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India, Thailand and the Burma Connection

BY SASIWAN CHINGCHIT

Burma's ongoing democratic and economic transition has created an unprecedented opportunity for India and Thailand to cooperate and strengthen economic links between South and Southeast Asia. It was therefore no coincidence that the Indian government invited Ms. Yingluck Shinawatra, Thailand's prime minister, to be the chief guest at the country's annual Republic Day parade on January 26. Even more symbolic was that the Thai premier's visit to New Delhi overlapped with that of Burma's foreign minister, Mr. Wanna Maung Lwin, who came to discuss progress on economic and security relations and extended an invitation to India's Prime Minister Manmohan Singh to visit his country.

Sasiwan Chingchit, former Research Scholar at Jawaharlal Nehru University, explains that India and Thailand both look to the democratic and economic opening of Burma as giving "a much-needed boost to the connectivity and economic integration between South and Southeast Asia."

After lukewarm India-Thailand diplomatic relations until the end of the Cold War, followed by progressive economic re-engagement since 1991, the window of opportunity created by Shinawatra's visit is notable, and should not be overlooked. India's "Look East" and Thailand's "Look West" policies were created in 1992 and 1996 respectively, but it is Burma's recent opening that has now created an unprecedented opportunity for closer India-Thailand bilateral relations and coordination. India and Thailand both feel vindicated by their past engagement strategies towards Burma, as both states persistently refused to jump on the bandwagon of Western sanctions against the military junta. This is now paying off as Burma opens up to new foreign investments.

This new "Burma opportunity" for both countries is anchored in a robust bilateral relationship developed over the last ten years, including seven Thai prime ministerial visits to New Delhi, reciprocated by three Indian prime minister trips to Bangkok. Economic relations have blossomed and Thailand's "Look West" policy has focused upon engagement with India. India's large middle class is seen as an important market for Thai goods and official reports repeatedly mention the figure of 300 million Indian consumers.

Thailand, in 2003, was the first ASEAN nation to secure a bilateral framework agreement for free trade with India, resulting in immediate benefits for Bangkok as 82 goods were put on a fast track towards total tariff elimination under an Early Harvest Scheme. Despite appreciation of the Thai baht, bilateral trade in goods has surged to \$7 billion in 2011 and is expected to reach \$14 billion by 2014. From a trade deficit with India averaging \$200 million in the early 2000s, Thailand now enjoys a trade surplus estimated at around \$1 billion. On the security front, and partly as a result of sharing a maritime boundary in the Andaman Sea, there has been increased naval cooperation between the two countries, including regular joint exercises and patrols, and a new defense dialogue was established in 2011.

New Delhi and Bangkok also interact through ASEAN—where India is a dialogue partner—the East Asia Forum, and the Asia Cooperation Dialogue. In addition, both are founding members of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC, established in 1997) and the Mekong-Ganga



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Cooperation (established in 2000). In these latter two organizations Burma is also a member, but China is not.

As China's influence rises in Asia, India and Thailand are rebalancing their traditional geopolitical orientations, and New Delhi and Bangkok are now also looking at each other with renewed focus. For India, attention is increasingly centered upon East and Southeast Asia, a rising China, the United States' Indo-Pacific pivot, access to new energy resources, consumer markets and investment opportunities. Yingluck Shinawatra was the third consecutive East or Southeast Asian chief guest at India's Republic Day since 2010.

For Thailand, India is seen not only as a rising power one has to be friends with, but also as a civilization that has greatly influenced Thailand's own culture. While only mildly worried by an increasingly large trade deficit with China, Thailand has not forgotten the historical lessons of aligning too closely with American interests, and thus seeks to diversify its relations with other great powers of the region.

This robust relationship now allows New Delhi and Bangkok to look at the democratic and economic opening of Burma as a unique opportunity to cooperate at even higher levels, and in third countries. One of the highlights of the India-Thailand joint statement includes a plan for both countries to cooperate in energy exploration and joint development of transportation and shipping infrastructure in third countries; Burma being the most immediate priority.

One case study under consideration is the mega-project for a deep-sea port and industrial zone at Dawei, in Southern Burma, which is located only 350km from Bangkok. This port facility has the potential to offer another strategic corridor to link South India to Thailand and beyond to other Southeast Asian economies. This maritime connection will be a less costly, more direct and safer method to transport goods than through the insurgency-ridden hinterland of Northeast India and Burma. At the same time, it offers an attractive alternative to the increasingly congested Malacca Strait.

The Burmese government's decision to award the contract to Italian Thai Development (ITD), Thailand's major infrastructure company, saved it from making a difficult decision between India and China, both of which had expressed interest. Bangkok has already committed public funds to the project, but still requires massive investments from foreign sources to execute the undertaking. A representative of ITD was included in Shinawatra's business delegation to New Delhi, and the prime minister made an explicit appeal for India to join the project, which would open an important East-West corridor in Asia.

There are also other opportunities for Indian and Thai interests to revive the historical trade routes that once linked South and Southeast Asia. As a part of its "Look East" policy, India has pursued the idea of transforming its seven landlocked Northeastern states into an economic platform and gateway for Southeast Asia. Thailand has also expressed interest in investment opportunities in the hydroelectric sector of India's Northeast, and has been persistently lobbying for New Delhi to accept a wider free trade agreement so as to allow greater penetration of Thai exports.

Finally, the Delhi-Bangkok stretch of the Asian Highway project, first conceived by the United Nations over fifty years ago, now has a chance to become reality. Both countries have invested in transportation links to their main border points with Burma, including the Indian road from Tamu to Kalaymyo-Kalewa, and the Mae Sot highway on the Thai side. To complete the missing link in Burma, New Delhi and Bangkok have expressed interest in supporting the much-needed construction and renovation of its road and rail infrastructure. This would also include the India-Burma-Thailand Trilateral Highway, resulting in increased interregional trade, and give a much-needed boost to the connectivity and economic integration between South and Southeast Asia.