



E-ISSN: 2664-603X  
P-ISSN: 2664-6021  
Impact Factor (RJIF): 5.92  
IJPSG 2025; 7(9): 24-28  
[www.journalofpoliticalscience.com](http://www.journalofpoliticalscience.com)  
Received: 05-07-2025  
Accepted: 11-08-2025

**Dr. Arundhati Sharma**  
Assistant Professor,  
Department of Political  
Science, Central University of  
Himachal Pradesh,  
Dharamshala, Himachal  
Pradesh, India

**Himani Sharma**  
Ph.D., Research Scholar,  
Department of Political  
Science, Central University of  
Himachal Pradesh,  
Dharamshala, Himachal  
Pradesh, India

**Corresponding Author:**  
**Dr. Arundhati Sharma**  
Assistant Professor,  
Department of Political  
Science, Central University of  
Himachal Pradesh,  
Dharamshala, Himachal  
Pradesh, India

## Bridging the Northeast and Southeast Asia: A study of India's Kaladan Project

**Arundhati Sharma and Himani Sharma**

**DOI:** <https://www.doi.org/10.33545/26646021.2025.v7.i9a.660>

### Abstract

The Kaladan Project is India's critical connectivity initiative that aims to link the northeastern region with Myanmar and by extension with the Southeast Asian region. By integrating sea, river and road transport corridors, the project aims to bypass India's vulnerable Siliguri corridor. Further, the Kaladan Project carries considerable geopolitical significance as it strengthens India's outreach to Southeast Asia through Myanmar under the Act East Policy. The Kaladan Project also counters China's expanding footprint in Southeast Asia and the Bay of Bengal along with providing fertile ground for the deepening of the sub-regional cooperation. However, despite its strategic and economic potential the project continues to face persistent challenges that have stalled its timely completion and operationalisation. This affects New Delhi's reputation as a reliable connectivity partner for the countries in its near and extended neighbourhoods. This paper critically examines the significance of the Kaladan Project for India's connectivity paradigm under the Act East Policy, situating it within the context of India's rising economic and strategic stakes in the evolving Indo-Pacific order.

**Keywords:** Act East Policy, Kaladan Project, Connectivity, Northeast Region, Southeast Asia

### Introduction

The paper has attempted an exhaustive study of the Kaladan Project exploring it from various dimensions including aspects pertaining to planning, strategizing, implementation processes and challenges. The study sets out to critically examine the Kaladan Project as a key component in New Delhi's broader connectivity agenda under the LEP and its later iteration, the AEP. As a flagship infrastructure/connectivity initiative linking India's isolated NER to the vibrant markets of Southeast Asia, the comprehensive study of the Kaladan Project in many ways throws light on India's capacity to deliver nodal strategic connectivity initiatives in contested and complex geographies. In this context, the paper has attempted to comprehensively understand the project motivations and challenges. It has further tried to investigate the Kaladan Project from an economic, strategic, security and geopolitical lens. The project being one of India's largest investments on foreign soil is a critical pillar of New Delhi's connectivity paradigm under the LEP and later the AEP. In this context, the Kaladan Project showcases Indian investment, technology and firms coming together to create infrastructure that will likely secure benefits for the entire region (Government Official 2, personal communication, January 2025). The Kaladan Project will likely be recorded as one of the shining examples of initiatives that helped New Delhi forge better ties with the countries in its extended neighbourhood of Southeast Asia (Government Official, personal communication 2, January 2025). Given Myanmar's strategic location as a gateway to the ASEAN, it is likely to play a significant role in India's outreach to the ASEAN under the AEP. The Kaladan Project was inaugurated as a part of the LEP in 2008 after the signing of the Framework Agreement between the governments of India and Myanmar. The project was mainly conceived with the objectives of addressing India's strategic and developmental objectives. Primary among them was the need to integrate the landlocked NER with the economies of Southeast Asia through a multimodal transport corridor. The Kaladan Project in particular emerged as a critical effort aimed at the creation of an alternative access route to NER via Myanmar thus bypassing the fragile Siliguri Corridor. Further, the Kaladan Project also needs to be seen strategically in light of Beijing's ever expanding footprint in Myanmar and the Indo-Pacific space primarily after the adoption of the BRI (Bhaumik, N.D.) as an

instrument to fulfill President Xi's aspiration aimed at the "rejuvenation of the Chinese nation" (*Achieving Rejuvenation Is the Dream of the Chinese People-Xi Jinping: The Governance of China*, N.D.).

India's consistent attempts to create a region within South Asia fell flat especially in the backdrop of enduring India-Pakistan rivalry. This coupled with the changing international system with Beijing's revisionism being on the ascendant implied that New Delhi had to chart new allies to meet its strategic and economic interests. This led to the resurrection of the plans to link strategically vulnerable NER with the Southeast Asian states, thereby giving birth to the Kaladan Project in the early 2000s. By then the Indian policy circles had also woken up to the reality that complete reliance on Bangladesh for access to the NER would be misguided in the long run. This led to exploration of alternative connectivity links through Myanmar as a part of New Delhi's LEP and gave material shape to the Kaladan Project with the preparation of a DPR by M/s RITES. As a multi-modal project linking India's eastern seaport with Sittwe in Myanmar and further by river and road to India's NER, the Kaladan Project reflects New Delhi's attempts aimed at the creation of large-scale transnational infrastructure (*Implementation of the Kaladan Multi Modal Transit Transport Project in Myanmar at the Revised Cost Estimate of Rs 2904.04 Crore*, 2015). The project is seen as a critical pillar of New Delhi's outreach to the Southeast Asian states. However, despite best efforts the project stands delayed by more than a decade. This is primarily what piqued the author's interest into exhaustively examining the reasons for the inordinate delay in the conclusion and operationalisation of the Kaladan Project as well as investigating it from economic, security, strategic and geopolitical framework. The study is critical as with New Delhi's rising ambition and profile in the international discourse, its ability to deliver large-scale infrastructure/connectivity projects in a time bound and cost-effective manner becomes critical. Connectivity also constitutes one of the key pillars of India's outreach to Southeast Asia under the AEP (*Connectivity Is an Important Element of Act East Policy: Dr. Jitendra Singh*, 2021). As noted by one interviewee, India is often labelled by its partners as "NATO"-an acronym for "No Action Talk Only"-reflecting perceived gaps between rhetoric and implementation. Such a reputation undermines India's global standing. Consequently, the study of the Kaladan Project has been undertaken to critically assess both its achievements and challenges, with the objective of deriving actionable insights for New Delhi in executing future projects of comparable scale and strategic significance.

### **Kaladan project as a pillar of strategic connectivity**

The paper has made an attempt to dissect the reasons which have compelled New Delhi to pursue connectivity with its extended neighbourhood in Southeast Asia. The paper traces the historical evolution of India's relations with the Southeast Asia region going back to the classical era. In doing so the region's perpetual significance for India and continued exchanges of men and material have been highlighted. India and Southeast Asia have had a millennia old association that has witnessed movement of traders, merchants and seafarers thus laying the foundation of cultural, literary, language, religious and political exchanges (Muni & Mishra, 2019) <sup>[18]</sup>. In fact, Acharya (2013) <sup>[2]</sup> has

highlighted the role of Indian influences in legitimising the early polities in Southeast Asia. The exploration of these historical aspects becomes important in order to situate the present-day relations between the two Asian neighbours which have largely been cordial and have been built on the foundations of mutual respect and brotherhood. Further, since the British era Southeast Asia has continued to remain significant in India's security calculus particularly with reference to India's NER (Muni & Mishra, 2019) <sup>[18]</sup>. Therefore, when India decided to "Look East" in the 1990s driven by external and internal compulsions it saw Southeast Asia as a natural partner in the endeavour. The Southeast Asian states under the ambit of ASEAN also reciprocated Indian overtures thereby laying the foundations of one of India's most defining and successful partnerships in the twenty-first century. Further, with the entry of Myanmar into the ASEAN in 1997 the vision of building land-based connectivity between India and the Southeast Asian countries emerged as a real possibility (Bajpae, 2022) <sup>[4]</sup>. By then New Delhi had also become impatient and disillusioned with the prospects of South Asia evolving into a synergistic regional framework. This paved the way for the revival of the Kaladan Project in the early 2000s with the object of linking the NER with Southeast Asia through Myanmar. The project was expected to address the developmental deficits of the NER along with facilitating economic growth for Myanmar's low-income Chin and Rakhine states. The growing footprint of Beijing in Southeast Asia and the Indo-Pacific in general and Myanmar in particular, which New Delhi considers a part of its sphere of influence, added a crucial strategic dimension to the Kaladan Project. It was against this backdrop the governments of India and Myanmar concluded the landmark Framework Agreement in April 2008 thus laying the foundation of the Kaladan Project (MP-IDSA, 2024b) <sup>[17]</sup>. Thus, the Kaladan Project was conceived as a multi-modal endeavour aimed at linking India with Myanmar through the sea, river and land simultaneously. As per the original DPR the Kaladan Project was to link the Haldia port in India to the Sittwe port in Myanmar through the sea. Further Sittwe was to be linked with Kaletwa through a 225 km long waterway and Kaletwa was to be linked to the Indo-Myanmar border through a road. A separate road inside Mizoram would link Lawngtlai to Zorinpui at the India-Myanmar border (MP-IDSA, 2024b) <sup>[17]</sup>. As has been explained at length earlier in the thesis this original DPR of the Kaladan Project prepared by M/s RITES had to be eventually revised leading to delays in the execution/implementation of the Kaladan Project particularly its road component within Myanmar. According to the revised DPR of the Kaladan Project, the Sittwe port was linked to Paletwa through a 158 km waterway on the Kaladan River and a 109 km long road would link Paletwa to the India, Myanmar border (MP-IDSA, 2024b) <sup>[17]</sup>. Though revisions often are not uncommon in connectivity projects of the scale of Kaladan Project. However, as per certain accounts, in the case of the Kaladan Project the underestimation of highway length within Myanmar was pointed out even at the time of the preparation of the original DPR (Heslop & Murton, 2021) <sup>[11]</sup>. In hindsight, had these discrepancies been accurately accounted for during the initial planning phase, many of the subsequent revisions, cost escalations and consequent delays could have been avoided.

In fact, the change in road length inside Myanmar from Kaletwa to Paletwa was mainly an outcome of decrease in the navigability of the river Kaladan due to reduced sea influence as one moved upstream. As one moved upstream the Kaladan Rivers' navigability was impacted by a range of factors such as reduced sea influence, depth of the river, width of the river etc. particularly during the lean period (*Executive Summary of DPR for Port & IWT*, N.D.). The scarcity of labour and materials also posed considerable challenges for the timely completion of the Kaladan Project. This learning is critical if India is to position itself as a reliable connectivity partner for countries in Asia and beyond. The Kaladan Project is a major government-to-government endeavour which was to be executed in a topographically challenging and strategically sensitive territory. Thus, the contractors, sub-contractors and workers encountered several difficulties in the project implementation. In fact, there was often a delay in the release of funds by the Ministry of Finance once it had been cleared by the Parliament. Though the delay was usually procedural, it has had an enormous impact on the Kaladan Project on account of the project's time-sensitive nature due to the limited working months given the natural conditions of the region ("Demands for Grants (2014-2015) Fourth Report", N.D.). The study reveals that the Port & IWT component of the Kaladan Project which was awarded to the IWAI has been operational as of May 2023 when the Sittwe port received its first cargo from Kolkata (*Shri Sarbananda Sonowal to Receive the First Indian Cargo Ship Docking at the Sittwe Port on May 9, 2023*, 2023). However, it is the road component inside Myanmar that has been unfavourably affected by the unrest that followed the 2021 coup within Myanmar. The Indian establishment's commitment to the completion of the project have, however, received renewed push especially in the aftermath of the 2024 Bangladesh coup and consequent civil war that deposed a friendly government in Dhaka and reiterated the significance of the Kaladan Project for India in very real terms. Further, the Kaladan Project stands as one of India's most significant and expensive overseas investments. As per the Framework Agreement concluded between the governments of India and Myanmar the entire cost for the Kaladan Project was to be borne by India acting through the MEA (Rites Ltd., 2003) <sup>[19]</sup>. In fact the investment for the Kaladan Project is part of the Indian Technical and Economic Cooperation (ITEC) programme under the Aid to Myanmar head. In 2008 when the Framework Agreement was concluded the initial estimated cost of the Kaladan Project inside Myanmar was Rs. 535.91 crore. This amount was subsequently revised upward to Rs. 2904.04 crore by the year 2015 (*Implementation of the Kaladan Multi Modal Transit Transport Project in Myanmar at the Revised Cost Estimate of Rs 2904.04 Crore*, 2015). The grants-in-aid nature of Indian investment in Myanmar positions New Delhi as a reliable connectivity partner for a low-income economy like Myanmar given the country is in need of substantial infrastructure investment to stimulate economic growth (Sharma & Sharma, 2025) <sup>[21]</sup>. This becomes all the more relevant as the rising Chinese influence in Myanmar particularly after the launch of the CMEC has raised concerns regarding the nature of Chinese investment coming into Myanmar particularly after the acquisition of Hambantota port in Sri Lanka by Beijing on a lease of ninety-nine years (Hillman, 2018) <sup>[12]</sup>. In recent years

Beijing has often been accused of using "debt-trap" diplomacy as a foreign policy tool with Chinese loans triggering financial distress in partner countries. This has raised caution within Naypyidaw on the nature of Chinese investments entering Myanmar as a part of CMEC. Increasingly the investments from Beijing are perceived to be non-transparent, risk-laden and economically unsustainable in the long run. Further, China has investments in Myanmar's Rakhine state under the Kyaukphyu Project and Myanmar under the contract agreement is expected to provide financially for the Kyaukphyu project thus raising concerns regarding the project's long-term impact on the Myanmar economy. Contrasting this to New Delhi's Kaladan Project which is entirely funded by the MEA under the Aid to Myanmar head automatically positions India as a reliable connectivity partner for its neighbourhood in Asia and beyond (Sharma & Sharma, 2025) <sup>[21]</sup>. Thus, New Delhi's ability to deliver large-scale connectivity projects in a time-bound manner without substantial cost escalation becomes paramount. Further, the road component inside Myanmar suffered setbacks due to revision of the road length as well as the bankruptcy of the C&C Constructions in 2019 which was awarded the contract as a joint venture with the EPIL in March 2017. The C&C Constructions had also encountered challenges with the AA thereby exacerbating the operational challenges associated with the execution of the road component inside Myanmar (Bhattacharya, 2022) <sup>[5]</sup>. However, despite complications India has stayed committed to the conclusion of the Kaladan Project. This is primarily because the project is pivotal for the realisation of India's goals under the "Neighbourhood First" and the "Act East" policy (Bose & Banerjee, 2025) <sup>[7]</sup>. The analysis of New Delhi's financial allocations under the "Aid to Myanmar" head after the adoption of the Scheme budget demonstrates that New Delhi's financial allocations for Myanmar have largely been on the ascendant with the 2021 coup inside Myanmar having very little impact on the overall money allocated. Thus, despite the coup and the consequent civil war within Myanmar, New Delhi is committed to the successful completion of the Kaladan Project (Sharma & Sharma, 2025) <sup>[21]</sup>.

As has been discussed at length before, India's motivations for the Kaladan Project arose out of the vulnerabilities associated with the Siliguri Corridor coupled with the increasing presence of China in India's strategic backyard (Sang, 2021) <sup>[20]</sup>. In this context, the role of the AA in the ongoing civil war in Myanmar particularly in the Chin and Rakhine states, both home to the Kaladan Project becomes crucial. Ever since the break-out of civil war in Myanmar following the 2021 coup, the Kaladan Project has been affected adversely. However, despite the challenges New Delhi has cautiously yet persistently been committed to the completion of the project. In this context, despite the challenges from the AA India is trying to recalibrate its Myanmar strategy and is attempting to strike a delicate balance between managing the relations with the Tatmadaw as well as engaging with the EAOs, who now control substantial territory within Myanmar (Mehta, 2024) <sup>[15]</sup>. Following the military coup in Myanmar and the subsequent outbreak of civil war, the country has been in a protracted state of crisis marked by armed confrontations between the Tatmadaw and the EAOs. This became rather challenging for New Delhi as on one hand it continued to maintain



diplomatic engagement with the military junta and on the other the rising hold of EAOs necessitated simultaneous engagement with the EAOs to secure India's interests within Myanmar (*A Rebel Border: India's Evolving Ties With Myanmar After the Coup*, 2025). In this context, with the increase in the footprint of the AA within Rakhine state and the neighbouring Chin state India abandoned its earlier policy of disengagement and has taken nascent steps toward fostering engagement with all stakeholders in the ongoing civil war within Myanmar (Government Official 1, personal communication, January 2025). The strategic recalibration on New Delhi's part is an outcome of the swiftly changing ground realities wherein the EAOs have mounted formidable and sustained resistance against the Tatmadaw forcing it into a defensive posture. More significantly, from a geostrategic perspective, China remains a major player in Myanmar, maintaining active engagement with all principal stakeholders to secure its interests under the CMEC. Both India and China have significant strategic investments in Myanmar's Rakhine state through the Kaladan and the Kyaukphyu projects respectively. Following the 2021 coup the AA's influence has been on the ascendant and therefore the successful completion of these projects necessitates that New Delhi and Beijing cultivate constructive engagement with the AA. This becomes all the more imperative as the AA which sees itself as fighting for the rights of the Arakans against the Bamar-elites in Naypyidaw would not be wary of leveraging the India and China card to extract maximum concessions for the "Fatherland of the Arakan". The AA has not explicitly opposed the Kaladan Project and in fact has welcomed it as being crucial for the development of the Rakhine state. However, in the course of the implementation of the Kaladan Project there have been reported instances of confrontation between the AA and the workers involved in the implementation of the Kaladan Project. The absence of such encounters between the AA and the workers on Beijing's Kyaukphyu investment has added a geostrategic angle to the Kaladan Project (Jose, 2021). Furthermore, AA's advances into Paletwa and their consequent attempts at appropriating Paletwa as a part of the Arakan identity has been met with stiff opposition from the Chins. This could very well escalate into a tripartite conflict involving the rebels from the Chin state, AA and Tatmadaw (MP-IDSA, 2024a) <sup>[17]</sup>. This would further complicate the completion of the road from Paletwa to Zorinpui which constitutes the last segment of the Kaladan Project. In such a scenario, New Delhi will have to navigate the complicated trajectory involving the Tatmadaw and the EAOs to ensure the success of the Kaladan Project both once it is constructed and later operationalised.

## Conclusion

Thus, through the comprehensive analysis of the Kaladan Project the paper has attempted to map the process of implementation of large-scale connectivity projects by New Delhi. The analysis has to be situated in the context of India's rising global ambitions that necessitate a robust and dependable infrastructure development capacity. To position itself as a credible choice for its partners/allies, both at the regional and the global level, New Delhi must execute large-scale connectivity projects in a time-bound and cost-effective manner. This becomes all the more significant given Beijing's heightened connectivity/infrastructure investment in India's neighbourhood as a part of the BRI.

India has always had reservations regarding China's growing influence in its immediate land and maritime neighbourhoods. Thus, connectivity projects such as the Kaladan Project are critical for the maintenance of regional stability in the emerging Indo-Pacific order. Consequently, New Delhi is keen to ensure the timely completion of the project for the realisation of its economic, security and geopolitical objectives within the framework of India's outreach to the Southeast Asian region under the AEP.

## References

1. International Crisis Group. *A Rebel Border: India's evolving ties with Myanmar after the coup*. 2025 Apr 11. Available from: <https://www.crisisgroup.org/asia/south-east-asia/myanmar-india/b182-rebel-border-indias-evolving-ties-myanmar-after-coup>
2. Acharya A. *Civilizations in embrace*. Singapore: ISEAS Publishing; 2013.
3. Xi Jinping. *Achieving rejuvenation is the dream of the Chinese people*. The Governance of China. Available from: <https://www.neac.gov.cn/seac/c103372/202201/1156514.shtml>
4. Bajpae C. Reinvigorating India's 'Act East' policy in an age of renewed power politics. *Pac Rev*. 2022;36(3):631-661. DOI: 10.1080/09512748.2022.2110609.
5. Bhattacharya R. *India's Kaladan Project in Myanmar faces fresh hurdles*. The Irrawaddy. 2022 Jun 15. Available from: <https://www.irrawaddy.com/news/burma/indias-kaladan-project-in-myanmar-faces-fresh-hurdles.html>
6. Bhaumik S. *The India-Myanmar Kaladan Project: vision and reality*. Torkel Opsahl Academic EPublisher. Available from: <https://www.toaep.org/pbs-pdf/106-bhaumik>
7. Bose S, Banerjee S. *Connectivity and the Northeast: challenges to India's Neighbourhood First and Act East policies*. Observer Research Foundation; 2025 Feb 22. Available from: <https://www.orfonline.org/expert-speak/connectivity-and-the-northeast-challenges-to-india-s-neighbourhood-first-and-act-east-policies>
8. Press Information Bureau. *Connectivity is an important element of Act East Policy: Dr Jitendra Singh*. 2021 Mar 17. Available from: <https://www.pib.gov.in/Pressreleaseshare.aspx?PRID=1705487>
9. Parliament of India. *Demands for grants (2014-2015) fourth report*. Parliament Digital Library. Available from: <https://eparlib.sansad.in/handle/123456789/65282>
10. *Executive summary of DPR for Port & IWT*.
11. Heslop L, Murton G, editors. *Highways and hierarchies: ethnographies of mobility from the Himalaya to the Indian Ocean*. Amsterdam: Amsterdam University Press; 2021.
12. Hillman JE. *Game of loans: how China bought Hambantota*. Center for Strategic and International Studies; 2018. Available from: <https://www.csis.org/analysis/game-loans-how-china-bought-hambantota>
13. Press Information Bureau. *Implementation of the Kaladan Multi Modal Transit Transport Project in Myanmar at the revised cost estimate of Rs 2904.04*

- crore; 2015 Oct 14. Available from: <https://www.pib.gov.in/newsite/printrelease.aspx?relid=128699>
14. Jose J. The Arakan Army and China's relationship with ethnic armed organizations in Myanmar. ICS Research Blog; 2021 Jun 23. Available from: <https://icsin.org/blogs/2021/06/14/auto-draft/>
  15. Mehta A. India recalibrates Myanmar strategy. The Pioneer; 2024 Dec 25. Available from: <https://www.dailypioneer.com/2025/columnists/india-recalibrates-myanmar-strategy.html>
  16. Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA). The Kaladan Transport Project amidst the civil war in Myanmar; 2024 Jul 22a. Available from: [https://www.idsa.in/publisher/comments/the-kaladan-transport-project-amidst-the-civil-war-in-myanmar#footnote18\\_uyagpcf](https://www.idsa.in/publisher/comments/the-kaladan-transport-project-amidst-the-civil-war-in-myanmar#footnote18_uyagpcf)
  17. Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA). The Kaladan Transport Project amidst the civil war in Myanmar; 2024 Jul 22b. Available from: <https://www.idsa.in/publisher/comments/the-kaladan-transport-project-amidst-the-civil-war-in-myanmar>
  18. Muni SD, Mishra R. India's eastward engagement: from antiquity to Act East Policy. 1<sup>st</sup> Ed. New Delhi: SAGE Publications India Pvt Ltd; 2019.
  19. Rites Ltd. Framework agreement between the Government of the Republic of India and the Government of the Union of Myanmar for the construction and operation of a multi-modal transit transport facility on Kaladan River connecting the Sittwe Port in Myanmar with the state of Mizoram in India; 2003. Available from: <https://www.mea.gov.in/portal/legaltreatiesdoc/mm08b0360.pdf>
  20. Sang J. UMD 18/CPRI 20: India's geo-strategic Kaladan mission in Western Burma. Chiang Mai: RCSD; 2021. Available from: <https://rcsd.soc.cmu.ac.th/publications/umd-18-indias-geo-strategic-kaladan-mission-in-western-burma/>
  21. Sharma A, Sharma H. Connecting East through Myanmar: an assessment of India's Kaladan Project. Praxis Int. J Soc. Sci. Lit. 2025;8(6):68-84. Available from: <https://www.pijssl.com/2025/07/connecting-east-through-myanmar-an-assessment-of-indias-kaladan-project.html>
  22. Press Information Bureau. Shri Sarbananda Sonowal to receive the first Indian cargo ship docking at the Sittwe Port on May 9, 2023; 2023 May 5. Available from: <https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=1922176>