

"Strengthening Transport between Bangladesh and Myanmar, 1991-2012: Co-operation and Development"

Dr. Suman

Dept. of Political Science, Assistant Professor at Bharat College
University of Delhi

The history of bilateral relations between Bangladesh and Myanmar has witnessed both phases of close cooperation as well as conflict. Overall the relations between the two countries have been cordial, though occasionally troubled by a conflict of interests. Bangladesh and Myanmar share a common geographical boundary which conducive atmosphere to become partners for utilizing natural resources for their mutual benefits. The relations between Bangladesh and Myanmar are also important regionally as these two countries can contribute as a link between the two regions (South Asia and Southeast Asia). There are several commonalities between the two neighbours such as scourge of poverty, social division and underdevelopment (Badgley 2004: 301). This new world order accelerated the urgency for Bangladesh and Myanmar to move towards economic cooperation and seek political interaction for subsequent economic developments. The economic and geo-strategic potential of Bangladesh is further heightened as the two emerging economies of Asia, i.e. India and China, are looking for trade and investment destinations beyond their own borders. This article discusses the areas of co-operation and transport between Bangladesh and Myanmar.

Transport between Bangladesh-Myanmar

The need for enhanced transport facilities between Bangladesh and Myanmar is one of the most significant issues for both countries.

Road transport

Road transport between Bangladesh and Myanmar is a potential link connecting two important regions. In keeping with its objective of enhancing physical connectivity, Bangladesh has been keen to develop a direct road link from Chittagong to Yangon across the Naaf river, through Rakhine in Myanmar. Myanmar has already undertaken the building of a road from Yangon to Sittwe, the capital of Rakhine. It is important to note that this road passes through very difficult terrain, and building it required alignment which was used for military purposes during the Second World War. Also, the road which was under construction from Kyauktaw to the Myanmar border town of Maungdaw opposite Teknaf in Bangladesh, was completed in 2003. Bangladesh and Myanmar have now agreed to link Chittagong and Yangon by road, for which a 91 km cross-border road will be built from Ramu in Chittagong to Buthidaung in Rakhine at an estimated cost of US \$ 670 million (Taka 4000 million). To facilitate this, programmes for building the 34 km Ramu- Balukhali road in Bangladesh and 25 km road connecting Taungbro-Balibazar in Myanmar have been finalized in addition to building two bridges and a 2 km road (IDE 2004: 36, Hughes 2010: 304).

A significant step towards this process was the agreement signed between the two countries in Dhaka in 2007 to establish a direct road link. The 153 km long road, the construction of which has been undertaken, will have a far-reaching impact for both the economies.

The building of this road will be implanted in two phases. The first phase includes 23 km inside Myanmar, connecting Guandhum's Cox's Bazar with Bawlibazar, which will be built by Bangladesh at an estimated cost of Taka 141 crore. The agreement signed by the two countries requires Bangladesh to finance the construction of approximately 23 km of the road linking Taungbro and Balibazar, including bridges and culverts. The construction of this extremely expensive road involving a number of tunnels and bridges in hilly terrain, will be implemented jointly by the engineering corps of both the countries. Also Further, Bangladesh submitted a proposal to Myanmar recommending the Teknaf-Maungdaw-Sittwe link road as an alternative route across the coast of the Bay of Bengal. (GlobalSecurity.org 2012). This direct road link will have far reaching trade-related gains for the economies of both the countries.

Railway

Bangladesh and Myanmar governments are also interested in setting up a railway network between Kunming city in Yunnan province and Chittagong via Myanmar. Furthermore, Bangladesh has shown its recent renewed interest in the proposed Trans-Asian Railway (TAR), a project of UNESCAP. Once materialized, it will link Bangladesh, among others, with six East Asian countries such as Myanmar, Thailand, Laos, Cambodia, Malaysia and Singapore as well as European countries through Turkey. The proposed Tar alignment runs about 230 km south of the existing northeastern railhead in Lashio, Myanmar. This network has a good quality meter gauge rail link connecting Lashio in the east to Kalay in the west, close to the Indian border. It crosses through Mandalay, Chaung U, Pakokku and Gangaw. The only missing link is Tamu, a portion of Kalay on the western side bordering India (IDE 2004: 39). It needs to be mentioned that as part of the TAR agreement that Bangladesh signed on 10 November 2007, a 130-km-railway-track which has been laid from Dohazari in Bangladesh to Gundum in the Arakan state of Myanmar via Ramu in Cox's Bazaar. The TAR and the East-West Economic Corridor (EWEC) will promote Bangladesh's economic interests to ASEAN and beyond.

Water Transport

On 10th May 2011, Bangladesh and Myanmar signed an Inland Water Transport Protocol (IWTP) agreement to increase connectivity for the purpose of boosting Dhaka-Yangon trade. As stated by the joint secretary of the ministry, M. Alauddin, this was Bangladesh's second river protocol agreement after India (The Daily Sun 2011).

As a low cost mode of transport, waterways provide a huge potential for improved connectivity for an economy like Bangladesh. While the transport cost by road is Taka 4.50 per km, according to the World Bank report titled *Revival of Inland Water Transport: Option and Strategies*, the cost for waterway is only Taka 0.98. Under the signed agreement, 25 non-conventional Bangladeshi ships would be able to transport goods through Myanmar rivers and vice versa (The Daily Star 2011: 16). A river port was recently established by Bangladesh at Teknaf, and this would provide the shortest link between the border town of Maungdaw across the Naaf river. While traditional water vessels are being used to transport goods between the new port and Myanmar across the Naaf River, it may in due course become a gateway for bulk import and export of commodities between the two countries. Bangladesh is currently also working on establishing a coastal shipping line with Myanmar (IDE 2004: 36).

Air Transport

Myanmar and Bangladesh have agreed on launching new bilateral air services in line with international air transport developments. The new air services agreement (2012) has replaced the old one initiated in 1977 which was signed between the Department of Civil Aviation of Myanmar and the Ministry of Civil Aviation and Tourism of Bangladesh. In the latest agreement of 2012, the two countries agreed on airlines designation, traffic rights between them and beyond third country, and airlines cooperation arrangement. The agreement also covered the operation of seven flights per week of the designated airlines of both countries and accepted Myanmar Airways Co. Ltd. and Air Bagan Co. Ltd. As designated airlines of Myanmar and Biman Bangladesh airlines, GMG Airlines and United Airways (BG) as the designated airlines of Bangladesh. Bangladeshi airline Biman had earlier stopped its flight between Dhaka and Yangon in 2007 due to economic losses.

Hydro-Electric Power Plant

Myanmar has the potential to become a huge hydroelectric power producer. On the other hand, Bangladesh's electricity needs have been rapidly increasing. Therefore, Bangladesh approached Myanmar to set up a hydroelectric power project at either Saingdin, Lemro or Mi-Chaung. However, this offer was turned down by Myanmar in 2009 as they had already leased two probable locations to a local company to generate power at either Saingdin or Lemro for the state of Rakhine. Myanmar government added that in the case of surplus power production they would consider exporting power to Bangladesh. A private company named Shwe Taung Development Co. Ltd. Has been keen to set up a hydroelectric power plant with a production capacity of 500 megawatts and export power to Bangladesh (Alaikum 2009: 3).

Energy Cooperation

The implementation of the well known Bangladesh –Myanmar –India gas pipeline project will greatly enhance the co-operation with both countries. Sanghu which is off-shore the port of Chittagong in Bangladesh waters, has been detected to have gas reserves. Moreover offshore exploration is being conducted near the Rakhine coast on the Myanmar side (Morshed 2000: 65-67).

Agriculture

Both Bangladesh and Myanmar are primarily agrarian-based economies, therefore cooperation in agriculture will benefit both the sides immensely. An MoU was signed on 4th April 2004, for cooperation in the agricultural sector as well as allied sectors (Alaikum 2009: 4). With this view, a meeting was held between the two countries in May 2007 to further cooperation in agriculture. Consequently, Bangladesh is expected to sign a contract with Myanmar to lease 50,000 acres of land in Rakhine for contract farming. Crops like paddy, onions, maize, soybean, tea and sugarcane are expected to be produced. It is estimated that roughly 10,000 Bangladeshi farmers from the Chittagong region will be employed through this contract farming. It has been proposed that 5,000 acres of cultivable, fallow or wasteland will be made available for plantation crops, 3,000 acres will be given for fruit gardens and 1,000 acres for seasonal crops under this contract. In addition to this, Myanmar has also offered land tax exemption for a period of two to eight years and income tax exemption for a minimum period of three years to

private entrepreneurs from Bangladesh. Since Bangladesh itself is an agrarian-based economy, and the total land cultivated in Myanmar is only 12 per cent, Myanmar's liberal policy for leasing lands for setting agro-based industry is indeed attractive. Bangladesh has the required innovative agriculture expertise to be able to bring in more lands under contract farming. The Bangladesh-Myanmar Business Promotion Council has stated that the Bangladeshi farmers may focus primarily on producing paddy, pulse and maize under contract farming.

Asian Highway and Trans Asian Railway connectivity

The Asian Highway (AH), which is a cooperative project among countries in Asia and Europe as well as the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), is aimed at improving and enhancing highway systems in Asia for better physical connectivity. It is one of the three programmes of the Asian Land Transport Infrastructure Development (ALTID), which was endorsed and promoted by the ESCAP commission at its 8th session in 1992. This included AH, TAR and the facilitation of land transport projects (Zafrudin 2011). Bangladesh, Myanmar, the Yunnan Province in South West China, along with other countries in the sub-region are interconnected through AH and TAR (IDE 2004: 33).

Earlier India and ESCAP were considering a shorter route from Imphal to Sylhet in Bangladesh passing through Karimganj in India as a probable route for AH. However, India rejected this proposal for a shorter link between Bangladesh and northern Myanmar. Therefore, the only probable route available now is through Guwahati/Shillong-Nowgong-Tamu, which has the challenge of a hilly and difficult terrain (IDE 2004: 35). Thirty two countries have signed agreements allowing the highway to cross the continent and reach Europe. It is being funded largely by the more advanced nations in Asia such as Japan, India and China. International agencies like the Asian Development Bank (ADB) too have been funding this project. (Asian Development Bank 2006: 220). The AH is particularly significant for the BCIM countries. Passing through Dawki, Shillong, Jorabat, Nagaon, Dimapur, Kohima, Imphal and Moreh in India, it will connect them to Myanmar and further up to north Thailand through Tamu- Mandalay-Meiktila-Payagi-Myawadi-Mae Sot (Sobhan 200: 12).

The North-South Corridor segment of AH, i.e. AH-3, had a only a few kilometers to be completed by mid-2008. This Corridor project became a part of ADB's agenda way back in 1993 and its objective was to improve connectivity between China, Myanmar, Laos, Vietnam, Thailand and Cambodia. A portion of the Corridor called Highway-3 connecting Laos with China and Thailand had an estimated cost of US \$ 95.8 million. It was being financed by funds from the Lao, Chinese and Thai governments. In addition part of the funding was provided by ADB in the form of a loan (Asian Time 2008).

The AH project will uplift the poor economy of Third World countries. This will provide Bangladesh and Myanmar an access to the ASEAN and China connecting the capitals, important economic and industrial centres, major sea and river ports, international container terminals etc. There are total five international and thirty-seven regional highways in the AH networks, which will pass through 32 countries. The AH will provide Bangladesh and Myanmar new opportunities to increase trade, commerce, tourism, FDI, employment revenue, expansion of Export Promotion Zones (EPZ) and seaports. But the roads in Bangladesh and Myanmar need huge infrastructural development to take the additional load. On the other hand

the non operational railway links of both Bangladesh and Myanmar need improvement to become operational and dual gauge. Chittagong and Yangon sea ports are capable of handling Bangladeshi goods only. To derive maximum benefit from AH and to take additional load these ports also require to enhance efficiency.

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