



Indian Prime Minister's Visit to Myanmar (5-7 September 2017): Outcome and Issues of Concern in Bilateral Relations

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Prime Minister of India paid a state visit to Myanmar from 5th to 7th September 2017 and it was his first bilateral visit to the country. The visit was helpful in reviewing the existing political, economic and cultural relations between Myanmar and India, progress of development cooperation and India's ongoing and future investments. In this context the view point will touch upon few aspects of bilateral visit such as Memorandum of Understanding (MOUs) signed, areas agreed upon for cooperation, scope for implementation and the issues of concern in implementation that have to be addressed in order to broaden and enhance bilateral cooperation between India and Myanmar.

Importance of the visit

The visit took place at a time when the Myanmar is going through a process of democratisation, reconciliation and economic transformation. The National league for Democracy (NLD) which came to power in March 2016, after replacing the military rule of more than six decades, instilled hope for change in governance. The mandate given by the people in general elections to NLD at the national and regional level was an indication that the people of the country clearly wanted a government that can bring in much needed transparency and stability as well as economic opportunities to all, setting aside ethnic and religious bias.

To fulfil the election promises the government came out with its economic policy plan in July- August 2016. The economic policy 'underscored the need to achieve inclusive and continuous growth as well as to follow people centred approach'. The economic framework, the government of Myanmar 'is hopeful will support the national reconciliation process and achieve balanced economic growth across regions'.¹ Some of the economic policies, the government proposed in this regard were: transparent and effective public finance management, development of economic infrastructure such as electricity generation, roads, ports; privatisation of state owned enterprises, which have the scope for reform and formulation of policies that can increase

foreign investment. Apart from economic reforms the government also embarked upon the national reconciliation and peace process. The Panglong Peace Conference was initiated by the government to find a solution to the ethnic issue. The second peace conference which was held in May 2017 brought together representatives of the government, military, parliamentarians, ethnic armed organisations who signed the National Ceasefire Agreement (NCA), as well as those ethnic organisations who had not signed the NCA. As far as foreign policy of the state is concerned, the government position is that it will adhere to the principle of “independent, active and non-aligned foreign policy”.

After the formation of NLD government, high level visits and interaction at various forums helped in cementing bilateral relations. For example, India’s External Affairs Minister visited Myanmar on 22 August 2016, Indian Prime Minister Mr. Narendra Modi met the State Counsellor of Myanmar on the sidelines of 14th India-ASEAN Summit and 11th East Asia Summit on 8 Sept 2016 in Vientiane and Myanmar President U Htin Kyaw undertook a State Visit to India from August 27-30, 2016. This is the background in which the first bilateral visit took place and both the countries are interested in enhancing cooperation at various levels for mutual benefit. The issues touched upon in the joint statement indicate that there is significant scope for enhancing bilateral cooperation covering various sectors.

Outcome of the visit

List of MoUs/Agreements Signed

Eleven Memorandum of Understanding (MoUs)/Agreements were signed between India and Myanmar during the visit. These include MoU on maritime security Cooperation; cultural exchange programme; up gradation of the women’s police training centre at Yameth in Myanmar; sharing of white shipping information; coastal surveillance system; medical products regulation; cooperation in the field of health and medicine; establishment of Myanmar Institute of Information Technology (MIIT); establishment of India-Myanmar Centre for Enhancement of IT-Skill; MoU in the field of elections and cooperation between the press of both countries’.²

Areas agreed upon for cooperation

The forty point ***Joint Statement***, which was issued during the visit, provides a overview of engagement between India and Myanmar and where both the countries stand on issues of importance at bilateral, sub regional and regional level such as terrorism, insurgency, connectivity, energy efficiency, cultural cooperation and trade and investment. According to the Joint Statement “ongoing official exchanges, economic, trade and cultural ties, as well as people-to-people exchanges reflect the harmony between Myanmar’s independent, active and non-aligned foreign policy and India’s pragmatic Act East and Neighbourhood First Policies”.³ So far, India’s development cooperation i.e the grant-in-aid assistance to Myanmar worth US\$1726 million covers connectivity projects, health and education. Some of these projects include “support for the Kaladan Multimodal Transit Transport Project; the Trilateral Highway Project connecting Northeast with Myanmar and Thailand; the Rhi-Tiddim road; supply of Bailey bridges; assistance for border area development in the Naga Self Administered Zone by financing bridges, roads, schools and small health centres; assistance in setting up institutions for higher learning

and research, namely Myanmar Institute of Information Technology, Advance Centre for Agricultural Research and Education, , India-Myanmar Industrial Training Centres, assistance in public health by supporting up gradation of Yangon Children's Hospital, Sittwe General Hospital".⁴

Peace and reconciliation, terrorism and insurgency in border areas took prominence during the visit and the statement revealed the convergence of views on these aspects as well as on the steps which have to be taken to address these issues by India and Myanmar. India supported 'the peace and national reconciliation efforts undertaken by the Myanmar government and stated that ensuring peace and stability in Myanmar is one of the highest priorities of government of India'.⁵

While recognising that terrorism is one of the significant threats facing the region, both the countries reiterated their commitment to fight against not only terrorists and terror organisations but also States that are encouraging and financing terrorists and terror groups. Fight against State sponsored terrorism was one of the issues mentioned in Goa BIMSTEC Outreach Summit held in 2016 as well. Both India and Myanmar are part of the BIMSTEC grouping. In this context Myanmar strongly condemned the terrorist attack on Amarnath Yatra in India and India condemned the recent terrorists' attack in Northern Rakhine State. Both the leaders called for the 'expeditious finalisation and adoption of a Comprehensive Convention on International Terrorism by the United Nations General Assembly'⁶. Both the leaders also agreed to the principle that the respective territories will not be used by insurgent groups to undertake hostile acts.

Regarding ***defence and security cooperation*** the joint statement mentioned that India and Myanmar cooperation 'has been streamlined through various high-level visits and signing of MoU on border cooperation, training of Air Force and Naval Staff'.⁷

Social and economic development, infrastructure and human resource capacity development are other priority sectors mentioned in the statement and India has been active in providing technical and financial assistance to various projects in this regard. While recognising that the 'situation in Rakhine state has a developmental and security dimension, India offered assistance under the Rakhine State Development Programme (RSDP) to cover education, health, agriculture and community development among others'.⁸

Enhancing connectivity between South and South East Asia has been an important dimension which the statement touched upon. The BIMSTEC and ASEAN forum meetings have been stressing on this aspect, which can have a positive impact on increasing trade, tourism and investment. At the bilateral level official visits which took place between India and Myanmar emphasised on increasing connectivity between the two countries. For example, during the visit of Myanmar President to India in August 2016, progress of Kaladan Multi Modal Transit and Transport project was discussed which is a fully funded grant-in-aid project of India. The Joint statement 'stated that substantial progress has been made in relation to this project with the completion of work at Sittwe Port and the Paletwa Inland Water Transport Terminal'.⁹ Some of

the other important connectivity projects undertaken by India are the reconstruction of bridges on the Tamu-Kyigone-Kalewa Road and on the Kalewa-Yargyi sector of the Trilateral Highway.

Capacity building has been an important component of development cooperation extended by India to Myanmar and the Joint Statement elaborated on various capacity building programmes in Myanmar for judicial officers, military personnel, police as well as Myanmar civil servants. Myanmar Institute of Information Technology (MIIT) and the India-Myanmar Centre for Enhancement of IT Skills are few examples of cooperation in capacity building. In the field of **health** 'India has supported the up gradation of Yangon Children's Hospital and Sitwee General Hospital and construction of Monywa General Hospital'¹⁰.

Greater integration of **power and energy supply networks** between the two countries is another area touched upon during the visit. The energy requirement of Myanmar is huge and the country is looking for cooperation with other countries to increase its energy efficiency. India is interested in the energy sector both in exploration and production and Myanmar government has welcomed the Indian participation in this sector. An 'Agreement was reached between Numaligarh Refinery of India and Parami Energy Group of Myanmar on supply of diesel to Myanmar across the land border, to provide cheaper and reliable access to petroleum products for Northern Myanmar'. India also offered to conduct a solar radiation resource assessment in Myanmar and Energy Efficiency Services Ltd of India had undertaken technology demonstration to introduce LED-based energy efficient lightening in key townships identified by Myanmar. The soon to be signed MoU on establishment of the BIMSTEC Grid Interconnection, as mentioned in the recent meeting of the fifteenth BIMSTEC Ministerial meeting that was held in Nepal, Kathmandu on 10-11 August 2017 will provide impetus to energy cooperation between the two countries.

Recognising that there is a lot of scope for improving **bilateral trade and investment** between Myanmar and India, both the countries decided to address the issue of trade barriers. Myanmar State Counsellor Ms. Suu Kyi 'expressed grave concern during the visit and asked the Prime Minister of India to lift all restrictions on imports from Myanmar in wake of quantitative restrictions imposed by India on various categories of pulses'. In 2015-16, the total trade between India and Myanmar stood at US\$ 2052.47 million. In this 'India's exports amounted to US \$1068.20 and India's imports from Myanmar stood at US\$ 984.27 million'¹¹. India's major imports from Myanmar include 'pulses and beans, wood and articles, fish, meat and other edible items. India's major exports to Myanmar include sugars, pharmaceuticals and electrical machinery and equipment and iron and steel'.¹²

Both the countries finalised an Agreement on **border crossing** which can help in enhancing people to people contacts, free movement and promote bilateral trade and tourism. In 2015-16 the total border trade between India and Myanmar was US\$ 71.64 million. In relation to border management, there remains the issue of border settlement between India and Myanmar. There are unresolved Boundary Pillars (BP) along the India-Myanmar Border in Manipur sector. And 'regular interactions are held between the two countries through various mechanisms such as Foreign Office Consultations and National Level meetings (NLM)¹³. India-Myanmar Joint

Boundary Working Group is still to be constituted as proposed in the first meeting of the India-Myanmar Joint Consultative Commission (JCC) held in 2015.

Establishment of mutually agreed procedures for **rehabilitation of victims of human trafficking** was one of the aspects touched upon during the visit. As a good will gesture the Government of India granted special pardon to forty Myanmar nationals imprisoned in India for various crimes.

Enhancement of cultural relations is another aspect mentioned in bilateral statement. Improving cultural ties and people to people contact between India and Myanmar (as many reports suggest) will boost economy of North-East as well as investments in the region. Both the countries are yet to exploit the cultural and economic linkages that exist for centuries. More awareness regarding cultural affinity between the two countries has to be promoted through media and other platforms which can boost tourism and in turn the trade. Realisation of this by both the governments is a positive development. The Archaeological Survey of India is involved in conservation and restoration of 92 ancient pagodas in Bagan. Both the 'countries have signed the Cultural Exchange Programme (CEP) for the period 2017-20 which is expected to promote cultural exchanges between the northern states of India and the bordering areas of Myanmar'¹⁴.

Another important element in bilateral cooperation is the assistance provided by India in **humanitarian and relief operations** to Myanmar. Few examples are the help provided by India in recent years to deal with natural calamities such as earth quake and Cyclones Mora (2017), Komen (2015) and Cyclone Nargis in 2008.

While acknowledging the importance of **regional and sub-regional cooperation** initiatives both sides agreed to deepen regional cooperation to maximise the benefits of cooperation that is agreed upon particularly in trade, transport and energy. Myanmar and India are part of BIMSTEC grouping and Mekong Ganga cooperation and active ASEAN grouping has provided a platform to address issues at regional level. Myanmar has been an active supporter of India's efforts to become the permanent member of an expanded and reformed UN Security Council.

Issues of concern in implementation of agreed areas of cooperation

Various challenges exist in bilateral cooperation between the two countries such as internal developments in Myanmar having implications for peace and stability in the region, Myanmar Government's handling of the situation, insurgency in border areas, slow progress in implementing projects that are agreed upon in various sectors and the role of external actors. These are discussed below.

Internal developments in Myanmar and Rakhine State Issue

Over the last one and half years the developments that took place in Myanmar indicate that the path to democracy is saddled with conflicting expectations of various ethnic groups, government and the military on national reconciliation, on political and economic reforms. For example government initiated Panglong Peace Conference, is expected to find a solution to ethnic problem

and build a “union based on democracy, federalism, national equality and self-determination”.¹⁵ The Ethnic Armed Organisations (EAOs) that signed the NCA in October 2015 participated in the Conference.¹⁶ The main challenge for the government is to make the EAOs which have not signed the NCA such as Kachin Independence Organisation/Army (KIO)/(KIA), Ta’ang National Liberation Army (TNLA), Arakan Army (AA), Myanmar National Democratic Alliance Army (MNDAA) and Lahu Democratic Union (LDU) and the ‘United Wa State Army (UWSA). These organisations objected to the government initiated peace process on the ground that the NCA should be replaced with more justified ceasefire agreement and called for cessation of military offenses’.¹⁷

The talks are on between the government and the non NCA groups, as well as among EAOs to sort out differences, on peace plan and national reconciliation mechanisms proposed by the government. For example, in August 2017 meeting between the United Nationalities Federal Council’s (UNFC)¹⁸, the Delegation for Political Negotiation (DPN) held a meeting with the Peace Commission of the government. At the meeting, both sides agreed to establish a federal democratic union based on the principles of freedom, equality, justice based on the spirit of the original Panglong Agreement and amendment of the current constitution based on the results of the political dialogue incorporated into the Union Accord¹⁹. However, ‘both sides could not reach an agreement on issues such as; ceasefire monitoring, a military code of conduct, demarcation, and troop relocation²⁰. Another ‘issue in discussions was the international community’s role in monitoring the ceasefire and the ceasefire announcement’.²¹ Apart from dialogue between government and the EAOs, the ongoing dialogue among the EAOs is in process to have a common stand on NCA. For instance, the UNFC and the Federal Political Negotiation and Consultative Committee (FPNCC)²² held a meeting in Thailand on 11-12 September 2017 and leaders acknowledged the need to work out a common stand on government’s NCA²³.

Rakhine State Stability

Another internal issue which is having an impact on peace process and on overall stability of Myanmar is the Rohingya Muslim community issue in Rakhine State of Myanmar. Recently the State has witnessed violence and mass migration of Rohingya’s to Bangladesh after the Myanmar military stepped up its attack against the Arakan Rohingya Salvation Army (ARSA) in the last week of August. The ‘ARSA on 25th August attacked security personnel in Maungtau, Buthidaung and Yathedaung Townships in Rakhine State that resulted in killing of twelve personnel and according to the government, in a counter attack by Myanmar military, around 77 ARSA cadre were killed²⁴. On 27th August the ARSA was declared as a terrorist group by the government.

According to media reports and the United Nations, the continuous military operations against the ARSA led to killing of over 1000 persons mostly civilians belonging to Rohingya Muslim community and led to migration of more than 400,000 persons to neighbouring Bangladesh. The rights groups stated that, Myanmar military was involved in burning buildings in the area to drive away the people²⁵. Bangladesh is already hosting nearly 350,000 Rohingya refugees in the country and the count reached more than 800,000 after the late August influx. The UN condemned the government of Myanmar for the situation and said that the situation in Myanmar is a “textbook example of ethnic cleansing”.²⁶ Bangladesh ‘passed a unanimous motion

in Parliament asking the government of Myanmar to take back Rohingyas to Myanmar'.²⁷ The Prime Minister in this context said that, 'she would raise the issue at the UN General Assembly and also called for UN intervention. Most of the Rohingya community is living in Cox Bazar of Bangladesh bordering Myanmar. Rohingyas were systematically denied citizenship under the military junta rule and often referred in Myanmar as Bengalis and are 'seen as illegal immigrants'.²⁸

India's response to Rakhine issue

The bilateral visit of Indian Prime Minister to Myanmar took place when the Myanmar government faced international criticisms and condemnation against the military operations in Rakhine State. Apart from neighbouring Bangladesh and the UN, many countries such as US, UK, Sweden, Germany, Maldives, Malaysia and Turkey among others had criticised the Government of Myanmar particularly the State Councillor Ms. Suu Kyi for long silence on the issue and for allowing Military operations in the State, despite the reports of widespread systematic attacks on Rohingya Muslim community. Maldives severed all trade ties with Myanmar on the issue. On 20th September 2017, Suu Kyi addressed the nation on the issues and said that, "her country does not fear the scrutiny of the international community and condemns all human rights violation and unlawful violence. We are committed to the restoration of peace, stability and rule of law throughout the state."

Amidst this background India issued various statements on the issue. India-Myanmar joint statement issued on 6th September 2017 had "condemned the terrorist attacks in Northern Rakhine State, wherein several members of the Myanmar security forces lost their lives". At a joint press statement the Prime Minister said that 'a solution based on respect for peace, communal harmony, justice, dignity and democratic values should be found'. However, at the world Parliamentary Forum in Bali in Indonesia, all the South Asian states barring India supported the statement that called for 'restoration of stability, security, maximum self-restraint from using violent means, respect the human rights of all in Rakhine State regardless of their faith and ethnicity'.²⁹ India took the position that it will deport 40,000 Rohingya Muslim immigrants staying in the country as they are illegal immigrants. The case is in the court as petition was filed against the government's move to deport. The issue 'became a political issue in North-Eastern states of India, which share a 1600 km long border with Myanmar'.³⁰ The North-East Democratic Alliance (NEDA) had asked the Central Government of India to seal the border to stop illegal immigration. The government of India 'considered the presence of Rohingyas as a burden on the limited resources and can aggravate the security situation'³¹. According to reports, Myanmar in the past refused to accept the Rohingyas as its citizens.

Amidst this background, India on 9th September 2017 came out with a press release that affirmed that, "India remains deeply concerned about the situation in Rakhine State in Myanmar and the outflow of refugees from that region"³². According to media reports, 'Bangladesh High Commissioner to India, Mr. Syed Muazzem Ali met the Indian Foreign Secretary Dr. Jai Shankar to persuade India to exert pressure on Myanmar to stop the military attacks and take back Rohingya Muslims'³³. The position taken by India was criticised by UNHRC. Mr. Zeid Ra'ad Al Hussein, United Nations High Commissioner for Human Rights said in his opening statement at

the 36th Session of UNHRC said that ‘he deplored the measures taken by India to deport Rohingyas’ at a time of such violence against them in their country and cannot carry out collective expulsions, or return people to a place where they risk torture or other serious violations³⁴. In response to the UNHRC position, India said that, “it is concerned about illegal migrants, in particular, with the possibility that they could pose security challenges. Enforcing the laws should not be mistaken for lack of compassion”³⁵.

The above developments indicate that, the Rakhine issue has become a difficult issue to solve and can impact on regional cooperation. India, Bangladesh and Myanmar are part of BIMSTEC and India considers Myanmar a gateway to South East Asia and an important partner for implementation of its “Act East Policy”. There seems to be an understanding by India that the issue poses a security threat to the region as a whole, particularly to the North-Eastern part of India. For Bangladesh it is a pressing economic and humanitarian issue as well as a bilateral problem. For Myanmar, Rohingya issue is a security issue and an issue of religion. The community was denied citizenship for long. In this context India’s position that Rohingyas residing in India will have to be deported was seen as unwelcome move by some of the rights organisations, as they are facing a threat to life. In this context, how the Indian government will handle the issue taking into account the security, humanitarian and specific expectations of Myanmar and Bangladesh Governments is the question? Whether India will wait for the issue to settle in Myanmar before deporting; consider other options such as putting proper screening mechanisms in place to identify the terror links; consider it as a humanitarian problem and treat them on par with other refugees residing in India are some of the solutions or options which will come up in handling the issue of Rohingya’s in India.

In this context, it is evident that, expectations of Myanmar and Bangladesh of how India can help to deal with the situation vary. India had sent 53 tonnes of relief materials to Bangladesh on 14th September and pledged all help to Dhaka in tackling the humanitarian crisis and promised further help. During the visit of India’s External Affairs Minister Ms. Sushma Swaraj to Dhaka on 22 October 2017, she reiterated India’s position that it is “deeply concerned at the spate of violence in Rakhine State of Myanmar” and called for ‘implementation of the recommendations contained in the Kofi Annan Commission report to ensure peace in Rakhine state’³⁶. Bangladesh position has been that, ‘it wants the Myanmar to take back Rohingyas; create “safe Zone” for Rohingya’s under UN supervision and also asked the government of Myanmar to implement the Kofi Annan report recommendations in totality’.³⁷ Myanmar took a position that it will take back Rohingyas after ‘thorough verification and is willing to start the verification process based on the experience of such a process in 1993 through the establishment of a joint working group for implementation of repatriation process’.³⁸ In this context how India-Bangladesh and Myanmar are going to handle the issue can impact bilateral relations as well as regional cooperation. The Rakhine Rohingya issue coupled with insurgency in Myanmar is going to impact the national reconciliation process in the future. This might impact the stability, which is needed to improve trade and investment and connectivity between India and Myanmar along the borders.

Insurgency in border areas

Dealing with insurgency in border areas of India-Myanmar has been a thorny issue in bilateral relations. The insurgent group along the border such as National Socialist Council of Nagaland (Khaplang) NSCN (K) was banned by India for five years in 2016. Targeted attacks by 'the NSCN (K) on border military posts continues to occur as military operations are carried out against the militants. For example, according to reports one militant was killed in the operation in September first week of 2017³⁹. India's North-Eastern States Arunachal Pradesh, Manipur, Nagaland and Mizoram bordering Myanmar have considerable presence of insurgent groups. Some of these groups include United Liberation Front of Assam (ULFA), National Democratic Front of Boroland (NDFB), People's Liberation Army (PLA)/Revolutionary People's Front (RPF), United National Liberation Front (UNLF), Manipur People's Liberation Front (MPLF) and People's Revolutionary Party of Kangleipak(PREPAK) and Garo National Army (GNLA) of Meghalaya⁴⁰. These groups maintain close linkages with the insurgents groups along the border in Myanmar such as KIA, UWSA and others.

In the past India and Myanmar had conducted joint military operations against the militants/insurgents which helped in containing the militant activity to some extent. However, ethnic, religious and cultural linkages continue to be exploited for insurgent activity and for taking shelter. Drug smuggling, illegal arms supply, human trafficking and extortion continue to take place and this is a much serious concern in bilateral relations. Therefore stability in border areas is prime necessity to improve trade and connectivity.

There are constrains in implementation of social and economic development projects. For example, the RSDP programme which the Myanmar government has proposed to implement in Rakhine State is intended to lift the population out of poverty in the poorest state of Myanmar. Protracted conflict involving Rakhine Buddhists and Muslim Rohingya community have resulted in displacement of Muslim community and 120,000 IDPs live in camps. The report of Advisory Commission on Rakhine, headed by Mr. Kofi Annan, stated that the state is facing development crisis, human rights crisis as well as security crisis and Muslims in Rakhine State are one of the single largest stateless community in the world".⁴¹ Therefore, improving standards of education, providing health facilities and development of agriculture through bilateral cooperation can improve the situation in future. India with its expertise in this field can boost the development in the state. At the same time, the development aspect is closely linked to the stability of the state which can be addressed through the pro-active role that the government of Myanmar can play in addressing the citizenship issue of Rohingya's as well as rehabilitation.

Progress in implementation of connectivity projects and initiatives taken in the past have been slow which is evident from the slow progress on Kaladan Multi Model Transit and Transport Project. According to the Ministry of Development of Northern Eastern Region, Government of India, the project has four components. The table below provides the information on project components.

	Stretch	Mode	Transport
(a)	Kolkata to Sittwe port in Myanmar	Shipping	539 km
(b)	Sittwe to Paletwa (River Kaladan)	Inland Water Transport (IWT)	158 km
(c)	Paletwa to Indo-Myanmar (in Myanmar)	Road	110 km
(d)	Border to NH.54 (Lawngtlai)	Road	100 km

Source: Ministry of Development of Northern Eastern Region⁴²



Source: Hindu Businessline, Kaladan Multimodal Transit Transport Project Map

The port in Sittwe in Myanmar is still to be completed due to delay in handing over of land at Sittwe & Paletwa, custom clearances & other approvals by Govt. of Myanmar. The time schedule given for the completion of the project was 2014. Another important trilateral project linking South and South East Asia is the under construction 1400 km India-Myanmar-Thailand trilateral highway.

In 2015, the first meeting of the India-Myanmar Joint Consultative Commission (JCC) took place and the meeting identified the need to start a direct Imphal-Mandalay Bus Service. The bus service which was launched in 2015 December did not continue as planned after the trail run. As for air connectivity the government of India is trying to extend the UDDAN project to all the

BIMSTEC countries. If the plan materialises as proposed, it can boost air connectivity between Myanmar and India.

The main **challenge in improving trade** between the two countries is to diversify India's trade and investment with Myanmar. Currently 'India's trade with Myanmar is dominated by Agriculture, particularly supply of beans and pulses and in 2016-17 India imported US \$ 809million'⁴³. At present, India is the tenth largest investor with an approved investment of US\$ 740.64 million by 25 Indian companies (as of 30Jun 2017). Most of India's investments have been in the oil & gas sector⁴⁴.

As far as the **issue of rehabilitation of victims of human trafficking** is concerned, conflict prone States and regions of Burma have been a source of human trafficking for years. Various reports suggest the involvement of military officials, civilian officials as well as EAOs in human trafficking. According to the US Department of State report on Human Trafficking in Burma (2016), 'estimated 100,000 persons displaced by conflict in Kachin and Northern Shan States and the estimated 120,000 displaced persons in Rakhine State are at increased risk of trafficking including forced labour by state authorities.'⁴⁵ Persons also include children. These states are bordering India's North-Eastern States. Various news paper reports suggests that underdeveloped north-eastern region of India is vulnerable to human trafficking. For instance, in September 2017 as many as fourteen girls from Manipur were rescued from Yangon by Myanmar authorities and 'human traffickers were arrested'⁴⁶. In 2014, India and Myanmar signed an MoU on Border Cooperation, which provided a framework for security cooperation and exchange of information between Indian and Myanmar security agencies to act 'against insurgency, arms smuggling and drug, human and wildlife trafficking'.⁴⁷ Therefore establishment of mutually agreed procedures for rehabilitation of victims of human trafficking may help to further enhance cooperation on the issue.

Another issue of concern is the **role of external actors in Myanmar** and how the government of Myanmar is going to deal with the various external actors having considerable presence in the country and those external actors' which are interested to improve relations with the country under the new democratic setup led by NLD. China is an important neighbour to Myanmar and the history of relations between the two countries indicate that during the Military Junta rule, Myanmar became heavily dependent on China and the former President of Myanmar Mr. Thein Sen, tried to overcome the dependency on China by suspending China invested projects such as US \$ 3.6 billion Myitsone hydropower project in Kachin state. The present government is trying to renegotiate the project as it requires electricity and looking for investment. Presently, 'only around 35% of Myanmar has access to power'. The NLD government is keen to enhance its relations with China based on its requirements.

The Myanmar Government extended support to China's Belt and Road Initiative and the State Counsellor attended the meeting held in Beijing on 14-15 May 2017. The initiative by China is endorsed by Myanmar which aims 'to connect European and Asian countries by combining road and maritime trade routes'.⁴⁸ The leaders have signed during the Forum MoU on Cooperation within the Framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative. Another important aspect is the 'debt Myanmar owes to China which is around US \$ 4

billion nearly half of Myanmar's international debt which is US \$ 9.6 billion'.⁴⁹ In this context Myanmar will try to enhance the relationship at the same time will try to look for avenues for investment and political and economic support that can reduce the dependence on China. China's role in funding insurgency (UWSA, KIA among others) along the border is also an issue, as various reports suggests and Myanmar will try to balance the stability at the border through continuous engagement with China at various levels.

Another external actor which is keen to engage with the new government in Myanmar is the US. In October 2016, the US administration lifted two decades of economic sanctions on Myanmar, following democratic elections and formation of government led by Suu Kyi in 2015. The decision provides an opportunity for more investments and trade. Importantly it lifted the targeted sanctions on individuals and companies associated with the former military junta. Even though the decision was criticised, Suu Kyi supported the move saying, "we think that the time has now come to remove all the sanctions that hurt us economically, because our country is in a position to open up to those who are interested in taking part in our economic enterprises".⁵⁰ Lifting of sanctions provided an opportunity for the US, to improve economic ties with Myanmar. For example, according to Myanmar Statistical Information Service, total trade with the US increased considerably to US \$ 635.2 million from US \$ 196.90 million in 2015/16 in 2016/17 (April-Feb). This is where China would like to watch and ensure that its interests are protected through cooperation with Myanmar and Myanmar's support to Belt and Road Initiative of China, is an opportunity to advance its economic interests in the region. In this context how Myanmar would balance the interests of both the powers by following an independent foreign policy as mentioned in the joint statement remains to be seen.

Conclusion

The issues mentioned in the bilateral statement during the visit of Indian Prime Minister indicate that both the countries are willing to enhance cooperation on developmental, economic and security challenges and there seems to be an understanding between India and Myanmar to deal with these issues through mutual cooperation. Overall India has been an important regional and bilateral development partner for Myanmar, which the country acknowledges and appreciates. However, India and Myanmar relations might be affected by domestic issues in Myanmar in terms of the positions India will take on domestic developments in the country such as Rohingya issue as well as insurgency in border areas and what Myanmar expects out of bilateral cooperation.

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Disclaimer: The views expressed are that of the Researcher and not of the Council.

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