

A Perspective on BRI and CMEC

Distinguished Participants, Ladies and Gentlemen,

Mingalar Par, I am honoured to have this opportunity to make a presentation on “BRI/CMEC and Myanmar.” In my presentation, I would like to focus more on security and strategic aspects. I will begin my presentation with my introduction to the subject.

Introduction

- Myanmar is situated between Southeast Asia and South Asia as well as between China and India.
- Encompassing some 125 countries, the BRI aspires to improve the economic prospects and political stability for more than two-thirds of the world’s population.
- When Myanmar was invited to join the BRI and China Myanmar Economic Corridor (CMEC), Myanmar people felt that joining the CMEC would definitely pave the way for the country’s economic development and prosperity and for achieving a durable peace, that in turn would help to speed up the establishment of a Federal Democratic State in Myanmar that its people have been longing for.
- The focal point of BRI is infrastructural connectivity and the only part left for the BRI to materialize is in the Southeast Asia region.
- Myanmar people believes that the country occupies a strategic position in terms of geopolitics.
- Myanmar is located on the southern tip of Indochina peninsula and it possesses an important strategic location on the banks of Indian Ocean and Bay of Bengal.
- Myanmar is also located on the Maritime Silk Road (MSR) or the 21st Century Maritime Silk Road (South Belt).
- Myanmar’s aim in the BRI is to invest and foster collaboration in Southeast Asia and to widen the trading access.

- The government of Myanmar has announced in May 2018 the agreement for the establishment of the “China-Myanmar Economic Corridor” as part of China’s One Belt One Road Initiative.
- On 6 July 2018, Myanmar announced that China and Myanmar have agreed a “15-point Memorandum of Understanding (MoU)” on building a China-Myanmar Economic Corridor.
- The Corridor will run from China’s Yunnan Province to Mandalay in central Myanmar, and then east to Yangon and west to the Kyaukphyu Special Economic Zone (SEZ).

BRI/CMEC Projects

- One of the BRI projects in Myanmar is Oil and Gas Pipelines from Kyaukphyu to Kunming, which are roughly 1, 000 km long. The gas and oil pipelines already started to operate in 2013 and 2017 respectively.
- The second project is ‘Kyaukphyu Deep Sea Port’ and ‘Special Economic Zone’. The project is of strategic importance in connecting China with the Indian Ocean and is located at the terminus of oil and gas pipelines bringing fuel to China’s landlocked southwestern provinces. The port would also help reduce China’s need to ship fuel through the vulnerable Strait of Malacca.
- The third project is the ‘Kyaukphyu-Kunming Railway Project’. The Railway is 868 kilometers (539 miles) long and runs from Myanmar’s northern border with southern China down to the central city of Mandalay and eventually to Myanmar’s southern coast.
- An MoU was signed in March 2018 to conduct feasibility studies for the construction of the Mandalay-Muse Expressway Project and Kyaukpyu-Naypyidaw Highway Project.

- The last is the “Border Economic Cooperation Zone” that would encompass land on both sides of the two sides’ border at Muse in northern Myanmar and Ruili in southern China.

Myanmar’s Perspective

- Firstly, Myanmar is concerned with the “debt trap”.
- It is planned that Myanmar will tailor the size of the project to the need for Myanmar.
- More importantly, the government will not borrow any funds and will not cede any sovereign authority.”
- Myanmar negotiated to enable to seek financing from international financial institutions to implement the projects, to invite international tenders so as to ensure international investment in the projects, and to choose the proposed projects that would create mutual benefits for both sides.”
- Myanmar will make efforts to see that the CMEC projects serve the strategic interests of both countries when they are undertaken on the basis of equality and mutual respect.
- The Myanmar government sincerely believes that participating in the BRI will bring domestic peace, economic development, promotion of trade and investment, strengthen transport infrastructure connectivity, upgrade energy infrastructure facility, and build a network of communications and people-to-people contacts with other countries along the BRI routes.
- It also believes that the China-Myanmar Economic Corridor, and particularly, the new deep sea port in Kyaukphyu in the west will definitely enhance the country’s position to widen its economic opportunities.

Strategic Implications

- The CMEC Projects have been viewed as giving China direct access to the Indian Ocean for the first time.
- Four-fifths of the container traffic between Asia and the rest of the world, and three-fifths of the world's oil supplies pass through the Indian Ocean.
- Trade represents 60% of China's gross domestic product (GDP) and roughly 85% of that trade is seaborne.
- No other neighboring country can provide China with a secure outlet to the Indian Ocean, bypassing the contested South China Sea and congested Strait of Malacca through which most of its fuel imports travel.
- The BRI and its links through Myanmar, if implemented, could soon establish China as the Indian Ocean region's dominant power.
- China's initiatives in Myanmar are viewed by some as more focused on geo-strategic dominance than commercial or trade interests.
- It was viewed that the China-Myanmar Economic Corridor, one of the BRI's important components, if implemented, will have far-reaching economic, political and strategic implications for South and Southeast Asia, and inevitably tilt the balance of power in favour of China.
- However, in the longer term, there is probability that China's posture in the Indian Ocean, are likely to collide with those of existing Indian Ocean powers such as India, Australia, and the US, which maintains an important military base on Diego Garcia.
- Some Myanmar people are of the view that the BRI projects may tighten China's economic and strategic hold on Myanmar.

Conclusion

- Myanmar needs peace, prosperity and development.
- Myanmar joins BRI/CMEC with the believe that it would be able to help Myanmar to become a modern, developed and prosperous country.
- With economic development and prosperity, Myanmar hopes peace will prevail in the country.

- In addition, China has become a player in Myanmar's peace process and we believe that China's role will surely help in advancing peace in Myanmar.
- As some of the BRI/CMEC projects are to be implemented in conflict zones, it is imperative that there must be no armed conflicts at all in those areas.
- it is therefore necessary to reach ceasefire agreements with the armed organizations in those conflict zones.
- We hope that China's role will help in bringing those armed organizations to become parties to the Nationwide Ceasefire Agreement (NCA).
- Reaching ceasefire agreements with the armed organizations in those areas would definitely contribute to the successful implementation of the BRI/CMRC projects.
- In Myanmar, peace, development and prosperity are intertwined and implementation of the BRI projects would help the country to achieve its above-mentioned objectives of peace and prosperity.
- We hope we will be able to achieve these objectives while implementing BRI/CMEC projects.
- Thank you very much for your kind attention.