



Kaladan Multi-Modal Transit Transport Project

Navigating Myanmar's Ethnic Conundrum



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India's cross-border connectivity projects, especially in eastern Southern Asia (Bangladesh, Bhutan, India and Nepal, BBIN) has gained considerable traction in recent years. With the hard and soft infrastructure falling in place, India's Northeastern region will truly become the bridgehead between the South Asian and Southeast Asian neighbourhood.

Ironically, the first cross-border project that India had initiated in the Northeast region, the Kaladan Multi-Modal Transit Transport Project (KMMTTP), more than two decades ago, is yet to take off, while some of those planned later have become functional. Not only has there been inordinate delays in completing the KMMTTP, but the Arakan Army, an ethnic rebel group, functioning in the same area with its heightened hostility in recent times has put the future of the ambitious project at risk.

This Briefing Paper while discussing the importance of this project sheds light on a possible way forward to overcome the challenges posed by impinging Myanmar's ethnic conundrum.

Introduction

The KMMTTP, named after the Kaladan River that flows from the Chin state in Myanmar through India's North Eastern state of Mizoram to merge into the Bay of Bengal, connecting Mizoram with Myanmar, through a multimodal transport corridor, would enable easy trade and transit transport movement in this region. This project would allow the North East region, get tenuously connected to the mainland through a 21 km Chicken's Neck corridor in the upper West Bengal and flanked by Nepal and Bhutan, to be easily accessible.

The KMMTTP (with two modes of transport - waterway and roadways) moves through the Rakhine State and Chin State in Myanmar and Mizoram in India. Once completed, and further linked with feeder

highways and roads connecting the border region to inland North East, it is capable of changing the trade and travel dynamics of the entire region. That will, however, depend upon augmenting the transport connectivity network in North-Eastern states in general and Mizoram in particular.

As planned, the KMMTTP would reduce the distance of transportation between Kolkata and Sittwe in Myanmar by shortening the route from 1,880 km via the Chicken's Neck to 930 km. The multimodal transportation includes cargo movement through three different modes viz. coastal shipping, inland waterway and road transport. Freight ships from Kolkata, Haldia port will travel 540 km to dock at Sittwe port, (located in the Rakhine state of Myanmar), where a jetty terminal has been completed.

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Source: Google Images

The cargo will then travel 158 km through the barges on the Kaladan river to Paletwa (Chin State of Myanmar), and undertake further movement through the roadways to Zorinpui on the Mizoram border. From the Zochachhuah village on the border, a road stretch of 10 km to Lawngtlai in Mizoram will connect to National Highway 54 for onward distribution to other parts of the Northeast region and rest of India.

Table 1: Components of Kaladan Multi-Modal Transit Transport Project

S.No.	Component Description
(i)	Construction of an integrated port and Inland Waterway Transport (IWT) terminal at Sittwe, including reclamation of land and dredging
(ii)	Development of navigational channel along river Kaladan from Sittwe to Paletwa (158 km)
(iii)	Construction of an Inland waterway — Highway trans-shipment terminal at Paletwa
(iv)	Construction of seven IWT barges (each with a capacity of 300 tonnes) for transportation of cargo by waterway between Sittwe and Paletwa
(v)	Building a highway (110 km) from Paletwa to the India–Myanmar border (Zorinpui) in Mizoram



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Status and Benefits of the KMMTTP

It was in 2008, India and Myanmar had signed the two framework agreements and two protocols, at an estimated cost of ₹535.91 crore. The project that began construction in 2010, missed several deadlines and is now scheduled to be inaugurated in 2024 at an estimated revised cost of ₹2,904.04 crore.¹

The project has seen some progress, the dredging of the Kaladan, the construction of the unloading and loading terminals at Sittwe port and Paletwa have been completed. Furthermore, seven barges are readied and handed over to the Myanmar government. Early this year, a port operator for the Sittwe Port and Paletwa Inland Water Transport Terminal and associated facilities was appointed.

The construction of the Paletwa-Zorinpui road – the final leg of the Kaladan project is underway.² The Rs 1,600-crore road project that passes through dense forests and hilly areas was unable to start on time as often requisite clearances were not forthcoming promptly.³ The delay from Paletwa is due to the local political unrest in the Chin State of Myanmar bordering South Mizoram.

In the absence of that road connectivity, it was imperative to carry heavy equipment by barges from Sittwe to Paletwa, but low end-season draught in the Kaladan river made it impossible, for the timely deployment of machines causing delays. Non-availability of due clearances to import some spares along with weather conditions and other governmental clearances have held the project up.

To recall briefly, this route was created to circumvent the circuitous land link through the tricky terrain of Mizoram with the rest of the region and mainland

India, also at a time when transit possibilities through Bangladesh seemed rather difficult. Post-2009, with changing geopolitics, the convergence of interests between India and Bangladesh opened up a new chapter, enabling the North East Region to access closer ports of Bangladesh amongst other agreements and develop cross-border connectivity that has transformed the ground situation substantially.

Arguably, given India's keen interest to engage more closely with the South East Asian economies, the location of the Sittwe port is significant. Singapore and other ports in South East Asia will have operational flexibility to also use this port for trade with Eastern India. As per some estimates, the Sittwe port, once fully functional, will be able to handle 20,000-tonne vessels (up from the 2,000 to 3,000-tonne ships it handles at present). As per an earlier Inland Waterway Transport study, the vessel cargo handling would be equivalent to a maximum of 200 trucks per day. Expectedly, this route would also see local commercial and passenger traffic.⁴

It has also been suggested that the Land Customs Station (LCS) to be built at Zorinpui should be planned to handle the clearance of not only re-imported goods coming from Indian ports through Sittwe but also to facilitate trade for Mizoram, Tripura and Assam with Myanmar. With the opening up of LCS and other trade facilitation measures at the borders and investment possibilities, regional value chains can be developed. The idea of a special economic zone at Sittwe has been mooted too.

The border development programmes have been robust. But the idea of border haats that was agreed upon in 2012 is yet to be initiated, although four points in southeastern Mizoram (Hnahlan, Zote, Vaphai (Saikhumphai) and Sangau (Pangkhuva) have



been identified. A pragmatic selection of commodities in the basket of goods for the border haats, will not only support local livelihood but also minimise the inflow of third-country goods to India and also reduce the informal trade that exists between the two neighbours. These haats have tremendous potential to impact positively on the borderland areas. Not only will the production of local agro and horticultural goods and similar cottage industry see a boost along with the people to people connect through periodic interactions. This can contribute to a deeper understanding of the cross border local imperatives as well as the security situations.

Studies about the North Eastern region also point towards developing cross-border agro and food-processing units. Access to cross-border functional ports and transport systems will contribute to strengthening those economic opportunities.

Gateway to South East Asia

The idea behind KMMTTP is not confined to connecting Mizoram to Myanmar but it also encompasses India's expanded outreach to the prosperous South East Asian economies. Myanmar's

geographic location along with its cross-border links to Thailand and China marks its importance as a Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) member. Furthermore, India's 'Act East Policy' and the 'Neighbours First' have found deeper resonance in India's bilateral engagement with Myanmar and also dovetails into Indian Prime Minister Narendra Modi's Buddhist circuit concept.

India has undertaken several other developmental projects with Myanmar, including the Rih-Tiddim Road (Chin state to Mizoram border). It will connect to the India-Myanmar-Thailand trilateral highway that India is also building to connect Moreh in Manipur to Mae Sot in the Tak province of Thailand through Myanmar. This will enable India to reach deep into the South East Asian economies, for tapping the trade and commerce potentials.

Arguably the strategic dividends India reaps through its various connectivity projects once they are functional will also usher in commercial traffic not necessarily factored in just now. This region, including the littorals, has assumed greater salience in India foreign policymaking and Indian presence in Myanmar is imperative for fulfilling its goal in the ASEAN region as well.

Is Rising Violence by Arakan Army Achilles' Heel?

Undoubtedly, the delays have created several misgivings about the viability of this project. As is known, the incremental weather, procedural and funding issues have waylaid the project from timely completion but it now confronts a more severe roadblock, in the wake of the resistance posed by the rebel group Arakan Army.

In recent times, the political ethnic strife within Myanmar has risen, but there is a rise of insurgent activities leading to the kidnapping of the officers and workers engaged in this project.

India and Myanmar signed a Memorandum of Understanding on October 22, 2018, for operationalisation of the Port at Sittwe, but the ongoing conflict between the Myanmar military, (known as the Tatmadaw) and the Arakan Army (AA) and its spillover onto this project does not bode well for the smooth running of an already much-beleaguered project.

The KMMTTP running through the Arakan and Chin region of Myanmar recently has witnessed a series of hostile and violent events. Significantly, two major incidents targeted the Kaladan project in the recent past. Last November (2019), the AA captured five officials, including two Indian, working at the Sittwe port, the abducted Indians were engaged in building the Kaladan road project in Myanmar.⁵ And earlier the AA had taken 15 workers from a Paletwa river port construction site in southern Chin State into their custody on March 22, 2019.

India's normalisation of ties with the military-led government of Myanmar and the Tatmadaw (viewed as India's abandoning of democratic norms) essentially grew out of its security concerns. Myanmar's cooperation was necessary to bring peace and stability to the North East region plagued with an insurgency. The recent deportation of 22 rebels belonging to the North East region is a reflection of existing strong bilateral cooperation.⁶

Last year, India and Myanmar had carried out two-phase Operation Sunrise in February 2019 and then another from May 16, which targeted the insurgent camps in the border region closer to Mizoram.⁷ This operation invariably has affected the Arakan rebels who have intensified their movement.

The AA was established in 2009 in Kachin State's Laiza by 26 youth with the support of the Kachin Independence Army. It has declared its goal for a confederate status for Rakhine state in 2014 and presently standing at the strength of 10,000 members.⁸

The ethnic minority issues within Myanmar have heightened over many of the unpopular government policies and the Arakan population in Rakhine especially has shown serious disagreements. Evidently, contrary to popular expectations, the political marginalisation of the Rakhine ethnic minority under the elected National League for Democracy (NLD) government has lent greater support for the Arakan insurgency. As reported, escalation in violence has taken place between the AA and the military from January 2019.

The Arakan National Party, the main local political group had won the majority of elected seats in Rakhine State at both the local and national levels in 2015 but were unable to form the Rakhine State Government due to the limitation and crisis of the current constitution.⁹

Unfortunately, the political dialogue and negotiations with the ethnic minorities were stalled in 2015 over the question of 'inclusivity'.¹⁰ The government and military have tried to reach bilateral ceasefires with the AA and three related groups – the Kachin Independence Army, the Ta'ang National Liberation Army and the Myanmar National Democratic Alliance



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Army, but the proposal required these groups to accept major restrictions on their areas of operations, including an AA withdrawal from Rakhine State.

Seen as an unrealistic demand, the talks invariably failed. Subsequently the Brotherhood Alliance – comprising the AA, Ta'ang National Liberation Army and Myanmar National Democratic Alliance Army – launched deadly attacks along the region's main highway in August 2019.¹¹

In a more recent development, the AA and its political arm, the United League of Arakan, has been declared as an unlawful association,¹² thus, creating further complication for India and the fate of the Kaladan project. This also needs to be seen in the context of the statement about the AA being recognised by China but not by India 'provides a possible situation for India's crisis in the Rakhine State and gives an insight into the Chinese situation for the issue.'¹³

Indeed, China's growing presence in Myanmar was further strengthened with Chinese President Xi Jinping's visit (January 2020) after nearly two decades. This visit resulted in 33 agreements including the Kyaukphyu Special Economic Zone and deep-sea port (which would give China easier access to Yunan than through the now used Malacca Strait and the South China Sea).

Furthermore, the proposed economic zones on the China-Myanmar border and the New Yangon City development plan, would all dovetail into the China Economic Corridor. The follow-up visit by Yang Jiechi,¹⁴ early September reflects China's urgency to push these projects. While these corridors and oil pipelines do not directly impinge upon India's connectivity projects with Myanmar it certainly increases China's leverage over Myanmar and Naypyidaw's dependence on China.

It is in India's interest that the Kaladan project should take off. The ground support is imperative to the successful implementation of the Kaladan project that ensures Indian presence in the region

The Way Forward

India has tried to stay relevant and post the 2018 round of mass exodus of Rohingyas from the Arakan region, it had built 250 pre-fabricated houses and provided relief materials to replace some of the destroyed properties in northern Rakhine in 2019. There were further agreements to expedite the other projects under the community development programmes.

India's sustained interest in Myanmar is evident through several bilateral agreements as well as through the number of developmental cooperation projects underway. The latest visit by Myanmar's President Win Myint to India (February 2020), capped off several agreements, including the Industrial Training Centre in Rakhine state that would facilitate employment and skill development for the new industries that are being planned in Myanmar.¹⁵

India's multipronged approach to maintain close ties with the military and political forces in Myanmar, through the broad-ranged social, cultural, political and economic and developmental support for the people of Myanmar while being widely acknowledged, it also involves skillful maneuvering between the two sides, given the fragile balance that exists between the political forces, especially the NLD and the Tatmadaw. Encouraging democratic norms and ensuring engagement with security establishment necessitates adept measures by India a fact not lost on these different forces within Myanmar. At the same time, deepening the Indian engagement is encouraged by both, the political forces and the security establishment.

The past two decades have seen growing bilateral ties and the slow and albeit a limited return to the democratic process in Myanmar, which has ensured

the two neighbours remain engaged. While the AA has been at pains to convey their commitment towards the welfare of the local population and Indian efforts to support that, it has tried to position the nasty incidents as the Myanmar army's handiwork.

Indian involvement in the internal strife can be self-defeating but prolonged violence can halt the progress of the KMMTTP project. It necessarily falls on the Myanmar government to resolve the complex ethnic conundrum, while some back-channel talks involving India may not be out of place.

The Mizoram Chief Minister Zoramthanga in his last meeting with the Foreign Secretary (January 2020) had expressed his keen desire to see the KMMTTP finalised which he believes would also benefit the Zo communities of both Mizoram and Chin State of Myanmar.¹⁶ His experience in similar negotiations and knowledge about the rebel groups, including the Arakan army would be a key input in trying to resolve this issue.

It is in India's interest that the Kaladan project should take off and use all its good offices to ensure that and not rely only on one stakeholder for an early resolution. Any dialogue process including a Track 2 mechanism provides an enabling platform for discussion and deliberation and prepares the grounds for any effective decision or policy. This process involving multiple stakeholders can be initiated immediately.

The local population needs to be convinced that a functional KMMTTP project will serve their interests and they are one of the key stakeholders too. The ground support is imperative to the successful implementation of the Kaladan project that ensures Indian presence in the region.



Endnotes

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