

Geoeconomics Context of CMEC in Covid-19 Pandemic

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Covid-19 is undoubtedly an unprecedented pandemic by spreading rapidly and putting millions of lives at risk. Though naturally the world's attention would be threats to public health, this article highlights certain geoeconomic dimensions of the unfolding pandemic, particularly ones related to the China-Myanmar Economic Corridor (CMEC).

Geographical and geopolitical concerns of states would pave the way to shape the geoeconomic goals since the forces of globalization bind the states inextricably in the global economic system. Geoeconomic perception of the states constitute the building blocks within the international system in order to shape the institutions and arrangements and so, geoeconomic synergies are more mobilized. A series of subregional cooperation fora for economic growth has also flourished particularly in Asia, involving cross border areas of neighboring countries based on the geographic peripherality.

From the perspective of geoeconomics, CMEC becomes one of the most significant projects. It is also a key component of well-known China's Belt and Road Initiative (BRI). Under the CMEC, the two governments signed agreements, memorandums of understanding, protocols and letters of exchange relating to railways, industrial and power projects, and trade. These agreements firm up Myanmar's commitment towards CMEC's three central components: the Kyaukphyu Special Economic Zone (SEZ), including a deep-sea port, an industrial park and other projects; the China-Myanmar Border Economic Cooperation Zones; and an urban development plan for Yangon.

An estimated 1,700-kilometer-long corridor will connect Kunming, the capital of China's Yunnan Province, and Myanmar's major economic hubs—first to Mandalay in central Myanmar, and then east to Yangon and west to the Kyaukphyu SEZ. Under the MoU, the two governments have agreed to

collaborate in basic infrastructure, construction, manufacturing, agriculture, transport, finance, human resource development, telecommunications, and research and technology. The initial proposal incorporated over twenty projects as early harvest projects within CMEC for an estimated budget of \$2 billion.

In recent years, several apprehensions came out concerning CMEC projects as questions were raised with regard to Myitsone Dam Project in the past. In 2011, massive protests were surged that forced President U Thein Sein's government to suspend the project as prevention to the loss of livelihoods and the costs of environmental degradation. Currently, the project remains suspended and some are raising questions whether the NLD government should absolutely terminate it or not". If the government decides to do so, it needs to compromise with the Chinese side and in this context, there will be possibilities to suffer potential blowback for this decision. If the government cannot terminate the project, there will be repercussions that might provoke mass protests across the country. Myitsone experience has prompted the NLD government to move more cautiously on CMEC projects. As for approvals for the Chinese project proposals, this should be a prerequisite to conform with the policies, procedures, priorities and interests of Myanmar. The Kyaukphyu port, for instance, will bring only limited returns to Myanmar and there are fears that those costly projects would only increase Myanmar's debt burden and push the country into a "Debt Trap" as in Sri Lanka. As for China, Kyaukphyu is a key strategic project under the BRI in order to boost development for its land-locked Yunnan province and to provide China with direct access to Indian Ocean that allows China's oil and other products to bypass the Strait of Malacca.

China has been encouraging Myanmar to speed up the implementation of CMEC projects. Over the last couple of years, China has leveraged to do so because Myanmar's relations with the West have been strained due to the Bengali issue. Myanmar government also faced with allegations of genocide by the Gambia at the International Court of Justice (ICJ) in the Hague. As

international pressures on Myanmar increase, the diplomatic support from China has become essential and the ties between the two states have deepened. President Xi Jinping's first trip to Myanmar in January 2020, which came just a little over a month after State Counselor Aung San Suu Kyi had defended her government at the ICJ, seems to have chosen to taken advantage of this opportunity diplomatically to push Myanmar towards its project commitments.

The Covid-19 pandemic is posing new challenges in implementing CMEC projects and it is difficult to avoid the catastrophic impacts of the pandemic as in other countries. So far, the pandemic has not affected Myanmar as hard as it did to China and other neighbors. The pandemic has already dealt a flurry to Myanmar's economy since tourism, trade, agricultural, and industrial sectors are mostly related with China. Supply lines have been disrupted and impacted agriculture, aquaculture, and seafood sectors. The closure of border crossings and border trade has cost Myanmar dearly: since 27 January 2020, it is said to have lost \$8 million per day in border trade, at Muse gate alone.

Myanmar has a roughly 2,200 kilometer-long border with China and almost a million Chinese visit Myanmar annually. Though coronavirus infections have so far come primarily from Western countries, the Beijing government is also worrying about violence towards Chinese workers in Myanmar that could have negative effects on the implementation of projects. Beijing appears eager to head off such problems diplomatically by spreading a positive message on its global outreach, and has sent a team of medical experts and supplies to Myanmar. Chinese Ambassador to Myanmar Mr. Chen Hai stated that all "agreed-upon investments and projects would be carried on despite the impact of the coronavirus" crisis and that only projects that require technical staffs may be impacted".

As the pandemic creates adverse conditions for a deep global economic recession, we need to be careful and critical on its ramifications. It is still too early to assess the repercussions of the coronavirus crisis on CMEC projects

because the pandemic is still only ongoing with more infections and deaths worldwide. However, there is “no doubt” that COVID-19 will hinder the implementation of CMEC projects in the short-term. Currently, Myanmar government is focusing on strict control of this viral outbreak and preventing its spread, as well as trying to mitigate and lessen the pandemic’s negative impacts on people’s livelihoods. In this context, work on the projects could be slowed for some time diplomatically. China seems to keep focusing on humanitarian assistance in the immediate-term. COVID-19 outbreak holds the two governments in implementing CMEC projects as scheduled, may be for several months. Hopefully, Myanmar and China as two close traditional neighbors, can overcome common challenges posed by the pandemic and move forward through genuine cooperation and coordination under the CMEC framework and also based on the Five Principles of Peaceful Coexistence, in the post Covid-19 era.

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