

**Round Table on  
India-ASEAN Connectivity:  
Challenges and Opportunities for the North Eastern Region  
29-30 September, 2014, Shillong**

**Summary**

Research and Information System for Developing Countries (RIS), in collaboration with the Indian Chamber of Commerce (ICC) and the North Eastern Council (NEC), organised a Round Table on 'India-ASEAN Connectivity: Challenges and Opportunities for the North Eastern Region' on 29-30 September 2014 at Pinewood Hotel, Shillong. One of the objectives of this Round Table was to appraise the key stakeholders about the current progress and challenges in India's economic engagements with ASEAN and the implications for NER. This Round Table was attended by senior officials of the Government of India, ASEAN Missions, NEC Secretariat, state governments, industry associations, representatives of think-tanks and universities, media, etc. The Round Table saw good attendance by the ASEAN Ambassadors (7 HOMs, 1 Dy. Chief of Mission, and Minister Counsellors from others). Ambassador Anil Wadhwa, Secretary (East), MEA delivered the Keynote Address. Special Addresses were given by Amb. V S Seshadri, Vice-Chairman, RIS; Mr. Ameising Luikham, Secretary, NEC; and Mr. Roopen Roy, President, ICC and Managing Director, Deloitte Touche Tohmatsu India Pvt. Ltd, Kolkata. On-behalf of ASEAN HOMs in Delhi, H.E. Mr. Rizali Wilmar Indrakesuma, Indonesian Ambassador in India extended a Special Address at the Round Table. The Agenda of the Round Table is attached as Annexure 1. The event also saw good coverage in local media, both print and electronic. RIS monograph entitled "Building Cross-Border Production Networks between India's North East Region, Bangladesh and Myanmar" and ICC monograph entitled "Investment Opportunities in North East India: Scopes for Cross Border Production Links" were released at the Round Table. Some major discussion points of the Round Table are as follows.

1. NER needs a complete overhaul and remodelling of connectivity and logistic framework. Reduction of trade transaction costs is possible through integration of services and application of ICTs. Apart from the feeder highways, a ring road, connecting all the NER states and also the feeder highways should be developed not only to increase domestic trade and commerce but also to strengthen economic linkages with ASEAN.

2. NER is not adequately linked in the Look East Policy (LEP). Neither, it participates in trade with ASEAN. Out of 62 items allowed for border trade with Myanmar at Moreh, only 9 items have been traded so far. Another 22 items were added in the list of tradable items recently. Out of 32 LCSs, only 3 LCSs have been notified to allow trade with Myanmar. Therefore, heavy rise of informal trade has been witnessed between India and Myanmar. On top, NTBs prohibit trade between India and Myanmar. For example, port restriction does not allow import of livestock through Moreh. Food testing facilities are also not widely located in the region. It was suggested that we shall reconfigure border trade formalities at Moreh. Border trade shall be treated as MFN trade.
3. Dawki and Moreh ICPs are being planned in NER in the first phase. ICP at Agartala has been started working few months back. Single border post between Bhutan and India for the sake of handling international trade is being mooted.
4. There is also a need to develop all Tier-II and Tier-III airports in NER and modernize them to empower in landing and operational facilities. With most of the airports located in hilly terrains and regions on high altitude, proper technologies should be introduced to help the aircrafts operate without facing much difficulties arising from risks related to extreme weather conditions. A 100 percent FDI may be allowed for the development of greenfield airports in NER. Guwahati and Imphal airports shall be connected with international destinations with the help of private airlines. More flying routes within India as an option of 5<sup>th</sup> Freedom Right will certainly attract foreign airlines to fly in NER.
5. Delay in sanctioning funds has caused considerable setback in execution of connectivity projects in the region, thereby increasing operational cost and reducing efficiency. Therefore, considering the need and urgency of development of connectivity, it has been suggested to speed up the process of fund disbursement and easing the operational hindrances.
6. Connectivity within NER is essential to have an effective connectivity with ASEAN. Apart from development of forward linkages, it is essential to develop backend connectivity in the region, which will facilitate the infrastructure development process. Transforming the existing transport corridors to development corridors has been felt important. It has been suggested that increasing capacity of the

corridors would increase the number of economic agents involved and would also help in delivering benefits to them. It is recommended that a master plan, which will help the NER to develop corridors, has to be designed. Alongside, awareness about connectivity needs to be spread amongst people of the region. Northeastern region should not be seen as a mere transit point. Connectivity projects are plenty, but we need to prioritise the implementation of the projects.

7. It is recommended that the North Eastern Council (NEC) has to be more engaged with the ASEAN countries. It has been suggested that a think-tank for NEC has to be set-up for effectively implementing the steps for regional growth laid out in “Vision 2020” Report and designing the policy measures for the region’s economic engagement with ASEAN. NEC would be happy to host such think-tank at Shillong.
8. A regional master plan to promote industries in NER and a tourism master plan are ongoing. NEC shall undertake another study going beyond Vision 2020. Urgent action is needed to implement projects identified in Vision 2020 since the year 2020 is just six years away.
9. Considering the fact that the region is endowed with rich bio-diversity and natural resources and has the potential to develop across sectors, it is suggested that necessary measures should be carried out to strengthen its economic base. Development of a strategy and participation of stakeholders will pave the way for increasing competitiveness and operational efficiency of industries in NER.
10. It is discussed that with development of roadways in the NER would help in tapping a much larger market at Lao PDR, Cambodia and Vietnam, which till date remains unexplored. Alongside of physical connectivity, development of digital connectivity with ASEAN would result in stronger regional growth and integration.
11. Focusing on border trade, it has been felt that there is an urgent need to develop the border trade infrastructure to facilitate easy and efficient trading practices, thereby reducing trading time and cost. The trade potential across sectors is huge in the region, which includes agriculture, agro business, handlooms and handicrafts, travel and tourism, pharmaceuticals, etc. In particular, the automobile and rubber industries should be promoted in the region. There are high potentials of development of industrial clusters in bamboo-based industries, rubber-based industries, etc. in NER.

12. Owing to NER's rising trade with Bangladesh and Myanmar, provision of special incentives is necessary to build connectivity projects in NER. Feeder highways are required to be built in every NER state, which will connect the major towns of one state to the other, thereby facilitating inter- and intra- state trade and commerce.
13. Tourism is an area, which has high trade potential between NER and ASEAN. About 1 million tourists from Thailand visit Myanmar every year. If we success in bringing even a small 1 percent of such volume in NER, tourism industries in NER will revive again, which will not only generate employment but also bring political peace.
14. To promote tourism between ASEAN and NER, Visa on Arrival (VoA) may be extended to ASEAN countries and vice versa. The current temporary entry arrangement between Manipur state and Myanmar should be replaced by VoA scheme at Moreh land border, particularly in connection with health treatment of Myanmar patients in Imphal.
15. While ensuring security is one of the foremost criteria to increase trade across states and countries, it is essential that proper provisioning should be made for medial tourists and patients who travel from ASEAN countries to India for availing medical facilities. An approximate value of INR 3000 crore are spent by medical tourists in NER, out of which INR 500 crore are spent in Manipur alone. However, since the infrastructure is poor in this sector, it is suggested that there is a need of more doctors, beds, nurses and other related facilities. It is an estimated INR 9500 crore industry by 2015. To tap the opportunities of the sector in Manipur, it is also suggested that Imphal Ring Road should be built. Multi-product SEZ is coming up at Tobal in Manipur. Development of adequate human resources, accreditations of degrees, political stability, ensuring accessibility and affordability are some of the additional suggestions, which will help in developing the sector in the region.
16. To help traders and service provides in delivering services seamlessly, financial linkage between India and ASEAN countries has to be strengthened. This will reduce the informality that presently exists between the countries, particularly at NER. With support of financial institutions including banks, local trading community should be adequately trained on use of financial instruments in international

trade. More banks may be allowed to officially deal with trade between NER, Myanmar and Bangladesh.

17. Some of the major projects whose development initiative is presently being undertaken by the authorities include upgradation of single lane highways, development of East-West Corridors (NHDP-II) by NHAI, SARDP phase developments and BOT (Annuity) Hybrid projects in Arunachal Pradesh. The North bank of Brahmaputra River is to be connected by a broad gauge railway. Imphal to Moreh connectivity by railway, development of inland waterway (NH 2: Sadiya to Dhubri), declaration of Barak River as National Waterway, development of multimodal terminal at one of the NER states and digitisation of land records are some of the initiatives being taken by the concerned authorities.
18. Development of waterways would also change the dynamics of the region. However, silting or de-polluting the river and waterways is the major hindrance for the development of waterway networks. Inland waterways and river ports in Assam and Bangladesh with special handling facilities will ease the transportation burden on roadways, which is presently running under over-capacity.
19. With transport agreement between India and Myanmar on anvil and development of industrial parks and townships in Manipur and other NER states under progress, bilateral trade between the two countries would increase heavily in days to come. Moreh land border in Manipur will ideally emerge as a potential growth centre. Moreh land border should be equipped with all modern facilities to handle increased trade and economic activities. Timely completion of ICP at Moreh will not only strengthen the trade capacity but also generate exports from NER.
20. There is a need for development of integration hubs at border towns including Dawki and Moreh. An “Action Plan” has to be chalked out to build them as hubs. Decongestion of existing cities in NER would attract investors and also help people to reside in hassle-free manner.
21. It is suggested that competitive trade routes can be developed to increase trade volumes significantly. We need to promote both land and sea routes. Multimodal connectivity between ASEAN and India is essential. Tura-Jamalpur-Dhaka road, Imphal-Silcar-Karimganj-Silhet road, trilateral highway, etc. need to be opened at the earliest to help

in increasing NER's trade and investment with ASEAN and Bangladesh. With completion of Yargi and Monywa section of trilateral highway (in Myanmar), transportation between Madalaya and Imphal can be done in 8-10 hours. Rih-Tidim road project may be undertaken to give access to Mizoram to trilateral highway. Myanmar – Bangladesh – Myanmar gas pipeline shall be renegotiated.

22. Indian Railways is presently constructing broad gauge railway line between Jiribam and Tupul, which is likely to be completed by 2016. By 2018, Imphal will be connected with Indian Railway. Railway line between Imphal and Moreh is also being planned. It has been recommended that the Railways should take up the Imphal-Moreh sector along with the Jiribam-Imphal sector so that both are completed simultaneously.
23. Even though development of hinterland connectivity has led to increase in agricultural prices by 15 to 20 percent over the last couple of years, there is still a dearth of local entrepreneurships in NER. It is suggested that development of MSME industries can help local entrepreneurs, and for doing that, building foundations for clusters is essential. It is worth mentioning that involvement of women and local people can lead to significant economic and social development of NER. Setting-up project development fund (PDF) will help the region in strengthening backend infrastructure.
24. Development of mega food parks, SEZ, industrial parks is some of the initiatives on anvil. Integrated tourism master plan, development of master plan to increase sectoral competitiveness and provision of transport subsidy are some of the measures through which the development process can be circulated across the region. It is also sought that potential of every NER state should be considered individually rather than considering them as a single entity. Frequent interactions with business people of NER and ASEAN would help in attracting investments in the region. Regular interactions between the industry associations of ASEAN and NER would pave the way in strengthening the business relations.
25. The Commerce Ministry may commence the development of the SEZs and the states should have a plan to develop the export-oriented sectors so that it matches with the corridor development time frame.

26. Although policy interventions and proper strategies are required to facilitate the development process, it is suggested that the processes should be environmentally sustainable. Additionally, benefits from trade and development should ideally be transferred to local people for increasing their interests, involvement and awareness in the development activities, thereby making it more inclusive. We may learn from the success of Mekong subregion model.
27. Skill development, capacity building and training are some of the areas where private sector and ASEAN countries can be involved.
28. We must develop implementation strategy with strict timeline. Actionable strategy on Look East Policy is needed. Project-based coordination is required. It is recommended that a task force shall be set-up to identify a strategy for NER's greater engagements with ASEAN.

Prabir De

20 October 2014

## Annexure 1



### Programme

#### 29 September 2014 (Monday)

**17.30 – 18.00 hrs: Registration**

#### **18.00 – 19.30: Inaugural Session**

- Welcome by **Dr. Prabir De**, Professor, RIS
- Opening Address by **Mr. Ameising Luikham**, Secretary, NEC
- Special Address by **Amb. V S Seshadri**, Vice-Chairman, RIS
- Special Address **Mr. Roopen Roy**, President, ICC and Managing Director, Deloitte Touche Tohmatsu India Pvt. Ltd, Kolkata
- Special Address by **H.E. Mr. Rizali Wilmar Indrakesuma**, Indonesian Ambassador in India
- Keynote Address by **Amb. Anil Wadhwa**, Secretary (East), Ministry of External Affairs (MEA)

**[Release of Study: *Building Cross-Border Production Networks between India's North East Region, Bangladesh and Myanmar*]**

**19.30: Dinner Hosted by Indian Chamber of Commerce (ICC)**



## **30 September 2014 (Tuesday)**

**09.00 – 09.30: Special Address by Mr. Ranjit Barthakur**, Federation of Indian Chambers of Commerce & Industry (FICCI)

**09.30 – 11.00: Session 1. Connectivity between North Eastern Region and ASEAN: Progress, Opportunities and Prospects**

*Chair:* **Dr. Falguni Rajkumar**, Chairman, Indian Institute of Management (IIM) Shillong

*Lead Presentation:* **Amb. V S Seshadri**, Vice-Chairman, RIS

*Panellists:*

- **Mr. Y S Shahrawat**, Chairman, Land Ports Authority of India (LPAI), New Delhi
- **Dr. Krishnakumar**, Executive Director, IL&FS Cluster Development, New Delhi
- **Prof. Amar Yumnam**, Manipur University, Imphal
- **Mr. W Synrem**, Economic Adviser, NEC

Q & A

**11.00 – 11.30: Tea / Coffee Break**

**11.30 – 13.00: Session 2. India-ASEAN Trade and Investment: Opportunities for North Eastern Region**

*Chair:* **Dr. C J Thomas**, Director, ICSSR-NERC, Shillong

*Lead Presentation:* **Dr. Gurdas Das**, National Institute of Technology (NIT) Silchar

*Panellists:*

- **Mr. Ishantor Shobhapandit**, Regional Director, ICC-NER, Guwahati
- **Mr. G. Panmei**, Commissioner, Customs, Shillong
- **Dr. Binoda Mishra**, Director, Centre for Studies in International Relations and Development (CSIRD), Kolkata
- **Dr. KH Palin**, Chairman, Shija Hospitals & Research Institute, Imphal
- **Mr. Gautam Chintey**, Adviser (Tourism & Industries), NEC

Q & A

**13.00 – 14.00: Lunch**

### **14.00 – 15.30: Session 3. Strengthening Backend Infrastructure in the North Eastern Region: Challenges and Way Forward**

*Chair:* **Ms. Patricia Mukhim**, Member, National Security Advisory Board (NSAB)

*Lead Presentation:* **Mr. P K H Singh**, Adviser (Transport, Power & Communication), NEC

*Panellists:*

- **Ms. Mohini Datt**, The World Bank, New Delhi
- **Amb. R O Wahlang**
- **Mr. Ranjit Singh Viridi**, General Manager (GM), North East Frontier Railway
- **Mr. B. Lyngkhoi**, Director, North Eastern Regional Power Committee (NERPC), Ministry of Power, Government of India

Q & A

### **16.00 – 17.30: Session 4. ASEAN – India Strategic Partnership and North East India (Panel Discussion)**

*Chair:* **Mr. M. Bezbarua**, Member, NEC

*Panellists*

- **Amb. Rajeet Mitter**
- **Mr. Ameising Luikham**, NEC
- **Amb. V S Seshadri**, RIS

Q & A

### **17.30 – 18.00: Concluding Session**

*Chair:* **Amb. R. V. Warjri**

*Vote of Thanks:*

- **Mr. P K H Singh**, NEC
- **Dr. Prabir De**, RIS

**19.00: Dinner Hosted by RIS**