

INDIA MYANMAR BILATERAL RELATIONS

MYANMAR - HISTORY

Myanmar has a long history and its greatness dates back to the early 11th Century when King Anawrahta unified the country and founded the First Myanmar Empire in Bagan more than 20 years before the Norman Conquest of England in 1066. The Bagan Empire encompassed the areas of the present day Myanmar and the entire Menam Valley in Thailand and lasted two centuries. The Second Myanmar Empire was founded in 16th Century by King Bayinnaung styled Branginoco by the Portuguese. King Alaungpaya founded the last Myanmar Dynasty in 1752 and it was during the zenith of this Empire that the British moved into Myanmar Wars in 1825. During The Second World War, Myanmar was occupied by the Japanese from 1942 till the return of the Allied Forces in 1945. Myanmar becomes a sovereign independent state in January 1948 after more than 100 years of colonial administration.¹

GEOGRAPHICAL PRESENCE

Myanmar is situated in Southeast Asia and is bordered on the north and northeast by China, on the east and southeast by Laos and Thailand, on the south by the Andaman Sea and the Bay of Bengal and on the west by Bangladesh and India. It is located between latitudes 09 32 N and 28 31 N and longitudes 92 10 E and 101 11 E.

The country covers an area of 677,000 square kilometres (261,228 square miles) ranging 936 kilometres (581 miles) from east to west and 2,051 kilometres (1,275 miles) from north to south, It is a land of hills and valleys and is rimmed in the north, east and west by mountain ranges forming a giant horseshoe. Enclosed within the mountain barriers are the flat lands of Ayeyarwaddy, Chindwin and Sittaung River valleys where most of the country's agricultural land and population are concentrated.²





BRIEF BIO

Myanmar, with **Naypyidaw** as its capital has a population size of **56,890,418**. The **Burmese kyat** is the official currency and **Burmese** is the official language. On the economic front, main export partners include **China 37.8%, Thailand 25.7%, India 7.4% and Japan 6.2% (2015)** whereas main import partners are **China 42.1%, Thailand 18.4%, Singapore 11% and Japan 4.8% (2015)**. A statistical look from the economic stand point follows³:

GDP INDICATORS	GDP: \$594.9 billion (PPP) External Debt: \$9.041 billion
TRADE	Exports: \$10.49 billion Imports: \$13.96 billion
MISCELLANOUS	Unemployment Rate: 4.8% Inflation Rate: 8.9%

**2016 (est)*

INTRODUCTION – INDIA & MYANMAR RELATIONS

Myanmar shares a long land border of over 1600 Km with India as well as a maritime boundary in the Bay of Bengal. Four North-Eastern States viz. Arunachal Pradesh, Nagaland, Manipur and Mizoram share international boundary with Myanmar. Both countries share a heritage of religious, linguistic and ethnic ties. Myanmar has a substantial population of Indian origin (est. 1.5- 2 million). Further, Myanmar is our gateway to South East Asia and ASEAN with which we are seeking greater economic integration through India's 'Look East' and 'Act East' Policy. Myanmar also offers us an alternative access route to the Northeast. Apart from supply of pulses, possibilities of energy supply from offshore blocks in Myanmar and business opportunities that emerging from an opening economy underpin bilateral relations.⁴



INDIAN COMMUNITY IN MYANMAR

The origin of the Indian community in Myanmar is traced back to the mid-19th century with the advent of the British rule in Lower Burma in 1852. The two cities of the Myanmar namely Yangon and Mandalay had a dominating presence of Indians in civil services, education, trade and commerce during the British rule. According to 1983 official census of Myanmar the number of Person of Indian origin (PIOs) in Myanmar is 428,428. A large number of the Indian community (nearly 150,000) live in Bago (Zeyawaddy and Kuayktaga) and Tanintharyi Region and Mon State, primarily engaged in farming. The NRI families mainly live in urban/cities and are engaged in export import business or are employees of MNCs based in India, Singapore and Thailand. There are estt. 1.5-2.0 million people of Indian origin living and working in various parts of Myanmar.⁵

INTRODUCTION – INDIA & MYANMAR TRADE RELATIONS

Commercial cooperation is a key area of focus. India and Myanmar signed a trade agreement in 1970. Bilateral trade has been growing steadily and India is the fourth largest trade partner of Myanmar but trade remains below potential. Agriculture sector dominates bilateral trade. Myanmar is the second largest supplier of beans and pulses to India and Timber and wood products. India's exports to Myanmar include pharmaceuticals products, steel & iron products, electrical machinery, Mineral oil, Rubber and articles, plastics etc. Border trade via Moreh and Zawkhatar reached to US\$ 51.68 million in 2013-14.⁶

INVESTMENT RELATIONS

India has moved to eleventh largest investor from tenth position with an approved investment of US\$ 299.5 million out of total estimated investments of US\$ 45.237 billion from 33 countries by 655 enterprises. Most of India's investments have been in the oil and gas sector. Following the New Foreign Investment Law (02 Nov 2012) and the by-laws and rules framed by the respective departments/ministries (31 January 2013) investments into the country is increasing. Now FDI is allowed 100 % in select sectors. Indian companies have evinced interest in investing in Myanmar and major contracts have been won by Indian companies include Jubilant Energy India- PSC-1 onshore bloc; **Punj Lloyd; Jindal Saw; Welspun India; Vihaan Networks; Nipha Exports and Troika Exports; L&T**. More facilitative environment that includes greater air, sea and road connectivity options would give a fillip to the cooperation. Cooperation in banking sector is crucial for investment and trade. United Bank of India signed number of banking agreements with banks of Myanmar (MFTB, MICB, MEB, and 9 private banks) in order to facilitate trade transactions between the two countries. United Bank of India (UBI) has opened its representative office in November 2012. In addition to UBI, Indian Overseas Bank, EXIM bank and State Bank of India have opened representative office in Yangon.⁷

TRADE OVERVIEW (USD MILLIONS)⁸

Details	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
EXPORT	544.66	787.01	773.24	1,070.65	1,111.19
%Growth		44.5	-1.75	38.46	3.79
IMPORT	1,412.69	1,395.67	1,231.54	984.27	1,067.25
%Growth		-1.2	-11.76	-20.08	8.43
TOTAL TRADE	1,957.35	2,182.68	2,004.78	2,054.92	2,178.44
%Growth		11.51	-8.15	2.5	6.01

A steady increase in exports and imports over the years has resulted in the bilateral trade crossing two billion dollars in 2013-2014. The trade has remained significantly in favour of Myanmar up till 2014-2015 after which India has a biased figure. With a growth of six percent in overall trade for 2016-2017, expecting a five billion dollar trade target would not be unrealistic.

FREE TRADE AGREEMENTS

India and the ASEAN (Association of South East Asian Nations) comprising Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, **Myanmar**, Philippines, Singapore, Thailand and Vietnam signed the Trade in Goods Agreement under the broader framework of Comprehensive Economic Cooperation Agreement (CECA) between India and the ASEAN on 13 August, 2009.⁹

BILATERAL CO-OPERATION IN REGIONAL/SUB-REGIONAL CONTEXT

Myanmar's membership of ASEAN, BIMSTEC and Mekong Ganga Cooperation has introduced a regional/sub-regional dimension to our bilateral relations and imparted added significance in the context of our "Look East" policy. As the only ASEAN country sharing a land border with India, Myanmar is also a bridge between South and South East Asia, a pivotal and visible link between India and ASEAN. At the India-ASEAN Summit in November 2002, Myanmar supported our case for such Summit meetings to be held on an annual basis. Myanmar also supported India's inclusion in the East Asia Summit mechanism. Myanmar has generally been supportive of India's candidature to various international organisations. For our part, we have supported Myanmar's association with SAARC as an observer; Myanmar formally acquired such status in 2008. We have also spoken in Myanmar's support during UN deliberations on Myanmar at the UNGA and UNHRC.¹⁰



KEY INITIATIVES BY CII

CII's institutional partner in Myanmar is The Republic of the Union of Myanmar Federation of Chambers of Commerce & Industry (UMFCCI) which has been a key partner in a number of initiatives. Some key interactions in the recent years are highlighted below: -

- H.E. Dr Than Myint, Union Minister of Commerce, Ministry of Commerce, The Republic of the Union of Myanmar led a strong sixteen member business delegation from Myanmar to Jaipur, Rajasthan for the 4th India CLMV Business Conclave on 27-28th February, 2017.
- CII in collaboration with MEA, jointly organized the India- Myanmar Business Roundtable with Daw Aung San Suu Kyi, Hon'ble State Counsellor and Union Minister for Foreign Affairs, Republic of the Union of Myanmar as the keynote speaker on 19 October 2016.
- Smt. Nirmala Sitharaman Minister of State (Independent Charge) for Commerce & Industry (CIM) led a 25-member high level industry delegation organized by Confederation of Indian Industry to Yangon, Myanmar on 18-20 May 2016. A round table meeting with government and industry officials as well as Myanmar – India Business Conclave focusing on certain sectors. Was also organized on the side.
- H E Dr Pwint San, Deputy Minister, Ministry of Commerce, Myanmar led a twenty-four member delegation to the 3rd India CLMV on 12-13 January 2016 at Mamallapuram, Tamil Nadu. An investment programme exclusively for Myanmar was organised on the sidelines of the conclave.
- Coinciding with the Enterprise India Show in Yangon, Myanmar, CII organized a Business Delegation from 28-30 October 2015 to Myanmar led by Mr Gokul Patnaik, Member, CII National on Agriculture and Chairman, Global Agrisystem Pvt Ltd.
- CII organized an interactive session in honour of the visiting of 10-member delegation led by Quarter Master General (QMG) of Myanmar Army, Lt General Nyo Saw with a small group of senior CII members on Wednesday, 30 September 2015.
- Interactive Session with Mr Gautam Mukhopadhaya, Indian Ambassador to Myanmar organised on 11 February 2015 in New Delhi.
- Business delegation from Myanmar participated at the 2nd India – CLMV Business Conclave in New Delhi from 11-12 December 2014.
- CII organized the “Enterprise India Show” in Myanmar from 16-18 January 2014, along with a business delegation.



REFERENCES

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- ⁶ MEA Foreign Relations Portal
- ⁷ IBID
- ⁸ EXIM Data – Ministry of Commerce, India - Website
- ⁹ Department of Commerce, Ministry of Commerce, India
- ¹⁰ Embassy of India, Yangon, Myanmar - Website