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# Anand Sharma sets the target of doubling trade with Myanmar by 2015

Press Release from Ministry of Commerce and Industry

27 Sep 2011, New Delhi: The Union Minister of Commerce, Industry and Textiles Shri Anand Sharma has set the target of doubling the existing US\$1.5 billion trade between India and Myanmar by 2015. Chairing the 4th meeting of Joint Trade Commission along with Mr U Win Myint, Union Minister of Commerce, Myanmar, Shri Sharma said “I propose that we work towards doubling of bilateral trade by 2015. We also need to work towards broad-basing our trade basket. .... Let us encourage businesses of both sides need to be encouraged to utilize Duty Free Tariff Preference Scheme and ASEAN FTA channels to diversify trade.”

Shri Sharma said construction of the Kaladan Multimodal Transit Transport Project comprising of a waterway component and a roadway component by 2013 will completely transform the trade between North East India and the rest of the world. Cost of the project is US\$ 120 million. The Project envisages a direct trade corridor between Indian Ports on the eastern seaboard and Sittwe Port in Myanmar and then through riverine transport and by road to Mizoram, thereby providing an alternate route for transport of goods to North-East India. The two countries recognized the need to start collaborating to build a Land Customs Station at India-Myanmar Border (at Mizoram) to facilitate the movement of vehicles and goods entering and leaving Mizoram state.

On the issue of border trade it was noted that the border trade point at Moreh, on Indian side, and Tamu, on Myanmar side, is stabilising and has immense potential for normal trade. Shri Sharma invited his counterpart to inaugurate the second border trade point at Zowkhatar(Mizoram) that will connect to Rhi in Myanmar. Both the Ministers stressed the need for working on two additional border trade points – Pangsau Pass (in Arunachal Pradesh) and Avangkhung (in Nagaland). India and Myanmar have also expanded the list of items for border trade from 22 to 40.

Shri Sharma also informed India’s assistance for capacity building in agricultural research and improving the seed variety in Myanmar.

India is keen to participate in the gas sector of Myanmar. Indian companies have shown interest in setting up of gas based units, invest in LNG infrastructure, etc. The Indian Minister pushed for Indian participation in allocation of gas blocks in Myanmar. Myanmar side showed strong support for the proposal.

One third of India’s imports in pulses and one-fifth of India’s imports of timber are from Myanmar. With the implementation of India-ASEAN FTA and the Duty Free Tariff Preference Scheme, Shri Sharma expressed the confidence that India can become one of the leading trade partners of Myanmar. Currently, two items – pulses and wood products accounted for 97.5% of Myanmar’s total exports to India. Similarly, buffalo meat and pharmaceuticals accounted for 45% of India’s total exports to Myanmar.

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# India ramps up ties with Myanmar, Thailand

Jyoti Malhotra, Business Standard

New Delhi Jan 31, 2012: The road from Moreh, a town on the Manipur-Myanmar border, to Imphal was used by the Japanese army in 1944 to come right inside the heart of British India's north-east, even challenging the might of the empire.

For decades thereafter, the Imphal-Moreh road as well as other border roads in Arunachal Pradesh and Nagaland were pretty much left to their own fate, as India deliberately ignored the development of border infrastructure, fearful of easing an enemy's passage inside the country once it had broken through the frontier.

But as India revamps its mindset on border areas and begins to look at neighbouring states — such as Myanmar and Bangladesh — as part of a contiguous hinterland that must also participate in India's economic growth, the first glimmer of a shift in South-East Asia's balance of power is becoming slowly apparent.

Take the stream of visitors making their way to Delhi recently, in the run-up to India's commemoration in December 2012 of its "Look-East policy" and its 20-year-old partnership with the Association of South-East Asian Nations (Asean).

Vietnamese president Truong Tan Sang's official visit last October was quickly followed by Myanmar president Thein Sein, also in October. Last week, just as Thai Prime Minister Yingluck Shinawatra, 44, arrived in the capital to attend the Republic Day parade, the first woman head of government in several decades, Myanmar foreign minister Maung Lwin was departing Delhi's shores.

Interestingly, 2010's chief guest at the Republic Day ceremonies was South Korean president Lee Myung-bak, while last year's chief guest was Indonesian president Susilo Yudhoyono, the latter a key member of Asean.

Yingluck, whose closeness to her brother and former Thai prime minister Thaksin Shinawatra is an open secret, is a businesswoman, as well as married to one. She is expected to follow in Thaksin's footsteps, which is to promote a CEO-like approach to governance, even though Thaksin, still a billionaire, remains in exile in London and Dubai.

That school of thought clearly struck a chord in Delhi last week, through the official dialogue as well as at her meeting with the industry associations. Annual India-Thailand trade currently touches \$7.5 billion, but with Yingluck proposing greater Thai investment in India — in the hotel industry, in the food-and-vegetable cold chain — chances are that both countries will double their target by 2015.

Still, it was Yingluck's offer to India to invest in an Italian-Thai joint venture that is seeking to build a world-class port and attendant infrastructure in the Dawei special industrial zone on Myanmar's south-western coast, that has stirred the tea leaves in the region.

Dawei's geographical location — on the isthmus that separates the Andaman Sea from the Gulf of Thailand — is so compelling that it has the potential to completely transform India's relationship with Asean as well as East Asia.

Both Chennai and Kolkata are just across the Bay of Bengal, and both countries are already talking in terms of ramping up connectivity across this large lake by introducing ferries to Yangon, as well as Dawei.

As Myanmar emerges from its self-imposed isolation and reaches out to the world, and the world returns the compliment, Dawei could soon become a major stop on the maps of merchant ships.

US Secretary of State Hillary Clinton's recent visit to Yangon and her announcement that the US would soon revoke sanctions on Myanmar (this is expected to happen once democratic leader Aung San Suu Kyi participates in the April elections) is both a reaffirmation of the democratic spirit in Myanmar — as well as the US return to challenging China's rising power in Asia.

In Clinton's wake, from Pakistan to France, the world is beating a path to Myanmar's door. Pakistani president Asif Ali Zardari has been the most recent visitor, but dignitaries from France, UK and Australia have travelled both to its interior capital, Naypydaw, as well as paid obeisance to Suu Kyi in Yangon. Interestingly, Myanmar's parliamentary speaker, Shwe Mann, told his Indian counterpart, Lok Sabha Speaker, Meira Kumar, as well as Indian officials during his visit here in December, that "India's model of inclusiveness was a model for Myanmar."

Myanmar's foreign minister, Maung Lwin, reiterated the message last week, giving Prime Minister Manmohan Singh a detailed account of Myanmar's "planned and orderly commitment to reform," both economic and political. Agreements with several dissident ethnic groups have been reached, he said, and discussions with those holding out, such as the Kachins, remain on the cards.

India's trade and economic figures with Myanmar, at \$1.25 billion, are low, especially when compared to Myanmar's trade relationship with China, touching \$4 billion. Myanmar exports natural resources, such as timber, and agricultural products such as kidney beans or 'rajma', to India, while India exports machinery, industrial equipment, pharmaceuticals and consumer goods.

Nevertheless, Delhi remains heartened by the fact that only days before Thein Sein came to India last October — he began his visit by paying his respects to Buddha's shrine in Bodh Gaya — the Myanmarese cancelled a \$3.6-billion dam that China was building in their country.

Thailand's proximity means it is a natural player in Myanmar. Besides the Dawei investment, the Chinese news agency Xinhua reported last week quoting the New Light of Myanmar, four foreign companies were forming a joint venture with three domestic companies to run a special economic zone in Patheingyi, in the Ayeyawady region, also in south-western Myanmar. Two of the four foreign companies are from Thailand, one from Hong Kong and the fourth from Indonesia.

Indian officials point out that strategic interest in Myanmar, as well as in the greater Asean region, can only be complemented by "greater Indian business interest. Indian companies should take advantage of the fact that India refused to kowtow to US pressure and withdraw from Myanmar. Now as Myanmar opens up, they have to be first off the mark," one official told Business Standard.

Essar and ONGC Videsh are making money from their 20 per cent stake in an oil block off the Rakhine coast, officials point out, while a detailed project report on building a 1,200-Mw project on the Chhindwin river is almost ready.

Officials say they hope the private sector will make use of India's \$500-million credit announced during Thein Sein's visit to improve ties with Myanmar.

Delhi's intention to expand its presence in the region is at last showing on the ground. Finally, 132 km of a beautiful, road from Moreh, the Manipuri border town, and across the border to Mandalay, as well as the last 165-km stretch to Mandalay has been built.

With the Thais also building their share of the stretch from Myanmar, the trilateral highway between India, Myanmar and Thailand could soon put India's neglected north-east in the heart of Asean's action.

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