

Chinese Angle in India-Myanmar Relations

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Abstract: Myanmar is strategically important to India as it is the only country in Association of South East Asian Nations that shares border with India. Myanmar can act as a golden bridge between India and ASEAN. Myanmar is India's golden gateway and it could be the required impetus to realize India's Act East Policy. India needs to improve its connectivity and relationship with both Myanmar and Thailand if AEP has to be a success for India. China has asserted itself through its trade and economic relations with Myanmar by taking up large infrastructure projects in the country. India's policy of Cooperation in different multilateral forums such as ASEAN and BIMSTEC strengthen the relationship between the two countries. This research paper analyse the importance of India-Myanmar relations and China's influence in Myanmar in present scenario.

Keywords: Act East Policy, BIMSTEC, ASEAN, North Eastern Region

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I. INTRODUCTION

Myanmar occupies an important geographic location in Southeast Asia. Myanmar represents the 2nd largest landmass in Association of South East Asian Nations. Geo-strategically, Myanmar is located at the tri junction of South Asia, East Asia and Southeast Asia, which serves a golden land bridge between India and prospering economies in the East Asia and Southeast Asia. Myanmar covers an area of 676,578 square km and has population of 55 million (2013). Myanmar shares its international border with India (1643 km) and Bangladesh (193 km) in the west, with China (2185 km) in north, with Thailand (1800 km) and Laos (235 km) in the east. It has a substantial coastline (1930 km) along the Bay of Bengal and the Andaman Sea, which provides Myanmar an access to the Indian Ocean. It also occupies a critical geo-strategic position which often perceived to be a buffer state between the two Asian giants – India and China, who share a complicated relationship, with elements of cooperation and competition in their engagements, especially in the Asian region.¹

Historical Background

India and Myanmar were under the British colonial rule. The Myanmar leaders were associated with Indian leaders during the struggle for national independence. After the end of the third Anglo-Myanmar War in 1886, the British integrated the entire Myanmar territory within the British Indian Empire and ruled the Myanmar province directly from Kolkata and from Delhi. Myanmar was formally separated from the British India in April 1937. India got independence from the British rule in 1947 while Myanmar got its independence in 1948. The Prime Ministers of these newly independent countries were quite close to each other and developed a friendship that led to the development of good India-Myanmar relations. During 1948-1962, India-Myanmar relations were cordial and friendly. It was a phase of unique importance. As newly independent states, they cooperated bilaterally on various issues but keeping in view of each other's national interests. The role of Indian immigrants in Myanmar needs special mention in the evaluation of the India-Myanmar relations as they had been playing significant role in Myanmar in the economic, political and social life of Myanmar since the times of the British rule. The factors such as geography, Diaspora, economic development, political tradition, domestic milieu and foreign policy of both the countries play significant role in their relations.

During 1948-1962, friendly relations between Myanmar and India served the interests of both countries. However, the relations took a sharp turn and began to congeal after Ne Win staged military coup on 2 March 1962 which led to the removal of Prime Minister U Nu and abrogation of the 1947 constitution. The military junta then followed an isolationist policy in the world affairs that lasted for almost three decades. Martial law was applied in the whole of Myanmar in the next three decades. The military junta announced and adopted an economic policy known as the "Myanmar Way to Socialism" in April 1964. Under this economic policy, political and economic conditions of Myanmar became more and more deteriorated. Political freedom was totally suppressed and economic conditions became a disaster. The deportation of the people of Indian origin who were brought to Myanmar mainly for administrative and business purposes by the then ruling British authority also caused restraint in the relations. In 1988, a regime change took place in which military junta in the name of State Law and Order Restoration Council (SLORC) took control of state power. General Ne Win's one party rule came to an end in 1988 in the wake of student's uprising which was soon suppressed. State Law and Order Restoration Council (SLORC) came in the existence and organized a national level election in 1990. This election raised National League for Democracy (NLD) the main opposition party after winning a decisive victory, the military junta refused to hand

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over power even key opposition leader and Daw Aung Suu Kyi had been set under house arrest. In 2011, the military junta was dissolved following a general election in 2010 and Thein Sein was sworn in as president of new civilian government in Myanmar. After the adoption of constructive engagement, the India-Myanmar relations started becoming friendly and cordial again. The changing regional and international relations brought convergence in their interests.

The North Eastern Region

The North Eastern tip of India consisting of contiguous seven states- Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim which constitutes a unique narrow passageway, connecting the Indian subcontinent to Southeast Asia and East Asia and acts as a crucial corridor for human migration and development between these areas. In terms of geographical size, Northeast India constitute about 8% of the total India's size, Northeast India's population (including Sikkim) is approximately 44 million (2011 census). The Siliguri Corridor in West Bengal connects the NER with the main part of India. Northeast India is one of the most panoramic and strategic landscape of India. The significance of this region has only grown over the years with its land linkages to Southeast Asia.

The Northeast has been in focus for decades for its enormous potential - rich resources, industrialisation, and power generation certainly with greater focus from a security perspective in response to developments along India's northern borders in recent decades.² India's LEP in its present form got initiated during 1990-91. It was only in 2008 that Northeast India appeared in related policy formulation with the launch of NER Vision Document 2020.³ It has become an important focal point which is a solid domain in orchestrating India's LEP. There are ample possibilities for Northeast India to reap benefits from India's thriving relations with South East Asia as the process of globalisation provides the countries with the opportunities to grapple with cross-market accessibility and enabling them alleviate their poverty and economic backwardness. The ecstatic beauty of India's Northeast serves as an attractive tourist spot and its infrastructure is a hub of immense business potential. Consequently, the Northeast has emerged as a dominant region in India's geo-economic and geopolitical calculus. Northeast is located in the cusp of Bangladesh, China and Myanmar. India has to tackle insurgency in the Northeast whose activities have had an adverse effect on development in the country. Porous border with Myanmar is attributed as contributing towards the insurgency problems in India's Northeast. As the long International boundary between India and Myanmar formally demarcated on 10 March 1967 and most part of it is unfenced. The agreement between the two countries remains an artificial line dividing tribes such as the Singphos, Nagas, Kukis, Mizos etc. These tribes however, continue to maintain strong linkages with their kin across the international divide. To maintain their age old ties, a unique arrangement called the Free Movement Regime (FMR) is in place, which permits the tribes residing along the border to travel 16 km across the boundary without visa restrictions, which has become serious problem for both the countries as Kachin Independent Army (KIA), Chin National Front (CNF) National Socialist Council of Nagaland-Khaplang (NSCN-K), National Socialist Council of Nagaland-Isak-Muviah (NSCN-IM) and United Liberation Front of Assam (ULFA) like groups have been known to have cross-border linkages in providing shelters.⁴ Four of India's politically-sensitive North-eastern states, Arunachal Pradesh (520 km), Nagaland (215 km), Manipur (398 km) and Mizoram (510 km), share international border. On the other side, Kachin, Chin states and Sagaing region of Myanmar share land border with India.⁵ These parts have been facing insurgency-related problems. Due to their ethnic connections, insurgent groups from the northeast of India not only receive shelter in Myanmar but also have operational bases.⁶ Myanmar is being a part of the Golden Triangle including Thailand, Cambodia and Laos, though, the border region has been the theatre of criminal activities such as smuggling and illegal trade in narcotics, fake currency and sources of arms supplies which have caused serious problems to India's security. India shares the strategic waters of Bay of Bengal including the strategically important area of Andaman and Nicobar Island where the two closest Andaman and Myanmar's Coco islands are barely 30 kilometres apart. This geographical proximity between the two countries translated into long-standing trade relations across land borders and the sea route.

Strategic and Economic Importance of Myanmar

Geographically, Myanmar is an immediate neighbour of vital importance for defence and internal security needs, stability and development in the North Eastern Region and expansion of India influence in the Bay of Bengal area and Southeast Asia. Myanmar has been considered an important transit route to Southeast Asia and the only country in Association of Southeast Asian Nations (ASEAN) with which India shares a 1643 km long land border and a substantial coastline of 1930 km wide open on the Andaman Sea and the Bay of Bengal posing strategic challenge to India's eastern frontier. Hence, the country has to be accorded a special position in her foreign policy. The Northeast will have to come to terms with Myanmar, if it were to benefit from India's AEP.

In the British colonial period, Myanmar was the world's largest rice exporter and has potential to move up again in the world's top choices. The tourism potential is highly estimated and offers the prospect of tens of thousands of jobs in the service sector. Myanmar has abundant natural resources including land, water, forest, coal, mineral and marine resources, natural gas and petroleum.⁷ Its wealth is not limited to natural gas and oil below the offshore seabed. The maritime economic

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zone of the country offers an enormous wealth of fish and seafood. In Myanmar, approximately 32% of the population lives in poverty and it is the poorest country in Southeast Asia with a gross domestic product (GDP) of US\$ 90.93 billion (2012).⁸ However, the country's enormous potential stands itself one of the richest countries of ASEAN. Myanmar is primarily an agricultural economy which is highly dependent on rice cultivation, which contributes for nearly 60% of the nation's export earnings. Myanmar is an economically underdeveloped nation as its economic resources are untapped and some even unexplored. The US and EU sanctions and often self imposed periods of isolation have dealt a blow to the people of Myanmar. The country's unsuccessful economic policies and repression at the hands of the military junta, coupled with periodic economic embargoes have made Myanmar a prototype for the ill effects of military subjugation and isolation. The internal unrest in both the region of India as well as Myanmar, has affected border trade and connectivity between the two countries. India signed a border trade agreement in 1994 to open up two trading points along the India-Myanmar border. In an effort to promote the agreement, in 2008 India-Myanmar upgraded bilateral trade relations from Border Trade to Normal Trade, with only two border trade points with Myanmar, at Moreh-Tamu and Zowkhatar-Rhi, and another proposed at Avakhung-Pansat/Somrai.⁹

The Trilateral Highway among India, Myanmar and Thailand will boost trade, especially between Southeast Asia and our own North Eastern states. It will also facilitate the movement of people, thereby increasing small business trades, skills-building exchanges and pilgrimages. A project with greater potential for India-Myanmar connectivity is the Kaladan Multi-modal Transit Transport Project, which includes rail and port development. India signed a Bilateral Investment Promotion Agreement (BIPA) and Double Tax Avoidance Agreement (DTAA) with Myanmar in 2008. Both countries are signatories to the India-ASEAN Trade in Goods Agreement of August 2009, which will help them to achieve their bilateral goals of increasing trade from the current \$2 billion to \$3 billion by 2015. India signed a MOU in May 2012, during the Prime Minister's visit to Myanmar, to extend a line of credit of \$500 million to the government of Myanmar, to be used for infrastructure development projects of the state in agriculture, rail transportation and electric power. As Myanmar is primarily an agricultural economy, the governments have sought greater partnership in developing this sector through initiatives like the Advanced Centre for Agricultural Research and Education.¹⁰

The crucial factor that makes India and Myanmar relations critically important is its strategic geographical location. The Indian north-eastern states of Arunachal Pradesh, Nagaland, Manipur and Mizoram are geographically inclined to Myanmar; India shares the strategic waters of Bay of Bengal- the Andaman and Nicobar islands. It gives India a geographical contiguity with the Asia-Pacific region acting as a gateway for India into ASEAN and Southeast Asian politics and; also provides India a transit route to southern China. Based on these geographical proximities, India's interests in Myanmar through Northeast are also pragmatically calculated as:

1. Economic:

- 1.1 India's connectivity to ASEAN region, which provides greater access to market and trade across borders.
- 1.2 Economic and Infrastructural development of NER.
- 1.3 The bridge for India's 'Act East Policy'.
- 1.4 An important energy resource base and transportation via Kaladan multi-modal project through Sittwe port.
- 1.5 To promote regional integration through BCIM and BIMSTEC forum.

2. Strategic:

- 2.1. India sees Myanmar as an active player in suppressing the minority insurgents in Northeast India.
- 2.2. Counter China's growing influence in Myanmar, especially through Mekong Ganga cooperation, where China acts as upper riparian state against both neighbours.
- 2.3. A significant barrier to the Chinese presence in Indian Ocean.
- 2.4. Checking insurgency along porous borders, thus ushering stability in Northeast.

Myanmar as a Gateway to ASEAN

Myanmar is second golden gateway (after Northeast) to ASEAN for India as it is the only country of this group which has a land and maritime boundary with India. With a becoming full dialogue partner of ASEAN since 1995, improved relations with Myanmar will be beneficial in many respects. Myanmar and India are also members of similar sub regional group such as the BIMSTEC and MGC. These groups are to create an enabling environment for rapid economic development, accelerate social progress in the sub-region and promote active collaboration and mutual assistance on matters of common interests.

Myanmar is India's link to Southeast Asia, and thus a crucial component of its LEP. The NER because of its favourable geographic location cradled by the Himalayas in the north, Bay of Bengal in the south and flanked by Asian countries- Nepal, Bhutan, China, Myanmar and Bangladesh which acts as a bridge to Southeast Asia.¹¹ The Northeast India unfortunately is not free from many evils and is often thwarted by gruesome happenings retarding the pace of development. The LEP is being embarked upon with the presupposition that the improving trade ties between India and ASEAN will certainly elevate the Northeast out of the menace of insurgency, poverty and

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economic backwardness. The LEP is expected to usher in a new era of development for the Northeast through network of pipelines, connectivity, communication and trade.¹²

The ASEAN-India vision document 2020 and India-ASEAN car rally was a notable initiative undertaken by the Indian government to emphasise on the geographic proximity between Northeast India and Southeast Asia. Moreover, India has undertaken some bilateral and multilateral projects for boosting connectivity between the Northeast and Southeast Asia. The important ongoing and potential infrastructure projects in this regard are Moreh-Tamu-Kalewa Road, India-Myanmar-Thailand Trilateral Highway, Trans Asian Highway, India-Myanmar rail linkages, Kaladan Multimodal project, the Stilwell road, Myanmar-India-Bangladesh gas or oil pipeline, Tamanthi Hydro-electricity project and optical fibre network between Northeast India and Southeast Asia.¹³ But certain obstacles like lack of infrastructural development, absence of enthusiastic response from local people, frequent insurgencies, poor governance in the states, the easy availability of arms and weapons from across the international border to be utilised in armed movements and criminal activities impede increased relations between Northeast India and South East Asia. Moreover, the geographic location of the North-Eastern region makes it more vulnerable to be the core of hostility with massive negative outcomes. There are enough avenues through which Northeast India can be related to Southeast Asia. Racial, linguistic and cultural similarity prevails among the people of Northeast India and those of Southeast Asia. If the concerned governments really strive to translate their policies into reality their collaborative endeavours would invariably revive age old cultural and historical bonds.

With the economic rise of China and India, Asia has become the cardinal point of global geopolitical change. In the process of redistribution of spheres of influence between China and the United States, Southeast Asia is a key role. Myanmar's long coastline on the Gulf of Bengal provides control of the eastern Indian Ocean. Here major transport routes are located for oil from Africa and the Middle East to China, Japan and South Korea.¹⁴ In contemporary era, physical connectivity is of utmost importance as it channelizes the means to accelerate the movement of goods, people and services and thereby acts as a gateway to reviving economic enterprise. Advanced communication and interaction would foster trade, commerce and tourism prospects in the entire NER. But because of the existing hurdles the people of North East Region are quite apprehensive about the developmental strategies and consider it as mere rhetoric. The people of the Northeast should not feel ostracised from the mainstream one and simultaneously need to be convinced of the genuine concern of the government about the overall betterment and security of the region. The development of the region is a stepping stone towards the success of the policy. For utmost achievement India and ASEAN should be steadily oriented towards their innovative measures with the adequate knowledge of their common interests and gains. India should devote its potential to utilise the available resources in the Northeast in their best possible way. The existing opportunities and the challenges are to be assessed and grappled skilfully. Northeast India and Southeast Asia must grasp the skill of understanding each other proficiencies, should pay tribute to each other potential and must reveal greater endurance towards each other drawbacks. Cooperative endeavours based on mutual trust and confidence will lead to enduring development and proper accomplishment of the Policy.

China's Strategic Position in Myanmar

Myanmar is a bridge connecting South Asia, South East Asia and East Asia. It has two rising powers as neighbours, China to the North east sharing 2171 kilometres long border while India to the northwest sharing 1643 kilometres long border. Its long coastline with good harbours also makes it an important player in the Bay of Bengal. This strategic location makes it an important neighbour for both the countries. Since the early 1990s, the SLORC began to increase its dependence on China. Consequently, Myanmar has become over dependence on China behaving like a client state of China. In such situation India needs to counter China in Myanmar. Such influence has become main threat to India. In order to implement, India needs to promote better relations with Myanmar. Since the early 1990s, the 'third generation' of Chinese leaders have planned to seek greater Chinese power and influence in Asia and consequently a place in the new world order for the People's Republic of China. This led them to implement a realist and pragmatic policy towards its neighbours.

Myanmar's policies towards the neighbouring countries and the region are mainly the outcome of its search for security. The main concerns are the need of the survival of the military regime as well as the security of the state too. Myanmar's efforts can be interpreted to maintain the balance of power in the region and avoid the emergence of any regional hegemony in the region. However; Myanmar occupies an important place in China's grand strategy. Geoeconomic and geostrategic interests play crucial role in framing Chinese policies towards Myanmar. Myanmar has, with vast resources and a sizeable population, the potential to play a larger role in the regional security environment. But due to its strategic importance to China and the current nature of relationship with China, Myanmar is unlikely to play its potential role freely and independently from Beijing.

China is ahead of India in influencing Myanmar. In fact, China's ties with Myanmar are much stronger and deeper in all aspects-political, economic, strategic and military as compared to India. China has been providing many opportunities in Myanmar. China provides aid for various projects and also invests a huge amount of money in various infrastructure projects, especially in transportation like the construction of the road from Kunming in southern China region to Mandalay in central Myanmar, exploration of natural gas and oil etc. since 1989, China has been the most important supplier of military aid to Myanmar. China has supplied Myanmar with jet fighters, naval vessels, armoured vehicles and trained army, navy and air force personals. It is estimated that China alone supplied about 90% of the military transportations to Myanmar. The nature of such relations between China-Myanmar is making difficult for India to create good relations with Myanmar. India feels that China's strategic move to Myanmar is a security threat to India. In fact, one of the major factors that led to shift in India's policy towards Myanmar was its security concern.

India perceives China as a threat to its own economic, political and military interests. China has developed much deeper economic, strategic and military partnership with Pakistan, Bangladesh and Myanmar. Due to such relations, India fears being encircled by China and its allies Pakistan, Bangladesh and Myanmar in the region. India's indifference to Myanmar for many years created a vacuum for China to easily step in and exploit the situation for strategic reasons. Myanmar provides China an easy access to the Bay of Bengal and the Andaman Sea which is a cause of concern for India's security. Myanmar provides China the best short cut to the Indian Ocean. The 1991 and 1992 Sino-Myanmar agreements were rumoured to have included clauses allowing China to establish signal intelligence (SIGINT) listening facilities on great Coco Island in the Andaman Sea and at several other locations, along Myanmar's coast which would allow the PLA to monitor Indian military activities. Myanmar officials have always denied the existence of such facility. The Bay of Bengal is very important to China from the economic perspective too. China is an energy hungry country and in near future its energy need is going to increase tremendously. Through Myanmar, China will be able to control the Bay of Bengal and this will provide an alternative route to

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transport its much needed energy to its southern region. China's dominance in Myanmar is therefore a threat to maritime interests of India in the Indian Ocean. Thus, improvement and revival of India-Myanmar relations is extremely needed in order to counter the challenges of "rising China". Economic sanctions and policy of isolation of Myanmar by Western countries have provided good opportunity to China to promote good relations with Myanmar. China supported Myanmar in international for a particularly in human rights issue. China has always reiterated that the democracy question is Myanmar's internal affair and the outer world should not interfere in it.

China helps Myanmar in financial sector too. The Exim Bank of China provide soft loan to Myanmar. Many business sectors are also under the control under of China. The main business from Mykyine to Mandalay and Yangon are under the Chinese control. The Chinese immigrants in Myanmar are also increasing day by day. Most of the properties in north Myanmar region are under the control of Chinese. The Chinese get the larger share of the increasing economic benefits arising from the economic relations between them. The local people of Myanmar have felt the threat posed by this new development as they are losing opportunity in their own country. Chinese threat is, therefore, increasing day by day among the local people. The local people of Myanmar are aware of this Chinese threat and as such they have shown some kind of unwillingness to cooperate with Chinese. The military rulers have began to feel the need to reduce dependence on China and to cultivate relationships with other countries to mitigate China's leverage. The suspension of Myitsone dam sponsored by China is one of the examples to escape from Chinese threat and control. This situation has provided India an alternative way to develop better relations with Myanmar to counterbalance China. India needs to take advantages of this situation.

Chinese Presence in India and Myanmar Relations

As already stated, Myanmar is of great strategic significance to both India and China. China's increasing presence and its role in Myanmar is an issue of worry for India. In the early years of the military regime, India pushed hard that a democratic system should be established in Myanmar. Meanwhile, China has become an increasingly attractive source of low-interest loans, grants, development projects, technical assistance to Myanmar. India has already realized that the main beneficiary of strained India-Myanmar relations was China, whether for access to all important hydrocarbon energy sources and transport corridors. China is investing heavily in infrastructure, mining projects, hydropower dams and oil-gas pipelines to help southern China's growing energy needs and gaining greater access to the Indian Ocean through Myanmar. China is Myanmar's biggest investor with some US\$14.251 billion spanning 65 projects as of June 2014. Bilateral trade between the two countries stood at US\$6.619 billion in 2013, making up 28.4 percent of Myanmar's total foreign trade value. In the fiscal year 2013-14, over 60 percent of Myanmar's total border trade (over US\$3 billion) poured in from China via Muse, making it the highest border trade transaction between the two countries.¹⁵ The China-funded Kyaukphyu port project with road link and gas and oil pipelines to Yunnan in China is likely to be completed in 2015. This would provide China a direct strategic access to the Indian Ocean by passing the choke point at Malacca Strait.¹⁶ Its natural presence in the Coco Island of Myanmar is in the name to ensure the security of piracy affected Strait of Malacca through which its oil carrying tankers pass is also a cause of worry for India.¹⁷

II. CONCLUSION

Myanmar is an important key for India to reach out Southeast Asia, and thus a crucial component of its 'LEP' now also called 'Act East' by the current government. The new Act East Policy must begin with NER. Over the past two decades successive governments have made assiduous efforts to reach out to Myanmar, realizing its strategic and economic importance, especially in the context of India's regional ties. Effective trade and transportation links between India and Myanmar can improve market size for potential investments.

Recently India - Myanmar Service (IMS) Container service was launched at Chennai, to link South & East India to Myanmar. This service has actively been promoted by the Government of India in line with the enhanced trade relationship with Myanmar. This service will boost bilateral trade relations between India and Myanmar by providing immense opportunities for manufacturers, importers & exporters in these countries.¹⁸ The launch of the India-Myanmar Service was a direct offshoot of Government's 'LEP' by using northern Myanmar to reach in to Mizoram and other North Eastern States using Sittwe port in Myanmar, on Bay of Bengal, situated at the mouth of the Kaladan River.

India has perhaps found its wings as far as building bilateral and multilateral alliances with most ASEAN member states in the commerce, cultural and defence sectors. However, the policies are not yet on firm footing with its immediate neighbour i.e Myanmar. Still, there is ample scope to develop India's economic and other ties with Myanmar. While India has been helping Myanmar build institutional capacity and develop areas such as information technology, this often gets overshadowed by assistance from other countries – especially China, with cumulative foreign direct investment in Myanmar reaching \$14 billion in June 2014. Chinese trade with Myanmar was \$6 billion in 2013, while India-Myanmar trade was touching \$2 billion, yet it is nowhere near China's investment.

Apart from its strategic and economic importance, Myanmar is also important to India because it is a member of the Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperative (BIMSTEC), along with Bangladesh, Bhutan, Sri Lanka, Thailand and Nepal. Northeast India can develop, prosper and eventually overcome its troubles by engaging eastern foreign neighbours. Especially with the recent agreement on the Bangladesh, China, India, Myanmar (BCIM) economic corridor blueprint, India can access markets in China's west and southwest, through the North eastern borders.

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