

## Myanmar, Bangladesh, India Clinch Deals

by Ramtanu Maitra

Enhancing their steadily developing relations, India and Myanmar have agreed to jointly explore the off-shore and deep-sea gas and petroleum fields in Myanmar. This was discussed on Jan. 11 by India's visiting Oil and Petroleum Minister, Mani Shankar Aiyar, during his meeting with Myanmar Prime Minister Lt. Gen. Soe Win. It is apparent that the Manmohan Singh government has come to the conclusion that it is of strategic interest for a nation like India, which lacks oil and gas resources, to acquire a stake in Myanmar's surplus oil and gas fields.

Back in the 1990s, when the late Indian Prime Minister P.V. Narasimha Rao adopted a "Look East" policy to extend India's strategic interests, it became evident that India, blocked on its west by a hostile Pakistan, must form strategic ties in Southeast Asia and Far East.

Myanmar sits where three great regions of Asia meet: China in the north, Southeast Asia in the south, and India in the west all meet at Myanmar. Myanmar is the key to a smooth infrastructural land-based link-up among Central Asia in the west, Japan in the east, and Russia in the north. If Asia hopes to develop a strong economic developmental structure based on a viable physical economy—and it must—Myanmar must not only be a stable nation, but also must be economically developed. Strong infrastructural development, a far-reaching educational base, and the development of wide-ranging small-scale industries would put Myanmar on a development track.

Closer India-Myanmar relations would begin to fill in the picture. In addition to signing a memorandum of understanding for strategic energy ties, New Delhi has also moved to include Bangladesh, in order to propose tripartite regional energy sector cooperation. A tripartite discussion, with India, Bangladesh, and Myanmar, was scheduled for Jan. 12 at Yangon, Myanmar, on the proposed gas pipeline from Myanmar to India via Bangladesh. It is the first time that Bangladesh will formally enunciate its position on the proposal in a tripartite gathering.

Reports indicate that Bangladesh's proposal at the Yangon meeting would also include passage through Indian territories to import electricity from Nepal and Bhutan in the north, in exchange for allowing the tri-national gas pipeline to pass through Bangladesh territory. The reports suggest that



a Bangladesh utility company has proposed installing the gas pipeline, to facilitate India's gas import from Myanmar. The idea is to deal with the pipeline as part of a package, and not treat it as an individual case.

### Tripartite Agreement

"We would like to see the gas pipeline installed under regional energy cooperation," said the Minister for Energy and Mineral Resources, A.K.M. Mosharraf Hossain. The proposed pipeline will carry gas from Myanmar to the Indian state of West Bengal. By offering the transit corridor, Bangladesh could earn about \$125 million annually in transit fees for the pipeline, which would run through Arakan (Rakhine) state in Myanmar, to the Indian states of Mizoram and Tripura, before crossing Bangladesh to Kolkata (Calcutta).

India has been making a serious effort to import gas from the west, particularly from Iran. This proposed eastern corridor could open up new sources of energy. India's Oil and Natural Gas Videsh Ltd (ONGVL) has a 20% interest, supported with a 10% stake by India's Gas Authority of India Ltd. (GAIL), in two offshore blocks, A-1 and A3, in Myanmar. The other consortium partners are Daewoo and KOGAS. Block A-1 extends over an area of about 3,885 square kilometers off Myanmar's Rakhine Coast, close to Bangladesh.

Myanmar claims that the country has a potential of about 1,000 billion cubic meters of natural gas. ONGC, India's largest gas producer, has a reserve of about 650 billion cubic meter of natural gas. Experts say that although the Myanmar estimates speak of potential reserves, this could be a major gas source to meet India's growing energy needs.

The groundwork for the concluded agreement had begun months ago. Two important visits stand out in making this agreement a success. The first one was in October 2004, by Myanmar's military ruler, Than Shwe—the first Myanmar ruler to visit India in 24 years.

### Two Key Visits

The Myanmar ruler's visit to India had come under strong attack from the human rights activists because of Yangon's domestic policies. Although there is no doubt that Myanmar does not practice democracy the way India does, it became clear years ago that both governments have common interests in the growth of their respective countries.

The visit was a resounding success and it laid the foundation for positive things to evolve. During his visit, Than Shwe promised a coordinated operation with Indian troops along the 900-mile porous border between the two countries (India's northeastern region has been home to several insurgencies for the past five decades), and authorities of both nations signed a memorandum of understanding for cooperation in non-traditional security issues. The pact is aimed at improving cooperation between the two sides against international terrorism, arms smuggling, money laundering, drug trafficking, international economic violations, and cyber crimes.

The second key visit was by Bangladesh's Finance Minister, M. Saifur Rahman, last November. The ostensible reason for his Delhi visit was to attend the three-day India Economic Summit. But he extended his stay by two more days to do some plain talking with top Indian political leaders, including two highly respected former Prime Ministers—I.K. Gujral and Atal Behari Vajpayee.

During his talks with Indian leaders, the Bangladeshi Finance Minister addressed Dhaka's concern about the adverse balance of trade, and held substantive discussions on other major issues, such as allowing transit to India, export of natural gas to India, and border incidents.

India's internal problems in the northeast Indian states, Dhaka's alleged support to the insurgents, and the latest proposal for a tri-national gas pipeline from Myanmar to West Bengal through Bangladesh territory, were also placed on the table for discussion.

Saifur Rahman made clear to the Indian leaders that Dhaka, in principle, would like to cooperate with a tri-national gas pipeline for bringing natural gas to India from Myanmar, but the ownership of the pipeline project has to be determined first. On transit, he suggested that Dhaka would prefer allowing transit facilities to India only through the railway system, as Dhaka has developed "a good railway system" and it would not be possible to offer "road transit."

Rahman told newsmen: "Delhi wants transit for all modes of transportation from us, but the fact is, we have been asking India for the last 30 years for only a 13-km road transit to Nepal, which it did not give us." It seems some of Dhaka's basic demands have been paid attention to by New Delhi.