

New bay dawning

Harbours on the eastern lobe of the Indian Ocean could transform the economic geography of Asia

UNDER British colonial rule Sittwe, or Akyab as it was then called, was one of the busiest ports in Burma, or Myanmar as it is now called. Burma was the world's biggest exporter of rice and a lot of it was shipped from Sittwe, in Rakhine state. Now the city is more associated with ethnic cleansing; it was the site of murderous riots last year against Muslim Rohingyas. Old rice mills and river steamers are rotting away in the tropical damp, much like the rest of the place—except the port itself.



This shines like a beacon of bustle amid the torpor, as a large new terminal takes shape beside the old harbour. This is a joint project between India and Myanmar drawing in \$100m. Taking advantage of the port's site at the mouth of the river Kaladan, which empties into the Bay of Bengal, India hopes to open its own landlocked and impoverished north-eastern states. Container ships would offload at Sittwe onto smaller vessels that can ferry goods up the Kaladan. Lorries would take them the final leg over the Indian border. If that sounds tortuous, enthusiasts say it could cut days off the overland route from the Indian "mainland" to the north-east, round the top of Bangladesh (though improvements to those road and rail links could yet imperil the whole project).

But that is only one of many ambitious ventures under way along the eastern half of the Bay of Bengal. Once home to one of the world's great trading networks, the bay looks poised to rise again.

Booming Asian economies have long since outgrown their ports. Sprawling Kolkata, for instance, the oldest colonial port on the Bay of Bengal, has been unable to take in bigger modern vessels for years. It lies 232km (144 miles) inland up the river Hooghly, which has gradually silted up. As the head of its port trust, Raj Pal Kahlon, notes dryly, "We cannot survive just on dredging." Local and national governments have approved the construction

of a spanking new deepwater port on Sagar island, at the mouth of the Hooghly, at a cost of 80 billion rupees (\$1.5 billion). Any such work must contend with ramshackle state politics, but tenders are out for a container terminal farther upstream, too.

Bangladesh's Chittagong, the biggest port this side of the bay, has also become a bottleneck. The Bangladeshis are modernising it, but pin hopes of further growth on the site of a vast new deepwater container terminal to its south. China is putting \$200m towards upgrading the airport at Cox's Bazar, the country's southernmost tip, to attract investment and tourists.

Myanmar's opening overshadows the rest. Its new government, keen for foreign inflows to help rebuild the economy, has been approving projects that sat idle for years. Sittwe is one, but it looks small compared with the Dawei project on Myanmar's Tenasserim coast. This is mainly a Thai affair: a deepwater port, industrial zone and highways to connect it with distant Bangkok, estimated to cost \$8.5 billion.

Thailand's rulers dabbled for centuries with the idea of building a canal across the Kra isthmus, which would link their own gulf directly to the Andaman Sea and save days of costly shipping through the Strait of Malacca. Dawei should do the trick. There are also grand plans to improve roads from Bangkok to Cambodia and Vietnam, giving those countries easy access to Dawei and the bay beyond. The Japanese are taking advantage of Myanmar's opening to build a riverine port called Thilawa, south of Yangon. This should cost about 20 billion yen (\$200m)—and displace Yangon's clapped-out port.

The Chinese are exploring ways round their own Malacca-strait dilemma. They have been building new oil and gas pipelines across the whole of Myanmar starting from a new port-terminal at Kyaukphyu, near Sittwe. The lines run through Mandalay to Ruili on the border and beyond to Kunming, the capital of Yunnan province. This ends China's need to ship all its oil from Africa and the Middle East through the choke-points of Singapore and the South China Sea.

In commercial terms, the trans-shipment terminals of Malaysia and Singapore could lose out. But Sukh Deo Muni, of Singapore's Institute of South Asian Studies, reckons they "would not necessarily suffer, as the new connectivity will generate more economic activity". As for the strategic rivalry between China and India, Mr Muni argues that China's activity in the Bay of Bengal is purely "defensive". Maybe, but Indians versed in the "string of pearls" theory, which sees Chinese-built ports encircling India, will not be much comforted.

Amid the sometimes airy speculation, it is relatively easy to predict the effects on the repurposed waters of the bay. Yugraj Yadava, the director of an environmental watchdog in Chennai, says increased shipping is already eroding traditional livelihoods and polluting the sea. About 31% of the world's coastal fishermen live and work on the Bay of Bengal, and they stand to lose huge tracts to the port-builders (and to rising sea levels, too). Mr Yadava says the bay still has some of the world's healthiest natural fisheries, but they are under threat, not least from non-native species that stow away in long-haulers' ballast.

Collisions between fishing vessels and commercial ships are becoming more frequent, as are snagged nets. All this will probably accelerate in the next few years. Before the Bay of Bengal falls victim to its new-found popularity, it might be good if some of its beneficiaries were to build a transnational maritime authority, to limit the damage.

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