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Eastern Highways

Game Changers Of The North East: India’s Infrastructure Development Projects In Myanmar

India is carrying out major infrastructure projects in Myanmar to facilitate both the Act East Policy and speedier development of the North East Region. Whether these projects will be catalyst for change or not depends entirely on the main players in this process. In order for such catalysts to emerge, the problem areas highlighted in this article must be resolved on the highest priority and the positive features improved upon further.

In 1991, India was constrained to formulate a Look East economic policy after many decades of looking West, due both to the disintegration of the Soviet Union as well as the serious economic problems arising within the country. The policy was framed out of economic necessity so as to integrate with the prosperous member states of the Association

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of Southeast Asian Nations (Asean) and East Asia, a region that was developing economically extremely rapidly. It was also believed that by Looking East it would be possible to bring about development of India’s North East Region (NER) and thus end the insurgency in the region. India realised that for the Look East Policy to succeed New Delhi must improve relations with Myanmar, and by 1994 India and Myanmar signed a Border Trade Agreement and had made concerted diplomatic efforts to improve relations. India then became Asean’s full sectoral dialogue partner by 1995 and launched the Bay of Bengal Initiative for Multi Sectoral Technical Cooperation (BIMSTEC) in 1997, which included the Bay of Bengal littoral countries and Bhutan and Nepal. India also participated in the Mekong Ganga Cooperation Initiative, and signed various trade agreements with Asean, Myanmar, Thailand and Singapore among others.¹

India also became party to the Comprehensive Asia Development Plan (CADP) wherein Asian connectivity—by road, rail, sea and air—was planned and approved by related governments in 2015. These plans included the construction of a Trans Asian Highway and a similar railway network. In 2015, the Kaladan Multimodal Transport Project was also approved. Further road connectivity was approved through Mizoram, from Champhai in Mizoram to Tiddim in Myanmar.²

In 2014, the prime minister of India, Narendra Modi, announced the Act East Policy to substitute the Look East Policy, as he felt that the latter was not working effectively and to upscale India’s engagement and trade with Asean and East Asia. Indian planners realised that with India’s 1,450 km border with Myanmar signalled that was the gateway to the East. Thus, if trade was to pick up in volume, the creation of adequate and seamless cross-

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¹ Gurudas Das, Paper on India-Myanmar-Thailand (IMT) Geo-economics of Sub-regional Cooperation, 2017; Prabir De, Paper on Connectivity and Trilateral Cooperation; Suthiphand Chirathivat and Sineenat Sermcheep, Paper on Trilateral Physical Connectivity: Thailand’s Perspective, 2017; and Zaw Oo, Paper on Evolution of Indian ASEAN Relations: Focusing on Myanmar’s Role in Connecting South Asia and South East Asia, 2017. All these papers were presented at a seminar at the School of Foreign Policy Studies, Calcutta University.

² Chayodom Sabhasri, Paper on Thailand and India, Trade and Investment Opportunity, 2017; Asean-India Centre at the Research and Information Systems, Mekong Delta Cooperation: Breaking Barriers and Scaling New Heights, New Delhi, 2017; Arvind Kumar, “Look and Act East,” paper presented at a seminar at Mizoram University, 2016; and author interviews with locals in the NER.
border and maritime infrastructure was imperative. Further, if the NER was to be developed, overland trade must be accelerated, notwithstanding the existing so-called cross-border trade carried out by the locals in the form of so-called “head loads.” Under an Indo-Myanmar Trade Agreement free trade in terms of head loads carried by coolies was permitted to people residing up to 16 km on either side of the border. Let us examine these infrastructural projects.

**The Trilateral Highway (Asian Highway 1-AH1)**

A highway connecting Moreh in Manipur to Mae Sot on the Thailand border via Myanmar was first proposed in Yangon in April 2002. The length of the four-lane highway was to be approximately 1,360 km. India has proposed extending the highway to Cambodia, Laos and Vietnam, running approximately 3,200 km from India to Vietnam and known as the Asian East-West Economic Corridor (EWEC). In order to fulfil the plan between India and Myanmar, sections of existing roads needing to be upgraded and linked were already operational as national highways. The plans are explained below.

Map by the courtesy of the Mizoram government.
Moreh-Tamu-Kalemyo-Kalewa Section

This 160 km-long India-Myanmar Friendship Road linking Moreh-Tamu-Kalemyo-Kalewa opened on February 13, 2001, and it now forms a part of AH-1. It was constructed by the Border Roads Organisation (BRO) of India and was transferred to the government of Myanmar in 2009. The related agreement between India and Myanmar stipulated that India would widen and repave the existing roads in the area, while Myanmar would upgrade the single-lane bridges along the route. Myanmar, however, was unable to carry out its upgradation work. In 2012, India agreed to repave the existing highway and upgrade all of its 71 bridges that Myanmar had not upgraded. Myanmar stated that it would instead upgrade the Yargi-Monywa section and link this road to the existing motorway between Mandalay, Nay Pyi Taw and Yangon. Unfortunately even by 2015 Myanmar had not done so and India then agreed to upgrade the stretch from Moreh to Monywa. Myanmar also proposed an alternate alignment to the existing road proposed earlier for the stretch between Mandalay and Nay Pyi Taw and Yangon.

Kalewa-Yagyi Section

During the visit of the Myanmar president, U Htin Kyaw, to India in 2016, a memorandum of understanding was signed with the Indian government, under which India would fund the construction of 69 bridges in the Tamu-Kyigone-Kalewa section (149.70 km) of the highway, and also upgrade the Kalewa-Yagyi section (120.74 km). India agreed to fund renovation of 73 bridges that were built during the Second World War. India and Myanmar also agreed to speed up construction of the highway. By November 2017, the BRO had completed upgrading the 160 km Tamu-Kalewa-Kalemyo section in Myanmar at a cost of US$ 27.28 million. In August 2017, India also allocated US$ 256 million to upgrade 1,360 km of the highway from Moreh in Manipur through Tamu in Myanmar to Mae Sot in Thailand. On September 6, 2017, the National Highway (NH) Authority of India awarded a US$ 180 million contract for construction of the Kalewa-Yagyi stretch. The 120 km stretch is to be upgraded to a two-lane road to be completed by April 2021.3

3 “Eye on China, India speeds up infra projects in Myanmar,” The Times of India, October 26, 2017;
Myawaddy - Thinggan Nyenaung - Kawkareik Section

A 25.6 km long Myawaddy-Thinggan Nyenaung-Kawkareik section of the highway was inaugurated by Thai and Myanmar officials on August 30, 2015, reducing travel time between Thinggan Nyenaung and Kawkareik from three hours to 45 minutes. Construction on the section had begun in 2012.

Ein Du-Thaton Section

In February 2017, Myanmar approved Thailand’s upgrading of a 68 km section of the road between Thaton in Mon State and Ein Du in Kayin State. The upgrade would be financed by Thailand at a cost of US$ 51 million. Under the project, the road would be widened and its surface improved. Myanmar also requested Thailand to assist in the development of other sections of the highway.

The Moreh Integrated Check Post

The Moreh ICP in India is now functioning. The border town on Myanmar side is Tamu, and border-crossing and ICP between Myanmar and Thailand is operational. A trial run of passenger vehicles on the highway up to the capital of Myanmar, Nay Pyi Daw, was carried out in November 2015 when Indian vehicles travelled on the Imphal-Mandalay-Bagan-Nay Pyi Daw route and back, with Myanmar vehicles joining the Indian vehicles on the return journey. A car rally was flagged off by the governments of the three countries from New Delhi.

In 2015, India proposed a trilateral Motor Vehicle Agreement to facilitate seamless movement of passenger and cargo vehicles among the three countries. As of date, the proposal awaits the approval of the Myanmar government. In early 2018, a visa agreement was signed for the citizens of two countries to travel by road for purposes of education, medical assistance, and tourism. In September 2017, India proposed an Imphal-Mandalay, India-Myanmar bus service after India and Myanmar sign the motor vehicle agreement.

The Trilateral Highway: Successes And Stumbling Blocks

The most optimistic sign of the Trilateral Highway Project is that all three affected governments of India, Myanmar and Thailand are actively pushing the project and have evinced keen interest in trying to make it work. Under the circumstances, the three governments can resolve their relevant interrelated problems, given below. The project would undoubtedly be a game changer for the entire region.

India must achieve a resolution to the insurgency along the entire route of AH-1 within India, i.e., in the Bodo belt of Assam, and in Lower and Central

Assam, Karbi Anglong, North Cachar Hills, Manipur and Nagaland. Myanmar must do the same across the Myanmar border in Sagaing and part of Kachin States—the Somra Naga Hill Tracts. As extortion along the route is extensive, it is not cost effective to ply trucks; it is in fact currently cheaper and safer to send goods from the NER to Kolkata via the area known as the “Chicken’s Neck,” and further to Myanmar/Thailand by sea due to this problem. An early resolution of the Assam Citizenship agitation in Assam is needed otherwise the AH-1 route is likely to be blocked by agitators.

It needs to be noted that Myanmar strongly feels that unless India resolves the law and order situation in Manipur, trade along the Trilateral Highway would, on the Indian side, remain in the hands of Indian smugglers and insurgent groups as at present and it would not increase in volume. Myanmar officials openly state that Indian execution of any project takes too long, and that other countries execute work much faster and better.

Thailand also believes that India must resolve the insurgency problem if cross-border trade is to work effectively. Thailand candidly expresses concerns about the existence of a “Trust Deficit” between Indian and Thai businessmen due to the unscrupulous character of some of the former.

The article argues that until there is a resolution of the Naga Accord issue and insurgency in Manipur and Nagaland, there is a need to develop and channel all major trade through Mizoram-Silchar-Aizawl-Selling-Champhai-Zokhawthar-Rhi-Tiddim- Kalewa on the Friendship Highway. This route could be considered to be a loop to the AH-1. While this route has been approved for development, no construction has commenced. It goes without saying that construction must be speeded up, especially the widening and improvement of the road from Selling to Champhai, completion of the new road from Champhai to Zokhawthar, and construction of the road from Zokhawthar to Tiddim.

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6 Mukherjee, “Slow Roads to Peace: Future Challenges and Prospects for India’s North East”; “Law and Order Situation,” Manipuri News on Youtube; Terrorism – South Asia Terrorism Portal for Law and Order Situation in Nagaland, Manipur, Assam, Meghalaya, and Mizoram, http://www.satp.org/satporgtp/countries/india/states; “Bid to build Asean road link,” The Telegraph India,
The battle over the substantial illegal trade between the National Socialist Council of Nagaland (Isak-Muivah), the Kukis, and the Meitei insurgent groups on the Tamu-Moreh route needs to be brought under control, and the extensive illegal trade on Zokhawthar-Rhi border has to be regularised.7

It is not cost effective to transport goods from Kolkata or north India by road via AH-1 through the NER to Myanmar or Thailand in comparison to sea shipment to Dawei and thence to Bangkok or Rangoon, or direct shipment to Southeast Asia.8 The private sector and the Indian, Myanmar and Thailand Governments need to invest and set up suitable industry in Manipur, Barak Valley, Mizoram and Tripura based on the availability of local resources for export from there. If such work is not done, all that India will have is roads without development. Currently there is only a flow of mainly Chinese origin goods (and a sprinkling of Myanmarese goods) from Myanmar with little or no movement of goods from India to Myanmar.9

The local population must be involved both in the project and in the Act East policy. The locals say that while the project may be of help to develop the region in the overall context, they have not been involved and that they will not accept mere transit of goods through their territory without value addition, i.e. setting up of industry that gives them employment and improves their standard of living.10


7 Mudgerikar, “Intergovernmental Agreement on Dry Ports Prospects & Challenges;” Mukherjee, “Slow Roads to Peace: Future Challenges and Prospects for India’s North East.”
9 Ibid.
10 “Bid to build Asean road link,” The Telegraph, January 26, 2018; “Manipur and India’s Act East Policy,” The Diplomat, February 25, 2015; Shwe Hein, “Trilateral Economic Corridor”; Piti Srisangnam and Pechitra Kongkittingam, “From Trust Crisis to Demand Driven International Trade Policy.” The last two papers were presented at a seminar at the School of Foreign Policy Studies, Calcutta University in September 2017; “Understanding the BCIM Economic Corridor and India’s Response,” Observer Research Foundation, Issue Brief 147 (June 2016); John Ranjan Mukherjee, An Insider’s Experience of Insurgency in India’s North-East (London: Wimbledon Publishing, 2005); “India starts construction of Rs 1,600-cr Mizoram-Myanmar Kaladan road, Business Line, April 17, 2018.”
The Kaladan Multi-Modal Transit Transport Project

This project will connect the port of Kolkata with Sittwe port (old Akyab) in Rakhine State of Myanmar by sea.11 It will link Sittwe seaport to Paletwa, in Chin State, Myanmar, via the Kaladan River, and then by road to Zorinpui village in Mizoram state in North East India. The project was scheduled to be completed by 2014, but is now expected to be operational only by 2020 at the earliest (in the author’s view this may not happen till 2022-2023) as all components of the project are not complete. While the construction of Sittwe port and the dredging of the Kaladan River, and Paletwa jetty have been completed, as of date the construction of the 109 km Zorinpui-Paletwa road has yet to start, and the 100 km stretch of road in Mizoram from Zorinpui to Lawngtlai still has seven bridges to be constructed, as also final surfacing and black topping of the road. The project has several sections combining multi-modes of transport as shown below:

Section 1 – Sea

The 539 km shipping route from Kolkata in India to Sittwe in Myanmar, via the Bay of Bengal, has been operational for several decades. Sittwe has required construction of concrete jetties, upgradation of facilities and dredging to take only small ships of 6,000 DWT. Bigger ships would, therefore, have to anchor about 10 km off shore, and off load their cargo into barges to be taken into Sittwe port. In comparison, the Chinese have leased the deep sea port of Kyaukpyu just about 50 km to the south which is capable of taking in all types of shipping. This issue needs resolution by the government of India. Larger ships would have to probably use Dawei, further to the south, being developed by Thailand for Myanmar.

Section 2 – River

The 158 km river route by Inland Water Transport (IWT) from Sittwe to Inland Water Terminal (IW Terminal) at Paletwa jetty via Kaladan River in Myanmar has been completed. The author, however, advises that there is at least one lock gate en route that increases traversing time. This route involves transhipment at Sittwe to IWT and then again at Paletwa through warehouses into suitable trucks/container yards. In 2017, six IWT cargo vessels were handed over by India to Myanmar; they are meant to facilitate transportation of goods from Sittwe to Paletwa. The US$ 81.29 million cost of the vessels was met through a grant from India.

Section 3

This section covers the road in Myanmar, for about 109 km from IW Terminal Paletwa to Zorinpui at the Indo (Mizoram)-Myanmar border. Zorinpui has been opened as an immigration checkpoint in Lawngtlai district, Mizoram since October 2017, but the ICP, while approved, is yet to be constructed. While a construction contract was awarded in June 2017, work is yet to commence due to the insurgency problem in Myanmar’s Rakhine State and extremely difficult terrain with virgin forest. It is understood that the Indian government is examining construction of a highway linking Paletwa with the AH-1.

Section 4

The route then passes through South Mizoram in India, over a 100 km road from the Indo-Myanmar border at Zorinpui to Lawngtlai in Mizoram. From Lawngtlai it is connected to Aizawl-Saiha NH-54 at Lawngtlai in Mizoram in India, which then continues to Aizawl for 249 km (the Lawngtlai-Lunglei stretch in bad condition) and further to Silchar in Assam (174 km) along NH-54 (in bad condition), or to Churachandpur via the NH-159 (in deplorable state), or onto the rest of the NER (none of which is really fit for taking very heavy vehicles or container traffic till conditions are improved). This route is all part of the larger East-West Corridor connecting the NER with the rest of India. In the view of the author such work may take three to four years if not longer to complete.
Sittwe Special Economic Zone (Sittwe SEZ)

The 1,000 acre SEZ is being established at Ponnagyun town, 60 km north from Sittwe, upstream of Kaladan River. It will facilitate trade inland into Myanmar and set up industry. China is also building a rival Kyaukpyu SEZ and port, around 80 kilometres south of Sittwe.

Gas pipeline

There is a proposal to construct 1,575 km long Sittwe-Aizwal-Silchar-Guwahati-Siliguri-Gaya gas pipeline to transport gas from Sittwe gas field where India’s state firm, Oil and Natural Gas Commission, and GAIL Gas Ltd hold 30 percent stake in oil and gas exploration.

This project will reduce the distance from Kolkata to Mizoram and other parts of the NER substantially (1,000 km) and has been planned to reduce the need to transport goods through the narrow Siliguri corridor, also known as Chicken’s Neck. In reality, however, so many transhipments and the insurgency in Rakhine State will undoubtedly drive up costs.

India had initially tried to persuade Bangladesh to offer transport and transit rights to the NER to its Chittagong port, which is close to Agartala, the capital of Tripura in India, which was consistently refused. It is for this reason, among others, that the Sittwe project was conceived. Bangladesh is now, however, amenable to do so including providing access by IWT to Akhaura River port that is very close to Agartala. The Indian government needs to get this route developed as it would be less complex than the Sittwe route.

The Kaladan project initially faced problems of underestimation of the road lengths and there were plans to construct hydroelectric dams on the Chhimtuipui River and Lungleleng River, the two tributaries of the Kaladan River, followed by another project downstream. The first two dams are being built by one public sector undertaking (PSU) and the third by another PSU, leading to coordination issues and problems of navigation of boats. These issues appear to have now been at least partially resolved.¹²

¹² “Understanding the BCIM Economic Corridor and India’s Response,” Observer Research Foundation, Issue Brief 147 (June 2016); John Ranjan Mukherjee, An Insider’s Experience of Insurgency in India’s North-East (London: Wimbledon Publishing, 2005); “India starts construction
While there is little doubt that the Sittwe port will be of help for trade with Myanmar through the Sittwe SEZ and for strategic transportation of goods, gas or oil to the NER, it is unlikely to be cost effective as a regular route for transportation of goods to the NER due to probable high costs of transportation caused by frequent bulk-breaking and transhipment. The insurgency problem also needs to be resolved by Myanmar before the use of this route is acceptable to the private sector.

Within Mizoram, the government approved a Rupee 6,000-crore in 2017 upgrade of the current two-lane 300 km Aizawl-Tuipang NH to all weather four-laning of international standard, after the ongoing land acquisition is complete. The work, a NH Authority of India project, was intended to ensure faster movement of goods between Sittwe and Aizawl.13

The author has personally witnessed with a sense of disappointment 100m wide swathes of virgin forest over hundreds of km chopped down for such infrastructural developments all over the NER and Myanmar: thousands of sq km of forest denuded. No action has been taken to replant trees on the verges of roads constructed, which has led to land- and mudslides and a change in climatic patterns. Central and state governments must take immediate remedial action in this regard, if necessary by raising more “ecological territorial army battalions” of the Indian army for this purpose.

Part of the problem is that the local population has not been adequately involved and, as explained above, the locals demands some benefits for their states including setting up of industry/value addition to goods transiting, and adequate measures to ensure that they will not be flooded with outsiders, leading to demographic change and despoiling of their customs and traditions. All this involves new industrial, labour, commercial policies and psychological fine-tuning of religious institutions, particularly the church, civil society and society in general, failing which India would construct roads but not achieve the desired development.

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13 “Eye on China, India speeds up infra projects in Myanmar,” The Times of India.
Aizawl-Selling-Champhai-Zokhawthar (All In Mizoram)-Rhi-Tiddim-Kalewa (All In Myanmar)  

Linking To The Friendship Highway

The India-Myanmar Highway (Aizawl-Selling-Champhai-Zokhawthar-Rhi-Tiddim) will provide a loop to the India–Myanmar–Thailand Trilateral Highway (IMT), between Zokhawthar, the Indian border village of Champhai district in east Mizoram on the NH-102B, and Rihkwadar border town to Myanmar, connecting the former to the IMT 120 km away at Kalemyo via Tiddim. This loop for AH-1 is extremely essential as it bypasses the troubled areas of Manipur and Nagaland and runs totally through the peaceful state of Mizoram. It, therefore, counteracts many of the problem areas discussed above. While sanctioned, the work is yet to commence and therefore needs to be speeded up. Most of it is existing roads (except Champhai-Zokhawthar that is already under construction) need widening, improvement and upgradation.

Railway Projects Planned: The Asian Railway  
Delhi-Hanoi Railway Link

India initiated a preliminary survey to determine the feasibility of establishing a rail link parallel to the trilateral highway in January 2018. Japan has expressed interest in collaborating with India as well as funding the proposed rail link. The planned railway link to Myanmar must have an alternative routing through Mizoram due to the law and order situation in Manipur and Nagaland.

The Indian Railway has converted the current 84 km railway line from Katakhel (Assam) to Bairabi, two km inside Mizoram, to broad gauge. Its further 51.38 km Bairabi-Sairang (20 km north of Aizwal) railway extension in Mizoram is under construction with the target completion date being March 2019. In August 2015, the Indian Railways completed a survey for a possible new route extension from Sairang to Hmawngbuchhuah on Mizoram’s southern tip on the border of Myanmar, near Zochachhuah village where the NH-502 in India (part of Kaladan Multi-Modal Transit Transport Project) enters Myanmar, leaving it open for future rail connections to Paletwa and
Sittwe. In the view of the author, the Indian government would be well advised to also extend the under construction railway line from Bhairabi to Sairang (both in Mizoram) to Agartala as other projects are already afoot to link further onto Myanmar.

Myanmar has greatly appreciated the industrial projects being conducted by Indian companies, such as: TCIL is currently establishing ADSL in Myanmar for high speed data link, OVL, GAIL and ESSAR are engaged in the energy sector, MoEP and NHPC are engaged in hydro-electric power projects, Tata Motors has set up a heavy turbo-truck assembly plant, and RITES is assisting Myanmar in upgrading its railway system, and there is a series of capacity development projects including an Industrial Training Centre, an English language and entrepreneurship development centre, a centre for enhancement of IT skills, erection of disaster proof rice silos, and upgrading of the Yangon Children’s Hospital and Sittwe General Hospital.

**Border Management Of The Myanmar Border**

Border Management of the 1,450 km long Indo-Myanmar border is a complex matter as it does not only involve control of the border crossings, with the paraphernalia of immigration control, customs, excise, narcotics and policing the checkpoint. It also involves countering the infiltration by insurgent groups who have sanctuaries in Myanmar, smugglers and illegal immigrants through heavily forested, difficult, hilly terrain of the NER which has no parallel on the rest of India’s borders. Further complicating the complex issue is the fact that cross-border trade is permitted to be conducted by the locals with “head loads” belonging to local border tribes up to 16 km on either side of the border, and the Myanmar government is averse to fencing this border. All this has led to official trade being negligible, while unofficial, illegal or customary trade and smuggling are extensive.

The problem will become even more complex when the routes such as the Tri Lateral and Kaladan Highways are through and a relatively free flow of traffic is demanded through proper Integrated Check Posts (ICPs). The large flow of traffic will make it easier for smuggling of arms, drugs (this is, after all, the ‘Golden Triangle’ region), precious stones and other valuable products. What will be an even greater challenge, though indirectly connected with
border management, is keeping the AH-1 free of abduction, kidnapping, extortion and roadblocks by either insurgents or criminals. All this would require reliable, actionable intelligence and quick and effective reaction by reserves. Close coordination would be required with the Myanmar army who are attempting to curb similar activities on their side of the border.

There would be an urgent requirement of, besides establishing a single window system of clearance, an uninterrupted power supply and excellent digital communication, both of which are currently poor. In the end, proper border management would be a game changer for smooth working of the Act East Policy.