China’s “Look South”:*  
China-Myanmar Transport Corridor  

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Abstract

This article discusses the plan and construction of Sino-Myanmar transport corridor and analyzes its implication from four dimensions: history, regional cooperation, China’s overall strategy and Yunnan’s perspective. The corridor is one part of an ambitious scheme that will put the provincial capital of Kunming at the centre of a regional free trade zone. The project is mainly motivated by China’s economic and political-cum-strategic considerations, and will draw closer bilateral geopolitical and economic bond. It will not only further integrate two countries’ economy but combine both political and strategic interests. Thus, it contains India’s influence in Myanmar, and finally expands its strategic influence into Southeast Asia and the Indian Ocean. Also, Naypyidaw’s isolation by western countries and the project of China-Myanmar oil & gas pipelines have given China favourable opportunities to realize its old dream of China-Burma/Myanmar transport link.

Keywords:  
Yunnan International Passage, Transport, the Indian Ocean, Yunnan, Myanmar


* The author wishes to acknowledge the support of grant from the Sumitomo Foundation (2009), No. 098033, and the support of grant from Ministry of Education, China, 10YJC770022; Supported by the Fundamental Research Funds for the Central Universities, No. 2011221005.

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Myanmar’s importance in world affairs has long derived from its critical geostrategic position. Not until the Second World War, when it became China’s “gateway” or “back door,” had China really realized that Burma occupied a military necessity and geostrategic position of some importance. Since then, the “Burma Road” has become a concrete and the most well known example illustrating Chinese understanding of Myanmar’s importance for China.

When the map of traffic construction in Southwest (particularly Yunnan Province) China is spread out, Beijing’s fan-shaped “Look South” strategy with Yunnan as the pivot is clear at a glance. The strategy is extending southward, and the traffic between China and Southeast Asia has never been so closely interconnected with each other.

Yunnan shares 4,060 km land border with Laos, Myanmar and Vietnam. There are 11 first-category ports, 9 second-category ports, and over 90 passages to the outside world in Yunnan province. For China, the province is the most convenient location connecting the Indian Ocean with the Pacific Ocean, bridging three markets of China, Southeast Asia and South Asia.

Yunnan side planned the initiative of “Yunnan International Passage” in 1992. However, it had no occasion to undertake the blue print until the “Western Development” strategy was started in 1999. In order to mitigate the gap of economic disparities between East and West China, redress the long-standing domestic imbalance of regional development, a drive was launched by Beijing in 1999 to promote social and economic progress in the central and western parts of the country by injecting financial aid and offering favorable policies. In the plan of “Western Development”, transport is prioritized in its national economic development.

Under the circumstance, Yunnan soon formulated the basic program, general objective and main task of “Western Development” in the province, and formally established the aim of constructing it as an international passage connecting China to Southeast Asia and South Asia at the Ninth Plenary Session of the Sixth Yunnan Provincial Committee of the Chinese

1) See, for example, H. I. Deigan, Burma-Gateway to China, Smithsonian Institution War Background Studies No. 17, 1943; “World Battlefronts: Back Door to China”, Time, Vol. XL No. 25, December 21, 1942.
Yunnan government articulated that “the construction of international passage is Yunnan’s inevitable choice of exerting its location advantage and expanding opening-up. To make full use of Yunnan’s beneficial factors of linking China with Southeast Asia and South Asia by land, water, and air.” “By all means, seize the opportunity of ‘Western Development’, construct highway and rail as the keystone and skeleton of Yunnan traffic net, air and water carriage as the accessorial, which link neighboring countries and domestic provinces, and form a shortcut and convenient transport net connecting with sea via Guizhou, Guangxi eastwards, with middle-west area via Sichuan northwards, with peripheral Vietnam, Laos, Thailand and Myanmar southwards.”

As a result, China has made efforts to undertake and push Sino-Myanmar transport corridor since the advent of the 21st century. The project is driven by China’s geo-economic and geo-strategic interests, and is also Beijing’s step to implement “Two-Ocean” strategy which will affect the geopolitics in South Asia and Southeast Asia. The corridor has an important impact on the current and future Sino-Myanmar relations, which is like an adhesive to draw closer bilateral geopolitical and economic bond.

**China-Myanmar Roads**

The strategy of “Yunnan International Passage” consists of three dimensions: transportation construction of Yunnan-foreign countries, Yunnan-other domestic provinces, and Yunnan province itself. On road’s part, Yunnan lays out the framework of the “International Passage”, and plans to build “three vertical lines”, “three horizontal lines” and “nine passages”.

“Three vertical lines” includes: (1) Yibin-Zhaotong-Kunming-Hekou (1,016 km); (2). Dukou-Yongren-Wuding-Kunming-Mohan (958 km); (3). Yanjing-Deqin-Zhongdian-Dali-Lincang-Dalu (1,397 km).

“Three horizontal lines”: (1). Pan Zhihua-Huaping-Lijiang-Jianchuan-
Lanping-Liuku (642 km); (2). Guizhou-Sheng Jinguan-Qujing-Kunming-Dali-Baoshan-Ruili (965 km); (3). Guangxi-Funing-Kaiyuan-Jianshui-Yuanjiang-Puer-Jinggu-Lincang-Qing Shuihe (1,493 km).

“Nine passages”: Five passages connecting Yunnan to other provinces, namely, (1). Kunming-Nanning-Beihai (553 km in Yunnan); (2). Kunming-Guiyang (204 km in Yunnan); (3). Kunming-Shuifu-Chengdu (250 km in Yunnan); (4). Kunming-Pan Zhihua-Chengdu (250 km in Yunnan); (5). Kunming-Dali-Zhongdian-Tibet (950 km in Yunnan). Four passages connecting Yunnan to Southeast Asian countries: (1). Kunming-Mohan-Laos-Bankok; (2). Kunming-Ruili-Yangon; (3). Kunming-Hekou-Vietnam; (4). Kunming-Tengchong-Myanmar-India.  

In light of Yunnan’s road layout on “International Passage”, there are three road lines reaching China-Myanmar border in the six lines of “three vertical” and “three horizontal”. In “Nine passages”, there are two passages leading to Myanmar. The roads of Kunming-Ruili-Yangon and Kunming-Tengchong-Myanmar-India are actually the updated versions of the Burma Road and the Stilwell Road.

In recent years, Beijing and Yunnan have built and upgraded some roads extending to Myanmar in Yunnan and some leading to Yunnan in Myanmar territory. See Table 1.

<table>
<thead>
<tr>
<th>Road Name</th>
<th>Road Class</th>
<th>Length</th>
<th>Investment</th>
<th>Building Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>An Ning-Chuxiong</td>
<td>Highway</td>
<td>129.93 km</td>
<td>4.9</td>
<td>2002-2005</td>
</tr>
<tr>
<td>Chuxiong-Dali</td>
<td>Highway</td>
<td>179.279 km</td>
<td>5.291991</td>
<td>1995-1999</td>
</tr>
<tr>
<td>Dali-Baoshan</td>
<td>Highway</td>
<td>165.84 km</td>
<td>7.04</td>
<td>1998-2002</td>
</tr>
<tr>
<td>Baoshan-Longling</td>
<td>Highway</td>
<td>76 km</td>
<td>5.54</td>
<td>2004-2008</td>
</tr>
<tr>
<td>Longling-Ruili</td>
<td>Highway &amp; Class II</td>
<td>157.712 km</td>
<td>10.941</td>
<td>2009-2012</td>
</tr>
<tr>
<td>Baoshan-Tengchong</td>
<td>Highway</td>
<td>153.94 km</td>
<td>4.607</td>
<td>2007-2010</td>
</tr>
<tr>
<td>Tengchong-Myitkyina</td>
<td>Class II</td>
<td>176 km</td>
<td>12.3</td>
<td>2004-2007</td>
</tr>
<tr>
<td>Jinghong-Damenglong</td>
<td>Class II</td>
<td>60 km</td>
<td>0.445</td>
<td>2004-2008</td>
</tr>
<tr>
<td>Zhangfeng-Bhamo</td>
<td>Class IV</td>
<td>79 km</td>
<td>0.028</td>
<td>2004-2007</td>
</tr>
<tr>
<td>Yingjiang-Nabang</td>
<td>Class II &amp; Class IV</td>
<td>92 km</td>
<td>0.23</td>
<td>2003-2005</td>
</tr>
<tr>
<td>Tengchong-Banwa</td>
<td>Class II</td>
<td>71.8 km</td>
<td>0.46</td>
<td>2003-2006</td>
</tr>
</tbody>
</table>

According to the “Layout of Yunnan Road Net (2005-2020)”, Yunnan plans to construct main highway passages leading to Vietnam, Laos, Myanmar, and Thailand by 2010. Its trunk highway net will link up all 20 ports in Yunnan. 18 passages will reach Myanmar (13), Vietnam (4) and Laos (1). Table 1 shows that 95 percent of Kunming-Ruili highway, via An Ning, Chuxiong, Dali, Baoshan and Longling, has been open to traffic, whose remained section, Longling-Ruili highway, has also been under construction. Regarding the passage to South Asia via Myanmar, Baoshan-Tengchong highway and Tengchong-Myitkyina road Class II were built and upgraded in 2007.

Besides the trunk highway stretching to Myanmar, China has built and upgraded many roads to Sino-Myanmar border ports, such as Jinghong-Da Menglong, Zhangfeng-Bhamo, Tengchong-Banwa, and Yingjing-Banwa, especially since 2005 when Yunnan began to implement the project of “Prosper the Borders to Enrich Local People” (PBELP).

In response to “Western Development” strategy, the State Ethnic Affairs Commission (SEAC), China, initialized the PBELP project in 135 border cities and counties in 2000, whose aim is to lift the economic development levels of China’s border area within 10 years by increasing infrastructure investment and promoting a group of profitable programs.

Yunnan pooled RMB 4.8 billion Yuan to carry out the PBELP project in its 8 prefectures and cities, and 25 border counties from 2005 to 2007, which completed the connection of trunk highway in border areas and surface hardening of roads leading to township in the province. 


enth Five-Year Plan for Prosper the Borders to Enrich Local People” endorsed by the State Council on June 9, 2007 sets the first aim of improving backward situations in communications, electricity, irrigation works infrastructure in border areas. One of its main tasks is to reinforce the construction of highway in border region, including trunk highway and road to counties and villages, to ports, sites for barter trade, tourist sites, and defence highway suited for both military and civilian services through both [The people’s Liberation Army (PLA) and the local governemnt] joint construction.9)

In May, 2008, a new three-year project of PBELP in Yunnan began to be carried out. The key task of the new project is to, in combination with the construction of defence highway and “Yunnan International Passage”, expedite the construction of highway net, upgrade the road and strive for the completion of 750 km trunk highway and 2,100 km county road in border region, gradually solve the transport bottleneck hampering the frontier development. In response, Yunnan has pooled RMB 10.71847 billion Yuan for the new project.10)

Currently, although Beijing has not definitely upgraded the “Yunnan International Passage” to national strategic plan level, the central government is building Yunnan as a land traffic pivot between the Eastern provinces and Southeast Asia, in terms of “National Highway Network Planning” approved in 2004. China is investing heavily in building highway net connecting Yunnan with East coast developed regions and provinces in order to improve insufficient road infrastructure impeding economic intercourse between them.

The Planning includes 7 routes starting from Beijing, 9 South-North longitudinal routes, and 18 East-West latitudinal routes, referred to as the “7918 Network”, with a total length of about 85,000 km. In accordance with the Planning, China is building a highway from Hangzhou to, China-Myanmar border city, Ruili (Coding G56), which is 3,405 km long via Zhejiang, Anhui, Jiangxi, Hubei, Hunan, Guizhou and Yunnan. Moreover, the program, noticeably, shows that five highways from developed cities to

10) “New Three-Year Plan for Prosper the Borders to Enrich Local People’ in Yunnan”, Yunnan Political Affairs, No.11, 2008, p.23.
Kunming are building, namely, Shanghai-Kunming (G60, 2,370 km), Shantou-Kunming (G78, 1,710 km), Guangzhou-Kunming (G80, 1,610 km), Beijing-Kunming (G5, 2,865 km), and Chongqing-Kunming (G85, 838 km).

Premier Wen Jiabao visited Myanmar on June 2 and 3, 2010, to participate in celebrations to mark the 60th anniversary of the establishment of diplomatic relations between the two countries. During the two-day visit, the two Premiers formally launched the construction of the Myanmar-China oil and gas pipeline project. China’s official People’s Daily on June 5 reported that “There are 793 kilometers of gas pipeline in Myanmar, and also a 771-kilometer-long crude oil pipeline. An oil port in Kyaukpyu as a facility is to be built for the planned China-Myanmar oil pipeline project.” The pipelines project will generate the boom of infrastructure, particularly roads along the pipelines in Myanmar. The two countries, for example, signed a MoU on development of cooperation in China-Myanmar Corridor Project to link Ruli and Kyaukpyu on May 18, 2010. According to the Corridor Project, China will help Myanmar construct railway and motorway from Kyaukphyu Township of Rakhine State to Ruili of China in near future. Due to the lack of investment by Myanmar’s government, Chinese infrastructure development in the country is another important aspect of economic assistance, which is closely linked to Chinese business interests in Myanmar. It helps China to secure the supply of semi-finished materials for its growing economy.

Although the future direction of Sino-Myanmar gas and oil pipeline is difficult to predict, it is safe to say that the safety of the dual pipelines needs to be protected by the Tatmadaw. The case of the Yadana gas pipeline from Myanmar’s Andaman Sea to Thailand has shown that the Myanmar government has been militarizing the pipeline region and “The military has been steadily building up its presence to protect the natural gas development activities in the region.” As a result, there is every reason to believe that one of the primary motives behind Kyaukphyu-Ruili transport corridor is to more effectively protect the safety of the oil and gas

pipelines.

**China-Myanmar Railway**

In December, 1995, Premier Mahathir Mohamad of Malaysia initiated the Trans-Asia Railway, building the Kunming-Singapore Rail Link. The initiative was unanimously endorsed by ASEAN countries and China.

In response to ASEAN’s initiative on Trans-Asia Railway, China formulated three route options: (1) East route, Singapore-Kuala Lumpur-Bangkok-Phnom Penh-Ho Chi Minh-Hanoi-Kunming; (2) West route, Singapore-Kuala Lumpur-Bangkok-Yangon-Lashio-Ruili-Dali-Kunming; (3) Middle route, Singapore-Kuala Lumpur-Bangkok-Vientiane-Shangyong-Xiangyun (or Yuxi) -Kunming. Nowadays, the three routes in Chinese territory have been listed into “National Middle/Long Term Transport Plans of China” issued in 2004.

The West route is 2,600 km long, and needs building 840 km new railways, of which China-Myanmar railway is one section. In China’s section, Kunming-Ruili railway is 690 km long. In 1998, the railway between Kunming and Dali via Guangtong was completed and put into service. So it still requires constructing the railway of Dali-Ruili. Besides, 132 km new railway from Ruili to Lashio needs building if China’s railway is linked to Myanmar’s railway net. Now, China is making an effort to realize the railway link between Kunming and Yangon.

In light of the “Middle/Long Term Transport Plan”, China plans to build the section of Kunming-Jinghong-Mohan in the Sino-Laos passage, the section of Dali-Ruili in the Sino-Myanmar passage, and upgrade the section of Kunming-Hekou in the Sino-Vietnam passage. In addition, “The Eleventh Five-year Plan of China’s Railway” framed by China’s Ministry of Railway states that it will build Dali-Ruili railway and rebuild double tracks railway of Kunming-Guangtong section in the Kunming-Dali before 2010. In 2007, 350 km long Dali-Ruili railway project started, with estimated total investment of RMB 14.7 billion Yuan, which was put on the list of “Ten Major Projects of Western Development” in that year.

Also, China-Myanmar railway will become one part of “The Third Asia Europe Continental Bridge” conceived by China, connecting the east coast of the Atlantic Ocean with China’s east coast via Yunnan. It starts at seaports in Guangdong province, via Kunming, Myanmar, Bangladesh, India,
Pakistan, Iran, and Turkey, enters into Europe, and reaches Rotterdam in
the Netherlands. China expects to link the Asian south to its Southeast re-
gion by means of west route of The Trans-Asia Railway and construct the
“Continental Bridge” which will become China’s another safe and conveni-
ent land international thoroughfare.

Since the project of Myanmar-China oil and gas pipeline was formally
launched in June, 2010, the two countries have been positively promoting
the design and construction of transport infrastructure along the pipe-
lines. According to the Reuters, Myanmar and China have agreed to build
a rail link connecting Southwest China with the Indian Ocean via Upper
Myanmar. The railroad will be built in five stages over the next three
years and will stretch for total of 1,215 kilometers (755 miles), from the
Kyaukphyu deep-sea port in Myanmar’s Western Rakhine State to China’s
Yunnan province, running parallel with two pipelines currently under con-
struction. Also, a highway, as noted above, will be constructed running par-
allel to the railroad. The road and rail will carry 12 million metric tons of
 crude oil and 12 billion cubic meters of gas annually into China within the
next two years. The railway is part of a wide-ranging network to connect
southwest China with its Asian neighbours through a system of railways,
roads, power grids, telecommunication networks, oil and gas pipelines and
ports. These projects including the rail link are just the parts of an ambi-
tious scheme that will put the provincial capital of Kunming at the centre
of a regional free trade zone.\textsuperscript{14} China believes that Yunnan will acquire an
outlet to the Indian Ocean when the Kunming-Kyaukphyu transport corri-
dor is put into use. It will greatly drive massive infrastructure construc-
tion in both Yunnan and Myanmar and further promote the adjustment of
industrial structure and economic growth of Yunnan province. “Once both
sides [China and Myanmar] benefit from this transport corridor, it will be
a brilliant model for the countries around the Bay of Bengal to see. If so, a
further, deeper, wider cooperation between China and the countries
around the Bay of Bengal will ensue.”\textsuperscript{15}

\textsuperscript{14} “Myanmar, China agree cross-border rail project”, \textit{Reuters}, April 28, 2011.

\textsuperscript{15} Wubin, “Establish ‘Three Points, One Route’ China-Myanmar Economic Corridor”, \textit{Yunnan
CHINA-MYANMAR RIVER NAVIGATION ROUTE

While China is constructing roads and railways transportation net linking itself to Southeast Asian countries, Yunnan also develops a water transport plan of constructing “two waterways reaching other provinces”, which are Jinsha River and You River leading to Yangtze River Delta and Pearl River Delta, and “three waterways reaching foreign countries”, which are Lancang-Mekong River, China-Myanmar Land and Water course, and China-Vietnam Hong River.


At the end of 2006, China started oil shipping via the Mekong River. Two ships each carrying 150 tons of refined oil arrived at Guanlei port of Yunnan province from Thailand via the Mekong River, marking the trial launch of China’s oil shipping program with its Southeast Asian partners, and the waterway will serve as an alternative to the Strait of Malacca as a route for oil shipping and supply to Yunnan and Southwest China.

In order to improve the commercial navigability of the water course, China has initiated a program of dredging and removal of rapids, reefs and shoals in the Lower Mekong River. China provided a sum of RMB 42 million Yuan for upgrading 331 km Mekong River course shared by Laos and Myanmar in 2000.

China-Myanmar land-water passage’s full name is “China Kunming-Myanmar Yangon Irrawaddy River Portage Passage” which is an integrative land and water carriage system including the land transport from Kunming to Bhamo via Baoshan and Ruili, the water course from Bhamo port to Yangon as well as other ports, portage transfers, sea ports.

When He Zhiquiang, the Governor of Yunnan Province, visited Myanmar in 1989, Myanmar’s Prime Minister Saw Maung put forward that both sides made joint use of Irrawaddy River navigation. After this, China
and Myanmar held a series of talks, explorations and pre-feasibility studies on the proposal. In January, 1997, the Minister of Communications Ministry of China discussed the project with his Myanmar counterpart and both affirmed its significance. In October, Vice-Premier Wu Bangguo visited Myanmar and both sides agreed on the cooperative construction of China-Myanmar land and water transport passage. In 1998, China’s State Council gave official reply on the project to Yunnan government and agreed that Yunnan could start making preparations for it.

The construction of Ruili-Bhamo road and Bhamo port with estimated investment of RMB 0.37 billion and RMB 0.16 billion Yuan, are at the core of Sino-Myanmar land and water passage. Both countries originally agreed on “joint construction and operation, joint share venture and profit.” Nevertheless, Yangon later claimed that China would build the passage only in the form of “Build-Operate-Transfer” (BOT) in a thirty-year operating period. China still agreed to Yangon’s claim of BOT.

Thus, the two countries subsequently finished the survey and design of Leiyun (in Ruili)-Bhamo class III road, reconnaissance and choosing site of Bhamo port, trial cargo navigation from Bhamo to Yangon. Also, the combined transport agreement framed by both experts was approved by two countries’ government in principle. China wanted to develop transit and bilateral transport in between, but Myanmar only permitted transit transport in its territory so that the plan of signing the agreement ran aground in 1999.

Myanmar side agreed that China could use the Irrawaddy River as its outlet to the Indian Ocean when China’s President Jiang Zemin visited Myanmar in 2001. In the meantime, Burmese generals, however, attached three harsh terms so that the blue print went on being on the shelf again. Until now, Naypyitaw still has not given green light to the project. It was said that Than Shwe did not agree on it because “he does not want to see Chinese flags on the Irrawaddy River.”\(^{16}\) Clearly, Myanmar is very clear that the project, China’s access to the Indian Ocean, will change the geopolitical structure in Asia-Pacific region. It has to consider its peripheral counties’ and other stakeholders’ posture, notably India and ASEAN countries. Myanmar continues to take the wait-and-see attitude to make risk-

reward calculations.

Myanmar’s hesitation on the project has not retarded China’s effort for it. Zhangfeng is the nearest China’s port to Bhamo. Because the limited transport capacity of Zhangfeng-Bhamo road, Longchuan county government provided a sum of RMB 28 million Yuan to upgrade the road between Longchuan and Bhamo. The project was completed in 2006 and transferred to Myanmar side. Now China is still responsible for the maintenance of the road.17) The 224 km Myitkyina-Kanpikete-Teng Chong cross-border road began to be built with the prior section lying on the Myanmar side in 2004. With the assistance of Chinese engineers, the 96-km Myitkyina-Kanpikete section in the Myanmar side had been completed and opened in April, 2007.

THE IMPLICATIONS OF SINO-MYANMAR TRANSPORT CORRIDOR

At least, the implications of Sino-Myanmar Transport Corridor can be understood from the followed dimensions: history, regional cooperation, China’s overall strategy and Yunnan’s perspective.

History is a factor conditioning China’s perception of China-Myanmar transport corridor as well as Myanmar strategic significance as it has a bearing on Beijing’s strategic thinking and policies towards its Southern neighbor.

Historical evidence has shown that China’s current vision of opening a route through Myanmar is nothing new. Historically, the famous Southwest Silk Road linked up China with Southeast Asia and South Asia via Yunnan. At the end of 19th century, British colonist ever attempted to build Yunnan-Burma railway but it failed partly because of Yunnan esquires’ objection. In 1906, “Yunnan Sichuan Railway Company” was founded, which raised fund and surveyed the route for Yunnan-Burma railway, but the project had not started working until the end of Qing Dynasty. After Kuomintang seized power in China, the National Father, Sun Yat-Sen, claimed to construct a railway connecting Guangzhou with Burma’s railway net via Yunnan in his work “Programme of National Reconstruction for China”. Also, the scheme didn’t be put into effect in the end. Beijing suggested that

the two countries negotiate China-Burma “through transport” in 1955.\(^{18}\)

After China-Japan war broke out in the World War II, all China’s sea ports were occupied by Japanese troops. China built the Burma Road in 1938 in order to gain international aid. Because Burma Road’s transport capacity was limited, China, U.K. and U.S. signed an agreement of building China-Burma railway that U.S. provided loan to the project, and China and U.K. cooperated to build it. At the end of 1938, the railway began to be constructed by 300,000 Yunnan laborers. When Japan overran Burma and the west of Yunnan in 1942, China had to destroy the finished section of railway lest Japanese troops would capitalize on it.

Former Vice-Minister of Chinese Communications, Pan Qi, proposed in 1985 that “the opening of the southwest [China] can run parallel to that of the east, and can be carried out at the same time.” Two channels from the southwest to the outside world were available: one to the East China coast along Yangtze and Xijiang Rivers; the other to South via Burma. “Several possible passage from Yunnan to the outside world. From Tengchong, one highway leads westward to Myitkyina, in Burma, where a railroad is available to transfer cargo to the sea. A second highway leads south to Lashio, another major Burmese railhead. And between those two, a third road leads Bhamo, on the Irrawaddy River. None of these roads is over 300 kilometers long.”\(^{19}\)

In the late 1980s and early 1990s, Yunnan side proposed to rebuild China-Burma rail, but the proposal was not adopted by Beijing. Whichever of the Yunnan-Burma ancient Tea Caravan Trail, the Burma Road, the Stilwell Road or the China-Burma rail it was, it showed the same economic, strategic and military significance of China-Burma transport route for China in different era. Since the end of 19th century and the beginning of 20th century, Chinese made many efforts to build Sino-Burma railway but they failed finally because of China’s frail power and turbulent political

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situation. Now, with the advent of rapid globalization, China’s rise and the launch of “West Development”, Beijing and Yunnan have blown the clarion of constructing China-Burma road and rail again, and wish to realize its old dream.

On regional cooperation’s part, Sino-Myanmar transport corridor is Beijing’s both an important measure of maintaining its influence and leading role in the arrangement of regional and subregional cooperation, and a result that China participates in the cooperation in Southeast Asia and South Asia.

While China is promoting cross-border networks as a new regional common good, “it is driven by both the fear of loosing influence to other powers and the desire to create an open economic order in function of Chinese interests. As goes for most forms of communication, it also appears in this case that the strongest player is best positioned for using these channels to its own advantage.” “Road diplomacy is thus an important device in China’s pursuit of competitive regionalization, and not an unsuccessful one.”

At present, Southeast Asia, particularly Indochina Peninsular, is one of the most energetic region of regional and subregional cooperation in Asia, where all kinds of regional cooperation mechanisms and platforms are overlapping. Myanmar is a juncture in the mutil-net. With regionalism rising in East Asia, China is being confronted with the challenge of how to maximize its interest in regional cooperation.

In Southeast Asia and South Asia, both China and Myanmar have joined in China-ASEAN Free Trade Area, Great Mekong Subregion Cooperation (GMS), Bangladesh-China-India-Myanmar regional cooperation (BCIM). Also, Myanmar is the member of BIMST-EC and Mekong-Ganga Cooperation. In these regional and subregional platforms, bilateral and multilateral cooperations on transportation are high priorities.

China-Myanmar railway is the west route of Trans-Asia Railway which is an important project cooperatively built by China and ASEAN. In December, 2002 and September, 2003, China and Myanmar acceded to “GMS Agreement for Facilitation of Cross-Border Transport of People and Goods”. The road between Kunming and Lashio via Ruili will be applicable.

border channel and route for GMS facilitation transport, in terms of the agreement.

In 1998, the 8th GMS Ministers meeting advanced to build economic corridor, combine construction of transport corridor with economic development, and provide facilitation for GMS member’s cooperation and traffic. GMS economic corridor consists of North-South Economic Corridor (cover Kunming-Bangkok, Kunming-Hanoi and Nanning-Hanoi three economic zones), East-West Economic Corridor (cover from Mawlamyine to Thailand and middle Vietnam), and South Economic Corridor (cover the area from Bangkok to Phnom Penh and the south of Vietnam). In accordance with the general layout of GMS transport net, economic corridor will develop in three stages: transport construction, logistics construction, and economic corridor construction.

China and ASEAN leaders signed “Joint Declaration of the Heads of State/Government of The People’s Republic of China and The Member States of ASEAN On Strategic Partnership for Peace and Prosperity” at the seventh ASEAN-China Summit on October 8, 2003 in Bali, Indonesia. Pursuant to the Joint Declaration, a “Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity” is formulated to serve as the “master plan” to deepen and broaden ASEAN-China relations and cooperation in a comprehensive and mutually beneficial manner for the next five years (2005-2010). In the light of the Plan of Action, ASEAN and China pursue the following joint actions and measures in the Mekong River Basin Development Cooperation: “Develop the Singapore-Kunming Rail Link”; “Build railways and roads from Kunming to Yangon and Myitikyina”; “Carry out possibility study of building railway links from China to Laos and Myanmar”; “Consider the further expansion of the Environmental Impact Assessment of the navigation channel improvement project on the upper Mekong River, and share information with the lower Basin countries”; “Consider the possibility to open more aviation routes in the sub-region at an appropriate time”.21)

Cambodia, China, Laos, Myanmar, Thailand and Vietnam signed “Memorandum of Understanding Toward the Sustainable and Balanced

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Development of the GMS North-South Economic Corridor and Enhanced Organizational Effectiveness for Developing Economic Corridors” on March 31, 2008. It stated that “the economic North-South Economic Corridor consists of three major routes linking economic and population centers in the northern and central parts of the GMS, namely: (I) the Kunming-Chinag Rai-Bangkok via Lao PDR and Myanmar route, including both land transport and waterway; (II) the Kunming-Hanoi-Haiphong route; and (III) the Nanning-Haoi route.”

In crafting its foreign policy agenda towards Myanmar, “India also focuses on China’s relative gains. It is the China factor that motivates India’s Myanmar policy to take the neo-realist path [in 1993] and which compels India to court the junta.”

Now, India is also exercising “connectivity diplomacy” towards Southeast Asia. Delhi is building and planning to build India-Myanmar land networks, India-Myanmar-Thailand Trilateral Highway, and Delhi-Hanoi rail network via Myanmar to implement its “Look East” policy. The importance of India’s connectivity policy is further augmented by the urge to connect itself with China’s regional initiatives on connectivity. As a result, India would do well to take its cue from China and enhance its own strategic advantage by enhancing connectivity in the region. Both Beijing and Delhi are undertaking their respective land transport connectivity initiatives with Southeast Asia. These projects will pave the way for regional economic cooperation and integration. “If India and China truly want to be leaders regionally and globally, they will


first need to understand each other better and interact more closely at the
people-to-people level. This cannot be achieved if the two countries contin-
ue to stand and stare at each other across the Himalayan barrier, with
arms crossed instead of walking together arm in arm.” If the two coun-
tries enhance mutual trust and cooperation in the connectivity projects
with Myanmar and other Southeast Asia countries, it will form a cross-
linked transport network, facilitating greater economic interaction in the
region.

**Under China’s overall strategy, Sino-Myanmar transport corridor is the base of “Two-Ocean” strategy and a step of “Western Development” strategy.**

In the Asia-Pacific area, China’s interests are focusing on economy
and security dimensions which are reflected by its peripheral diplomatic
principles-“good neighbor, good partner and good friend”. China’s good
neighborhood policy is characterized by mutual security, mutual coopera-
tion and mutual development.

China shares land borders with 14 countries, whose border regions
mostly are impoverished ethnic minority-inhabited areas. Such condition
is adverse to the political stability of frontier, defense and the eradication
of ethnic separatism. Therefore, Beijing launched the initiative of PBELP.
The project is a reflection of China’s strategic and security consideration
in its periphery.

The problems in border regions to which Beijing addresses itself are
very prominent and serious in Yunnan. There are 25 border counties in
Yunnan, which include 22 ethnic minority autonomous counties and 17
key poverty-alleviation counties. In addition, 16 trans-border ethnic
groups live in frontier regions of Yunnan. It is learned that one hundred
thousand border crossers in Yunnan have migrated to its neighbouring
countries such as Myanmar, Thailand, Laos and Vietnam in recent years
thanks to poverty and comparative economic attraction abroad. “Some of
them become the object whom ethnic separationist enlists, and have joined
their armed forces in Yunnan frontier.”


China's interest in Myanmar, first of all, lies in ensuring 2,186 km-long boundary's and frontier's security. In this regard, China need solve the difficult problems of border control, trans-border ethnic issues, AIDS control, and drug smuggling. The Color Revolution in Central Asia since the advent of 21st century, the turbulence in Myanmar, and Washington's attitude to Naypyitaw are also making Beijing keep a close watch on Myanmar situation. Consequently, China necessarily keeps enough influence and control ability on Sino-Myanmar frontiers if it wants to solve the abovementioned threats to its national security. Now, Beijing's intentions and efforts on China-Myanmar border safety, the maintenance of influence over Myanmar are being materialized through the construction of the roads and railways reaching Sino-Myanmar ports and boundary.

Also, China-Myanmar transport corridor is responsible for carrying out the "Two-Ocean" strategy. When Japan occupied China's east seaports and cut off Pacific water course in 1940s, the Burma Road played an important role in defending China's national security. The experience has been strongly impressed on Chinese memory until now. Currently, attributing to Chinese weak navy forces, the "Malacca Dilemma", South China Sea dispute, Taiwan issue, and other threats to the Pacific Ocean course further increase Beijing's anxiety about its overreliance on the Pacific Ocean course, and attention to Myanmar's role as a strategic passage. Therefore, China constructs a new strategic thoroughfare ensuring national security through China-Myanmar transport corridor access to the Indian Ocean in order to reduce the reliance on the Pacific Ocean course and the Malacca Strait. To expand China's influence in Southeast Asia and South Asia and counterbalance India's presence in the two regions are also the aim of the transport corridor.

As for mutual cooperation and mutual development, China-Myanmar transport corridor is the extension of "West Development" strategy. For a long time, transport infrastructure has been weak and economy develops slowly in the West China. In the "West Development" strategy, China wants to use Myanmar as a relay station for the export of West China's product and import of resources, and a convenient channel for Southwest China's opening-up. For Yunnan, Guizhou, Sichuan and other West provinces in China, China-Myanmar transport corridor not only facilitates them nearer to foreign markets than the Pacific Ocean route but gives them the opportunity to breach the bottleneck of inadequate transport infrastructure.
With reference to Yunnan local perspective, Yunnan is the direct promoter, and beneficiary of China-Myanmar transport corridor.

Yunnan is a landlocked plateau province in China, and its size of mountainous and semi-mountainous region amounts to 94 percent. Yunnan’s backward transport infrastructure impedes its economic development and opening-up. In this regard, Yunnan government believes that “because Yunnan’s special geographic location, the transport construction in Yunnan is not only important for its economic development but for the construction of China’s transport net as well as Asia and world transport net. The construction of ‘Yunnan International Passage’ will provide it with golden opportunity of opening-up and development, and make it completely get rid of the image of remoteness, closeness and backwardness.”

As the China’s bridgehead facing Southeast Asia, Yunnan has distinct advantage of linking up with the Indian Ocean, the Pacific Ocean and the three markets of China, Southeast Asia and South Asia. For Yunnan far from China’s economic and market centre, the “International Passage” bears more immediate, more practical and more important meaning. Hence, Yunnan is the protagonist and activist of the program, and actively strives for Beijing’s support. In recent years, Yunnan has submitted the proposal about the “International Passage” to Beijing for many times, and expects that the project can be incorporated in the central government’s macro plan so that it can gain Beijing’s support of fund and policy. For example, Yunnan delegation proposed that the “International Passage” be included in the list of “National General and Special Transportation Program” at the Fourth session of the Tenth National People’s Congress in 2006, and brought forward “Proposal of Central Government supporting Yunnan to Construct ‘International Passage’ linking South Asia and Southeast Asia” at the First Session of the Eleventh National Committee of the Chinese People’s Political Consultative Conference in March, 2008.

Above all, the construction of China-Myanmar transport corridor brings Yunnan the most immediate and greatest advantage of offering an opportunity to improve its transportation, which has been lagging. In the meantime, it attempts to improve its economic and political status in China by means of its role as the channel and pivot to the Indian Ocean. For

example, Yunnan wishes that China-Myanmar rail link becomes “a breakthrough of making use of our province’s regional superiority. To construct the passage between Yunnan and Myanmar reaching the Indian Ocean and connecting Asia and Europe with Africa, to establish Yunnan province’s new geo-strategic status, namely International Strategic Passage. Yunnan’s strategic status will be raised in China’s overall political and economic structure.”

On the other hand, through the construction of the corridor, Yunnan can fulfill the linkage of transport net between it, Southeast Asia and South Asia, and lay a foundation for its economic development and opening-up. In the economic integration of Yunnan, Southeast Asia and South Asia, Yunnan wants to adjust and upgrade its economic structure, develop superior resources and improve environment.

**CONCLUSION**

It has been an old dream that China desires to link its southwestern provinces to the Indian Ocean via Burma/Myanmar since the beginning of 20th century. The dream has gone through three distinct eras: late Qing dynasty; Republic of China era; the People’s Republic of China era. Now, Beijing is fulfilling its dream in the post-Cold War era because of combination of objective and subjective conditions.

With the end of Cold War and rapid economic globalization, East Asian market which was partitioned because of serious ideological, political, economic, and military confrontation during the Cold War has further been integrated. Regionalism rising, regional economic integration and cooperation are progressively boosting in Asia. Meanwhile, China’s economic needs and development is unprecedentedly linked to overseas markets. The economic cooperations between China and Southeast Asian countries, such as China-ASEAN FTA and GMS, afford China favourable opportunities to develop its plan. Accordingly, the corridor is a result of a radically changed international and regional environment.

China-Myanmar transport corridor is just one part of Beijing’s regional cross-border initiatives on transport. They are mainly motivated by Chi-

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China’s economic and political-cum strategic considerations. Since Beijing adopted the open policy in 1978, China has gradually changed from a continental to a maritime power, and has shifted from a land-based, inward-looking to a sea-focused, outward-looking country which is increasingly dependent upon external trade through oceanic routes, and is driving its thirst for raw materials, markets for its goods, and investment for its economy. “China presents its involvement in the development of regional transportation networks as a product of a rather liberalist concern to create an open Asian market; its drivers tend to be mercantilist and driven by worries about the relative economic and military influence of other powers in the region.” China does recognize the importance of dense and open trans-Asian logistic networks, but what matters is who succeeds to use them most effectively in the competition for investment, export markets and natural resources. It has become clear that new logistic arteries have facilitated China to strengthen its economic position in its neighbourhood. Markets that used to be inaccessible are now directly connected to China’s rapidly growing economy.\(^{29}\)

Consequently, China seeks an overland route through Myanmar to a port from which it can export goods to mainland Southeast Asia, India and other developing countries farther afield.\(^{30}\) The corridor is a manifestation of China’s transformation from a continental to a maritime power. The above-noted China’s economic intention on the corridor is materialized and pushed by its several critical schemes and decisions.

Beijing has begun to promote border trade since mid-1980s. In early 1990s China promulgated the strategy of opening its border areas. In this regard, the State Council approved Wan Ding and Ruili neighboring Myanmar as the opened city, where two border economic cooperation zones were established later. In 1993, De Hong prefecture was opened as border trade area. Up to now, Yunnan has 11 first-category ports, 9 second-category ports, 193 border crossings and sites for barter trade between border residents, of which 90 percent lead to Myanmar. At the same time, Myanmar also legitimized border trade and opened China-Myanmar border trade in 1988. In 1991 and 1992, Yangon opened Muse, Namkham, Kyu-kok, Ho Pang, Chinshwehaw, Myitkyina and Bhamo for two countries’ bor-


der trade.

Both interactions on border trade have made Myanmar become the largest trade partner of Yunnan since 1995. In China-Myanmar trade, Yunnan’s share holds 49.6 percent, and the border trade average percentage is 75.6 percent in Yunnan-Myanmar trade. For landlocked inland Yunnan, its poor transport has directly been hindering the volume of trade between it and Myanmar. So, in recent 20 years, Yunnan government has never discontinued the construction or upgrade of roads and ports stretching to Sino-Myanmar border in China and Myanmar territory.

In response to Beijing’s “Western Development”, Yunnan launched “Yunnan International Passage” initiative in 1999, and it undoubtedly greatly promotes the corridor. Of course, China’s rapid economic growth makes it possibly have enough financial power to invest in transport construction over past 20 years and in future. For example, in terms of the project of PBELP in Yunnan, Central and Yunnan government pooled RMB 1.90410 billion Yuan to upgrade and build highway in Yunnan border regions from 2008 to 2010.

Besides the economic objective, both political and geo-strategic calculations lie behind Sino-Myanmar transport corridor. The PBELP project is a reflection of China’s political consideration on the corridor. According to the project, the construction and upgrade of civil road in border areas aims at maintaining stability and increasing power of influence there. Additionally, such an outlet would also reduce transport time for some of China’s trade and would avoid the Malacca Strait choke point in the event of a conflict in the South China Sea.

Nowhere is the game of encirclement and counter-encirclement between China and India more evident than in Myanmar. Although Beijing has never admitted “Two-Ocean” strategy, its efforts in pursuit of an export and import outlet to mainland Southeast Asia, and access to the Indian Ocean via Myanmar, are so obvious. It undoubtedly incurs Indian suspicions and worries.

There is the purported Chinese physical presence in Burma—particularly reports of Chinese military bases in Myanmar.31) The imperatives of China’s expanding economy (including its energy needs) have added an-

other dimension to the debate. “Whatever the case, the fact remains that in recent years Myanmar is seen as having moved too close to China for India’s or ASEAN’s comfort. It does not matter whether China’s expansion is dictated by economic or by strategic interests. What matters is that Beijing’s Myanmar policy is a manifestation of a Chinese desire to be a major power in both the Pacific and Indian oceans.”

The corridor will not only further integrate two countries’ economy but combine both political and strategic interests. Thus, it contains India’s influence in Myanmar, and finally expands its strategic influence into Southeast Asia and the Indian Ocean. Also, Naypyidaw’s isolation and China-Myanmar oil and gas pipeline have provided China favourable opportunities to realize its old dream of China-Burma/Myanmar transport link. Nevertheless, China’s old dream still faces challenges and difficulties. In the long run, the achievement of two countries’ final transport link and the emergence of Myanmar’s traffic pivot, will require at least these factors: further trust between China and Myanmar; Myanmar economic development and prosperity which requires massive traffic infrastructure; the stability and some form of democratization or pluralism in Myanmar, particularly the solution of ethnic minorities problems; deeper regional integration and cooperation between China, Southeast Asia and South Asia; stable economic development in the three subregions; and the degree of Myanmar integration into the global economy and of the acceptance of international community to it.
