

Kyaukphyu Deep Sea port: Regional Cooperation and Competition

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Introduction

Kyaukphyu Deep Sea port, one of the newest and most significant additions under the umbrella of the Belt and Road Initiative, and the crown jewel of the China-Myanmar Economic Corridor (CMEC), has become a debated project to say the least. Moreover, the project itself has to overcome a lot of challenges in terms of overall completion, all the while being the possible harbinger of further geo-strategic competition.

Understanding the Significance of Connectivity Projects

Following the political blocs and the isolationist practices by major powers in the 20th century, the political scenario across the globe has significantly altered, establishing a more cooperative and connectivity oriented approach. This not only introduces further opportunity for extending soft power outreach, but also provides the opportunity to reap the major benefits all the while averting isolation from the international block. In terms of the Asian region, Both China and India have been growing as major powerhouses in the region, with many touting China to have the potential to even overthrow the U.S. in terms of global hegemony. Thus far, both India and China have been competing to ensure their regional dominance, which has been reflected through the major connectivity projects that both these countries have been initiating in the recent years.



Understanding Kyaukphyu Deep Sea port

The much discussed port itself has become a factor in terms of regional connectivity as long as Asia is concerned. The whole infrastructure project is located at the small town of kyaukphyu in the Rakhine state, right at the western tip of Myanmar.¹ The most significant aspect of this location is the presence of a 25-meters deep harbor, which emphasizes upon the importance of the location, and why such a major importance has been placed

¹ Geopolitical Monitor. 2021. *Backgrounder: Myanmar's Kyaukphyu Port* | *Geopolitical Monitor*. [online] Available at: <<https://www.geopoliticalmonitor.com/backgrounder-myanmars-kyaukphyu-port/>>

upon this location in the first place.² The ideal natural conditions of the location of the port itself make it very much ideal for the establishment of a Special Economic Zone (SEZ).³

In 2014, the Myanmar government invited bidders from around the world for its plan to set up the Kyaukpyu SEZ, one of the country's three national SEZs, in an effort to kick-start the local economy and raise living standards.⁴

The whole initiative started to pick up the pace in 2015, when a major consortium of six Chinese companies, under the banner of China International Trust and Investment Cooperation (CITIC), won the tender.⁵ This was followed by a slew of negotiations between the concerned parties for almost three years, after which the CITIC came to a framework agreement with Myanmar for the following project.⁶

The Kyaukpyu port itself introduces a number of possibilities for Myanmar and China, as it opens up the opportunities for local communities surrounding the deep sea port, as it is believed to be becoming the maritime hub of the Chinese Belt and Road initiative and a part of the China-Myanmar Economic Corridor (CMEC).⁷ It will provide the much needed economic and infrastructural boost to a country ridden by turbulence and instability, as it has the potential to completely reinvigorate Myanmar and turn it into a major regional actor.

The benefits in terms of China, as well are more than significant to say the least. This will provide China with an impeccably direct access to the Bay of Bengal and connecting the landlocked Yunnan Province through highways and railways to this very route.⁸ This is highly beneficial to China as it will be able to open up the access to the global market. It will also provide the gateway for the Chinese oil imports and Chinese trade by bypassing the Strait of Malacca, making the transit much faster and efficient.⁹ The deep sea port is of special importance due to the fact that, oil and gas pipelines are already functioning between Kunming and Kyaukpyu, making the energy dynamic even more convenient for China.

² ibid

³ ibid

⁴ Xinhuanet.com. 2021. *Xinhua Headlines: Kyaukpyu port to become model project in China-Myanmar BRI cooperation - Xinhua | English.news.cn*. [online] Available at: <http://www.xinhuanet.com/english/2020-01/18/c_138716099.htm>

⁵ ibid

⁶ ibid

⁷ Nikkei Asia. 2021. *Myanmar cuts cost of China-funded port project by 80%*. [online] Available at: <<https://asia.nikkei.com/Spotlight/Belt-and-Road/Myanmar-cuts-cost-of-China-funded-port-project-by-80>>

⁸ Chaudhury, D., 2021. *Myanmar junta expedites work on China funded Kyaukphyu port*. [online] The Economic Times. Available at: <<https://economictimes.indiatimes.com/news/international/world-news/myanmar-junta-expedites-work-on-china-funded-kyaukphyu-port/articleshow/85167272.cms?from=mdr>>

⁹ ibid

Be that as it may, the port is not without its fair share of criticisms and controversies. The project itself is riddled with political and strategic concerns, and not without reasons. The Kyaukpyu port follows long line controversial projects in the region that tend to ring the alarm bells. It follows the lineage of projects such as Myitsone hydropower dam. Moreover, the major concern that's causing the most amounts of worries is the ever-growing possibility of Myanmar falling to a subservient role to China, all the while losing their sovereignty. This was particularly showcased by the fact that, while the Chinese side had been pushing for a large project with an investment of over 7 Billion Dollars, Myanmar through negotiations managed to reduce the project to 1.3 billion and also increased Myanmar's stake in the project to 30 percent.¹⁰ The port also introduces the possibility of militarization of the region, with increased presence of the Chinese in the region. So far, port itself has also become susceptible to the ongoing turbulence instigated by the insurgencies the region, as the Rakhine state falls prey to more and more chaos on a constant basis. Thus far, the region itself has become very susceptible to uncertain circumstances and constant unrest. The port, which had already been delayed, can delay even further due to a lot of underlying factors. So, as a result of all the dynamics and major caveats, the deep sea port, all the while having a lot of potential, still has its fair share of criticisms and concerns associated with it.

Brewing Regional Competition

The Kyaukpyu port has the potential to introduce further competition in the region, with both India and China focusing on the region to instill its supremacy. The Chinese Kyaukpyu port, expedited by the Junta of Myanmar who is currently in power, poses a number of challenges to the ongoing Kaladan project located in Sittwe.

The gateway of the Kaladan project, the Sittwe port is a mere 105 kilometers away from each other.¹¹ The close proximity of these rival powers can introduce further hostilities in the region. Both the countries will be looking forward to ensure their spread of influence, all the while mitigating and countering the other. With the possible inclusion of military presence, things might get even more complicated as the possibility of impeding on another's territory. The countries might end up in a military confrontation to "flex their muscles" in the region. Although the possibility of an all-out military confrontation seems unlikely because the toll will be much higher than the gain itself, there will always remain an air of ambiguity between those two countries.

¹⁰ Geopolitical Monitor. 2021. *Backgrounder: Myanmar's Kyaukpyu Port* | *Geopolitical Monitor*. [online] Available at: <<https://www.geopoliticalmonitor.com/backgrounder-myanmars-kyaukpyu-port/>>

¹¹ Chaudhury, D., 2021. *Myanmar junta expedites work on China funded Kyaukphyu port*. [online] The Economic Times. Available at: <<https://economictimes.indiatimes.com/news/international/world-news/myanmar-junta-expedites-work-on-china-funded-kyaukphyu-port/articleshow/85167272.cms?from=mdr>>

As long as Bangladesh is concerned, the presence of another connectivity project further undermines the importance of Bangladesh in terms of geo-strategic implications. The presence of such a project pushes both India and China to lean more and more towards Myanmar, and considering the tussle that's going on between Bangladesh and Myanmar in terms of a small scale arms race and the Rohingya crisis, it will only decrease the possibilities of Bangladesh gaining an upper hand. Bangladesh has to play its hand properly to ensure they get the most out in terms of economic and strategic outcome.

Conclusion

Connectivity projects are the lifeblood of modern day multilateralism and cooperation. Thus far, the deep sea port can introduce economic growth on a major scale, however, this can also introduce political complications between Myanmar and China and further exacerbate strategic competitions between India and China, introducing newer layers of geo-political complexities.

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