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## India and Burma to sign official agreement on port development

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It is reported that an official agreement between India and Burma to develop the Burmese port of Sittwe in Rakhine state is due to be signed soon. According to a senior Indian official, India will host a high ranking general from Burma's military government in April 2008.

Reports quoted the official saying that Mr Maung Aye vice senior general of Burma is due to arrive in India on 4th April 2008 to discuss economic, security and energy issues and that the highlight of the visit would be the agreement to develop Sittwe.

The USD 120 million cost of the build transfer & use project will be funded by a grant from the Indian government. Berth users will be charged for services offered by the port once it has been upgraded and handed over to the Burmese.

Meanwhile, Mr Jairam Ramesh union minister of state for commerce said that the project had been under discussion for almost 6 years. He added that "But a paradigm shift in our thinking, thanks to the Prime Minister and external affairs minister, resulted in changing it from a build operate transfer project into a build transfer & use venture. The Myanmar authorities had serious reservations on a build operate transfer approach and so we switched over to this new concept."

Mr Ramesh said that the project involved 3 components namely rebuilding the port, making the Kaladan River navigable up to Mizoram and developing highway connectivity from the border in Mizoram.

Indian analysts said that Sittwe could be an important gateway for India's landlocked north eastern states. The states include Assam, Manipur, Meghalaya, Mizoram, Tripura, Sikkim, Nagaland and Arunachal Pradesh, all of which will gain access to international sea trade routes through the Bay of Bengal.

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