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## Myanmar's Role In India Act East Policy Analysis Of Economic And Strategic Dimensions

2014 to 2024

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### Abstract

This study examines, from 2014 to 2024, Myanmar's present and future contribution to India's interests through the Act East policy in terms of both economic and strategic aspects. Act East, India's goal to strengthen economic and geopolitical ties with East/Southeast Asian nations, depends heavily on Myanmar. Though still very little, bilateral commerce has increased substantially since the 1990s, mostly on natural resources. Targeting \$5-10 billion by 2030, major Indian investments in Myanmar's oil/gas, power, mining, and manufacturing sectors are predicted to increase. Projects for vital connections including pipelines, highways, rivers, and electricity lines are either partially completed or under construction. Myanmar offers energy security to India once its infrastructure is finished and starts to make money. Both work together to fight trafficking and cross-border insurgency in terms of security. Even if economic factors are the main force, India's border infrastructure support and private sector collaborations are driven by strategic concerns of limiting China's enormous influence. If connectivity and border stability issues can be resolved, Myanmar's economic growth potential and special bridge location between South and Southeast Asia give India opportunities to revitalize its less developed northeastern regions as reforms advance.

**Keywords:** India, Myanmar, Act East policy, connectivity, infrastructure, energy cooperation, security cooperation, China.

## 1. Introduction

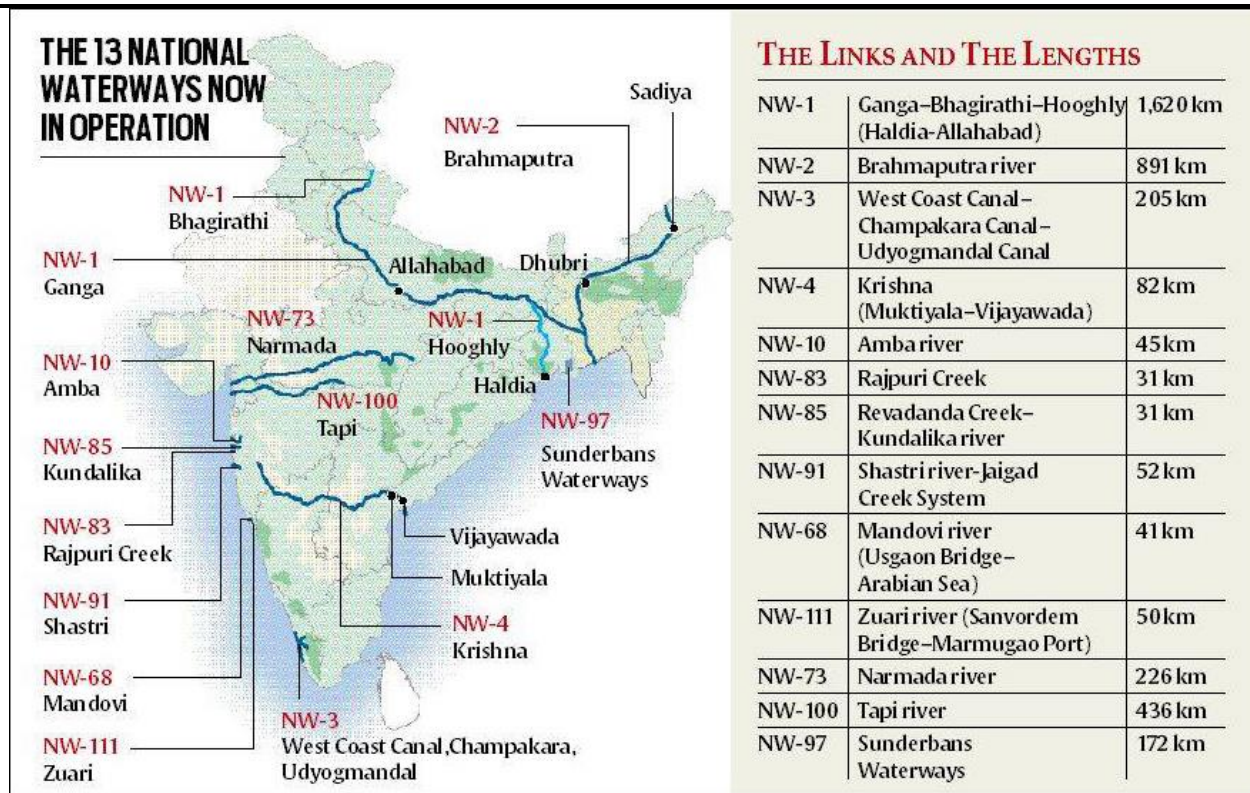
Launched in 2014, India's Act East policy seeks to strengthen economic, geopolitical, and cultural ties with East Asian countries. Key to this strategy is Myanmar, which borders India by 1,640 kilometers. The present and possible future contributions of Myanmar to the Act East policy advancement of India's objectives are examined.



**Figure 1. Study Area**

Source: Myanmar National Portal

There are four sections in all to the paper. Background on the Act East policy and the reasons Myanmar matters to India are given in the first section. The relationship's economic components—trade, investment, connectivity, and energy cooperation—are examined in the second part. Examining security cooperation, China's influence, and India's infrastructure projects, the third part looks at the strategic aspects. In the fourth part, future developments in the political, economic, security, connectivity, and cultural domains are conjectured. In keeping with India's Act East Policy, which focuses on improving inland water transportation, the Ministry of Ports, Shipping and Waterways has flagged off the first batch of experimental cargo vessels from Maia Inland Custom Port in West Bengal to Sultanganj Port in Bangladesh.



**Figure 2: The 13 National Waterways Now in Operation**

Source: Press Information Bureau of India

## 2. Economic Dimensions 2014-2024

### Trade

Bilateral trade between India and Myanmar has grown steadily since the 1990s, but remains modest compared to Myanmar's other major trading partners.

**Table 1: India-Myanmar Bilateral Trade 2014-2023**

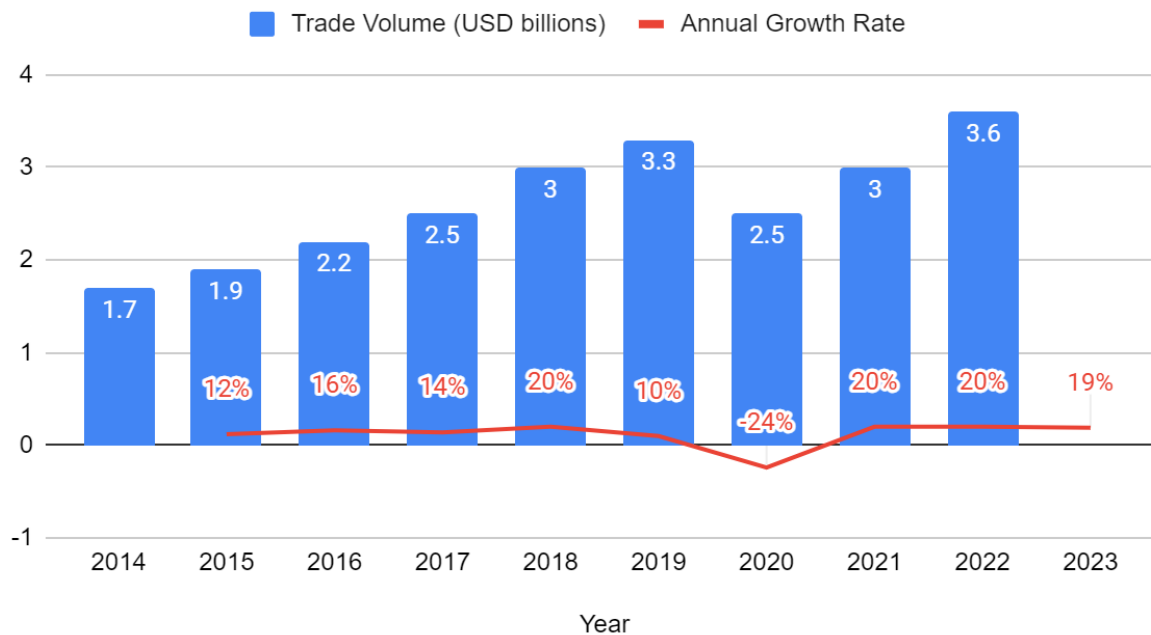
Year	Trade Volume (USD billions)	Annual Growth Rate
2014	1.7	
2015	1.9	12%
2016	2.2	16%
2017	2.5	14%
2018	3.0	20%

2019	3.3	10%
2020	2.5	-24%
2021	3.0	20%
2022	3.6	20%
2023	4.3 (projected)	19%

Source: Department of Commerce, Govt. of India

The COVID-19 pandemic disrupted trade growth in 2020, but commerce recovered in 2021 and is expected to keep expanding at around 20% annually. If sustained, bilateral trade could reach \$20 billion by 2030. But this depends on overcoming connectivity constraints, trade barriers, banking challenges and lack of information access.

### Trade Volume (USD billions) and Annual Growth Rate



**Graph 1: India-Myanmar Bilateral Trade 2014-2023**

### Investment

Indian firms have invested over \$750 million in Myanmar as of early 2022. Key sectors include oil and gas, power, renewable energy, mining, banking, manufacturing, logistics and tourism. Investments are expected to rise, aligned with India's focus on boosting connectivity with Southeast Asia.

**Table 2: Major Indian Investments in Myanmar 2014-2022**

Year	Company	Sector	Amount
2014	Jubilant Offshore	Oil Exploration	\$72 million
2015	SUN Group	Telecom	\$104 million
2016	Amoli Organics	Healthcare	\$3 million
2017	Infosys	IT Services	\$3 million
2018	Archean Group	Oil Terminal	\$400 million
2019	Adani Group	Port Operations	\$290 million
2020	Hinduja	Healthcare	\$22 million
2021	HPL Electric & Power	Power Equipment	\$23 million
2022	Zydus Healthcare	Pharmaceuticals	\$15 million

Source: Department of Commerce, Govt. of India

Improving business environment, growth potential and geostrategic importance should enable Indian FDI in Myanmar to reach \$5-10 billion by 2030 focused on connectivity, energy, technology and manufacturing projects.

### Connectivity

Enhancing connectivity with Myanmar via road, rail, air, water and energy corridors is a priority for India to link its less developed northeast states to Southeast Asia under the Act East policy.

Key projects include:

- India-Myanmar-Thailand Trilateral Highway
- Kaladan Multi-modal Transit Transport Project
- Imphal-Mandalay bus service
- Sittwe deep sea port and inland waterways
- Cross-border pipelines, power transmission links
- 533 km road linking Chennai with Dawei port and SEZ

Completing these projects can boost trade, empower local communities, and offset China's infrastructure advantage. But issues like financing delays, law and order concerns in remote regions, and sustaining local stakeholder engagement need mitigation.

## **Energy Cooperation**

Energy is an important area for collaboration, with India investing in offshore gas production, pipelines from Sittwe to North East India, and hydroelectric projects like the 1,060 MW Tamanthi dam. Once infrastructure is completed, Myanmar can help address the energy deficit in India's northeast while gaining export revenues. Partnerships with private and public energy firms like ONGC, Gail and Adani will be crucial for implementation.

### **3. Strategic Dimensions 2014-2024**

#### **Security Cooperation**

Securing its sensitive northeast region and combating insurgents is vital for India. Myanmar's cooperation helps control cross-border militancy and organized crime. Efforts include joint border patrols, sharing intelligence, nabbing militants taking refuge in Myanmar, and curbing trafficking of weapons, drugs and humans. These actions will likely intensify as connectivity infrastructure expands.

#### **China Factor**

Countering China's extensive strategic and economic influence in Myanmar is an unstated Indian objective. Projects like Sittwe port and Trilateral Highway offer India alternative channels bypassing the Malacca Strait dominated by China. India also aims to undercut Chinese State-Owned Enterprises from monopolizing key assets. But competing too aggressively risks local blowback. India must offer transparency and equitably integrate local communities.

#### **Infrastructure Building**

India is constructing roads, bridges, power lines and other infrastructure in remote border regions both to uplift local populations and strengthen security monitoring. Examples include the 120 km Tamu-Kalewa road and renovation of over 70 schools. India may also help develop frontier areas like Chin State to reduce dependence of locals on China. While humanitarian aims are genuine, strategic considerations are also at play.

## 4. Myanmar Outlook 2024-2034

### Economic Trajectory

If reforms continue, Myanmar could see 8% annual GDP growth by 2030, boosted by rising foreign investment, youth demographics and ASEAN integration. With a large market and strategic location between South and Southeast Asia, Myanmar is uniquely positioned to stimulate India's lagging eastern states. Bilateral trade could exponentially increase across agriculture, technology, energy, pharma and automobile sectors.

### Political Future

As Myanmar's first fully elected government in 50 years, the National League for Democracy (NLD) brings great promise. But the powerful military retains autonomy over security policies and owns substantial business assets. The relationship between Aung San Suu Kyi and the generals remains complex. While Myanmar is unlikely to become a liberal democracy soon, whether its unique balance lasts will impact ties with India.

### Security Cooperation

Joint counterinsurgency operations will expand into a wider security partnership as connectivity infrastructure advances. Intelligence sharing to target militants taking shelter across borders will be a priority. There may also be scope for trilateral security cooperation with Thailand to curb trafficking routes. However India must avoid getting entangled in Myanmar's internal ethnic conflicts.

### Connectivity Progresses

By 2030, India and Myanmar aim to operationalize key connectivity projects like the India-Myanmar-Thailand Trilateral Highway and Kaladan Multi-modal Transit Transport. Successful completion can energize border economies, empower local ethnic communities and engender goodwill for India. Partial success is the most realistic outcome if ethnic unrest or law and order threats can be managed.

### Cultural Connection

Leveraging cultural and religious bonds with Myanmar remains underutilized in India's policy toolkit. As Chinese stamps permeate, India should revive its civilizational links built on Buddhism. Enhancing pilgrim and student tourism can tighten societal relations. India could also expand Burmese language training opportunities for its diplomats, security personnel and businesses.

## 5. Conclusion

Myanmar's trajectory has regional and global significance as it balances a transition toward democracy against lingering authoritarian vestiges. India through the Act East policy has an opportunity to collaboratively support Myanmar's national aspirations while advancing its security and connectivity objectives. But a balanced strategic approach aligned with local needs is essential for avoiding accusations of big brotherly interference. Robust Indian private sector partnerships, community focused infrastructure building and savvy political engagement offer pathways for shaping an environment where both countries progress equitably.

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