J. Myanmar Acad. Arts Sci. 2019 **Vol. XVII. No.7**

MYANMAR-INDIA TRADE AFTER 2011

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Abstract

Myanmar is undergoing a period of remarkable, political, economic and social change since 2011. There has been tremendous change under the government of U Thein Sein (2011-2015). At that time, Myanmar- India bilateral relations appear to be more affected by political and strategic considerations rather than economic ones. India's engagement with Myanmar is based on 1991 initiated "Look East" policy because Myanmar is an economic opportunity and geostrategic buffer for India. Therefore, Myanmar-India bilateral trade is not only in economic sphere but also in the development of regional cooperation. In this context, this research tries to analyze what are the changing patterns of Myanmar- India trade. Besides, it also attempts to examine why Myanmar- India trade is lagging behind Myanmar-China and Myanmar-Thailand trades.

Keywords: Myanmar, India, change, export import, policy, bilateral trade, development

Introduction

Myanmar foreign trade is operated mainly with Asian countries such as People's Republic of China, India, Japan, Thailand, Singapore, and Malaysia. Among trading partners of Asian countries, India is not only for the major trading partner for Myanmar, but also a main country for the development of Myanmar infrastructure, technology, communications and transportation sectors. These sectors are important for bilateral trade, especially border trade. Myanmar-India economic cooperation is interdependently related for a long time because Myanmar's export markets and technical developments depend on India. On the other hand, Indian Northeast region stability and oil and gas depend on Myanmar. Besides, Myanmar is one of the main countries to act as a land bridge to the Southeast Asia and Southwest China for India. This paper is included two approaches: firstly, trade policy reforms in Myanmar and India. Secondly, trade (normal and border) between Myanmar and India.

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Myanmar's Trade Policy

Myanmar practices independent, active and non-aligned foreign policy that aimed at world peace and friendly relations with all nations and upholds the principles of peaceful coexistence among nations. In line with this policy, Myanmar trade policy is also an independent one that is Myanmar believes in trade liberalization and wants to free and fair trade in the world. There are five trade policy objectives of Ministry of Commerce are:

(1) To formulate and implement the trade policies systematically in accordance with market economic system.

(2) To implement export promotion and enhance trade by means of advanced ICT.

(3) To expand trade through regional and international cooperation.

(4) To improve trade environment.

(5) To produce/maintain enough amount of essential and important goods for domestic consumption and manufacturing industries and stability of prices.

Myanmar-India trade is based on foreign policy and trade policy. In Myanmar, a market-oriented economic policy was officially adopted in March 1989 when the Law of Establishment of the Social Economic system was revoked. This policy reforms have helped not just the increase in production but also increased export of goods and services .The open-door policy has drastically changed the geographical patterns of trade in Myanmar since 1988. Myanmar's cross-border trade countries are Bangladesh, India, China, Laos and Thailand. Cross-border trade is an important role to develop and strengthen the bilateral relations with neighboring countries. Myanmar has strengthened its trade relations with neighboring countries.

Myanmar has changed its trade policy in 2012. The government can levy three types of taxes on imports: import duties, commercial taxes and license fees. Besides, Myanmar has started to remove some of the most significant barriers to the trade including restrictive license requirements, export taxes and arbitrary fixed exchange rates. However, many issues surrounding trade policy. In April 2012, the government formally abolished a dual exchange rate system which had hindered foreign trade and investment. In June 2013, the government announced a 2 percent tax on all imports and exports. The government maintains a list of restricted imports and exports. The states has a monopoly on legal exports of teaks, petroleum, natural gas, gems, jade and pearls, though its sometimes authorize others to export these products. Relevant government ministries control export of these natural resources.

India's Trade policy and its policy towards Myanmar

Indian foreign trade policy is also known as Export-Import policy or EXIM policy. The EXIM policies are adopted by any country regarding the export and import goods and services with other countries. Two types of trade policies are the free trade policy and the protective trade policy. In the free trade policy, there is complete absence of restrictions on the exchange of goods and services among the nations. Protective trade policy is to protect the domestic economy from the competition of foreign goods. The government of India has implemented Duty Free Tariff Preference (DFTP) Scheme and the ASEAN-India Trade in Goods Agreement (AITGA). DFTP is applicable to Myanmar and AITGA is the tariff lines subject to tariff reduction and/ or elimination under this agreement. Tariff rates are zero percent. Myanmar can more beneficial from this agreement.

India's relation with Myanmar is of utmost importance in the context of India's new orientation and area specific approach to its security as well as economic interests since 1991. According to Dr. Ram Upendra Das, there are four reasons of India interests in Myanmar. These are: (1) Containment of Chinese economic and strategic influences in Southeast Asia in general and Myanmar in particular, (2) Guiding Myanmar in exploring her vibrant gas fields and thereby exploiting the energy resources, (3) Getting the Myanmar government to come down heavily on the North East's insurgents and rebel groups that have taken shelter and been pursuing violent activities there, (4) To obtain inter-modal transit facility for the goods and services being traded between India and Southeast Asian countries. Therefore, India adopted 'Look East Policy' in 1991. This policy was not only focused on Asian markets but also to extend trade relations with other Southeast Asian countries. Under this new framework, a fresh start in Myanmar- India relations was possible. Myanmar holds a special position in India's neighborhood vis -a`- vis the "Act East Policy". Myanmar is strategically important for India to implement and to achieve the objective its policy. India has to maintain a cordial relationship with Myanmar to extend its influence in Southeast Asia and due to internal security concerns of its north-eastern states. These considerations led India to enter into a number of significant economic arrangements with Myanmar.

Normal Trade between Myanmar and India

Myanmar's abundant land, extensive labor resources and proximity to the major emerging of food markets of China and India offer distinct competitive advantages for doing business. Agriculture is the backbone of Myanmar economy: the sector account for about 30 percent of GDP, over 50 percent of total employment and approximately 20 percent of exports. Myanmar is essentially an agricultural economy with three-fourth of its population engaged in agriculture. The high growth rate of GDP was mainly because of improved performances in agriculture, fisheries and manufacturing and trade. About half of total output comes from agriculture, fisheries and forestry. Industry contributes about 15 percent of GDP and services contribute 35 percent. There is a marked difference between Myanmar and India economy. Indian economy is more diversified in industry, services, science and technology. India has a highly diversified pattern of exports, both manufactured and agricultural, that is competitive with exports from industrial countries.

India's perspective and prospects for Myanmar-India relationship in six policy areas: democratization and stability; security in Northeast region and illegal migration; trade and infrastructure; energy security; development cooperation; and the role of China. Therefore, Myanmar and India set up a Joint Trade Committee (JTC) to appraise their bilateral trade and development since 2003. The main items of India import to Myanmar are steel products, agricultural tools, bicycle, coal, sewing machines and three wheelers/ cars below 100cc, machinery, textile, yarn**.** The main items of Myanmar export to India are agricultural and forest-based product, oil and natural gas, bean and pulses and rice. Principal commodity of import/export between Myanmar and India shows detail in Table-1 and Table-2.

Table-1: Import from India by Principal Commodity

(US$ in million)

No.	Commodity	2012-13	2013-14	2014-15	2015-16	2016-17
	Normal Trade	**289.53**	**476.36**	**577.35**	**788.5**	**624.72**
1	Pharmaceutical Products	89.1	71.63	74.08	69.71	67.81
2	Transport Equipment	35.31	20.61	29.47	36.51	43.33
3	Machinery & Mechanical Appliance	26.3	39.84	139.8	33.62	30.05
4	Electrical Machinery & Apparatus	5.4	27.64	47.02	30.31	16.72
5	Chemical Elements & Compounds	4.68	3.34	3.54	7.05	7.34
6	Plastic & Articles Thereof	1.43	2.7	7.34	5.56	6.75
7	Scientific Instruments	0.05	2.78	2.89	7.67	2.86
8	Fabric of Artificial & Synthetic Fabric	0.6	0.89	14.72	1.06	0.42
9	Fertilizer	0.02	0.19	0.35	0.36	0.41
10	Cement	1.33	0.71	6.66	6.12	0.22
	Other	55.9	99.81	167.58	537.22	369.65
	Border Trade	**3.17**	**17.15**	**18.3**	**18.85**	**18.34**
	Total	**223.29**	**287.29**	**511.75**	**754.04**	**563.9**

Source: www.mmsis.gov.mm/.../statistics/fileDb.jsp... (E.Books-MMSIS)

Table-2: Export to India by Principal Commodity (2012-2017-April)

(US$ in million)

No	Commodity	Unit	2012-2013		2013-2014		2014-2015		2015-2016		2016-2017	
			Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
	Normal Trade			**1006.7**		**1114**		**752.2**		**844.6**		**704.7**
1	Pulses	MT	925530	570.2	748225	460.4	857110	693.2	711142	694.8	483466	581
2	Plywood&Venner	MT	46315	5.66	15029	7.9	53573	26.89	199601	76.79	11483	72.77
3	Timber		978857	404.8	1079491	564.3	8010	12.9	26862	42.58	15941	23.82
4	Fish	MT	351	1.85	5412	6.63	1091	1.7	1069	1.72	837	1.63
5	Garment	NMB	79390	0.39	267	0.34	732	-	238592	1.48	329253	1.1
6	Copper Cathodes	NMB	200	1.61	400	2.82	229	1.9	346	1.88	200	0.99
7	Rubber	MT	60	0.17	1035	2.3	61	0.09	-	-	699	0.9
8	Rice	MT	35589	12.33	37327	12.7	21596	7.35	675	0.22	275	0.11
9	Tabacco	NMB	1216	3.71	128	0.12	-	-	29	0.02	17	0.01
10	Ginger	MT	76	0.03	1031	0.6	-	-	60	0.1	-	-
	Other			5.96		56.2		8.19		24.96		22.33
	Border Trade			**8.87**		**28.17**		**42.61**		**53**		**51.5**
	Total			**1015.6**		**1142**		**794.8**		**897.6**		**756.2**

Source: www.mmsis.gov.mm/.../statistics/fileDb.jsp... (E.Books-MMSIS)

Myanmar's agricultural and forest-based product dominates to India. Myanmar has had a history of supplying rice to many parts of Asia and has the potential of supply quality rice. The total volume of Myanmar's rice export to India was 37327metric tons in the value of $ 12.69 million in 2013-14. It was declined to 21596 metric tons with the worth in $ 7.35 million in2014-15. It was decreased to 675 metric tons in the worth of $0.22 million in 2015-16. This amount was decreased to 275 metric tons in the value of $ 0.11 million during 2016 to 17(April). The declined of rice export to India is increased the development of rice production following the green revolution in India. Besides, the need for domestic consumption was one of the reasons for the decline of Myanmar's rice export to India. Besides, U Thein Sein government was suspended to export timber since 2014.

However, pulses and wood and wood products are major official import items from Myanmar. Similarly, the growth rates of rice production were 136.66 percent in 2012-13, 2.92 percent in 2013-14, -42.08 percent in 2014-15 and -50 percent in 2016-17. The decline of growth rate was mainly due to unfavourable weather conditions and constraint in foreign exchanges resulting in short supply of many agricultural inputs in Myanmar.

As per EXIM policy in force wood/timber are freely importable under normal trade, subject to the payment of Customs Duty that allow in several forms to be imported at a concessional rate of duty of 5 percent ad valorem under both border and normal trade. India's export to Myanmar consists mainly of cement, cycle, drugs and pharmaceuticals, auto parts and accessories, and cotton yarn. The potential available in the capital goods and raw materials sectors does not appear to have been, as yet to be exploited by India.

India is buying pulses and beans including the sesame in the total exports of pulses and beans of 70 percent annually. From Myanmar pulses and beans export to India, Myanmar and India agreed to practice the direct trade system instead of the transit trade system. By using of the direct trade system, the amount of trade value is steadily growing between the two countries. Formerly, Myanmar's pulses and beans are exported to India through Indian companies in Singapore as the transit to India. The two Governments agreed to use the direct trade system on 12 November 2008. If Myanmar sells pulses and beans with direct trade system to India, India offers to use the Euro and Singapore dollars for letter of credit (LC) instead of U.S dollars in the consultation with the United Bank of India and Myanmar Economic Bank (MEB), Myanmar Investment and Commercial Bank (MICB) and Myanmar Foreign Trade Bank (MFTB). Pulses and beans are directly exported to India.

The high demand and deficit in local supply of beans and pulses has increased and India depends on imports from Canada, Myanmar and Australia. Canada is the largest exporter to India. Myanmar is the second largest supplier of pulses and beans to India that is accounting for one third of India's total requirements of imported pulses. However, Bangladesh, Sri Lanka, Pakistan and Nepal replaced India as the main importer of Myanmar's beans and pulses. In 2017, India was issued an order to protect India's bean and pulses farmers during the bumper year for the domestic sector. India imposed a quota on all Myanmar import and limit on the import of black beans, pigeon peas and mug beans to protect its beans cultivators from foreign competition. This had caused prices for Myanmar's beans and pulses to drop substantially. After India halted bean and pulses import from Myanmar, the market price has also tumbled. The arrangements are underway to plant matpe in Rakhine State and to export in excess of 10,000 tons in 2017-2018 to India. In doing this, it will be exported directly to India from Sittway port. But a potential problem is that only vessels weighing a maximum of 3,000 tons can berth at the Sittway port. If a new port is built in Sittway, this will become a major transfer point capable of exporting beans and pulses directly to India. Myanmar is the major exporter of beans and pulses for India. Pulses are major staple foods of India. India is the largest producer as well as importer of pulses. Therefore, India imports pulses from Myanmar and a number of African nations to fulfill their high demand.

On the other hand, India's imports to Myanmar, though small, range from primary commodities to manufactured products. Primary and semi-finished steel along with steel bars and rods constitute over one third of India's exports. Transport equipment is -5.90 percent in 2015-16. Pharmaceutical are the next most import item and accounted for 36.57 percent in1915-16. Indian drugs and pharmaceuticals have established a significant market presence and major pharmaceuticals companies.

Although India is Myanmar's second largest export markets, India only accounted for 3 percent of Myanmar's total imports. Indian companies have a significant impact in only pharmaceuticals sector which account for 37 percent of Myanmar's domestic market. India is invested in accounted for 98 percent in oil and gas sector between 1996 and 2013. This ranked India 13^{th} behind China, Thailand and Hongkong which together accounted for 73 percent of total investment into Myanmar. In spite of having long trade relations, India has failed to create any sizable export market in Myanmar. India is having persistent deficit of trade balance with Myanmar in most of years since independence. The usual explanation, that the restrictive import policy of Myanmar Government has been the prime cause of India's export sector to compete with its counterpart China, Japan and other Southeast Asian countries. Myanmar offers opportunities for a wide range of Indian products. But Indian goods have not placed themselves between cheap and ample Chinese goods and neat and small Japanese and Singaporean goods in the Myanmar's markets. At that time, Myanmar is also a site of regional completion. China has gained many economic concessions and access to natural gas through a Myanmar- China pipeline. It also has a substantive naval presence in Myanmar's ports. India concerns about the strength of Chinese influence are shared by Myanmar and the junta appears to be encouraging competition between China and India for access to the country's natural resources. Moreover, China has taken over the entire nation's construction of infrastructure and transport links, including development of airfields and naval bases, as well as fulfillment of its energy security needs in Myanmar. Besides, when Myanmar-China border trade was legitimized and formalized, China has enjoyed an important position in Myanmar's external trade and has constantly occupied a high ranking among Myanmar's trading partners.

In the energy sector, Myanmar's dramatic growth in consumption of refined oil products and the inability of its aging refineries to meet that incremental demand have whetted the appetite of Indian oil companies to play a bigger role in Southeast Asian nation's oil and gas sector_ from upstream to retail. Indians refiners are increasingly looking to sell products to Myanmar in order to tap a growing market. This makes sense both on the geographical level where India is increasingly seeking regional influence and Indian refiners' corporate needs to deepen in new markets. Plans for constructing such a pipeline would be considered when refiners come up with an estimate of export volumes, provided that such volumes could justify the cost of a pipeline.

Numarligarh Refinery Limited (NRL) has been first off the block to market various petroleum products in Myanmar from its grassroot refinery located at Golaghat, in Assam. The Assam-based refinery was best placed geographically to cater to markets in Myanmar that petroleum products would be shipped to the bordering country by road. However, NRL would benefit significantly from the proposed pipeline. The distance between Assam and centre of Myanmar is about 553 km and about 938km by road. NRL operates a three-million-ton a year refinery which is being ramped up to nine-million tons a year. Government-owned oil refiner-marketer Indian Oil Corporation (IOC) has also submitted a proposal to the Myanmar government to set up a retail outlet to vend automobile fuel, and once retail outlets are in place, it will also benefit from transporting petrol and high-speed diesel through the pipeline. An oil pipeline to Myanmar is part of India’s plans to construct a network connecting neighbouring countries Nepal and Bangladesh and will expand Indian oil companies’ markets.

Border Trade between Myanmar and India

With the emergence of the open-market economic system, the previous dependence only upon sea trade is being supplemented by border trade. The border trade policy of the Government is to develop and strengthen trade relations through added border activities with the five neighbouring countries – Bangladesh, China, India, Laos and Thailand. There has been an existence of border trade between these countries since a long time past. Mutual interests were shown between the governments to establish smooth and official flow of trade across the borders. Myanmar’s border trade policies are:

(1) To gain more friendship between the two countries;

(2) To develop legalized normal trade;

(3) To get full taxation for the State;

(4) To have the private entrepreneurs to get their deserved benefits and

(5) To have the smooth flow of commodities.

Myanmar-India border trade officially began on 1 December 1991 and payment can be settled in dollars. Indo-Myanmar Border Trade Agreement was signed between the two countries on 21 January, 1994 and it came into operation on 12 April, 1995 through Tamu border. Myanmar and India have agreed to open three border points. According to Department of Trade, Moreh (Manipur) in India and Tamu in Myanmar and Champhai (Mizoram) in India and Rhi in Myanmar are official points. However, Paletwa- Pansung is unofficial points because it is in very poor condition and is not often used.

The Myanmar-India border trade started with high expectation went on smoothly till December 1997. The Tamu-Moreh sector is heading towards a definite imbalance. The sudden down fall of the border trade is the sudden change of policy by Letter of Credit (LC) system in dollars, insurgency problem and frequent road blockade have hampered in the Myanmar-India border trade, non-availability of importable items in Myanmar combined with higher prices have made import non-profitable to the traders thereby affecting the import, unilateral loan imposed on some import items like onion, garlic, groundnut and rice.

The restriction of the EXIM policy 1997-2002 have become a stumbling block in conducting free import and export through Tamu-Moreh border. The United Bank of India (UBI) Moreh branch has often refused to accept Government deposits thereby creating lots of problems to the trade and customs officials. For example, the temporary ban on export of wheat flour by the Indian side has upset the export as wheat flour forms the 93 percent of total export and Myanmar has already started importing wheat flour through other routes, the condition of road from Moreh to Pallel is very bad. The situations of normal trade and border trade between Myanmar and India show in detail in Table-3 and Table-4.

Table-3: Trade between Myanmar and India (2012-2017-April)

(US$ in Million**)**

No.	Description	2012-13	2013-14	2014-15	2015-16	2016-17
1	**Export**	**1020.23**	**1146.41**	**745.80**	**904.16**	**760.07**
	Normal	1011.36	1118.24	703.19	851.13	708.57
	Border	8.87	28.17	42.61	53.03	51.50
2	**Import**	**301.7**	**493.51**	**595.65**	**807.35**	**643.06**
	Normal	298.53	476.36	577.35	788.50	624.72
	Border	3.17	17.15	18.30	18.85	18.34
3	**Total Trade**	**1321.23**	**1693.92**	**1341.45**	**1711.51**	**1403.13**
	Normal	1309.89	1594.60	1280.54	1639.63	1333.29
	Border	12.04	45.32	60.91	71.88	69.84
4	**Trade Balance**	**718.53**	**652.90**	**150.15**	**96.81**	**117.01**
	Normal	712.83	461.88	125.84	62.63	83.85
	Border	5.7	11.02	24.31	34.18	33.16

Source: Statistical Yearbook, Central Statistical Organization, Nay Pyi Taw, 2011, 2012 & 2016

Table-4 : Growth Rate of Myanmar-India Trade (2012-2017 April)

(US$ in Million**)**

FY	Export	Growth Rate (%)	Import	Growth Rate (%)	Total Trade	Growth Rate (%)
2012-13	1120.23	- 2.46	301.70	- 7.26	1321.93	- 3.61
2013-14	1146.41	12.37	493.51	63.58	1639.92	24.05
2014-15	745.16	-34.94	595.65	20.70	1341.45	- 18.20
2015-16	904.16	21.23	807.35	35.54	1711.51	27.59
2016-17	760.07	21.39	643.06	80.78	1403.13	42.91

Source: Statistical Yearbook, Central Statistical Organization, Nay Pyi Taw, 2011, 2012 & 2016

A large scale of trade is done through illegal channels in the border areas. This might be due to restrictions imposed in the trade and long porous border between the two countries. The flooded of third country goods in Tamu and Namphalong markets of Myanmar is mainly because of their low prices as compared to goods originated from the states in India. On the other hand, third countries like China, Japan, Thailand, South Korea, and Singapore might have substantially low cost of production, based on their production on labor intensive as well as application of new technologies. The volume of border trade is higher than the volume of legal trade. Border trade has huge potential for expansion of trade between them. The high value of illegal trade carried out on the borders could be due to long porous borders, the restrictions, low transaction cost and low transportation costs. Moreover, Myanmar had artificially high official exchange rates for its currency. Given the difference between market value of the currency and its official exchange rates, formal trade between the two countries was a difficult enterprise.

Moreover, the situation of border trade is no clear increasing trend in the proportion of the border trade to the imports. When the border has been growing, the total imports have grown faster. The composition of Myanmar's import from China exhibits a higher proportion of capital goods and industrial raw materials whereas the import from Thailand includes a higher proportion of consumption goods such as beverages. The import of public sector concentrates on capital goods and industrial raw materials. It is conjectured the proportion of the imports by the public sector is higher with China than with Thailand. However, Myanmar-China trade could be affected by China's slowdown because of the falling global commodity prices and devastating nationwide floods in 2015. Myanmar-India trade remains highly unbalanced; one-to-five in favor of Myanmar, which imports less than US$ 200 million worth of products from India. Indian goods are spare in Myanmar's markets because they are unable to compete with the cheap Chinese, Thailand and even South Korean products. However, India is the leading exporter of pharmaceutical to Myanmar since the Burmese Socialist Programme Party Government. India is the first export country of Myanmar's agriculture and forest based products such as beans and pulses and timber.

Although Myanmar and India signed a Bilateral Investment Promotions Agreement (BIPA) and a Double Taxation Avoidance Agreement (DTAA) in 2008, less favorable geographies, infrastructure deficiencies inside Myanmar and inadequate banking services in a country cripple by international financial sanctions have much hindered India’s trade trust. State-owned companies are clearly spearheading India’s tentative thrust Oil and Natural Gas Corporation (ONGC), Gas Authority of India Limited (GAIL), National Hydroelectric Power Corporation (NHPC), Indian Border Road Organizations and so on. But the vibrant Indian private companies that lead India’s forays in Africa, the West or the Middle East are quite absent from the Myanmar markets. Myanmar has to concurrently develop import substitution as well as export promotion. India first sought to invest in Myanmar’s deficient infrastructure sector, mostly through road constructions, upgrading of railways, a river port project, hydroelectric projects and extension of communication lines. However, compared with the number and diversify of Chinese or Thailand involvement in the very same sectors of activities in Myanmar, or even to India’s own growing presence elsewhere in Asia (eg. Afghanistan), doubts have emerged regarding the long-term impact of India’s low-key Myanmar’s projects, for they remain quite peripheral or involve limited budget lines.

Conclusion

It can be concluded that the trade policy changing of Myanmar and India can increase trade volume and upgrading the seaborne and border trade are gradually increased the total trade. However, some of the difficulties can face between them because the two governments need to aware that policy concerning with export/import tax in both side, especially border trade markets. On the other hand, Myanmar is an important country to implement India’s Act East Policy and Myanmar can get benefit from re-export and transit trade from India’s AITGA. Concerning with trade, Myanmar’s export is higher than India’s import. Trade balance was significantly favors to Myanmar. Myanmar-India trade is interdependently related. Myanmar depends on India for export markets and technical developments. India depends on Myanmar for oil and gas, Northeast region stability and to achieve the goal of its policy.

Most of the Myanmar and India export-import items are entirely the same items with China and Thailand. However, the prices are not the same. The prices of India and Thailand goods are more expensive than Chinese goods. Most of the Myanmar people use the Chinese products which are poor quality. It is important to note that Myanmar-India trade is mostly less than Myanmar-China trade. On the other hand, India-Myanmar trade severely decreased from 2010 to 2015 because of India is not trust in Myanmar political situation and some of the bilateral agreements are not implemented because India delays to invest in Myanmar. Some of the projects are suspended by India.

Myanmar and India need to build infrastructure in both side because China and Myanmar constructed the infrastructure in both sides. It is easily to border trade and charges are less for both. Myanmar-China and Myanmar-Thailand border points are more than India border points. Myanmar and India need to open much more border points. Furthermore, waterways are more cost effective than roads and railway and so any goods required to be traded to Myanmar could be done in a very cost effective manner. To promote the trade sector, the main road linking the two countries will be upgraded and cooperate on exporting products and enhancing small and medium enterprises. Besides, China and Thailand is concluded the long-term agreement for economic cooperation and they are implementing to the development of bilateral cooperation. Therefore, Myanmar-China and Myanmar-Thailand trade are stable than Myanmar-India trade. It notes that Myanmar and India need to conclude the long-term agreements. If Myanmar and India solve the border insurgent problem, border areas will be developed trade, infrastructure, communication, transportation and so on. There are several reasons for the lesser amount of trade between them. The two countries' economic relationship, especially border trade, has suffered from lack of clear policy, insurgent problems and stability in the exchange rate to attract for investment. Therefore, Myanmar India trade is lagging behind Myanmar-China and Myanmar -Thailand trade.

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