

NEW SILK ROAD

Time Is Ripe To Implement The Kunming Initiative

by Ramtanu Maitra

June 20—Regional collaboration among nations can create the opportunity to eradicate abject poverty. That is one of the operative principles in the Kunming Initiative for a transport corridor traversing extremely poor parts of India, Bangladesh, and Myanmar, and connecting them with major cities.

The political climate for cooperation to implement the Kunming Initiative—now known as the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor—has greatly improved since China’s President Xi and India’s Prime Minister Narendra Modi have come to power. The corridor is a major part of the New Silk Road. It will link Kunming, the capital of China’s thriving Yunnan province adjacent to Myanmar, with Kolkata—formerly called Calcutta by the British—a once great, eastern Indian port city that urgently seeks revival. It will pass through Mandalay in Myanmar and Dhaka, the capital of Bangladesh, as shown in **Figure 1**.¹

A major segment of this route is the Burma Road—

1. The proposed BCIM Economic Corridor from Kunming to Kolkata might run via Chuxiong-Dali-Baoshan-Dehong (all in China’s Yunnan province) to Namhkan-Lashio-Mandalay in Myanmar, Imphal in India’s Manipur state, Silchar in India’s Assam state, and Karimganj-Dhaka in Bangladesh. Namhkan is on the China-Myanmar border and Lashio is about 100 km south of Namhkan. Different versions of a free-trade area connecting Kunming and Kolkata have been floated for more than fifteen years. Discussions were often stalled or abandoned due to unresolved Sino-Indian conflicts. See Ramtanu Maitra, “[Three Eurasian Superpowers Forge New Deals for Security](#),” *Executive Intelligence Review*, Nov. 1, 2013.

FIGURE 1
The Planned Route for the Bangladesh-China-India-Myanmar Economic Corridor



Courtesy of the Deccan Herald

from Lashio in Myanmar to Kunming in China, as shown in **Figure 2**—built by the British in 1937-1938 during the Second Sino-Japanese War to supply the Chinese, while Myanmar was still a British colony.

The BCIM project continues the process of breaking the isolation of Southeast Asia from South Asia, and South Asia’s isolation from Central Asia and beyond, set in place by the British Empire and other imperial powers over more than two centuries.

The project involves upgrading sections of the existing 3,380 kilometer (2,100 mile) road and possibly also building high-speed rail from Kunming to Kolkata, as China has now proposed.

In January 2015, China proposed the high-speed rail line as part of the BCIM Economic Corridor. Li Jiming, Vice Secretary-General of Yunnan province, told In-

FIGURE 2
The Burma Road and the Stilwell (Ledo) Road



dia's *Economic Times*, June 18, 2015, "The proposal has been discussed with India and other countries. It will be beneficial for all of us as it will facilitate trade and people-to-people contact," he said. "We could fund the project through the Asian Infrastructure Investment Bank and other agencies," such as China's Silk Road Fund. There is as yet no formal agreement.

As for the highway, only two segments of around 200 kilometers each—Silchar to Imphal in India, and Kalewa to Monywa in Myanmar—are in need of urgent repair, according to Jin Cheng, Chief Counsel in the Foreign Affairs office of Yunnan province, in an interview with *The Hindu* June 16, 2016. The rest of the route is in fairly good condition, he said.

At present, those associated features that make a multimodal transport route into a true economic corridor—such as power production and transmission, water infrastructure, industrial development, and the building of new cities—are not part of the international planning, but are open to the planning of the individual governments.

Origins

Rehman Sobhan—an eminent Bangladeshi economist and founder of the Centre for Policy Dialogue in Dhaka—urged the development of multimodal transport along this route based on sound economic reasoning. In 1999, the first meeting of representatives from the four countries took place, hosted by the Yunnan Academy of Social Sciences, and the Kunming Initiative was born. These were largely not representatives of the govern-

ments. But nothing was done; the governments were not interested. Now conditions have changed, and the engine is ready to rev up.

The project moved from back-channel talks to talks among the four governments at the first intergovernmental meeting held in December 2013. At that meeting, it was decided that each country would provide a country report on the Economic Corridor focusing on objectives of the corridor, scope and elements, principles and modalities of cooperation, and framework of cooperation. China, India, and Bangladesh have produced and shared their reports, but because of political uncertainty, Myanmar has lagged behind. All four reports are to be the basis of a single, agreed document at a meeting in Kolkata that has not yet been scheduled.

Countervailing Winds

An earlier project—just to connect Myanmar to India—illustrates considerations that have sometimes prevented governments from embracing such corridors. In 2005, Indian and Chinese survey teams began mapping out plans to rebuild the Stilwell Road, named in honor of U.S. General "Vinegar Joe" Stilwell of World War II fame and built with a large contribution of African American troops in a multi-national effort (shown as the Ledo Road in Figure 2). China did all of the reconstruction work, paving dozens of miles with granite stones packed into earth. India, however, did not move. Why?

Observers have offered several reasons for India's reluctance at the time. Much of India's northeastern region—through which the road winds its way into Bangladesh—had been made unstable by the secessionist Naga tribes with backing from foreign NGOs and British intelligence. New Delhi feared that rebuilding the road would ease the way for these hostile forces, including drug smugglers, to enter India's troubled area to fan the flames. There were also fears that the Chinese, who had earlier aggressively sought to take over trade in Myanmar, would "use" the Stilwell Road to also flood the markets in the northeastern region of India. (But what about the large amount of trade that was already going from India to China?)²

2. Additional insights into the dimensions of resistance are provided in Ramtanu Maitra, "[Prospects Brighten for Kunming Initiative.](#)" *Asia Times*, Feb. 12, 2003.



Courtesy of Ge Shuya

The “24-zig,” a segment of the Burma Road in China. China plans to get rid of the kinks—with high-speed rail.

Why the Time Is Now Ripe

But now is the time for the BCIM Economic Corridor. Chinese investors are gearing up to join India’s “Make in India” campaign by setting up factories in West Bengal, according to Kong Can, Deputy Director-General of the Yunnan Development Research Center, a think tank in Kunming, in an interview in *The Hindu* June 16, 2016. “We wish to become partners in Prime Minister Narendra Modi’s ‘Make in India’ campaign by investing in this project,” Kong said. Yunnan province

has autonomous status and can make these decisions on its own.

Kong’s statements reflect China’s interest in investing abroad, now widely known. But this major development by itself would not have provided the Kunming Initiative the necessary boost, if other regional developments had not begun to take shape. For instance, two major economic corridor developments have been announced in recent months that link up a number of countries of the region.

China is in the process of developing the China-Pakistan Economic Corridor, which will link the city of Kashgar in Xinjiang province to Pakistan’s Gwadar Port on the Arabian Sea, running through Pakistan from north to south.

Equally important is the May 23 agreement between Iran, India, and Afghanistan to develop Chabahar Port in Iran and to make Chabahar an industrial hub. India will invest close to \$20 billion in the industrial hub and will also finance the development of the port itself. This undertaking—and the associated transport corridor that will run close to Iran’s juncture with Afghanistan and Pakistan—when completed, will provide Afghanistan efficient access to the sea and to the wider world for the first time. The port and the corridor will also enable India and the Indian Ocean littoral states to access not only Iran, Afghanistan, and Central Asia by sea and land, but also to access Russia and Europe further west.

These two major developments signal the breakdown of the isolation of Southeast Asia, South Asia, and Central Asia from each other, progressively set in place especially by the British Empire, over the last 200 years and more. To make that breakthrough, what was needed was the rise of China and India as formidable economic powers, seeking to spread their capabilities across Asia. Even Asia’s island nations in the Far East, such as Japan, and the “island” nation of South Korea, have begun to move west to join this development process.

Developments in the BCIM Region

For the region of the BCIM economic corridor, perhaps the most important milestone was the April 2014 agreement between China and India to establish a “strategic and cooperative partnership for peace and prosperity.” These two most populous Asian nations, both economic giants, were already in close collaboration on

the world stage, being members of the BRICS and of the associated banks that are oriented to infrastructure development. Now, with India and Pakistan becoming full members this month of the Shanghai Cooperation Organization (SCO)—which already includes China and Russia—the collaborating mechanisms are growing stronger.

On the ground in South Asia, other major changes have taken place, or are in the process of taking place. Myanmar—at the junction between South Asia, China, and Southeast Asia—is now emerging from its isolation and stagnation after decades of military rule. The new government could play a major role by utilizing Myanmar’s junction status to mobilize the BCIM project.

Meanwhile, developments between India and Bangladesh hold promise for unprecedented economic gains through new, multimodal connections. There have been decades of virtual stagnation in bilateral relations, resulting from the walls erected by the British Raj’s departing ugly kick that divided the subcontinent and killed millions. Bangladesh had been carved out of India; and India, which surrounds Bangladesh on three sides, was left with a very long route “up and around” for travel between peninsular India and its easternmost states. But on Nov. 1, 2015, after signing of an agreement, a cargo vehicle carrying a car and goods made the first successful trial run from Kolkata *through Bangladesh* to Agartala, capital of the Indian state of Tripura, reviving a route closed since the ugly kick at Independence in 1947 and cutting the travel distance by a thousand kilometers.

The trial run came four-and-a-half months after South Asian transport ministers signed, on June 15, 2015, the landmark Bangladesh, Bhutan, India, Nepal (BBIN) Motor Vehicles Agreement for the Regulation of Passenger, Personnel, and Cargo Vehicular Traffic among their countries.

“Nearly seven decades after Partition, trains are set to run from Kolkata to Agartala through Bangladesh, Samudra Gupta Kashyap reported in the *Indian Express* Nov. 30, 2015. Kashyap added, with arithmetic irony, “India is building a 10 billion rupee [about \$150 million], 15 km railway line connecting Agartala with Akhaura in Bangladesh. The line . . . is expected to be completed by 2017, and cut the distance between Agartala and Kolkata to 499 km from the existing 1,590 km route via Badarpur, Lumding, Guwahati and New Jalpaiguri.”

India’s ‘Look East’ Policy

But of course, as the BBIN agreement indicates, it is not all about efficiently connecting one part of India with another. In early January of this year, Nirmala Sitharaman, one of India’s Ministers of State, speaking at Srimantapur in western Tripura state along the Bangladesh border, said: “The Indian government led by Prime Minister Narendra Modi is keen to develop all types of connectivity with all neighboring countries, including Bangladesh, to boost trade, economy, and people-to-people relations . . . The government has taken steps to develop road, rail, water, and air connectivity with the neighboring countries. With good physical linkages, India wants to further develop all types of relations with the adjoining countries.”

This is a clear statement of what India has long been projecting, a “look east” policy, conceived in the early 1990s, which has now become a priority. Sitharaman was in Srimantapur to inaugurate an Integrated Development Complex for the India-Bangladesh border, that has modern facilities for customs and immigration, a banking and currency exchange facility, a warehouse, and public utility services.

India now proposes to expand its maritime trade by developing Bangladesh’s Payra Port in the Ganges-Brahmaputra Delta. India Ports Global—a joint venture of state-run Jawaharlal Nehru Port Trust (JNPT) and Kandla Port—has shown interest after Payra Port invited proposals for its development from global companies, according to the Indian Ministry of Shipping. “Talks are on between our foreign ministry and [Bangladesh]. Dhaka also wants us. We have sent a team there for studies,” said India’s Shipping Minister Nitin Gadkari, a key negotiator for Chabahar Port with Iran, according to PTI.

Myanmar will also have port development. At the end of 2015, China’s CITIC Group Corporation—together with four other Chinese companies and one from Thailand—formed two consortia that won their bid to build a deep-sea port in Myanmar’s planned Kyaukpyu Special Economic Zone on the Bay of Bengal. The port is designed to have a handling capacity of 7.8 million tons of cargo and 4.9 million twenty-foot-equivalent units of containers. “With access to the Indian Ocean, Myanmar borders China and India—the two countries with the largest populations in the world,” said Yuan Shaobin, a representative of CITIC Consortium, according to *China Daily Asia* on April 1. He added, “The country has a strategically important location and huge market potential in the region.”