

## The Kra Canal in Thailand: Economic or Political Interest?



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**ABSTRACT:** This journal explores the role of the Cra Canal in Thailand and investigates whether economic or political motives drive its construction. Employing the liberal framework in development, sea power theory, and maritime economic concepts, this research analyses the project's impact and implications on the region. The research methodology involves a qualitative descriptive approach, utilizing interviews and document analysis. The findings of this study aim to provide insights into the political and economic dynamics in the region and their implications for international relations.

**KEYWORDS:** Kra Canal; International Relations; International Politics and Economy; Thailand.

### I. INTRODUCTION

In early 2017, the Kingdom of Thailand officially announced the return of the Kra Canal mega project between the Gulf of Thailand and the Andaman Sea. However, long before that, the development plan was not a new idea. This idea has been around for more than 4 (four) centuries, and this idea was first promoted by King Narai of the Kingdom of Ayutthaya in 1677.

During those centuries, many researchers considered the abandoned project as a dream that was difficult to realize. Because they think this construction will take many expenses that will make Thailand miserable. When completed, it would fail to boost the local economy in Southern Thailand. During the period of King Mongkut (1851-1868), and King Chulalongkorn (1868-1910), three national economic projects were implemented: telegraphic communication with Singapore, India, and Europe; a railway line connecting Bangkok with Malaysia; and the excavation of the Kra Canal but were not completed. The issue remained a contentious one during the next reign as the Kingdom of Siam engaged in dialogue with Britain and France during the 19th and 20th centuries but without significant results.

### II. THEORETICAL FRAMEWORK

In this research, the author uses the liberal theory of development, the concept of sea power, and the concept of maritime economy.

#### A. *Understanding the Liberal Theory of Development.*

The liberal theory of development emphasizes capital and investment as the main issues in promoting economic growth. This theory develops more on developing itself on technical skills, namely how to make a good input-output table, as well as how to measure the relationship between economic sub-sectors and other sectors such as political factors that can affect the shape of a country's policies

#### B. *Understanding the Concept of Sea Power.*

The concept of sea power was first introduced by Walter Raleigh who was a scholar, poet, and trader. And whoever controls trade, will control the world". This concept was used by A. T. Mahan in building a geopolitical framework. In his book entitled "The Influence of Sea Power upon History 1660-1783", he said that the rise and fall of a country's power rested on its sea power. Mahan also observed how geographical conditions can affect the sea power of a country. In this case, he divided it into 6 (six) categories, namely geographical position, physical conditions of the country such as natural resources and climate, area, population, character of the people, and character of the government.

#### C. *Understanding the Concept of Maritime Economy.*

Also, the concept of a maritime economy. Maritime comes from the English language, namely maritime which is navigation or nautical. In the Big Indonesian Dictionary (KBBI), maritime is defined as something related to the sea or shipping and trade at sea. The scope of the maritime economy is the port environment, sea transport, trade-in and through maritime areas, fisheries, tourism, shipbuilding and repair, infrastructure development, and others. The maritime economic sector absorbs a lot of foreign capital and labour. For example, the gas industry requires large capital and absorbs a lot of labour.

## The Kra Canal in Thailand: Economic or Political Interest?

### III. RESEARCH METHOD.

Based on the type of data presented, the research approach that the author uses in this research uses a qualitative research approach. A qualitative research approach is a research approach that explores and understands the meaning that several individuals or groups of people ascribe to social or humanitarian problems.

This approach can also be interpreted as research that implements scientific information and settings, to explain a phenomenon that is arranged and tries to be connected with various existing procedures.

In this study, the authors used a qualitative research approach to collect the information needed to get answers to the themes raised. The type of research approach used is descriptive qualitative research, where the data to be collected will be presented in the form of words or narratives.

### IV. DISCUSSION

#### A. *Efforts to Re-establish the Kra Canal for Ages.*

Since ancient times, trading ships from the West traveled through the Sunda Strait and Malacca Strait to reach the East or Asia and vice versa. However, due to the rampant piracy in these narrow straits, many sailors avoid this route. So, they chose an alternative route, which is by land along the Kra route. During the time of the Srivijaya Empire in the 8th century, the kingdom strictly controlled these two straits. However, only the land route along the Kra route was not controlled by the Srivijaya Kingdom economically. Until the early 19th century, the Kra land route was the connecting route that linked trade from East to West. However, the glory of the Kra land route declined when the elephants that were then used to transport natural commodities had to compete with steamships in the Malacca Strait and Sunda Strait.

From the very beginning of the idea of building the Kra Canal, King Narai of the Kingdom of Ayutthaya suggested the excavation of the Kra Canal in 1677. He thought it would allow for an efficient trade route from East to West. However, other evidence suggests that the Kra Canal construction project was first undertaken in 1793 or a century later by King Rama I's younger brother. If King Narai built the Kra Canal with economic motives. King Rama I's younger brother, known as Prince Surasihanaj, designed the Kra Canal connecting Songkla and Saiburi for military and security purposes. The prince wanted to protect his city from Burmese attacks on the Andaman Coastline.

Although the idea of building the Kra Canal was often the focus of previous kings, but there was no feasibility study on the construction of the Kra Canal until the time of King Rama III named Phra Nangklao who ascended the throne in 1824 and took the project seriously. But that was the time of Western colonialism in Europe. Siam, then under the rule of the Chakri Kingdom, was at the heart of trade in Southeast Asia. At that time, Captain Henry Burney conducted a feasibility survey in 1825 which found that it was possible that if the tide was high, the Ranong River and the Chumphon River 50km away could be traveled in 4 hours. Captain Burney believed that the construction brought commercial benefits to the kingdom at that time by opening a maritime route to trade directly in the Bay of Bengal. Captain Burney added that the Kra Canal saved the cost of traveling around the Malay Peninsula.

In 1851, King Rama IV, or King Mongkut ascended the throne to succeed King Rama III who was none other than his brother. Unlike previous kings who entered into negotiations that resulted in memorandums with the West, King Mongkut fought against Western powers. However, Siam opened its trade to Europeans after the Bowring Treaty in 1855. It was this openness of Siam that led to the Kra Canal project being seriously considered further. In realizing the Bowring agreement, King Mongkut was willing to help with the sea canal, when John Bowring who was then the British Governor requested that London support the Kra Canal project. On this basis, the then British Consul in Siam, Sir Robert Schomburgk, personally inspected the Kra isthmus.

In 1858, there was a recommendation to unite the Bay of Bengal and Siam to the Siamese Government by Captain John Richards. Captain Richards received full permission from King Mongkut to survey the coast of Siam, after which King Mongkut gave his trust to British engineers to dig and build a canal from Ranong to Chumphon even though this was the shortest route of the planned Kra Canal. However, the project was shelved after construction costs got out of hand due to difficulties in cutting through the mountains. In 1863, a team of engineers led by Captain Alexander Fraser and Captain J. G. Furlog from England surveyed the land of Kra. During the time of King Rama V or King Chulalongkorn, he became the first King to travel by ship, and his education abroad opened his knowledge as King to modernize Siam at that time. King Chulalongkorn had a close relationship with the West, especially the British, and was nicknamed the Father of Modern Siam because he changed the mindset of the people which resulted in the abolition of slavery and forced labour. In addition, he also introduced the modern education system of the time and brought new technologies such as telegraph lines and railway lines to Siam.

At the end of the 19th century, Siam under the rule of King Chulalongkorn was able to maintain Siam's independence, making Siam the only kingdom or country not colonized by Westerners in Southeast Asia. The Suez Canal opened in 1869 which facilitated trade from Europe to Asia via the Cape of Good Hope in Africa. King Chulalongkorn's close ties with Europe brought the abandoned idea of the Kra Canal to attention again. King Chulalongkorn fulfilled several requests to bypass the Kra Plain, but none of them went past the designed block despite several feasibility studies proving the viability of the project. To date, however, the realization of the Kra Canal has been limited to ideas and designs that are still being discussed and considered by the Government and the Kingdom of Thailand.

## The Kra Canal in Thailand: Economic or Political Interest?

### *B. Factors that Make the Construction of the Kra Canal*

The construction of the Kra Canal is of interest to many countries to be realized. Because this canal is expected to shorten the waterways between parts of the world. As can be seen in the two main canals that already exist in the world, namely the Panama Canal and the Suez Canal which allow boats to not need to sail around the entire continent, and in the case of the Suez Canal can shorten the distance up to 7,000 Km.

However, if the Kra Canal is built, it is estimated to shorten the distance by only 1,200 km or with 3 (three) days of transit by avoiding Peninsular Malaysia and Singapore. This has led many researchers to weigh the cost of building the Kra Canal against the value of the benefits that will be generated if the canal becomes operational. It is estimated that this construction will cost \$28 billion, plus consider whether the ships that will cross this canal will be willing to pay a high cost just to shorten the shipping time to 3 (three) days.

In addition, the Kra Canal must also be able to accommodate very heavy sea traffic. Because in 2014 alone, 79,000 ships were transiting the Malacca Strait. This number is far greater than the number of ships transiting the Panama Canal, which is around 14,000 ships a year. Geographically, the Kra Canal route crosses mountains that must be cut or excavated, which has been the biggest obstacle in the construction of the Kra Canal for centuries. Political stability and security factors also affect the realization of the canal, as the sovereign territory of the Kingdom of Thailand will potentially have major security issues. Many people assume that the plan to build the canal was done to physically separate the regions from separatist movements with a canal. So, with many challenges and planning done, the construction of the Kra Canal is still far from reality.

### *C. The Impacts of the Kra Canal Development on Thailand and Other Countries.*

If the construction of the Kra Canal, it can be realized, it will certainly have a major impact not only on Thailand itself but also on its closest neighbors in Southeast Asia and other countries that have political-economic interests in the Kra Canal, such as:

**Thailand:** If the Thai government accepts the Kra Canal project as one of its development programs, there will be an increase in Thailand's foreign debt. So, the Thai government will have to reduce its foreign debt first, as well as ensure to repay the debt from lending institutions so that the credit rating in Thailand can be maintained. Moreover, the project is considered to be wasteful and worthless. The Royal Thai Government states that the Kra Canal, it will reduce shipping activity in the Strait of Malacca by about 20% which can reduce the accident rate there. So, with the Kra Canal, Thailand gets a source of foreign exchange for the country from the shipping activity that occurs. The function of the canal is believed to trigger Thailand's potential as the mobilization core of various logistics industries in Southeast Asia. According to development experts, advanced infrastructure can strengthen bilateral and multilateral cooperation among ASEAN countries. In addition, the canal can accelerate rapid growth in the industrial and business sectors.

**Malacca Strait Countries (Singapore, Malaysia, and Indonesia):** Singapore has controlled the shipping lanes in the Malacca Strait for decades. The Malacca Strait is the world's most congested shipping lane with at least 11 million barrels of oil per day travelling through it. This is because the Malacca Strait is the link between Europe and the Asia Pacific. However, with the Kra Canal, Singapore is said to be an adversely affected country as ships no longer need to pass through the Malacca Strait if they want to save traveling time. This certainly has an impact on their GDP. However, if we look at the environmental aspect, the Kra Canal can preserve the nature around the Malacca Strait which was previously affected due to the busy traffic flow in the strait. Indonesia has long wanted to become the world's maritime axis. This is based on Indonesia's strategic geographical location, which is flanked by two continents and two oceans. However, international shipping networks that cross territorial seas connecting countries have often caused competition and conflict. The construction of the Kra Canal is considered a challenge for countries like Indonesia. In terms of the Kra Canal, Indonesia is neither taking risks nor supporting this development. Rather, it seeks to organize resilience in the face of the possibility of temporary chaos due to the modern maritime revolution. Currently, the "sea highway" is one of Indonesia's most intensive development advancements that is expected to connect various key destinations in realizing Indonesia's goal of becoming the world's maritime axis. Regarding the impact of the Kra Canal on Indonesia, the Coordinator of the Indonesian Ministry of Maritime Affairs stated that 90% of Indonesia's local logistics chain still crosses the Makassar Strait, so the Kra Canal will not have a significant impact on the Indonesian economy. The Makassar Strait is commonly used as a logistics route from Japan, China, South Korea, East and West Africa, Europe, and America. Then distributed to other regions in Indonesia. Although Malaysia is not as dependent on the Port industry as Singapore and Indonesia, Malaysia has built up a Port and Shipping industry at Port Klang and Port Tanjung Pelepas. This development was a response to the heavy traffic of the Straits of Malacca Port in Singapore, so Malaysia utilized this opportunity as an alternative Port. However, it can be seen that Thailand's efforts to build the Kra Canal can affect the economies of Malaysia and Singapore because there is a new maritime route that is predicted to be more economical to pass through this route than having to pass through the Strait of Malacca. So, if Malaysia and Singapore feel disadvantaged in this development, then they can file a diplomatic objection to stop the construction of this canal in Thailand. But if the construction continues, then there should be an agreement between the three countries that allows them to share the benefits of the Kra Canal through the concept of "prospering neighbors".

**Other Southeast Asia Countries:** The construction of the Kra Canal by Thailand, will certainly have an impact on changing the

## The Kra Canal in Thailand: Economic or Political Interest?

trade routes in Southeast Asia drastically. The relationship between countries in Indochina is inseparable from the continuous intercommunication and synergy in all sectors. Especially in the shipping sector, if Vietnam wants to do business that requires shipping by sea with Myanmar, at least these two countries must pass through Singapore, Malaysia, and Indonesia which will directly make contact with these countries. But if the Kra Canal is already in operation, then Vietnam or Myanmar does not need to pass through these three countries. So indirectly, the construction of the Kra Canal is one of the Vietnamese government's goals to actively accelerate the establishment of EEZs. This is also in line with Laos, which is currently advancing in the international shipping industry. With the Kra Canal, it is predicted that Laos will also have a positive impact on the international shipping industry.

**People's Republic of China:** The construction of the Kra Canal for China is something that can be utilized because China seeks to build its influence in Southeast Asia and is in line with Beijing's ideals to develop the Maritime Silk Road or One Belt One Road (OBOR). However, the Malacca Strait is still a strategic point for China as a connection point for its imported energy.

The previous discussions discuss the efforts of the Royal Thai government in realizing the construction of the Kra Canal, as well as the impacts that will be felt by countries in Southeast Asia and China. The author looks at these problems using the theories and concepts that the author has discussed previously. The construction of the Kra Canal can be seen as an effort and ambition of the Royal Thai government to be able to dominate the market in Southeast Asia by opening new trade routes. This canal will build new power for Thailand that allows the Royal Thai government to control trade routes in Southeast Asia, so negotiations are needed by related countries to minimize conflict and benefit all parties.

## CONCLUSIONS

Since ancient times, trading ships from the West traveled through the Sunda Strait and Malacca Strait to reach the East or Asia and vice versa. However, due to the rampant piracy in these narrow straits, many sailors avoid this route. So, they chose an alternative route, which is by land along the Kra route. From the very beginning of the idea of building the Kra Canal, King Narai of Ayutthaya Kingdom suggested the excavation of the Kra Canal in 1677. He believed that this would enable an efficient trade route from East to West. However, other evidence suggests that the Kra Canal construction project was first undertaken in 1793 or a century later by King Rama I's younger brother.

In the late 19th century, King Chulalongkorn's close ties with Europe brought the dormant Kra Canal idea to attention again. King Chulalongkorn fulfilled several requests to be able to penetrate the Kra Plain, but none of them went past the designed block despite several feasibility studies proving the viability of the project. To date, however, the realization of the Kra Canal has been limited to ideas and designs that are still being discussed and considered by the Government and the Kingdom of Thailand.

The construction of the Kra Canal is of interest to many countries to be realized. Because this canal is expected to shorten the waterway between parts of the world. However, if the construction of the Kra Canal is built, this canal is estimated to shorten the distance to only 1,200 km or with 3 (three) days of transit by avoiding Peninsular Malaysia and Singapore. This has led many researchers to weigh the cost of building the Kra Canal against the value of the benefits that will be generated if the canal becomes operational. It is estimated that the construction will cost \$28 billion, plus the consideration of whether the ships that will cross the canal will be willing to pay a high cost just to shorten the shipping time to 3 (three) days.

If the construction of the Kra Canal is successfully realized, it will certainly affect international trade and have an impact on the economies of surrounding countries, namely countries in Southeast Asia. Malaysia and Singapore are considered to be negatively affected by the Kra Canal because for many years Singapore has relied on its state income in the port and shipping sector in the Malacca Strait. Indonesia does not feel too disadvantaged by the Kra Canal, because Indonesia relies on the Port of Palembang to become a logistics center from abroad to be distributed within the country.

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## The Kra Canal in Thailand: Economic or Political Interest?

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