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In Isolated Hills of Asia, New Roads to Speed the Trade of an Empire

A Project Extends China's Reach

By THOMAS FULLER

LUANG NAMTHA, Laos — The newly refurbished Route 3 that cuts through this remote town is an ordinary strip of pavement, the type of two-lane road you might find winding through the backwoods of Vermont or sunflower fields in the French provinces.

But On Leusa, 70, who lives near the road, calls it “deluxe.”

As a young woman she traded opium and tiger bones along the road, then nothing more than a horse trail.

On Monday, the prime ministers of Cambodia, China, Laos, Myanmar, Thailand and Vietnam will officially inaugurate the former opium smuggling route as the final link of what they call the “north-south economic corridor,” a 1,150-mile network of roads linking the southern Chinese city of Kunming to Bangkok.

The network, several sections of which were still unpaved as late as December, is a major milestone for China and its southern neighbors. The low-lying mountains here, the foothills of the Himalayas, served for centuries as a natural defensive boundary between Southeast Asian civilizations and the giant empire to the north. The road rarely follows a straight line as it meanders through terraced rice fields and tea plantations.

Today, those same Southeast Asian civilizations alternately crave closer integration with that empire and fear its sway as an emerging economic giant. China, in turn, covets the land, markets and natural resources of one of Asia's least developed and most pristine regions.

With trade across these borders increasing by double digits every year, China has helped construct a series of roads inside the territory of its southern neighbors. The Chinese government is paying half the cost of a bridge over the Mekong River between Laos and Thailand, due for completion in 2011.



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Route 3 in Laos used to be a horse trail along an opium smuggling route. Now it is part of a network of roads linking China to remote areas of Southeast Asia.

It financed parts of Route 3 in Laos and refurbished roads in northern Myanmar, including the storied Burma Road used by the Allies in World War II to supply troops fighting the Japanese. China is also building an oil and gas pipeline from the Bay of Bengal through Myanmar to Kunming.

Taken together, these roads are breaking the isolation of the thinly inhabited upper reaches of Laos, Myanmar and Vietnam, areas that in recent decades languished because of wars, ethnic rivalries and heroin trafficking. The roads run through the heart of the Golden Triangle, the region that once produced 70 percent of the world's opium crop.

The new roads, as well as upgraded ports along the Mekong River, are changing the diets and spending habits of people on both sides of the border. China is selling fruit and green vegetables that favor temperate climates to its southern neighbors, and is buying tropical fruit, rubber, sugar cane, palm oil and seafood.

“You never used to see apples in the traditional markets,” said Ruth Banomyong, an expert in logistics who teaches at Thammasat University in Bangkok.

China has blasted shallow sections of the Mekong to make it more easily navigable for cargo barges, allowing traders to ship apples, pears and lettuce downriver. The price of apples in Thailand has fallen to the equivalent of about 20 cents apiece from

more than a dollar a decade ago. Roses and other cut flowers from China have displaced flowers flown in from the Netherlands, making Valentine's Day easier on the wallet for Thais. Traders now have the choice of shipping by barge, truck or both.

Overall, even before the completion of the road, trade between China and the upland Southeast Asian countries Cambodia, Laos, Myanmar, Thailand and Vietnam had risen impressively, to \$53 billion in 2007 from just over \$1 billion a decade ago.

People are on the move as well. Wang Suqin, the director of express services at the Kunming bus terminal, says Chinese tourists are eager to travel overland to Thailand.

“Every day we receive calls about this,” Ms. Wang said.

Bus service to Bangkok, which has not yet started, will take at least 24 hours, but that is not a deterrent, Ms. Wang says; it is part of the fun. “We don't want to miss the scenery along the way,” she said.

During a weeklong journey through the cities and villages along the route from Kunming to Bangkok, rice farmers, tea pickers, businessmen, traders and government officials expressed satisfaction and some excitement that a project decades in the making was nearly completed.

Chen Jinqiang, a Chinese government official from Xishuangbanna in Yunnan Province, said



Ports along the Mekong River have been upgraded to handle more cargo, and buses in southern China will take passengers patient enough for a 24-hour ride all the way to Bangkok.

the road would help ensure that farmers get their vegetables and flowers to market, avoiding a problem he witnessed in the 1980s, when poor transportation left watermelons rotting in the fields. “Even the pigs refused to eat them,” he said.

But the road also excites old fears of the monolith to the north. Preecha Kamolbutr, the governor of Chiang Rai Province, in northern Thailand, said it might exacerbate what he calls a “Chinese invasion.” He is particularly concerned for Laos, he said, an impoverished country the size of Britain but with a population of just 6.5 million.

“Chinese businessmen come in with their own capital, their own workers and their own construction materials,” the governor said. “I fear that in the future the Lao people might feel that they've been exploited. They will feel they've been invaded.”

For now, those fears do not appear to be shared by many Laoitians. Residents of the sparsely populated Luang Namtha Province said they welcomed visitors and were counting on an influx of Chinese, Thais and others to help raise their incomes.

Alinda Phengsawat, the head of tourism planning in the province, said the road would bring visitors to what has been a very remote part of the country.

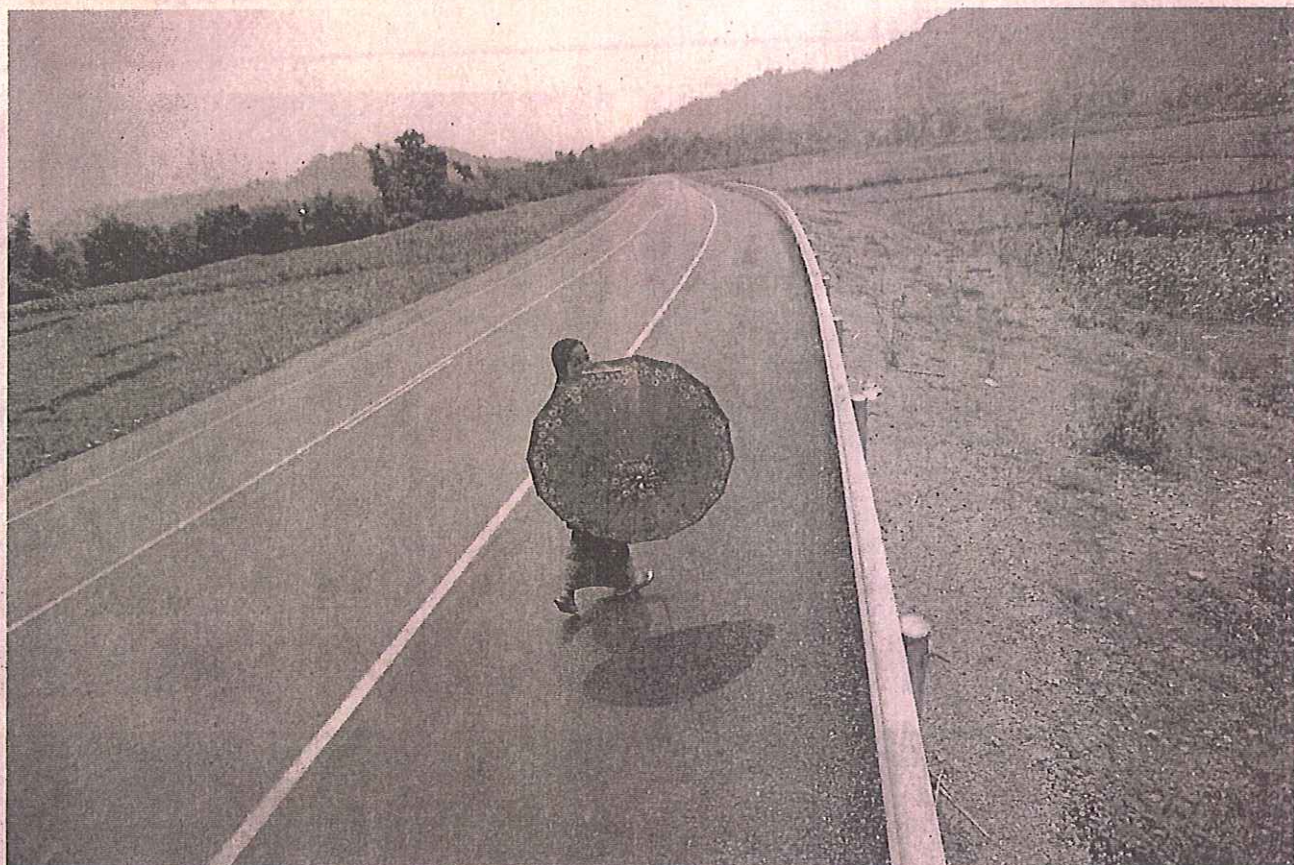
“Maybe they will stay overnight,” she said. “That would be

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The roads meander from Kunming, China, to Bangkok.



JUSTIN MOTT FOR THE NEW YORK TIMES

Along Route 3 in Laos and other areas where the roads pass, people are both fearful of China's sway and hopeful about progress.

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better than just driving through."

Since paving was completed late last year, people who live deep in the jungle have come to the edge of Route 3 to sell vegetables and forest products, residents say.

"You have a huge hinterland that's pretty badly served at the moment, from Kunming down through Laos and northern Thailand," said John Cooney, director of the Southeast Asia infrastructure division at the Asian Development Bank, which financed one section of the road in Laos. "That suddenly is becoming a market."

Cash-strapped Laos is encouraging Chinese investment by handing out what it has plenty of: land. Deputy Prime Minister Somsavat Lengsavad has said the government will trade "land for capital."

The government recently gave a Chinese company a 50-year renewable lease for a large swath of prime land outside the capital, Vientiane, in exchange for the building of a sports stadium. Here in Luang Namtha, a Chinese company has been given 30-year rights to build and operate what is being called, perhaps euphemistically, the Bo Ten Eco-

conomic Development Zone.

The main draw so far is not the factories or warehouses typically associated with these zones but a casino, which is off limits to Lao-tian gamblers, according to Ms. Alinda.

"I went up there and everyone was speaking Chinese," said Pansak Gardhan, a Thai engineer who is helping rebuild the small airport in Luang Namtha. "All the signs were in Chinese."

Chinese coming here to gamble will drive through what is probably the most beautiful section of the Kunming-Bangkok road, a four-lane highway that soars over valleys and clings to hill-sides striated with rubber-tree and tea plantations.

Li Hui, an official in the foreign affairs office of Yunnan Province, which borders Laos, says one segment of the journey from Kunming to the border used to take three days. "Half of the people were throwing up," Mr. Li said. On the new highway the same segment takes only a few

hours.

The Chinese spent \$4 billion building the highway from Kunming to the border. One particularly difficult stretch of road required the construction of 430 bridges and 15 tunnels. That por-

Former opium routes are now an 'economic corridor.'

tion of the road is also monitored by 168 cameras centrally controlled by highway department officials who watch for elephants — there are an estimated 275 in the area — and other stray animals. The cameras also assist the police in catching suspected criminals.

"We've helped solve 130 cases of drug smuggling, robberies and

murder," boasted Zhang Zhulin, director of the Chinese segment of the expressway, which opened in April 2006.

In a large room with a "Keep Out!" sign posted at the entrance, Mr. Zhang toggled a joystick to show how he could scan different segments of the road as well as zoom in on the faces of passengers as cars passed through toll booths.

The Kunming-Bangkok road is not a seamless experience. There are sections on the Chinese side that have yet to be upgraded. With the bridge over the Mekong still in planning stages, passengers must take ferries across the Thailand-Laos border. And formalities at border checkpoints, especially for freight, can sometimes take hours.

But the road is an obvious improvement from the one Ms. On knew as a child. Her son drives her around in his Toyota pickup truck, but she is not interested in going very far. "I get carsick," she said.