .....Household

The number of labor force aged 15-64 in the village ..... Person / Female.....person

The total number of poor households in the village .....household

Number of households working with the government (including military/police) ..... Household

The number of households with members working abroad .....Household

The number of people who go to work abroad .....Person/Female.....Person

The main ethnic group of the household within the village 1..... 2..... 3.....

The main occupation of the household within the village 1..... 2..... 3.....

Main source of household income in the village (3 sources) 1..... 2..... 3.....

I. General economic conditions

1.1. Project for village development

	Number of project:
1= Agricultural promotion project	0 1 2 3
2= Irrigation project	0 1 2 3
3= Handicraft Promotion Project (ODOP)	0 1 2 3
4= Home medicine bag project	0 1 2 3
5= Water pump project (Nam Lin) / clean water	0 1 2 3
6= Vocational promotion program / Skill development	0 1 2 3
7= Community development project (Specify in detail which aspect of development?)	0 1 2 3
8=Other.....	0 1 2 3

II. Infrastructure

1. From the village how far is it to the nearest paved road?	Is it possible to reach this village by truck (car) in .....	How far away is the district administrative headquarters? .....	How far away is the village administrative office? .....
_____ km	1 Season 2 season	_____ km	_____ km

2. Village distance from eah border: Inernational border .....Km, Traditional border.....Km, Other borders.....Km

Is this village electrified??	Is there water supply in this village?	What kinds of main water supply?	How many market in the village?	
		1 = Pipe water	daily	periodical
		2 = Pumping water	1= Yes	1=Yes
		3 = Personal well water	0 = No	0= No
1= Yes	1= Yes	4 = Other		
0= No	0= No			



3. Are there any bank branch and finance institute in your village?

1. There are ..... 2. Don't have

4. Are there any village fund? 1. Yes 2. No

5. Are there any loan source? 1. Yes 2. No *If have (Specify): .....*

6. In the boundary of 10 km<sup>2</sup> in the village, are there any factory that have ability to hire 10 labors?

1. .... Yes; Number..... 2. No

- Number.....;

What kind of factory: 1.) .....; 2.)..... ;

3.).....; 4.) .....

7. Are there any policy to support entrepreneur on cross border trade in the past?

.....  
.....  
.....  
.....

8. From the perspective of the village administration, what is the situation of border trade, especially informal trade? And how does it affect the overall socio-economic development in the village? Includes people's income (estimate the percentage of households that trade across the border? What are the types of goods that most people trade? What is the quantity of cross-border trade?)

.....  
.....  
.....



+856 21254826

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5th Floor MPI Building