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India-Myanmar Ties: New Hope, Old Despair

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India's Prime Minister Narendra Modi made his maiden visit to Myanmar from 12 to 14 November 2014. During his visit he attended meetings of the East Asia Summit (EAS) and the India-ASEAN Summit in Myanmar's capital, Nay Pyi Taw. He also held bilateral meetings with several leaders of the Association of Southeast Asian Nations as well as the Prime Ministers of China and Russia. He met Myanmar's President Thein Sein, the focus of their discussion centred on improving neighbourly connectivity between their countries. The two leaders also discussed the idea of setting up industrial parks along the proposed India-Myanmar-Thailand trilateral highway, beside the possibility of India investing in special economic zones in Myanmar. Modi met Myanmar's opposition leader Aung San Suu Kyi as well. This was the first stop of a 10-day three-nation tour which saw him attend the G20 Summit in Australia and make a brief visit to Fiji.

Since the new Indian government under Modi took office in New Delhi, External Affairs Minister Sushma Swaraj paid a visit to Myanmar in August 2014. She attended the ASEAN Foreign Ministers' Meeting and had also met her counterpart U Wunna Maung Lwin and

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President Thein Sein. During her visit she had raised the issue of the insurgent outfits banned in India setting up bases in Myanmar, besides discussing New Delhi's concerns regarding the displaced Rohingya Muslims as well as connectivity projects. The possibility of a direct flight from Delhi-Bodhgaya to Yangon² was discussed, too.

Recent Initiatives

Earlier this year, in May, India and Myanmar signed a Memorandum of Understanding (MoU) on Border Cooperation. The MoU provides a framework for security cooperation and exchange of information between the Indian and Myanmar security agencies. A key provision is that of conducting coordinated patrols on their respective sides of the international border and the maritime boundary by the armed forces of the two countries. Both sides further agreed to take steps to prevent illegal cross-border activities besides exchanging information in the fight against insurgency, arms smuggling and drug- human- and wildlife-trafficking.³

In September, India decided to import 100,000 tonnes of rice from Myanmar to prevent a shortfall in food stock in Manipur and Mizoram which will be cut off for six months due to construction work on the railway line connecting these two northeast states to other parts of the country. This is the first time in almost three decades the country will import rice via road.⁴ Despite some difficulties, the first consignments of rice entered Aizawl (Mizoram) in the last week of October through the Rih-Zokhawthar border.⁵

Also in September, India's Minister for Road Transport, Highways and Shipping Nitin Gadkari announced plans for a ferry service between India and Myanmar which was expected to commence shortly. The proposed ferry will facilitate cargo- and passenger-movement

² 'Sushma Swaraj discusses trade, insurgency with Myanmar', *Indian Express*, 12 August 2014, <http://indianexpress.com/article/india/india-others/swaraj-discusses-trade-insurgency-with-myanmar/>. Accessed on 14 November 2014.

³ India and Myanmar sign Memorandum of Understanding on Border Cooperation, Ministry of External Affairs Media Centre, 10 May 2014, <http://www.mea.gov.in/press-releases.htm?dtl/23315/India+and+Myanmar+sign+Memorandum+of+Understanding+on+Border+Cooperati+on>. Accessed on 14 November 2014.

⁴ 'India to import 1 Lakh Tonne rice from Myanmar', *The Hindu*, 5 September 2014, <http://www.thehindu.com/business/Economy/india-to-import-1-lakh-tonne-rice-from-myanmar/article6383687.ece>. Accessed on 14 November 2014.

⁵ 'First consignments of rice enter Aizawl Godowns; FCI plans to import from Myanmar remains in limbo', *Indian Express*, 30 October 2014, <http://indianexpress.com/article/india/india-others/first-consignments-of-rice-enter-aizawl-godowns-fci-plans-to-import-from-myanmar-remains-in-limbo/>. Accessed on 14 November 2014.

between the two countries through Chennai and Yangon (Myanmar). At the time of the announcement, state-run Shipping Corporation of India was to deploy a 1,200 TEU (twenty feet equivalent unit) vessel, which will connect the ports of Colombo, Chennai, Krishnapatnam and Yangon.⁶

Old Issues Persist

The relationship between the two neighbouring countries which has been described as fluctuating between “friendship, neglect and outright hostility”,⁷ has suffered from indifference and neglect from both sides for many years. While pointing out that Myanmar was the only immediate neighbour whose president was not invited to Modi’s swearing-in ceremony, a commentator had noted as follows: “This fact is made all the more glaring because the omission of an invite seems to go against the new government’s desire to cultivate more substantial relations with its neighbors.....the lack of an invite for Myanmar’s President Thein Sein was not a mistake or a deliberate omission, but simply something that was on nobody’s mind. Politicians and the media in both countries did not seem to expect that Myanmar would even be invited, as evidenced by the fact that the media in neither country made an issue out of Myanmar’s non-invite”.⁸

Modi’s decisive victory was however seen positively in Myanmar with the expectation that India would build on its engagement which had been perceived as being limited in extent and slow in pace. Even as countries from the West as well as Southeast and East Asia have increased investments in Myanmar, capital flows from India into that country lag. The forays by Indian companies have been described as “window shopping”, where according to a Myanmar Minister, “many Indian Companies are coming here, but not much investment is coming to our country from there, compared to that from Japan, South Korea, etc. If you are coming here with money, you have to take time to understand the situation here. Indian

⁶ ‘India-Myanmar ferry service to start next month: Nitin Gadkari’, *Indian Express*, 15 September 2014, <http://indianexpress.com/article/india/india-others/india-myanmar-ferry-service-to-start-next-month-nitin-gadkari/>. Accessed on 14 November 2014,.

⁷ ‘Can China and India Coexist in Myanmar?’, *The Huffington Post*, 21 February 2014. http://www.huffingtonpost.com/giorgio-cafiero/can-china-and-india-coexi_b_4824140.html. Accessed on 14 November 2014.

⁸ ‘Why Was Myanmar’s President Not Invited to Modi’s Swearing-In Ceremony?’, *The Diplomat*, 3 June 2014, <http://thediplomat.com/2014/06/why-was-myanmars-president-not-invited-to-modis-swearing-in-ceremony/>. Accessed on 14 November 2014.

businessmen understand our culture, our sensitivities and our tradition. But they are not coming as much as we expected".⁹

Currently, Indian investments in Myanmar stand at about US\$273.5 million; this is expected to soar to US\$2.6 billion in the next few years. By comparison, China has invested about US\$14 billion, Japan US\$3.5 billion and Vietnam US\$550 million.

Inevitably, India's engagement and its performance tend to get compared with China, where the latter is seen as a country that is dynamic and the former as chaotic. Despite the increasing resentment against Chinese presence, particularly in the economic realm in Myanmar, there is a sense of awe and aspiration with which the growth of China is portrayed. Whereas Chinese goods and brands dot the marketplace in Myanmar, Indian brands are yet to make their presence felt.

The recent spate of high-level visits from India has partly been occasioned by Myanmar's position as chair of ASEAN. Given that the two countries have strong economic and strategic interests, the bilateral momentum that is picking up needs to be sustained. While it takes two to tango, one takes the lead. India, given its size and resources, will continue to be expected to take the lead.

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⁹ 'Myanmar unhappy with India's 'window shopping' attitude', Business Standard, 27 August 2014, http://www.business-standard.com/article/economy-policy/myanmar-unhappy-with-india-s-window-shopping-attitude-114082700022_1.html. Accessed on 14 November 2014.