

Review of Indo-Thai-Myanmar Economic  
& Security co-operation  
and possibilities for  
the future.

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Academic Year 2016-2017

## PREFACE

India's linkages established with Southeast Asia well before Christian Era, grew stronger with passing time and continued well up to eighteenth century, before onset of colonization. Despite its naval might India never harboured intentions for territorial conquest. Maritime prowess that was utilised well for commercial purposes also resulted in exchanges in culture, religion and way of life which found easy acceptance because of benign nature of India's influence and its liberal assurances. Hinduism and Buddhism coexisted for centuries before mainland Southeast Asia became predominantly Buddhist.

Seen only in the context of the Trio (India, Myanmar and Thailand) which had additional advantage of being immediate land and/or maritime neighbours, the past association, has undoubtedly bestowed the deep connection through similarities and also differences at various stages of history. However, even after seventy years of decolonization of India and Myanmar, and certain imperatives of being neighbours in interstate relations, cooperation between the Trio seemed inadequate, seen especially in the background of their deep connections of the past.

Thailand a well established economy, reforming and rising economy of India, and Myanmar, a new entrant on this path with huge potential and challenges; all three though at different milestones but with a common goal of **Growth** in an environment of **Peace** and **Stability** have their destinies tied in the strategic partnership centered around economic and security cooperation.

Myanmar's recent return to democracy and initiation of long overdue economic reforms makes it even more relevant to analyse the inadequacy of their economic and security cooperation with a view to suggest a way forward towards realization of full potential. While it was difficult to find information on this specific topic in open domain, details of their bilateral

cooperation have been utilized to suggest a way forward in their trilateral relations.

The views expressed are solely of the undersigned, based on the inferences drawn from researched data / information and do not reflect the policy of Government of India or the organization represented by the undersigned.

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# CHAPTER 1

## INTRODUCTION

“India’s Look East Policy is not merely an external economic policy, it is also a strategic shift in India’s vision of the world and India’s place in the evolving global economy. Most of all it is about reaching out to our civilisational neighbours in South East Asia and East Asia”

– Ex-Prime Minister Dr. Manmohan Singh<sup>1</sup>

### **Background and Importance of the Problem**

1. **ASEAN** with its diverse ethnic units, ten modern states and two millennia of historic developments has some vital commonalities with India that form the basis of strong bonding between these nations, which if built upon, has phenomenal potential for interstate co-operation that can promote shared values and interests.
2. Looking closer to India’s east; India, Myanmar and Thailand share the tropical, monsoon climate, with all its implications for a way of life, based on irrigated agriculture. Moreover, sharing of geographical and maritime boundaries led to cultural and religious exchanges across the recorded history along with vibrant trade links through both the land and maritime routes. Our national ethos can be said to have been influenced - even molded by centuries of the exchange of people, ideas, culture and commerce. As such, our larger economic, security and geo-strategic interests have always been closely tied to this extended neighborhood.

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<sup>1</sup> Ex Prime Minister of India, Dr Manmohan Singh at ASEAN Summit in 2010.



3. European involvement in the region and subsequent colonisation of India and Myanmar for roughly two centuries, brought in an almost abrupt halt to the centuries old exchanges, except those dictated by the colonial powers, that too purely in their own national interest.

4. The two decades following World War II could be termed as the era of Decolonisation and Independence. Sovereign nations, then in their nascent stage got on with creating a political, administrative and economic framework which would meet the aspirations of newly freed people. At that time, all the three nations faced similar economic problems: standards of its improving agriculture, promoting industrialisation and raising the living standards of growing and aspiring population.

5. Thailand had a relative lead in development process with its foresighted monarchs (Rama IV and Rama V) undertaking process of modernization in late 19<sup>th</sup> & early 20<sup>th</sup> century<sup>2</sup>. Thailand was also quick in realising the potential and therefore, the need for regional groupings/integration for mutual growth through co-operation and use of collective strength (best option for the developing nations). With its concerted efforts, finally, in 1967 five nations comprising of Thailand, Malaysia, Indonesia, Singapore and Philippines joined to form ASEAN which has grown in strength and stature over the years. Subsequent end of cold war era witnessed major changes in the geopolitical environment. More obvious in the recent past; the centre of global Economic and increasingly even Strategic power could be seen tilting to the EAST. As on date, undoubtedly, Asia is seen as the 'Engine of Growth' for the world economy in years to come.

6. India, on its part having grappled with domestic and economic issues, border disputes and conflicts with its neighbours, responded with

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<sup>2</sup> D R SarDesai, South-east Asia: Past and Present, First ed (New Delhi: Vikas Publishing House Pvt Ltd,1981). P.201

long overdue and much needed economic reforms and diversification / reordering of its foreign policy engagements and priorities. India's 'Look East Policy' conceived by then Prime Minister Mr PV Narasimha Rao reflects historical imperatives, economic considerations and Geo-strategic concerns and seeks to optimise our synergies in Asia-Pacific region, with **interdependence** as main underlying factor for **collective growth, lasting peace and stability**. Over the years, India's increased participation in fora like ASEAN, ARF, East Asia Summit, ASEM, BIMSTEC along with parallel engagements with majority of Southeast Asian nations have taken this relationship to a strategic level. As on date, India is well poised to play its contributory role to the growth, stability and security of southeast in particular and east Asia in general.

7. Myanmar after its independence in 1948, has been under military regime for majority of the period leading to sanctions and its isolation from majority of the world. The catastrophic economic programmes under military regime turned Burma into one of the world's most impoverished countries. Since the transition to a civilian government in 2011, Burma has begun an economic overhaul aimed at attracting foreign investment and reintegrating into the global economy. Myanmar with its economic overhaul and commitment to reforms, coupled with its abundant natural resources, young labor force, and proximity to Asia's dynamic economies is firmly embarked on path of rapid development in coming years.<sup>3</sup>

## **India's Bilateral Relations with Myanmar**

8. India has been a major trading partner of Myanmar. Since the signing of India and Myanmar trade agreement in 1970, bilateral trade has been growing steadily. Bilateral trade rose from US\$ 328 million in 1997-98

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<sup>3</sup> "The World Factbook"// "East and Southeast Asia::Burma" (Online) Available: <https://www.cia.gov/library/publications/the-world-factbook/geos/bm.html>

to US\$ 921.19 million in 2006-07 and climbed up to US\$ 2.052 billion in 2015-16.

Table 1.1 India-Myanmar bilateral trade (in million US \$)<sup>4</sup>

Year	2011-12	2012-13	2013-14	2014-15	2015-16
India's exports	545.38	544.66	787.01	773.74	1068.20
India's imports	1,381.15	1,412.69	1395.67	1231.54	984.27
<b>TOTAL TRADE</b>	<b>1,870.20</b>	<b>1,957.35</b>	<b>2182.68</b>	<b>2005.28</b>	<b>2052.47</b>

India is the fifth largest trade partner of Myanmar (3<sup>rd</sup> largest export destination for Myanmar and 7<sup>th</sup> largest source of imports into Myanmar).

**9. Defence Cooperation** The past few years have witnessed growing defence bilateral ties. Myanmar welcomes India's cooperation as it enables counter-balancing of its dependency on a few countries. The cooperation relatively in the nascent stage has been boosted by regular high level exchange of visits, training exchanges and supply of defensive military hardware.

**10. Connectivity** Connectivity is increasingly being seen as the key to promoting bilateral commercial, cultural, touristic and other exchanges. India is undertaking some important development projects that will enhance connectivity. Trilateral Highway connecting Moreh in India to Mae Sot in Thailand via Myanmar is a crucial road transport link, wherein both India and Thailand are contributing to build/upgrade missing / dilapidated links in Myanmar.

**11. Bilateral Cooperation in Regional/Sub-regional context** Myanmar's membership of ASEAN / ASEAN Plus, BIMSTEC and Mekong Ganga Cooperation have introduced a regional/sub-regional dimension to our

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<sup>4</sup> Embassy of India, Yangon Myanmar/Bilateral Economic and Commercial Relations (Source:DGFT, Dept of Commerce, India)

bilateral relations and imparted added significance in the context of India's "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 with which we are seeking greater economic integration through India's 'Look East' and now 'Act East' Policy.

### **India's Bilateral Relations with Thailand**

12. India and Thailand have completed 70 years of diplomatic relations. India's 'Look East' policy (since 1993) and Thailand's 'Look West' policy (since 1996) have been complementary in consolidating bilateral relations including economic & commercial linkages.

13. **Bilateral Trade** The last few years have seen a rapid growth in bilateral trade, which has averaged more than US\$ 8 billion mark from 2011 to 2016. Trade statistics from the last six years are tabulated below:-

Table 1.2 India-Thailand Bilateral Trade (amount in billion USD)

<b>Year</b>	<b>Total trade</b>	<b>Export to India</b>	<b>Import from India</b>
2010	6.64	4.39	2.25
2011	8.19	5.18	3.01
2012	8.87	5.47	3.40
2013	8.69	5.19	3.50
2014	8.66	5.62	3.04
2015	7.92	5.29	2.63
2016	7.72	5.15	2.57

14. Currently, Thai goods have benefited from tax reduction under **ASEAN-India FTA in Goods**, which came into effect from 01 January, 2010 and resulted in the flow of more goods into Indian market. An **Early Harvest Scheme (EHS)**, covering 82 products (now 83 products) under the proposed India-Thailand FTA, in place since September 2004, has already resulted in phenomenal growth in our bilateral trade. In the past two decades, India's ties with Thailand have now evolved into a comprehensive partnership. Both countries are important regional partners linking South and Southeast Asia. They cooperate closely in the ASEAN, East Asia Summit (EAS) and BIMSTEC groupings as also Mekong Ganga Cooperation (MGC), Asia Cooperation Dialogue (ACD) and Indian Ocean Rim Association (IORA).

15. **Defence Dialogue** There have been regular high level visits and dialogues on defence co-operation between two countries. A bilateral MOU on Defence cooperation has been signed in January 2012. The current Defence cooperation comprises a few joint exercises / regular joint maritime patrols near the international maritime boundary to counter terrorism, piracy and smuggling, training of officers at each other's institutions and participation as observers in military exercises.

16. **Connectivity** Growth in air traffic between India and Thailand is evident in operating of 176 flights per week. This reflects substantial movement of mainly tourists and also businesspersons between the two countries. In 2015, over 1 million Indian tourists visited Thailand and around 120,000 Thai tourists visited India (mainly to Buddhist pilgrimage sites). India and Thailand are cooperating closely on improving regional connectivity through initiatives such as India-Myanmar-Thailand Trilateral Highway, Asian Highway Network (under UNESCAP) and BTILS under BIMSTEC framework.

## **Statement of the Problem**

17. It is evident from the aforementioned, that these three countries sharing the geographical / maritime boundaries with each other have unique advantage of strong historical, trade and religious linkages which reflects in the commonalities of their culture, values and way of life. In the recent past the nations have gone through similar challenges in agriculture, industrialisation and raising living standards of their aspiring population. Gist of current bilateral Trade and Security cooperation is indicative of the progress made in last one to two decades but the statistics appear far short of exploiting the full potential of the economic and geo-political environment existing in these countries and surrounding region. Myanmar occupies the central place in the trio wherein it shares both the land and maritime boundaries with other two nations. As such, their inter-dependence for the future growth and stability in the region needs no emphasis.

18. Positive contributions by these three nations, which is bound to have a snowballing effect of taking along other neighbouring nations, would go a long way in recreating an 'OVERARCHING' Asian identity of the past in the Asia-Pacific region. On the security front, joint efforts by the alliance on issues; both traditional and non-traditional would benefit the Trio that has a unique advantage of deep understanding and appreciation of each other's issues and problems because of shared culture, values, history and geographical conditions.

## **Objectives of Research**

19. Objectives of the research are as follows:

- (a) To review the current status of economic and security engagements of Indo-Thai-Myanmar cooperation.

- (b) To recommend the way forward in view of existing domestic and regional environment coupled with geo-political implications.

## **Scope and methodology of Research**

20. **Scope** The research is focused on these three countries of India, Thailand and Myanmar as they have unique distinction of being a *connect* between South and Southeast Asia with Myanmar being the bridge. In-depth analysis of the study would enable putting forward of certain recommendations both on trilateral and bilateral level, which if implemented will catapult their relations to greater heights. The scope essentially includes the following:

- (a) Brief summary of relevant research works in the past, bringing out related conclusions / recommendations put up therein.
- (b) Historical perspective highlighting cultural, religious and trade links.
- (c) Commonalities and shared values / cultures that can be buildup on.
- (d) Geographical / maritime sharing of boundaries & climatic similarities with their significance and common grounds for co-operation.
- (e) Prevailing domestic and regional environment.
- (f) Geo-political situation: Present & Future.
- (g) Current status of co-operation.
- (h) Way forward for enhanced Economic & Security Co-operation.
- (j) Conclusion and Recommendations.

21. **Research Methodology** The research methodology is by qualitative research method. Data and information obtained from embassies & available on their websites, in libraries, e-books, government publications / polices, views of leading think tanks & subject experts as well as information gathered from study tours within Thailand and regions bordering Myanmar would be incorporated in the research work. In addition,

references would also be drawn from the periodical publications / journals of established agencies, institutes and publishing houses dealing with economic, political, and security/strategic issues. These sources of information are being indicated at the footnotes and the bibliography appended at the end.

## **Limitations and Delimitations**

### **22. Limitation**

(a) The research, deals with an issue of immense strategic importance. The strategic outlook and the security choices made by the nations are generally not published in open domain. Author will be limited to drawing of the inferences based on past and current government policies and decisions. Moreover, dynamism of international relations, subject to changing geo-political situation and security environment may result in different responses by the countries to suit their respective national interests. As such, recommendations made in the study may not be completely in tune with the unfolding scenarios of the future.

(b) For want of a similar study in the past, data on trilateral cooperation and comparisons may not be available and as such, comparison of bilateral data and inferences drawn there from would be logically applied for putting up recommendations at trilateral level.

(c) Data and information used for the analysis would be obtained from known to be authentic sources (Government, semi-government and private) and available in the open domain. The analysis of data, inferences drawn and the recommendations / answers offered would be entirely that of the author as an individual and would not represent or be limited by the official policies of the Government of India or the organization represented by the author.



23. **Delimitation** While comprehensively listing out the way forward, both for trilateral and bilateral cooperation in the earlier chapters, final recommendations would be limited to a select few that are seen to have significant impact on *trilateral cooperation* in near future.

### **Research Utilisation**

24. The research work while providing fair understanding of historical, cultural, religious and trade links of the past, coupled with commonalities of geographical boundaries and the environment, would recommend these to be used as the substratum to the strong foundation of bilateral and multilateral co-operation. Building from the current level of engagements, and after taking a view of the current developments in the three countries the paper will aim to arrive at recommendations for full exploitation of economic and geo-political environment that will usher in individual, bilateral and collective growth along with regional stability.

25. The research work would be presented to National Defence College, Bangkok for further necessary action, as deemed fit. It would also be presented to the Indian Air Force for further utilization as appropriate.

### **Definitions**

26. The terms used in the research are drawn from the standard glossary used worldwide. In the event of using unfamiliar terms or likelihood of subjective interpretation of certain terms, detailed / intended definitions would be provided at the end.

## CHAPTER 2

### RELATED LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

#### Review of Related Literatures

27. In the open domain no research work dealing directly with this topic could be found. The works related to the subject deal either with bilateral relations or with the already established groupings like ASEAN etc. NDC library was also searched for research work on the subject in English. Research works closest to the topic undertaken by earlier students were reviewed for their scope, findings and the questions answered therein. Brief details of these three researches with their findings / recommendations relevant to this topic are as follows:-

- (a) India's Look East Policy : Future Role in Asia Pacific Region by Brigadier General Rajeev Sirohi (India); Class 56.<sup>1</sup>

#### Findings / Recommendations

- (i) With China's emergence as major economic and military power coupled with its claims in the South China Sea, the world community in general and ASEAN in particular look at India as a **Balancer** in the region. India as Asia's third largest economy and more importantly non-interventionist military power could play an important role.

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<sup>1</sup> NDC Library: Research paper "India's Look East Policy: Future Role in Asia Pacific Region" by Brigadier General Rajeev Sirohi, (India) NDC Class 56.

(ii) **ASEAN-India Relation** With common developmental and strategic interests, along with emerging security challenges concerning both sides, India and ASEAN need to jointly take the relationship forward as enunciated in ASEAN-India vision statement of 2012, which essentially includes; Political and Security cooperation, Economic cooperation, Socio-cultural and Development cooperation, Connectivity and Regional Architecture.

(b) Ability and Effectiveness of ASEAN Political-Security Community to the Enhancement of Regional Security **by** Brigadier General Datuk Romlee Bin Yahaya(Malaysia);Class 57<sup>2</sup>

### **Findings / Recommendations**

(i) In answering the research objective of establishment of ‘ASEAN Political-Security Community’ (APSC) and its efficacy in enhancing regional security, the paper concludes that; Establishment of APSC does enhance regional security but only in areas pertaining to non-traditional security threats. However, APSC would continue to be ineffective in resolving security issues, both within and beyond ASEAN, now and in foreseeable future.

(c) Analysis of India- ASEAN Defence Relations with a View to Suggest a Way Forward for Promoting Peace and Security in Asia

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<sup>2</sup> NDC Library: Research Paper “Ability and Effectiveness of ASEAN Political-Security Community to the Enhancement of Regional Security” **by** Brigadier General Datuk Romlee Bin Yahaya (Malaysia); Class 57

Pacific Region by Brigadier General Manjinder Singh (India);  
Class 58<sup>3</sup>

### **Findings / Recommendations**

- (i) Need to move forward towards India-ASEAN strategic partnership.
- (ii) Enhancing economic cooperation.
- (iii) Enhancing India-ASEAN connectivity.
- (iv) Enhancement of Socio-cultural and Development cooperation.

28. As seen from the above, the three topics of earlier research and the questions answered there in are not of direct and significant relevance to this topic. However, certain references specific to the issues of this work would be drawn from these published researches and built upon further, wherein the author is in agreement with their findings.

## **INDIAN LINKAGES: HISTORICAL PERSPECTIVE**

### **Introduction**

29. The evidence of Indian influence on Southeast Asia dates back to few centuries before Christian Era. India then, had established trade, cultural and political relations with Southeast Asian kingdoms in Burma, Thailand, Indonesia, Malay Peninsula, Cambodia and to a lesser extent, Vietnam. Indian traders, adventurers, teachers and priests continued to be the dominating influence in Southeast Asia until about 1500 CE. Hinduism and Buddhism both spread to these states from India and for many centuries existed there with mutual toleration. Eventually the states of the

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<sup>3</sup> NDC Library: Research Paper “Analysis of India- ASEAN Defence Relations with a View to Suggest a Way Forward for Promoting Peace and Security in Asia Pacific Region” by Brigadier General Manjinder Singh (India); Class 58

mainland became mainly Buddhist. The blend of geographical commonalities, superimposed with influences exerted by overland and maritime trade, spread of Buddhism and cultural exchanges shaped the societies and way of living in entire South East Asia.

## **Historical Linkages with Thailand**

### **30. Past Connection**

(a) Historically, the cultural and economic interaction between the two countries can be traced back to roughly around the 6th Century BC. However, direct contact can be said to have begun only in the 3rd Century BC, when King Asoka sent Buddhist monks to propagate Buddhism in the Indo-Chinese peninsula. Along with Buddhism, Thailand has also adopted other typically Indian, religious and cultural traditions.

(b) The Indians who moved into Thailand in the Sukhothai period (1275–1350) were either merchants who came to Siam or Thailand, for the purpose of trading or Brahmans who played an important role in the Siamese court as experts in astrology and in conducting ceremonies. This group popularized Indian beliefs and traditions. Brahmans conducted ceremonies in the court. The concepts of divine kingship and royal ceremonies are clear examples of the influence of Brahmanism. The ceremonies of Coronation of Thai kings are practiced more or less in their original form even up to the present reign. The Thai idea that the king is a reincarnation of the Hindu deity Vishnu was adopted from Indian tradition. Though this belief no longer exists today, the tradition to call each Thai king of the present Chakri dynasty Rama (Rama is a reincarnation of Vishnu) with an ordinal number, such as Rama I, Rama II etc. is still in practice.

**31. Language** Thai language too bears close affinity with India. An indication of the close linguistic affiliation between India and Thailand can

be found in common Thai words like Ratha Mantri, Vidhya, Samuthra, Karuna etc. which are almost identical to their Indian counterparts. His Majesty King Ramkhamhaeng the Great created the Thai alphabets in 1283. He modeled it on the ancient Indian alphabets of Sanskrit and Pali through the medium of the old Khmer characters. Since the language associated with Theravada Buddhism is Pali – a Middle Indo-Aryan language, derived from dialects of Vedic Sanskrit, also a Prakrit – by tradition, it is the language of religion in Thailand. Scriptures are recorded in Pali, and despite the fact that most Thai's do not understand Pali; it is also used in religious liturgy. Justifiably, over the years, aspects of 'high' Pali have trickled down into the vernacular, and today a number of words in Thai can be identified as having Sanskrit or Pali roots, thereby creating linguistic links between our two great cultures.

32. **Literature and Drama** Thai literature and drama draws great inspiration from Indian arts and legend. The Hindu epic of Ramayana is as popular in Thailand as it is in India. Thailand has adapted the Ramayana to suit the Thai lifestyle in the past and has come up with its own version of the Ramayana, namely, the '**Ramakien**'.

33. **Dance** The **Ramakien** has influenced the development of Thai drama, music and art in immutable ways. Two of the most popular classical dances the 'Khon' (performed by men wearing ferocious masks), and the 'Lakhon' (performed by women who play both male and female roles), draw inspiration primarily from the Ramakien. In addition, there are shadow plays called nang-talung in Thai. This is a show in which shadows of pieces of cow or water buffalo hide, cut to represent human figures with movable arms and legs, are thrown on a screen for the entertainment of spectators. In India, this kind of show is called Chhaya nataka.

34. **Other influences** Indian astrology still has a great impact on several important stages of Thai life. Thai people still seek advice from knowledgeable Buddhist monks or Brahman astrologers about the auspicious or inauspicious days for conducting or abstaining from

ceremonies for moving house or getting married, etc. According to the Thai monk Venerable Buddhadsa Bhikku's writing, 'India's Benevolence to Thailand', the Thais also obtained the methods of making herbal medicines from the Indians. Some plants like Sarabhi of Guttiferae family, Kanika or hursinghar, phikun or mimusops and bunnak or the rose chestnut etc. were brought from India. He pointed out that Thai food too was influenced by India.<sup>4</sup>

## **Historical Linkages with Myanmar**

### **35. Past Connection**

(a) At the western end of the South East Asian mainland, Lower Burma was occupied by the Mon people, who are thought to have come originally from western China. In Lower Burma they supplanted an earlier people, the Pyu, of whom little is known except that they practised Hinduism. The Mons, strongly influenced by their contacts with Indian traders as early as the 3rd century BC, adopted Indian literature and art and the Buddhist religion.

(b) Tibeto-Burman tribes that moved south from the hills east of Tibet into the Irrawaddy plain, founded their capital at Pagan in Upper Burma in the 10th century. They eventually absorbed the Mons and their cities, and adopted the Mon civilization and Buddhism. After the disastrous fall of the Pagan kingdom at the hands of Mongols in 1287, the majority community, namely, the Burmans were politically shattered. It was not until the establishment of the Toungoo Dynasty (1531-1732) that the country got unified under the largest empire in the history of Southeast Asia for a brief period.<sup>5</sup> Subsequently, after the political eclipse lasting two decades, the Konbaung Dynasty (1752–1885) restored the kingdom, and continued the Taungoo reforms that increased central rule in peripheral regions and

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<sup>4</sup> 'History of Indian Influence on Southeast Asia' (Online). Available: <https://en.wikipedia.org/wiki/...>

<sup>5</sup> D R SarDesai, South-east Asia: Past and Present, First ed (New Delhi: Vikas Publishing House Pvt Ltd,1981). P.100

produced one of the most literate states in Asia. The Anglo-Burmese wars (1824–85) eventually led to British colonial rule.

(c) During the colonial period Burma/Myanmar was ruled as part of British India between 1886 and 1937, with Calcutta as the seat of government. The educational institutions in Rangoon were affiliated to Calcutta University. The British brought Indians to help them govern Burma. It is estimated that 60 per cent of the population in central Rangoon at the time was Indian. The inflow of Indians became both a new link and a cause of tensions and trouble in later years. Indians transported to Burma contributed to its modernization, but their role as agents of imperialism generated tension and strife at people's level.

(d) Historians point out that a royal monk of Asoka the Great visited Myanmar in 228 BC, bearing the Buddha's message and Buddhist sacred texts. Later, Theravada Buddhism reached Myanmar from India via Sri Lanka. In particular, Theravada Buddhism has tremendously influenced Burmese society and culture for millennia, with 90% continuing to follow the religion to this day.

(e) Beyond religion and philosophy, ethnic links between the people of four Indian states bordering on Myanmar, namely Arunachal Pradesh, Nagaland, Manipur and Mizoram, and the people of western Myanmar, including Chins, Kukis and Kachins, have continued through the millennia. These links, cemented by linguistic commonality or affinity, family and tribal ties, traditional trade exchanges, shared lifestyles and conflict and cooperation among rulers, began well before India and Myanmar emerged as nation-states.

36. **Language and Literature** Burmese is a Tibeto-Burman language whose alphabet is derived from south Indian scripts (either Kadamba or Pallava). Historically, Pali, the liturgical language of Theravada Buddhism, had a profound influence on Burmese vocabulary.



Burmese has readily adopted words of Pali origin because of phonotactic similarities between two languages alongside the fact that the script used for Burmese can reproduce Pali spellings with complete accuracy.<sup>6</sup> The literature of Burma (or Myanmar) spans over a millennium. Burmese literature was historically influenced by Indian and Thai cultures, as seen in many works, such as the *Ramayana*. In addition, Burmese literature tends to reflect local folklore and culture.

37. **Dance** Historically, Burmese art was based on Buddhist or Hindu cosmology and myths. Dance in Burma can be divided into dramatic, folk and village, and nat dances, each having distinct characteristics. Although Burmese dance has been influenced by the dance traditions of its neighbours, in particular Thailand (*yodaya aka*), it retains unique qualities that distinguish it from other regional styles.

### **Trade with Southeast Asia**

38. Archaeological remains in Southeast Asia have confirmed close interactions with India which existed over 2,000 years ago. Southeast Asia was known as Suvarnabhumi or Suvarnadvipa, the land or island of gold. Indians traveled to the Far East through the land or sea routes. The land route was through Bengal, Assam, Manipur and Burma. Since ancient times India has also had active maritime links with littoral states of Indian ocean. The fragments of history pieced together point to ancient Kalinga, and today's Odisha (Indian province on the eastern coastline) being the pioneer of maritime exchanges with eastern Asia of pre-Christian era. Stories of Sadhav merchants sailing in their prototypical boats (boitas) across the seven seas and thirteen rivers are still alive in Odisha's folklore.<sup>7</sup> One could also start from Tamruk in Midnapore, Bengal and proceed along the coasts of Bengal, Burma, Malay Peninsula, Java etc. or start from Gopalpur (Orissa), Masulipatnam and sail across the Bay of Bengal to the Far East.

<sup>6</sup> 'Burmese Language', (online) Available :<https://en.wikipedia.org/wiki...>

<sup>7</sup> Amar Nath Ram. "Two Decades of India's Look East Policy". Chapter 12 'The Look East Policy and its Implications for Eastern India' by Lalit Mansingh. First ed. (New Delhi: Manohar Publishers and Distributors) p 195.

Kalinga's/Bengal's prominence tapered off with rise of south Indian kingdoms in the beginning of second millennium; nonetheless, India's influence in Southeast Asia continued.

39. Around 1000 AD there was also a remarkable change in the structure of Asian maritime trade. The pattern of pre-emporia trade changed into a new pattern of emporia trade.<sup>8</sup> The new practices of re-export, such as breaking bulk or assorting shipments according to the demands of the various ports of call was introduced, **thus keeping pace with changing requirements**. Trade was not restricted to the usual luxury items but included a wide variety of commodities; processed iron, spices, natural products, textiles and even animals like elephants.

40. Iron age trade expansion caused regional geostrategic remodeling. Southeast Asia was now situated in the central area of convergence of the Indian and the East Asian maritime trade routes, the basis for economic and cultural growth. Over time, trade links inevitably led to political and cultural exchanges that had lasting influences in development of Southeast Asian societies over the years.

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### **Religion: Buddhism and its Impact**

41. Buddhism, continues till today, as one the great religions of the world, with millions of followers. Early Theravada Buddhism traveled in the 3rd century BC to Sri Lanka and subsequently to other countries of South-east Asia. The philosophy of Buddhism, was accepted with open arms wherever it went. It is a philosophy which looks always beyond the material aims of life to the eternal.

#### **42. Buddhism in Thailand**

(a) The single most significant cultural contribution of India, to Thailand is Buddhism. Propagated in Thailand in the third century BC

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<sup>8</sup> Amar Nath Ram. "Two Decades of India's Look East Policy". Chapter 10, 'India and Southeast Asia' by N Ravi. First ed. (New Delhi: Manohar Publishers and Distributors) p 171

by Buddhist monks sent by King Asoka, it was adopted as the state religion of Thailand and has ruled the hearts and minds of Thais ever since. Presently, an overwhelming 94% of the total Thai populace adheres to Buddhism.

(b) From 13<sup>th</sup> to the mid 14<sup>th</sup> century, one of the great Buddhist centres of the world was at Sukhothai, in Thailand. Some of the most graceful Buddhist art was created here, in a style which is famous till today. King U Thong of Thailand founded a new capital in the mid-14th century, named Ayutthaya, after the city of Ayodhya, the birth place of Rama, in India. Many impressive structures survive at Ayutthaya, which show the glorious Buddhist history of this site. Great Buddhist monasteries here were centres of philosophy, literature and the fine arts.

(c) In 1767, Ayuthaya fell to the Burmese army. The present day Bangkok which became the newly established capital and the seat of the Thai government in 1782, has numerous temples that were made or renovated. The interior walls of the great temple are covered with mural paintings, depicting scenes from the Ramayana. In fact, most Buddhist temples of Thailand are profusely painted with such scenes. Till today, in the midst of the modern world, the spirit of compassion of the Buddha's message continues in this land.

#### 43. **Buddhism in Myanmar**

(a) Burma/Myanmar was a great crucible of Buddhist influences and art which came to it over the centuries. At the end of the first millennium, Myanmar had a deep and direct relationship with the centre of Buddhist philosophy, at Bodhgaya in India. In fact, in the 11th century, the king of Myanmar restored the Mahabodhi temple at Bodhgaya at his own expense. He also made replicas of the Mahabodhi temple at his own capital of Bagan. Simultaneously, in the 11th century, King Anawratha declared Theravada Buddhism to be the state religion. To proclaim his deep reverence, he made thousands

of pagodas at Bagan, making it one of the most glorious Buddhist sites of Asia. The paintings on the walls of the pagodas of Bagan are some of the finest and gentlest paintings of the entire Buddhist tradition.

(b) At Yangon, is the grand Shwedagon Pagoda, almost a hundred meters high. It is the most sacred pagoda in Myanmar and is believed to enshrine the relics of the past four Buddhas. Myanmar is a deeply religious country. Thousands of temples and monasteries are made across the land. These are the traditional places not only for worship but also for education here. The country has almost 500,000 monks and nuns of the Theravada Buddhist tradition.

#### 44. **Impact of Buddhism**

(a) Buddhism travelled from India in myriad directions along the web of trans-Asian overland and maritime trade networks transmitting Buddhist philosophical ideas including medicine, astronomy, mathematics, artistic and architectural styles, the art of diplomacy and statecraft, etc., while also connecting various Asian spots cutting across races, regions, ethnicities, languages, genders and cultures.

(b) In fact, Buddhism and trade had become synonymous; merchants, traders and artisans actively financed monastic institutions. They assisted monks and pilgrims who played a vital role in connecting their journey to distant Asian regions with the spread of the philosophy they practiced. Thousands of monasteries, dotted across the Asian Continent, had ensured peace and prosperity. Scholars from across Asia came to study in renowned Indian universities such as Nalanda and Takshashila and took home with them Buddhist teachings, texts and relics. Interestingly, even kings and monarchs reached out to each other through Buddhist channels while sending missionaries and exchanging gifts of translated texts and relics as valuable diplomatic tools.

(c) For all these centuries, Buddhism remained as the solid foundation for societal and cultural transformation in Asia. It still remains a key anchor for Asian identity especially, in terms of spiritual connectivity among nations with enduring impact. It has remained a powerful integrated philosophical whole, encompassing all facets of both spiritual and material culture that have guided humanity for centuries.

(d) Importantly, Buddhism spread far and wide without any use of force or coercive action. Monks and missionaries only applied peaceful methods and style that were suited to local conditions, but without at the same time compromising upon the essential points of wisdom. With the passage of time, Buddhism took an indigenous form in all parts of Asia and gradually became less dependent on India.

## **COMMONALITIES AND SHARED VALUES TO BUILDUP ON**

45. It is amply evident from the previous pages that over the centuries, India, Myanmar and Thailand have developed a deep and abiding connection, which reflects in their cultural, religious and linguistic similarities. Exchanges covering the vast canvas of Language and literature, art and architecture, medicine, astronomy, customs, dance forms, food habits and the general way of life have resulted in remarkable commonalities that inherently bestow upon these three nations subtle understanding of each other.

46. Undoubtedly, Buddhism provided the foundation for the adoption of culture, thoughts, idioms and common spiritual beliefs and practices among people in India and the Southeast Asia. In fact, Buddhism provided a channel for the flow of ideas and interactive relationships. The core ethics of Buddhism, which stress on the nature of **inter-dependence and inter-**

**connection**, allow every society to absorb changes and reform itself including at the political level. This value drew Asian societies towards adaptation and cooperation, and these still drive them towards accepting a **cooperative culture**. The diversity of Asian value systems today reflects how the culture of inclusiveness and tolerance has protected Asian cohesion at various turns of history.

**47. Way Forward** It is only natural for these three countries that have long histories and rich cultural heritages to build up on the large pool of commonalities and interests that arise automatically from their shared past and deep rooted mutual influences. Further, past linkages of history, religion, culture, trade and the language provide unique advantage of clear understanding of each other, which has a potential to be the strong foundation for strategic and long term relationships. In the larger interest of these three countries in particular and Southeast Asia in general, it is important for India, Myanmar and Thailand to draw right lessons from history, strive to strengthen recent trends and transform friendly relations into a more effective, expanding and strategic partnerships.

## **SHARING OF LAND/MARITIME BOUNDARIES AND LINKED AREAS OF COOPERATION**

### **India-Myanmar**

48. India shares 1600 kms of land boundary with its eastern neighbor; Myanmar. Its north-eastern region, bordering Myanmar, from times immemorial has enjoyed cultural, linguistic, economic, family and ethnic links with Myanmar and also Northern Thailand. Myanmar is an indispensable plank of India's Look East Policy. Historical land trade route to Thailand, Laos, Vietnam, Cambodia and China passed through **Myanmar; India's Gateway to Southeast Asia**. As in the case of many other geographical neighbours there are controversies, claims and counter

claims in the border issue between two countries but this has not been allowed to affect the tempo of ongoing bilateral engagement.

49. Addressing the International Business Seminar in Yangon, Myanmar as part of India-Myanmar-Thailand Motor Rally, then Chief Minister of Nagaland Mr TR Zeliang had stressed on the importance of the proposed India-Myanmar-Thailand Trilateral Highway. “It could be one of the most significant steps for connectivity in the Southeast Asian region in the 21st Century since the road will not only connect land-locked region of North East India with Myanmar and Thailand, but will be a part of the greater scheme of connectivity of the BBIN (Bangladesh – Bhutan – India – Nepal) with South East Asia. The enormous economic activity that will be generated by this highway can only be imagined now,” Zeliang had said.

### **Thailand-Myanmar**

50. Thailand and Myanmar share the long border of 2400 km approximately, out of which around 60 km only is demarcated. The problem lies in the crux of the ‘Burney Treaty’ which was signed in 1826 by Thailand and Britain after the colonisation of Burma in 1824, establishing the current boundary between the two countries. After the independence of Myanmar in 1948, Thailand disagreed with the demarcation, emphasising on imposition of the treaty by the British. Since then the border has been at the heart of issues between two nations that in turn is amplified by problems like ethnic insurgency and illegal immigration.

51. Notwithstanding the border issue, Myanmar-Thailand relations, in recent years, have experienced a surge of positive bilateralism due to their common membership in Association of Southeast Asian Nations (ASEAN). Thailand is now the biggest investor in Myanmar. Thailand commerce ministry data indicates Myanmar to be its sixth largest trading partner in ASEAN and seventh largest in the world. In five years preceding 2016 their

bilateral trade averaged \$6.8 billion representing an increase of 14% over the period.<sup>9</sup>

52. However, the thaw in relations still leaves the boundary dispute between two countries largely unresolved. Amongst the rampant threats the main ones are trafficking, illegal logging, drugs smuggling and ethnic insurgency. There are around 500,000 illegal Burmese migrants in Thailand and the accompanying social issues of health, crime and unemployment add to the government's worries significantly. Drug trafficking is also a serious problem and is considered number one security risk in Thailand. On Myanmar's side there are similar grievances against Thailand on illegal logging across the borders and lax response to the insurgency problem.

53. **Implications and Way Forward** Insurgency, smuggling, drug/human trafficking and separatism have inter-state dimensions requiring co-operation of immediate neighbours. In today's world the neighbours sharing land boundaries need to focus on their borders as connecting points; safe and secure borders are essential for faster trade. There is also the other side of the story – greater economic integration will ensure augmented safety along the borders resulting in an ambience of economic prosperity. It is high time to build up these connecting links by making large-scale investments in development of road and railway linkages. Myanmar's economic linkages with its eastern neighbours, China and Thailand, are relatively robust despite the years of its isolation. Now it is for India-Myanmar to forge similar ties wherein Myanmar has a great chance to learn from and grow with its western neighbor and for India, Myanmar is a test-case for and an opportunity to truly implement its 'Act East' policy.

54. **Coastlines and Maritime Boundaries** As in the case of their land boundaries, the Andaman sea connects India with Myanmar and Thailand. It also connects other neighbouring nations of Bangladesh, Indonesia, Malaysia and Singapore. The three countries of India, Thailand

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<sup>9</sup> "Thai-Myanmar trade expected to double in 2 years". The Nation. 07 Jan 16. (www.nationalmultimedia.com)



and Myanmar in particular, have long coastlines of 7200 km, 3289 km and 1930 km respectively. This huge natural resource comes along with its share of problems. Naval defence strategies of these countries need to be mindful of the importance of this geographical reality. The defence of the island territories, EEZs, sea lanes and resources, energy requirements etc can best be ensured through bilateral and regional cooperation with the neighbours.

### **Geographical Commonalities**

55. Geographical extent measured in the latitudes north of the equator of the three countries shows that each of these, either wholly or largely lies between the Equator and Tropic of Cancer. Being so located they share the similar tropical climate with minor deviations brought about by unique characteristics of each place like, elevation above sea level, proximity to sea coast, wind/monsoon pattern etc. The terrain has large alluvial plains with perennial rivers; thereby rendering it suitable for agriculture. Largely agrarian societies for centuries, the economies of these countries, to this day are anchored around agriculture. Good monsoon every year holds the key to the well being of their respective economies.

56. **Associated Areas of Cooperation** Irrigation, Agriculture and Agro based industries is one major area of cooperation that the three countries can focus on. Commonalities of the terrain, climate and therefore type of cultivation make it even easier to collaborate and cooperate in this important sector.

## **CONCLUSION**

57. Related literature found in open domain and the library consisted of the three topics of research work done by previous NDC students, which was distantly related to this topic. Their study revealed no direct and significant relevance for the research. However, certain references specific to the issues of this work could be drawn from these researches and built upon further.

58. Study of historical perspective clearly brings out, deep and abiding connection between India, Myanmar and Thailand, which reflects in their cultural, religious and linguistic similarities. Exchanges spanning over more than two millennia have bestowed upon these three nations subtle understanding of each other. Additionally, sharing of geographical boundaries makes them natural partners in trade. Certainly, greater economic integration will ensure augmented safety along the borders resulting in an ambience of economic prosperity.

59. On the security front, trans-national dimension of many a non-traditional threats warrants collective effort of neighbours. Safe and secure borders in turn are essential for meaningful trade. As such, in the larger interest of these three nations in particular and Southeast Asia in general, it is important for India, Myanmar and Thailand to draw right lessons from history, strive to strengthen recent trends of friendship and transform these friendly relations into a more effective, expanding and strategic partnerships.

## **CHAPTER 3**

### **PREVAILING ENVIRONMENT AND CURRENT STATUS OF COOPERATION**

#### **Initial Consolidation and the Prevailing Domestic Environment**

##### **Thailand**

60. **Politics and Governance** Thailand distinguished itself from other Southeast Asian states in the nineteenth century as being the one kingdom which survived the aggressive thrust of New Imperialism. Among the significant factors that helped Thailand preserve its independent identity were its geographical location, diplomacy and policy of modernization. While giving some credit to the Anglo-French desire to keep Thailand as buffer state, considerable share of credit is owed to the policies and diplomacy of two remarkable Thai Monarchs; Rama IV or Mongkrut (1851-1868) and Rama V or Chulalongkorn (1868-1910). Taken together, they brought about a revolution of modernising their country.<sup>1</sup>

61. Compared to other countries of SEA, Thailand had the least adjustment to make in the aftermath of WW II. This was particularly so in the domestic sphere because the power elite remained substantially unchanged. Unlike its neighbours about to overthrow or in the process of discarding the western colonial regimes, Thailand had been an independent country and had already experienced a major political revolution in 1932. Since then, the political changes in Thailand have been along the same




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<sup>1</sup> D R SarDesai, South-east Asia: Past and Present, First ed (New Delhi: Vikas Publishing House Pvt Ltd,1981). P.203

continuum; power being shared by elite of military, governmental bureaucracy and a small segment of middle class, educated, professional politicians, who had collectively replaced the centuries old, aristocratic court centered elite. To date, Thailand has had 17 charters and constitutions, reflecting a high degree of political instability. After successful coups, military regimes have abrogated existing constitutions and promulgated interim charters. Negotiations between politicians, men of influence, and generals has become a driving force in the restoration of temporary political stability. However, there have been no major qualitative changes in the basic social hierarchy and economic institutions that existed for centuries.

62. **Economy** The comparative GDP of ASEAN countries according to IMF data as of January 2017 estimates is given in the table below:-

Table 3.1 ASEAN Countries : GDP Comparison

Rank	Country	Population in million	GDP Nominal millions of USD	GDP Nominal per capita USD	GDP (PPP) millions of USD	GDP (PPP) per capita USD
1	 <a href="#">Indonesia</a>	258.802	1,020,515	3,895	3,257,123	12,432
2	 <a href="#">Thailand</a>	68.981	432,898	6,265	1,226,407	17,749
3	 <a href="#">Philippines</a>	104.195	329,716	3,102	878,908	8,270
4	 <a href="#">Malaysia</a>	31.716	309,860	9,623	922,057	28,636
5	 <a href="#">Singapore</a>	5.591	291,861	51,431	514,837	90,724

Rank	Country	Population in million	GDP Nominal millions of USD	GDP Nominal per capita USD	GDP (PPP) millions of USD	GDP (PPP) per capita USD
6	 <a href="#">Vietnam</a>	92.637	215,829	2,305	648,234	6,925
7	 <a href="#">Myanmar</a>	52.254	68,277	1,212	342,205	6,501
8	 <a href="#">Cambodia</a>	15.776	19,476	1,144	64,365	4,020
9	 <a href="#">Laos</a>	7.163	13,761	1,787	44,880	6,149
10	 <a href="#">Brunei</a>	0.423	10,458	30,993	35,817	83,513

[https://en.wikipedia.org/wiki/List\\_of\\_ASEAN\\_countries\\_by\\_GDP](https://en.wikipedia.org/wiki/List_of_ASEAN_countries_by_GDP)

63. Thailand is the second largest economy in Southeast Asia after Indonesia. (Myanmar stands at the seventh position with its GDP being 15.7% that of Thailand and also shows sharp reduction with respect to the predecessor Vietnam, being almost one third) Over the last four decades, Thailand has made remarkable progress in social and economic development, moving from a low-income to an upper-income country in less than a generation. As such, Thailand has been one of the widely cited development success stories, with sustained strong growth and impressive poverty reduction, particularly in the 1980s.

64. Thailand's economy grew at an average annual rate of 7.5 percent in the boom years of 1960 to 1996 and 5 percent following the Asian crisis during 1999-2005, creating millions of jobs that helped pull millions of people out of poverty. Gains along multiple dimensions of welfare have

been impressive. Poverty has declined substantially over the last 30 years from 67% in 1986 to 7.2% in 2015 during periods of high growth and rising agricultural prices.

65. However, poverty and inequality continue to pose significant challenges, with vulnerabilities as a result of faltering economic growth and falling agricultural prices. Average economic growth has slowed to 3.5 percent over 2005-2015. The government has embarked on an ambitious reform program to raise Thailand's long-term growth path and achieve high-income status.<sup>2</sup>

66. **Foreign relations** Diplomacy has served Thailand well, enabling the kingdom to manage its foreign affairs flexibly and relatively unencumbered by intrusions of major foreign powers. Remarkably adaptive to shifts in international currents, Thailand has almost always aligned itself with the dominant power in the region in its effort to ensure security, increase trade, and preserve national independence.<sup>3</sup>

67. Since World War II, no single factor has shaped the style and substance of Thai foreign relations more than the establishment of a communist-run government in China in 1949. Chinese intervention in Korea in 1950 and growing evidence of clandestine communist Chinese roles in local insurgencies in Southeast Asia reinforced Thai resolve to act in concert with other anticommunist nations. Signing of Manila Pact in 1954 and membership of Southeast Asia Treaty Organization (SEATO) were the visible efforts in this direction.

68. During the 1960s, Thailand maintained close economic and security ties with the United States, while at the same time striving to foster regional

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<sup>2</sup> "The World Bank in Thailand" (Online) Available:  
<http://www.worldbank.org/en/country/thailand/overview>

<sup>3</sup> "Foreign Affairs" (Online) Available : <http://countrystudies.us/thailand/83.htm>

cooperation with its noncommunist neighbors. Thailand played a lead role in establishment of ASEAN in 1967. Ever since it has been an active member of the group, developing increasingly close ties with other ASEAN member countries. Thailand is also an active member of other regional and global groupings.

69. In recent years, Thailand has taken an increasingly active role on the international stage. When East Timor gained independence from Indonesia, Thailand, for the first time in its history, contributed troops to the international peacekeeping effort. Thailand has also contributed troops to reconstruction efforts in Afghanistan and Iraq.

## **Myanmar**

70. **Politics and Governance** After World War II, Britain realized it could establish colonial rule only by force while Aung San promised the possibility of a unified Burma to its fractious tribes. In January 1947, Britain agreed to give Burma independence after negotiations with Aung San whose party won an overwhelming majority. But before he could take office, he was assassinated by a rival, along with most of his cabinet. Independence followed in 1948, with formation of civilian government headed by Aung San's protégé U Nu.

71. For the next ten years, Burma's fledgling democratic government was continuously challenged by communist and ethnic groups who felt under-represented in the 1948 constitution. Periods of intense civil war destabilized the nation. Although the constitution declared that minority states could be granted some level of independence in ten years, their long-awaited day of autonomy never arrived. As the economy floundered, U Nu was removed from office in 1958 by a caretaker government led by General Ne Win, one of Aung San's fellow *thakins*. In order to "restore law and order" to Burma, Ne Win took control of the whole country including the minority states, forcing them to remain under the jurisdiction of the central government.

Although he allowed U Nu to be re-elected Prime Minister in 1960, two years later he staged a coup and solidified his position as Burma's military dictator.

72. **Burma Under a Dictatorship** Ne Win's new Revolutionary Council suspended the constitution and instituted authoritarian military rule. Full attention turned to the military defeat of communist and ethnic-minority rebel groups. The country was closed off from the outside world as the new military ruler promoted an isolation ideology based on what he called the '**Burmese Way to Socialism**'. Insurgency remained endemic and in many areas of Burma armed struggle became a way of life. Military operations in ethnic minority areas and government policies of forced resettlement and forced labor dislocated many ethnic groups, and caused large numbers of refugees to flee to neighboring countries of Thailand, Bangladesh, and India, mostly from ethnic minorities. For 48 years, until 2010, Burma was ruled by a succession of military dictatorships which ruthlessly suppressed individual and political freedoms in the country and outlawed all forms of political expression.

73. **New Beginning** A referendum of 2008 approved a new military-backed constitution. In 2010 Myanmar witnessed General elections and a civilian government was inaugurated. In the elections, ethnic parties won enough seats to make their voices heard and to begin to exert influence in their home states and at the national level. The new constitution gave to political forces more freedom than they had enjoyed since 1962. The year 2011 witnessed emerging reconciliation between the Government and the main opposition party NLD, led by Aung San Suu Kyi.

74. General elections held in November 2015 were the first openly contested elections held in Myanmar since 1990. The results gave the National League for Democracy, headed by Aung San Suu Kyi an absolute majority of seats in both chambers of the national parliament, enough to ensure that its candidate would become president. However, Aung San Suu Kyi is constitutionally barred from the



presidency.<sup>4</sup> Nevertheless, resounding victory of National League for Democracy has raised hope for a successful political transition from a closely held military rule to a free democratic system. This transition is widely believed to be determining the future of Myanmar.

**75. Foreign Policy** In the early years post independence period, Burma accepted foreign assistance in rebuilding the country, but continued American support for the Chinese Nationalist military presence in Burma finally resulted in the country rejecting most foreign aid, refusing to join the South-East Asia Treaty Organization (SEATO) and supporting the Bandung Conference of 1955.

**76.** Myanmar the most assiduous practitioner of non-alignment, coupled with its isolationism resulting from Army's stepping into governance, maintained its foreign policy on low key, taking due care not to invite acrimony from either of the super powers or from either party in the sino-soviet conflict.<sup>5</sup> Its prime concern since independence has been maintaining cordial relations with its major neighbours India and China.

**77.** A welcome change with recent coming in of new leadership has witnessed Myanmar's willingness to engage the wider world and diversify the avenues of its strategic engagement. The normalisation of political processes has further sped up Naypyidaw's global and regional rehabilitation. Leaders from various countries, including important global and regional actors, have visited Naypyidaw in the recent past.

**78. Economy** After a parliamentary government was formed in 1948, Prime Minister U Nu embarked upon a policy of nationalisation. He attempted to make Burma a welfare state by adopting central planning measures. The government also tried to implement a poorly thought out Eight-Year plan. By the 1950s, rice exports had fallen by two thirds and

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<sup>4</sup> "Politics of Myanmar" (Online) Available  
: [https://en.wikipedia.org/wiki/Politics\\_of\\_Myanmar#cite\\_note-30](https://en.wikipedia.org/wiki/Politics_of_Myanmar#cite_note-30)

<sup>5</sup> D R SarDesai // "Towards the Burmese Way of Socialism" // in // South-east Asia: Past and Present, First ed (New Delhi: Vikas Publishing House Pvt Ltd, 1981). P.348

mineral exports by over 96%. Plans were partly financed by printing money, which led to inflation. The 1962 coup d'état was followed by an economic scheme called the Burmese Way to Socialism, a plan to nationalise all industries. The catastrophic program turned Burma into one of the world's most impoverished countries.<sup>6</sup>

79. After 1988, the regime retreated from totalitarian socialism. It permitted modest expansion of the private sector, allowed some foreign investment, and received much needed foreign exchange.<sup>[15]</sup> However, firm control, rampant corruption and resultant inflation continued to plague the economy.

80. Since the transition to a civilian government in 2011, Burma has begun an economic overhaul aimed at attracting foreign investment and reintegrating into the global economy. Burma's economy has undergone notable changes. Economic sanctions have been eased or lifted, and the government has launched reforms to modernize the economic system. A new banking and finance law that lays the foundations for more efficient licensing of financial institutions has been ratified. In 2016, the lower house of parliament also approved a new investment law.

81. Myanmar with its economic overhaul and commitment to reforms, coupled with its abundant natural resources, young labor force, and proximity to Asia's dynamic economies is firmly embarked on path of rapid development in coming years.<sup>7</sup>

## India

82. **Politics and Governance** After a long and difficult freedom struggle, India attained her independence from British rule in 1947. But this

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<sup>6</sup> "Economy of Myanmar" (Online) Available : [https://en.wikipedia.org/wiki/Economy\\_of\\_Myanmar#cite\\_note-ruin-12](https://en.wikipedia.org/wiki/Economy_of_Myanmar#cite_note-ruin-12)

<sup>7</sup> "The World Factbook"// "East and Southeast Asia::Burma" (Online) Available: <https://www.cia.gov/library/publications/the-world-factbook/geos/bm.html>

independence came with the partition of the country. A new state of Pakistan was created with portions of Western and Eastern India, taken away from the Indian map. The transition from a colonial country to an independent nation was not easy. Partition entailed division of resources, transfer of government personnel from one country to another and reorientation of the bureaucracy.

83. India inherited the legacy of British rule – a system of administration, an army, and a democratic form of government, based on the Government of India Act of 1935. The new Constitution, which came into force on 26 January 1950, adopted the Westminster model of parliamentary government as against the mixed parliamentary-bureaucratic authoritarian system inherited from British India.<sup>8</sup>

84. In the 70 years since, India has had a mixed record of successes and failures. It has remained a democracy with civil liberties, an active Supreme Court, and a largely independent press. Economic liberalisation, which was begun in the 1990s, has created a large urban middle class, transformed India into one of the world's fastest-growing economies, and increased its geopolitical clout. However, in spite of its recent economic successes, freedom from want for its disadvantaged population remains a goal yet to be achieved.<sup>9</sup>

85. India's 70 years could be divided into two parts – India before 1991 and India after 1991. In the first 45 years, India witnessed slow economic growth with heavy dependency on agricultural sector, fought multiple wars and was in high debt. The giant leap forward came after the Narsimha Rao government liberalised the economy in 1991 ushering in a new era of *Liberalization, Privatisation and Globalisation*. Today, India stands as the second fastest growing economy as well as one of the most vibrant

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<sup>8</sup> M Sharma "Essay on India after Independence" (Online) Available : <http://www.yourarticlelibrary.com/essay/essay-on-india-after-independence/41354/>

<sup>9</sup> "India" (Online) Available : [https://en.wikipedia.org/wiki/India#cite\\_note-FOOTNOTEMetcalfMetcalf2006304-127](https://en.wikipedia.org/wiki/India#cite_note-FOOTNOTEMetcalfMetcalf2006304-127)

democracies in the world. Seen purely through the political prism, India, the world's largest democracy, is the only country in Asia that has remained democratic ever since it attained its independence from British rule.

86. **Economy** Nehru set the economic foundation of the country by charting a course for economic self-sufficiency. With India reeling from centuries of foreign control, Nehru strived to make India economically self-sufficient and independent. He chose policies, such as import tariffs, that made it very difficult for foreign companies to invest in India or sell their goods. Instead Nehru protected Indian companies from the global free market and foreign competition. Nehru also favored democratic socialism in which the government owned or heavily regulated large key industries, such as banking, railways, and mining.

87. To meet India's industrial needs, particularly the development of heavy industry, India landed up developing payment arrangements with USSR and the COMECON states; this gave India non-capitalist policy orientation with an emphasis on keeping the commanding heights of economy within the public sector. The policy of nationalisation directed against financial institutions only went further to emphasise the protectionist nature of economy.<sup>10</sup> In this environment there was little room for export led economies to look on the Indian market as an attractive destination. As such, economic growth remained sluggish. Per capita income grew at a low rate of only 1.3% yearly between 1950 and 1990 (Wikipedia). Poverty continued and education for the masses was still elusive.

88. In the early 1990s, when India was grappling with serious domestic economic challenge and in the process of adjusting to the post-Cold war watershed changes, the then Prime Minister Mr PV Narsimha Rao initiated economic reforms. The reforms did away with the Licence Raj, reduced tariffs and interest rates and ended many public monopolies, allowing automatic approval of foreign direct investment in many

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<sup>10</sup> Preet Malik // "India's Look East Policy:Genesis"//in//Two Decades of India's Look East Policy//Amar Nath Ram//(New Delhi:Manohar Publishers and Distributors)//P27

sectors. Since then, the overall thrust of liberalisation has remained the same, although no government has tried to take on powerful lobbies such as trade unions and farmers, on contentious issues such as reforming labour laws and reducing agricultural subsidies. By the turn of the 21st century, India had progressed towards a free-market economy, with a substantial reduction in state control of the economy and increased financial liberalisation. This has been accompanied by increases in life expectancy, literacy rates and food security, although urban residents have benefited more than rural residents.<sup>11</sup>

89. In 2003, Goldman Sachs predicted that India's GDP in current prices would overtake France and Italy by 2020, Germany, UK and Russia by 2025 and Japan by 2035, making it the third largest economy of the world, behind the US and China. India is often seen by most economists as a rising economic superpower and is believed to play a major role in the global economy in the 21st century.<sup>12</sup>

90. **Foreign Policy** After independence India joined the Commonwealth of Nations and strongly supported independence movements in other colonies, like the Indonesian National Revolution. During the Cold War, India adopted a foreign policy of not aligning itself with any major power bloc. However, the wars with China and then Pakistan, coupled with geopolitics of cold war period resulted in India's development of close ties with the Soviet Union and receiving of extensive military support from it. As such, India's foreign policy during the cold war years was perceived as favouring the USSR and eastern block countries. Within the non-aligned too, the nations closer to the United States and favouring western policy approach towards Foreign and Economic policies, looked on India with reservation. The policy adopted by Mrs Indira Gandhi

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<sup>11</sup> "Economic Liberalisation in India" (Online) Available : [https://en.wikipedia.org/wiki/Economic\\_liberalisation\\_in\\_India](https://en.wikipedia.org/wiki/Economic_liberalisation_in_India)

<sup>12</sup> "Economy of India" (Online) Available : [https://en.wikipedia.org/wiki/Economy\\_of\\_India#cite\\_note-Indian\\_economy\\_.27to\\_overtake\\_UK.27-116](https://en.wikipedia.org/wiki/Economy_of_India#cite_note-Indian_economy_.27to_overtake_UK.27-116)

in 1980s on Afghanistan (pro-USSR) as well as recognition to pro-Vietnam regime in Cambodia continued to feed these suspicions. The relations with countries to the east of Indian subcontinent therefore remained in state of suspended animation.<sup>13</sup>

91. The end of the Cold War significantly affected India's foreign policy, as it did for much of the world. The country now seeks to strengthen its diplomatic and economic ties with the United States, the European Union, Japan, Israel, Mexico, and Brazil. India has also forged close ties with the member states of the Association of Southeast Asian Nations.<sup>14</sup> In the post Cold War era, the government of India realising the importance of redressing the imbalance in India's foreign policy, unveiled the 'Look East Policy'. Initially it focused on renewing political and economic contacts with the countries of East and South-East Asia. This got further bolstered by current government's emphasis on the region by way of 'Act East Policy'. In a recent period of over two decades, these policies have helped shape the contours of Strategic partnerships with some ASEAN countries on bilateral level.

## **ASEAN AND OTHER RELEVANT REGIONAL GROUPINGS**

### **ASEAN**

92. **Introduction** The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 in Bangkok, Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration) by the founding fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and

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<sup>13</sup> Preet Malik // "India's Look East Policy:Genesis"//in//Two Decades of India's Look East Policy//Amar Nath Ram//(New Delhi:Manohar Publishers and Distributors)//P28

<sup>14</sup> "Foreign Relations of India" (online) Available : [https://en.wikipedia.org/wiki/Foreign\\_relations\\_of\\_India#cite\\_note-24](https://en.wikipedia.org/wiki/Foreign_relations_of_India#cite_note-24)

Thailand.<sup>15</sup> Since, the organisation's membership has expanded to include Brunei, Cambodia, Laos, Myanmar, and Vietnam. Its principal aims include accelerating economic growth, social progress, and socio-cultural evolution among its members, alongside the protection of regional stability and the *provision of a mechanism for member countries to resolve differences peacefully*.

93. ASEAN member countries have a combined population of approximately 625 million people, 8.8% of the world's population. In 2015, the organisation's combined nominal GDP had grown to more than US\$2.8 trillion. If ASEAN were a single entity, it would rank as the sixth largest economy in the world, behind the USA, China, Japan, India and Germany. It is projected to rank as the fourth-largest economy by 2050.<sup>16</sup>

94. **ASEAN Charter** The ASEAN Charter adopted in 2007 serves as a firm foundation in achieving the ASEAN Community by providing legal status and institutional framework for ASEAN. It also codifies ASEAN norms, rules and values; sets clear targets for ASEAN; and presents accountability and compliance. In effect, the ASEAN Charter has become a legally binding agreement among the 10 ASEAN Member States.

95. **Fundamental Principles** In their relations with one another, the ASEAN Member States have adopted the following fundamental principles,

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<sup>15</sup> "The Asean Declaration (Bangkok Declaration) Bangkok, 8 August 1967" (Online) Available : <http://asean.org/the-asean-declaration-bangkok-declaration-bangkok-8-august-1967/>

<sup>16</sup> Vinayak HV, Fraser Thompson and Oliver Tonby. Understanding ASEAN:Seven Things You Need to Know (Online) Available : <http://www.mckinsey.com/industries/public-sector/our-insights/understanding-asean-seven-things-you-need-to-know>

as contained in the Treaty of Amity and Cooperation in Southeast Asia (TAC) of 1976:<sup>17</sup>

- (a) Mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations;
- (b) The right of every State to lead its national existence free from external interference, subversion or coercion;
- (c) Non-interference in the internal affairs of one another;
- (d) Settlement of differences or disputes by peaceful manner;
- (e) Renunciation of the threat or use of force; and
- (f) Effective cooperation among themselves.

96. **ASEAN Community** The ASEAN Vision 2020, adopted by the ASEAN Leaders on the 30th Anniversary of ASEAN, agreed on a shared vision of ASEAN as a concert of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies.

97. **MPAC** Master Plan on ASEAN Connectivity 2025 (MPAC 2025) adopted in Vientiane, Lao PDR in Sep 2016, succeeds the Master Plan on ASEAN Connectivity 2010 and focuses on five strategic areas: sustainable infrastructure, digital innovation, seamless logistics, regulatory excellence and people mobility. The MPAC 2025 was developed in consultation with relevant ASEAN Sectoral Bodies and other stakeholders.

98. **Free trade** Free trade initiatives in ASEAN are spearheaded by the implementation of the ASEAN Trade in Goods Agreement (ATIGA) and the Agreement on Customs. These agreements are supported by work done by several sector bodies to plan and to execute free trade measures, guided by the provisions and the requirements of ATIGA and the Agreement on

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<sup>17</sup> "Treaty of Amity and Cooperation in Southeast Asia Indonesia, 24 February 1976" (Online) Available : <http://asean.org/treaty-amity-cooperation-southeast-asia-indonesia-24-february-1976/>



Customs. The progress being made by these sector bodies forms a backbone for achieving the targets of the AEC Blueprint and establishing the ASEAN Economic Community.

99. ASEAN has concluded free trade agreements with China, Korea, Japan, Australia, New Zealand, and India. In addition, ASEAN is currently negotiating a free trade agreement with the European Union.

100. Some encouraging facts about ASEAN that are relevant to this research in terms of enhancing of bilateral and trilateral engagements by the Trio are given below:-<sup>18</sup>

(a) ASEAN has the third-largest labor force in the world, behind China and India and more importantly, its youthful population is producing a demographic dividend- **Need to focus on Human Resource Development.**

(b) Household purchasing power of ASEAN population is rising, transforming the region into the next frontier of consumer growth- **Demands Enormous investment in Infrastructure**

(c) The ASEAN Economic Community (AEC) offers an opportunity to create a seamless regional market and integrated production base- **Work towards Implementation; If successful, ASEAN could prove that the whole actually does exceed the sum of its parts.**

(d) **Challenges** Rising inequality across many ASEAN nations is a matter of concern that needs immediate attention. As ASEAN celebrates its 50th anniversary, the world stands on the cusp of the Fourth Industrial Revolution- **Need to cope with emerging technologies.**

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<sup>18</sup> Vinayak HV, Fraser Thompson and Oliver Tonby. Understanding ASEAN:Seven Things You Need to Know (Online) Available : <http://www.mckinsey.com/industries/public-sector/our-insights/understanding-asean-seven-things-you-need-to-know>

## **ASEAN and Regional Security**

101. **Security Challenges** ASEAN security challenges include border disputes, human trafficking, natural and manmade disasters, food security, and cross-border terrorism and insurgencies. The vast majority of regional security issues are dealt with through ASEAN. However, despite the prevalence of diplomatic forums, disagreements on security issues haunt ASEAN unity. Its most glaring challenge is finding a joint response to the hegemony of China. “China’s re-emergence as the major power in the East Asia region is not only likely to transform Southeast Asia’s relations with China, but also perhaps the internal relations of ASEAN itself”, writes Beeson, of the University of Western Australia.

102. Maritime disputes in the South China Sea have been the biggest irritant among ASEAN members. Brunei, Malaysia, the Philippines, and Vietnam share overlapping claims to features in contested waters with China. For them, China’s moves to reclaim land and to build artificial islands are threatening and seen as violations of national sovereignty.<sup>19</sup>

## **India and ASEAN<sup>20</sup>**

103. ASEAN-India dialogue relations have grown rapidly from a sectoral dialogue partnership in 1992 to a full dialogue partnership in December 1995. The relationship was further elevated with the convening of the ASEAN-India Summit in 2002 in Phnom Penh, Cambodia. Since then the ASEAN-India Summit has been held annually. At the 13th ASEAN-India Summit held in Kuala Lumpur on 21 November 2015, the ASEAN Leaders welcomed India’s initiative, namely the “Act East Policy” and “Make in

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<sup>19</sup> Backgrounder by Eleanor Albert, “Asean: The Association of Southeast Asian Nations” (Online) Available : <https://www.cfr.org/backgrounder/asean-association-southeast-asian-nations>

<sup>20</sup> Overview:ASEAN-India, (Online) Available : <http://asean.org/storage/2012/05/Overview-ASEAN-India-as-of-February-2017r4CLpdf>

India” and noted that the initiatives could complement ASEAN’s community building efforts.

**104. Forging Ahead Together** The Plan of Action (POA) to implement the ASEAN-India Partnership for Peace, Progress and Shared Prosperity (2016-2020) was adopted by the Leaders of ASEAN and India at the PMC Plus One Session with India on 5 August 2015 in Kuala Lumpur, Malaysia to succeed the Plan of Action (POA) 2010-2015. The POA 2016-2020 comprises three broad areas, namely political and security cooperation; economic cooperation; and socio-cultural cooperation.

**105. Trade and Investment:** ASEAN today is India's fourth largest trading partner. The annual trade between India and ASEAN stood at approximately US\$ 76.53 billion in 2014-15. It declined to US\$ 65.04 billion in 2015-16 essentially due to declining commodity prices amidst a general slowing down of the global economy. Investment flows are also substantial both ways, with ASEAN accounting for approximately 12.5% of investment flows into India since 2000. FDI inflows into India from ASEAN between April 2000 to May 2016 was about US\$49.40 billion, while FDI outflows from India to ASEAN countries, from April 2007 to March 2015, as per data maintained by DEA, was about US\$38.672 billion. The ASEAN-India Free Trade Area has been completed with the entering into force of the ASEAN-India Agreements on Trade in Service and Investments on 1 July 2015.

**106. Security cooperation**<sup>21</sup> The main forum for ASEAN security dialogue is the ASEAN Regional Forum (ARF). India has been attending annual meetings of this forum since 1996 and has actively participated in its various activities. The ASEAN Defence Ministers' Meeting (ADMM) is the highest defence consultative and cooperative mechanism in ASEAN. The ADMM+ brings together Defence Ministers from the 10 ASEAN nations

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<sup>21</sup> “ASEAN- India Relations”. (Online) Available : <http://www.mea.gov.in/aseanindia/20-years.htm>

plus Australia, China, India, Japan, New Zealand, Republic of Korea, Russia, and the United States on a biannual basis.

107. **Opportunities** Realisation of ASEAN vision 2020, MPAC-2025 and ASEAN-India partnership POA 2016-2020 also augurs well for the bilateral relations of the Trio. It's important to dovetail their development plans to dovetail with regional ambitions while keeping mind the challenges of equitable growth, development of emerging technologies and human resource development.

## **BIMSTEC**

108. **Introduction** 'Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation' (BIMSTEC) formed in 1997, comprising Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka, Thailand brings together 1.5 billion people – 22% of the world population, and a combined GDP of over US\$ 2.7 trillion. In the last five years, BIMSTEC Member States have been able to sustain an Average 6.5% economic growth trajectory despite global financial meltdown.<sup>22</sup>

### **Areas of Cooperation**

109. The objective of building such an alliance was to harness shared and accelerated growth through mutual cooperation in different areas of common interests by mitigating the onslaught of globalization and by utilizing regional resources and geographical advantages. Unlike many other regional groupings, BIMSTEC is a sector-driven cooperative organization. BIMSTEC has Fourteen priority sectors covering all areas of co-operation. Six priority sectors of co-operation were identified at the 2nd Ministerial Meeting in Dhaka on 19 November 1998. They include the following:-

- (a) Trade and Investment, led by Bangladesh

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<sup>22</sup> " Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation" (Online) Available:[https://en.wikipedia.org/wiki/Bay\\_of\\_Bengal\\_Initiative\\_for\\_Multi-Sectoral\\_Technical\\_and\\_Economic\\_Cooperation](https://en.wikipedia.org/wiki/Bay_of_Bengal_Initiative_for_Multi-Sectoral_Technical_and_Economic_Cooperation)

- (b) Transport and Communication, led by India
- (c) Energy, led by Myanmar
- (d) Tourism, led by India
- (e) Technology, led by Sri Lanka
- (f) Fisheries, led by Thailand

110. After the 8th Ministerial Meeting in Dhaka on 18–19 December 2005, a number of new areas of co-operation emerged. The number of priority sectors of co-operation increased from 6 to 14. The sectors are as follows:-

- (a) Agriculture, led by Myanmar
- (b) Public Health, led by Thailand
- (c) Poverty Alleviation, led by Nepal
- (d) Counter-Terrorism and Transnational Crime, led by India
- (e) Environment and Natural Disaster Management, led by India
- (f) Culture, led by Bhutan
- (g) People to People contact, led by Thailand
- (h) Climate change, led by Bangladesh

111. The inauguration of BIMST-EC and the years following it did not see very high profile engagements. Instead, the grouping was off to rather a more modest start, which saw only ministerial-level meetings for a long time. Though it was decided in the Thailand meeting of 2004 to hold the BIMSTEC summit every two years, only three such summits were held prior to the recent one in Goa.

112. Goa was the fourth high level summit and the first-ever joint summit of the organization with another multilateral grouping, where the BRICS (Brazil, Russia, India, China, and South Africa) leaders met the heads of government of the BIMSTEC countries. Through the BRICS-BIMSTEC Outreach summit, the BIMSTEC countries sought greater exposure to financial investments for the region. The New Development Bank established by the BRICS is of particular interest in this regard. Among the

BIMSTEC countries themselves, there was renewed interest to fast track free-trade agreement negotiations to boost trade, pursue the possibilities for a blue economy, and improve connectivity and people-to-people contact.

113. BIMSTEC leaders, while, unequivocally condemning terrorism, identified various other areas of cooperation to move forward with concrete action – a BIMSTEC framework agreement on transit, trans-shipment and movement of vehicular traffic; having an annual exercise on disaster management; setting up a BIMSTEC center for technology transfer; initiating talks on a BIMSTEC coastal shipping agreement; information intelligence sharing and an annual meeting of national security chiefs; and so on. It was also decided to form a BIMSTEC eminent persons group to further explore and identify new avenues for collaboration.

114. In the last five years, BIMSTEC member states have been able to sustain an average 6.5 percent economic growth rate despite the global financial slowdown. The BIMSTEC region has a huge amount of untapped natural, water, and human resources, from hydropower potential in the Himalayan basin to hydrocarbons in the Bay of Bengal. There is however a long way to go in establishing satisfactory inter-regional transport connectivity, something that is foundational for several other fields of cooperation. To this end, as many as 100 projects have been identified by the BIMSTEC Transport Infrastructure and Logistics Study (BTILS), which would be funded by the Asian Development Bank.

115. In terms of connectivity, BIMSTEC has at last three major projects that, when finished, could transform the movement of goods and vehicles through the countries in the grouping. Two major projects of significant consequence to India-Myanmar-Thailand are<sup>23</sup>:-

- (a) Kaladan Multimodal project that seeks to link India's NE States and Myanmar through combination of maritime, river and road transport routes.

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<sup>23</sup> Elizabeth Roche.// "Why is BIMSTEC so important for India?", Live Mint (E paper)//24 October 2016

(b) Another is the Asian Trilateral Highway connecting India and Thailand through Myanmar.

(Status of these projects covered later under India-Myanmar cooperation)

116. Besides inter-regional cross-border connectivity, it is crucial that BIMSTEC countries simultaneously develop their own internal infrastructures – feeder road connectivity, which would form a major part of the supply chain – in order to fully benefit from the fruits of trade liberalization.

117. BIMSTEC, is an “issue-free relationship” in which all countries are looking for cooperation that can help in their development process. Also, BIMSTEC has no written charter and thus is more flexible. As BIMSTEC celebrates its 20th anniversary in 2017, Goa could mark the beginning of a new rise in its trajectory.<sup>24</sup> With five countries that also belong to SAARC and two that belong to ASEAN, BIMSTEC can serve as the bridge between South Asia and Southeast Asia. As for the Trio, India and Myanmar (with its Observer status) represent SAARC and all three are part of ASEAN / ASEAN Plus 6. Truly, there could not have been a better combination of a Trio that has the distinction of representing the bridge between South and SEA.

## **Mekong-Ganga Cooperation (MGC)**

118. **Origin and Development** The proposal for formation of the Mekong-Ganga Cooperation (MGC) finalized by the foreign ministers of the six members on sidelines of the ASEAN Ministerial Meeting (AMM) in Bangkok, Thailand, in July 2000 was formally launched on 10 November 2000 in Vientiane, Laos. It emphasised four areas of cooperation, which are tourism, culture, education, and transportation linkage in order to be

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<sup>24</sup> Kamal Madishetty// “Goa Summit Could Be the Turning Point for BIMSTEC”, The Diplomat// 02 November 2016

solid foundation for future trade and investment cooperation in the region. The organization takes its name from the Ganga and the Mekong, two large rivers in the region.

119. **Activities** The working mechanism for MGC consists of the Annual Ministerial Meeting (back to back with ASEAN Ministerial Meeting), the Senior Official's Meeting, and the five Working Groups namely;<sup>25</sup>

- (a) Working Group on Tourism (Thailand lead country)
- (b) Working Group on Education (HRD) (India lead country)
- (c) Working Group on Culture (Cambodia lead country)
- (d) Working Group on Communication & Transportation (Laos PDR lead country)
- (e) Working Group on Plan of Actions (Vietnam lead country)

120. **MGC Ministerial Meetings** Since the 1st MGC Ministerial Meeting held in Vientiane from 9-13 November 2000 there have been total 7 meetings so far. In the 6th MGC hosted by India in September 2012, Ministers agreed to widen collaboration into newer areas, such as SME cooperation, conservation of Rice Germplasm, setting up a Working Group on Health, establishment of a Common Archival Resource Centre (CARC) at the Nalanda University, and finally, India–Cambodia –Laos-Myanmar-Vietnam Quick Impact Projects. It was agreed to expeditiously take forward matters related to the extension of the India-Myanmar-Thailand Trilateral Highway to Cambodia and Lao PDR, and to the new proposal for the development of an India-Myanmar-Lao PDR-Vietnam-Cambodia highway. Majority of these have since been added to the Work Programme during 7<sup>th</sup> meeting in 2016.

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<sup>25</sup> "Mekong-Ganga Cooperation" (Online) Available :  
[https://en.wikipedia.org/wiki/Mekong%E2%80%93Ganga\\_Cooperation](https://en.wikipedia.org/wiki/Mekong%E2%80%93Ganga_Cooperation)



121. **Significant achievements of 7<sup>th</sup> MGC Ministerial Meeting** India announced 50 new ITEC scholarships for MGC countries in areas of culture, tourism, engineering, management, teachers training, film directing, sound, lighting and stage management in addition to 900 scholarships already given every year. New Centres of excellence in Software Development and Training were announced. Existing capacity building programmes in law enforcement, financial markets, ICT and space, to supplement the requirements of MGC partners was also announced. Draft Plan of Action (POA) 2016-18, was endorsed to become the core guideline for future action.<sup>26</sup>

122. **India-MGC Trade** India's total trade with Mekong countries in the year 2000 was just a mere US\$ 1.32 billion, which has increased to US\$ 19.31 billion in 2015. Thailand, Vietnam and Myanmar are the top three trading partners of India in MGC. India's trade with Mekong countries has also been witnessing a compositional shift from trade in commodities to finished goods (pharmaceuticals) and intermediate products (automobile parts and components). The trade relations between India and Mekong countries has received a fillip through ASEAN-India FTA, implemented in 2010, that India has set free over Mekong-Ganga Cooperation. Services and investment added in 2015 have boosted the momentum to the trade and investment relations. Presumably, Mekong countries have gained relatively higher market access in India and so also India in MGC. There have been significant developments in the agriculture, processed food, machinery, electrical and electronics, travel and tourism, education sectors.

123. Despite several economic crises in recent past, MGC countries have continued to witness a rising flow of FDI. The investment environment in the MGC sub-region continues to improve, with Mekong countries and India reforming investment policies and introducing new measures that further promote FDI. Launching ASEAN Economic Community (AEC) in 2015 and

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<sup>26</sup> "About Mekong-Ganga Cooperation (MGC)" (Online) Available : <http://www.mea.gov.in/aseanindia/about-mgc.htm>

India's massive reforms in recent years have improved the investor sentiments.

124. **Connectivity** A consensus on finalising the proposed protocol of the India-Myanmar-Thailand Motor Vehicle Agreement (Trilateral MVA) has been reached. This agreement will have a critical role in realizing seamless movement of passenger, personal and cargo vehicles along roads linking India, Myanmar and Thailand. Further, with proposed extension of highway to Lao PDR, Cambodia and Vietnam trade will get tremendous boost. Its important to transform the corridors of connectivity into economic corridors.

125. *However, India's pattern of trade with Mekong countries is relatively asymmetric, thereby implying high unlocked trade potential.* Both India and Mekong countries have substantially high untapped trade potential, which has remained unrealised due to barriers to trade and structural differences of the economies, among which some are intuitively policy barriers (such as tariff and non-tariff measures, etc.), whereas a large part of the barriers are also related to environment such as remoteness and low connectivity, inadequate banking and financial instruments, unfavourable business environment, etc.

126. India and Mekong countries have huge potential in particular with Thailand and Vietnam. There is urgent need to strengthen the regional economic integration, improve the ranks in Ease of doing business, establish regional value chain linkages, strengthen the connectivity, develop border economic zones, improve access to finance and promote skill development.<sup>27</sup>

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<sup>27</sup> "Mekong-Ganga Cooperation: Breaking Barriers and Scaling New Heights" (Online) Available : <http://aic.ris.org.in/wp-content/uploads/2017/04/MGC-Report-2017.pdf>

## **GEOPOLITICAL SITUATION**

### **International Situation**

127. In the post cold war and post September 11 context international relations are being redefined and a new politico-security-economic international architecture is evolving and emerging. Even in a uni-polar world, new centres of power, partnerships and alliances are being forged and old ones reevaluated and reshaped. In a manner of speaking, the world is coming to grips with and is trying to cope with new challenges and opportunities – strategic, security, political, social, ecological, economic and commercial. At a time when national, sub-regional, regional and international equations are rapidly changing and new perspectives and imperatives are emerging, countries with age-old multi-faceted and time tested relationships like India, Myanmar and Thailand need to reflect on their bilateral, sub-regional and regional interface and take steps to contemporise their ancient relationship and give it a new relevance, meaning, definition and even identity of purpose.

128. When the cold war ended, a period of Global US ascendancy came into being, bringing with it a more prominent US presence in Asia. In fact, Asia is where US armed forces have been most conspicuously and most actively engaged in the last few years. But this is now changing. The bruising exposure in Afghanistan and the resultant withdrawal of majority of forces is testimony to the shift in US policy of overseas armed engagement in a third party conflict situations. The new administration under Mr Trump appears to be a step further on this policy wherein signals are amply clear that USA will involve its armed forces only to protect its own or its ally's interests. As the USA starts to lower its profile and while China consolidates its rise, new security architecture has begun to take shape. Multi-polar world of which so much has been said, appears to be the model of the future.

129. Today, the Eastward look has acquired an altogether new significance. The world's economic difficulties remain unresolved and anxieties about the future have not abated. India, China and Southeast Asia in particular, have coped better than others with the difficulties and the challenges. The older economic powerhouses, especially, the European countries, have had to take note of this reality that warrants strengthening of economic exchanges with the rising powers of the east in order to help them deal with their difficulties. As such, they have made assiduous efforts in this direction.

### **Regional / Sub-regional Level**

130. Closer home, it is difficult to envisage clear domination of Asia in coming years by a single major power. Regional and sub-regional organizations in Asia answering the needs of security of their member states have become more active and are acquiring greater strength and purpose.<sup>28</sup> More or less simultaneous rise of India and China, and latter having well known differences with USA and the western countries on the number of issues, coupled with China's disputed territorial claims in the neighbourhood, has encouraged talks of India being seen as a balancing factor in the regional affairs. India on its part has been amply clear in bringing out that its engagements with ASEAN and the far east have not been aimed at containment of any country. Look East policy never carried that connotation.

131. The complex problems in India's North East and in the Andaman Sea, border problems troubling all the three nations, maritime security and several such issues have trans-national dimensions. To address these purposefully, India, Thailand and Myanmar will need to engage in a comprehensive and regular dialogue and evolve a coordinated policy. International boundaries in such sensitive regions should not prevent trans-national cooperation. In fact, such cooperation is necessary. Whether it is combating terrorism, crime, drugs and their nexus with money laundering,

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<sup>28</sup> Salman Haider.// "Look Esat", //in//Two Decades of India's Look East Policy.//Amar Nath Ram.// (New Delhi:Manohar Publishers and Distributors)//P 60

trafficking in arms and humans, cooperation is indispensable to find solutions and to curb these dangerous threats. The same is true of securing the Bay of Bengal space against poachers, pirates and criminal elements. Scale of natural calamities and their increasing unpredictability due to climatic changes is another challenge with time critical and enormous task, that demands joint effort to save human life and property.

132. At the sub-regional level, India, Thailand and Myanmar are founding members of BIMSTEC. This forum is unique because it includes five SAARC and two ASEAN member countries bordering the Bay of Bengal and India. There is scope for transforming this region into a free trade area, or even a common market. Proposals such as development of tourism, creation of common infrastructure and common projects such as an airline to serve the region have been under discussion although not much progress has been achieved. Another sub-regional grouping relates to the Mekong – Ganga Economic Cooperation linking five ASEAN countries (Thailand, Myanmar, Cambodia, Vietnam and Laos) to India. Though it has not got the rightful attention of member countries, the possibilities for mutually beneficial cooperation are immense and complementary to long term bilateral and multilateral relations. India and Thailand are Indian Ocean littoral states and have an interest in promoting and operationalising the Indian Ocean Rim Cooperation Grouping (IOR-ARC). There is much at the regional and sub-regional levels that India, Myanmar and Thailand can do to optimize their synergies and convergences of interests.

## **Way Forward**

133. Overall it is evident that strengthening of India-Myanmar-Thailand strategic partnership holds promise for the following reasons:-

- (a) India's steady economic growth in last 25 years dovetails with the need for economic options and opportunities that Thailand and Myanmar seek. India's abundant market is a tempting objective.

- (b) India's expertise in Information Technology, communications, space programme, mass pool of English language expertise and abundance of young and educated working population are endowments that can provide both ballast and thrust for new prospects in India-Thailand-Myanmar relations. The Indian diaspora in the region is the fertile link between the two.
- (c) Moreover, India's political and strategic credentials find symmetry with strategic calculations of both because of benign nature of these credentials and for the democratic and liberal assurances that they offer.
- (d) Reduced American strategic commitment in SEA, and rapid emergence of China as incontestably the main political and economic power in Asia, forebode an imbalance in the relations among Asian countries that can be corrected only by a country like India, which possesses the size, resources, potential and more importantly the CHARACTER for the purpose.
- (e) India's indispensability in any effort to define and ensure the security of the broader Indian Ocean Region is a well known.
- (f) Contemporary, non-traditional; threats to peace and security such as cross-border terrorism, environmental hazards, transnational crime, illegal migration and a host of other similar perils can be tackled effectively only with joint and coordinated efforts of geographic neighbours.
- (g) Three countries are common to three major regional / sub-regional groupings of BIMSTEC, MGC and ASEAN / ASEAN+6. Their cooperation at multilateral and bilateral levels would be complementary to group efforts in sub-regional cooperation.

## **CURRENT STATUS OF COOPERATION**

### **Indo-Thai Relations**

#### **Introduction**

134. After the end of Cold War, pragmatic leadership of the two countries turned to each other in mutual interest, primarily to step up economic ties. Thai foreign minister visited India in 1991 and had a comprehensive review of bilateral relations. This was followed by exchange of visits at various levels with emphasis on revving up of economic cooperation. Prime Minister Narsimha Rao's visit in 1993 was a high water mark and thereon the relations grew at rapid space.<sup>29</sup>

135. Thailand has consistently voiced positive perceptions about its relations with India. India's LEP (since 1993) finds resonance in Thailand's Look West policy (since 1997). The past few years since 2001 have witnessed growing warmth, increasing economic and commercial links, exchange of high-level visits on both sides, and the signing of a large number of Agreements leading to a further intensification of relations. Then PM, Yingluck Shinawatra's state visit in Jan 2012 as a chief guest of 'Indian Republic Day' is a significant sign of good relationship between two countries.

136. Thailand and India are cooperating in various multilateral fora like India's dialogue partnership with ASEAN, ASEAN Regional Forum (ARF), East Asia Summit, the sub-regional grouping BIMSTEC, MGC and trilateral transport linkages with Thailand, Myanmar and India. India is a member of the Asia Cooperation Dialogue (ACD) initiated by Thailand in 2002.

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<sup>29</sup> Sheel Kant Sharma.// "India's Look East Policy:Initial Years 1990-1994", //in//Two Decades of India's Look East Policy.//Amar Nath Ram.// (New Delhi:Manohar Publishers and Distributors)//P 46

## **Bilateral Institutional Mechanisms**

137. These include the following:-

- (a) **Joint Commission Meeting (JCM)** India-Thailand JCM is at Foreign Ministers level.
- (b) **Foreign office Consultations (FOC):** FOCs are held at the level of foreign secretaries.
- (c) **Defence Dialogue:** The fourth meeting of India-Thailand Defence Dialogue was held in Bangkok on 21-22 December 2015. (Secretary level) The current Defence cooperation has come a long way in last two decade.

## **Economic Cooperation<sup>30</sup>**

138. **Overview**

- (a) Thailand is the second largest economy in the Association of Southeast Asian Nations (ASEAN) and the Greater Mekong Sub-region (GMS). It is an upper middle income country with a Gross Domestic Product (GDP) of US\$ 397.6 billion in 2016. The growth of GDP in Thailand has averaged between 3% to 4% in the last decade. In India's trade with ASEAN countries, Thailand ranks 5<sup>th</sup> in total trade & exports, and 4<sup>th</sup> in imports.
- (b) The India-AESAN Agreement on Trade in Goods was implemented in January 2010 and the India-ASEAN FTA in Services and Investments was signed in September 2014 and came into force in July 2015.
- (c) At bilateral level, India and Thailand signed a Framework

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<sup>30</sup> "India Thailand Economic & Commercial Relations" (Online) Available : <http://www.indianembassy.in.th/pages.php?id=174>



Agreement for establishing an India-Thailand Free Trade Area (FTA) in October 2003. The negotiations towards a comprehensive India-Thailand FTA commenced in March 2004. Pending completion of negotiations, both countries agreed to implement an Early Harvest Scheme (EHS), which would comprise a list of goods of mutual interest for which both sides would undertake tariff concessions in a phased manner. EHS which came into effect from 2004 included a list of 82 common items (now 83). EHS and later, India-ASEAN FTAs have resulted in phenomenal growth in our bilateral trade, wherein Thai goods have benefitted more.

(d) At present, Thailand and India are in a process of negotiating a comprehensive FTA, covering trade in goods, investment, services and economic cooperation. FTA negotiations started with the expectation that India will be compensated by a better offer from Thailand under Trade in Services. So far, 30 rounds of India-Thailand Trade Negotiations Committee (ITTNC) have been held. Last ITTNC met in July, 2016 at New Delhi. The negotiation for bilateral Agreement has continued with Thailand even though we are party to India-ASEAN Trade in Goods; Trade in Services Agreements and also party to India-ASEAN Agreement on Investment.

139. **Bilateral Trade** As a result of the reduced tariff rates and new initiatives adopted by both the countries, trade between two countries increased manifold in recent years. Bilateral Trade has multiplied eight times since 2000 to reach **US\$ 8.87 billion** in 2012. Trade figures between the two countries are as under:-

Table 3.2 India-Thailand Bilateral Trade Statistics

(amount in billion USD)

Year	Total trade	Thai Export to India	Thai Import from India
2010	6.64	4.39	2.25
2011	8.19	5.18	3.01
2012	8.87	5.47	3.40
2013	8.69	5.19	3.50
2014	8.66	5.62	3.04
2015	7.92	5.29	2.63
2016	7.72	5.15	2.57

140. **Comparison of Trade Statistics** In last five years (2012-13 to 2016-17) Indian exports to Thailand have varied in the range of 1.12 to 1.24 % of its total exports worldwide. Likewise share of imports from Thailand in the same period has ranged between 1.09 to 1.45 %. Details statistics are placed at appendix A. Major items of import / export are given below:-

(a) **Imports from India** Major imports are in the sectors of chemicals, parts & accessories of vehicles, gear boxes, precious/ semi-precious stones, boneless meat of bovine animals, iron & steel, spices, petroleum and bituminous mineral oils, ships, boats and floating structure, aluminium and copper products, etc.

(b) **Exports to India** Major exports are in the sectors of window/wall type air conditioning machines, data storage units, parts and accessories of vehicles, engines (diesel/semi diesel), polycarbonates, technically specified natural rubber (TSNR), polymers of ethylene in primary forms, waste and scrap of stainless steel, vegetable oils, petroleum crude, consumer electronics, telecom instruments and electronic components, etc.

#### 141. **Limitations**

(a) **Withholding Tax** The government of Thailand charges a withholding tax of 15% on the IT services imported from India. Because of this condition, Indian IT companies are reluctant to do business with Thailand.

(b) **Business visas/work permits** Indian companies are of the opinion that obtaining business visa and work permit is quite difficult. The Thai Embassy in New Delhi and Consulates insist on documentation which is voluminous and tedious to complete. Moreover, work permits are not issued in India. One has to apply for business visa and work permits are processed only in Thailand.

142. **Indian Companies in Thailand** Major Indian groups namely Tata group (automobiles, steel, software), Aditya Birla group (chemicals, textiles), Indo Rama group (chemicals), Lupin (pharmaceuticals), Ranbaxy, Dabur, Bharti Airtel, NIIT, Punj-Lloyd, Kirloskar and public sector enterprises Indian Overseas Bank, Bank of Baroda, Air India, New India Assurance are present in Thailand. The companies reflect diverse sectors of interest, which are chemicals, textiles, pharmaceuticals, steel, automotive and IT.

143. **Thai Companies in India** Leading Thai companies in the fields of Agro-processing, infrastructure, banking, automotive, engineering, housing and hospitality have active and growing business presence in India.

Major Thai companies active in India are - C P Aquaculture (India) Ltd., Krung Thai Bank Pcl., Ital Thai Development Pcl., Charoen Pokphand (India) Private Limited, Stanley Electric Engineering India Pvt. Ltd., Thai Summit Neel Auto Pvt. Ltd., Thai Airways, and Precious Shipping (PSL) of Thailand, Preuksa Real Estate, Dusit and Amari group of hotels.

#### 144. **Investments**

(a) Investment by Indian and Thai companies into each other's countries has been growing in the recent times. Cumulative FDI inflows (including equity, re-invested earnings & other capital) from 2000 to 2016, are US\$ 472.19 billion. Seen as % of total FDIs, it stands at 0.09%. Thailand ranks 36<sup>th</sup> in FDI equity inflows from 2000 to 2016. Year wise approved Indian investment in Thailand during the last few years is as under:

Table 3.3 Indian Investment in Thailand

<b>Year</b>	<b>Investment (million USD )</b>
2012	196.39
2013	52.75
2014	63.45
2015	37.53
2016	33.44

(b) Investment from Thailand in India has also increased in the recent years. Total FDI inflow (from April 2000-December 2016) – 282.56 million USD however, accounts for only 0.09% of total FDI inflow. Thai investments are mainly in infrastructure, real estate,

food processing sectors, chemicals, rubber, hotel and hospitality sector. [Source: DIPP, MOC, GOI]. Break-up of yearly FDI from Thailand to India for the last four years is as under:

Table 3.4 Thai Investment in India

Year	FDI inflow (in million USD)
2012	11.55
2013	60.89
2014	23.72
2015	24.30
2016	68.87

145. There is also a well-established **India-Thai Chamber of Commerce** and an active **India-Thai Business Association**. A **Joint Business Council** has been set up since May 2013 with the involvement of the private sector to stimulate expansion of bilateral trade and investments, and facilitate business partnerships.

146. **Connectivity** Air traffic between India and Thailand is growing with 176 flights per week reflecting a rapid growth in traffic of mainly tourists and also businesspersons between the two countries. All major airlines of either countries operate between the two countries : Air India, Jet Airways, Thai Airways, Bangkok Airways, Air Asia and IndiGo. In 2015, over 1 million Indian tourists visited Thailand and around 120,000 Thai tourists visited India (mainly to Buddhist pilgrimage sites). India and Thailand are cooperating closely on improving regional connectivity through initiatives such as India-Myanmar-Thailand Trilateral Highway,

Asian Highway Network (under UNESCAP), BTILS under BIMSTEC framework.

### **Defence and Security Cooperation**

147. Among the top priorities for both Thailand and India is the security cooperation, realizing that security problems and terrorism have broadened and have increasingly become challenges to the international community. Joint Working Group on security cooperation established in 2003 has provided a useful framework to push forward cooperation in this field for the two countries. The National Security Councils of both sides have worked closely on mutual areas of concern such as counter-terrorism, military cooperation, maritime security, international economic and cyber-crimes, anti-narcotics and money laundering. MoU and Standard Operating Procedures for Coordinated Patrol signed in 2007 ensure the effective implementation of the Law of the Sea to prevent illegal activities.

148. An MoU on Defence Cooperation was signed in January 2012 and an annual Defence Dialogue has been established. The activities under the Defence Cooperation comprise regular joint exercises / joint maritime patrols near the international maritime boundary to counter terrorism, piracy and smuggling; training of officers at each others' Armed Forces Training institutions and participation as observers in military exercises.

149. In a major boost to bilateral security cooperation, India and Thailand in May 2013 signed Extradition Treaty. The treaty provides the legal framework for seeking extradition of fugitive offenders, including those involved in terrorism, transnational crimes and economic offences among others. MoU between Financial Intelligence Unit, India and Anti Money Laundering Organisation, Thailand on cooperation in the exchange of intelligence related to money Laundering and terrorism financing has also been signed. The MoU will facilitate cooperation in the investigation of persons suspected of money laundering and criminal activity related to

money laundering and terrorism financing. The MoU seeks to assemble, develop, analyse and exchange information on such issues.<sup>31</sup>

150. There have been regular coordinated patrols (CORPAT) between the two Navies and annual exercises between the two armies and also the first ever table-top air exercise between the two air forces. India has been participating in multilateral Cobra Gold exercise held in Thailand as an 'Observer Plus' country.

151. The 10th meeting of the Joint Working Group on Security Cooperation held in New Delhi on 18 January 2016 further strengthened cooperation between the two countries in the fields of counter terrorism, cyber security, trafficking in human and narcotics and in transnational economic offenses. India has provided assistance to Thais to combat Islamic separatists in Southern Thailand in return for Thai authorities taking action against Indian separatists using Thailand as a supply route for arms originating in Cambodia.

152. During the recent visit of Thai Prime Minister General Prayut Chan-ocha to INDIA both countries agreed to enhance cooperation on defence and maritime issues, along with counter-terrorism, cyber security and human trafficking. A joint statement said both sides expressed keen interest in enhancing cooperation in the maritime domain, including anti-piracy cooperation, security of sea lanes of communication, coast guard cooperation to maintain peace and ensure safety and security of navigation in the Indian Ocean. In this connection, both sides agreed to work towards completion of negotiation for signing of the White Shipping Agreement.<sup>32</sup> This could be a new beginning to accelerate and increase bilateral defence and security engagements.

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<sup>31</sup> "India-Thailand Relations", (Online) Available :  
[https://en.wikipedia.org/wiki/India%E2%80%93Thailand\\_relations](https://en.wikipedia.org/wiki/India%E2%80%93Thailand_relations)

<sup>32</sup> "India, Thailand to boost defence ties", The Indian Express.// 18 June 2016

## **Other Cooperation**

153. **Culture** Cultural exchanges take place under the framework of a Cultural Exchange Programme (CEP) between the two governments. An Indian Cultural centre was opened in Bangkok in September 2009. Cultural Agreement Programme for 2016-19 was signed during the visit of Thai PM to India in June 2016. Regular visits of Indian cultural troupes are organized, in addition to Indian film and food festivals etc. Embassy of India in collaboration with Ministry of Culture, Thailand and several local partners organized Festival of India in Thailand in March 2014 and the 2nd edition was organized from March-May 2015. ‘Festival of India-2017’ in Thailand commemorating 70 years of India –Thai relations is being celebrated with variety of activities starting August 2017 until January 2018.

154. **Education** An MoU on Cooperation in the field of Education was signed in 2005. During 2014-15 Government of India offered 130 scholarships to Thai students under its ITEC and ICCR sponsored schemes. A large number of Thai students are also studying on self-financing basis. Ministry of Human Resource Development provides for secondment of 8 professors every semester for the Asian Institute of Technology (AIT), Bangkok. Government of India contributed Rupees 1.25 crores (Thai Baht 10 million) in 2008 towards construction of a new building for the Sanskrit Studies Centre at Silpakorn University, Bangkok and has deputed a Sanskrit professor. A number of India Studies Centers are operational in prestigious Thai Universities.

## **INDIA-MYANMAR RELATIONS**

### **Introduction**

155. Myanmar has a special space in India’s strategic outlook as a key player in the LEP. Realising the potential of closer India-Myanmar ties, even before the transition of Myanmar government to democracy, then prime



minister of India, Mr Narsimha Rao began the engagement with ruling junta in 1993.<sup>33</sup> While it began with economic integration and energy security, Myanmar's strategic importance to India, which shares 1640 km of land and 1930 km of maritime border, was not missed by the veteran statesman like Rao. The initial steps taken by Rao were taken further by subsequent governments, each adding more substance to this relationship.

156. The two governments have been on the same page in regard to forging regional and sub regional cooperation. On numerous multilateral issues, the two countries maintain a common position, based on shared views. They favour a strong United Nations as a key factor in tackling global challenges and advocate UN reform, including expansion of the Security Council in order to make it "more representative, credible and effective." India greatly appreciates Myanmar's consistent support for the former's bid for permanent membership of Security Council and its generally friendly policy towards India in the context of South Asian affairs and sub-regional cooperation. Myanmar has been consistently appreciative of India's deepening engagement with ASEAN, particularly its assistance to CLMV countries. Further, convergence in developmental domain has driven both countries' towards strengthening sub-regional cooperation through BIMSTEC and MGC, and considering proposals under BCIM. In this context, Myanmar's entry in SAARC as an Observer in 2008 is also relevant.

### **High-level Visits**

157. After a long hiatus since visit of PM Rajiv Gandhi in 1987, there have been several Bilateral high level visits. The recent ones, indicative of upswing in bilateral ties are, namely, PM Modi to Myanmar in 2014, President Htin Kyaw's to India in August 2016, (the first by the head of a civilian government in Myanmar in over five decades) and finally visit by H.E. Daw Aung San Suu Kyi, State Counselor of the Republic of the Union of Myanmar to India in October 2016.

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<sup>33</sup> Kalyani Shankar.// "Look East Policy",//in// Two Decades of India's Look East Policy.//Amar Nath Ram.// (New Delhi:Manohar Publishers and Distributors)//P 240

158. Besides other commitments on bilateral cooperation, the most important message conveyed to President Kyaw was that by Prime Minister Modi who, in his Statement after the bilateral talks, stated that *“at every step of the way, 1.25 billion people of India will stand by you - both as partners and as friends.”*<sup>34</sup>

### **Institutional Mechanisms**

159. Institutional mechanisms that have infused dynamism to the growing and multi-faceted bilateral ties are:-

- (a) **Joint Consultative Commission (JCC)** The first meeting of the India-Myanmar Joint Consultative Commission (JCC) co-chaired by EAM and Myanmar FM U Wunna Maung Lwin on July 16, 2015 in New Delhi. The JCC has been established as an umbrella mechanism to facilitate interaction between various line ministries on the two sides.
- (b) **Joint Trade Committee (JTC)** held at Commerce Minister level to take up Commercial issues.
- (c) **Foreign Office Consultations (FOC)** at the level of Foreign Secretary/Deputy Foreign Minister.
- (d) **National Level Meeting (NLM)** at the level of Home Secretary/ Deputy Home Minister.
- (e) **Sectoral Level Meetings (SLM)** at Joint Secretary-level, MHA.
- (f) **Regional Border Committee Meetings (RBCS)** at Indian GOC 3 Corps-level and Myanmar North Western Regional Commander
- (g) **Army Border Liaison Meetings** held quarterly.
- (h) **Border Liaison Offices** involving field level functionaries at Tamu/ Moreh and Rhi/ Zowkhathar.

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<sup>34</sup> Ashok Sajjanhar.// “Visit of Myanmar President Upgrades Bilateral Ties”,// IDSA Comments Online// Available : [http://www.idsa.in/idsacomments/visit-of-myanmar-president-upgrades-bilateral-ties\\_asajjanhar\\_020916](http://www.idsa.in/idsacomments/visit-of-myanmar-president-upgrades-bilateral-ties_asajjanhar_020916)

### **Economic cooperation**<sup>35</sup>

160. Since the signing of India and Myanmar trade agreement in 1970, bilateral trade has been growing steadily. Bilateral trade rose from US\$ 328 million in 1997-98 to US\$ 921.19 in 2006-07 and climbed up to US\$ 2.052 billion in 2015-16 (though Myanmar trade statistics are far lower). In 2014-15, bilateral trade declined to US\$ 2.01 billion due to ban on export of Myanmar timber. India is the fifth largest trade partner of Myanmar (3<sup>rd</sup> largest export destination for Myanmar and 7<sup>th</sup> largest source of imports into Myanmar).

161. Myanmar is the second largest supplier of beans and pulses to India. Timber and wood products accounted for more than 27% of Myanmar's exports to India (USD 600 million) in 2013-14. Timber exports to India slowed down to USD 382 million since the ban of exports of logs from Myanmar from April 2014. India's exports to Myanmar include, pharmaceuticals, rubber products, plastics, machinery and equipments, cotton, garments, iron products, electrical machinery, mineral oil, etc. Exports of pharma, which enjoy a good reputation in Myanmar, grew from about US\$ 50 million in 2010 to US\$ 169.17 million in 2014-15. Growth of imports from India outpaced growth of exports to India. India is the 4<sup>th</sup> largest trading partner among ASEAN and Myanmar's neighbours. Potential areas are pharmaceuticals, agricultural machinery, agrochemicals, electrical goods, iron and steel, pulses and beans, investment in plantations, ICT and IT-related products and services.

162. Bilateral trade statistics of the two countries are given in the tables below:-

(a) **India-Myanmar bilateral trade** (in million US \$)

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<sup>35</sup> "Bilateral Economic & Commercial Relations", (Online) Available : [http://www.indiaembassyangon.net/index.php?option=com\\_content&view=category&layout=blog&id=21&Itemid=122&lang=ENG](http://www.indiaembassyangon.net/index.php?option=com_content&view=category&layout=blog&id=21&Itemid=122&lang=ENG)

Table 3.5 India-Myanmar bilateral Trade Statistics

Figures in brackets indicate variation from previous year(s)

<b>Year</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014- 15</b>	<b>2015-16</b>
India's exports	<b>545.38</b> (70.1%)	<b>544.66</b> (-0.13%)	<b>787.01</b> (44.5%)	<b>773.74</b> (-1.69)	<b>1068.20</b> (38.15%)
India's imports	<b>1,381.15</b> (35.72%)	<b>1,412.69</b> (2.28%)	<b>1395.67</b> (-1.20%)	<b>1231.54</b> (-11.76)	<b>984.27</b> (-20.08%)
<b>TOTAL TRADE</b>	<b>1,870.20</b> (39.75%)	<b>1,957.35</b> (1.6%)	<b>2182.68</b> (11.51)	<b>2005.28</b> (-8.13)	<b>2052.47</b> (2.38%)

(Source: DGFT, Dept of Commerce, India)

(b) **Trends of bilateral border trade** (in million US\$)

Table 3.6 India-Myanmar Border Trade Statistics

<b>Year</b>	<b>Myanmar exports</b>	<b>Myanmar Imports</b>	<b>Total trade</b>	<b>Balance of Trade</b>
2010-2011	8.30	4.50	12.80	3.80
2011-2012	8.87	6.54	15.41	2.33
2012-2013	26.96	11.67	38.63	15.29
2013-2014	30.92	17.71	48.63	13.21
2014-2015	42.61	18.11	60.72	24.50
2015-2016	53.02	18.62	71.64	34.40

(Source: Ministry of Commerce, Myanmar)

### 163. **Bilateral Mechanisms**

(a) India and Myanmar have signed a Bilateral Investment Promotion & Protection Agreement (BIPPA) and Double Taxation

Avoidance Agreement (DTAA). These agreements are aimed at providing an easy flow of bilateral investments and business profits and for taxation-related matters. Both the agreements have been ratified by India and Myanmar.

(b) **Joint Trade Committee** Joint Trade Committee (JTC), chaired by the respective Commerce Ministers, has been effective in reviewing and setting policy objectives for bilateral trade between the two countries. Set up in 2003, the Joint Trade Committee has met five times so far and has successfully directed the rapid growth of commercial relations between the two countries.

(c) **Joint Trade and Investment Forum** Following the signing of MOU in May 2012 and as also envisaged at the JTC, a Joint Trade and Investment Forum (JTIF) was established. The first meeting of the JTIF held in Yangon in June 2013 was co-chaired by Mr. Sunil Mittal, Chairman Bharti Group and Mr. Aung Win, President of UMFCCI and Chairman, Dagon International. The Forum has made valuable suggestions for increasing our trade and investment in order to realize the existing potential between two countries.

(d) **Border Trade Committee** Established at Joint Secretary Level to discuss matters related to border trade. The three meetings held so far have contributed towards improved border trade and its facilitation at border posts. Similarly a **Border Haats Committee** was also established at JS level which has met once in New Delhi.

164. **Investment** India is presently the ninth largest investor with an approved investment of US\$ 730.649 million by 22 Indian companies, out of the total estimated investments of US\$ 58.03 billion from 41 countries through 1001 enterprises (as of 29 Feb 2016). Most of India's investments have been in the oil and gas sector. However, investments in other promising sectors are gradually picking up.

165. **Projects Executed** Projects executed by Indian companies in recent years cover a variety of sectors such as roads, railways, telecommunication, automotive, energy and remote sensing. Construction and upgrading of Tamu-Kalemyo-Kalewa road has been completed. RITES has been assisting Myanmar in improving its railway transport system. ISRO set up and subsequently upgraded a data processing centre for remote sensing applications. Tatas have set up a turbo-truck assembly plant with assistance from a line of credit by the Indian government. Earlier, a project for high-speed link in 32 Myanmar cities was completed by the telecommunication company, TCIL. Three leading companies – OVL, GAIL and Essar – have been active in the energy sector.

166. Brief details of Indian companies invested in Myanmar are appended below:-

(a) TATA motor, TVS motors (two wheelers) Sonalika Tractors, New Holland tractor and Escorts have good presence in Myanmar. In addition, various other Indian companies like Birla Corporation, Avantha Group, Parry Agro Industries, Oberoi group, ITC Hotels, Bharti Airtel, Kirlosker Pumps, Cairn Energy India ltd., Asian Oilfield Services India, Royal Solar, GMR, JK Paper and Cement, Shree Cements, etc. have shown considerable interest in investing in Myanmar.

(b) **Punj Lloyd Ltd**, an Indian contractor executed a part of Myanmar China Oil Pipeline Project and Myanmar China Gas Pipeline Project. **Larson and Toubro** is involved in an offshore project at M9 & M11 blocks in Gulf of Martaban, Myanmar and **Vihaan Networks Ltd** completed a project of USD 5 million for installation of solar powered telecommunication tower projects on Mandalay- Yangon highway (600 km). In the **wood based industries sector**, a number of Indian companies namely Centuryply, Greenply Industries, MAK Plywood, B.S Progressive and Fine Ply have set up

their wood-based industries with a total estimated investment of about US\$ 35 million.

(c) **Tata Power** signed an Memorandum of Understanding (MoU) with Ministry of Electric Power, Government of Myanmar on 11 April 2013 for an imported coal fired power project at Ngayok Kaung in Ayeyarwaddy region, Myanmar. It is expected to be commissioned in 2019-20. Tata Power is also desirous of participating in hydro/ gas or renewable generation and also power distribution business opportunities in Myanmar and seek the support of Government of India and Myanmar in this respect.

(d) **Potential sectors for Indian investment** Power, Renewable Energy, Agri-business, food processing, construction related industries, hospital & Healthcare, vocational training & Education, Mining, Oil and Gas, Refinery, Fertilizer, Pharma & Iron and steel are the promising sectors for investment by Indian companies.

167. **Hydrocarbon and Energy** An MoU on Co-operation in the Petroleum Sector between Ministry of Petroleum and Natural Gas of India and Ministry of Energy of Myanmar was signed during Hon'ble President's visit to Myanmar in March 2006. Since then both private and public companies from India have shown interest in exploration and development activities. However, progress so far is much below the huge potential in this sector.

168. **Banking & Insurance** Cooperation in banking sector is crucial for investment and trade. United Bank of India signed a 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. For trade transactions UBI has opened USD account in the United Overseas Bank in Singapore. In addition to UBI, Bank of India, State Bank of India and EXIM bank have opened representative offices in Yangon. Further, **SBI was granted commercial banking license in March 2016**. SBI has opened facilities such as ATM, Forex and duty payment at SBI branches at Moreh

and Zowkhatar. New India Assurances Limited has opened its representative office in Yangon in June 2015.

**169. Development cooperation** It is a key aspect of bilateral relationship and India has offered technical and financial assistance to Myanmar for projects in infrastructure, capacity-building, emergency relief and others. Some of the Human Resource Development and Capacity Building Initiatives by India are indicated below:-

(a) India has extended considerable support for building up Myanmar's human resource capacity under 'Indian Economic and Technical Cooperation' (IETC) and Indian Council for Cultural Relations (ICCR) scholarship schemes. Following training institutions have been set in Myanmar in collaboration with local partners.

- (i) Myanmar-India Entrepreneurship Development Centre (MIEDC)
- (ii) Myanmar-India Centre for English Language Training (MICELT)
- (iii) India-Myanmar Centre for Enhancement of IT Skills (IMCEITS)
- (iv) India-Myanmar Industrial Training Centres, Pakkoku & Myingyan

(b) The ICCR on behalf of Government of India offers scholarships and fellowships to the participants wishing to study in India in various disciplines.

(c) **Special Course for Diplomats from ASEAN countries** The Foreign Service Institute of Ministry of External Affairs offers four weeks intensive Special Course for diplomats from ASEAN countries. Each of the ten ASEAN member countries is allotted five slots for the training. Myanmar has been utilizing all five slots.



(d) Other important initiatives taken by India includes setting up of Myanmar Institute of Information Technology in Mandalay with financial and technical assistance from India. IIIT, Bangalore has been appointed as the mentor institute to set up MIIT and run for 5 years. MIIT would be a state of the art institute which will help turn out IT professionals with deemed university status. The Advanced Centre for Agricultural Research and Education (ACARE) and Rice Bio Park are being established with Indian Agricultural Research Institute, Pusa and Dr. M.S. Swaminathan Research Foundation as the mentor institute to set up the ACARE and Rice Bio Park respectively. The vision for these institutes is that they will emerge as centres of excellence which will be able to address the needs of Myanmar's agricultural sector and IT industry respectively.

170. **Culture** India and Myanmar share close cultural ties. There is a deep sense of kinship, particularly amongst the Buddhist community. GOI is working for restoration of the Ananda Temple in Bagan. Performances by cultural troupes have been organized on a regular basis. Myanmar troupes and artistes have regularly participated in South Asian and ASEAN cultural events in India.

171. **Indian Diaspora** The origin of the Indian community in Myanmar is traced back to the mid-19<sup>th</sup> century with the advent of the British rule in Lower Burma in 1852. According to 1983 official census of Myanmar the number of Person of Indian origin (PIOs) in Myanmar is 428,428.

172. **Connectivity** Connectivity is increasingly being seen as the key to promoting bilateral commercial, cultural, touristic and other exchanges. In February 2001 India and Myanmar inaugurated 250 kilometre Tamu-Kalewa-Kalemyo highway, popularly called the **Indo-Myanmar Friendship Road**, built mainly by the Indian Army's Border Roads Organisation and aimed to provide a major strategic and commercial

transport route connecting North-East India, and South Asia as a whole, to Southeast Asia.<sup>36</sup>

173. India is undertaking some important development projects that will enhance future connectivity. These include:-

(a) **Kaladan Multi-modal Transit Route** A major flagship project for which construction commenced in December 2010. The 480-million-U.S. dollar Kaladan project is being implemented in three phases. The first phase includes construction of Sittwe Deep Seaport and Paletwa Jetty, dredging the Kaladan waterway and construction of six vessels, while the second phase covers construction of 109 km-long road to link Paletwa with the border region and the third phase comprises construction of a 60-km highway between Laungtalai in India's Mizoram State and Myanmar border. Meanwhile, two industrial zones will also be built in Haka and Paletwa in Chin state by 2018 as part of the Kaladan project. On completion the project provides an alternative multimodal transport route (sea-river-road link) to landlocked north eastern regions of India. The project originally estimated to be completed by 2014 is behind schedule and is now likely to be completed by 2017.

(b) **construction/upgradation of Rhi-Tiddim Road** MOU for this was signed during the visit of EAM to Myanmar in December 2012.

(c) India has also agreed to Myanmar's request to build 69 bridges along the Tamu-Kalamyo-Kalewa (TKK) Friendship Road and construct the 126 km Kalewa-Yargyi road segment forming part of the Trilateral Highway connecting India, Myanmar and Thailand.

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<sup>36</sup> "India-Myanmar relations", (Online) Available : [https://en.wikipedia.org/wiki/India%E2%80%93Myanmar\\_relations#cite\\_note-VJ-1](https://en.wikipedia.org/wiki/India%E2%80%93Myanmar_relations#cite_note-VJ-1)

(d) **India–Myanmar–Thailand Trilateral Highway**<sup>37</sup> The India–Myanmar–Thailand (IMT) trilateral highway is a highway under construction that will connect Moreh in India with Mae Sot in Thailand via Myanmar. Four-lane, 3200 km triangular highway will run from India's northeastern states into Myanmar, where over 1,600 km of roads will be built or improved. This will eventually be extended to Cambodia and Vietnam under Mekong-Ganga cooperation within the wider framework of Asian Highway Network. It is aimed at creating a new economic zone ranging from Kolkata on the Bay of Bengal to Ho Chi Minh City on the South China Sea. During President Htin Kyaw's recent visit to India in August 2016, the two sides signed four agreements, two of which are aimed at accelerating completion of the much-delayed India-Myanmar-Thailand (IMT) highway. The new deadline for completion of the IMT trilateral highway has been set at 2020.

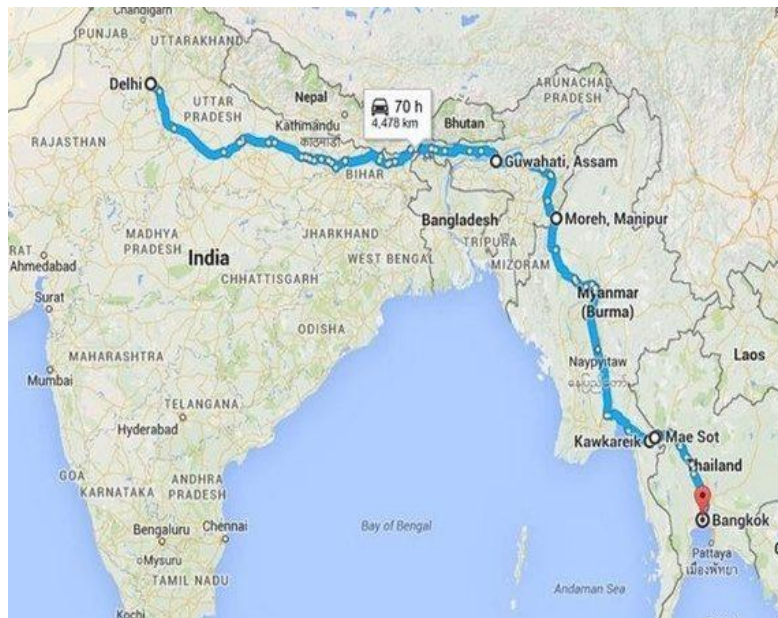


Fig 3.1- Map indicating India-Myanmar-Thailand trilateral highway

(e) **Air and Sea Links** Other measures to improve air and sea links have been launching of direct flight by Air India between Delhi-

<sup>37</sup> India-Myanmar-Thailand Trilateral Highway-Wikipedia, <https://en.m.wikipedia.org/wiki/India...>

Gaya-Yangon (once in a week) and Gaya-Kolkata-Yangon flights twice a week. The Shipping Corporation of India has also launched a direct sea link in October 2014.

## **Defence and Security**

174. Given the geo-strategic factors as well as inter-linkage between India's North East Region (NER) and Myanmar's north-western region, it is natural that defence cooperation should be an important component of bilateral relations. This has witnessed a significant strengthening through a series of regular visits at high levels, provision of training facilities, visits by naval ships, supply of equipment and, above all, a continuing dialogue on professional matters and strategic issues.

175. **Defence Cooperation** Myanmar welcomes India's cooperation as it enables Myanmar to counter-balance its dependency on a few countries. Upswing in the overall defence cooperation is evident in the following:-

(a) **Visits from India** Chairman COSC and CAS, Air Chief Marshal Browne led tri-services delegation visited Myanmar from 26 to 30 November 2012. Gen. Bikram Singh, COAS during his Oct 2013 visit, held formal discussion with C-in-C Senior General Min Aug Hlaing and Service Chiefs of Armed Forces. The delegation also made courtesy call on with President U Thein Sein. India's navy chief paid a four day official visit to Myanmar in November 2016; the visit intended to "consolidate and enhance the bilateral maritime relations between India and Myanmar."

(b) **Visits from Myanmar** C-in-C and Sr Gen Min Aung Hlaing led a 21 member delegation to India in August 2012. Myanmar CNS Vice Admiral Thura Thet Swe visited India from 29 July- 1 August 2013. Vice Senior Gen. U Soe Win paid an official visit to India in December 2013 and called on Raksha Mantri and had discussions with COAS Gen. Bikram Singh. He also reviewed passing out parade

at OTA Gaya. Lt Gen Khin Aung Myint, Chief of Staff (Air) attended the 9<sup>th</sup> edition of Aero India show at Bangalore.

(c) **Training Exchanges and Sale of Defence Equipment**

Nearly 200 officials from Myanmar Defence Services were trained in India during 2015 (2 PG slots in Armed Forces Medical College, training in fixed and rotary wing aircraft and in VIP security duties at NSG centre). India is now supplying defensive military hardware for the use of the Myanmar Navy. This marks restoration of supply of hardware which was halted following demonstrations in September 2007.

(d) **Maritime Co-op** There has been close interaction between the two Navies including participation of Myanmar Navy Ship during International Fleet Review held by India in February 2016 and presence of Myanmar Navy Chief during the event. In February 2016, in a major but little-noticed development, the two navies signed a pact to formalize coordinated patrols between them, making Myanmar just the third country with which India has such an agreement (the other two are Indonesia and Thailand).<sup>38</sup> Joint hydrological survey along with Myanmar Navy by INS Darshak is one such example of ongoing cooperation between two navies.

(e) **Army and Air Force Level Co-op** Commencement of Army and Air Force Staff Talks in 2015 in addition to the ongoing Naval talks have further enhanced our relations. Cooperation along the border areas has also improved post the signing of MoU on Border Cooperation in May 2014. This was evident by successful handling of the fallouts from the alleged cross border raid by Indian Army after an ambush by IIG's based in Myanmar on a Indian Army column in Jun 2015. In accordance with this MoU, border meetings are regularly

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<sup>38</sup> Prashanth Parameswaran.// "Why Is India's Navy Chief Visiting Myanmar?", The Diplomat.//November 02, 2016

held in a four-tiered structure and communication lines have been established between three locations across the border.

**176. Security Co-op in Respect of Indian Insurgent groups (IIGs)**

So far, there has been little progress on the issue of combating insurgency along the India-Myanmar border on Myanmar side. There have been some coordinated patrols by the two armies along the border but has not been able to achieve its objective of vacating IIG camps believed to be located along the porous border. The Myanmar leadership has, on numerous occasions, conveyed that Myanmar empathises with India as it faces a similar problem on its border with Thailand and will not accept elements working in its border areas against India. Then President Thein Sein, in interaction with EAM, PM and others, has reiterated this message on various occasions, however with a rider saying that these areas are densely forested, hard to access and communications are very difficult.

**177. Challenges along the Land Border** For long, much of India-Myanmar border region has been the theatre of negative activities such as insurgency, violence, terrorism, smuggling and illegal trade in narcotics, currency and arms. In particular, operations by certain Indian Insurgent Groups (IIGs) against Indian authorities, the ability of IIGs to use north-western Myanmar as a base or shelter, and the nexus between them and sources of arms supplies from third countries through Myanmar, have caused serious problems. To counter these negatives, the two governments have set up dialogue mechanisms, signed legal instruments and agreements, and have made arrangements for intelligence exchange and security cooperation. The recent outcomes are as follows:-

(a) **Indian Perception: Negligible Progress** Broadly, India's perception is that although Myanmar authorities extend cooperation, it is episodic and inadequate. The Myanmar view, on the other hand, is that greater infrastructure development in the region would facilitate more security cooperation.

(b) **Positive Developments** There are some indications, however, that steady pressure exerted by India on Myanmar to act on insurgency is having some impact. As per intelligence reports, during negotiations with NSCN (Khaplang), Myanmar Government asked the latter to ensure that the Meitei insurgents are sent back from their camps. During dialogue, Myanmar leaders have acknowledged that there is some control by the security forces in some areas on movement of insurgents, and promised to improve administration and connectivity to address this problem. They have sought our help by providing road building equipment, Bailey bridges and development assistance in the Naga Self Administered Zone for infrastructure development and micro-finance projects for 5 years, which is being covered under Border Development projects.

178. **Disaster Relief** India responded promptly and effectively to assist Myanmar in humanitarian relief operations following natural calamities like Cyclone Nargis in 2008, the earthquake in Shan State in 2010 and cyclone Komen in 2015. India provided immediate relief material, medical assistance, supplies for rehabilitation work, biomass gasifiers, solar torches & lanterns. It also replaced 16 damaged transformers and given a grant of USD 200,000 to repair the Shwedagon Pagoda complex in Yangon. Assistance of USD 1 million was also given for relief and reconstruction work in the quake affected zone in Shan State.

179. **Bilateral Cooperation 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 / Act 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. Myanmar supported India's inclusion in the East Asia Summit mechanism. It has generally been supportive of India's candidature to various international organizations. India has supported Myanmar's association with SAARC as

an observer; Myanmar formally acquired such status in 2008. India has also spoken in Myanmar's support during UN deliberations on Myanmar at the UNGA and UNHRC.

## **THAILAND-MYANMAR**

### **Introduction**

180. Thailand and Myanmar are separated by a 2004-kilometer border and were bitter enemies in the Middle Ages and Imperial era. Today, Thailand is one of the largest investors and trading partners of Myanmar. Thailand and other Asian nations forged close economic ties with Myanmar during the 1990s and 2000s when Western nations imposed sanctions on Myanmar. As an immediate neighbor with a strong stake in Myanmar's stability and development, Thailand in particular, has traditionally played an influential role in both economics and development.

181. Thailand's position towards Myanmar softened in the early 2000s under Thai Prime Minister Thaksin, who tried a strategy of engagement. In August 2006, Thaksin made a surprise visit to Myanmar. He met with Myanmar's leader, Senior General Than Shwe, and signed a drug control agreement. In January 2006, a new 'friendship bridge' was opened across the Sai River between Chiang Rai in Thailand and Tachilek in Myanmar. The 90-meter-long, two-lane bridge eases travel between China and Southeast Asia as it is only 100 kilometers from the China-Myanmar border.

182. In July 2012, Myanmar President Thein Sein visited Thailand for the first time on a twice-postponed trip to Bangkok and met with Thai Prime Minister Yingluck Shinawatra. The trip aimed to strengthen bilateral relations and to get Thailand to invest and support infrastructure projects in Myanmar.<sup>39</sup>

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<sup>39</sup> "Myanmar's Relations With Thailand And Southeast Asia", (Online) Available : [http://factsanddetails.com/southeast-asia/Myanmar/sub5\\_5f/entry-3113.html#chapter-3](http://factsanddetails.com/southeast-asia/Myanmar/sub5_5f/entry-3113.html#chapter-3)



183. More recently, the Eighth Meeting of the Thailand – Myanmar Joint Commission (JC), hosted by Thailand, was held in Chiangmai, from 27 to 28 July 2015 wherein both sides discussed future cooperation in promoting two-way trade and investment, ways to promote the connectivity in transportation, setting up of the committee on land connectivity and commencement of negotiations on the draft Agreement on Cross-Border Transport, as well as the memorandum of understanding on international bus services for facilitating trade, investment and tourisms.<sup>40</sup>

184. Major bilateral key mechanisms for enhancement of cooperation are:-

- (a) The Joint Commission ( JC)
- (b) The Joint Boundary Committee ( JBC)
- (c) The Joint Trade Commission ( JTC)
- (d) The High Level Committee (HLC) of the Military
- (e) Regional Border Committee (RBC) on border security.

## **Economic Cooperation**

185. **West Gate policy** Myanmar is the key to Thailand’s “Look West Policy”, in which it serves as a land bridge or “West Gate” to South Asia and Western China – a potentially huge import and export market for Thailand. In the West Gate Policy announced in 2010, Thailand planned to connect with Myanmar via at least five trade routes, three of which are part of the old trade routes aimed to link the Indochina with India, Bangladesh and China.

186. This inter-regional connectivity idea has been addressed in various multilateral forums, including the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Greater Mekong Sub-region Economic Cooperation, but the difficulty lies in Myanmar’s

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<sup>40</sup> “The Eighth Meeting of The Thailand - Myanmar Joint Commission for Bilateral Cooperation Chiang Mai, Thailand, 27 - 28 July 2015”. (Online) Available : <http://www.mfa.go.th/main/en/media-center/28/58724-The-Eighth-Meeting-of--The-Thailand---Myanmar-Join.html>

fundamental inability to improve transportation links and ensure basic domestic security. Following Myanmar's opening, this plan was revived in 2011 along with Thailand-Myanmar cooperation on the Dawei project for a deep-sea port and industrial complex.

187. Thailand has provided Myanmar with development funds since 1994 and from 2011 has been complementing international efforts to increase development in Myanmar by taking charge in area of infrastructure support, improving capacity for healthcare service, agricultural and livestock education. Other recent efforts include plans to provide vocational education, civil engineering and financial & communication management education.<sup>41</sup>

188. **Bilateral Trade** According to Thai Commerce Ministry data, Myanmar is Thailand's eight-largest trading partner in ASEAN, and its 15th-largest globally. During 2010 to 2015, yearly average bilateral trade had been worth \$7.37 billion. In 2015, trade was valued \$7.74 billion, with exports from Thailand worth \$4.17 billion. Of these, border trade accounted for 80 per cent or \$6.23 billion. Thai Commerce Minister Apiradi Tantraporn, on a trade mission to Myanmar, had stated that under their close strategic partnership, Thailand and Myanmar would double bilateral trade to US\$13 billion (457 billion Thai baht) by the end of 2021. (Bangkok Post reports). Trade statistics between Thailand and Myanmar as given in the website of 'Bank of Thailand' based on data of Custom's Department of Thailand is tabulated below:-

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<sup>41</sup> "Thailand's troubled engagement with Myanmar", (Online) Available : <https://cpianalysis.org/2014/02/26/thailands-troubled-myanmar-engagement/>

Table 3.7 Trade Statistics: Thailand with Myanmar (USD Million)<sup>42</sup>

<b>YEAR</b>	<b>EXPORT (to Myanmar)</b>	<b>IMPORT (from Myanmar)</b>	<b>TOTAL</b>
<b>2006</b>	756.35	2321.09	3077.44
<b>2007</b>	957.88	2301.52	3259.40
<b>2008</b>	1331.34	3376.24	4707.58
<b>2009</b>	1544.66	2781.68	4326.34
<b>2010</b>	2073.04	2813.76	4886.80
<b>2011</b>	2845.85	3485.94	6331.79
<b>2012</b>	3127.05	3674.01	6801.06
<b>2013</b>	3788.47	4032.93	7821.40
<b>2014</b>	4239.11	3916.72	8155.83
<b>2015</b>	4171.79	3566.09	7737.88
<b>2016</b>	4178.18	2354.46	6532.64

**Source:** Customs Department (Compiled by The Bank of Thailand)

189. Statistics show a steady increase in bilateral trade from 2006 to 2014. The drop in total trade in recent years has essentially been due to progressive decrease in Imports in 2015 and 2016, while tilting the balance of Trade in favour of Thailand.

190. **Items of Export** In the bilateral trade the priority export items for Thailand are; Instant oil, Drinks, Machinery and components, Cement, Steel

<sup>42</sup> "Bank of Thailand (Statistic Data).... Classified by country", (Online) Available : <http://www2.bot.or.th/statistics/ReportPage.aspx?reportID=744&language=eng>

& steel products, Automobiles, accessories and components, Chemicals, Fabric, Cosmetics, soaps and acne products, Wheat products and other processed foods.

191. **Items of Import** Priority import items for Thailand are; Natural gas, Lumber, timber and processed products, Crude oil, Plants and plant products, Non-breeding animals, Other metal ores, Scrap metal and products, Vegetables, fruits and meat, Camera, lens and photographic equipment, Coffee, tea and spices.

192. Significant Thai-Myanmar agreements on economy and business are as follows:-

- (a) Thai Trade Agreement (Myanmar signed on April 12, 1989)
- (b) Memorandum of Understanding for the establishment of the Thai Trade Commission (Myanmar signed on February 2, 1990)
- (c) Agreement on the establishment of the Joint Commission on Bilateral Cooperation Signed on January 21, 1993.
- (d) The Thai-Myanmar Border Trade Agreement Signed on March 17, 1996.
- (e) Agreement on the Promotion and Protection of Thai-Myanmar Investment Signed on March 14, 2008
- (f) Agreement on the elimination of double taxation Effective on April 1, 2012

193. **Border Trade** Thailand and Myanmar have agreed to adopt the Mae Sot-Myawaddy model for expanding trade, investment and economic cooperation between the two countries, and to establish border-trade fairs soon. During the seventh Thailand-Myanmar Joint Trade Commission (JTC) meeting in NayPyiTaw in Dec 2016, the two sides aimed to double border trade, under the Mae Sot-Myawaddy model, by setting up local business councils, establishment of Thai-Myanmar border trade committee, developing cross-border logistics, developing retail and wholesale trading and service centres (health, tourism and education service) at the Mae Sot-

Myawaddy Special Economic Zone, mobilization of labour task force, facilitation of cooperation in tourism, and establishing of sister-city arrangement between Mae Sot and Myawaddy.<sup>43</sup>

194. **Thailand's Investments in Dawei** The Dawei deep-sea port and special economic zone (SEZ) is an infrastructure project in Myanmar, in collaboration with Thailand. Thailand and Myanmar signed a MOU to develop the Dawei Special Economic Zone in 2008. Another MOU was signed in July 2012. The project aims to transform Dawei into not only Myanmar's but Southeast Asia's largest industrial and trade zone. The estimated total costs of the project were US\$8.6 billion, but those estimates have since risen to US\$10.7 billion.

195. **Progress of Dawei Project** Construction that started earnestly was suspended in 2013. Plans to resume construction were announced in August 2015 with certain modifications to the original plan and joining in of Japan as the third partner.<sup>44</sup> This multi-billion-dollar, deep sea port project, besides Thailand's stakes in it and the benefits that it will accrue, will also open new border crossings, giving Thailand an outlet to the Indian Ocean and markets to the West. The Laem Chabang deep-sea port on Thailand's Gulf Coast, which is to be connected by road to Dawei, will significantly shorten the current sea route around the Malay Peninsula.

196. Few other areas of significant cooperation are as follows:-

(a) **Socio-Cultural And Development Cooperation** Both sides are strengthening cooperation in education, public health, tourism and development cooperation especially in human development and institutional capacity building along with sustainable agricultural development. In the celebration of the 65th anniversary of the establishment of the Thai-Myanmar diplomatic relations in 2013,

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<sup>43</sup> "Thailand, Myanmar agree on model to boost bilateral trade", The Nation.//07 December 2016

<sup>44</sup> "Dawei Port Project" (Online) Available :  
[https://en.wikipedia.org/wiki/Dawei\\_Port\\_Project#cite\\_note-8](https://en.wikipedia.org/wiki/Dawei_Port_Project#cite_note-8)

Thailand and Myanmar had organized various events to deepen their relations with the people.

(b) **Humanitarian aid** Thailand has been in the forefront of providing humanitarian assistance to Myanmar in the event of a disasters, which was amply evident during Cyclone Nargis, Shan State earthquake, Situation in Rakhine State and the flooding that occurred in mid-July 2015.

(c) **Special Economic Zone:TAK Province** Thailand established the Special Economic Zone of Tak Province (Mae Sot District, Phop Phra District and Mae Ramat District), granting privileges to foreign investors and allowing border workers to work in the Mae Sot Special Economic Zone in the morning or evening.

(d) **Energy cooperation** In June 2015, the Ministries of Energy and Electricity of Myanmar have signed MOU with Thailand on Energy and Electricity cooperation respectively. Comprehensive Petroleum Cooperation includes its exploration, production, oil refining and petrochemical production. In field of electricity it has been decided to establish two Joint Working Committees to jointly define a framework for cooperation. In 2012, the Cabinet approved the delivery of two gas turbine generators installed at the Ywama Power Station since January 2014 to help Myanmar with inadequate electricity supply.

## **Security Cooperation**

197. The 2011 announcement by the Myanmar generals to strive for a peace with the country's ethnic rebel groups and to embark on democratization and economic liberalization was welcomed in Thailand. Thailand was ready to refocus on its neighbour and continue its policy of enhancing development in Indochina through bilateral and multilateral cooperation – part of a grand strategy to exert its leadership role in the sub-region. Under this framework, Thailand's considers that its security and

prosperity is dependent on the security and prosperity of Myanmar. Unlike China, which is worried about losing its political influence and business, Thailand welcomed Myanmar's opening as a historic opportunity to consolidate its position as an intermediary between its neighbors and the global economy.

198. Constrained by its energy dependence and the ASEAN principle of non-interference, Thailand's role in democracy and human rights promotion in Myanmar has been limited. Bangkok therefore continues to rely on its 'constructive engagement policy', which it pioneered at the end of 1980's and used as the basis to support Myanmar's entry into ASEAN in 1997, preferring dialogue and integration to the sanctions and isolation previously practiced by the United States and the European Union.

199. Myanmar and Thailand have much in common and this is on display now more than ever. Apart from being similar in geographic and population size, they're the two most prominent Theravada Buddhist Southeast Asian countries. Thailand's level of development is the envy of Myanmar and a major spur to the opening up that they hope will draw commensurate economic benefits. Historically, border issues and the memories of ancient Burmese invasions have kept a chill in relations, but there's recently been a warming.

200. In Thailand, the US Cold War vintage treaty remains the foundation of bilateral security relations, and they source military hardware and procedures from the US. There's little incentive today for drastic changes, but there are few signs of the treaty having much vitality either. Sure, the military exercise Cobra Gold is conducted annually since 1982 and many regional security partners participate. Myanmar is an 'Observer attendee' to Cobra Gold.

201. Given the altered dynamics, Thai and Myanmar military commanders are on the best of terms. Cross border VIP visits occur frequently. Thailand

is motivated to capitalise on Myanmar's new-found openness to resolve outstanding border concerns.<sup>45</sup>

202. On political and security dimension, the Thai government remains firm in its support for reform and peace process in Myanmar. Both sides continue to cooperate in the upgrading of border checkpoints, preparation for the return of displaced persons to Myanmar, narcotic drugs prevention and suppression, defence cooperation mechanisms and in combating human trafficking.

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<sup>45</sup> John Blaxland.// "Reflections on Thailand, Myanmar and the US pivot",// The Strategist.// 25 Jul 2013



## **CHAPTER 4**

### **ENHANCED ECONOMIC AND SECURITY COOPERATION: WAY FORWARD**

#### **TRILATERAL COOPERATION**

#### **Introduction**

203. In the post cold war and post September 11 context international relations are being redefined and a new politico-security-economic international architecture is evolving and emerging. Even in a uni-polar world, new centres of power, partnerships and alliances are being forged and old ones reevaluated and reshaped. In a manner of speaking, the world is coming to grips with and is trying to cope with new challenges and opportunities – strategic, security, political, social, ecological, economic and commercial.

203. At a time when national, sub-regional, regional and international equations are rapidly changing and new perspectives and imperatives are emerging, countries with age-old multi-faceted and time tested relationships like India, Myanmar and Thailand need to reflect on their bilateral, sub-regional and regional interface and take steps to contemporise their ancient relationship and give it a new relevance, meaning, definition and even identity of purpose.

204. Because, modern day nation states and regional entities do not always base their international relations in a narrow paradigm of mere cultural and historical linkages. A relationship devoid of fundamental mutual convergence of interests and deep and sustainable manifest content and mutuality of interests is unlikely to prosper in the contemporary context.

## 205. Callings of Trilateral Cooperation

(a) Explosive rates of population and economic growth in Asian states are indicators of new world order in which power will be more dispersed. Rather than resorting to power politics to resolve their differences, existing and rising powers are choosing to manage their relations through mutual interdependence which is more pragmatic and therefore more likely. Recent studies on managing consequences of the waning US hegemony look at evolving global power shift, as an opportunity to build a new basis for global order, which would be predicated on *cooperation and equity*. And therefore, for the long-term and strategic partnerships, three nation of India, Myanmar and Thailand need to effectively engage with each other on all fronts and move hand in hand on the path of development.

(b) Despite large commonalities, the three nations have their unique strengths and shortcomings. Thailand has managed globalization with comparative ease and success. Practicing market driven economy for over three decades, it has a longer and more intimate experience of dealing with foreign investments and privatization. India has 'globalised' cautiously and slowly as compared to Thailand, whereas Myanmar is a relatively new entrant in the game. India's journey in building up of expertise in Information Technology, communications and space programme is the example worthy of emulation. As such, and especially so, being at different stages of development and nation building, being Geographical neighbours and at the sub-regional level, being a bridge between South and SE Asia, there is abundant scope to share and learn from the experiences of each other.

## Trade and Economic Cooperation

206. Augmentation of the existing bilateral trade, needs to be looked at through a 'green channel' approach, preferential sourcing of imports and

creating growth areas in each other's territories. Incidentally, this was one of the objectives of the India-ASEAN partnership and BIMST-EC of which India, Myanmar and Thailand are members. Hopefully, bilateral FTAs/CECAs will give an added fillip to this process and will enable the full potential to be realized early. Investments, technology and joint ventures based on each other's excellence, endowments and comparative advantage can prosper in a free trade area. This can very well happen alongside the broader canvas of BIMSTEC and MGC cooperation.

**207. Trade suggestions** Trade is very much contingent upon governance and institutional quality. To support the growing partnership, more emphasis should be given on improving the functioning of the economic institutions and connectivity, which facilitate the economic and cultural relations. In order to facilitate the trade flows, at the government level, the three countries need to do the following<sup>1</sup>:-

- (a) Prompt negotiation and finalization of bilateral FTAs
- (b) Removal of non-tariff measures (NTMs)
- (c) Reduction of costs to trade with the help of WTO Trade Facilitation Agreement (TFA)
- (d) Review of the ASEAN-India Trade in Goods Agreement, including consideration of liberalization of tariffs on products included in the Sensitive Track and Exclusion List.
- (e) Building of Regional Value Chains (Production networks have become an important phenomenon in Southeast and East Asia. Given the variations in production of goods and services, complementarities between the three countries are added strength to build and strengthen the value added stages, needed for stronger cross-border regional value chain networks)

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<sup>1</sup> Prabir De.// "25 years of ASEAN-India integration",//East Asia Forum//23 July 2017

- (f) Finalisation of ‘India–Myanmar–Thailand Motor Vehicle Agreement’ (will play another critical role in realising seamless movement along roads linking India, Myanmar and Thailand).
- (g) Harmonisation of standards, customs procedures and cooperation in transport infrastructure.
- (h) Bilateral negotiations on Liberal rules of origin.
- (j) Signing of Mutual recognition agreements in services trade sectors. (India is yet to receive greater market access to services trade in ASEAN, even though ASEAN can utilise India’s IT and IT-enabled services, as well as education, health and tourism services in which India has global competitiveness.)
- (k) Undertaking review of the ASEAN–India FTA to monitor problems and barriers relevant to both tariff and non-tariff measures.
- (l) Special visa arrangements, to encourage business and people-to-people exchange.
- (m) More streamlined processing for movement of skilled workers between India, Myanmar and Thailand.

208. **Sub-regional Level** At the sub-regional level, India, Thailand and Myanmar are founding members of BIMSTEC. This forum is unique because it includes five SAARC and two ASEAN member countries bordering the Bay of Bengal and India. There is scope for transforming this region into a free trade area, or even a common market. Proposals such as development of tourism, creation of common infrastructure and common projects such as an airline to serve the region have been under discussion although not much progress has been achieved. India and Thailand are Indian Ocean littoral states and have an interest in promoting stalled Indian Ocean Rim Cooperation Grouping (IOR-ARC). There is much at the regional and sub-regional levels that India, Thailand and Myanmar can do to optimize their synergies and convergences of interests.

## Technology and Knowledge

209. The coming five decades are likely to be decades of knowledge and intellectual capital. Whether it is information technology, biotechnology, tele-communications, genetic engineering, oceanography or space, the nation states will have to position themselves to derive maximum advantage in a rapidly changing and highly competitive business and trade environment. India is already a world leader in some of these areas. Over fifty percent of India's GDP already comes from the services sector with the knowledge sector growing in strength. India has gradually and with firm hand showed its strength in these rapidly evolving fields; its open economy harnessing human resources, skill-sets and the assets created by decades of central planning, including in the field of higher education.<sup>2</sup> Thailand too is well endowed in some of these frontier areas. One of the four objectives of Thailand 4.0 is to create a value-based economy that is driven by innovation, technology and creativity. The model aims to increase Research and Development ("R&D") expenditure to 4% of GDP.<sup>3</sup>

### 230. Way Forward

(a) India and Thailand, in a sense, are natural partners in this new knowledge era. Our two economies will need to create and build an infrastructure of sustained partnership, coordinate our approaches and policies in the World Trade Organization (WTO) and other fora, augment cooperation under the India-ASEAN dialogue, IOR-ARC and BIMST-EC.

(b) Creating opportunities in the third country, particularly in our common neighbourhood, Myanmar would be mutually beneficial, being in a Win-win situation for all three nations. Cooperation in HRD, science and technology provides opportunity to India and

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<sup>2</sup> Sheel Kant Sharma.// "India's Look East Policy:1990-1994",//in// Amar Nath Ram.// (New Delhi:Manohar Publishers and Distributors)//P 42

<sup>3</sup> "Thailand 4.0" (Online) Available, : <http://thaiembdc.org/thailand-4-0-2/>

Thailand to invest in Myanmar which in turn stands to benefit immensely from the expertise of these two nations.

(c) The starting point could be to identify and divide areas of our respective excellence and core competence and evolve institutional cooperation arrangements. However, there is a collaborative need for the governments to navigate carefully through accelerating pace of technological change and digital disruption, to build the right enabling environment, and a connected regional digital economy, that while ushering in Fourth Industrial Revolution moves forward without leaving behind any elements of the society.

## **Cooperation in Agriculture**

**231. Geographical Commonalities** Geographical extent measured in the latitudes north of the equator of the three countries shows that each of these, either wholly or largely lies between the Equator and Tropic of Cancer. Being so located they share the similar tropical climate with minor deviations brought about by unique characteristics of each place like, elevation above sea level, proximity to sea coast, wind/monsoon pattern etc. The terrain has large alluvial plains with perennial rivers; thereby rendering it suitable for agriculture. As such, ancient settlements/civilizations that were mainly dependent on agriculture flourished in these countries over the centuries.

**232. Importance of agriculture for the Trio** Even today economies of these countries are anchored around agriculture. Good monsoon every year holds the key to the well being of their respective economies. Though, economic contribution of agriculture their GDP's is bound to decline with the country's broad-based economic growth, its importance for the nation's development can not be overlooked for following reasons:-

(a) **India** Country ranks second worldwide in farm output. Agriculture and allied sectors like forestry and fisheries account for 13.7% of the GDP, employing

about 50% of the workforce. Being demographically the broadest economic sector, agriculture continues to play a significant role in the overall socio-economic fabric of India. Despite successes of its ‘Green Revolution’, agriculture has the potential for major productivity and total output gains, because crop yields in India are still just 30% to 60% of the best sustainable crop yields achievable in the farms of developed and other developing countries.<sup>4</sup>

(b) **Myanmar** It is said that Myanmar has the most favorable agricultural conditions in all of Asia. Almost anything can be grown in the country, from fruits to vegetables, from rice to pulses. The agriculture sector dominates the economy, contributing 38% of GDP, and employing more than 60% of the workforce. However, land and labor productivity in Myanmar are much lower than in other Asia’s rice bowls. Also, there is a lack of agricultural public programs and public goods.<sup>5</sup>

(c) **Thailand** Agricultural production as a whole accounts for an estimated 9-10.5 percent of Thai GDP.<sup>6</sup> Forty percent of the population work in agriculture-related jobs. Before its major shift to manufacturing sector in 1970s, almost 100% exports from Thailand were agriculture based. Despite the clear shift to manufacturing, inclusive development is dependent on agriculture sector because one third population is still engaged in this sector. Agriculture exports still acct for 25% of total export by value. Two main issues that need to be tackled are extension of irrigation facilities to larger mass to decrease dependence on monsoon and increase productivity which hasn’t really changed since 1960s.

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<sup>4</sup> “Agriculture in India”, (Online) Available, : [https://en.wikipedia.org/wiki/Agriculture\\_in\\_India](https://en.wikipedia.org/wiki/Agriculture_in_India)

<sup>5</sup> “Unleashing Myanmar’s agricultural potential”,//Sergiy Zorya,// The World Bank,// 2 July2016, (Online) Available.: <http://blogs.worldbank.org/eastasiapacific/unleashing-myanmar-agricultural-potential>

<sup>6</sup> “ Agriculture in Thailand”, (Online) Available, : [https://en.wikipedia.org/wiki/Agriculture\\_in\\_Thailand](https://en.wikipedia.org/wiki/Agriculture_in_Thailand)

### 233. Areas of Cooperation

(a) As seen from above, two main things that emerge are; substantial percentage of population is engaged in agriculture and therefore despite its decreasing share of contribution to GDP, for inclusive growth upliftment of agriculture sector remains important. Secondly, despite their varying degrees of successes and failings in the past, increasing of farm productivity remains a key area. Therefore, the following areas of cooperation hold promise for the Trio:-

(i) Increase research in high yield varieties (Sharing of Thai and Indian experiences, involve Myanmar in future joint research programmes of trilateral interest)

(ii) Invest in irrigation projects to maximize its reach that will reduce dependency on monsoon and enable cultivation in dry season. (Ample potential in all three countries, esp Myanmar where India-Thailand can work jointly)

(iii) Improve market access to farm product, enabling reach to places of demand including trans-border (Access to effective agricultural value chain)

(iv) Promote use of information technology: Along with use of old means of mass media like radio & television even the mobile phone is an effective tool to reach farmers with information on weather, fertilizer / pesticide selection, sources of credit and markets for yield with prices etc. (Collaborate in IT enabling technologies)

(b) Proposed co-operation of the Trio could dovetail with the ongoing activities of ‘**India-ASEAN Working Group on Agriculture**’ to reap its benefits.



(c) Along with increasing productivity it should be aimed to promote agro based ‘Small and Medium Enterprises’ in rural areas which would provide employment to the locals, increase their income, check uncontrolled migration towards cities and most importantly, uplift the rural areas thereby bridging the large existing gaps in the financial status of urban and rural populaces.

## **Tourism**

234. **Thailand** It is an example to emulate in promoting tourism. Estimates of tourism receipts directly contributing to the Thai GDP amounted to 17.7% in 2016. Chinese visitors now account for 27 percent of all foreign travelers to Thailand. While India and Myanmar rank 6<sup>th</sup> and 20<sup>th</sup> respectively. Government support to Tourism has been instrumental in its steady growth. Measures like VISA on arrival, separate tourism police force, ease of foreign exchange, good air connectivity to Bangkok and other tourist places are some of the measures that have paid dividends.<sup>7</sup>

235. **India** Tourism in India also is growing rapidly. It contributed 9.6% of the nation's GDP in 2016 and supported 40.343 million jobs, 9.3% of its total employment. About 8.89 million foreign tourists arrived in India in 2016 with Bangladesh topping the list. Both, Thailand and Myanmar however, did not figure in the list of top ten countries. Despite popular Indian destinations of Buddhist interest for Thai people, [Varanasi(Sarnath), Kushinagar and Bodhgaya] only 120,000 Thais visited India in 2016. Notwithstanding its potential, the security issues and crime — especially against women and prior VISAs are some persisting troubles that has plagued the Indian tourism industry.<sup>8</sup> India has recently implemented an online method for citizens of 40 countries to apply and receive an e-Tourist Visa. Further it has implemented a new visa policy in November 2014 that

<sup>7</sup> “Tourism in Thailand”, (Online), Available : [https://en.wikipedia.org/wiki/Tourism\\_in\\_Thailand](https://en.wikipedia.org/wiki/Tourism_in_Thailand)

<sup>8</sup> “Tourism in India”, (Online), Available : [https://en.wikipedia.org/wiki/Tourism\\_in\\_India](https://en.wikipedia.org/wiki/Tourism_in_India)

allows visitors to obtain a visa on arrival by acquiring only prior Electronic Travel Authorisation online before arrival. The facility will be made available to citizens of about 180 countries in several phases.

236. **Myanmar** Tourism in Myanmar is a slowly developing sector. Although the nation possesses great tourist potential and attractions in many fields, much of the industry remains to be developed. Also, the number of visitors to Burma is small compared to her neighbours - even outpaced by Laos. Thailand tops the list in number of tourist to Myanmar followed by China. India, with its huge population ranks 11<sup>th</sup> with barely 34600 tourists in 2015. For now, nearly all visitors come for the rich history and culture. To attract new types of tourists and entice more to return, new tourism products and destinations need to be developed.<sup>9</sup> Poor transportation and strict rules on access have restricted tourism development in Myanmar.

237. **Way Forward** Success story of Thailand is something for both India and Myanmar to study and learn from. Conducive government policies, creation of support infrastructure, tourist friendly environment, sense of security and apt promotion of tourist destinations are the key areas that both countries need to focus on. Being geographical neighbours, good trans- nation road and rail connectivity will give further boost to tourism. Joint effort of synergized tourism products that facilitate trans-nation movements along road / rail, well punctuated with popular tourist destinations enroute is bound to have cascading effect in enhancement of regional tourism. As seen from the statistics while 1.2 million Indian visitors came to Thailand, those visiting Myanmar was only 34600. Likewise, Thailand has topped the list of visitors to Myanmar but those coming to India is relatively few (almost half). It is for the host countries to identify the reasons and address those on priority.

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<sup>9</sup> Kyaw Phone Kyaw, // "Opportunities and challenges abound for tourism sector", // Frontier // 27 October 2016

## Interstate Connectivity

238. Completion of major cross-border corridors, and building a stronger coordination mechanism are the foundation stones of meaningful cooperation and development. Need to identify the missing links and investment in their prompt completion from a region-wide perspective, is the need of the hour. To a large extent, missing rail and road links in Myanmar are hindering the overland connectivity between India and Southeast Asia. (The road and rail networks are past crumbling and major cities still suffer frequent power outages. The Asian Development Bank estimates the necessary upgrades will cost \$60 billion through 2030)<sup>10</sup>. Therefore, average road conditions and the railway system inside Myanmar need to be improved and upgraded. Extension of Trilateral Highway (TH) to Mekong countries, direct air links, completion of ongoing connectivity projects and maritime links are the projects which would take the cooperation between India, Myanmar and Thailand to a new plateau.

239. India contributes \$1 million to the Jakarta-based Economic Research Institute of ASEAN and East Asia, which has already drawn up a comprehensive plan to boost ASEAN-India connectivity. India has vigorously backed fast-tracking a host of connectivity projects that will quicken regional integration and has supported the Master Plan on ASEAN Plus Connectivity (MPAC). The Tamu-Kalewa-Kalemyo sector of the India-Myanmar-Thailand Trilateral Highway is progressing well – the completion of this project in 2016 is poised to create a new dynamism in India's relations with the region.

240. **India–Myanmar–Thailand Trilateral Highway** The India–Myanmar–Thailand (IMT) trilateral highway; the project now estimated to be completed by 2020, would boost trade and commerce that would eventually extend to the entire ASEAN–India Free Trade Area.

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<sup>10</sup> Asian Development Bank.// “Asian Development Outlook 2016”, (Online) Available : <https://www.adb.org/sites/default/files/publication/182221/ado2016.pdf>

241. **New Delhi - Hanoi Rail Link** Jiribam-Imphal-Moreh line in the Indian State of Manipur and the Tamu-Kalay-Segyi line in Myanmar, as well as rehabilitation of Myanmar's existing Segyi-Chaungu Myohaung line are the major missing links in the proposed rail corridor. All these rail links would ultimately add to the New Delhi-Hanoi rail link proposed at the MGC ministerial meeting held in Phnom Penh in June 2003. The main tasks of developing New Delhi-Hanoi Rail Link are – (a) to link India's Manipur with India's main railway corridor, and (b) to re-establish and renovate railway networks in Myanmar. India is planning New Delhi-Hanoi Rail Link along two possible routes. Both these proposed railway routes will connect Hanoi through Myanmar along different rail links. Route-I will connect Hanoi via Myanmar, Thailand, and Cambodia. In Route-II, it is diverted to Bangkok via Ye and the newly-constructed portion of Ye and Dawei in Myanmar, then to Hanoi through Thailand and Laos. Completion of this project, would promote regional cooperation, foster economic and social integration and increase trade and investment.

242. **Border Connectivity** Mekong is a most prominent case where countries have successfully transformed borders into bustling place of economic activities. For the Trio, Governments need to do address key barriers like inadequate cross-border infrastructure, lack of / poor trade facilitation, poor border infrastructure, inconsistent and difficult border crossing formalities and procedures and the restrictive visa regimes. Logical next step would be setting up of Border Economic Zones (BEZs), more applicable here in the context of India-Myanmar border. Myanmar has received the GSP benefits, (like Cambodia or Lao PDR in Mekong) and India also stands to gain huge benefits if BEZs are promoted, particularly with Myanmar. Thailand-Myanmar have relatively progressed well in border trade and need to enhance further setting up of additional border crossings and BEZs.

## **Cultural Relations**

243. **Indian Diaspora** The Indian Diaspora in Thailand and Myanmar has now come of age and is extensively involved in business, industry, professional areas and social sectors, but their full potential both in the been realized. The Indian community of Thailand and Myanmar must become an integral and indispensable part of this process. The three governments must evolve common programmes and policies to encourage the fuller participation of the Indian Diaspora in building enduring links with India.

244. To take forward cultural relations between them three countries could undertake a bottom-up approach involving the real stakeholders in designing the cultural integration process. On part of the governments, a pragmatic cultural policy could drive a convergence of interests towards cooperation in finding common solutions. The fusion of cultural past could be enriched further through a robust cooperation. Increased cultural exchanges, people to people contacts would invariably lead to eventual growth in trade.

## **Asia's Buddhist Connectivity and India's Role<sup>11</sup>**

245. Buddhism that originated in India some 2600 years back has remained a powerful integrated philosophical whole, encompassing all facets of both spiritual and material culture that have guided humanity for centuries. For over 26 centuries, Buddhism remained as the solid foundation for societal and cultural transformation in Asia. It still remains a key anchor for Asian identity. Through the movement of ideas, commodities and peoples, Buddhism integrated myriad societies and regions, effectively interweaving them into a common culture of ethical values especially among the social and political elites in Asia.

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<sup>11</sup> P Stobdan.// "Asia's Buddhist Connectivity and India's Role",//IDSA Issue Brief//19 February 2016

246. Buddhism allowed people to positively react to modernity and change. A majority of Asian societies and nations, which include, India, Myanmar and Thailand, experienced modernity without completely emulating Western value systems. They have accepted basic Western values as well as economic and technological skills and other necessary modern requirements within the realm of their traditional culture and values.

247. In many countries, Buddhism is embedded into their “nationalistic” thinking and actions. It is a strong unifying force in Myanmar and Thailand. Certainly, Buddhism is an intensifying factor for emotional bonding and connectivity. In an era of a globalized and free market economy, it becomes more imperative for the world to adopt to a flexible and dynamic system that is in practice in Asia. It is here that the Asian experience, with its spirit of freedom, equality, cooperation and prosperity of all nations, can form a new alternative model for a 21st Century world order. In the context of this research the common identity, emotional bonding and the spirit of cooperation bestowed by the centuries old Buddhist influence has potential to be a strong foundation of strategic partnership.

248. **India’s Buddhist Connectivity** For India, Buddhism lies at the core of its identity as a cradle of wisdom and provided the country with a unique image of being an embracer and enlightener rather than being a conqueror. A high profile Chinese Ambassador, Hu Shih, had said “India conquered and dominated China culturally for 20 centuries without ever having to send a single soldier across her border.” In fact, the intrinsic nature of Buddhist principles provides India a global persona of benign international influence and a non-threatening power. The recent strategic embrace of India by major world powers, including in the globally contested field of nuclear cooperation, is driven not merely by the contingency of inter-state relations, but more because of India’s irrefutable historical personality record and its unique appeal.

249. **Nalanda: A New Hope** Much of the Buddhist diplomacy so far has involved the loaning of relics, gifting of statues, and hosting conferences for

monks. The collaborative project for reviving the past glory of Nalanda University from where all major Asian Buddhist schools trace their lineages, is the forward-looking initiative that needs to be taken to the logical conclusion. This Pan-Asia Nalanda project is meant to be the centre-piece of Asian civilization, to focus on the process of Asian renaissance, for reconnecting Asian people and societies, and for reconstructing Asian values and ethos for the long-term benefit of Asia, and indeed the world. India Myanmar and Thailand have an excellent opportunity to collaborate in re-conceptualising and operationalising of Nalanda University.

### **Security Cooperation**

250. India's proximity to the region and its growing capabilities make it a natural partner of most states in South-East Asia. Geographical factors necessitate India to forge closer ties with Southeast Asian nations in the domain of security cooperation. India shares land border with Myanmar and maritime boundaries with both, Myanmar and Thailand. Any disturbance or external intervention in the neighbourhood has a potential to be a threat to one's own security.

251. China's aggressive pursuit of its territorial claims has aggravated regional tensions. The states in China's vicinity are now seeking to expand their strategic space by reaching out to other regional and global powers. Having been anxious about China's potential domination of ASEAN on economic, political and military fronts, Singapore's elder statesman, Lee Kuan Yew consistently argued the need for ASEAN to balance China with India. Continuing the balancing metaphor, Lee's successor Goh Chok Tong famously described China and India as the two wings of the ASEAN aircraft.<sup>12</sup>

252. With its growing economy expected to be the third largest in the world by the end of the next decade and its noteworthy capability as a

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<sup>12</sup> Lalit Mansingh.// "Look East Policy and its Implications", //in// Amar Nath Ram.// (New Delhi:Manohar Publishers and Distributors)//P 199

conventional and nuclear military power, India has been recognised by the global community as an emerging power. Its ascending status comes with attached expectations, from both within and outside the country, that India will now play a more significant role on the global and extra-regional stages. As the regional balance of power in Asia changes and as the very coherence of the ASEAN comes under question for certain regional security issues like ‘South China Sea’, there will be new demands on India.<sup>13</sup> Onus will clearly lie on the shoulders of bigger states of the grouping like Thailand and regional players like India to think more creatively, looking beyond the short term and self centered gains to remain committed to the cause of long term peace and stability through collective strength.

253. The current Modi government is in sync and fully engaged with the emerging political challenges in East Asia. Mr Modi has reaffirmed the centrality of ASEAN in building a stable and prosperous order in East Asia and the Pacific. He cautioned the region, where territorial disputes are threatening peace, against the expansionist concepts of the 19th century and sustain the focus on development. On the territorial disputes in the South China Sea, Mr Modi was firm in stating India’s deep interests in the freedom of navigation in sea and air, underlining the importance of all parties abiding by the principles of the United Nations Convention on the Law of Seas.<sup>14</sup>

254. India, Thailand and Myanmar have a common interest and a role to play in ensuring and maintaining peace, prosperity and stability in this region. In the larger Asia – Pacific regional context, India and Thailand the major trading entities and importers of oil and energy; while Myanmar, the rapidly growing economy would have increasingly similar stakes and therefore, there is need to work together to ensure the safety and freedom of sea-lanes passing through the Indian Ocean and South-East-Asia. Since our

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<sup>13</sup> Harsh V. Pant.// “Filling the strategic space in South-East Asia”, The Hindu.//22 December 2012

<sup>14</sup> C. Raja Mohan. “ From Looking East to Acting East”. (Online). Available : <http://www.mea.gov.in/in-focus-article.htm?24714/From+Looking+East+to+Acting+East>



political stability, security and economic well-being are firmly anchored in the Asia-Pacific and in the Gulf to India's west, we have a deep and abiding common interest in peace and stability in this larger region. Our foreign, security and defence policies cannot be oblivious to the fact that our extended neighbourhood remains an area of tension and rivalry and, therefore, of crucial importance for our own peace, security and development.

### **Non-traditional Security Issues**

**255. Asymmetric Threats and Maritime Cooperation** Geographical connectivity with Myanmar and Thailand brings in historical and operational realities. All the three countries are highly dependent on the maritime medium for their economic prosperity. Engaging in maritime cooperation focused on addressing the asymmetric threats like piracy, maritime terrorism, gun-running and drug smuggling involving joint naval exercises, coordinated patrols, search and rescue at sea and protection of maritime environment is the need of the hour. Maritime and naval engagements also provide opportunity to develop technological interoperability and joint operations in different environment. Looking into the future, there are number of areas where the three countries can engage on bilateral and multilateral level to enhance regional stability and mutual trust.

**256. Climate Induced Security Challenges** Climate change and climate induced security challenges involving illegal migration and increased frequency of cyclones and typhoons have opened new opportunities for maritime cooperation.

### **257. Terrorism and Related Issues**

(a) India and Thailand have for some time been victims of domestic and externally fomented terrorism and destabilization, bringing into sharp focus the dangers of well organized and funded groups, at times sponsored by states and supported by a network of global terrorist outfits having nexus with criminal and drug gangs.

Myanmar faces a growing danger of attacks by foreign supporters of Islamic State (IS) recruited from Southeast Asian networks in support of persecuted Muslim Rohingyas. The conflict in Rakhine risks becoming a lightning rod for Islamists in a shadowy network stretching from the Philippines to Indonesia and Malaysia, with links to Islamic State in the Middle East.<sup>15</sup> Rohan Gunaratna, a security expert at Singapore's Rajaratnam School of International Studies, said Islamic State operatives in the region were "determined to mount attacks both inside Myanmar and against Myanmar targets overseas".

(b) **United Fight Against Terrorism** The uncontrolled growth and entrenchment of forces of fundamentalism and terrorism, particularly in our region, pose a grave danger and challenge. Destabilization and subversion have become instruments of state policy of some countries in the regions. Since all the three countries face this menace, there is a need to look at this new and serious challenge to their polities and societies in the bilateral, sub regional and regional context. Apart from combined efforts in the war against terrorism, there also is a need to exchange views on the causes and manifestations of this growing menace.

(c) Closely related to the issues of religious fundamentalism and terrorism are issues of drug and human trafficking, crime, including transnational crime, cyber crime, trafficking in counterfeit currency, international piracy, cross border networking of criminals and anti-social elements. Southeast Asia is a part of the largest opium-producing region of the world. Apart from international and regional efforts, India, Myanmar and Thailand will need to redouble cooperation, bilaterally and sub-regionally, to unitedly combat these elements.

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<sup>15</sup> Rozanna Latiff // "Myanmar faces danger from Islamic State militants, Malaysian police say"  
(Online) Available : <http://www.reuters.com/article/us-malaysia-security-rohingya-idUSKBN1400PX>

## **Conclusion**

258. Overall, it can be summarized that surge in India-Thailand-Myanmar synergy holds promise for variety of reasons. India's steady economic growth in last 25 years dovetails with the need for economic options and opportunities that Thailand and Myanmar seek. Thailand having initiated economic reforms, way back in seventies has done well economically and also in social welfare. Myanmar a late entrant in economic liberalization appears well established on developmental path and has appreciable potential for growth with cooperation from India and Thailand.

259. India's political and strategic credentials have found symmetry with Thailand and Myanmar's own calculations, both because of benign nature of these credentials and for the democratic and liberal assurances that they offer. On its part India looks towards these two countries as sturdy partners in a regional effort to consolidate mutually supportive relations.

260. Reduced American strategic commitment in SEA and rapid emergence of China as incontestably the main political and economic power in Asia forebodes an imbalance in the relations among Asian countries that can be corrected only by a country like India, which possesses the size, resources, potential and more importantly the CHARACTER for the purpose.

261. Contemporary, non-traditional threats to peace and security such as cross-border terrorism, environmental hazards, transnational crime, illegal migration and a host of other perils induce nations in the region and especially geographic neighbours to seek protective transnational measures and India-Thailand-Myanmar appear to be on the right path of Cooperation and Synergisation of collective effort to fight these perils.

## INDO-THAI COOPERATION



Figure 4.1 Indian Prime Minister Narendra Modi greets Thailand's Prime Minister Prayuth Chan-o-cha, before a meeting in Hyderabad New Delhi, Friday, June 17, 2016

### Introduction

262. Our bilateral diplomatic relations, cultivated over more than half a century, signify efforts from both sides to maintain friendly relations and to enhance our cooperation in the context of globalisation and a rapidly changing world. Cooperation between the two countries is multifaceted, taking into account the common interests and common challenges India and Thailand have.

263. While India and Thailand have modest investments in each other's countries, lack of awareness and information, restrictive laws and business practices, has dampened further large investments. Ideally, India and Thailand should treat each other as a common market or at least a free trade

and investment area in which the movement of goods and services are smooth and without impediments or too much red tape. It is hoped that long awaited India-Thailand FTA/CECA will give an added fillip to this process and will enable early realization of the full potential.

264. Fortunately, there is an acute realisation in both the countries of essentiality of this partnership and there are no bilateral irritants or contradictions. In fact, there are enough bilateral, sub-regional, regional and global imperatives for India and Thailand to carve out a new relationship drawing strength and inspiration from not only our shared history and civilisational bonds but also based on the new emerging and all encompassing convergences and shared interests. Thailand is India's gateway to the Asia-Pacific and India is Thailand's to the West.

### **Political Angle**

265. Observers, hopeful and excited with the revived Indo-Thai relations, called the last two decades "the golden age of India Thailand friendship". India and Thailand have complemented each other's efforts to provide Myanmar with infrastructure and knowledge support. Beyond cooperation in Indochina, and in the BIMSTEC and MGC frameworks, Thailand also supports India's engagement with the ASEAN and other regions. In 1996, while the US and Japan were reluctant to extend ASEAN Regional Forum (ARF) membership to India on account of its potential nuclearisation, Thailand and Singapore were said to have strongly supported India's inclusion. IORA and IONS are other initiatives where in Indian and Thai interests coincide as they provide opportunities for both to increase engagement and cooperation with countries in the Middle East and Africa.

### **Trade and Economic Cooperation**

266. As per the Ministry of Foreign Affairs, Thailand website, the strong partnership between Thailand and India has made remarkable progress in the past decades and it has continued to flourish in all areas and at all levels. Thailand is committed to maintaining the momentum in terms of

strengthening and deepening cooperation with India, especially as regards security and economic affairs. At the same time, both partners should make the most out of the full potential of Thailand-India partnership, in particular with regard to trade and investment.<sup>16</sup> Thai policy makers see Thailand and India as complementing each other economically. This is natural since Thailand is seeking new markets for export and investment and looks to be a gateway to Southeast Asia and the rest of the Pacific Rim, while India is a technology hub and provides a market of 360 million medium-income customers.

267. However, for the vision to be realised, there is an urgent need for enhancing this economic cooperation to greater heights. Seen statistically, though, bilateral Trade has multiplied eight times since 2000 to reach **US\$ 8.87 billion** in 2012, for the size of the economies that Thailand and India are, to say the least, there is long way to go in exploiting the full potential of bilateral cooperation. Certain governmental and institutional measures that need to be taken to boost the trade and cooperation in other fields are given at subsequent paragraphs.

## 268. **Economic Relations**

### (a) **Signing of FTA / CECA**

(i) In 2003, Thailand managed to be the first ASEAN country to secure a Framework Agreement for establishing a bilateral Free Trade Area (FTA) with India. Under this framework, the Early Harvest Scheme for tariff reduction on listed agricultural items was adopted in 2004. It has been thirteen years since, but the FTA in goods has not been concluded.

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<sup>16</sup> "Future Potential of Thai-India Partnership", (Online). Available : Ministry of Foreign Affairs, [www.mfa.go.th](http://www.mfa.go.th).....

- (ii) Prompt negotiations to finalise comprehensive FTA / CECA, covering trade, technology, investments, financial services and tourism is essential. (including liberalizing of Visas and progressively eliminating them)
- (b) Tariff barriers must be reduced and infrastructure and transportation linkages must be improved.
- (c) Instituting Finance/Commerce Minister level dialogue to give a boost to economic and commercial ties and resolving differences on policy and procedural matters, like the FTA, joint projects in third countries etc. Also, strengthening the Joint Commission mechanism and making it more meaningful.
- (d) To set up an Eminent Persons Group (EPG) to suggest ways and means of expanding, deepening and intensifying relations and to suggest a road map for the future.
- (e) Negotiations on Bilateral Investment with to India's 'Make in India' initiative, and 'Cluster Development Policy', of Thailand. The policy will help expand the investment network between the two countries in various mutually beneficial sectors; Infrastructure, tourism, hospitality, information technology, pharmaceutical, automotive parts, chemical products, machinery and parts, biotechnology, and R&D.
- (f) Forging of more Sister State / City relations as proposed between Assam and Chiang Mai (states) as well as Surat and Surat Thani (cities).
- (g) Greater private sector partnership in business, investments, trade, S&T, HRD & education etc (Encourage and Facilitate Indian businesses to reap the incentive benefits under Thailand's new investment policy).

**269. Connectivity**

- (a) India and Thailand have complemented each other's efforts to provide Myanmar with infrastructure support. Road construction and improvement inside Myanmar as part of the Trilateral Highway is being largely funded by the two countries. Road link will soon connect India, Myanmar and Thailand to China, Laos, Cambodia and Vietnam.
- (b) Expedite negotiations on the India-Myanmar-Thailand Motor Vehicles Agreement before operationalisation of IMT Highway.
- (c) Thailand's National Security Council, "National Security Policies B.E. 2550-2554": p.42. also sees the road linkages as an opportunity to penetrate markets in the seven North Eastern states of India whose population shares cultural proximity and similar consumption tastes with Thailand.
- (d) Memorandum of Understanding on White Shipping Information.

**270. Science and Technology**

- (a) Cooperation in renewable energy sector; especially solar energy.
- (b) Cooperation in Energy security related issues. Energy diplomacy is an important channel that must be explored in the current day and age.
- (c) Bolster research, technology and innovation partnership between research institutions & universities of both countries. The science and technology cooperation should include start-up and innovation, software and information technology, biotechnology, life science, nuclear technology, and other mutual areas of interest.



**(d) Space Technology**

(i) Joint projects on space application under existing institutional arrangements and agreements may be further facilitated. [MoUs between Geo-Infomatics and Space Technology development Agency (GISTDA) and Survey of India (SOI) and the MoU between GISTDA and National Atlas and Thematic Mapping Organisation (NATMO) in May 2013]

(ii) Cooperation in Space; India offered Thailand indigenously developed GPS Aided Geo Augmented Navigation or GAGAN services, which provides advanced navigation and location assistance and information facilities in the Aviation, Maritime and other domains. In this regard, India also expressed readiness to provide requisite technical expertise.

**271. Culture, Education, And People-To-People Exchanges**

(a) Institutionalized Government to Government and people to people regular formal and informal links, encompassing all areas between India (Emphasis on Northeast India), Thailand and Myanmar. (legislators, academics, media persons, business leaders and links / tie-ups between, Chambers of Commerce, Universities, decentralized administrative units and S&T establishments)

(b) Sub-regional and bilateral cooperation arrangements involving the India's Northeast and Thailand to be worked out. (MoU between Nagaland University, India and Chiang Mai University, Thailand; is an example to emulate)

(c) An autonomous high level forum to be set up to promote, diversify and strengthen further cultural, religious, tourism, educational, S&T and HRD links.

(d) Hosting of country festivals in each other's nations with an aim to increase awareness, people to people contact and promote understanding of cultures. ( 'Festival of India' in Thailand and the "Festival of Thailand" in India, which are named "Sawasdee India Year" and "Namaste Thailand Year" respectively, will be held simultaneously in 2017)

(f) Deepen cultural and historical ties between the two countries. [signing of the Executive Programme of Cultural Exchange (Extension of CEP) for 2016-2019; A welcome step]

(g) To facilitate visits of Thai tourists to Buddhist sites in both India and Nepal, with Double Entry Visa facility.

(h) In education Sector; mutual recognition of degrees, research collaborations and training of teachers.

(j) cooperate in the areas of archaeology, conservation and museums to revive and reconnect the civilizational and cultural connections between the two countries; (cooperation between the governmental agencies, namely, Archaeological Survey of India, National Research Laboratory for Conservation of Cultural Property of India, National Museums of India, and the Fine Arts Department of Thailand)

272. Ultimately, aim at intermeshing and integrating India and Thailand in select areas, particularly, trade, investments, tourism, civil aviation, education, HRD, Science & Technology, and cooperation in third countries. In the immediate future, sub-regional cooperation and growth areas to be promoted and developed based on a Green Channel approach and preferential treatment. The key word is **mutuality of interest** to sustain cooperation.

## 272. **Tourism**

(a) Thailand is an extremely popular holiday destination for Indian tourists, serving as a family vacation or even as their first outbound destination. Furthermore, improved visa processes and the option to apply for visa on arrival for Indians have added to the increase of tourists. In 2007, Indian visitor arrivals were upwards of 500,000, crossing the half-million mark for the first time. Last year (2016), more than 1.2 million Indians visited Thailand. This in addition to other things has given fillip to the air traffic between the two countries; with 176 flights per week reflecting a rapidly growing traffic of tourist and businesspersons between the two countries<sup>17</sup>.

(b) Viewed from the other side, popular Indian destinations for Thai people include Varanasi(Sarnath), Kushinagar and Bodhgaya. However, in 2016 only 120,000 Thais visited India. For the country of India's size, its rich historical past and the diversity it has to offer in terms of terrain, people, culture etc. the number of tourists visiting the country is suboptimal, to say the least. India has a lot to learn from Thailand in the way the government has supported and encouraged tourism industry.

(c) To encourage the Thai tourists, now that an extradition treaty has been signed between the two countries, erasing India's longstanding security concerns, New Delhi can quickly free its stringent visa regime for Thai passport holders. Indians can get visas on arrival at the point of entry in the country but Thais could not while Filipinos, Laotians, Vietnamese and Cambodians enjoy the privilege. The combined tourists from these countries visiting India were only one-fifth of the Thai visitors.

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<sup>17</sup> "India Thailand Economic & Commercial Relations", (Online), Available : Embassy of India, Bangkok, Thailand, <http://www.indianembassy.in.th/index.php>

(d) Apart from tourists, many Thai students continue to choose India for overseas education with nearly 10,000 students studying there, including in elementary schools. With Thammasat University offering a BA course in Indian Studies, the first of its kind, interest in India among Thai students will certainly increase. While this linkage has been highlighted, other Indian popular culture is slowly making a comeback in Thailand. Indian films have returned to theatres after a two-decade absence.

**273. Current Economic challenges of Thailand** Thailand on its part needs to address slowing down of its economy in the recent past. The rate of economic recovery and reigniting growth, will depend on how fast Thailand can overcome factors constraining growth and promote a more inclusive growth model. There are opportunities in the horizon, including improving business regulatory environment, expanding trade through enhanced integration with the global economy, bolstering growth by implementing transformative public investments to crowd-in private capital, stimulate domestic consumption, and improving quality of public services across the entire country. This will support a resumption of higher, more balanced, growth path that eliminates poverty and boosts shared prosperity for all citizens.

**274. Way Forward: Summary** Quite clearly, there is enough scope to share experiences, compare notes so that we may benefit from each other's strengths and avoid pitfalls encountered / suffered by the other. Thailand has rich and unique experience in the development, maintenance, modernization and up gradation of infrastructure, particularly roads, airports, ports, power, telecommunications and communications. Thailand has excelled in the social and services sectors, particularly in sectors such as health care, population control and welfare, primary education, hospitality, tourism, ecological management and poverty alleviation. While India has its own unique strengths in terms of Space, IT, Communications, Agriculture, Nuclear Technology etc. Need of the hour is to learn from the strengths,

avoid pitfalls already experienced by the other and also, venture together into the new fields with collective strengths.

## **Security**

**275. Introduction** After 67 years of diplomatic relations and two decades of collaboration, in January of 2012, Thailand and India finally signed a Memorandum of Understanding (MoU) on Defence Cooperation. This effort to deepen defence and military ties between the two countries emerged relatively late when compared with those between India and most other Southeast Asian countries. Prior to 2012, Indo-Thai defence relations remained largely unaddressed and underdeveloped. Despite having established military engagements in the area of exercises, joint patrol and a defence dialogue under both bilateral and multilateral frameworks, the existing defence cooperation has lacked substance. This does not correspond with the increasing significance of the India-Thailand partnership and Asia's changing power and security dynamics.

### **276. Comparing Cooperation with Other Nations**

(a) Reports by the Indian Ministry of Defence in the last 11 years show that Indo-Thai defence cooperation lacks overall substance. Indo-Thai bilateral defence collaboration is insignificant when compared with India's collaboration with Singapore, Malaysia, Indonesia and even Vietnam, a distant neighbour. India's defence ties with these countries involve more training slots offered by India, more high-level visits, and exchange of officials, more arms repair service and spare parts exchanges, and collaboration in defence industry and production. In comparison, India and Thailand exchange fewer high level visits and port calls. Training collaboration or exchange of military students is much below the desired level. Also, there was barely any exchange of concrete defence supplies and only one bilateral combined exercise.

(b) In contrast, with USA , around 40 military exercises are held by the military services of the two countries, each year. Thai-Australia military engagement also follows this format. Thailand and Australia conduct substantial number of annual bilateral and multilateral military exercises. These include nine bilateral exercises of all services and five multilateral exercises initiated by other countries and organisations. Thailand and Australia also exchange cadets to study in each other's military academies. Around 100 Thai military students and personnel receive scholarships for military training and study in the Australian military academies every year. Australia initiates many research projects to improve Thai military capacity in communication, surveillance, aircraft structure and GPS system etc. It is also helping the Thai Ministry of Defence to upgrade its IT systems. Both countries have several agreements to assist each other in logistics and arms acquisition. Within Southeast Asia, China has its closest military ties with Thailand.

#### **277. Recognition of Strategic Significance**

(a) Off late, from merely focusing on economic and mutual security interests, Thailand-India relations have in recent years expanded to recognise each other's strategic significance. India is now being mentioned more regularly in Thailand's foreign policy and security white papers, contrary to more than a decade ago when it was overlooked by Thai foreign policy community. The national security policy paper for 2007-11 observed that the global power structure has gradually been shifting from uni-polar to multi-polar. It noted that "While China's influence [in the world] is increasing in the way that its economic power may be equivalent to a superpower, India, Australia and Japan also aim to play a leading role in the region [Asia]".

(b) The growing significance of the Thai partnership in Indian perspective can be seen in 2012 when Prime Minister Yingluck

Shinawatra was invited as the chief guest in India's Republic Day Parade and several interconnectivity and economic cooperation projects which were conceived in the early 2000s become revitalised.

## 278. **Maritime Coop**

(a) Defence cooperation in the naval domain has however been the exception to earlier neglect in security cooperation. This is understandable given the contiguousness of the two countries' maritime borders (delimited in a tripartite agreement with Burma in the early 1990s) and the proximity of India's Andaman and Nicobar archipelago to Thailand and the Malacca strait. Thailand has 894 kilometres of Andaman coastline, which rests within India's area of strategic influence. At present, the Royal Thai Navy and the Indian Navy have been conducting an annual Indo-Thai Joint Working Group (JWG) Meeting since 2003. In 2008 they started a bilateral Navy Staff Talk to cooperate in maritime security. The two navies also engage in joint patrolling or Coordinated Patrol (CORPAT) in the Andaman Sea. The CORPAT has been taking place every six months since 2005. India and Thailand have also been sharing data in coordination with Singapore, Malaysia and Indonesia on patrolling and other movements in the Strait of Malacca and the Andaman Sea. The RTN was one of the first participants in the biennial MILAN naval exercise being hosted by the Indian Navy (IN) since 1995. The exercise now draws naval forces from other 16 nations. The Indian Navy gave hydrographic training to the Thai naval personnel in 2003. There are also frequent exchanges of port calls. India also has pledged to improve the capacity of Thailand's coast guards.

(b) Beyond India and ASEAN member relations, RTN and IN also collaborate on training and participate in other security forums. For example, the two participate in the Indian Ocean Naval Symposium IONS, Western Pacific Naval Symposium (WPNS), ARF Disaster and Relieve Exercise (DIREX), the Regional Cooperation Agreement on

Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), and Heads of Asian Coast Guard Agencies Meeting (HACGAM).<sup>18</sup>

**279. Army and Air Force Cooperation** Cooperation between the other services is even more limited. The Royal Thai Army and Indian Army started an annual combined exercise in counterinsurgency under the code name “Maitree” in 2007. It is alternately hosted by India and Thailand. Air Force-to-Air Force staff talk was initiated in 2010 and the first Table Top bilateral exercise between two air forces was held in 2017.

**280. Defence Technology and Production** The existing ties with the Western block can meet most of Thailand’s defence demands. However, it recently started to focus on building its own defence industry to substitute large arms import and become militarily self-reliant. The Thai Defence Technology Institute (DTI) was established in 2009 to take the main responsibility of research, industry support and coordination between different production units and companies. Last year, the DTI in collaboration with the Faculty of Engineering, King Mongkut’s University of Technology (KMUTT), launched a Master Degree in Defence Industry. India can share its experience in building up Thailand’s defence industry, like in shipbuilding, as Thailand seeks to access low-cost technology and skills in order to develop its own capabilities.

**281. Elimination of Nuclear and Other WsMD**

(a) Both India and Thailand have a deep and enduring interest in containing the effects of the rapid ‘nuclearisation’ and the easy availability, transfer and possible use of weapons of mass destruction, (WMD) particularly in our extended neighbourhood. While Thailand and ASEAN have espoused the policy to declare South-East-Asia as a

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<sup>18</sup> Sasiwan Chingchit ././ “From Looks to Action: Thailand-India Strategic Convergence and Defence Cooperation”,././ Institute for Defence Studies and Analyses././ IDSA Occasional Paper No. 40, May 2015



nuclear weapons free zone (SEANFZ) - and India supports this policy - for India, the perspective has been conditioned by the fact that India without minimum nuclear deterrence is 'defenseless' against her two immediate nuclear weapons possessing neighbours, China and Pakistan. India, however, is committed to a policy of no first use and never to be the first country to use nuclear weapons. India will also abjure the use of nuclear weapons on non-nuclear States. India has also declared a voluntary moratorium on further nuclear weapons testing.

(b) The commitment of India and Thailand to eliminate all nuclear and other weapons of mass destruction globally can be a useful starting point for an international agreement that is both binding and transparent. The same could be applied to other weapons of mass destruction including chemical and biological weapons. The real possibility of acquisition of such dangerous weapons and technology by terrorists, criminals and non-state entities is a major concern for both India and Thailand. India and Thailand with their shared civilisational legacy of peace and non-violence have a responsibility to give a positive push to this process of total elimination of WMDs in a transparent, just and equitable manner. This has to be a part of our strategic partnership.

**282. Ways to Further Enhance Cooperation** Given the absence of any conflicts, the geographical proximity, and overlapping security interests in the naval domain, the central strategy for both countries should be one of diversification of the traditional set of security partners in response to a rapidly changing security context, in particular the rise of China and the persistent but relatively declining influence of the US. The following measures are suggested to enhance the cooperation:-

(a) Upgrading and institutionalizing of high level India-Thailand dialogue to regular annual meetings – greater and regular exchange of

visits at the highest levels in consonance with our emerging strategic partnership.

(b) Annual or more frequent Foreign Minister level dialogues on strategic, security, political and defence issues affecting the region and covering major international developments.

(c) Greater military contact and educational exchanges between both armed forces that would allow Thailand and India to understand each other's strategic thinking and increase necessary inter-operability for a future strategic partnership. Increase the number of officers in military training exchange programmes.

(d) At present, both Navies cooperate and train together mostly in multilateral settings. This increases familiarity only on a limited level as there are several participants. For both armed forces to get closer, bilateral exercises and cooperation should be increased.

(e) Although, Thailand regularly receives training from the U.S. and Australia, it can increase cadet exchange and seek more training from India in areas of its expertise like jungle warfare, high altitude combat, hydrography, diving operations and coast guard operations.

(f) Thailand has a long coastline but a relatively small coast guard, so India's recently established 'Coast Guard Academy' could be of interest for Thailand to send its personnel for long-term training. Non-traditional maritime security in the Indian Ocean is a key domain in which both countries can find convergent interests in preserving natural resources, security of coastlines, and anti-piracy.

(g) Complete negotiation for the signing of the White Shipping Agreement.

(h) Expeditious action on the recommendations of 'Joint Working Group on Security Cooperation' and 'Joint Task Force on Maritime Security'.

- (j) Work together in building a new global resolve and strategy for combating terrorism.
- (k) Further strengthen cooperation between the two countries in the fields of counter terrorism, cyber security, trafficking in human and narcotics.
- (l) Cooperation in controlling Narcotics, Drugs Psychotropic Substances, their precursors and Chemicals and Drug Abuse.
- (m) Joint combined counter-terrorism exercise between the Counter Terrorist Operations Center (CTOC) and the National Securities Guard (NSG); and the training of Thai officers by India's Central Bureau of Investigation (CBI) in cybercrime investigation and computer forensics.<sup>19</sup>

## Conclusion

283. In international relations, there is no room for sentimentality or emotion. Relations must be based on perceived contemporary and future national interests in which both sides have a mutual stake. Culture and history that provide a foundation based on familiarity and trust, cannot by themselves be a substitute for substance.

284. Given their geostrategic positions in the region, the changing power dynamics in Asia and the existing inter-regional economic partnership, there is an urgent need for New Delhi and Bangkok to further strengthen their security and defence cooperation. As a part of defence diplomacy, both sides now need to strengthen their military ties to complement their growing engagement in other dimensions and also fortify their changing foreign policy and security position in the region. The window of opportunity for

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<sup>19</sup> "India-Thailand Joint Statement during the visit of Prime Minister of Thailand to India, June 17, 2016" Ministry of External Affairs, Govt of India, (Online) Available : <http://www.mea.gov.in/bilateral-documents.htm?dtl/26923/IndiaThailand+Joint+Statement...>

India and Thailand is small and short; we must take immediate pragmatic steps and make serious efforts to heed the call of our times.

## **INDO-MYANMAR COOPERATION**

### **Introduction**

285. India-Myanmar cooperation gathered momentum, especially since the visit by President Thein Sein to India in October 2011. Bilateral relations scaled new heights with Prime Minister's Manmohan Singh undertaking a historic visit to Myanmar in May 2012. It marked the first visit of an Indian prime minister to Myanmar in 25 years and was widely regarded as "a historic milestone". The signing of 12 agreements within hours of PM Singh's arrival in Naypyitaw was an indicator that both governments were on the same wave length. With the change of government in India in 2014 and its proclamation of new "Act East Policy" major shift from its former "Look East" approach was signaled paving way towards a more proactive stance.

286. New President of the elected government of Myanmar was sworn in on 30 March 2016, capping a transition from military dictatorship to the country's first civilian-led administration in more than half a century. The military men who ran the country stepped back, allowing liberalizing reforms and new freedoms. Largely young population of Myanmar is grasping new opportunities, and some hope that the resource-rich nation could finally fulfill its potential.

287. **A Multi-faceted Relationship** It is normal to depict India-Myanmar ties as 'a multi-faceted relationship.' What it essentially means is that:-

- (a) At all four levels of interaction i.e. multilateral, regional, sub-regional and bilateral, the countries are linked closely, and
- (b) In all sectors of bilateral exchanges, cooperation is becoming fairly substantial. The four major pillars of bilateral cooperation are; political, defence and security, economic and other cooperation.

288. **Political** Of the four principal pillars, the highest importance at this juncture, should perhaps be accorded to Political Cooperation, which is the key driver. The leaderships in the two countries have been committed to broadening and enhancing “the multi-dimensional relationship” that reflects multifarious and traditional linkages, inspired by the Five Principles of Peaceful Coexistence. The two governments have strongly believed that expanding economic, social and developmental engagement would help harness the considerable potential of bilateral relations, and doing so would contribute significantly to the socio-economic progress of both countries.

289. Aung San Suu Kyi – state counselor and foreign minister of Myanmar, and leader of the National League of Democracy (NLD) – recently concluded her first official visit to India in Oct 2016. However, the real significance of the visit lies in how India can contribute to addressing Myanmar’s multiple challenges of democracy, nation-building and development, forge a strategic road map for bilateral relations over the next few years, and make up for the perceived backwardness in India’s relationship with Myanmar relative to China and other countries.

### **Inadequacies of Past Engagements**

290. According to critical voices in India, India’s rather passive and self-sufficient foreign policy towards Myanmar has been marred by ineffectiveness, especially in the economic realm. Former Indian ambassador to Myanmar Gopalapuram Parthasarathy writes, “We would be less than honest if we did not admit that in project and investment cooperation, our record has been tardy”.

291. There is much room for a further extension in bilateral trade from both sides. India ranks only fourth on the list of Myanmar's most important trading partners, trailing Myanmar's other economically important neighbour countries, China and Thailand, by substantial margins. Myanmar has significantly stronger links with its two other neighbours, Thailand and China – through FDI, trade, and tourism, than with India. Myanmar's trade with China in FY2015 was US\$9.6 billion and with Thailand was \$5.7 billion, whereas trade with India is only \$1.3 billion. Likewise, India is only the 9th biggest FDI investor in Myanmar – representing only 1.36% of total FDI invested into Myanmar.

292. According to statistics from the Indian Department of Commerce, there were only three countries from the ASEAN region among India's 25 most important trading partners in 2013–2014: Indonesia ranked 8th, Singapore came in 10th and Malaysia was 21st. Thailand, and Myanmar were well outside the group of India's top trading partners.

293. **India's Northeast Angle** Enhanced trade could bring not only a spark to the economy but also a noticeable improvement in the living conditions in the Northeastern states of India that have suffered from poor infrastructure and violence for decades. It is certain that the intended socio-economic development will weaken secessionist movements and reduce the activities of guerrilla groups, thereby easing the security problems. In the long run, building closer connections between India's Northeast and Myanmar could be beneficial to both sides, mutually reinforcing socio-economic development.

### **Political, Economic & Development Coop: Way Forward**

294. **Democratic Connect** Myanmar's ongoing journey towards democratic transformation promises to bring India and Myanmar closer as the Southeast Asian country taps India's expertise in institution-building. For Myanmar in particular and the region in general, it is extremely important that Myanmar remains firm on the path of Democracy that it has

embarked on after more than five decades. India has proven to be a vibrant and stable democracy amidst the large ethnic diversities. Both countries have a shared interest to cooperate on this aspect. Cooperation in terms of training of scores of parliamentarians from Myanmar in parliamentary practices and procedures undertaken in India in last few years needs to be enhanced to include measures that promote institution building towards strong foundation of democratic set up in Myanmar. India has offered to share its own experiences in evolving parliamentary rules, procedures and practices as well as in managing Union-State/Region relations, allocation of powers and resources between the Union and States etc.<sup>20</sup>

**295. Industrial Cooperation** Myanmar is rich in natural resources but industrially still under-developed. It needs intermediate levels of technologies to build up its industrial base. India is in a position to provide it in a big way. India should assist both by governmental aid and Indian private investment in the following fields:<sup>21</sup>

- (a) Agro-tech and forestry based industries.
- (b) Metallurgical industries.
- (c) Oil and gas exploration.
- (d) Automobile and two wheeler industry.
- (e) Communications development i.e. airports, railway lines and roads, especially those which can interface or assist in the opening up of India's North-Eastern states e.g. Manipur, Nagaland etc.
- (f) IT education and infrastructure.
- (g) Hotel industry and tourism.

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<sup>20</sup> "India- Myanmar Joint Statement during the visit of the President of Myanmar to India (29 August 2016)", (Online) Available : <http://www.mea.gov.in/bilateral-documents.htm?dtl/27343/India+Myanmar+Joint+Statement+.....>

<sup>21</sup> Rajiv Kumar Bhatia. "Myanmar-India Relations: The Way Forward". (Online) Available : <http://associationdiplomats.org/Publications/ifaj/Vol6/6.3/6.3%20ARTICLE%204.pdf>

296. **Energy and Hydrocarbons** Geo-economically, Myanmar is rich in natural resources and has appreciable production of crude oil, and natural gas. In this background, bilateral engagements with Myanmar, in Hydrocarbon areas have long term and strategic implications. Sanctions during the military regime of Myanmar were conveniently exploited by China by investing heavily in Myanmar's hydrocarbon sector. While these investments helped both China and Myanmar to reap strategic and economic benefits, it was certainly a setback for energy hungry India. However, this didn't deter India's larger energy interests in Myanmar. Though a late starter, under mentioned developments / measures hold promise in taking India-Myanmar Energy Coop to higher levels:-

- (a) Energy cooperation is an important pillar of bilateral relations, with India's state-owned and private companies keen on cooperation in hydrocarbons. ONGC Videsh Ltd (OVL) and Gas Authority of India Limited (GAIL) are already well invested in gas producing blocks. Under its new Hydrocarbon Vision for northeast India, Energy Minister, Pradhan's recent visit to Myanmar holds great significance.
- (b) Mr Pradhan, while meeting his counterpart H.E. U Pe Zin Tun, Union Minister of Electricity and Energy, Myanmar, proposed India's greater participation across hydrocarbon value chain. This included, willingness of Indian upstream companies to participate in forthcoming bid round in Myanmar; assisting Myanmar in training and capacity building its hydrocarbon officials; refurbishment and upgradation of their refineries; developing their downstream market through supply of petroleum products, LPG, wax, petrochemicals, etc.; integrating the Indian Natural Gas grid with Myanmar for developing their cities through City Gas Distribution network and also in the area of sourcing LNG.
- (c) These proposals not only address the issues concerning Myanmar's underdeveloped upstream sector but also take care of its rising energy demand as a result of robust economic development and



post sanctions, while paying dividends to India through this investment opportunity.

(d) As a part of Hydrocarbon Vision 2030, India, along with Bangladesh are contemplating financial modalities to build the 6,900 km gas pipeline that would be linking Chittagong in Bangladesh, Sittwe in Myanmar and north-eastern states.

(e) Mutual understanding and governmental resolves for enhanced Coop in Energy and Hydrocarbon sectors are amply evident in India-Myanmar Joint Statement during the visit of the President of Myanmar to India (29 August 2016), which includes:-

(i) The President of Myanmar thanked India for the power supply that commenced from India across the Moreh-Tamu border on April 8, 2016. Both sides agreed that this is a small but critical step towards further integrating our countries and economies for the mutual benefit of the two peoples. Both sides will consider infrastructure strengthening of the transmission network to increase supply in future.

(ii) In order to provide a framework for bilateral cooperation in energy sector, the Indian and Myanmar leaders resolved that the proposed MoU between India and Myanmar on Cooperation in the field of Power should be negotiated at the earliest.

(iii) The Indian side invited Myanmar to participate in the International Solar Alliance Initiative, which is intended to allow solar resource rich countries to address their special needs and collaborate to reduce costs and improve generation capacity.

**297. Border Trade** India and Myanmar are considering a series of initiatives for expansion of border trade between the two countries. Indian has given its approval for the signing of a proposed agreement with

Myanmar for the avoidance of double taxation and prevention of fiscal evasion with respect to Income taxes.<sup>22</sup> It has been agreed to open four check posts which will help in checking the border trade and making it official, thus curbing the illegal trade. During Myanmar President's visit to India in August 2016, two sides expressed hope that the modalities of operation of border haats may be finalised soon so that trade can also start taking place through border haats.

**298. Agricultural Cooperation and Food Security** In addition to the suggestions given earlier under trilateral coop, the following merits consideration:-

(a) Notwithstanding setting up an 'Advanced Centre for Agriculture Research and Education' in Yezin and a 'Rice Bio-park' in the integrated Demonstration Park in Nay Pyi Taw by India, commonalities of agricultural environment in the two countries call for much enhanced cooperation. Areas of indulgence by '**India-ASEAN Working Group on Agriculture**' can be good beginning to cooperate bilaterally on issues like, joint research for development of technologies for increasing production and productivity of crops, livestock and fisheries, and natural resources management, as well as in development of joint ventures in agro based technologies<sup>23</sup>

(b) During Myanmar President's visit to India in August 2016, Indian side also offered assistance to enhance agricultural productivity by undertaking initiatives such as programme on germplasm enhancement, development of seed models, training private seed entrepreneurs, training and demonstration of improvised agro-techniques and other capacity building projects. Proposals needs serious and prompt consideration from Myanmar especially in view

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<sup>22</sup> Dr Mohammed Badrul Alam.// "Revisiting India-Myanmar Relations and the Way Forward",// Indian Defence Review// 31 January 2017.

<sup>23</sup> "ASEAN India Cooperation in Agriculture", (Online) Available : [http://dare.nic.in/node/55\(d\)](http://dare.nic.in/node/55(d))

of: ‘Farmers in Myanmar are less educated and less knowledgeable than their regional peers; they also access fewer public services than farmers in neighboring countries. The supply of certified paddy seeds is estimated to meet only 1% of the demand. The situation for other crops is even worse: the public system does not produce enough quality seeds.’<sup>24</sup>

299. **Banking** Exchange of currencies between India and Myanmar at Mizoram has remained a nagging issue and the Reserve Bank of India may consider coming up with special exchange policies for solving the currency crunch. Though, Myanmar on its part needs to modernise banking and finance channels, lack of interest by Indian banks is evident from the fact that; although four Indian banks (State Bank of India, United Bank of India, Bank of India and EXIM bank) have set up representative offices in Myanmar, there are still no proper banking facilities to boost trade and investment. Further, proposed memorandum of understanding between Reserve Bank of India and Central Bank of Myanmar on currency exchange rate fixation needs to be expedited.<sup>25</sup>

### 300. **Development Cooperation**

(a) Myanmar is one of the only three countries for which New Delhi has laid out a comprehensively planned aid and development assistance programme. India’s financial commitment to its development partnership with Myanmar amounts to over US\$ 1.75 billion, spread over major connectivity infrastructure projects like the Kaladan Multi-modal Transport Transit Project (KMTTP), and the Trilateral Highway, its feeder roads and bridges, funded and executed by India. There are high value capacity building projects like

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<sup>24</sup> “Unleashing Myanmar’s agricultural potential”,//Sergiy Zorya,// The World Bank,// 2 July2016, (Online) Available.: <http://blogs.worldbank.org/eastasiapacific/unleashing-myanmar-agricultural-potential>

<sup>25</sup> “India, Myanmar discuss ways to boost trade, investments in sixth Joint Trade Committee meet”, Firstpost,// 27 June 2017.

the Myanmar Institute of Information Technology mentored by and modeled on the IIT Bengaluru in Mandalay and Advanced Centre for Agricultural Research and Education (ACARE) mentored by the IARI near the capital Nay Pyi Taw with funding and expertise from India.

(b) Besides these, there are several other smaller projects; border area development projects worth US\$ 25 million over 5 years for the Chin and Naga Hills of Myanmar; nearly 500 seats for training of civil services and other education and training opportunities for Myanmar in Indian universities; training institutions funded entirely by India and a soft line of credit for Myanmar's infrastructure development priorities over the last 10 years amounting to nearly US\$ 750 million. India's scale of commitment for development of Myanmar is matched only by a few countries.<sup>26</sup>

(c) However, considering the background and the economic development plans and potential of Myanmar, there is vast requirement in capacity building of Human Resource. India's economic success today is largely due to its capability to produce a massive number of engineers, medical, management, IT, and other professionals. Despite, the recent assistance by India, Myanmar's development is being held back for want of adequate trained manpower. Therefore, it stands to reason that this cooperation should be expanded significantly to meet HR needs of Myanmar.

**301. Connectivity** India-Myanmar geographical linkages have four dimensions:-

(a) Direct road linkage between these two countries via Assam, Manipur and Mizoram.

(b) India-Myanmar extended railway linkages as a part of India-ASEAN network connectivity.

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<sup>26</sup> Gautam Mukhopadhyaya.// "A Visit that Sets the Stage for India, Myanmar to Take Ties to the Next Level", The Wire.// 22/10/2016

- (c) India-Myanmar-Thailand Trilateral highway, and
- (d) Trans-Bay of Bengal maritime linkage.

**302. Progress of Connectivity Infrastructure** To sum up the progress in these infrastructural projects, it can be said that India has to *Reduce the Space between Promises and Performance*. While the plan documents underline New Delhi's future priorities, India's past performance in completing infrastructure projects in Myanmar has remained lackluster. Further, both governments should look for practical ways to augment their implementing capabilities, reduce response time, and improve monitoring mechanisms. Safe and secure borders are not only essential for faster trade but also greater economic integration which in turn will ensure augmented safety along the borders resulting in an ambience of economic prosperity. *The geographical corridors can act as economic corridors for inter-regional trade developments.*

### **303. People Connect**

- (a) (India Diaspora already covered under Trilateral Coop)
- (b) Iconic Myanmar leader Aung San Suu Kyi has a special connection, having studied in India. Bodhgaya, the birthplace of Lord Buddha, is a must-visit place for Myanmar's leaders and pilgrims. Governments, having recognized these aspects must act as facilitators by way of suitable policies.
- (c) Agreement by the two sides (joint statement; president visit in Aug 2016) to encourage people-to people contact and facilitate movement of people across land borders of the two countries is a welcome move. However, setting up immigration facilities at the Tamu-Moreh and Rhi-Zowkhathar border crossing points at an early date, discussed during the meetings need to be followed up.

**304.** Other relevant suggestions for enhancement of economic cooperation are as follows:-

- (a) Reduction of high tariffs from the Indian side (which makes the country an unattractive market for Myanmar exporters).
- (b) Bilaterally resolve issues pertaining to equal treatment in terms of tariffs and duties, tariff rationalisation in the automobile sector.
- (c) Myanmar to strengthen institutional support for exports and imports. This involves Myanmar negotiating a preferential trade agreement with India, with an emphasis on agricultural and border trade, and taking advantage of existing structures such as Exim Bank of India. In the longer run, a local Myanmar Export-Import Bank should be established to bolster the country's trade links with the wider world.
- (d) Prompt consideration of Myanmar's request to explore opening of a counselor office in the North East.<sup>27</sup>
- (e) Lack of physical linkages and poor infrastructure pose daunting logistical challenges: Expedite infrastructural projects on interstate connectivity.
- (f) Long pending agreement to start a bus service between Imphal and Mandalay to be implemented.
- (g) Myanmar and India should lay emphasis on developing the port of Sittwe; Earlier completion schedule as on Dec 2016 has already slipped. Beyond this, logistics, processing, and manufacturing facilities can be sited at Sittwe to serve bilateral trade.<sup>28</sup>
- (h) Exploring the feasibilities of direct shipping lines with Sittwe port and other major eastern sea ports of India like, Vizag/Chennai.

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<sup>27</sup> "India, Myanmar discuss ways to boost trade, investments in sixth Joint Trade Committee meet", Firstpost.// 27 June 2017.

<sup>28</sup> Shine Zaw-Aung.// "Myanmar-India Relations – Trade and Economic Perspectives" mizzima.// 10 December 2016.

(j) Increase Air linkages between the two countries. Only two cities in India are connected by air to Myanmar, and the number of Indians visiting Myanmar (and vice versa) remains a fraction of those who travel to China and Thailand. [Comparatively, there are 100 between Myanmar and Thailand, 90 between China and Myanmar, and about 50 from Singapore] Lack of air connectivity is badly affecting business interaction, tourism and people to people exchanges.

(k) Government policies and incentives by both countries to encourage India Inc that has also been lagging behind in investing in Myanmar. (Sectors like pharmaceuticals, fertilizers, cement, manufacturing, agro-processing and small industry offer attractive potential for green field investments and joint ventures)

**305. Role of North-East India** Myanmar-India relations will also be influenced in future by the kind of importance and priority New Delhi accords to economic development of India's North-East, for this is inextricably linked to the question of security, stability and development in the border region, i.e. on both sides of the boundary. As such, certain measures proposed with focus on North Eastern States are<sup>29</sup>:-

(a) Institutionalised economic cooperation in the areas of oil, agriculture, textiles and pharmaceuticals with eye on connecting India's Northeast to Myanmar.

(b) Bio-development policies for villages in valleys (both sides of border) through sustainable agriculture, textile economy, pharmaceuticals, and ecological foundation.

(c) Students from Myanmar are studying in Mizoram. Leading institutes like the IIT-Guwahati may play a pivotal role in the

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<sup>29</sup> **Mihir Bhonsale (Compiler of conference report)** "Ethnicity, security and connectivity in India-Myanmar relations".// **Observer Research Foundation, (Online) Available :** <http://www.orfonline.org/research/ethnicity-security-connectivity-with-myanmar/>

furthering of bilateral ties by forging partnerships with institutes in Myanmar.

(d) Special centres in universities and institutions esp in NE states, for the academic study of Myanmar must be encouraged.

306. **India: An Understanding Partner** At the strategic level, its for Myanmar to appreciate India's understanding of Myanmar people's sensitivities. When activists raised environmental and social concerns over India's construction of Htamanthi and Shwezaye hydropower projects on the Chindwin River, India "suspended the projects at the request of the Myanmar government,". This is in sharp contrast to China's refusal to pull out of unpopular projects in Myanmar. Five years after the suspension of Myitsone dam project in response to mass protests, Myanmar is still under pressure from China to reverse the decision.<sup>30</sup> On the other hand, India can always be trusted to honour and uphold the national interests of the partner country irrespective of the financial costs.

## Security

307. **Introduction** Given the geo-strategic factors, it is natural that defence cooperation should be an important component of bilateral relations. India's growing economic, military and technological power is bound to become a major factor for peace in our extended neighbourhood. While India does not wish to be seen as a counterpoise to China in South-East-Asia, India's growing military and economic strength also augurs well for peace and stability in Asia. India's strength should be seen as minimizing the vulnerabilities of South-East-Asia, particularly as India has no hegemonistic designs or a vested agenda in this friendly region.

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<sup>30</sup> *Sudha Ramachandran* "The Trouble With India's Projects in Myanmar", *The Diplomat*./21 September 2016  
(Online) Available : <http://thediplomat.com/2016/09/the-trouble-with-indias-projects-in-myanmar/>



308. For long, much of India-Myanmar border region has been the theatre of negative activities such as insurgency, violence, and terrorism, smuggling and illegal trade in narcotics, currency and arms. In particular, operations by certain Indian Insurgent Groups (IIGs) against Indian authorities, the ability of IIGs to use north-western Myanmar as a base or shelter, and the nexus between them and sources of arms supplies from third countries through Myanmar, have caused serious problems. To counter these negatives, the two governments have set up dialogue mechanisms, signed legal instruments and agreements, and have made arrangements for intelligence exchange and security cooperation.

309. If despite the ongoing cooperation between security authorities, the problem has not disappeared but only reduced in scope and impact, the question arises whether this is due to insufficient cooperation in practice, difficult terrain, logistical constraints or lack of progress in negotiating a settlement within the respective countries. Certainly, a key requirement on the Indian side of the border is that insurgent activity needs to be addressed decisively through sustained political dialogue and economic development, besides firm action on the security sphere.

310. As both countries perceive mixed gains post signing of agreements / treaties, the moot point is for both the parties to realize the advantages of areas of successful cooperation and extend it wholeheartedly to cover the full canvass laid out by the agreements. It has to be clearly understood that in the present environment 'Border Security Management' promises to remain a critical challenge in future.

### **Imperatives**

311. Certain imperatives that need to be understood by India and Myanmar when talking of Defence and Security Cooperation are:-

- (a) Myanmar's Armed Forces spear-headed the country's freedom movement, have secured the country's periphery and though late, but finally put the nation on the road to economic development. Today,

even when civilian politicians are handed power by the Myanmar Army, they still continue to hold fair share of the state's power. This needs to be understood and factored in India's strategic calculations and defence co-operation so architected.

(b) India's defence co-operation with Myanmar should be so structured that it generates perceptions in Myanmar that India can emerge as a long-term and assured source of her defence needs without any political coercion or other limitation.

(c) **The China Factor** Following India's cross-border raid into Myanmar in 2015, there were media reports about Northeast insurgents' link with China's PLA. Reports about such linkages are not new, but the recent reports have yet again brought the China factor in focus vis-à-vis India's security concerns in the Northeast region. Also, since the conflicts between Myanmar army and ethnic rebel group of Kokang in northern Myanmar re-emerged earlier this year, Naypyitaw has accused China of training, financing and supplying arms to the Kokang rebel group. As such, Myanmar and India need to work jointly on this shared concern as new rebel configurations and renewed offensives continue to emerge in the borderlands. More importantly, it is for Myanmar authorities to **rethink and re-orientate** the foreign policies and strategic partnerships of the past in their own national interest.

312. Way forward for enhanced Cooperation could include the following:-

(a) **Safe and Secure Borders** Identify weak areas in ongoing cooperation and act jointly to check activities of insurgent groups along the border, arms smuggling, prevention of drug trafficking and checking smuggling of wildlife articles. Also review cooperation among security agencies for effective and actionable Int sharing.

- (b) Cooperation in border management-related issues including certain constructions in border areas, joint inspection of boundary pillars and also construction of additional boundary pillars on the border to avoid any confusion on this account.
- (c) Indian assistance to Myanmar in capacity-building programmes for police, Narcotics, Wildlife Crime Control and for disaster mitigation and preparedness.<sup>31</sup>
- (d) India's continued support to the national reconciliation and peace process of the Government of Myanmar under the "21st Century Panglong Conference".
- (e) Shared commitment to fight the scourge of terrorism and insurgent activity in all its forms and manifestations.
- (f) Not allowing any insurgent groups to use their soil for hostile activities against the other side.
- (g) Nurturing direct military to military contacts at the highest level.
- (h) Extends arms sales and arms aid to meet Myanmar's armaments needs. Further, assist Myanmar in establishment of their indigenous defence production infrastructure.
- (j) Special emphasis on naval co-operation to incorporate development of ports on the Bay of Bengal littoral, training facilities in India and assistance in ship-building, bilateral naval exercises, coordinated patrols, joint hydrographic surveys and other spheres of maritime activities of mutual interest.

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<sup>31</sup> "India-Myanmar Discuss How To Enhance Security Cooperation", NDTV.//: July 27, 2016.// (Online)  
Available :  
<http://www.ndtv.com/india-news/india-myanmar-discuss-how-to-enhance-security-cooperation-1436586>

(k) Training of Myanmar personnel in professional and technical training facilities in India.

### 313. **International, Regional and Sub-regional Cooperation**

(a) Recognising that terrorism is one of the most serious threats to the international peace and security, and underscoring that there can be no justification whatsoever for acts of terrorism, the two sides need to work together for further strengthening of the international legal regime and for early finalisation of the Comprehensive Convention on International Terrorism presently being negotiated in the United Nations.

(b) Myanmar's continued support for India's efforts to permanent membership of an expanded and reformed UN Security Council and India's support for the progress made by Myanmar in its ongoing reform process under difficult circumstances (including its efforts towards achieving an inclusive and broad based national reconciliation) are the issues on which delegations of India and Myanmar need to work together closely during deliberations in all relevant UN fora.<sup>32</sup>

## **Conclusion**

314. In India's quest for strategic partnerships, Myanmar acquires top priority being a vital geo-strategic entity on her Eastern flank and sharing a long border with China. Myanmar's providing the major Eastern littoral to the Bay of Bengal imparts added strategic significance to India's naval

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<sup>32</sup> "India- Myanmar Joint Statement during the visit of the President of Myanmar to India (29 August 2016)", (Online) Available : <http://www.mea.gov.in/bilateral-documents.htm?dtl/27343/India+Myanmar+Joint+Statement+.....>

strategies and therefore requirement to forge a strategic partnership with Myanmar.

315. If there are no mishaps, it is assumed that, Myanmar will undertake further reforms, strengthening its democracy, opening its economy and re-balancing its external relations. This removes the earlier constraint on India's Myanmar policy which faced severe criticism within India and outside that a democratic India was engaging too closely with the military regime. The changing situation creates new opportunities for Myanmar and India to deepen their dialogue and strengthen their cooperation even as the former's new friends rush in. An increasing consciousness in India about Myanmar's importance should motivate academia, think tanks, NGOs, artists, media and strategic community to re-discover and strengthen links with their counterparts in Myanmar.

316. Stronger and more diversified Myanmar-India relations will not only promote mutual benefit, they will also be hugely beneficial for the region as a whole. However, it is time for Myanmar, under the new government, to indicate to the world the scope of enhancing inclusive governance at home as well as the real contours of its Asia policy, especially whether it will be based on a calibrated balance. India on its part needs to be conscious of its lack of deserving involvement with Myanmar in last three decades and make up for the lost time with earnest involvement of government, private sector and the People.

## **THAILAND-MYANMAR COOPERATION**

### **Introduction**

317. Thailand shares a 2,401 kilometer-long border with Myanmar and has been among its top trading partners and the largest investors even during the military junta's most isolationist periods. It ranks second, surpassed only by

China<sup>33</sup>, in terms of foreign direct investment and two-way trade. Seventy per cent of natural gas used for Thailand's electricity generation comes from Myanmar, exposing Bangkok's heavy reliance on a good cross-border economic environment.

318. Imparting a renewed momentum to economic relations will be a key focus area in the days to come. The energy-rich and resource-rich Myanmar has emerged as a land of opportunity, and with political and economic reforms it embarked on three years ago, the two countries look poised to galvanise its economic ties. Bilateral trade has gone up from barely 12 million dollars in the early 80s to over \$8 billion in 2014.

### **Economic Coop**

319. For Myanmar to develop in the long-term, it will require urgent and massive investments in its infrastructure, education and financial sectors, and Thailand can assume a crucial role in facilitating this through a variety of bilateral and multilateral partnerships it has developed over recent decades, often with the assistance or collaboration of advanced economies like Japan, South Korea and the United States.<sup>34</sup>

320. Trade statistics between Thailand and Myanmar as given in the web site of 'Bank of Thailand', based on data of Custom's Department of Thailand is tabulated below:-

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<sup>33</sup> Sophie Song, "Myanmar FDI: China Accounts For One Third Of Foreign Investment In Myanmar With \$14 Billion".//International Business Times (online) Available : <http://www.ibtimes.com/myanmar-fdi-china-accounts-one-third-foreign-investment-myanmar-14-billion-1446282>

<sup>34</sup> Sasiwan Chingchit.// "Thailand's troubled engagement with Myanmar", China Policy Institute Analysis.// 26 February 2014

Table 4.1 Trade Statistics: Thailand with Myanmar (USD Million)<sup>35</sup>

<b>YEAR</b>	<b>EXPORT (to Myanmar)</b>	<b>IMPORT (from Myanmar)</b>	<b>TOTAL</b>
<b>2006</b>	756.35	2321.09	3077.44
<b>2007</b>	957.88	2301.52	3259.40
<b>2008</b>	1331.34	3376.24	4707.58
<b>2009</b>	1544.66	2781.68	4326.34
<b>2010</b>	2073.04	2813.76	4886.80
<b>2011</b>	2845.85	3485.94	6331.79
<b>2012</b>	3127.05	3674.01	6801.06
<b>2013</b>	3788.47	4032.93	7821.40
<b>2014</b>	4239.11	3916.72	8155.83
<b>2015</b>	4171.79	3566.09	7737.88
<b>2016</b>	4178.18	2354.46	6532.64

321. As brought earlier at Chapter III, Myanmar is Thailand's eight-largest trading partner in ASEAN, and its 15th-largest globally (Thai Commerce Ministry data). In 2015, trade was valued \$7.74 billion, of which, border trade accounted for 80 percent. Bilateral trade can be seen to increase steadily from 2006 to 2014. The drop in total trade in last two years has essentially been on account of progressive decrease in Imports in 2015 and 2016, while tilting the balance of Trade in favour of Thailand.

<sup>35</sup> "Bank of Thailand (Statistic Data).... Classified by country", (Online) Available : <http://www2.bot.or.th/statistics/ReportPage.aspx?reportID=744&language=eng>

322. According to the Bangkok Post, Thai Commerce Minister Apiradi Tantraporn, part of a trade mission to Myanmar in Feb 2017, said that under their close strategic partnership, Thailand and Myanmar would double bilateral trade to US\$13 billion (457 billion Thai baht) by the end of 2021. The minister also pledged that the Commerce Ministry will join with the Board of Investment of Thailand to set up a Thailand-Myanmar Business Cooperation council in Yangon, with more than 300 business people from both nations involved.<sup>36</sup>

323. For taking forward this cooperation, some of the ongoing and suggested measures (leaving those already covered under trilateral coop) are given below:-

(a) **Finding Business opportunities for the future**<sup>37</sup> In May 2017, Thai Ambassador to Myanmar, Mr Jukr Boon-Long led a delegation of Thai Embassy officials and Thai businessmen to survey economic opportunities along the India-Myanmar-Thailand Trilateral Highway. Ambassador was joined by 10 Thai businessmen from various sectors. The delegation visited important cities and towns in Myanmar and India enabling Thai businessmen, to exchange information with local agencies, and to see the economic potential of various places with their own eyes. With regard to cooperation with Mandalay Region, the Thai private sector sees opportunities for cooperation in the sector of agriculture, infrastructure, logistics, and tourism. This initiative by Thai embassy in Myanmar, reflects Thailand's commitment to strengthening economic relations with Myanmar and India.

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<sup>36</sup> "Myanmar, Thailand sign two MoUs, one agreement on bilateral cooperation" 02 Feb 2017 (Online) Available : <http://www.moi.gov.mm/moi:eng/?q=news/3/02/2017/id-9815>

<sup>37</sup> "Ambassador leads businessmen to survey the India-Myanmar-Thailand Trilateral Highway", (Online) Available : <http://www.thaiembassy.org/yangon/en/news/923/78560-Ambassador-leads-businessmen-to-survey-the-India-M.html>



(b) **Bilateral Opportunities in Thailand 4.0** Thailand is undergoing a paradigm shift by embracing dynamic economy that characterizes the 4<sup>th</sup> Industrial Revolution both to prepare itself for the economy of the future and to avoid the middle income trap. “Thailand 4.0”, as the policy is known, positions the country ahead of the curve within the global context by building on its strength on targeted agricultural, industrial and service sectors through innovation-driven enterprises and start-ups. In pursuance of this economic transformation, looking through the prism of only the bilateral economic cooperation with Myanmar the following measures of mutual benefit are suggested:-

(i) While Thailand aims to enhance people’s competitiveness and capabilities through new culture of learning that is purposeful, generative and result-based, Myanmar could engage with Thailand in training its select human resource to form pioneering teams to acquire the expertise and in turn impart similar training back home in their respective fields.

(ii) Experience gained by the Myanmar nationals and exchange of information with Thailand would help Myanmar to suitably apply these models avoiding unforeseen pitfalls experienced by Thailand.

(iii) Thailand has been enhancing physical as well as digital connectivity with Cambodia, Laos, Myanmar and Vietnam to form a single market and single production base with focus on 20 major cities and 80 secondary cities. Through closer cooperation, Thailand together with CLMV plans to promote mutual growth in trade, investment and tourism. Myanmar can utilize the opportunity to dovetail its own development plans that are mutually beneficial, especially in the areas bordering Thailand.

(iv) Upcoming economy of Myanmar would enjoy the intrinsic advantages of Thailand's focus on regionalization and free flow of products, services, capital, information and skilled labors through the upgrading of transportation and logistics.

(v) With the region touted as the next global engine for growth, Thailand is right on track in becoming an important part of Asia's recipe for success. With foresight and synergized economic policy formulation, Myanmar can contribute, as well as gain from the economic progress in the neighbourhood and the region.

(c) **Connectivity**

(i) At the moment, Myanmar's transport sector is dramatically under-developed for a country of its size, population, and potential. While road density for ASEAN nations is about 11km per 1,000 people, in Myanmar it is just 2km per 1,000. In nearby Indonesia and in Thailand, there are about 250-370 vehicles for every 1,000 people; Myanmar averages just 18. Yet Myanmar is a natural land bridge between South and Southeast Asia, sitting at the crossroads of trade between India, China and members of the Association of Southeast Asian Nations. India and Thailand are investing substantially in development of Transport connections, both within Myanmar and in their respective border areas. Myanmar as a host nation has to play an important role of the **facilitator** in early materialization of connectivity projects.

(ii) In this regard Thailand and Myanmar have set up the committee on land connectivity and commencement of negotiations on the draft Agreement on Cross-Border Transport, as well as the memorandum of understanding on international bus services for facilitating trade, investment and tourisms.

(iii) **Border Link Development** Thailand has been funding development of border links through building / repairing bridges (Mei river 1 and 2), roads and buildings. In some cases, Myanmar is still in the process of recovering land causing delays in estimated completion.

(d) **Natural Resources** Myanmar's potential is enormous in natural resources. Home to valuable forest reserves, and considerable water and marine resources, it also has oil and gas reserves and a booming mining sector. If properly utilised, Myanmar's natural resources could dramatically enhance the quality of life its people. Myanmar needs to investment in the development of its people's skills to exploit this natural endowment in well planned manner with strategic and long term outlook. If the country's skill base grows in concert with its economy, its people will be better able to fully reap the benefits of the country's newfound openness.<sup>38</sup> Thailand and India, placed ahead of Myanmar in the developmental path are well placed and willing to cooperate with Myanmar in skill development of its masses.

(e) **Mae Sot-Myawaddy border :‘Stronger Together’ policy<sup>39</sup>**

(i) The Thai government is promoting the Mae Sot-Myawaddy development model as a border trade opportunity for the Thai private sector under the **“Stronger Together”** policy that could be extended to other neighbouring countries besides Myanmar. Thai government has made this a pilot project for expanding border trade with neighbouring countries,” Apiradi said.

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<sup>38</sup> Stephen P. Groff.// “Myanmar: potential to prosper”, Asian Development Bank, // 03 July 2012, (Online) Available :<https://www.adb.org/news/op-ed/myanmar-potential-prosper-stephen-p-groff>

<sup>39</sup> “Govt eyes on border trade with Myanmar”, The Nation.//05 June 2017

(ii) The government is developing an airport in Mae Sot and increasing electricity supply to 200 kilowatts in five years. The logistics system is also under development, whereby the Mae Sot-Myawaddy area will be a gateway to connect ASEAN to India and other countries at lower cost than maritime transport.

(iii) The area could be developed into an industrial zone, so that Mae Sot could become like Macau and Hong Kong in the future,” he said.

(iv) Success of such models is a foregone conclusion. Same may be duplicated at other suitable border areas.

(f) **Border Trade** During the past five years, bilateral trade has been worth \$7.37 billion on average. In 2015, trade was valued \$7.74 billion, with exports from Thailand worth \$4.17 billion. Out of this, Border trade accounted for whopping 80 per cent or \$6.23 billion. Endowed with geographical contiguity there is need for both countries to focus on border trade and further facilitate it through institutional measures and policy formulations.<sup>40</sup>

(g) **Special Economic Zone** In Dawei and Tak SEZs Thailand has incurred huge investments with an aim to create mutually beneficial industrial and trade zones. For the project to start paying dividends, it is important for Thailand to meet the project timelines and Myanmar on its part has to expedite the government clearances, land transfers and rehabilitation processes for prompt completion of the projects.

(h) **Energy cooperation** In June 2015 Thailand and Myanmar signed MOUs on energy cooperation and on cooperation in electricity. Two Joint Working Committees have been established to define a framework for cooperation. The committees need to expedite early finalization of framework.

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<sup>40</sup> “Govt eyes on border trade with Myanmar”, The Nation./05 June 2017

(j) **Hydroelectric dam** Myanmar has been bestowed with huge hydro-electric potential which is largely untapped. Some of the projects under development with involvement of Thailand are The Tasang Dam (also known as Mong Ton Dam) and The Hatgyi Dam. There is large potential for more cooperation in this field.

## SECURITY

324. Significant differences remain with between Thailand and Myanmar over boundary alignment and the handling of ethnic rebels, illegal immigrations and Myanmar exiles and the drug trade, in addition to mineral exploration and fishing rights. Lack of mutual confidence and trust prevented the two countries from cooperating closely and resolving common problems even though they share similar religion, tradition and customs. Issues related to border security, the plight of migrant workers and displaced people have plagued relations for decades.

325. **Drugs and Smuggling between Myanmar and Thailand** The drug trade flourishes in the unruly, mountainous area known as the Golden Triangle, bordering Thailand, China and Laos. Myanmar ranks as the No. 2 source of the world's opium<sup>41</sup> — after Afghanistan — with the military, proxy armies and rebel armed groups all thought to make money from the crop, which feeds demand for heroin in China. Burma is also a production hub for synthetic drugs like meth. Domestic drug use is a rising problem which troubles Thailand as well. Thai government has to persuade and closely work with Myanmar, as strict measures and prompt implementation on ground by Myanmar is the only answer.

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<sup>41</sup> “Opium production in Myanmar and Laos are stable at high levels”, new UN report shows UN News Centre (Online) Available : <http://www.un.org/apps/news/story.asp?NewsID=52838#.WZGVm9IjHIV>

### 326. **Thailand, Myanmar, Insurgents and Border Skirmishes**<sup>42</sup>

(a) The Myanmar junta has accused Thailand of arming Thailand-based Karen insurgents fighting the Myanmar government and the Thais have accused Myanmar of supporting the 20,000-member Wa army, which ties up the Thai Army in northern Thailand and floods Thailand with drugs. Border has witnessed fighting between the troops, sealing of border and also some human casualties in the past.

(b) For the past four decades, the Myanmar government, especially the military leadership, believed fervently but incorrectly that the Thai side had tried to undermine the central government by clandestinely giving support to armed ethnic groups straddling the 2,401-kilometre Thai-Myanmar border.

(c) The 2011 announcement by the Myanmar generals to strive for a peace with the country's ethnic rebel groups and to embark on democratization and economic liberalization was welcomed in Thailand. Fortunately, some progress in a peace process over the past years, which led to the signing of a nationwide ceasefire, has greatly helped to diminish ill-feeling against Thailand.

(d) Contrary to the general belief in Myanmar, the National Intelligence Directorate has been helping the peace process from behind the scenes. It has facilitated representatives of ethnic groups involved in conflict over the border to meet and hold talks both inside and outside Myanmar. In recognition of Thai effort, and as a gesture of goodwill, Thailand was invited as one of the international witnesses to the signing of the peace agreement.

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<sup>42</sup> "Myanmar's relations with Thailand and Southeast Asia", Facts and Details. (Online) Available : [http://factsanddetails.com/southeast-asia/Myanmar/sub5\\_5f/entry-3113.html#chapter-3](http://factsanddetails.com/southeast-asia/Myanmar/sub5_5f/entry-3113.html#chapter-3)

(e) Beyond these civilian ties, both the Thai and Myanmar armed forces continue to work together to combat transnational crime. The current government of General Prayut has done much to fight against human trafficking and slave labour in Thailand. Eighth Meeting of the Thailand – Myanmar Joint Commission (JC), hosted by Thailand, was held in Chiangmai, July 2015. Both sides discussed cooperation in the upgrading of border checkpoints, the preparation for the return of displaced persons to Myanmar, the cooperation in narcotic drugs prevention and suppression, defence cooperation mechanisms and the cooperation in combating human trafficking.

**327. Current Development: Encouragement for Future Coop**

(a) Of late, Thai and Myanmar authorities have apprehended several local human traffickers and their trawlers operating near coastal towns in the Andaman Sea, disrupting the flow of Rohingya from both Myanmar and Bangladesh. Thai and Myanmar security forces, especially the navy, have intensified their cooperation in intelligence exchanges, as well as identity checks.

(b) Apart from the Rakhine crisis, Thailand and Myanmar have intensified their cooperation in repatriating refugees from Myanmar who have been living along the border for three decades. As the peace and national reconciliation process continues in Myanmar, the hope is that more and more refugees will return home of their own free will.

(c) In October, a total of 71 refugees from Nu Po and Tham Hin camps were repatriated to Myanmar with help from the UN High Commissioner for Refugees. Huge challenges remain to ensure that the returnees are properly resettled and taken care of. The orderly repatriation was a milestone in bilateral ties after intense conflicts since the 1980s, which swept an influx of several hundred thousand refugees across the border.

(d) As Myanmar moves forward with economic and democratic development, there are high hopes that ongoing peace process will end the half-century of fighting with ethnic armed groups. This prospect of peace would enable more refugees to return home.



Figure 4.2 Vice President U Nyan Tun receives Chief of Defence Forces General Worapong Sanganetra of the Royal Thai Armed Forces.

328. As evident from the past record and recent talks between Vice President U Nyan Tun and Chief of Defence Forces, General Worapong Sanganetra of the Royal Thai Armed Forces in NayPyiTaw in Nov 2014, the main focus of bilateral military cooperation has been on formation of joint commission and the joint border committees for cooperation in promoting bilateral relations, arrangements for friendly relations and cooperation in peace and stability, rule of law, drug elimination, combating terrorism and prevention of human trafficking at border regions between the two countries. As such, fields of engagements by the two armed forces are likely to maintain status quo in near future.



## **Regional Geopolitics: Emerging nexus of Myanmar-Thailand-China**

329. In the strategic circles recent developments in Sino-Thai relations could be interpreted as the signs of strategic shift or to say the least a balancing act. There has been remarkable increase in the numbers of Thai students studying in China. China is remembered fondly for bailing out Thailand during the 1997 Asian Financial Crisis. Conversely, the United States is resented for its unwillingness to assist financially in 1997 and as a result of disruptive coup-related embargoes and stop-start military engagement. No such sensibilities inhibit China's engagement—despite having funded a communist insurgency in Thailand a generation ago.<sup>43</sup>

330. Myanmar has long been considered closer to China, but many there have been uncomfortable with China's dominating presence and influence. Myanmar doesn't have the same substantial Chinese diaspora as Thailand. But while Myanmar has sought to encourage Western engagement to create some strategic breathing space from China, Myanmar's leaders still recognise that it's in their interest for China to be accommodated and treated with caution. After all, China is heavily invested, most notably with the oil and gas pipeline under construction from the Bay of Bengal to Yunnan province. China also has already disconcertingly flexed its military muscle by lending tangible support to separatists operating against the military (Tatmadaw) in Myanmar's border regions adjacent to Yunnan province.<sup>44</sup>

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<sup>43</sup> John Blaxland, "Reflections on Thailand, Myanmar and the US pivot", *The Strategist (ASPI)*, //25 Jul 2013

<sup>44</sup> Daniel Schearf, "With Burma in Mind, China Quietly Supports Wa Rebels", // 25 January 2013

331. In this background, Aung San Suu Kyi's five-day trip to China assumes importance and indicates priorities of new government. The three share a more than 4,605-kilometre border (Thailand-Myanmar 2,401; China-Myanmar 2,204 km.) Today, existing cross-border issues – especially ethnic armed conflicts, drug and human trafficking seem to potentially serve as catalysts for the next phase of the neighbours' strategic engagements.

332. Myanmar is becoming a game changer in the regional security dynamic, serving as a lynchpin for a broader cooperative framework. For the first time, Myanmar has adopted a holistic diplomacy approach with the non-aligned principle the country holds dear. Suu Kyi's China trip is of great significance in this particular context. Leaders of China, Myanmar and Thailand have pledged to enhance their new economic and security cooperation in ways that would strengthen their interdependence and common pathways. Moreover, Thai-Myanmar relations would increase their overall strategic value for China, both within the shifting geopolitics of Southeast Asia as well as in the ASEAN context.<sup>45</sup>

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<sup>45</sup> Kavi Chongkittavorn, // "Emerging nexus of Myanmar-Thailand-China", *The Nation*. // 22 August 2016

## **CHAPTER V**

### **CONCLUSION AND RECOMMENDATIONS**

#### **CONCLUSION**

##### **General**

333. The Trio of India, Myanmar and Thailand shares geographical boundaries, both land and maritime. Myanmar occupies the central place in the trio wherein it shares both the land and maritime boundaries with other two nations. Seen in the historical perspective the region has witnessed vibrant cultural, religious and trade exchanges for over more than two millennia. This people to people contact has rendered the region with commonalities of culture, values and way of life. Climatic similarity has had an added implication for the commonality in type of cultivation practiced and therefore the food habits. As such, it is but obvious that their larger economic, security and even geo-strategic interests are closely linked to this extended neighborhood. However, the gist of their current status of cooperation on economic and security fronts, though indicative of some progress in the recent past, appears to be well short of exploiting the full potential of the economic and geo-political environment existing in these countries and surrounding region.

334. The objective of this research has been to review the current status of economic and security cooperation and to offer recommendations for its enhancement in the existing domestic and regional environment, keeping in mind the geo-political implications.

335. Similar study analyzing the cooperation of this Trio could not be found in the college library or the internet. As such, data on trilateral cooperation was not available for analysis and comparisons. Therefore, comparison of bilateral data and inferences drawn there from, have been logically applied for putting up recommendations at trilateral level. The

bilateral comparisons in the course of study have been gainfully utilized to offer recommendations at bilateral level as well in the fourth chapter. However, final recommendations in this chapter have been limited to the trilateral *cooperation* on select issues that are seen to have significant impact in the near future.

### **Historical Linkages and Resultant Commonalities**

336. Study of historical perspective clearly brings out, deep and abiding connection between India, Myanmar and Thailand. Exchanges covering the vast canvas of Language and literature, art and architecture, medicine, astronomy, customs, dance forms, food habits and the religion have resulted in remarkable commonalities that translate into strong bonding and inherently bestow upon these three nations subtle understanding of each other. Additionally, sharing of geographical boundaries makes them natural partners in trade which is amply evident in the age old commercial linkages.

337. Buddhism has been the most significant influence that provided the foundation for adoption of culture, thoughts, common spiritual beliefs and practices among people of three nations. The core values of Buddhism that drew Asian societies towards adaptation and cooperation still continue to drive them towards accepting a **cooperative culture**.

338. Sharing of land and maritime boundaries has brought in its own share of problems in terms of insurgency, smuggling, piracy, drug/human trafficking and separatism having inter-state dimensions which warrants co-operation of immediate neighbours. As such, in the larger interest of these three countries in particular and Southeast Asia in general, it is important for India, Myanmar and Thailand to draw right lessons from history and build up on the strong bondages of the past to strengthen and transform recent trends of friendship into a more effective, expanding and strategic partnerships.

## Prevailing Environment

339. India and Myanmar started their journey as free nations almost together in late 1940s. The challenges faced were similar in terms of agricultural production, education, industrialization and eradication of poverty. India matured into a stable democracy while starting the process of economic reforms rather late, in early 1990s. Myanmar was subjected to military rule for close to fifty years. Catastrophic economic policies and the sanctions because of military rule, pushed the country into utter poverty. Recent revival of the democracy and initiation of economic reforms has given the ray of hope to the nation that fortunately has abundance of natural resources. Thailand is the only nation in SEA that escaped onslaught of colonization under its able monarchs. Being under self rule and with its foresighted monarchs, Thailand had a relatively early start in the process of modernization. As of today, the three nations have a stable government and clear intent of *economic growth* in the environment of *peace and stability*.

340. Three regional / sub-regional groupings common to the Trio and therefore, relevant to this research are ASEAN, BIMSTEC and MGC. Of these, ASEAN which celebrates 50 years of its existence has progressed well. Realisation of ASEAN vision 2020, MPAC-2025 and ASEAN-India partnership POA : 2016-2020 also augur well for the multilateral cooperation of the Trio. It's important for them to dovetail their development plans with regional ambitions while keeping in mind the challenges of equitable growth, development of emerging technologies and human resource development.

341. On the contrary, other two organizations of BIMSTEC and MGC are relatively new (1997 & 2000 respectively) and have got to a rather modest start. Their substantially high untapped trade potential, remains unrealised due to barriers to trade and structural differences of the economies, among which some are intuitively policy barriers (such as tariff and non-tariff measures, etc.), whereas a large part of the barriers are also related to environment such as low connectivity and remoteness, inadequate banking

and financial instruments, unfavourable business environment, etc. The single most crucial factor is establishing satisfactory *inter-regional transport connectivity*, something that is foundational for several other fields of cooperation.

342. BIMSTEC, stands out in its significance to this research work because five of its member countries belong to SAARC and remaining two are part of ASEAN. Thus, BIMSTEC can serve as the bridge between South Asia and Southeast Asia. As for the Trio, India and Myanmar (with its Observer status) represent SAARC and all three are part of ASEAN / ASEAN Plus 6. Moreover, BIMSTEC is an “issue-free relationship” that has no written charter and thus is more flexible.

### **Current Status of Cooperation**

343. **Indo- Thai** Prevailing political environment in the respective countries shaped their foreign policies and the resultant economic and security relations with other countries. India’s reorientation of its foreign policy came essentially post cold war with long overdue ‘Look East Policy’ in 1993. Thailand came out with its complimentary ‘Look West Policy’ four years later in 1997. Myanmar initiated its economic reforms after return to democracy in 2010. Though, Thailand, realizing the importance, had already established strong relations with Myanmar during military rule which India had overlooked. Gist of current status of cooperation with emphasis on enhancement is given below:-

- (a) **Economic Relations** witnessed growing warmth and increasing economic / commercial links since 2001. Bilateral trade has averaged above US\$ 8 billion from 2011 to 2016. Seen in a longer perspective trade multiplied 8 times from 2000 to 2012. However, when compared with the larger set of countries, bilateral trade statistics do not look very encouraging. In India’s trade with ASEAN countries, Thailand ranks 5<sup>th</sup> in total trade & exports, and 4<sup>th</sup> in imports. In last five years (2012-13 to 2016-17) Indian exports to Thailand have varied in the range of 1.12 to 1.24 % of its total exports worldwide. Likewise share

of imports from Thailand in the same period has ranged between 1.09 to 1.45 %. Cumulative FDI inflows into each other's country from 2000 to 2016, are less than 1% (barely 0.09%) of total FDIs inflows. 'Withholding Tax' on IT services from India, voluminous documentation & tedious procedures for work permits are some of the limitations quoted by Indian businesses.

(b) **Security Cooperation** After 67 years of diplomatic relations and two decades of collaboration, Thailand and India finally signed a Memorandum of Understanding (MoU) on Defence Cooperation in January of 2012. This effort to deepen defence and military ties between the two countries emerged relatively late when compared with those between India and most other Southeast Asian countries. Indian Ministry of Defence reports, for last 11 years show that Indo-Thai defence cooperation lacks overall substance. It is insignificant when compared with India's collaboration with Singapore, Malaysia, Indonesia and even Vietnam, a distant neighbour. When compared with countries outside ASEAN, Thailand conducts around 40 military exercises with USA each year and Thai-Australia military engagement also follows similar format. (9 bilateral and five multilateral). Further there are numerous other areas of collaboration / cooperation with Australia in addition to robust training exchange programme. With India, training collaboration or exchange of military students is much below the desired level. Also, there was barely any exchange of concrete defence supplies and only one bilateral combined exercise. Given their geostrategic positions in the region, the changing power dynamics in Asia and the existing inter-regional economic partnership, there is an urgent need for New Delhi and Bangkok to further strengthen their security and defence cooperation.

344. **Indo-Myanmar** Realising the potential of closer India-Myanmar ties, even before the transition of Myanmar government to democracy, then prime minister of India, Mr Narsimha Rao began the engagement with ruling junta in 1993. The initial steps taken by Mr Rao were taken further by

subsequent governments, each adding more substance to this relationship, albeit at a much slower pace. The current status of cooperation reflecting on the need for more focused approach is given below:-

(a) **Economic cooperation**

(i) Bilateral trade rose from US\$ 328 million in 1997-98 to US\$ 921.19 in 2006-07 and climbed up to US\$ 2.052 billion in 2015-16. India is the fifth largest trade partner of Myanmar (3<sup>rd</sup> largest export destination for Myanmar and 7<sup>th</sup> largest source of imports into Myanmar). Growth of imports from India outpaced growth of exports to India. From the regional perspective, India is the 4<sup>th</sup> largest trading partner among ASEAN and Myanmar's neighbours. India ranks ninth in investments with an approved investment of US\$ 730.649 million by 22 Indian companies, out of the total estimated investments of US\$ 58.03 billion from 41 countries (as of Feb 2016).

(ii) Seen in the context of their neighbourhood and therefore, relative ease of trade and mutually beneficial areas of trade & economic cooperation, statistics are much below potential. Promising sectors for Indian investment are, Power, Renewable Energy, Agri-business, food processing, construction related industries, hospital & Healthcare, vocational training & Education, Mining, Oil and Gas, Refinery, Fertilizer, Pharma & Iron and steel. Major barrier to economic cooperation is 'Poor transport connectivity (road, rail, marine and air)' and is being addressed trilaterally. Myanmar on its part has been found wanting on certain issues like land acquisition, rehabilitation etc. which are delaying the completion.

(b) **Defence and Security** Given the geo-strategic factors as well as inter-linkage between India's North East Region (NER) and



Myanmar's north-western region, it is natural that defence cooperation should be an important component of bilateral relations. This has witnessed a significant strengthening, though major areas of potential growth are 'Border security and management', non-traditional security threats, Training Exchanges, Sale of Defence Equipment and Maritime Co-op. Myanmar is vital geo-strategic entity on India's eastern flank and therefore would continue to remain important to India's strategic interests.

345. **Thai-Myanmar** Thailand shares a 2,401 kilometer-long border with Myanmar and has been among its top trading partners and the largest investors even during the military junta's most isolationist periods. It ranks second, surpassed only by China, in terms of foreign direct investment and two-way trade. Seventy per cent of natural gas used for Thailand's electricity generation comes from Myanmar. Myanmar is the key to Thailand's "Look West Policy", in which it serves as a land bridge or "West Gate" to South Asia and Western China.

(a) **Economic Cooperation** Bilateral trade has gone up from barely 12 million dollars in the early 80s to over \$8 billion in 2014. Thailand aims to double bilateral trade to US\$13 billion (457 billion Thai baht) by the end of 2021. Myanmar is Thailand's eight-largest trading partner in ASEAN, and its 15th-largest globally (Thai Commerce Ministry data). Despite the steady increase in bilateral trade over years, when seen in ASEAN perspective, Myanmar being eight trading partner (last but one) amongst ASEAN nations leaves much to be desired. For Myanmar to develop in the long-term, it requires urgent and massive investments in its infrastructure, education and financial sectors, and Thailand can assume a crucial role in facilitating this through a variety of bilateral and multilateral partnerships it has developed over recent decades.

(b) **Security Cooperation**

(i) Significant differences remain between Thailand and Myanmar over boundary alignment, handling of ethnic rebels, illegal immigrations & Myanmar exiles and the drug trade, in addition to mineral exploration and fishing rights. Lack of mutual confidence and trust prevented the two countries from cooperating closely and resolving common problems. However, there are certain current encouraging developments that hold promise for better cooperation in the future. Both countries have intensified cooperation in repatriating refugees from Myanmar who have been living along the border for three decades (71 refugees from Nu Po and Tham Hin camps repatriated with help from the UN). Myanmar has signed a ceasefire deal with eight armed rebel groups, in October 2015, which will ease the associated trans-border issues for Thailand and enable more refugees to return home. . Also, Thai and Myanmar security forces, especially the navy, have intensified their cooperation in intelligence exchanges, as well as identity checks, resulting in apprehension of some human traffickers.

(ii) Broadly, the main focus of bilateral security cooperation has been on formation of joint commission and joint border committees for cooperation in promoting peace & stability, rule of law, drug elimination, combating terrorism and prevention of human trafficking at border regions between the two countries. Rightly so, such fields of engagements by the two armed forces are likely to maintain status quo in near future to mitigate decades old issues haunting two countries.

**Geo-political Imperatives**

346. In the post cold war context international relations are being redefined and a new politico-security-economic international architecture is emerging. With emergence of new centres of power, partnerships and alliances are

being reshaped and reviewed. Closer home, as the USA starts to lower its profile and while China consolidates its rise, new security architecture has begun to take shape. Non-traditional security threats with trans-national dimension are warranting closer security cooperation of the neighbours. On the economic front, eastward look has acquired an altogether new significance. While old economic power houses, especially the European countries are going through rough times, India, China and Southeast Asia in particular, have coped well with the economic difficulties and the challenges. Asia is fast emerging as the engine of world economic growth. In this overall scenario, strengthening of India-Myanmar-Thailand strategic partnership holds promise for the following reasons:-

(a) **Economic**

(i) India's steady economic growth in last 25 years, since initiation of economic reforms, that dovetails with the need for economic options and opportunities that Thailand and Myanmar seek.

(ii) India's expertise in Information Technology, communications, space programme, and well trained, abundant Human Resource.

(iii) Thailand "one of the great development success stories" that managed globalization with comparative ease and success, has a longer and more intimate experience of dealing with foreign investments and privatization to be shared and utilized.

(iv) Myanmar, a new entrant on the path of economic liberalization with abundant business opportunity and seeking help and cooperation from neighbours.

(b) **Security**

(i) Reduced American strategic commitment in SEA, and rapid emergence of China as the main political and economic

power in Asia, creates an imbalance in the relations among Asian countries that can be corrected only by a country like India, which possesses the size, resources, potential and more importantly the CHARACTER for the purpose.

(ii) India's political and strategic credentials find symmetry with strategic calculations of both nations because of benign nature of these credentials and for the democratic and liberal assurances that they offer.

(iii) India's indispensability in any effort to define and ensure the security of the broader Indian Ocean Region is a well known.

(iv) Contemporary, non-traditional; threats to peace and security such as cross-border terrorism, environmental hazards, transnational crime, illegal migration and a host of other similar perils can be tackled effectively only with joint and coordinated efforts of geographic neighbours.

**(c) Regional / Sub-regional Groupings : Implication**

Commonality of Trio to three major regional / sub-regional groupings of BIMSTEC, MGC and ASEAN / ASEAN+6. (Their cooperation at multilateral and trilateral levels would be complementary to group efforts in sub-regional cooperation)

**347. The Way Forward for TRIO**

(a) Having seen the geo-political imperatives, covering both economic and security aspects at the international / regional / sub-regional level and having analysed the current bilateral cooperation with a view for its further enhancement, it becomes amply clear that India, Myanmar and Thailand, the TRIO with age-old multi-faceted and time tested relationships need to reflect on their bilateral, sub-regional and regional interface and take steps to contemporarise their

ancient relationship by giving it new relevance, meaning, definition and identity of purpose.

(b) Because, modern day nation states and regional entities do not always base their international relations in a narrow paradigm of mere cultural and historical linkages. A relationship devoid of fundamental mutual convergence of interests, deep and sustainable manifest content, and mutuality of interests is unlikely to prosper in the contemporary context.

## **RECOMMENDATIONS FOR TRILATERAL COOPERATION**

### **CALLINGS OF TRILATERAL COOPERATION**

348. Recent studies on managing consequences of the waning US hegemony look at evolving global power shift, as an opportunity to build a new basis for global order, which would be predicated on *cooperation and equity*. Also, the economic growth of Asian states and large pool of trained young population, paying huge demographic dividend have tilted the world economic balance in Asia's favour. It is being called the engine of world economic growth. To exploit the opportunity rendered by current situation, appreciating the mutualities of interest and to emerge as strong nations of proud citizens, it is essential for India, Myanmar and Thailand to effectively engage with each other on all fronts and move hand in hand on the path of development.

349. Despite large commonalities, the three nations have their unique strengths and shortcomings. Thailand has managed globalization with comparative ease and success. Practicing market driven economy for over three decades, it has a longer and more intimate experience of dealing with foreign investments and privatization. India has 'globalised' cautiously and

slowly as compared to Thailand, whereas Myanmar is a relatively new entrant in the game. India's journey in building up of expertise in Information Technology, communications and space programme is the example worthy of emulation. As such, and especially so, being at different stages of development and nation building, being geographical neighbours and at the sub-regional level, being a bridge between South and SE Asia, there is abundant scope to share, and learn from the experiences of each other.

## **ECONOMIC COOPERATION**

### **Trilateral Trade**

350. It is recommended that trilateral trade be augmented through a 'green channel' approach, preferential sourcing of imports and creating growth areas in each other's territories. (This was one of the objectives of the India-ASEAN partnership and BIMST-EC of which India, Myanmar and Thailand are members). Trilateral FTAs/CECAs be negotiated with fixed timelines to the negotiating committees and agreements signed on priority. This is absolutely essential to boost current trade levels and enable realization of full potential. FTAs should be comprehensive consisting of good, services and investments. Joint ventures, and investments based on each other's excellence, endowments and comparative advantage can prosper in a free trade area. This can very well happen alongside the broader canvas of BIMSTEC and MGC cooperation.

351. **Trade Recommendations** Being aware of the trade dependency on government policies, institutional quality and connectivity, the following measures need to be addressed at the government level of three countries:-

- (a) Institute Minister level dialogue at trilateral level to boost economic & commercial ties and for resolving differences on policy and procedural matters, like FTA.

- (b) To set up an Eminent Persons Group (EPG) to suggest ways and means of expanding, deepening and intensifying economic relations and to suggest a road map for the future. The group should be given a fixed periodicity to meet and submit reports, to be examined at Minister level dialogues.
- (c) Prompt negotiation and finalization of comprehensive trilateral / bilateral FTAs.
- (d) Reduction of costs to trade with the help of WTO Trade Facilitation Agreement (TFA).
- (e) Review of the ASEAN-India FTAs, to identify problems and barriers relevant to tariff and non-tariff measures, consideration of liberalization of tariffs on products included in the Sensitive Track and Exclusion List.
- (f) Harmonisation of standards, customs procedures and cooperation in transport infrastructure.
- (g) Negotiations on Liberal rules of origin.
- (h) Improvement of infrastructure and transportation linkages.
- (j) Building of Regional Value Chains (Production networks have become an important phenomenon in Southeast and East Asia. Given the variations in production of goods and services, complementarities between the three countries are added strength to build and strengthen the value added stages, needed for stronger cross-border regional value chain networks).
- (k) Finalisation of 'India-Myanmar-Thailand Motor Vehicle Agreement' (will play another critical role in realising seamless movement along roads linking India, Myanmar and Thailand).
- (l) Signing of Mutual recognition agreements in services trade sectors. (For example; India is yet to receive greater market access to

services trade in ASEAN, even though ASEAN can utilise India's IT and IT-enabled services, as well as education, health and tourism services in which India has global competitiveness.)

(m) Special visa arrangements, to encourage business, people-to-people exchange and tourism.

(n) More streamlined processing for movement of skilled workers between India, Myanmar and Thailand.

**352. Recommended Cooperation at Sub-regional Level** At the sub-regional level, India, Thailand and Myanmar are founding members of BIMSTEC. This forum is unique because it includes five SAARC and two ASEAN member countries. There is scope for transforming this region into a free trade area, or even a common market. Proposals such as development of tourism, creation of common infrastructure and common projects such as an airline to serve the region have been under discussion although not much progress has been achieved. The Trio can take a lead in pursuing BIMSTEC agenda which in turn would be beneficial to their individual countries as well.

## **Interstate Connectivity**

**353.** Vibrant cross-border corridors and strong coordination mechanism are the foundation stones of meaningful cooperation and development. Trilateral overland connectivity is badly hampered because of the missing rail and road links in Myanmar. (The Asian Development Bank estimates the necessary upgrades will cost \$60 billion through 2030)<sup>1</sup>. Therefore, average road conditions and the railway system inside Myanmar need to be improved and upgraded. The following connectivity projects need immediate attention:-

### **354. India–Myanmar–Thailand Trilateral Highway**

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<sup>1</sup> Asian Development Bank.// "Asian Development Outlook 2016", (Online) Available : <https://www.adb.org/sites/default/files/publication/182221/ado2016.pdf>



(a) The much talked about and awaited proposal has run into delays, mainly due to time overruns in road upgrades in Myanmar and also because of Myanmar not meeting the its earlier commitments on undertaking certain stretches and bridges. Completion that was earlier expected in 2016 is nowhere in sight.

(b) However, MoU signed between India and Myanmar during the latter's presidential visit to India in August 2016 has infused new energy. Responsibilities of upgrading different sections/ bridges have been reviewed (India taking on larger commitment). In August 2017, government of India has allocated US\$256 million for the upgrade of Trilateral highway. In addition to earlier contribution by Thailand, it is undertaking upgrade of 68 km section of the road between Thaton in Mon State and Eindu in Kayin State, at cost of US\$51 million. Myanmar has also requested Thailand to assist in the development of other sections of the highway.

(c) **Recommendation** With the current developments and freshly proposed completion of 2020, the following is recommended:-

- (i) Establish a 'Special Purpose Vehicle' (SPV) owned by all three countries to monitor and implement the project.
- (ii) Identify stretches with lack of clear responsibilities of upgrade and fix these trilaterally.
- (iii) Lay down timelines on all the proposed works to meet final completion in 2020. SPV to monitor the progress and review work schedules without compromising of final completion in 2020.
- (iv) Three nations on their part, to meet timelines of respective areas of responsibility. (Here Myanmar needs to play an important role of facilitator)

(v) In addition to the highway, India (poor infrastructure in North Eastern Region) and Myanmar need to invest in upgrading internal linkages feeding / connecting to the highway.

### 355. **New Delhi - Hanoi Rail Link**

(a) First proposed at the MGC ministerial meeting held in Phnom Penh in June 2003 the project has merely witnessed completion of few surveys. The major missing links in the trilateral connectivity of proposed rail corridor are; Jiribam-Imphal-Moreh line ( in the Indian State of Manipur), Tamu-Kalay-Segyi line (in Myanmar) and rehabilitation of Myanmar's existing Segyi-Chaungu Myohaung line. Two possible routes proposed are; Route-I connecting Hanoi via Myanmar, Thailand, and Cambodia and in Route-II after Myanmar it will be diverted to Bangkok via Ye and the newly-constructed portion of Ye and Dawei in Myanmar, then to Hanoi through Thailand and Laos. Other major issue that needs to be addressed is difference railway gauges between countries.

(b) **Recommendation** With this background, for this project to see light of the day following is recommended:-

(i) Strong political resolve at MGC level to work on the project.

(ii) Establish 'Special Purpose Vehicle' (SPV), with constituent members from all stakeholders.

(iii) SPV be given the task to review studies / surveys undertaken so far and come out with reviewed proposal (including modalities to overcome rail gauge differences) within fixed timeframe.

(iv) On in principle approval at appropriate level, the detailed proposal laying down individual member states' responsibilities

(rail infrastructure, logistics, set up at border crossings and policies for transit facilitation) with completion timelines be presented for approval and subsequent implementation.

### 356. **Border Connectivity**

(i) Greater Mekong Sub-region is the most prominent case where countries have successfully transformed borders into bustling place of economic activities.

(ii) **Recommendation** For the Trio, Governments need to do address key barriers like inadequate cross-border infrastructure, lack of / poor trade facilitation, poor border infrastructure, inconsistent and difficult border crossing formalities and procedures and the restrictive visa regimes. Having addressed these fundamental issues, the next logical step would be setting up of Border Economic Zones (BEZs), more applicable here in the context of India-Myanmar border. Myanmar has received the GSP benefits, (like Cambodia or Lao PDR in Mekong) and India also stands to gain huge benefits if BEZs are promoted, particularly with Myanmar. Thailand-Myanmar have relatively progressed well in border trade and need to enhance further setting up of additional border crossings and BEZs.

### **Technology and Knowledge**

357. The coming five decades are likely to be decades of knowledge and intellectual capital. Whether it is information technology, biotechnology, tele-communications, genetic engineering, oceanography or space, the nation states will have to position themselves to derive maximum advantage in a rapidly changing and highly competitive business and trade environment. India is already a world leader in some of these areas. India has gradually and with firm hand showed its strength in these rapidly evolving fields; its open economy harnessing human resources, skill-sets and the assets created by decades of central planning, including in the field of

higher education.<sup>2</sup> Thailand too is well endowed in some of these frontier areas. One of the four objectives of Thailand 4.0 is to create a value-based economy that is driven by innovation, technology and creativity. The model aims to increase Research and Development (“R&D”) expenditure to 4% of GDP.<sup>3</sup>

### 358. **Recommendation**

(a) India and Thailand the natural partners in this new knowledge era, need to create and build an infrastructure of sustained partnership, coordinate their approaches and policies in the World Trade Organization (WTO) and other fora.

(b) India and Thailand together to create opportunities in our common neighbourhood of Myanmar. would be mutually beneficial, being in a Win-win situation for all three nations. Cooperation in HRD, science and technology provides opportunity for India and Thailand to invest in Myanmar, which in turn stands to benefit immensely from the expertise of these two nations.

(c) The starting point for India and Thailand could be to identify and divide areas of their respective excellence & core competence and evolve institutional cooperation arrangements.

(d) While on this path, there is a collaborative need for the governments to navigate carefully through accelerating pace of technological change and digital disruption, to build the right enabling environment and a connected regional digital economy, which while ushering in Fourth Industrial Revolution, moves forward without leaving behind any elements of the society.

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<sup>2</sup> Sheel Kant Sharma.// “India’s Look East Policy:1990-1994”,//in// Amar Nath Ram.// (New Delhi:Manohar Publishers and Distributors)//P 42

<sup>3</sup> “Thailand 4.0” (Online) Available, : <http://thaiembdc.org/thailand-4-0-2/>

## Cooperation in Agriculture

359. **Importance of Agriculture** India, Thailand and Myanmar have been mainly Agrarian societies because of large alluvial plains with perennial rivers, tropical climate and good rainfall, which rendered the region suitable for agriculture. As such, ancient settlements/civilizations that were mainly dependent on agriculture flourished in these countries over the centuries. Even today economies of these countries are anchored around agriculture. Though, economic contribution of agriculture to their GDPs has declined with their broad-based economic growth, the sector remains important for the nation's development for following reasons:-

(a) **India** Nation ranks second worldwide in farm output. Agriculture and allied sectors like forestry and fisheries account for 13.7% of the GDP, employing about 50% of the workforce. Despite successes of its 'Green Revolution', agriculture has the potential for major productivity and total output gains. (Crop yields in India are still 30% to 60% of the best sustainable yields achievable in developed and other developing countries)<sup>4</sup>

(b) **Myanmar** It has the most favorable agricultural conditions in all of Asia. The agriculture sector dominates the economy, contributing 38% of GDP, and employing more than 60% of the workforce. However, land and labor productivity in Myanmar are much lower than in other Asia's rice bowls. Also, there is a lack of agricultural public programs and public goods.<sup>5</sup>

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<sup>4</sup> "Agriculture in India", (Online) Available, : [https://en.wikipedia.org/wiki/Agriculture\\_in\\_India](https://en.wikipedia.org/wiki/Agriculture_in_India)

<sup>5</sup> "Unleashing Myanmar's agricultural potential",//Sergiy Zorya,// The World Bank,// 2 July2016, (Online) Available.: <http://blogs.worldbank.org/eastasiapacific/unleashing-myanmar-agricultural-potential>

(c) **Thailand** Agricultural production as a whole accounts for an estimated 9-10.5 percent of Thai GDP.<sup>6</sup> Forty percent of the population works in agriculture-related jobs. Before its major shift to manufacturing sector in 1970s, almost 100% exports from Thailand were agriculture based. Even today, agriculture exports account for 25% of total export by value while providing employment to one third of its population. Two main issues that Thailand needs to tackle are; extension of irrigation facilities to larger mass (to decrease dependence on monsoon) and increase productivity which hasn't really changed since 1960s.

360. **Common Challenges** Employment of their substantial percentage of population in agriculture, despite its decreasing share of contribution to GDP, calls for attention and its upliftment to ensure inclusive growth. Secondly, despite their varying degrees of successes and failings in the past, increasing of farm productivity remains a key area of all three countries.

361. **Recommended Areas for Cooperation** In view of the common challenges mentioned above, the following areas of cooperation hold promise for the Trio:-

- (a) Increase research in high yield varieties (Sharing of Thai and Indian experiences, involve Myanmar in future joint research programmes of trilateral interest)
- (b) Invest in irrigation projects to maximize its reach that will reduce dependency on monsoon and enable cultivation in dry season. (Ample potential in all three countries, esp Myanmar where India-Thailand can work jointly)
- (c) Improve market access to farm product, enabling reach to places of demand including trans-border (Access to effective agricultural value chain, facilitation by recipient nation)

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<sup>6</sup> "Agriculture in Thailand", (Online) Available, : [https://en.wikipedia.org/wiki/Agriculture\\_in\\_Thailand](https://en.wikipedia.org/wiki/Agriculture_in_Thailand)

(d) Promote use of information technology: Along with use of old means of mass media like radio & television even the mobile phone is an effective tool to reach farmers with information on weather, fertilizer / pesticide selection, sources of credit and markets for yield with prices etc. (Collaborate in IT enabling technologies, with India in lead)

(e) The Trio could dovetail its cooperation with the ongoing activities of '**India-ASEAN Working Group on Agriculture**' to reap its benefits.

(f) Along with increasing productivity it should be aimed to promote agro based 'Small and Medium Enterprises' in rural areas which would provide employment to the locals, increase their income, check uncontrolled migration towards cities and most importantly, uplift the rural areas thereby bridging the large existing gaps in the financial status of urban and rural populaces (inclusive growth).

## **Tourism**

362. **Thailand** It is an example to emulate in promoting tourism. Estimates of tourism receipts directly contributing to the Thai GDP amounted to 17.7% in 2016. China ranks first in number of visitors to Thailand accounting for 27 percent of all foreign travelers. While India and Myanmar rank 6<sup>th</sup> and 20<sup>th</sup> respectively. Government support to Tourism has been instrumental in its steady growth. Measures like VISA on arrival, separate tourism police force, ease of foreign exchange, good air connectivity to Bangkok and other tourist places are some of the measures that have paid dividends.<sup>7</sup>

363. **India** Tourism in India also is growing rapidly. It contributed 9.6% of the nation's GDP in 2016 and supported 40.343 million jobs, 9.3% of its total employment. About 8.89 million foreign tourists arrived in India in 2016 with Bangladesh topping the list. Both, Thailand and Myanmar

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<sup>7</sup> "Tourism in Thailand", (Online), Available : [https://en.wikipedia.org/wiki/Tourism\\_in\\_Thailand](https://en.wikipedia.org/wiki/Tourism_in_Thailand)

however, did not figure in the list of top ten countries. Despite popular Indian destinations of Buddhist interest for Thai people, [Varanasi(Sarnath), Kushinagar and Bodhgaya] only 120,000 Thais visited India in 2016. Notwithstanding its potential, the security issues and crime — especially against women and prior VISAs are some persisting troubles that have plagued the Indian tourism industry.<sup>8</sup> India has recently implemented an online method for citizens of 40 countries to apply and receive an e-Tourist Visa. Further it has implemented a new visa policy in November 2014 that allows visitors to obtain a visa on arrival by acquiring only prior ‘Electronic Travel Authorisation’ online before arrival. The facility will be made available to citizens of about 180 countries in several phases.

364. **Myanmar** Tourism in Myanmar is a slowly developing sector. Although the nation possesses great tourist potential and attractions in many fields, much of the industry remains to be developed. Also, the number of visitors to Burma is small compared to her neighbours - even outpaced by Laos. Thailand tops the list in number of tourist to Myanmar followed by China. India with its huge population, ranked 11<sup>th</sup> with barely 34600 tourists in 2015. For now, nearly all visitors come for the rich history and culture. To attract new types of tourists and entice more to return, new tourism products and destinations need to be developed.<sup>9</sup> Poor transportation and strict rules on access have restricted tourism development in Myanmar.

### 365. **Recommendations**

(a) Success story of Thailand is something for both India and Myanmar to study and learn from. Among the reasons for the increase in tourism in the 1960s was the development of Bangkok as a crossroads of international air transport. Myanmar and India have to

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<sup>8</sup> “Tourism in India”, (Online), Available : [https://en.wikipedia.org/wiki/Tourism\\_in\\_India](https://en.wikipedia.org/wiki/Tourism_in_India)

<sup>9</sup> Kyaw Phone Kyaw, // “Opportunities and challenges abound for tourism sector”, // Frontier // 27 October 2016



provide easy and affordable connectivity to their likely tourist destinations. Being geographical neighbours, good trans- nation road and rail connectivity will give further boost to tourism. After opening of the Trilateral highway, Joint effort by the Trio, of synergized tourism products that facilitate trans-national road movements, well punctuated with popular tourist destinations enroute is bound to have cascading effect in enhancement of regional tourism.

(b) In addition, conducive government policies, creation of support infrastructure, tourist friendly environment, sense of security and apt promotion of tourist destinations are the key areas that both countries need to focus on. Further, economic growth in Myanmar would increase spending power of its people, who are bound to look for neighbouring countries as affordable tourist destinations. As seen from the statistics, while 1.2 million Indian visitors came to Thailand, those visiting Myanmar was only 34600. Likewise, Thailand has topped the list of visitors to Myanmar but those coming to India is relatively few (almost half). It is for the host countries to identify the reasons and be facilitators in attracting foreign tourists through institutionalized measures.

## **SECURITY COOPERATION**

366. India's sharing of land border with Myanmar and maritime boundaries with both, Myanmar and Thailand necessitates forging of closer trilateral ties in the domain of security cooperation. China's aggressive pursuit of its territorial claims has aggravated regional tensions. The states in China's vicinity are now seeking to expand their strategic space by reaching out to other regional and global powers.

367. India with its economic status and noteworthy military capability is well poised to play a more significant role on the global and extra-regional stages. As the regional balance of power in Asia changes and as the very

coherence of the ASEAN comes under question for certain regional security issues like ‘South China Sea’, there will be new demands on India.<sup>10</sup> Onus will clearly lie on the shoulders of bigger states of the grouping like Thailand and regional players like India to think more creatively, looking beyond the short term and self centered gains to remain committed to the cause of long term peace and stability through collective strength.

368. On the territorial disputes in the South China Sea, Indian Prime Minister, Mr Modi was firm in stating India’s deep interests in the freedom of navigation in sea and air, underlining the importance of all parties abiding by the principles of the United Nations Convention on the Law of Seas.<sup>11</sup>

### **Recommended Cooperation in Traditional Security**

369. India, Thailand and Myanmar have a common interest and a role to play in ensuring and maintaining peace, prosperity and stability in this region. In the larger Asia – Pacific regional context, India and Thailand the major trading entities and importers of oil and energy; while Myanmar, the rapidly growing economy would have increasingly similar stakes and therefore, there is need to work together to ensure the safety and freedom of sea-lanes passing through the Indian Ocean and South-East-Asia. Current status of cooperation at all bilateral levels is found to be much below the demands and imperatives of situation and environment. Therefore, for cooperation at trilateral level, the following is recommended:-

- (a) Institute trilateral defence dialogue at ministerial level that is to be followed by secretary level committee with detailed scope.
- (b) Finalise broad ‘Defence and Security’ trilateral agreement to be the basis for detailed cooperation plan with long term perspective.

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<sup>10</sup> Harsh V. Pant.// “Filling the strategic space in South-East Asia”, The Hindu.//22 December 2012

<sup>11</sup> C. Raja Mohan. “ From Looking East to Acting East”. (Online). Available : <http://www.mea.gov.in/in-focus-article.htm?24714/From+Looking+East+to+Acting+East>

- (c) Prioritize border security and border management for confidence building and enabling meaningful trans-border economic cooperation.
- (d) In view of protection of economic interest and the vulnerabilities, emphasis be given to maritime cooperation consisting of trilateral naval exercises, coordinated patrols, joint hydrographic surveys and other spheres of maritime activities of mutual interest. (this coop would also help in tackling non-traditional security threats)
- (e) India to take on the larger share of responsibility in exchange training programmes by providing seats to both countries in its training facilities.
- (f) Joint and service specific trilateral exercises for better interoperability (increasing scope and extent in graduated manner).
- (g) Signing of white shipping agreement.
- (h) Defence production in Thailand and Myanmar with Indian collaboration.

## **Recommended Coop in Non-traditional Security Issues**

**370. Asymmetric Threats and Maritime Cooperation** Geographical connectivity with Myanmar and Thailand brings in historical and operational realities. All the three countries are highly dependent on the maritime medium for their economic prosperity. Engaging in maritime cooperation focused on addressing the asymmetric threats like piracy, maritime terrorism, gun-running and drug smuggling involving coordinated patrols, search and rescue at sea and protection of maritime environment is the need of the hour.

**371. Climate Induced Security Challenges** Climate change and climate induced security challenges involving illegal migration and increased

frequency of cyclones and typhoons have opened new opportunities for maritime cooperation.

### 372. **Terrorism and Related Issues**

(a) India and Thailand have for some time been victims of domestic and externally fomented terrorism and destabilization. In many a cases these terrorists are supported by a network of global terrorist outfits having nexus with criminal and drug gangs. Myanmar faces a growing danger of attacks by foreign supporters of Islamic State (IS) recruited from Southeast Asian networks in support of persecuted Muslim Rohingyas. The uncontrolled growth and entrenchment of forces of fundamentalism and terrorism, particularly in our region, pose a grave danger and challenge.

(b) **United Fight Against Terrorism** Since all the three countries face this menace, there is a need to look at this new and serious challenge to their polities and societies in the bilateral, sub regional and regional context. Cooperation on Counter-terrorism to include sharing of Int, training exchanges in facilities providing training in CT Operations and exchange views on the causes and manifestations of this growing menace.

(c) **Associated Non-Traditional Threats** Closely related to the issues of religious fundamentalism and terrorism are issues of drug and human trafficking, crime, including transnational crime, cyber crime, trafficking in counterfeit currency, international piracy, cross border networking of criminals and anti-social elements. Apart from international and regional efforts, India, Myanmar and Thailand will need to redouble cooperation, at trilateral & bilaterally level, to combat these elements with focus on joint effort along borders and joint maritime patrolling.

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# **REVIEW OF INDO-THAI-MYANMAR ECONOMIC & SECURITY CO-OPERATION AND POSSIBILITIES FOR THE FUTURE**

## **SUMMARY FOR PRESENTATION**

### **Background and Importance of the Problem**

1. ASEAN with its diverse ethnic units, ten modern states and two millennia of historic developments has some vital commonalities with India that form the basis of strong bonding between these nations, which if built upon, has phenomenal potential for interstate co-operation that can promote shared values and interests.
2. Geographically, India and Southeast Asia share the tropical, monsoon climate, with all its implications for a way of life, based on irrigated agriculture. Sharing of geographical and maritime boundaries by India in the immediate and extended neighborhood of Southeast Asia led to cultural and religious exchanges across the recorded history along with vibrant trade links through both the land and maritime routes. As such, our larger economic, security and geo-strategic interests have always been closely tied to this extended neighborhood.
3. However, colonisation of majority of the region for roughly two centuries, brought in an almost abrupt halt to the centuries old exchanges between India and Southeast Asian nations, except those dictated by the colonial powers, that too purely in their own national interest.
4. Period following world war II, could also be termed as the era of Decolonisation and Independence. Sovereign nations, then in their nascent stage got on with creating a political, administrative and economic framework which would meet the aspirations of newly freed people. At that time, all the Southeast Asian nations faced similar economic problems: improving agriculture, promoting industrialisation and raising the living standards of its growing and aspiring population.

5. Thailand was quick in realising the potential and therefore, the need for regional groupings/integration for mutual growth through co-operation and use of collective strength (best option for the developing nations). It has been in the forefront and driving force in formation of sub-regional / regional groupings of ASEAN, MGC and BIMSTEC. ASEAN has been a resounding success and assumes even more importance with Asia being seen as the 'Engine of Growth' for the world economy in years to come.

6. India, on its part having grappled with domestic and economic issues, border disputes and conflicts with its neighbours, responded with long overdue and much needed economic reforms and diversification / reordering of its foreign policy engagements and priorities. India's 'Look East Policy' conceived by then Prime Minister Mr PV Narasimha Rao reflects historical imperatives, economic considerations and Geo-strategic concerns and seeks to optimise our synergies in Asia-Pacific region, with interdependence as main underlying factor for collective growth, lasting peace and stability. India now, is well poised to play its contributory role to the growth, stability and security of southeast in particular and east Asia in general.

7. **India's Bilateral Relations with Myanmar** India has been a major trading partner of Myanmar. Since the signing of India and Myanmar trade agreement in 1970, bilateral trade has been growing steadily. Bilateral trade rose from US\$ 328 million in 1997-98 to US\$ 921.19 million in 2006-07 and climbed up to US\$ 2.052 billion in 2015-16.

8. **India's Bilateral Relations with Thailand** India and Thailand have just completed 70 years of diplomatic relations. India's 'Look East' policy (since 1993) and Thailand's 'Look West' policy (since 1996) have been complementary in consolidating bilateral relations including economic & commercial linkages. The last few years have seen a rapid growth in bilateral trade, which crossed US\$ 9 billion mark in year 2012-13. Besides India-ASEAN FTAs, an Early Harvest Scheme (EHS), covering 82 products (now 83 products) under the proposed India-Thailand FTA, in place since September 2004, has already resulted in phenomenal growth in our bilateral trade.

## **Statement of the Problem**

9. As seen from the aforementioned, some headway has been made in the economic and security co-operation between the three countries of India, Thailand and Myanmar in the recent past. However, the statistics are far short of exploiting the full potential of the economic and geo-political environment existing in these countries and surrounding region. These three countries share the geographical / maritime boundaries with each other. Myanmar occupies the central place in the trio wherein it shares both the land and maritime boundaries with other two nations. As such, their inter-dependence for the future growth and stability in the region needs no emphasis.

10. The Trio has a unique advantage of deep understanding and appreciation of each other's issues and problems because of shared culture, values, history and geographical conditions. As such, positive contributions by these three nations on economic, security and strategic fronts, towards their bilateral / multilateral cooperation, is bound to have a snowballing effect of taking along other neighbouring nations, (ASEAN in particular) thus, going a long way in recreating an 'OVERARCHING' Asian identity of the past in Asia-Pacific region.

## **Objectives of Research**

11. Objectives of the research are as follows:

- (a) To review the current status of economic and security engagements of Indo-Thai-Myanmar cooperation.
- (b) To recommend the way forward in view of favorable domestic and regional environment coupled with geo-political implications.

## **Scope and methodology of Research**

12. **Scope** The focus of this research has been narrowed down to these three countries of India, Thailand and Myanmar to allow in-depth analysis and to put forward certain recommendations which if implemented will catapult their relations to greater heights. It essentially includes the following:

- (a) Brief summary of relevant research works in the past, bringing out related conclusions / recommendations put up therein.
- (b) Historical perspective highlighting cultural, religious and trade links.
- (c) Commonalities and shared values/cultures that can be buildup on.
- (d) Geographical / maritime sharing of boundaries, climatic similarities with their significance and common grounds for co-operation.
- (e) Prevailing domestic and regional environment.
- (f) Geo-political situation: Present & Future.
- (g) Current status of co-operation.
- (h) Way forward for enhanced Economic & Security Co-operation.
- (j) Conclusion and Recommendations.

13. **Research Methodology** The research methodology is by qualitative research method. Data and information available in libraries, e-books, government publications / polices, views of leading think tanks & subject experts as well as information gathered from study tours within Thailand and regions bordering Myanmar has be incorporated in the research work. In addition, references are drawn from the periodical publications / journals of established agencies, institutes and publishing houses dealing with economic, political, and security/strategic issues.

## **Results**

14. **Related Literature Review** English literature related to the topic could not be found in the library. Three research papers by earlier foreign students are related to ASEAN and India-ASEAN topics, and therefore could not be of direct use. However, certain references specific to the issues of this work will be drawn from these published researches and built upon further, wherein the author is in agreement with their findings.

15. **Historical perspective** Review of historical linkages and the exchanges of trade, religion and culture between India, Myanmar and Thailand reveals

development of deep and abiding connection over the centuries, which reflects in their cultural, religious and linguistic similarities. Trade and religion have been the two main mediums for the entire process of exchanges covering the vast canvas of language and literature, art and architecture, medicine, astronomy, customs, dance forms, food habits and the general way of life which has resulted in remarkable commonalities that inherently bestow upon these three nations subtle understanding of each other. It is this deep connection and subtle understanding which has a potential to be the strong foundation for strategic and long term relationships.

16. **Buddhism** Undoubtedly, Buddhism provided the foundation for the adoption of culture, thoughts, idioms and common spiritual beliefs and practices among people in India and the Southeast Asia. In fact, Buddhism provided a channel for the flow of ideas and interactive relationships. The core ethics of Buddhism, which stress on the nature of inter-dependence and inter-connection, allow every society to absorb changes and reform itself including at the political level. This value drew Asian societies towards adaptation and cooperation, and these still drive them towards accepting a cooperative culture. The diversity of Asian value systems today reflects how the culture of inclusiveness and tolerance has protected Asian cohesion at various turns of history.

17. **Geographical Commonalities and Associated areas of Coop** Geography and climate of India, Myanmar and Thailand render these areas suitable for agriculture. Economies of these countries are anchored around agriculture wherein good monsoon every year holds the key to the well being of their respective economies. Thus, Irrigation, Agriculture and Agro based industries is one major area of cooperation that the three countries can focus on. Commonalities of the terrain, climate and therefore type of cultivation make it even easier to collaborate and cooperate in this important sector.

18. **Geo-political situation** From the study of prevalent and future geo-political situation it is evident that imperatives of the current and likely future geo-political situation demand close cooperation from these three countries for the following reasons:-

(a) Reduced American strategic commitment in SEA, and rapid emergence of China as incontestably the main political and economic power in Asia, forebode an imbalance in the relations among Asian countries.

(b) Contemporary, non-traditional; threats to peace and security such as cross-border terrorism, environmental hazards, transnational crime, illegal migration and a host of other perils induce nations in the region to seek protective transnational measures that are even more essential for immediate geographical neighbours for peace, stability and prosperity.

(c) Despite large commonalities, the three nations have their unique strengths and shortcomings. Thailand has managed globalization with comparative ease and success. Practicing market driven economy for over three decades, it has a longer and more intimate experience of dealing with foreign investments and privatization. India has 'globalised' cautiously and slowly as compared to Thailand, whereas Myanmar is a relatively new entrant in the game. India's journey in building up of expertise in Information Technology, communications and space programme is the example worthy of emulation. As such, and especially so, being at different stages of development and nation building, there is abundant scope to share and learn from the experiences of each other.

## **Recommendations for Enhanced Economic and Security Cooperation (Trilateral)**

### **Trade and Economic Cooperation**

19. **Trade suggestions** Trade is very much contingent upon governance and institutional quality. To support the growing partnership, more emphasis should be given on improving the functioning of the economic institutions and connectivity, which facilitate the economic and cultural relations. In order to facilitate the trade flows, at the government level, the three countries need to do the following:-

- (a) Prompt negotiation and finalization of bilateral FTAs
- (b) Removal of non-tariff measures (NTMs)

- (c) Reduction of costs to trade with the help of WTO Trade Facilitation Agreement (TFA)
- (d) Review of the ASEAN-India Trade in Goods Agreement, including consideration of liberalization of tariffs on products included in the Sensitive Track and Exclusion List.
- (e) Building of Regional Value Chains (Production networks have become an important phenomenon in Southeast and East Asia. Given the variations in production of goods and services, complementarities between the three countries are added strength to build and strengthen the value added stages, needed for stronger cross-border regional value chain networks)
- (f) Finalisation of ‘India–Myanmar–Thailand Motor Vehicle Agreement’ (will play another critical role in realising seamless movement along roads linking India, Myanmar and Thailand). Also, Finalization of the ASEAN-India Transit Transport Agreement before completion of the India-Myanmar-Thailand (IMT) trilateral highway
- (g) Bilateral negotiations on Liberal rules of origin.
- (h) Harmonisation of standards, customs procedures and cooperation in transport infrastructure
- (j) Signing of Mutual recognition agreements in services trade sectors. (India is yet to receive greater market access to services trade in ASEAN, even though ASEAN can utilise India’s IT and IT-enabled services, as well as education, health and tourism services in which India has global competitiveness.)
- (k) Undertaking review of the ASEAN–India FTA to monitor problems and barriers relevant to both tariff and non-tariff measures.
- (l) Special visa arrangements, to encourage business and people-to-people exchange
- (m) More streamlined processing for movement of skilled workers between India, Myanmar and Thailand.



20. **Sub-regional Level** At the sub-regional level, India, Thailand and Myanmar are founding members of the Bangladesh – India – Myanmar – Sri Lanka and Thailand - and now Nepal and Bhutan - (BIMST-EC) Economic Cooperation Forum. This forum is unique because it includes five SAARC and two ASEAN member countries bordering the Bay of Bengal and India. There is scope for transforming this region into a free trade area, or even a common market. Proposals such as development of tourism, creation of common infrastructure and common projects such as an airline to serve the region have been under discussion although not much progress has been achieved. India and Thailand are Indian Ocean littoral states and have an interest in promoting stalled Indian Ocean Rim Cooperation Grouping (IOR-ARC). There is much at the regional and sub-regional levels that India, Thailand and Myanmar can do to optimize their synergies and convergences of interests.

## **Technology and Knowledge**

21. The coming five decades are likely to be decades of knowledge and intellectual capital. Whether it is information technology, biotechnology, telecommunications, genetic engineering, oceanography or space, the nation states will have to position themselves to derive maximum advantage in a rapidly changing and highly competitive business and trade environment. India is already a world leader in some of these areas. Over fifty percent of India's GDP already comes from the services sector with the knowledge sector growing in strength. India has gradually and with firm hand has showed its strength in these rapidly evolving fields; its open economy harnessing human resources, skill-sets and the assets created by decades of central planning, including in the field of higher education. Thailand too is well endowed in some of these frontier areas.

22. India and Thailand, in a sense, are natural partners in this new knowledge era. Our two economies will need to create and build an infrastructure of sustained partnership, coordinate our approaches and policies in the World Trade Organization (WTO) and other fora, augment cooperation under the India-ASEAN dialogue, IOR-ARC and BIMST-EC. Creating opportunities in the third country, particularly in our common neighbourhood, Myanmar would be mutually beneficial, being in a win-win situation for all three nations. Cooperation in HRD, science and technology provides opportunity to India and Thailand to invest in

Myanmar which in turn stands to benefit immensely from the expertise of these two nations.

## **Interstate Connectivity**

23. Completion of major cross-border corridors, and building a stronger coordination mechanism are the foundation stones of meaningful cooperation and development. Need to identify the missing links and investment in their prompt completion from a region-wide perspective, is the need of the hour. To a large extent, missing rail and road links in Myanmar are hindering the overland connectivity between India and Southeast Asia. Therefore, average road conditions and the railway system inside Myanmar need to be improved and upgraded. Extension of Trilateral Highway (TH) to Mekong countries, direct air links, completion of ongoing connectivity projects, maritime links are some of the projects which would take the cooperation between India, Myanmar and Thailand to a new plateau.

24. **India–Myanmar–Thailand Trilateral Highway** The India–Myanmar–Thailand (IMT) trilateral highway is a highway under construction that will connect Moreh, India with Mae Sot, Thailand via Myanmar. India has backed the extension of this highway to Laos, Cambodia and Vietnam, with its further linkage with ports in ASEAN countries and its integration with models like Special Economic Zones. The project now estimated to be completed by 2020, is expected to boost trade and commerce in the ASEAN–India Free Trade Area, as well as with the rest of Southeast Asia.

25. **New Delhi - Hanoi Rail Link** New Delhi-Hanoi rail link was proposed at the MGC ministerial meeting held in Phnom Penh in June 2003. The main tasks of developing New Delhi-Hanoi Rail Link are – (a) to link India’s Manipur with India’s main railway corridor, and (b) to re-establish and renovate railway networks in Myanmar. India is planning New Delhi-Hanoi Rail Link along two possible routes. Both these proposed railway routes will connect Hanoi through Myanmar along different rail links. Route-I will connect Hanoi via Myanmar, Thailand, and Cambodia. In Route-II, it is diverted to Bangkok via Ye and the newly-constructed portion of Ye and Dawei in Myanmar, then to Hanoi through Thailand and Laos. Completion of this project, would promote regional

cooperation, foster economic and social integration and increase trade and investment.

26. **Border Connectivity** Mekong is a most prominent case where countries have successfully transformed borders into bustling place of economic activities. Bilaterally, the Governments need to do more in terms of connectivity infrastructure, border posts and measures like setting up Border Economic Zones (BEZs).

## **Cultural Relations**

27. **Indian Diaspora** The Indian Diaspora in Thailand and Myanmar has now come of age and is extensively involved in business, industry, professional areas and social sectors, but their full potential both in the domestic context and in building permanent bridges with India has not yet been realized. The Indian community of Thailand and Myanmar must become an integral and indispensable part of this process. The three governments must evolve common programmes and policies to encourage the fuller participation of the Indian Diaspora in building enduring links with India.

28. To take forward cultural relations between them three countries could undertake a bottom-up approach involving the real stakeholders in designing the cultural integration process. On part of the governments, a pragmatic cultural policy could drive a convergence of interests towards cooperation in finding common solutions.

## **Asia's Buddhist Connectivity and India's Role**

29. Buddhism that originated in India some 2600 years back has remained as the solid foundation for societal and cultural transformation in Asia. It still remains a key anchor for Asian identity especially in terms of spiritual connectivity among nations with enduring impact. Buddhism allowed people to positively react to modernity and change. A majority of Asian societies and nations, which include, India, Myanmar and Thailand, experienced modernity without completely emulating Western value systems. They have accepted basic Western values as well as economic and technological skills and other necessary modern requirements within the realm of their traditional culture and values.

30. In many countries, Buddhism is embedded into their “nationalistic” thinking and actions. It is a strong unifying force in Myanmar, Laos, Thailand and Cambodia. Certainly, Buddhism is an intensifying factor for Asian emotional bonding and connectivity. In an era of a globalized and free market economy, it becomes more imperative for the world to adopt to a flexible and dynamic system that is in practice in Asia. It is here that the Asian experience, with its spirit of freedom, equality, cooperation and prosperity of all nations, can form a new alternative model for a 21st Century world order.

31. **Nalanda: A New Hope** The collaborative project for reviving the past glory of Nalanda University from where all major Asian Buddhist schools trace their lineages, is the forward-looking initiative that needs to be taken to the logical conclusion. This Pan-Asia Nalanda project is meant to be the centre-piece of Asian civilization, to focus on the process of Asian renaissance, for reconnecting Asian people and societies, and for reconstructing Asian values and ethos for the long-term benefit of Asia, and indeed the world. India Myanmar and Thailand have an excellent opportunity to collaborate in re-conceptualising and operationalising of Nalanda University.

### **Cooperation in Agriculture**

32. All the three countries have substantial percentage of their population engaged in agriculture which in turn contributes significantly to their economy. Given the commonalities of their terrain, climate and therefore type of cultivation, Agriculture and Agro based industries is one major area of cooperation that the three countries can focus on. Along with increasing productivity it should be aimed to promote agro based ‘Small and Medium Enterprises’ in rural areas which would provide employment to the locals, increase their income, check uncontrolled migration towards cities and most importantly, uplift the rural areas thereby bridging the large existing gaps in the financial status of urban and rural populaces.

### **Security Cooperation**

33. India’s proximity to the region and its growing capabilities make it a natural partner of most states in South-East Asia. Geographical factors necessitate India to forge closer ties with Southeast Asia in the domain of security cooperation. India shares land border with Myanmar and maritime boundaries with

both Myanmar and Thailand. Any disturbance or external intervention in other's area has a potential to be a threat to neighbour's own security.

34. China's aggressive pursuit of its territorial claims has aggravated regional tensions. The states in China's vicinity are now seeking to expand their strategic space by reaching out to other regional and global powers. Having been anxious about China's potential domination of ASEAN on economic, political and military fronts, Singapore's elder statesman, Lee Kuan Yew consistently argued the need for ASEAN to balance China with India. Continuing the balancing metaphor, Lee's successor Goh Chok Tong famously described China and India as the two wings of the ASEAN aircraft.

35. While India has emerged as an attractive engine for regional growth, to live up to its full potential and meet the region's expectations, India requires to do a more convincing job of emerging as a credible strategic partner of the region. New Delhi needs to assure the regional states of its reliability not only as an economic and political partner but also as a security provider. As the regional balance of power in Asia changes and as the very coherence of the ASEAN comes under question for certain regional security issues like 'South China Sea', there will be new demands on India. While the past twenty years in India-ASEAN ties have been productive, the next twenty years are bound to be more challenging. Onus will clearly lie on the shoulders of bigger states of the grouping like Thailand and regional players like India to think more creatively to enhance bilateral and multilateral ties in this rapidly evolving regional paradigm.

36. The current Modi government is in sync and fully engaged with the emerging political challenges in East Asia. Modi has reaffirmed the centrality of ASEAN in building a stable and prosperous order in East Asia and the Pacific.

37. India, Thailand and Myanmar have a common interest and a role to play in ensuring and maintaining peace, prosperity and stability in this region. In the larger Asia – Pacific regional context, India and Thailand the major trading entities and importers of oil and energy; while Myanmar, the rapidly growing economy have similar stakes and therefore, the need to work together to ensure the safety and freedom of sea-lanes passing through the Indian Ocean and South-East-Asia. Since our political stability, security and economic well-being are firmly anchored in the

Asia-Pacific and in the Gulf to India's west, we have a deep and abiding common interest in peace and stability in this larger region. Our foreign, security and defence policies cannot be oblivious to the fact that our extended neighbourhood remains an area of tension and rivalry and, therefore, of crucial importance for our own peace, security and development.

## **Non-traditional Security Issues**

38. **Asymmetric Threats and Maritime Cooperation** Engaging in maritime cooperation focused on addressing the asymmetric threats like piracy, maritime terrorism, gun-running and drug smuggling involving joint naval exercises, coordinated patrols, search and rescue at sea and protection of maritime environment is the need of the hour. Maritime and naval engagements provide opportunity to develop technological interoperability and joint operations in different environment. Looking into the future, there are number of areas where the three countries can engage on bilateral and multilateral level to enhance regional stability and mutual trust.

39. **Climate Induced Security Challenges** Climate change and climate induced security challenges involving illegal migration and increased frequency of cyclones and typhoons have opened new opportunities for maritime cooperation.

### 40. **Terrorism**

(a) India and Thailand have for some time been victims of domestic and externally fomented terrorism and destabilization. Myanmar faces a growing danger of attacks by foreign supporters of Islamic State (IS) recruited from Southeast Asian networks in support of persecuted Muslim Rohingyas.

(b) The uncontrolled growth and entrenchment of forces of fundamentalism and terrorism, particularly in our region, pose a grave danger and challenge. A primary security threat of today is from these sources and is of a very complex, evolving and new in nature. Since all the three countries face this menace, apart from combined efforts in the war against terrorism, there also a need to exchange views on the causes and manifestations of this growing menace.

(c) Closely related to the issues of religious fundamentalism and terrorism are issues of drug and human trafficking, crime, including transnational crime, cyber crime, trafficking in counterfeit currency, international piracy, cross border networking of criminals and anti-social elements. Southeast Asia is a part of the largest opium-producing region of the world. The Mafia and the criminal elements that control drug trafficking and transnational crime have the capacity to cause grave damage and disruptions to our societies and economy. Apart from international and regional efforts, India, Myanmar and Thailand will need to redouble cooperation, bilaterally and sub-regionally, to unitedly combat these elements.

## **Conclusion**

41. Overall, it can be summarized that surge in India-Thailand-Myanmar synergy holds promise for variety of reasons. India's steady economic growth in last 25 years dovetails with the need for economic options and opportunities that Thailand and Myanmar seek. India's political and strategic credentials have found symmetry with Thailand and Myanmar's own calculations, both because of benign nature of these credentials and for the democratic and liberal assurances that they offer. On its part India looks towards these two countries as sturdy partners in a regional effort to consolidate mutually supportive relations.

42. Reduced American strategic commitment in SEA and rapid emergence of China as incontestably the main political and economic power in Asia forebodes an imbalance in the relations among Asian countries that can be corrected only by a country like India, which possesses the size, resources, potential and more importantly the CHARACTER for the purpose.

43. Contemporary, non-traditional; threats to peace and security such as cross-border terrorism, environmental hazards, transnational crime, illegal migration and a host of other perils induce nations in the region to seek protective transnational measures and India-Thailand-Myanmar have no option but to choose the path of Cooperation and Synergising of collective effort to fight these perils.