Sapru House Paper

Building the Connectivity to Southeast Asia: The India-Myanmar-Thailand Trilateral Highway

Abstract

The paper is a study on India's efforts to build and enhance its connectivity with its immediate neighbourhood, primarily Southeast Asia, due to geographical proximity. The significance of the connectivity routes dating back to ancient millennia, used for the free flow of people, trade, and culture, has been rediscovered and given an impetus through the Look East policy and the Act East policy. The paper highlights the growing relations between India and the Association of Southeast Asian Nations countries over the last few decades, which necessitates the need for a robust network of connectivity. The India-Myanmar-Thailand Trilateral Highway, which is re-building this ancient connect with Southeast Asia through Myanmar, is fundamental for India's growing outreach, would be the major theme of the paper. The paper highlights some of the key projects under the trilateral highway which offers opportunity for broader connectivity between India and Southeast Asia. The paper also highlights the positive externalities for the North East of India, which is the gateway into Southeast Asia, as a result of these connectivity projects.

Keywords: *India, Myanmar, Thailand, North East Region, Connectivity, Trilateral Highway*

Introduction

The Southeast Asian region-from India's continental landmass to its maritime space- includes some of the emerging global powers and presents a complex strategic and foreign policy challenge. To counter these challenges while taking advantage of the opportunities represented by the dynamism of its extended neighbourhood, emphasis has been on connectivity. Connectivity has been the backbone of India's relations with nations in South and Southeast Asia, dating back to ancient millennia. Contemporary Indian foreign policy looks to rebuild the shared experiences of ancient encounters with nations in Southeast Asia by developing a robust network of connectivity with the region.

The announcement of the 'Look East' Policy [LEP] in the early part of the 1990s was towards addressing India's own economic weaknesses faced in the aftermath of the Cold War. The policy enabled the building of a strong economic and security partnership with

Southeast Asia through the Association of Southeast Asian Nations [ASEAN]. The 'Act East' Policy [AEP] seeks to further develop the vision laid out by the 'Look East' by elevating the engagement with Southeast Asia by focussing on the aspect of connectivity.

While the connectivity agenda is part of India's larger outreach it has significant domestic implications, as a catalyst for development and growth. The ongoing connectivity partnership with the nations of Southeast Asia presents an important step towards addressing not only India's long terms economic and strategic commitment with the region but to help address the developmental challenges of India's North Eastern Region. Roads are the nucleus for economic development and growth and today there is an increasing interest in strengthening economic connections between North East India and Southeast Asia. India's neighboring countries are amongst the most dynamic in Asia with impressive rates of economic growth. The North East of India shares 98 percent of its geographical boundary with foreign nations out of which 31.65 percent is with Myanmar. Apart from their geographical proximity to South and Southeast Asia the shared historical and cultural ties along with the region's human and natural resource potential makes trade a viable option to promote growth.[1]The realisation of this potential would depend on the network of connectivity build across the region which would help facilitate trade with its neighbours.

Nonetheless, existing infrastructural bottlenecks have hampered the progress of industrial development, investment and trade in the North East. The connectivity infrastructure in the North East in comparison with the rest of India has remained far behind. The LEP that sough renewed cooperation with India's South Eastern neighbours underscored the positive externalities through this engagement on the development of the North East. The need to first address the prevailing infrastructural weaknesses in the North East became a top priority.[2] Programmes such as the 'Special Accelerated Road Development Programme in North East' [SARDP-NE] announced in September 2005, were a step forward in this direction. The objective through the SARDP-NE was to build mega roads across the region by upgrading the connections between the national highways and the state capitals, improving roads of

[1]Pradyut Guha, "Harnessing India's Trade Potential with South and South East Asia Through North Eastern States", in Nawal K. Paswanedi, *India's North East and Beyond: Governance, Development, and Security*, (Akansha Publishing House: New Delhi, 2017), p- 169-171. ,

[2]VenkatkchalamAnbumozhi, Ichiro Kutani, and Mahendra P Lama, "Energising Connectivity between North East India and its Neighbours", *ERIA*, 2019, https://think-asia.org/bitstream/handle/11540/9804/ERIA_Book_Energising_Connectivity_North East_India%28NER%29_2019.pdf?sequence=1, June 19, 2020

strategic importance in border area, and also improving connectivity with the neighbouring countries.[3] For the states in the North East of India, the connectivity with neighbouring countries assumes a critical importance as it enables both economic and social development.

Under the broad framework of India‘s connectivity agenda a robust network of roads and highways remains a common thread that connects multiple areas of growth for countries and sub-regions in Asia. Further, through the LEP and the AEP the focus remains on improving economic integration with ASEAN by enabling easy mobility of goods, commerce, and people. Connectivity between India and Myanmar is a critical element under the ‘Act East’ policy since it has the potential to link it with South and Southeast Asian countries through the North East. The development of a robust network of roadways through the India-Myanmar-Thailand Trilateral Highway [IMTTH] becomes key in bridging the prevailing gap. The opportunity lies in the fact that the connectivity corridors under the Trilateral Highway have been envisaged as economic corridors which would encourage growth in the North East by opening it to the markets of South and Southeast Asia. Further, the plans to extend the Trilateral Highway to Cambodia, Lao PDR, and Vietnam are shaping up, and will open new vistas for enhanced trade, tourism and people-to-people contacts between India and ASEAN.[4]

Strengthening the ASEAN-India Partnership through Connectivity

The building of better connectivity became a key component in India‘s foreign policy approach in the aftermath of the Cold War. The LEP with its underlining agenda of promoting India‘s economic growth by expanding trade and investment with Southeast and East Asia depended upon making domestic production economically efficient. The first step towards achieving this economic efficiency was reducing the transportation cost. Therefore, India‘s policy began to emphasise on building national as well as regional connectivity. The AEP announced in 2014, expanded on the existing policy and focuses on India’s extended neighbourhood in the Asia-Pacific region. The AEP in particular has reinforced the significance of connectivity with ASEAN as it would enhance the level of cooperation in the economic, strategic, and socio-cultural spheres that are key in establishing regional integration and prosperity.

[3]“Brief Status of SARDP-NE”, *Ministry of Development of the North Eastern Region,* Government of India, March 2012, https://mdoner.gov.in/print/infrastructure/sardp-ne, accessed on February 25, 2020.

[4] “ASEAN-India Connectivity: Mapping Pathways of Shared Prosperity”, *Ministry of External Affairs,* Government of India,http://www.mea.gov.in/Portal/IndiaArticleAll/636508288003662093_mea-blog-connectivity-ASEAN.pdf, accessed on February 26, 2020.

India shares multifaceted connectivity with ASEAN – land, air, maritime, cultural, civilisational, digital and people-to-people connectivity. India and ASEAN nations have paved the path of joint partnership, cooperation and development based on the principles of equality, understanding each other's capacities, and strengthening knowledge about each other. While transforming its nineties LEP to the present AEP, the Indian government has stressed on connectivity, as a key component in further building the partnership. It is well established that better connectivity pushes the envelope for development and growth. One such initiative is the Kaladan Project which would help connect Kolkata with Mizoram by traversing Arakan and Chin States in Myanmar through a newly constructed river and highway transport system. While this would provide an alternative route into the North East it would help increase economic linkages with Myanmar and the rest of Southeast Asia.[5] By lowering the overall cost of production, by easing the logistical cost, it helps attract investments that create further employment and reduce poverty levels. Connectivity also acts as a catalyst to ensure a stronger production network along with a lower trade cost. These are key elements which promotes the process of economic integration in the region. A 2011 World Bank study estimates that an additional 1 per cent of Gross Domestic Product [GDP] spent on infrastructure, which included telecommunication, electricity, and roads would increase global GDP by 2 per cent and in the developing country the increase in the GDP would be almost 7 per cent.[6] This holds great potential for ASEAN and India to further enhance their connectivity cooperation.

As India and ASEAN explore different vistas of connectivity there remain three broad factors that are fundamental to shaping this partnership.

Economic Factors

In the post-Cold War period, India focused on expanding its economic relations with Southeast Asia. India during this period was experiencing an economic slowdown while the ASEAN nations were emerging as strong economies with potential for more growth. This proved to be an opportune moment to enhance economic engagements between India and the

[5]Lt Col Sanjay Thakur, "Connectivity Between North East Region and Neighbouring Countries: Opportunities and Challenges", in Nawal K. Paswanedi, *India's North East and Beyond: Governance, Development, and Security*, (Akansha Publishing House: New Delhi, 2017), p- 42.

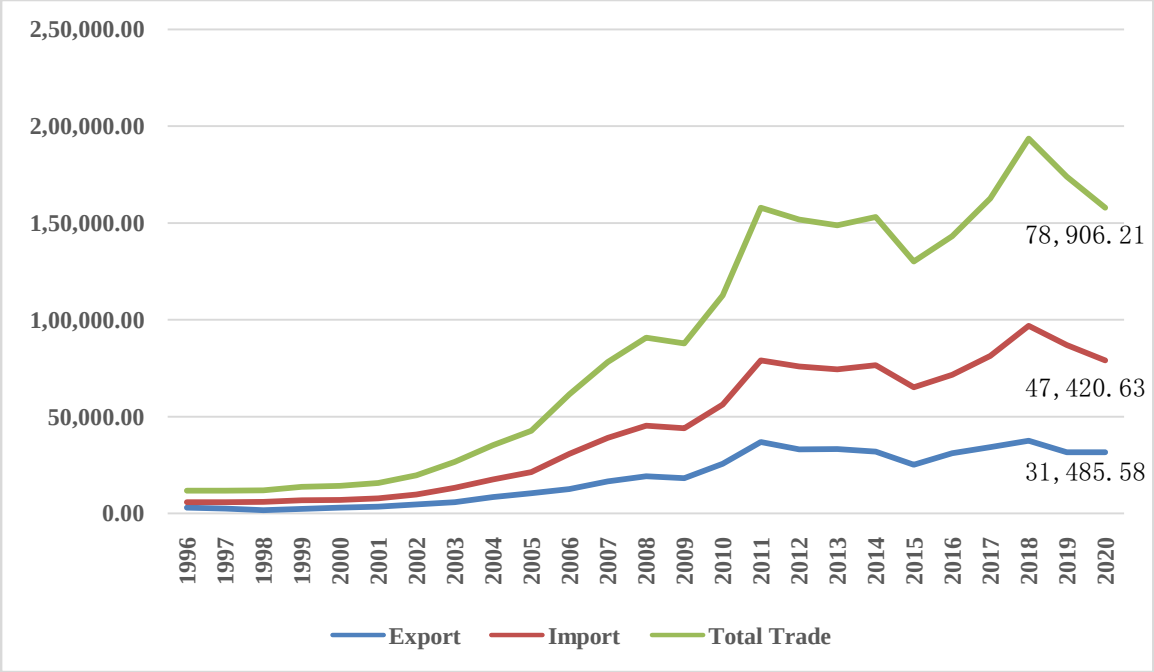
[6]CésarCalderón, Enrique Moral-Benito, and Luis Servén, "Is Infrastructure Capital Productive? A Dynamic Heterogeneous Approach," *World Bank Policy Research Working Paper 5682*, June 2011, http://documents.worldbank.org/curated/en/990231468331034266/pdf/WPS5682.pdf, accessed on April 3, 2020.

nations of the region. India's diplomatic outreach to its eastern neighbours through the LEP where economics was at the core paid off, as India was able to improve its economic relations with the nations of ASEAN.[7]India's major trading partners within the ASEAN are Indonesia, Malaysia and Singapore. Its trade with the organisation has increased over the past three decades. From 1992 to 1996, India's two-way trade more than doubled to US$ 6 billion and crossed the target of US$ 10 billion in the year 2002. The primary goods exported by India to the region are gems and jewellery, drugs and pharmaceuticals, electronic goods, meat and meat products, sugar, cotton yarn fabrics, wheat, spices and finished leather. India in turn imports vegetable oils, electronic goods, newsprints, natural rubber, pearls and precious stones, and wood and wood products from ASEAN.[8]

India and ASEAN signed a Free Trade Agreement [FTA] on August 13, 2009; and agreements on trade in services and investment on July 1, 2015. Further, India implemented the Early Harvest Scheme [EHS] with Thailand on September 1, 2004, and has implemented the Comprehensive Economic Cooperation Agreement [CECA] with Singapore and Malaysia in August 2005 and July 2011 respectively.[9]

[7]Temjenmeren Ao and Dhrubajyoti Bhattacharjee, "Perspective on the India-ASEAN Summit", *ICWA*, April 19, 2018, https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=4919&lid=1799, accessed on June 20, 2020.
[8]Ganganath Jha, *India and Southeast Asia: Introspection for Future Partnership*, (Anamika Publishers & Distributors Ltd: Delhi, 2010), p.47-48.
[9] "India-ASEAN bilateral trade may double by 2025 to $ 300 billion: Study", *Business Standard*, November 12, 2019, https://www.business-standard.com/article/economy-policy/india-asean-bilateral-trade-may-double-by-2025-to-300-billion-study-119111200547_1.html, accessed on April 10, 2020.

Figure One: India's Trade with ASEAN [Figures in USD Million]



Source: Department of Commerce, Government of India

The signing and implementation of these agreements has further pushed the overall trade between India and ASEAN as indicated in figure one. India's total trade volume with ASEAN has grown from US$ 5.8 billion in 1996 to US$ 86.9 billion in 2019 with a slight decline to US $ 78.9 in 2020, on account of the COVID-19 pandemic. Further, there is a sincere effort to increase the bilateral trade to US$ 300 billion by 2025. As indicated in the above figure India's total trade with ASEAN has increased and with the signing of the FTA along with trade agreements concluded with other ASEAN countries, it has further increased India's trade deficit. The increasing asymmetry in the balance of trade has raised concerns and India and ASEAN are undertaking a review of the FTA in goods which according to Prime Minister [PM] Narendra Modi who while addressing the ASEAN Summit in Bangkok in November 2019 stated that this would make the economic links stronger and trade more balanced.[10]

[10]"India-ASEAN FTA review: Further liberalisation of trade on agenda", *Business Standard*, November 29, 2019, https://www.business-standard.com/article/pti-stories/india-asean-fta-review-could-include-further-liberalisation-of-trade-in-goods-119112901018_1.html, accessed on June 15, 2020.

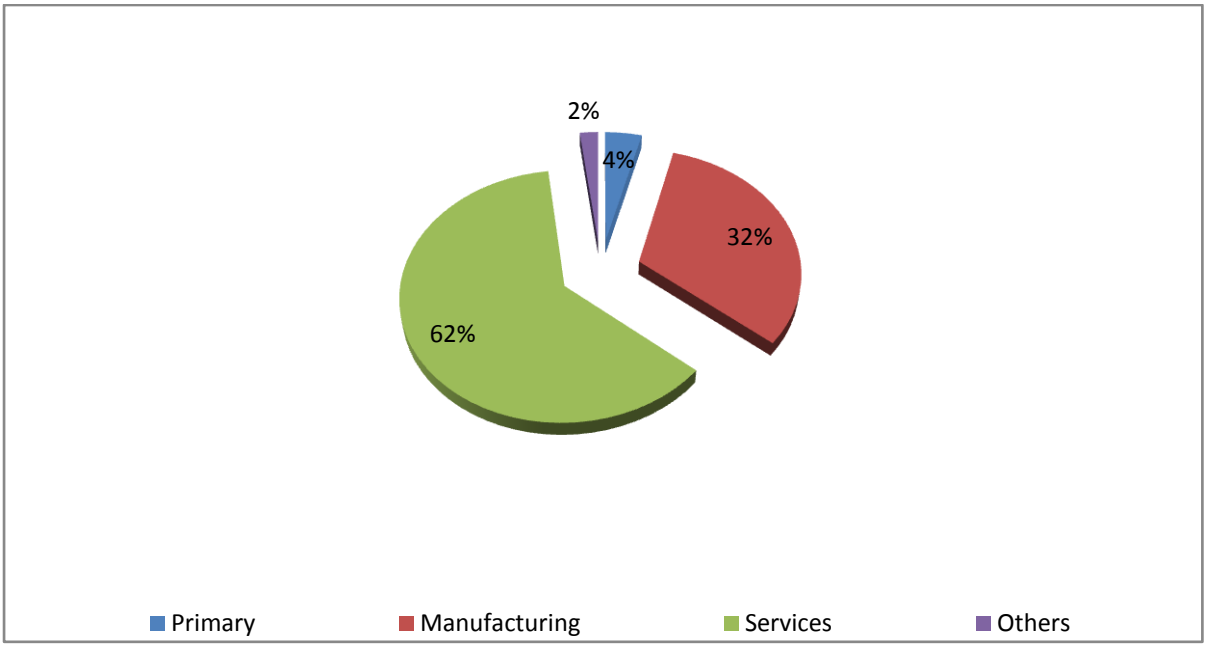
In terms of India's Foreign Direct Investments [FDI], inflows and out flows with the ASEAN countries Singapore, followed by Indonesia, Thailand, the Philippines, and Malaysia represents major share of the investment. These FDI inflows are in sectors such as power and oil refinery, telecom, electric equipment, Information Technology [IT], along with large investment flows also going into pharmaceuticals and biotechnology. A significant proportion of Indian global Outward FDI [OFDI] stock is in ASEAN, which remains a major investment destination for Indian companies. A majority of Indian OFDI go to service sector industries, primarily in banking and finance, IT and IT-enabled services [ITeS]. Indian manufacturing OFDI in ASEAN is significant in metal and transport equipment industries.[11] The ASEAN-India free trade agreement provides Indian industries and exporters' opportunities to expand operations and explore other areas of investment in the ASEAN markets

In an effort to strengthen the India-ASEAN connectivity, India has also been investing in the physical as well as digital connectivity projects in the region, "through sub-regional organisations such as the Mekong-Ganga Cooperation, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation [BIMSTEC], along with establishing a developmental fund of US$ 1 billion for the Cambodia, Laos PDR, Myanmar, Vietnam [CLMV] countries. Southeast Asia infrastructural support carters to the needs of a growing middle-class population providing an opportunity for India to invest in developmental projects in the region. Such investments need not only be physical but India can also provide soft investments in the form of capacity and capability development."[12]

[11]"ASEAN-India Development and Cooperation Report 2021: Avenues for Cooperation in Indo-Pacific", *ASEAN-India Centre at RIS*, November 2020, p-90-92.
[12]"India ASEAN Trade and Investment Relations: Opportunities and Challenges", *The Associated Chambers of Commerce and Industry of India,* July 2016, http://www.assocham.org/upload/docs/ASEAN-STUDY.pdf, accessed on February 19, 2018.

Figure Two: Indian Overseas Investment Activities to ASEAN, by Industries, 2005-2015

[in %]



Source: http://unctad.org/en/PublicationsLibrary/unctad_asean_air2017d1.pdf

Figure Two indicates that while 62 percent of the investment went to the service sector and 32 percent to the manufacturing, India's FDI to the primary sector in ASEAN was about 4 percent mainly in the extraction of crude petroleum and natural gas. According to a joint ASEAN-UNCTAD Investment Report published in 2017, Indian manufacturing investment are about 32 percent of the OFDI concentrated in technology-intensive industries and during 2005−2015, the medium-technology industry namely basic metals and fabricated metal products accounted for the largest share, followed by the high-technology industry such as motor vehicles and other transport equipment with a 34.3 percent share. These two industries received about 72 percent of Indian manufacturing OFDI flows to the region. In addition, Indian investment in pharmaceuticals has grown rapidly in recent years, particularly in 2015.Indian investment activities in services in ASEAN have expanded rapidly during 2005−2015 and were 62 percent of the total India OFDI. The bulk of these investments went to communication services, followed by construction, and transportation and storage.

Professional services, scientific and technical activities, and IT and ITeS services are also significant and growing."[13]

India's inward FDI from ASEAN has increased from US$ 1.53 billion in 2010 to US$ 70.67 billion in 2019, while outward FDI to ASEAN countries has also increased from US$ 12.52 billion in 2010 to US$ 60.5 billion in 2019.[14] The increasing India-ASEAN economic engagement over the last decades becomes a major pre-requisite to further help their connectivity agenda in terms of building physical, digital and people to people connections. During his bilateral meetings prior to the ASEAN- India Commemorative Summit held on January 25, 2018, at New Delhi, "India's PM Modi and Myanmar's State Counselor Aung San Suu Kyi spoke on the need to operationalise the Sittwe Port and the trilateral highway at the earliest. They also talked on promoting increased cross border trade to further strengthen bilateral relations. In a similar meeting between PM Modi and the Thai PM Chan-o-cha, emphasis was laid on enhancing connectivity through the sub-regional grouping such as the Mekong-Ganga Cooperation and the BIMSTEC. Further, both nations also stated that they would work towards greater cooperation in the tourism sector."[15]

Security Factors

It needs to be noted that the physical distance between Andaman Islands and Indonesia is a mere 195 kilometres. India also shares maritime and a 1643 kilometers land border with Myanmar along with a 151.6 kilometers of maritime border with Thailand.[16] Maritime linkages between India and ASEAN are important since most of the merchandise trade by volume is moved by sea which has witnessed a growth in the last few decades. However, apart from Thailand's Laem Chabang port and ports of Malaysia and Singapore, there is no direct connection between India and the rest of ASEAN. Further, the emerging geo-political dynamics, add to the challenges towards building India-ASEAN maritime connectivity and

[13] "ASEAN Investment Report 2017: Foreign Direct Investment and Economic Zones in ASEAN", *United Nations Conference on Trade and Development,* October 2017,https://unctad.org/en/PublicationsLibrary/unctad_asean_air2017d1.pdf, accessed on June 22, 2020.
[14]"ASEAN-India Development and Cooperation Report 2021: Avenues for Cooperation in Indo-Pacific", *ASEAN-India Centre at RIS*, November 2020, p-88.
[15]"Transcript of Media Briefing by Secretary (East) on ASEAN-India Commemorative Summit (January 25, 2018)", *Ministry of External Affairs,* Government of India, January 26, 2018, http://www.mea.gov.in/media-briefings.htm?dtl/29392/Transcript+of+Media+Briefing+by+Secretary+East+on+ASEANIndia+Commemorative+Summit+January+25+2018, accessed on March 21, 2018.
[16]"Limits in the Seas No 93 Continental Shelf Boundaries: India-Indonesia-Thailand", *Office of the Geographer, Bureau of Intelligence and Research,* August 17, 1981, https://www.state.gov/wp-content/uploads/2019/12/LIS-93.pdf, accessed on March 26, 2021.

trade.[17] Thus, to say that the ASEAN is not of strategic interest to India would be untrue. This marine and physical border that India shares with these three states geo-strategically links India to Southeast Asia and the larger ASEAN states. These linkages allow India and the ASEAN to exchange views on common security challenges, and means to address, both outstanding and emerging, threats to the region. As a result of shared security concerns India was invited to become a sectoral partner of ASEAN in 1992 and a full dialogue partner in 1995. The sectoral partnership helped promote trade, investment, and tourism relations, whereas the dialogue partnership provided the two with a platform to pursue a broader agenda for cooperation, in security, political, economic, and cultural arenas. The relationship was taken further when India became a member of ASEAN Regional Forum [ARF] in 1996.[18] Both ASEAN and India are aware of the emerging geo-political dynamics in the region which adds to the need for strengthening their cooperation for maritime connectivity and trade.

The ARF's aim is to assist and promote confidence building, conflict resolution, and preventive diplomacy. India has been an active member of the ARF and has worked together with ASEAN in several areas including search and rescue, sea piracy and disaster relief.[19]India acceded to ASEAN's Treaty of Amity and Cooperation [TAC] in October 2003, which further promotes regional peace and stability, along with becoming a part of ASEAN security dialogue initiatives such as the East Asia Summit [EAS] established in 2005 and the ASEAN Defence Ministerial Meeting Plus established in 2010. India's membership to these various ASEAN-led security initiatives is indicative of their mutual and shared views on the principles of non-interference, respect for each other's territorial integrity and sovereignty and resolving disputes in a peaceful manner. As India and ASEAN cooperate with each other in multiple regional and sub-regional platforms, it has contributed positively in strengthening cooperation in the realms of security. The establishment of India-ASEAN strategic partnership in 2012 has further enabled stronger cooperation in the area of security with ASEAN as well as with individual ASEAN states. At the ASEAN-India Commemorative

[17]"ASEAN-India Maritime Connectivity Report", *ASEAN-India Centre at Research and Information System for Developing Countries*,2014, http://www.mcrg.ac.in/logistics/Report_Final_Print_Martitime_connectivity.pdf, accessed on March 5, 2021.
[18]Temjenmeren Ao and Dhrubajyoti Bhattacharjee, "Perspective on the India-ASEAN Summit", *ICWA*, April 19, 2018, https://www.icwa.in/show_content.php?lang=1&level=3&ls_id=4919&lid=1799, accessed on June 20, 2020.
[19]Ganganath Jha, *India and Southeast Asia: Introspection for Future Partnership*, (Anamika Publishers & Distributors Ltd: Delhi, 2010), p.46-47.

Summit in January 2018, the leaders agreed to further expand their security cooperation by collectively working to counter the threat of terrorism, boosting maritime security cooperation and enhancing connectivity.[20]

India has supported the cause to build viable regional security architecture. To this end, India accepts ASEAN centrality and its positive role in the organisation of building a peaceful region through negotiation and dialogue. As the concept of Indo-Pacific gains ascendance, the strategic synergy between India and ASEAN would be integral for the maintenance of peace and security in the region. Connectivity is an essential element for India and ASEAN to realise their commitment to ensuring security in the region and in the emerging Indo-Pacific construct. The IMTTH is one such connectivity initiative which by building land connectivity between India, Myanmar, and Thailand, to be extended to Lao PDR and Vietnam, would become a key component in the evolving security cooperation.

Socio- Cultural Factors

The two tableaus presented by the Ministry of External Affairs [MEA], Government of India, at the 2018 Republic Day parade, celebrated the civilisational linkages between India and ASEAN. PM Modi during his opening remarks at the Plenary Session of the India- ASEAN Commemorative Summit [2018] stated that, "The Indian epic Ramayana remains a shared legacy between the Indian subcontinent and ASEAN, along with the distinctive connections established by Buddhism and Islam through many centuries."[21] Such strong and sustained cultural ties are the foundation on which the two continue to build their partnership. "Today, the socio-cultural cooperation between India and ASEAN spans across sectors from people to people contacts, education, health, to human resource development, science and technology [S&T], and so on. It also includes cooperation in pharmaceuticals, transport and infrastructure. ASEAN and India have been actively involved in various capacity building projects, small and medium enterprises [SMEs], tourism, information and communication technology [ICT]. Climate Change, protection of biodiversity, agriculture, food security,

[20] "Transcript of Media Briefing on ASEAN-India Commemorative Summit (January 26, 2018)", *Ministry of External Affairs*, Government of India, http://mea.gov.in/media-briefings.htm?dtl%2F29399%2FTranscript_of_Media_Briefing_on_ASEANIndia_Commemorative_Summit_January_26_2018=, accessed on march 21, 2018.

[21]Opening remarks by the PM at the Plenary Session of the INDIA- ASEAN Commemorative Summit (January 25, 2018), Ministry of External Affairs, Government of India, http://mea.gov.in/Speeches-Statements.htm?dtl/29390/Opening_remarks_by_the_PM_at_the_Plenary_Session_of_the_INDIA_ASEAN_Commemorative_Summit_January_25_2018 accessed on February 20, 2018

disaster management, energy and Initiative for ASEAN Integration [IAI] is emerging as critical areas of cooperation."[22]

A salient factor propelling the cooperation between India and ASEAN has been the important role played by the Indian diaspora settled in the region, as well as the growing number of Indian tourists visiting ASEAN countries. India has been actively involved in cultural diplomacy in the region. Indian agencies such as the Archaeological Survey of India [ASI] has partnered with its counterparts in Cambodia, Lao PDR, Myanmar, and Vietnam to restore historical monuments and sites. As familiarity with each culture grows, misconceptions about the 'other' are removed forging stronger ties. Vongthep Arthakaivalvatee, Deputy Secretary-General for ASEAN Socio-Cultural Community highlighted the importance of intercultural dialogue with emphasis on the long-lasting cultural threads that bind the region.[23] The Second International Conference on ASEAN-India Cultural and Civilisational Links held in Jakarta [January 20, 2017] stressed on the "need to further strengthen the existing cooperation between ASEAN and India. It emphasised on the need to identify feasible policy options such as enhanced people-to-people connectivity and cultural relations to help overcome the challenges to ASEAN-India strategic partnership."[24]

The role of culture and the importance of increased people to people contact has been felt by the leadership in both India and ASEAN states. This is evident in the fact that PM Modi declared 2019 as the ASEAN-India Year of Tourism at the ASEAN-India Commemorative Summit. India has further proposed to set up tangible and non-tangible cultural heritage circuits to further promote tourism. Of these the proposed Buddhist Tourism circuit would be important to attract ASEAN tourists and pilgrims to India. The Buddhist Circuit's market potential is unmatched, as the region is home to a large number of Buddhist populations and would help drivethe tourism industry. Despite being ranked 9th by the 2017 World Economic Forum's Travel and Tourism Competitiveness Index in terms of its cultural resources, India is ranked 40th out of 136 countries in terms of tourism competitiveness, While India scores well in terms of its competitive pricing, rich natural and cultural resources,it needs to address

[22] "Overview – ASEAN India Dialogue", *Ministry of External Affairs*, Government of India, February 2017, http://asean.org/storage/2012/05/Overview-ASEAN-India-as-of-February-2017r4CL.pdf accessed on February 15, 2018

[23] "ASEAN, India to boost cultural cooperation and linkages", *Official ASEAN Website*¸ January 20, 2017, http://asean.org/asean-india-to-boost-cultural-cooperation-and-linkages/ accessed on February 15, 2018

[24] Ibid. "ASEAN, India to boost cultural cooperation and linkages", *Official ASEAN Website*¸ January 20, 2017, http://asean.org/asean-india-to-boost-cultural-cooperation-and-linkages/ accessed on February 15, 2018

the prevailing infrastructure gaps such as poor roads, inadequate train connections and lack of adequate airports and flights.[25]

Inter-cultural linkages are critical to connect and bridge differences while promoting the cultural diversity of both India and ASEAN. With socio-cultural linkages as the foundation, India's relations with the nations of ASEAN continue to evolve today into a partnership for progress and prosperity that is sustainable. Connectivity is a major area of convergence for ASEAN and India in building this sustainable partnership for the future. The advantages of an inter-connected region would not be limited to economic prosperity but it would help shape a better understanding of each other's security concerns while deepening the existing socio-cultural partnership. India is the third country after Japan and China to initiate a dedicated consultative meeting with the ASEAN Connectivity Coordinating Committee [ACCC]. The aim of such consultative meetings is to explore possibilities for India to support the Master Plan on ASEAN Connectivity [MPAC], and physically connect it with India. Presently, India is working with ASEAN on multiple connectivity projects, through land, water, and air and would like to interconnect them with each other as part of the MPAC. The ASEAN-India road connectivity in the present form runs along Asian Highway [AH] and the IMTTH. The IMTTH is poised to create a new dynamic in India's multi-faceted ties with the region. This initiative, which connects the three countries from Moreh in India to Mae Sot in Thailand via Bagan in Myanmar, was first proposed in 2002.[26] The connectivity project would also prove advantageous for the North East of India which acts as the gateway to ASEAN. Enhanced connectivity would spur the economic activity and growth in the region.

India-Myanmar-Thailand Trilateral Highway

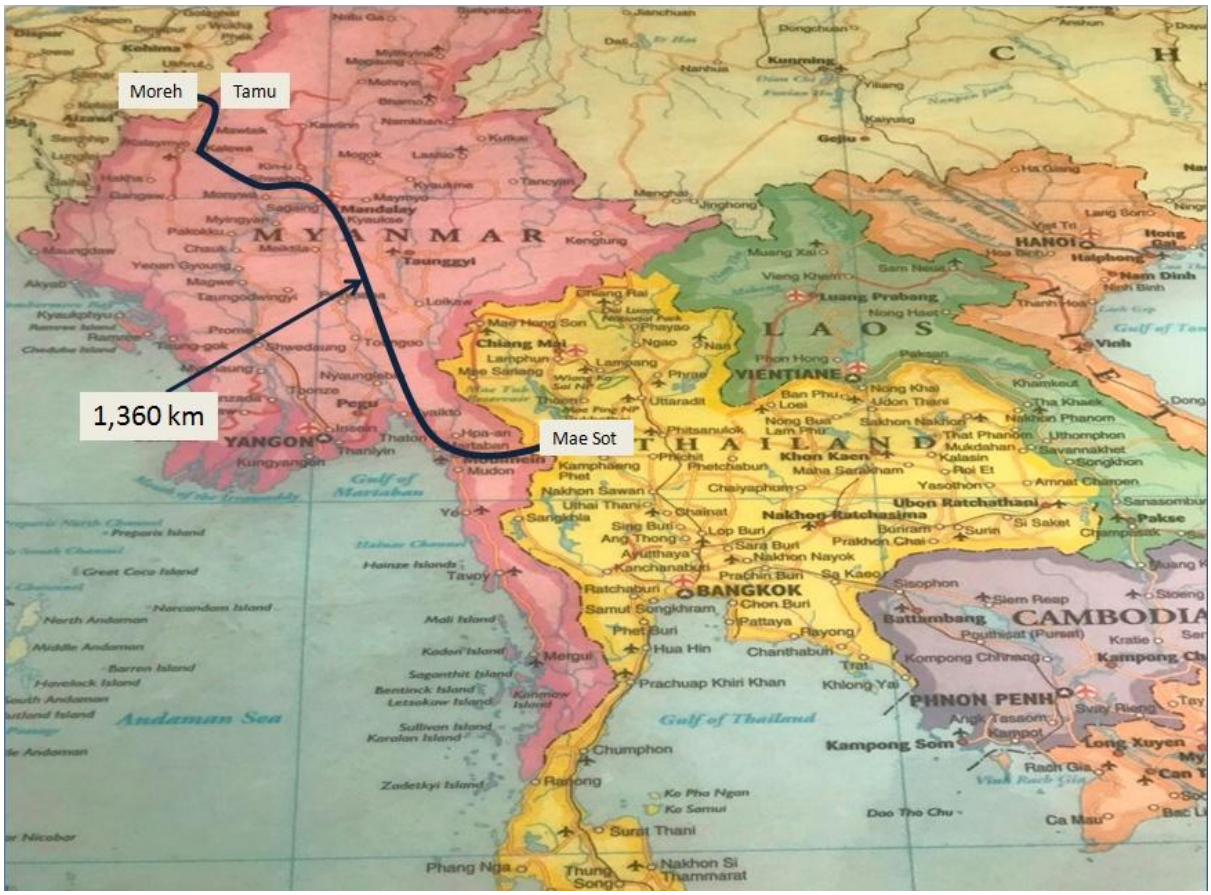
The IMTTH represents the most significant step in the establishment of connectivity between India and the South East Asian countries. "At a trilateral ministerial meeting on transport linkages in Yangon in April 2002, the idea for a trilateral highway which connects India, Myanmar, and Thailand was discussed. In 2004, the construction of the trilateral highway termed as the 'highway of opportunity and friendship' was agreed upon. To be built at an estimated cost of US$ 700 million, it was decided that the cost was to be borne by the

[25] "The Buddhist Circuit in South Asia", *The World Bank*, http://documents1.worldbank.org/curated/en/387491563440124268/pdf/The-Buddhist-Circuit-A-Program-for-the-Development-of-the-Buddhist-Circuit-in-South-Asia.pdf, accessed on March 8, 2021.

[26] Suyash Desai, "ASEAN and India Converge on Connectivity", *The Diplomat*, December 19, 2017, https://thediplomat.com/2017/12/asean-and-india-converge-on-connectivity/, accessed on February 2, 2020.

Governments of India, Myanmar, and Thailand and the Asian Development Bank. The IMTTH includes construction of 78 kilometres of new roads, the upgradation of about 400 kilometres of roads, construction of all-weather approach lanes, and rehabilitation and reconstruction of weak or distressed bridges. The objective behind establishing the trilateral highway was to not only facilitate the movement of goods and services, but also of people and ideas."[27]

Map One: Map of the IMTTH



Source: Author's own

The IMTTH as indicated in Map One is a 1360 kilometres long cross-border transportation network connecting Moreh in India's North Eastern state of Manipur and Mae Sot in Thailand

[27] Kiran Sharma, "Modi backs India-Myanmar-Thailand highway's Indochina extension", *Nikkei Asian Review*, December 29, 2017, https://asia.nikkei.com/Politics/International-relations/Modi-backs-IndiaMyanmarThailand-highway-extension, accessed on February 27, 2020.

via Myanmar. The IMTTH is part of the Transnational Asian Highway comprising 1,41,000 kilometers of roads passing through 32 member countries.[28]

Map Two: IMTTH Route

Source: "ASEAN-India Development and Cooperation Report 2021: Avenues for Cooperation in Indo-Pacific", ASEAN-India Centre at RIS, November 2020, p- 196.

The alignments of the IMTTH as provided in Map Two are:

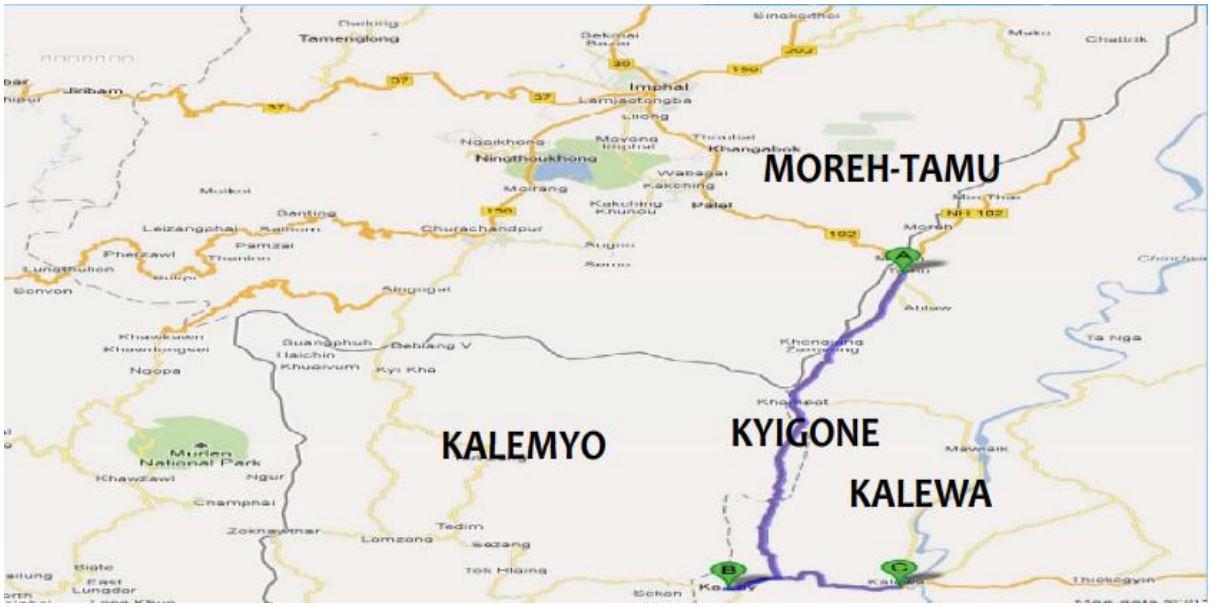
1. Moreh [India] – Tamu [Myanmar] -Kalewa
2. Kalew-Yagyi
3. Yagyi-Chaungma-Monywa
4. Monywa-Mandalay
5. Mandalay-Meiktila bypass
6. Meiktila bypass -Taungoo-Oktwin-Payagyi
7. Payagyi-Theinzayat-Thaton
8. Thaton-Mawlamyine-Kawkareik
9. Kawkareik-Myawaddy
10. Myawaddy- Mae Sot [Thailand]

[28] Prabir De, "ASEAN-India Connectivity: An Indian Perspective", December 2011, https://www.eria.org/CHAPTER%203%20%20ASEAN%20-%20India%20Connectivity%20An%20Indian%20Perspective.pdf, accessed on February 24, 2020.

India's Commitment to the IMTTH

For India's North East the lack of parity in road and rail infrastructure with the rest of the country has had a direct impact on the region's growth and development. The North East is connected by rail, and road with the rest of India only through the 22-km-wide Chicken's Neck [Siliguri Corridor]. For this part of the region given its predominant hilly topography, roads are an important mode of travel and a lifeline since other modes of travel are either too expensive or difficult to establish. Most of the hilly states of North East with the exception of Sikkim faces inadequate network of road which remains un-surfaced. Further, catastrophic floods and rains during the monsoon in Assam and Tripura has led to the slow coverage of roads networks as much efforts goes into repair and restoration in the post-monsoon season.[29] The IMTTH which is aimed at building connectivity from Morehto Mae Sot would expand the road network enabling an increase in the exchange of goods, services, and the movement of people.

Map Three: Tamu-Kalewa Road [Length 160 kms]



Source: http://www.mfa.go.th/asean/contents/files/news-20131227-195521-501895.pdf

With reference to Map Three, the India-Myanmar Friendship Road from Moreh/Tamu to Kalewa was inaugurated in 2001 with assistance from the Indian government. This road

[29]K R Dikshit and Jutta K Dikshit, *North-East India: Land, People, and Economy* (New York: Springer Dordrecht, 2014), p. 690-691.

which is a total length of 160 kilometers forms the first segment of the IMTTH was resurfaced by India's Border Roads Organisation [BRO] that completed the upgradation of 132 kilometres of the road and handed over to Myanmar in 2009 at a total cost of US$ 27.28 million. The Government of India is also responsible for the upkeep of the Tamu-Kyigone-Kalewa [TKK] road in Myanmar. The remaining 28 kilometres require either rebuilding or strengthening work is being undertaken.[30]

India has also undertaken the preparation of a Detailed Project Report [DPR] for the construction of a bridge on the Ayeyarwaddy River and for the causeways near Kyadet in Myanmar. India has assumed responsibility of 78 kilometres of missing links and 58 kilometres of infrastructure upgradation. During the visit of the Union Minister of the Ministry of Construction of Myanmar to India in February 2012, Myanmar proposed an alternate alignment of the Trilateral Highway and requested India to undertake construction of the road between Kalewa-Yagyi section [120 kilometres], which was agreed. [31]

During the state visit to Myanmar by the then PM Dr Manmohan Singh in May 2012, both sides spoke about promoting commercial, cultural, touristic and other exchanges between the peoples by enhancing connectivity between the two countries. "Understanding the importance of connectivity PM Singh in the joint statement announced that India would undertake the task of repair and upgradation of 71 bridges on the Tamu- Kalewa Friendship Road. The two leaders agreed that India would upgrade the Kalewa-Yargyi road segment of the IMTTH to highway standard while Myanmar would reciprocally undertake upgradation of the Yargyi- Monywa stretch to highway standard by 2016."[32] In 2015, India also proposed the establishment of an India-Myanmar-Thailand Motor Vehicle agreement to regulate and facilitate the movement of cargo and passenger vehicular traffic between three nations. The agreement is currently under inter-governmental negotiations between India, Myanmar and Thailand. During the State visit of the President of Myanmar U Htin Kyaw to India in August 2016, two MoUs pertaining to the implementation of IMTTH project were signed. These

[30]Op.Cit 28, Prabir De.

[31] "Preparatory Study for North East Road Network Connectivity Improvement Project [Phase 2]", *Japan International Cooperation Agency*, November 2016, https://www.jica.go.jp/english/our_work/social_environmental/id/asia/south/india/c8h0vm00009um3lw-att/c8h0vm0000bd9euo.pdf, accessed on March 17, 2020.

[32] "Joint Statement by India and Myanmar on the State visit of Prime Minister of India to Myanmar", *Ministry of External Affairs*, Government of India,May 28, 2012, https://www.mea.gov.in/bilateral-documents.htm?dtl/19893/Joint+Statement+by+India+and+Myanmar+on+the+State+visit+of+Prime+Minister+of+India+to+Myanmar, accessed on March 3, 2020.

MoUs included cooperation in the construction and up gradation of the bridges and approach road in the TKK section and the road section in Kalewa-Yagyi of the Trilateral Highway in Myanmar.[33]

Responding to a question on the status of the Trilateral highway projects at the Rajya Sabha on December 8, 2016, the then Minister of State in the Ministry of External Affairs, Gen. V K Singh stated that "the Government of India has taken up two projects namely, the construction of 69 Bridges including approach roads in the Tamu-Kyigone-Kalewa section [149.70 kms] and the construction of road between Kalewaand Yargi section [120.74 kms]."[34]The work on both these sections was awarded on Engineering, Procurement and Construction mode in May 2018 for Kalewa-Yagyi section and November 2017 for the TKK section.[35] The National Highways Authority of India [NHAI] in January 2018 issued the letter of award to Punj Lloyd and Varaha Infra joint venture for the construction of a two-lane highway in the Kalewa-Yargi section. The work on the 122 km road commenced on May 28, 2018, and is expected to be completed by 2022 and is estimated to cost Rs 11.20 billion which is being funded by the Ministry of External Affairs.[36]

Gen. V K Singh on December 20, 2018, informing the Rajya Sabha on the Kalewa-Yagyiand the construction of the 69 bridges on the TKK road section stated that "... the contractors are mobilised on the project site and the scheduled time for completion of both the projects is three years from the date of commencement at the project site by the executing agency...."[37]. In January 2019, the Government of India released Rs 193.16 crore from the Rs 1,830.87 crore funds approved for the road projects of the IMTTH. In a reply to the parliament the then Minister of State for Road Transport and Highways, Mansukh L Mandaviya stated that

[33] "India- Myanmar Joint Statement during the visit of the President of Myanmar to India (29 August 2016)", *Ministry of External Affairs, Government of India,* August 29, 2016, https://www.mea.gov.in/bilateral-documents.htm?dtl/27343/India+Myanmar+Joint+Statement+during+the+visit+of+the+President+of+Myanmar+to+India+29+August+2016, accessed on March 2, 2020.

[34] "Question No.2578 India-Myanmar-Thailand Highway", *Ministry of External Affairs, Government of India,*December 8, 2016, https://www.mea.gov.in/rajya-sabha.htm?dtl/27794/QUESTION+NO2578+INDIAMYANMARTHAILAND+HIGHWAY, accessed on March 2, 2020.

[35] "India-Myanmar-Thailand Trilateral Highway", *Press Information Bureau, Government of India,* January 3, 2019, https://pib.gov.in/newsite/PrintRelease.aspx?relid=187130, accessed on March 17, 2020.

[36] "ASEAN-India Development and Cooperation Report 2021: Avenues for Cooperation in Indo-Pacific", ASEAN-India Centre at RIS, November 2020, p-197.

[37] Gen V K Singh, "Question No. 1127 Status of Trilateral Highway Project", December 20, 2018, https://www.mea.gov.in/rajya-sabha.htm?dtl/30799/QUESTION+NO1127+STATUS+OF+TRILATERAL+HIGHWAY+PROJECT, accessed on February 27, 2020.

"the funds released by the Ministry is Rs 188.32 crore out of the approved cost of Rs 1,459.29 crore for the Kalewa-Yagyi road section and Rs 4.84 crore out of the approved cost of Rs 371.58 crore for the 69 bridges along with approach road on the TKK road section."[38]

In response to the question raised at the Rajya Sabha on the status of the IMTTH on September 23, 2020, by Ason Gana Parishad (AGP) MP Birendra Prasad Baishya the External Affairs Minister Dr S Jaishankar addressed the issue raised in a letter. According to the External Affairs Minister, the Kalewa-Yagyi road section which is among the most challenging of the stretches of the trilateral highway, "..construction of this road in underway and around one-fourth of the road has been completed..." On the 69 bridges, including approach roads, in the TKK which was held up after the contractor was terminated in December 2018 due to unsatisfactory performance, in August 2020, the Manipur High Court dismissed the contractor's appeal and upheld the termination. The Union Minister stated that "..after the High Court's order, work on the first bridge between Moreh and Tamu is expected to start soon. The remaining 68 bridges will be taken up separately after revising the technical and cost parameters..."[39]

Building the road networks through the IMTTH becomes central to help meet the demand for improved connectivity between India and Southeast Asia. The IMTTH by establishing modern road connectivity would enable the facilitation of trade and people between India and Southeast Asia. In building the road connectivity through the trilateral highway it would not only strengthen the relationship and help India's broad connectivity agenda with ASEAN, which promotes projects that support physical and digital connectivity, but would also be critical for the bilateral relationship with Myanmar.

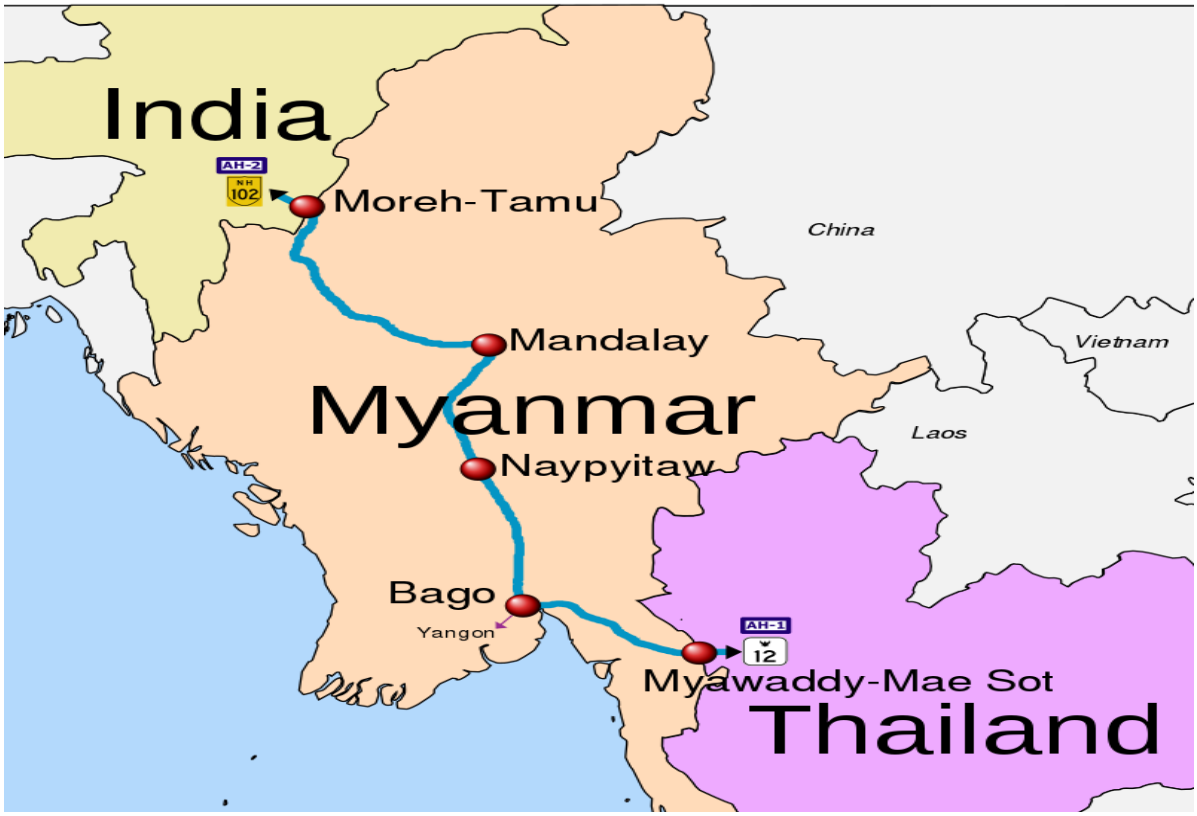
Myanmar a critical element of the IMTTH

India and Myanmar have been working towards building greater connectivity along their common border of 1,643 kilometers. Four states of the North East India, namely, Arunachal Pradesh, Manipur, Mizoram, and Nagaland, share international borders with Myanmar, making connectivity a vital point of discussion in the bilateral relations. The bordering

[38] "Govt releases Rs 193.16 cr fund for India-Myanmar-Thailand highway project", *Business Standards*, January 3, 2019, https://www.business-standard.com/article/economy-policy/govt-releases-rs-193-16-cr-fund-for-india-myanmar-thailand-highway-project-119010300502_1.html, accessed on March 3, 2020.
[39] "Steps on to complete India-Myanmar-Thailand Trilateral Highways", *Deccan Chronicle*, October 6, 2020, https://www.deccanchronicle.com/nation/current-affairs/061020/steps-on-to-complete-india-myanmar-thailand-trilateral-highways.html, Accessed on September 3, 2021.

Northeastern states also share strong economic and cultural linkages with Myanmar. Therefore, building connectivity between India's North East and Myanmar was the bedrock of the LEP and continues to receive impetus in the AEP with the IMTTH as one of the high-profile infrastructure projects. The intrinsic objective of the trilateral highways is the road projects aimed at creating a link between North East India and Southeast Asia. However, a large part of this international border with Myanmar is porous, mountainous and inhabited. In an effort to facilitate trade, four Land Customs Stations [LCS] are in operation, of which Moreh in Manipur is the busiest is LCS handling almost 99 percent of all trade between India's North East and Myanmar.[40]

Map Four: The IMTTH in Myanmar



Source:https://en.wikipedia.org/wiki/India–Myanmar–Thailand_Trilateral_Highway#/media/File:India–Myanmar–Thailand_Trilateral_Highway.svg

The IMTTH which was initially launched under the programme of the Mekong Ganga Cooperation [MGC] is vital for improving cross border connectivity between India and

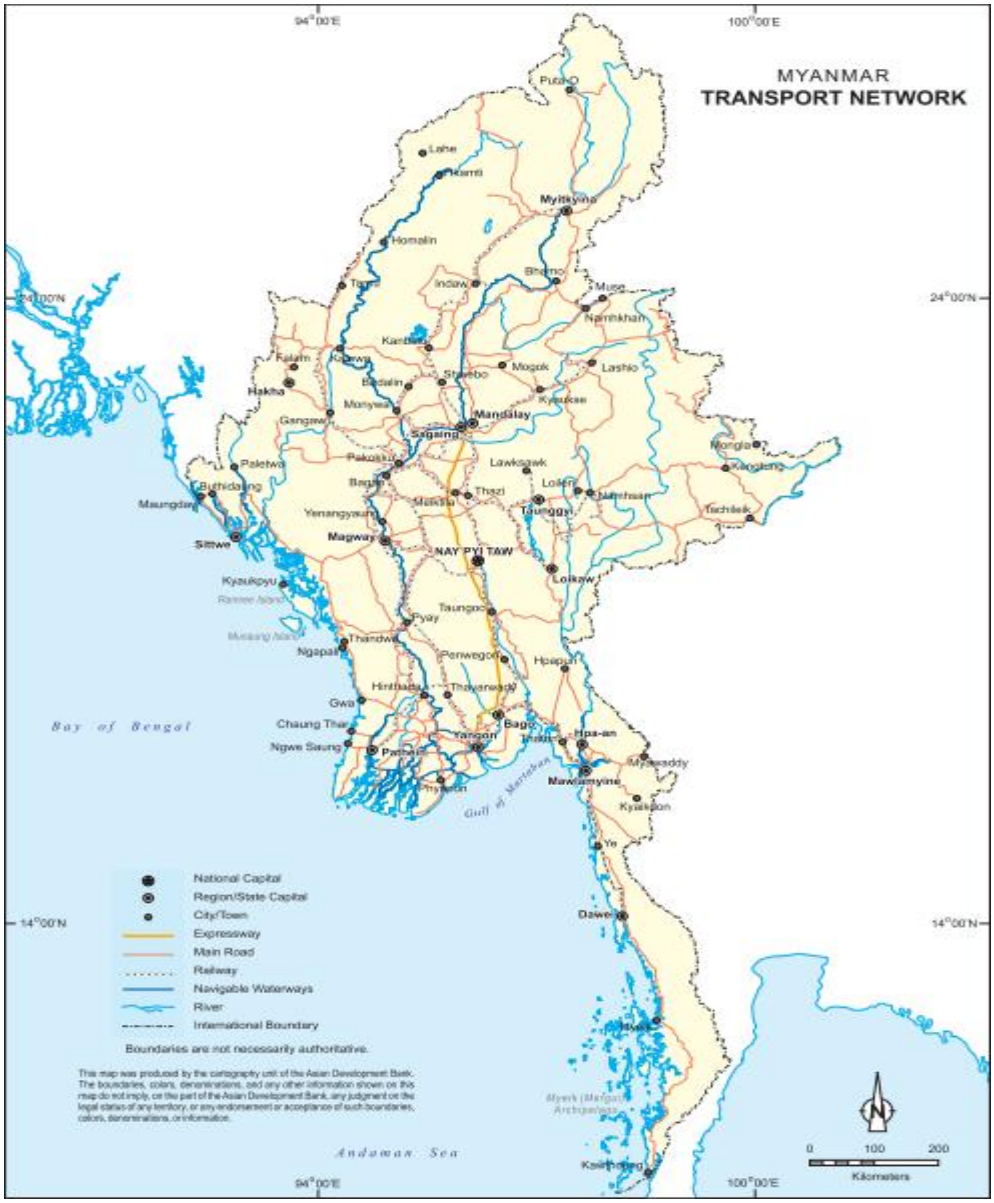
[40] "Expansion of North East India's Trade and Investment with Bangladesh and Myanmar: An Assessment of the Opportunities and Constraints", *Ministry of Development of North Eastern Region,* October 2011, https://mdoner.gov.in/contentimages/files/RIS_Border_Trade_Report_final.pdf, accessed on June 16, 2020.

Myanmar. As seen in Map four, the success of the IMTTH would largely depend on how Myanmar is able to successfully implement the infrastructure projects, as major part of the trilateral highway passes through it. The IMTTH from Moreh enters Tamu and would pass through Mandalay, Naypyitaw, Bago – which is about 91 km form Yangon – before entering Thailand through the town of Myawaddy in south-eastern Myanmar. Therefore, Myanmar by virtue of its strategic location straddling South and Southeast Asia is a key for India's larger connectivity agenda. India's continuing diplomatic outreach toward its neighbours combined with the political and economic transformation taking place in Myanmar, present an unprecedented avenue for cooperation. In terms of the IMTTH, Myanmar becomes a key partner for promoting India's integration efforts especially in terms of its land-based connectivity with Southeast Asia. Unfortunately, Myanmar's transport infrastructure lags behind most of the other ASEAN states with 60 percent of its highways in poor condition. According to Myanmar's Ministry of Construction, "…20 million of its population does not have access to basic roads and this would require an investment of US$ 45-60 billion in 2016-2030."[41]

According to the 2017 Report of the 10th Intergovernmental Regional Environmentally Sustainable Transport [EST] Forum in Asia, "nearly 15 percent of registered villages in Myanmar are not connected by road. Of the villages that are connected by road, more than 40 percent are linked by dry-season rural roads that quickly become impassable during the rainy season. Half of the existing registered villages are physically isolated during most part or throughout the year due to a lack of all-season rural road access, affecting over 14 million rural people. The lack of access to all weather roads-has a corresponding effect on people's ability to get access to health services, education, employment opportunities, markets, and other services and facilities, limiting their development and that of the country as a whole."[42]

[41]"Status of Road Transport and Transit Facilitations in Myanmar", *Ministry of Construction, Government of the Union of Myanmar,* February 6, 2018, https://www.unescap.org/sites/default/files/Myanmar_9.pdf, accessed on March 3, 2020.
[42]"National Strategy for Rural Roads and Access", *Government of the Republic of the Union of Myanmar,* January 2017, https://www.uncrd.or.jp/content/documents/483210%20EST%20Forum_Country%20Report_Myanmar.pdf, accessed on March 3, 2020.

Map Five: Myanmar Transport Network



Source*:* https://www.adb.org/sites/default/files/publication/184794/mya-transport-policy-note-es.pdf

The map of Myanmar above indicates its transport networks which include the roadways, railways, and waterways. According to a 2016 Asian Development Bank report, Myanmar has not been investing enough in transport. Investments were 1 percent –1.5 percent of GDP between 2005 and 2015. At a similar level of development, other countries typically invest 3 percent – 5 percent of their GDPs in their transport infrastructure.[43] As a result of limited

[43] "Myanmar Transport Sector Policy Note: Summery for Decision Makers", *Asian Development Bank,* 2016, https://www.adb.org/sites/default/files/publication/184794/mya-transport-policy-note-es.pdf, accessed on March 3, 2020.

investments in the sector, Myanmar's transport sector has suffered as need has surpassed the available resource. The report further states that spending on road and rail maintenance has also been two to three times below what is needed. As a result of insufficient maintenance, Myanmar's transport infrastructure has declined between 1990 and 2015 to well below international standards.[44]

According to estimates by the Asian Development Bank, Myanmar needs to increase its road network from 157,000 kilometers to about 260,000 kilometers just to connect all the villages. To achieve this goal and to build better connectivity within the country, Myanmar formulated a Master Plan in 2014 with the assistance of Japan International Cooperation Agency [JICA]. Under the plan, Myanmar's Ministry of Transport and Communications was made the focus point for coordination and cooperation with other Ministries and the JICA to oversee the speedy implementation of the various projects under the Master Plan. Some progress was been made between 2004 and 2014; the Department of Highways – previously known as Public Works – added more than 10,000 kilometers of new trunk roads. Road transport now dominates long-distance travel, carrying 90 percent of freight transport and 86 percent of passenger transport. Further, the market reforms of 2011–2015 have also helped improve Myanmar's transport sector.[45]

Figure Three: Total Road Length in Myanmar, 2008-2017 [in kms]

[44] Ibid.
[45] Ibid.

Source*:* https://data.aseanstats.org/indicator/ASE.TRP.ROD.A.001

The data in the bar diagram in figure three indicates the total road length in Myanmar from 2008-2017. It can be ascertain that since the implementation of the Master Plan there has been a growth in the coverage of roadway in the country. The Government of Myanmar has also launched the National Strategy for Rural Roads and Access through which it intends to provide all-season access to all villages in Myanmar. This is a long-term plan to be concluded by 2030, during which the Government of Myanmar aims to provide all-season road access to at least 80 percent of the villages in each state and region in Myanmar. It is estimated that this would cost US$ 3.9 billion, including US$ 2.5 billion for upgrading and new construction of roads and bridges, and US$ 1.4 billion for maintenance.[46]

Under the IMTTH, Myanmar would undertake the reconstruction and rehabilitation of weak bridges and intermediary approach roads. Credit at concessional rates for financing the construction of new highways along with the upgradation of roads has been offered by India to Myanmar. Thailand has agreed to extend concessional loans for financing the upgradation of the roads under the Thaton – Hpa-an – Kawkareik section [136 km] and Kawkareik – Myawaddy section [62 km] that are also part of the East West Economic Corridor [EWEC] under the Greater Mekong Subregion. The government of Thailand has also agreed to assist Myanmar in the financing of the route Thaton – Mawlamyine – Mudon – Kawkareik which is part of the second phase of the IMTTH project. Myanmar is undertaking the construction of all-weather intermediate lane approach roads at both ends from Pakokku to Bagan up to the existing ferry crossing along with the rehabilitation and reconstruction of distressed and weak bridges. It has also decided to explore the possibility of segments of the highway being constructed, operated and maintained by operators on a commercial basis to encourage companies to invest in the projects.[47]

India is also a partner for Myanmar in its efforts to increase and improve its road network, and both countries are part of various sub-regional initiatives such as the South Asia Sub-regional Economic Cooperation [SASEC] established in 2001. The SASEC was established with the primary objective to enhance project-based partnership and promote regional

[46] "National Strategy for Rural Roads and Access", *Government of the Republic of the Union of Myanmar*, January 2017, https://www.uncrd.or.jp/content/documents/483210%20EST%20Forum_Country%20Report_Myanmar.pdf, accessed on March 3, 2020.
[47]Op.Cit 28, Prabir De

prosperity. Through the SASEC there has been a sincere effort to build cooperation to address various developmental constrains. One such challenge being the improvement of intra- and inter- sub regional connectivity which are aligned to the other sub-regional initiative like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation [BIMSTEC].[48] Under the BIMSTEC transport connectivity remains an area of priority which include the IMTTH, Kaley-Kalawao-Kyong-Tamu [Indo-Myanmar friendship] road, Jiribam [Manipur] - Hanoi rail link, Kaladan Multi Modal Transit and Transport Projects. There is a possibility of connecting the IMTTR with the Kaladan Project and Imphal with Aizawl by road via Churachandpur and Tipaimukh in Manipur.[49] The establishment of this network of connectivity would help in the integration of India with Southeast Asia through the North East and Myanmar. At the 7th Joint Trade Committee Meeting between the Governments of India and Myanmar held on November 24, 2020, both the sides noted that the current level of bilateral trade holds greater potential. In the meeting the status of connectivity projects was reviewed and both sides agreed on the need to scale up infrastructure at the border, which will further increase trade.[50]

According to the Asian Development Bank since the democratic transition in Myanmar there has been the opening up of its economy and financial sectors which has provided a huge opportunity for growth and broader partnerships with the neighbouring countries.[51] The stalemate between the military government and the democratic forces after the former seized power in a coup on February 1, 2021, against the civilian government; raises serious concerns. Myanmar like many other countries is already experiencing the adverse fallout from the COVID-19 pandemic and the ongoing political crisis is putting at risk a decade of economic progress it has achieved. Myanmar's political unrest which has witnessed large-

[48] "Towards Seamless Connectivity in SASEC",https://www.unescap.org/sites/default/files/Agendaitem3b_Ronal%20Butiong_ADB.pdf, Accessed on March 17, 2021.

[49] "The India–Myanmar–Thailand Trilateral Highway and Its Possible Eastward Extension to Lao PDR, Cambodia, and Viet Nam: Challenges and Opportunities", *Economic Research Institute for ASEAN and East Asia Research Project Report 2020, No.02b,* June 2020, https://www.eria.org/uploads/media/Research-Project-Report/2020-02-Trilateral-Highway-Report/Trilateral-Highway-Background-Papers.pdf, accessed on March 15, 2021.

[50] "India-Myanmar 7th Joint Trade Committee Meeting Vows to Strengthen Economic Partnership", *South Asia Subregional Economic Cooperation*, November 24, 2020, https://www.sasec.asia/index.php?page=news&nid=1210&url=ind-myn-trade-committee-2020, Accessed on March 17, 2021.

[51] "Connecting South Asia and Southeast Asia: Interim Report", *Asian Development Bank",* 2013, https://www.adb.org/sites/default/files/publication/159321/adbi-connecting-south-asia-southeast-asia-interim-report.pdf, accessed on March 12, 2020.

scale protests, civilian-army altercations leading to incidence of violence, has drawn millions of public and private sector workers who refuse to work until democracy is restored.[52] This is having a crippling effect on the economy with Myanmar's GDP growth according to estimates from the Asian Development Bank expected to contract by 9.8 percent in 2021.[53]

In Moreh the extended closure of the border since March 2020, after the corona virus outbreak and then the coup in Myanmar have resulted in the loss of business for the communities. Although trade routes were closed after the pandemic, unregulated and illegal trade on a smaller scale continued between Moreh and Tamu. This movement has also become impossible now that Myanmar has completely sealed its border following the unsettling political environment.[54] The political unrest raises concerns amongst countries and entities that have substantial trading and investments interest in Myanmar. For instance sanctions imposed by some of the Western countries such as the US in repose to the Myanmar coup have forced foreign companies to carefully re-evaluate their investments in Myanmar. In particular financial companies with strong US ties are required to ensure strict compliance with US sanctions, thus impacting payments, financing, and other transactions related to Myanmar.[55] This could potentially impact the future of the ongoing developmental partnerships including the IMTTH.

Pushing the Connectivity through Thailand

Today cooperation between India and Thailand in the area of connectivity has emerged as a major driver in their bilateral relations. Both countries have placed connectivity as a policy priority and given the fact that they face an uphill challenge in terms of addressing their connectivity agenda, there exists a common ground for cooperation. Currently, India and Thailand are cooperating closely on improving regional connectivity through initiatives such as the Asian Highway Network under United Nations Economic and Social Commission for Asia and Pacific [UNESCAP], BIMSTEC Transport Infrastructure and Logistics Study

[52]HtweHtwe Thein, and Michael Gillan, "How the coup is destroying Myanmar's economy", *East Asia Forum*, June 23, 2021, https://www.eastasiaforum.org/2021/06/23/how-the-coup-is-destroying-myanmars-economy/, Accessed on August 7, 2021.

[53] "Economic indicators for Myanmar", *Asian Development Bank*, https://www.adb.org/countries/myanmar/economy, Accessed on August 7, 2021.

[54] Neha Banka, "Recovering from lockdown, Myanmar coup deals a fresh blow to Moreh traders", *The Indian Express*, February 6, 2021, https://indianexpress.com/article/north-east-india/manipur/recovering-from-lockdown-myanmar-coup-deals-a-fresh-blow-to-moreh-traders-7176947/, Accessed on September 2, 2021.

[55] Gwen Robinson and Thompson Chau, "US sanctions on Myanmar: 5 things to know", *Nikkei Asia*, February 12, 2021, https://asia.nikkei.com/Spotlight/Myanmar-Crisis/US-sanctions-on-Myanmar-5-things-to-know, Accessed on September 7, 2021.

BTILS under BIMSTEC framework and the IMTTH, which would connect India to Thailand by road from the North East India through Myanmar.

Thailand being strategically located could become a trans-shipment hub between South Asia, Southeast Asia and East Asia. The Thai government has therefore; set the goal for Thailand to become the regional logistics hub. In order to accomplish this goal, it was important for Thailand to improve its connectivity; both in terms of physical infrastructure and trade facilitation.[56] The ongoing Thailand infrastructure plan [2015-2022] prioritises highway network linkage with neighbouring countries, as well as air transport capacity enhancement, and maritime transport development.[57] In 2016, the government approved a significant investment increase in the transport sector designed to stimulate the economy. In December 2016, the Thai cabinet approved a US$ 25.6 billion infrastructure action plan for 2017 that included 36 transport projects focusing on new road, rail, aviation, and port projects.[58]

As India is looking to further strengthen its ties with the CLMV countries the cross-border transportation network provided by the IMTTH would also be crucial in building the India-Mekong ties which remains largely untapped with huge opportunity. Thailand once connected with Myanmar through the land route; can become an important channel of transportation for India and Cambodia, Myanmar, Laos and Vietnam [CLMV] as well as with Malaysia, Singapore and other East Asian countries.[59]

India is making efforts to realise this connection. According to a press statement by Union Minister for Road Transport and Highways, Government of India, Mr. Nitin Gadkari [January 23, 2018], the India-Myanmar-Thailand Trilateral Highway is likely to be operational in the near future. He further stated that, "extension of trilateral highway to Cambodia, Lao PDR and Vietnam is being planned and are at different stages of

[56]Juthiph Chirathivat and Kornkarun Cheewatrakoolpong, "Thailand's Economic Integration with Neighbouring countries and Possible Connectivity with South Asia", Working Paper Series No: 520 (April 2015), *Asian Development Bank Institute*, https://www.adb.org/sites/default/files/publication/159839/adbi-wp520.pdf, accessed on May 2, 2018.

[57] "Thailand's Economic Outlook and Key Economic Politicise", *Department of International Economic Affairs, Ministry of Foreign Affairs,* https://www.thaiindia.net/images/Pages_from_Thailand_Economic_Fact_Sheet_Quarter_1-2560_as_of_July_2017.pdf, accessed on May 1, 2018.

[58]"Greater Mekong Highway Expansion Phase 2 Project [RRP THA 41682]", *Asian Development Bank,* https://www.adb.org/sites/default/files/linked-documents/41682-039-ssa.pdf, accessed on March 20, 2020.

[59]Arpita Mukherjee and Tanu M Goyal, "Integrating South and Southeast Asia through Services Value Chain: The Case of India and Thailand", *Indian Council for Research on International Economic Relations,* June 2015, https://www.econstor.eu/bitstream/10419/176319/1/icrier-wp-301.pdf, Accessed on March 19, 2021.

implementation."[60]India has offered US$ 1 billion in credit to promote projects that support physical and digital connectivity between India and ASEAN. India has also set up a project development fund of US$ 77 million to support manufacturing hubs in Cambodia, Laos, Myanmar, and Vietnam.[61] Further, the IMTTH converges with the Greater Mekong Sub-region's East West Economic Corridor [EWEC] in the westernmost port city of Mawlamyine in Myanmar as indicated in map six. The corridor passes from its staring point from Mawlamyine -through the state of Kayin [Myanmar], the province of Yasothon, Mukdahan [Thailand], Savannakhet [Laos], Quang Tri, ThauThien Hue and the eastern most port city of Da Nang in Vietnam.

Map Six: Map of the East-West Economic Corridor

Source: Author's own

[60] "India-Myanmar-Thailand Trilateral Highway by 2019: Gadkari", *Business Today*, January 23, 2018, *https://www.businesstoday.in/pti-feed/india-myanmar-thailand-trilateral-highway-by-2019-gadkari/story/268663.html*, accessed on May 2, 2018.

[61]Kiran Sharma, "Modi backs India-Myanmar-Thailand highway's Indochina extension", *Nikkei Asian Review*, December 29, 2017, https://asia.nikkei.com/Politics/International-relations/Modi-backs-IndiaMyanmarThailand-highway-extension, accessed on March 15, 2020.

The EWEC was launched in October 1998 as a flagship initiative of the Greater Mekong Sub-region [GMS] during its 8th GMS Ministerial Conference. It is a large project, travelling through thirteen provinces of Myanmar, Thailand, Laos, and Vietnam.[62]The second Thailand-Myanmar Friendship Bridge in the Tak province of Mae Sot district, Thailand, was officially opened for traffic on October 30, 2019 by the Governments of Thailand and Myanmar. The bridge crosses over the Moei River, and connects the Mae Sot District of Thailand with Myawaddyin Myanmar[63] which is also part of the IMTTH. The second Friendship Bridge is part of the EWEC, which links Myanmar, Thailand, Lao People's Democratic Republic, and Vietnam. The IMTTH connects with EWEC at the Myanmar-Thailand border, which opens up further prospects of value chain linkages between India, and in particular its North East region, with Cambodia, Laos, Vietnam, apart for Myanmar and Thailand.[64]

The land route under the IMTTH which would connect India to Southeast Asia through Thailand also links with the Mekong–India Economic Corridor [MIEC] in Myanmar. This corridor will link Chennai with Bangkok through Dawai port in Myanmar which once completed will provide India an alternative sea route to Southeast Asia, cut the transport time and reduce dependency on the congested Strait of Malacca. The MIEC will be an extension of the Southern Economic Corridor from Myanmar and Thailand to other ASEAN countries such as Cambodia and Vietnam. As India is also expecting to witness an increase in its sea traffic in the near future and given Thailand's geographical advantages – located at the centre of the ASEAN – it becomes an important bridge for India into Southeast and East Asia. Thailand was onboard from the very start on the development of the MIEC through a sea route linking Chennai Port with Dawei deep-sea port in Myanmar and Laem Chabang deep-sea port in Thailand, as shown in the map seven. The economic corridor would help in facilitating the transportation of various raw materials and parts to the various industries between India and the ASEAN states."[65]

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[62] "East-West Economic Corridor", *MTIP*, http://mythuyport.com/eastwest-economic-corridor/, accessed on April 6, 2020.

[63]"Second Thailand-Myanmar Friendship Bridge to Stimulate Cross-border Trade", *Greater Mekong Subregion*, December 13, 2019, https://greatermekong.org/second-thailand-myanmar-friendship-bridge-stimulate-cross-border-trade, accessed on March 20, 2020.

[64]Dipanjan Roy Chaudhury, "Southeast Asian corridor eyes business opportunities with Delhi via Bay of Benhal", *The Economic Times*, December 5, 2019, https://economictimes.indiatimes.com/news/economy/foreign-trade/southeast-asian-corridor-eyes-business-opportunities-with-india-via-bay-of-bengal/articleshow/72388422.cms, accessed on April 3, 2020.

[65]Lt Col N K Chhibber and Col S K Shishodia, "India-Thailand Relations", in Sanjay Kumar (ed) *India-Thailand Bilateral Relations* (Mohit Publication, New Delhi: 2013), p. 124.

Map Seven: Sea route linking Chennai Port with Dawei deep-sea port in Myanmar and Laem Chabang deep-sea port in Thailand

Source: Author's own, Map source: http://www.nationsonline.org/oneworld/map_of_southeast_asia.htm

At the ASEAN-India Commemorative Summit, held in December 2012, Thailand expressed interest in working closely with India, not only under the framework of ASEAN-India relations but also in the framework of BIMSTEC and the Mekong-Ganga Cooperation. Thailand's PM Prayut Chan-o-cha announced in 2016 his government would adopt an 'Act West' policy to tighten economic cooperation with India.[66] In an effort to boost two-way investments, India and Thailand also decided to renegotiate a new Bilateral Investment Treaty [BIT] during PM Chan-o-cha's visit to New Delhi in June 2016. Two-way investment will benefit from enhanced connectivity between the two countries.[67] Nonetheless, the

[66] "Thai firms urged to invest in India", *Bangkok Post*, July 31, 2018, https://www.bangkokpost.com/business/1513002/thai-firms-urged-to-invest-in-india, accessed on June 29, 2020.

[67] Asif Ahmad, "India Thailand Strategic Partnership and Defence Relations in the Changing Regional Security Landscape", in Sanjay Kumar (ed) *India-Thailand Bilateral Relations* (Mohit Publication, New Delhi: 2013), p. 236-237.

success of the BIT is dependent on the conclusion of the ongoing connectivity projects which would be crucial to ensure seamless connectivity for the transport of goods and services while enabling the expansion of trade and commerce.

Opportunity for India's North East through the IMTTH

The problem of economic underdevelopment in India's North East is partly due to limited accessibility to the region. The inadequate road infrastructure has direct impact on growth and development and is one of the main reasons for the backwardness of the region in comparison to the rest of the country. While the geo-political isolation at the time of partition of the country in 1947 is one of the factors, the topographical characteristic is also a factor which has limited accessibility to the region, except into the valley areas of Assam. Therefore, the overall capacity and maintenance levels of road infrastructure is far from satisfactory especially in the hilly areas.

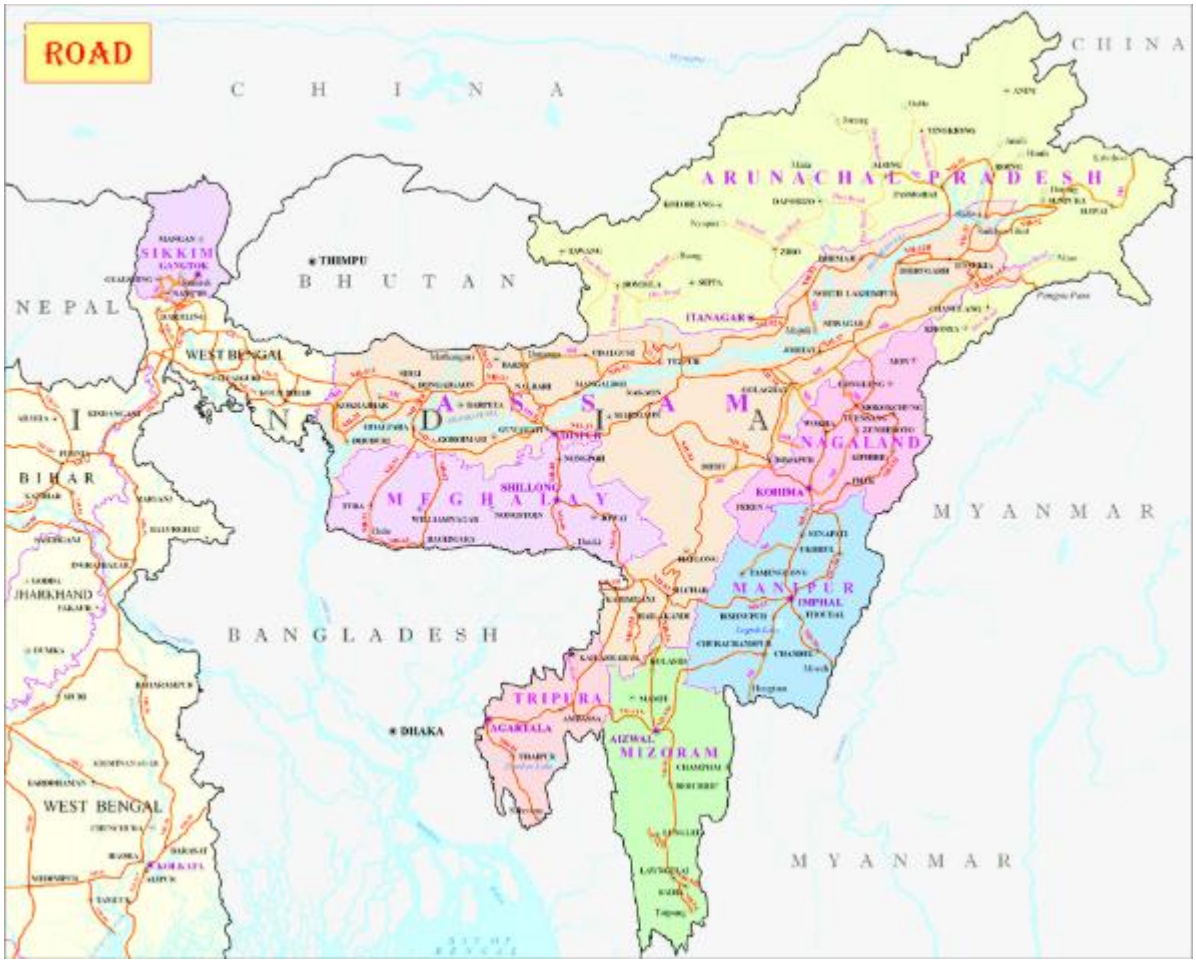
Connectivity within the North East

Before the arrival of the British, no roads, whatsoever, existed in the hilly areas of the North East. The present network of roads is largely the result of modification, improvement, and strengthening of the existing old roads build during the British rule.[68]At present, the road infrastructure is relatively deficient in the region, although the region's road density per capita is significantly higher as compared to the rest of the country which is intuitive, given the low density of population and the hilly terrain of the region. The road length per unit area is higher only in Nagaland, Assam and Tripura. The percentage of surfaced road in the North East is only 29 percent compared to the national average of 62 percent."[69] The largest state in the region, Arunachal Pradesh, with an area of over 80,000 kilometres, has just over 20 kilometres of road per 100 kilometres of its area. Overall the state of Assam, Meghalaya, and Tripura, has a reasonable length of roads, but large sections of these remain yet unsurfaced.[70] The total length of national highways in the North East is 13,258 kilometers, which are being developed and maintained by various state and central agencies such as the state Public

[68]K R Dikshit and Jutta K Dikshit, *North-East India: Land, People, and Economy* (New York: Springer Dordrecht, 2014), p. 690.
[69] "Gateway to the ASEAN India's north east frontier", *FICCI,* November 27, 2014, https://www.pwc.in/assets/pdfs/publications/2014/gateway-to-the-asean.pdf, accessed on March 12, 2020.
[70]Op. Cit 62, K R Dikshit and Jutta K Dikshit, p. 690.

Works Department [PWD], Border Roads Organization [BRO], National Highways Authority of India [NHAI] and National Highways and Infrastructure Development Corporation [NHIDCL] under the Ministry of Road Transport and Highways [MORTH]. Of the total length of 13,258 kilometers, about 12,476 kilometers is with the NHIDCL and respective state's PWDs. The remaining length of 782kilometers is with NHAI. The Ministry has been paying special attention to the development of national highways in the North East with 10 percent of the budget allocation being earmarked for the region.[71] Map eight indicates the national highway network in North East India. It can be seen that the network mainly connects the North East state capitals and major districts, as well as the international cross border network.

Map Eight: National Highway in North East India

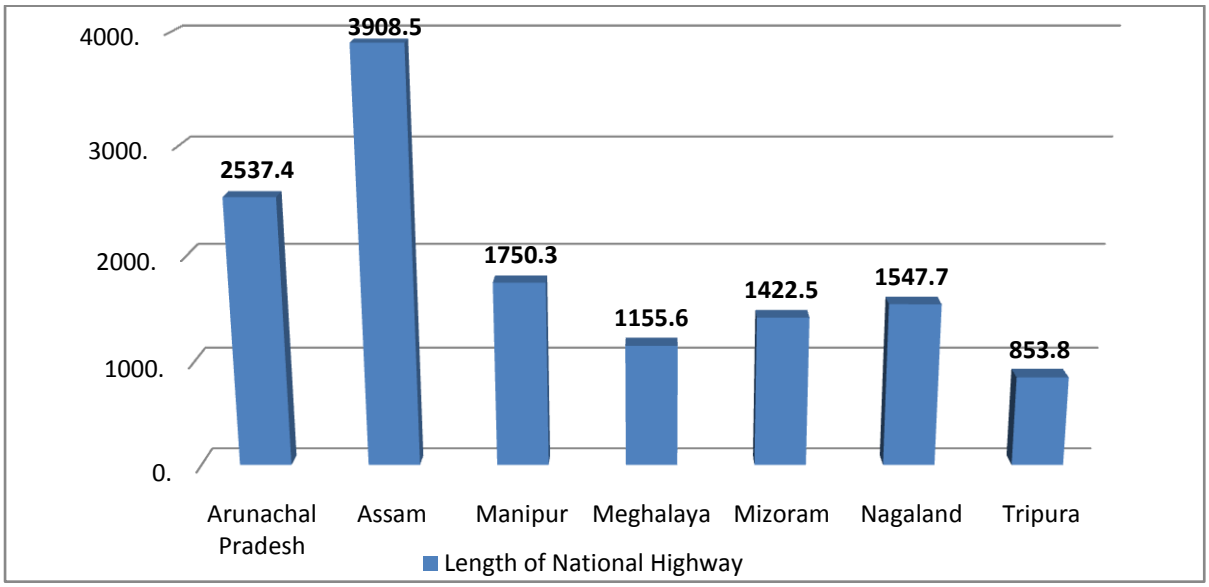


Source: https://mdoner.gov.in/infrastructure/road-map-only-nh-

[71] "Preparatory Study for North-East Road Network Connectivity Improvement Project [Phase 2]", *Japan International Cooperation Agency*, February 2018, https://www.jica.go.jp/english/our_work/social_environmental/id/asia/south/india/c8h0vm0000as3y0t-att/c8h0vm0000czwmci.pdf, accessed on April 3, 2020.

The data in Figure Four indicates the total length of national highway in the seven North East states as on November 2018. The total length of national highway in the North East is about 13,176 kilometres. This is linked to the state highways and major district roads that are particularly important for facilitating intra-state movement of people and freight. These roads have been developed and maintained by three agencies – the state PWD, BRO, and NHAI.[72]

Figure Four: Length of National Highways in the North East States [in km]



Source*:* https://nhai.gov.in/writereaddata/Portal/Images/pdf/StateWiseLengthNHsIndia.pdf

Connectivity with the Neighbouring Countries through the Trilateral Highway

Connectivity has been given priority under the North Eastern Region Vision 2020 document developed by the Ministry of Development of North Eastern Region [DONER], Government of India, which was unveiled in July 2008.[73] According to the vision document, the immediate priority is to build the required infrastructure right up to the border areas, establishing connectivity and communication links in the cross-border points through which trade and economic exchanges with the countries neighbouring the North East take place. The economic success of the policy would depend on the development of infrastructure which at present is lacking in the region. This requires a redefining of the policy to resolve

[72] "Sate wise length of NH in India as on 30.11.2018", *National Highway Authority of India*, https://nhai.gov.in/writereaddata/Portal/Images/pdf/StateWiseLengthNHsIndia.pdf, accessed on March 3, 2020.
[73] "Road Map [Only NH]", *Ministry of Development of North Eastern Region*, https://mdoner.gov.in/infrastructure/road-map-only-nh-, accessed on March 11, 2020

outstanding issues of trade, transit and investment with the countries neighbouring the region. The policy has to also acknowledge and help in building the local ways of doing trade; this would mitigate the fear of the local communities that they are being overlooked or displaced. The vision document recommends that both the state and central governments have to promote investments in projects not just in the North East, but also in infrastructure projects in the partner countries, especially Myanmar which would be pivotal in connecting India with the other countries of Southeast Asia.[74]

Map Nine: International Boundary Shared by the NER

Source: http://www.geocurrents.info/geopolitics/insurgency-sex-and-tribalism-in-North Eastern-india

Map nine shows that the North East of India is situated between China, Bhutan, Bangladesh and Myanmar, with an international border of close to 4,500 kilometres. The North East shares more international borders than it shares national boundaries making it strategically

[74] Ministry of Development of North Eastern Region, Government of India, "Vision Document 2020," p. 09, http://mdoner.gov.in/sites/default/files/silo2_content/ner_vision/Vision_2020.pdf, (accessed on 29 November 2015).

very important. In the past this had also impacted the development of industry and trade in the region as it led to the over-securitisation of the region. However, today with New Delhi's increasing outreach to its eastern neighbours, it provides a major opportunity for the North East. The region is strategically placed to act as a land bridge between India and the countries in South and Southeast Asia because of its geographical connect. Inadequate connectivity within the North East and with the rest of India has been a hurdle for the overall development of the region. Given that India shares a long land border and maritime boundaries with Myanmar, the IMTTH would help connect the Bay of Bengal to the South China Sea, by linking it with the other connectivity corridors. Currently, the North East region combine contribution to trade with Southeast Asia remains in the range of 1 to 2 percent. Given the North East's geographical location the region has the potential to capture a much larger share of the growing trade with South and Southeast Asia. Further, through the other connectivity projects such as the Kaladan Multi modal transport link it would provide North East access via Sittwe Project and the Paletwa Inland Water Terminal.[75] The Sittwe which is built with Indian assistance in the southwest of Myanmar is about 50 kilometres from Bangladesh border making it of strategic importance as it is in the Bay of Bengal and gateway to the Indian Ocean Region.[76] This larger accessibility has the potential to transform the North East region into a logistic hub.

The IMTTH is critical in this aspect as it would enhance connectivity between North East India and Southeast Asian through Myanmar, as well as other adjacent neighbouring countries of Bangladesh, Bhutan, and Nepal. The trilateral highway by building transportation networks would support economic, social and security needs with other neighbouring countries such as Bangladesh with whom four North Eastern states — Tripura, Meghalaya, Mizoram and Assam — share a 1,880 kilometers border. Connecting the state of Meghalaya with Bangladesh at Dauki, Shella, Baghmara, Burengapara and Mahendraganj, and similarly Tripura at Kalkalighat, Kamalpur, Khowai, Ranir Bazar and Sabrumwill facilitate alternate routes between these two states, with rest of the country, while also providing access to the Asian Highway network and major cities in Bangladesh.[77] Further,

[75] "Gateway to the ASEAN India's north east frontier", *FICCI*, November 27, 2014, https://www.pwc.in/assets/pdfs/publications/2014/gateway-to-the-asean.pdf, accessed on March 12, 2020.
[76] Ravi Sinha, "Geostrategic importance of Dawei Port in Myanmar for India", *One India,* July 9, 2021, https://www.oneindia.com/india/geostrategic-importance-of-dawei-port-in-myanmar-for-india-3283705.html, Accessed on September 7, 2021.
[77] Arvind Kumar, "Regional Connectivity for shared prosperity in North East India", *Tech Monitor*, Jan-Mar 2014, http://www.techmonitor.net/tm/images/5/53/14jan_mar_sf2.pdf, accessed on March 18, 2021.

the access to the Chittagong port which is only 75 kilometers from Sabroom in Tripura and the opening up of the inland water route could lead to economic resurgence of the North East and could become an important gateway for India into the region.[78]

During a virtual summit between Prime Minister Modi and the Prime Minister of Bangladesh Sheikh Hasina held on December 17, 2020, the latter has shared interest to join the IMTTH project. During the virtual summit, India has requested Bangladesh to allow connectivity from West Bengal (Hilli) to Mahendraganj in the West Garo Hills district of Meghalaya. India also requested for one Land Port with a minimal negative list, beginning with Agartala-Akhaura and for transportation of goods from Chattogram port to the North East of India.[79] During the State visit to Bangladesh by the Indian Prime Minister from 26-27 March 2021, "..Bangladesh reiterated its eagerness to partner in the ongoing initiative of the India-Myanmar-Thailand trilateral highway project..."[80] This would provide Bangladesh direct connectivity with Southeast Asian countries and would help boost regional trade. Further, as Bangladesh is also part of the Bangladesh, Bhutan, India, Nepal (BBIN) connectivity network, it would promote economic and trade opportunities for the North East by linking it with the larger region, through the interlinking of the existing networks.[81]

The IMTTH success in building wider connectivity can also be facilitated through the BIMSTEC in which Myanmar and Thailand are members. The BIMSTEC has identified 14 road corridors, 4 rail corridors, 2 inland waterway corridors, 11 maritime gateways and 15 aviation gateways. Some of these road and railway corridors overlap with the Trans Asian Highway[82] network and Trans Asian Railway routes. The Trans Asian Highway which

[78] "North Eastern Region Vision 2020", *North Eastern Council*, May 13, 2008, http://necouncil.gov.in/sites/default/files/about-us/Vision_2020.pdf, accessed on March 18, 2021.

[79] Huma Siddiqui, "Bangladesh to join Trilateral Highway with India, Myanmar and Thailand? Yet to be decide", *Financial Express*, December 18, 2020, https://www.financialexpress.com/infrastructure/roadways/bangladesh-to-join-trilateral-highway-with-india-myanmar-and-thailand-yet-to-be-decided/2152378/, Accessed on September 3, 2021.

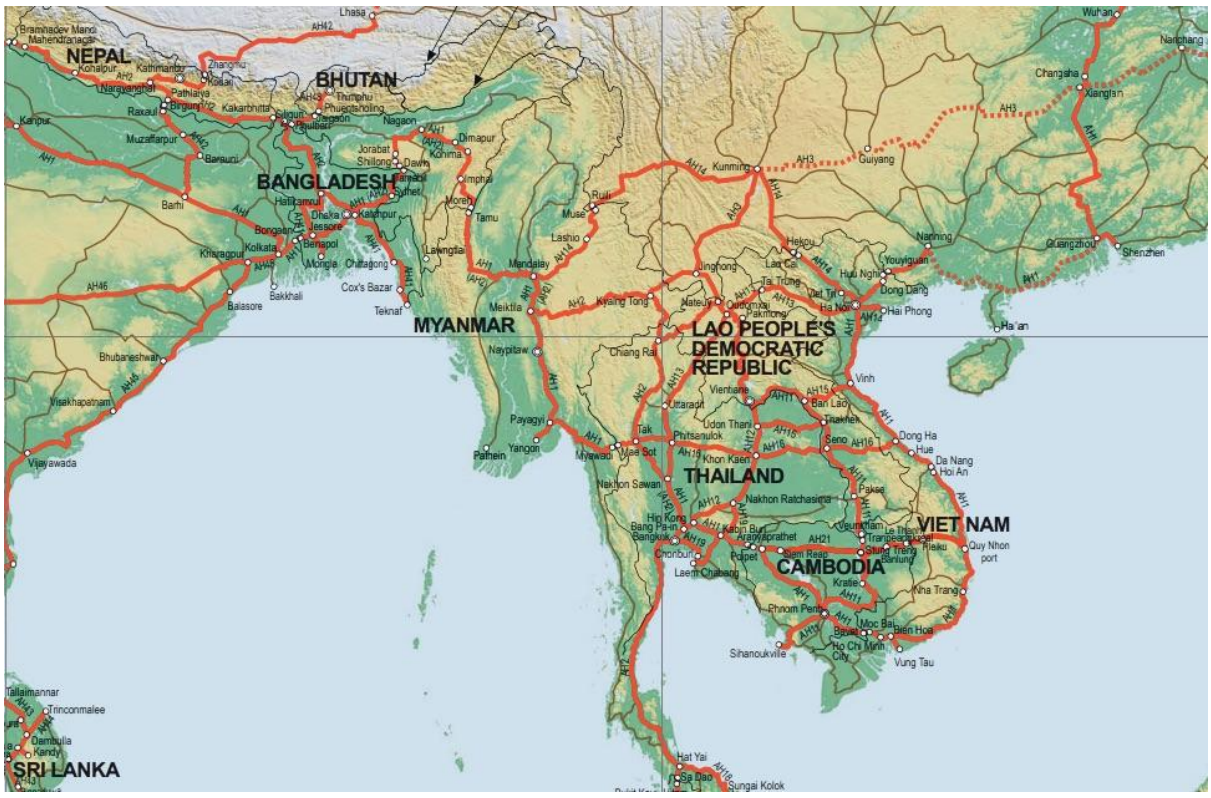
[80] "Joint Statement issued on the occasion of the visit of Prime Minister of India to Bangladesh", *PIB*, March 27, 2021, https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1708132, Accessed on September 3, 2021.

[81] Rajeswari Pillai Rajagopalan, "Connectivity Gaining Greater Currency in India-Bangladesh Relations", *The Diplomat*, January 14, 2021, https://thediplomat.com/2021/01/connectivity-gaining-greater-currency-in-india-bangladesh-relations/, Accessed on September 3, 2021.

[82] The Asian Highway concept was formally proposed in 1959 as a network of 65,000 km in 15 member countries to promote the development of international road transport in the Asian region. Over the years, the Asian Highway network has become a set of existing national highway links connecting major cities to promote regional integration. The two Asian Highways will pass through the north east and will overlap with each other to effectively provide north east India connectivity with Bangladesh apart from Myanmar and other ASEAN countries. The highways will follow the alignment of NH39, NH36, NH37 and NH40. See:// https://www.pwc.in/assets/pdfs/publications/2014/gateway-to-the-asean.pdf

merges with the trilateral highway in the North East of India provides scope for building broad connectivity linkages. India during the 60th Annual Session of the UNESCAP, held in April, 2004, signed the Inter-Governmental Agreement on Asian Highway Network, which calls for the coordinated development of the highway routes falling on the Asian Highway Network. All the countries through which this highway would pass are required to develop a minimum acceptable standard of roadways within the framework of their national programmes which would in turn advance trade and commerce along with promoting the development of transportation and tourism sectors. The Asian Highways [AH] 1 and AH 2 as indicated in map ten passes through the North Eastern states of India following the National Highway stretches from the Indo-Myanmar border at Moreh in the state of Manipur via Imphal- Kohima [Nagaland] – Dimapur- Nagaon- Jorabat [Assam] – Shillong- Dawki- Tamabilupto the Indo-Bangladesh border in the State of Meghalaya, having a length of about 740 kilometres.[83]

Map Ten: North East India covered under the Asian Highway



Source: https://www.unescap.org/sites/default/files/AH-map_0.pdf

[83] "Asian Highway Projects", *Ministry of Road Transport and Highways, Press Information Bureau*, September 9, 2011, https://pib.gov.in/newsite/PrintRelease.aspx?relid=75869, accessed on April 3, 2020.

The alignment of the IMTTH falls within the AH-1, being pursued by UNESCAP. The highway links Moreh with Mae Sot in Thailand through Bagan [in Myanmar], which is often termed as land bridge between South with Southeast Asia. The AH-1 and AH-2 will pass through the North East of India and will overlap with each other to effectively provide the North East of India connectivity with Myanmar apart from Bangladesh and other ASEAN countries. The Moreh- Tamu route under the IMMTH which is the main route for border trade between India and Myanmar overlaps with AH- 1 [Bangkok – Moreh – Imphal – Kohima – Dimapur – Nagaon – Jorabat – Shillong – Dawki – Tamabil – Sylhet – Katchpur – Dhaka – Petrapole – Barasat] and AH-2 [Bangkok – Moreh – Imphal – Kohima – Dimapur – Nagaon – Jorabat – Shillong – Dawki – Sylhet – Dhaka – Siliguri – Nepal]. To take full advantage of these road connections and integrate them with the Asian Highways, approximately 431 km of roads in the North East that are Class III or below will have to be upgraded to Class I. This would require planning and investment.[84]

According to the Ministry of Road Transport and Highways, Government of India, the East-West Corridor[85] which is under the National Highways Development Project [NHDP] of the NHAI and the SARDP-NE are undertaking the upgradation of stretches of the Asian Highways in the North East of India in order to integrate with the routes.[86] The projects undertaken by the NHDP and SARDP-NE are listed in the table below.

NH No	Name of State	Section	Length [km]	Programme	Estimated Cost [Rs crore]
NH 39	Nagaland	Kohima-Dimapur	81	SARDP-NE	1098
NH 36 & 37	Assam	Daboka-Nagaon-Jorabat	145	East-West Corridor under NHDP	1192

[84]Op.Cit 69, FICCI

[85] The East-West Corridor is of 3,300 km length connecting Porbandar in Gujarat to Silchar in Assam. In the North East, the East-West Corridor starts at Srirampur and ends at Silchar. This project aims to improve the connectivity of the North Eastern Region with the rest of India through a 670 kms long four-lane divided highway between Srirampur and Silchar. The Corridor does not go beyond Assam. For Details See: https://mdoner.gov.in/east-west-corridor

[86]Op.Cit 71, Asian Highway Projects

NH 40	Meghalaya	Jorabat-Barapani	62	SARDP-NE	536
NH 40	Meghalaya	Barapani-Shillong	18	SARDP-NE	180

Source: https://pib.gov.in/newsite/PrintRelease.aspx?relid=75869

The government of India has also rolled out multi-billion dollar projects to improve both road and rail connectivity in the North East States. There is preliminary survey being initiated for a trilateral rail connectivity project parallel to the IMTTH in which Japan has also expressed its interest in funding and collaborating with India. The governments of India, Myanmar, and Thailand are also currently negotiating a Motor Vehicles Agreement (MVA) along with protocols for regulating and facilitating movement of cargo and passenger vehicular traffic.[87] The MVA once implemented would link the three countries and establish road connectivity and promote economic development. Further, the eastward extension of the IMTTH to Cambodia, Lao PDR, and Vietnam would strengthen road connectivity and strengthen economic integration and cooperation in the Mekong sub-region.

Opportunity for an Enhanced Economic Engagement

The North East region is India's gateway towards increasing its economic engagement with countries in South, Southeast, and East Asia. Cross-border trade has emerged as a vital component of the economies of the North Eastern states in which the IMTTH becomes critical as it would help facilitate the development of trade routes with the neighbouring countries. The promotion of trade and investment in infrastructure on both sides of the India-Myanmar border remains a top priority. The Indo-Myanmar border trade agreement signed between the Government of India and Myanmar in January 1994 helps facilitate the exchange of goods produced locally by people living on both sides of the border. In April 1995 the first cross border trade agreement was implemented with the opening of a 25 kilometres trade route from Moreh to Tamu in Myanmar for trade in 22 agricultural items. In 2008 this trade was upgraded to normal trade with a total of 62 items that included non-agricultural goods.

[87] "India-Myanmar-Thailand Trilateral Highway", *Maritime Gateway*, November 5, 2019, https://www.maritimegateway.com/india-myanmar-thailand-trilateral-highway/, Accessed on September 3, 2021.

This trade was undertaken by setting up of Land Customs Stations and the Integrated Check Post [ICP] to facilitate a fast movement of goods.[88]Under the normal trade mechanism, the export and import of goods were permissible in free-flowing currencies agreed upon by India and Myanmar through the system of advanced payment.[89]

In 2018 Myanmar officially opened its border with India in a ceremony held at Tamu, marking the abolition of the special land entry permission which visitors required to enter Myanmar via land routes.[90] The construction of roads and infrastructure in Moreh, which has become a major border trading hub in the North East, was funded by the Indian government in order to facilitate trade with Southeast Asian countries. Increased trade has provided gainful employment to people in the border areas, aided development and helped strengthen Indo-Myanmar relations, especially trade relations.

India and Myanmar also signed a border trade agreement in 1994 between Zowkhathar a village in Champhai district of Mizoram and Rih which is in Myanmar‘s Chin State. Both these villages are adjacent to each other and are physically connected via a bridge that is used to export and import goods across both the nations. Since January 2004 bilateral border trade is being carried out through the designated border points of Zowkhathar and Rih.[91]India and Myanmar jointly inaugurated the land border crossing at Zokhawthar-Rih on the Mizoram-Myanmar border in August 2018. The crossing facilitates the movement of people on the basis of valid passports and visas which help promote economic and social interaction between the two countries.[92] This also needs to be accompanied by improved supply chains and the strengthening of existing corridors in the region. Another major step which needs to be undertaken is the promotion of industrialisation through skill development in the North East in view of a possible spurt in economic activity on the completion of the trilateral highway and post-implementation of the eastward extension of the IMTTH. Skill development may exclusively focus on food processing, garment manufacturing, small and

[88]MarchangReimeingam, “Moreh- Namphalong Borders Trade”, *Working Paper 346, The Institute for Social and Economic Change*, 2015, http://www.isec.ac.in/WP%20346%20-%20Marchang%20Reimeingam%20-%20Final.pdf, accessed on June 6, 2020.
[89]Ruatdiki Hmar, “Globalisation and the Look East Policy: Dimensions of Connectivity in Indo-Mayanmar Border Trade”, *Mizoram University Journal of Humanities and Social Sciences*, Vol V Issue 1, June 2019, http://mzuhssjournal.in/images/resources/v5n1/hmar.pdf, accessed on June 2, 2020.
[90] NgangbamIndrakanta Singh and Henry L. Khojol, “India, Myanmar enhance land connectivity”, *The Telegraph*, August 9, 2018, https://www.telegraphindia.com/states/north-east/india-myanmar-enhance-land-connectivity/cid/1216891, accessed on June 2, 2020.
[91]Op. Cit 75, MarchangReimeingam.
[92]Op. Cit 77, NgangbamIndrakanta Singh and Henry L. Khojol.

village industries, tourism, trading of goods and services, and construction activities, amongst others. [93]

Challenges to the implementation of the Trilateral Highway

The potential of the trilateral highway which would enable reduced cost of transportation and help spur commercial activities continues to face number of barriers. These factors from poor financial and institutional support to issues of security weaken the successful implementation of connectivity initiatives in the region. The implementation of these connectivity projects has also faced delays on account of land acquisition, utility shifting, law and order problems, delay in obtaining forest and wild life clearances, etc. Further, restrictive institutional arrangements between Myanmar and India, especially the restrictions on tradable items and modes of settlement have further limited the development of trade. In many situations, goods arriving from Myanmar do not originate from Myanmar as it acts as a middle man for the export of goods originating from China and Thailand. Another major challenge which needs to be addressed is the slow progress of the ongoing projects under the IMTTH due to the lack of institutional and financial support. This has resulted in connectivity between India and Southeast Asia being burdened by bottlenecks and transportation costs remaining high. The lack of essential institutional support and government commitments are some of the reasons for slowing down the development of this trilateral highway. It has been argued that deeper regional cooperation among the three countries would help restart the development of the trilateral highway.[94]

A stable security environment which is a pre-requisite for the successful implementation of the connectivity projects remains a major concern in the North East. The region faces non-traditional security threats that include human smuggling, cyber crime, low intensity conflicts, movement of narcotics and small arms, transnational economic offences and the prevalence of general lawlessness. While the level of insurgency has reduced they have been known to run extortion rackets, kidnap, and ransom operations, as well as drugs and arms trafficking. This has not only impacted the pace of the ongoing connectivity projects but has

[93] "The India–Myanmar–Thailand Trilateral Highway and Its Possible Eastward Extension to Lao PDR, Cambodia, and Viet Nam: Challenges and Opportunities", *Economic Research Institute for ASEAN and East Asia Research Project Report 2020, No.02b,* June 2020, https://www.eria.org/uploads/media/Research-Project-Report/2020-02-Trilateral-Highway-Report/Trilateral-Highway-Background-Papers.pdf, accessed on March 15, 2021.

[94] Op. Cit 28, Prabir De.

also severely limited the growth of trade between the North East and the neighbouring countries. With multiple insurgent groups operating along the India-Myanmar and Myanmar-Thai border regions, there is a danger that their activities could threaten the ongoing connectivity projects. The influx of illegal migrants like Rohingya from Myanmar and the Chakmas from Bangladesh is also leading to higher crimes rates as there would be greater competition for jobs, and fuelling the growth of insurgencies based on ethnic lines. Further, the Rohingya crisis cannot be ignored, apart from being a humanitarian issue, the presence of significant irregular migrants in India and Thailand could impact ongoing connectivity projects under the trilateral highway.[95]

Inadequate connectivity within the North East and with the rest of India has been a hurdle for the overall development of the region. It is therefore imperative that the primary focus be on infrastructure such as connectivity development. This would include improving the existing road network of the states and expanding the state highway network. Improved and faster connectivity in the region would encourage a positive business environment and investment in sectors such as transport, agriculture, tourism, energy, urban development, and other multi-sector/border zone development. While the primary road blocks in achieving this goal is the lack of adequate physical and industrial infrastructure facilities in the region which also impacts both the movement of goods and people. This road network would be beneficial in improving economic growth through the movement of goods and services. A robust road network is also a requirement for social development of the region. Further from a security perspective it would allow faster deployment of the security apparatus, in times of emergency.

Conclusion

It is well known that low transport costs are the result of good infrastructure and smooth border procedures which are a prerequisite for trade and commerce. The lack of robust physical infrastructure such as road and rail linkages, inadequate border crossing points etc have hampered trade between India and its neighbours. While the need to build a strong network of connectivity between India and Southeast Asia has gained momentum, it is yet to take off. The democratic transition in Myanmar had a positive effect as substantial progress

[95] Byron Chong, "Pursuing Development through Connectivity: An Analysis of India's Northeast Region", *Centre on Asia and Globalisation, Lee Kuan Yew School of Public Policy, National University of Singapore*, December 2018, https://lkyspp.nus.edu.sg/docs/default-source/cag/byronchong---pursuing-development-through-connectivity_19dec2018.pdf, Accessed on September 3, 2021.

was made in terms of its economic and developmental partnerships. In terms of connectivity partnership, a decade of a political stability helped unshackled decades of isolation from the trends of globalisation and connectivity becoming a key requisite. While the outcome of the ongoing political instability on the connectivity projects is yet to be measured, its impact is already being witnessed in terms of its effect on the economy. This could filter into the smooth implementation of the projects being carried out under the IMTTH.

As India looks to enhance its manufacturing production capabilities and get further integrated into the global supply chain, the establishment of a robust network of connectivity internally and with its neighbouring countries becomes crucial. The need is to tap the potential of India's North East that shares international borders with countries of South and Southeast Asia, which today are emerging as one of the most dynamic economic regions in the world. The informal trade guided by the deep rooted social and cultural commonalities existing between ethnic groups found in the North East of India and Southeast Asia is an important dimension to the ongoing connectivity agenda. With the implementation of formal trade mechanism that is the Indo-Myanmar Border Trade Agreement, the need for a robust network of connectivity becomes even more paramount. This however, remains constrained due to poor and underdeveloped physical and institutional infrastructure that limits the flow of trade and commerce. Issues such as inadequate financial mechanisms to allow advance payments; to the absence of adequate testing facilities for food products needs to be addressed. Since the sending of the food items to another state as well as the entire logistical requirements for the entire testing process has led to a massive delay and added further cost to the mobility of goods.

These prevailing shortcomings have been the root cause of many hardships faced with regards to border trade and limit the economic growth potential. The structural and institutional weaknesses need to be addressed while India continues to build the connectivity into Southeast Asia. India‘s connectivity agenda has been a key factor in shaping its engagements with its immediate neighbours and this is based on the underlining principle to ensure progressive growth in all dimensions. In this the IMTTH gives access to a wider dimension of connectivity and would help aid the successful implementation of initiatives envisioned in India‘s ongoing AEP.