

India-ASEAN Connectivity: Challenges and Opportunities for the North Eastern Region

Shillong Roundtable Summary



Indian Chamber of Commerce



North Eastern Council
Government of India



RIS
Research and Information System
for Developing Countries



ASEAN-India
Centre at RIS

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29-30 September 2014, Shillong

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RIS
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for Developing Countries

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This Shillong Roundtable Summary has been prepared by Dr. Prabir De, Professor, RIS, and Coordinator, ASEAN-India Centre (AIC) at RIS with assistance of Mr. Sunando Basu, Research Associate, RIS. We are grateful to Ambassador Shyam Saran, Chairman, RIS; Ambassador V S Seshadri, Vice-Chairman, RIS; and Prof. Sachin Chaturvedi, Director-General, RIS for their guidance and encouragement. In particular, we are thankful to Ambassador Anil Wadhwa, Secretary (East), Ministry of External Affairs (MEA), Government of India and Ms. Pooja Kapur, Joint Secretary (ASEAN-ML), Ministry of External Affairs (MEA), Government of India for their support. We are thankful to H.E. Mr. Rizali Wilmar Indrakesuma, Ambassador of Indonesia in India, all the Heads of Missions of ASEAN countries and representatives of foreign missions in India and ASEAN for their participation and sharing views on ASEAN-India regional cooperation and integration.

We are also grateful to Prof. Biswajit Dhar, Jawaharlal Nehru University (JNU), New Delhi; Mr. Madan Bezbarua, Member, North Eastern Council (NEC); Mr. Ameising Luikham, Secretary, NEC; Mr. P K H. Singh, Adviser (Transport, Power & Communication), NEC; Mr. Roopen Roy, President, Indian Chamber of Commerce (ICC), Kolkata; Dr. Rajiv Singh, Secretary-General, ICC, Kolkata; Mr. Ishantor Shobhapandit, Regional Director, Indian Chamber of Commerce-North East Region (ICC-NER), Guwahati; Mr. Y S Shahrawat, Chairman, Land Ports Authority of India (LPAI), New Delhi; Mr. Ranjit Barthakur, Chairman, FICCI Advisory Council, Guwahati; Mr. Ranjit Singh Viridi, General Manager, North East Frontier Railway, Guwahati; Dr. K H Palin, Chairman, Shija Hospitals & Research Institute, Imphal; Ms. Mohini Dutt, The World Bank, New Delhi; and Dr. C J Thomas, ICSSR-NERC, Shillong for their cooperation.

We would like to, in particular, acknowledge the support of NEC without which the Roundtable would not have been a success. The Roundtable benefitted from work done in support by the RIS Administration. Ms. Ruchi Verma coordinated the production of the publication. Mr. Sachin Singhal designed the publication. Views expressed in this publication are those of the participants of the Roundtable and not the views of the Governments of India or ASEAN countries, Research and Information System for Developing Countries (RIS), ASEAN-India Centre (AIC) at RIS, Indian Chamber of Commerce (ICC) or the North Eastern Council (NEC). Usual disclaimers apply.

LIST OF ABBREVIATIONS

ACCC	ASEAN Connectivity Coordinating Committee
AFTPs	ASEAN Free Trade Partners
AEP	Act East Policy
AIC	ASEAN India Centre
ASEAN	Association of Southeast Asian Nations
BOT	Build-Operate-Transfer
CSIRD	Centre for Studies in International Relations and Development
FICCI	Federation of Indian Chambers of Commerce and Industry
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GMS	Greater Mekong Sub-region
HOM	Head of Mission
ICC	Indian Chamber of Commerce
ICP	Integrated Check Post
ICT	Information and Communication Technology
KMTTP	Kaladan Multimodal Transit Transport Project
LCS	Land Customs Station
LEP	Look East Policy
LPAI	Land Ports Authority of India
MEA	Ministry of External Affairs
MFN	Most Favoured Nation
NEC	North Eastern Council
NER	North Eastern Region
NERPC	North Eastern Regional Power Committee
NHAI	National Highway Authority of India
NHDP	National Highways Development Programme
NIT	National Institute of Technology
NSAB	National Security Advisory Board
NTMs	Non-Tariff Measures
PDF	Project Development Fund
RIS	Research and Information System for Developing Countries
SARDP	Special Accelerated Road Development Programme
TiGA	Trade-in-Goods Agreement
SEZ	Special Economic Zone
VoA	Visa on Arrival

SUMMARY

India-ASEAN Connectivity: Challenges and Opportunities for the North Eastern Region

29-30 September 2014, Shillong

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 Roundtable on 'India-ASEAN Connectivity: Challenges and Opportunities for the North Eastern Region' on 29-30 September 2014 at Shillong. One of the objectives of this Roundtable was to appraise the key stakeholders about the current progress and challenges in India's economic engagements with Association of Southeast Asian Nations (ASEAN) and implications for the North Eastern Region (NER). This Roundtable was organised as a run-up event for Delhi Dialogue VII 2015, which was attended by senior officials of the Government of India, NEC Secretariat, ASEAN Missions in India, state governments, industry associations, representatives of think-tanks and universities, media, etc. The Roundtable saw good attendance by the ASEAN Ambassadors (7 HOMs, 1 Dy. Chief of Mission, and Minister Counsellors from others). Ambassador Anil Wadhwa, Secretary (East), Ministry of External Affairs (MEA), Government of India delivered the Keynote Address. Special Addresses were extended by Ambassador 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, Ambassador of Indonesia in India delivered a Special Address at the Roundtable. 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 this Roundtable. The major discussions of the Roundtable 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 Information and

Communication Technology (ICT). Apart from highways, a ring road, connecting all the NER states and 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) or Act East Policy (AEP). Neither, it participates in large way 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 Land Customs Stations (LCSs), only 3 LCSs have been notified to allow trade with Myanmar. Therefore, steep rise of informal trade has been witnessed between India and Myanmar at the border. On top, non-tariff measures (NTMs) 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 NER. It was suggested that border trade formalities should be reconfigured and simplified at Moreh. At the same time, border trade shall be treated as most favoured nation (MFN) trade.
3. Dawki and Moreh Integrated Check Posts (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 modernise 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. The 100 per cent 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 5th Freedom Right may 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 NER to develop corridors, has to be designed. Alongside, awareness about connectivity needs to be spread amongst people of the region. NER should not be seen as a mere transit point. Connectivity projects are plenty, but we need to prioritise the implementation of the projects.

7. North Eastern Council (NEC) has to be more engaged with the ASEAN countries in terms of studies and planning of projects. It has been suggested that a think-tank for NEC may 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. Secretary of NEC also declared that 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 as the year 2020 is just few years away.
9. Considering the fact that NER 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 NER would help in tapping a much larger market at Myanmar, 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 and food businesses, 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 one million tourists from Thailand visit Myanmar every year. If we succeed in bringing even a small one per cent of such volume in NER, tourism industry 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 tourists, when they arrive at NER airports or border and vice versa. The current temporary entry arrangement between Manipur state and Myanmar should be replaced by VoA scheme at Moreh-Tamu 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 provision should be made for medical tourists and patients, who travel from ASEAN countries to India for availing medical facilities. An approximate value of Rs. 3000 crore have been spent by medical tourists in NER, out of which Rs. 500 crore have been spent in Manipur alone. Since the infrastructure is yet to be developed in health sector, it is suggested that there is a need of more doctors, beds, nurses and other related facilities. It is also suggested that Imphal Ring Road should be built, which would facilitate the growth of health industry. Multi-product Special Economic Zone (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 measures, which will help in developing this sector in NER.
16. To help exporters and importers in delivering services seamlessly, financial linkage between India and ASEAN countries has to be strengthened, which 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 carrying out the trade across borders. More banks should 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 National Highways Authority of India (NHAI), Special Accelerated Road Development Programme (SARDP) and Build-Operate-Transfer (BOT) (Annuity) hybrid projects in Arunachal Pradesh. The north bank of Brahmaputra River should be connected by broad gauge railway. Imphal to Moreh connectivity by railway, development of inland waterways (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. The Kaladan Multimodal Transit Transport Project (KMTTP) will connect Kolkata and other ports of India's east coast with Sittwe port in Myanmar. With the completion of the Dawei deep-sea port in Myanmar, we will have a much shorter sea route to the Southeast Asian region as compared to the Straits of Malacca. Shipping Corporation of India is about to start on a trial basis, direct fortnightly shipping services from India's east coast to Yangon, which would cut down shipping time by one-third.
20. 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 is likely to increase in days to come. Moreh LCS in Manipur will emerge as a potential growth centre, and therefore it 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.
21. 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.
22. 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., have to be opened for commercial use at the earliest to facilitate NER's trade and investment with ASEAN and Bangladesh. With completion of Yargi and Monywa section of trilateral highway (in Myanmar), transportation between Mandalay and Imphal can be completed in 8 to 10 hours. Rih-Tidim road project may be undertaken to give access to Mizoram to trilateral highway. Myanmar - Bangladesh - India gas pipeline shall also be renegotiated.
23. 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 Railways network. Railway line between Imphal and Moreh is also being planned. It has been recommended that the Railways should take up the Imphal-Moreh section along with the Jiribam-Imphal section so that both are completed simultaneously.
 24. Even though development of hinterland connectivity has led to increase in agricultural prices by 15 to 20 per cent over the last couple of years, there is still a dearth of local entrepreneurs in NER. It is suggested that development of SMEs 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 industries and supply chains.
 25. Development of mega food parks, SEZs and industrial parks are some of the initiatives on the 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 for strengthening business relations.
 26. 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.
 27. To connect geographic corridors with economic corridors, integration of economic activities in NER and rest of India must be taken up simultaneously. Communication and financial linkages with ASEAN

should also be strengthened. To enable enhanced economic activity, NER will also need adequate power supply, mobile and internet connectivity and well developed infrastructure.

28. 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.
29. Skill development, capacity building and training are some of the areas where private sector of India and ASEAN countries can be involved.
30. We must develop implementation strategy with strict timeline. Actionable strategy on Act East Policy (AEP) 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 and beyond.

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AGENDA

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India-ASEAN Connectivity: Challenges and Opportunities for the North Eastern Region

29-30 September 2014
Pinewood Hotel, Shillong

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 RIS 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)

09.00–11.00 : 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. A. K. Krishna Kumar**, Executive Director, IL&FS Cluster Development, New Delhi
- **Prof. Amar Yumnam**, Manipur University, Imphal
- **Mr. W Synrem**, Economic Adviser, NEC
- **Dr. Prabir De**, RIS

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. K H Palin**, Chairman, Shija Hospitals & Research Institute, Imphal
- **Mr. S K Mahanta**, Managing Director and CEO, MMS Advisory Pvt. Ltd.
- **Mr. Gautam Chintey**, Adviser (Tourism & Industries), NEC

Q & A

Agenda

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:

- **Dr. Anupam Joshi** and **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. Madan Bezbarua, Member, NEC

Panellists:

- **Amb. Rajeev Mitter**
- **Mr. Ranjit Barthakur**, FICCI
- **Mr. Roopen Roy**, ICC
- **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

KEYNOTE ADDRESS

Amb. Anil Wadhwa

Secretary (East), Ministry of External Affairs (MEA),
Government of India

Mr. Amiesung Luikham, Secretary of the North Eastern Council

Amb. V.S. Seshadri, Vice Chairman, Research and Information System for Developing Countries (RIS)

Mr. Roopen Roy, President of the Indian Chamber of Commerce

Amb. Rizali Indra Kesuma, Ambassador to Indonesia and Head of the ASEAN New Delhi Committee

Ambassadors and diplomats from ASEAN countries based in Delhi

Ladies and Gentlemen

1. It is my pleasure to participate in the Roundtable on the subject “India-ASEAN Connectivity: Challenges and Opportunities for the North Eastern Region”, organised by the North Eastern Council, RIS, Indian Chamber of Commerce, and the ASEAN India Centre at RIS.
2. The fact that the Roundtable is being held in Shillong highlights the significance of ASEAN for the North-eastern States in India, and the role that can be played by stakeholders from the North-eastern states, in strengthening our partnership with ASEAN countries. The North-eastern region is located at the confluence of major economic growth areas: East Asia, South Asia and South East Asia. It is also a gateway through which India will reach out to South East Asian countries. More than any other region in India, it is the North-east, which shares cultural and civilisational linkages with the ASEAN countries. It is a cultural corridor between India and many of the South East Asian countries, and many communities in the North-east have historical connections with communities in South East Asia.
3. With our Look East policy, relations with ASEAN have become one of the cornerstones of our foreign policy and were elevated to that of a strategic partnership in 2012. Given the growing economic clout of countries in this region and the changing geo-political scenario,

our contacts with almost all countries of the region are now marked by enhanced economic relations, complemented by regular dialogue cultural ties and people-to-people contact. India-ASEAN commercial ties are substantial with nearly US\$ 76 billion of trade, and a combined market size of 1.8 billion people. Following the 2009 FTA for trade in goods with ASEAN, our exports to ASEAN showed a compound aggregated growth rate of 16 per cent per annum.

4. To give depth and momentum to our economic ties with ASEAN, Agreements for Trade in Services and Investments are currently being signed by circulation. These agreements will facilitate movement of professionals; and create a liberal, facilitative and competitive investment regime among participating countries. India is also negotiating a Regional Comprehensive Economic Partnership which aims to be the largest free-trade bloc in the world, comprising 10 ASEAN nations and 6 other countries with which the group has free-trade agreements. All these frameworks will facilitate trade and investment and increase confidence on both sides for doing business with each other.
5. Nevertheless, India's trade with ASEAN is just 3 per cent of total ASEAN trade – and there is immense untapped potential. We need to work together with the ASEAN countries and also states in North-east India to meet the target of US\$ 100 billion for India-ASEAN trade by 2015, which was set by our respective leaders. So far the role of the North-east in India's trade basket has been very far below its potential. A study by the Indian Chamber of Commerce and Price Waterhouse Cooper in 2013 estimated that the North-east's overall contribution to India's export basket of US\$ 254 billion, was only about US\$ 0.01 billion. Increasing trade between the North-eastern region and South East Asia will also help in realising the full potential of this region.
6. However, we need to address bottlenecks resulting from inadequate connectivity, and also develop support infrastructure and backend linkages within the north-east region. The Roundtable in which several stakeholders who address these issues are participating will provide an opportunity to brainstorm on all these issues.
7. To reduce the cost and duration of transporting goods from the Northeast to ASEAN countries, the Government is giving special emphasis to connectivity on land and sea routes. India is contributing to the India, Myanmar and Thailand trilateral highway in which we have built 160 kms, and we are committed for upgradation of bridges

and roads. The Trilateral Highway will open up India's landlocked northeast to Southeast Asia and allow freight and container trucks to move from Imphal to Mandalay.

8. If sections of the Highway between Myanmar and Thailand get upgraded, the North-east will get connected to Thailand also. The highway will create a regional market, dramatically reduce travel time between many places in the North-east and upper Myanmar, and provide a boost to cross-border trade and investment. Completion of the Rhi-Tiddim road would also result in seamless connectivity between Mizoram and Mandalay in Myanmar.
9. At the same time feeder highways are necessary within the North-eastern states, to connect inland areas to highways which connect us to Myanmar. We hope that highway improvement projects in the North-east under the Special Accelerated Road Development of North-east programme will be built at a quick pace.
10. The Kaladan Multimodal Project, expected to be completed soon will connect Kolkata and other ports on our East Coast with Sittwe port in Myanmar. With the completion of the Dawei deep-sea port in Myanmar, we will have a much shorter sea route to the Southeast Asian region as compared to the Straits of Malacca. I am happy to announce that from early October, Shipping Corporation of India is starting on a trial basis, direct fortnightly shipping services from India's Eastern coast to Yangon, which would cut down shipping time by one third.
11. Currently, there are no direct flights between the North-eastern states and any of the ASEAN countries. There is a standing offer from India to air carriers in ASEAN countries, to begin flights to 18 destinations in India's Tier II and Tier III cities including Guwahati. We hope that it will soon be connected with the ASEAN region through flights to South East Asia.
12. Increasing physical connectivity with ASEAN will also provide an impetus to people-to-people ties. We are already granting visa on arrival for tourists from seven ASEAN countries. To increase ease of doing business, we need to enhance mobility of our businessmen and professionals, by granting them long duration and multiple entry business visas.
13. To connect geographic corridors with economic corridors and integration of economic activity in the north-east and eastern coast of India must be taken up simultaneously. Communication and financial linkages with ASEAN should also be strengthened. To

enable enhanced economic activity, North-eastern states will also need adequate power supply, mobile and internet connectivity and well developed infrastructure.

14. For seamless connectivity across the border, there is a need to upgrade Land Customs Stations; addressing immigration, customs, phyto-sanitary facilities, permissions for transporters, and insurance issues all along our border especially with Myanmar. Many of these issues will be addressed when India-Myanmar-Thailand will begin negotiations on a Transit Transport Agreement.
15. Tamu-Moreh crossing which is already a border trade post, can be developed further inland, with well-planned border clearance infrastructure at the Integrated Customs Post in Moreh. Manipur is setting up a multi-product SEZ at Thoubal, which could be used for housing manufacturing and ancillary industries. The Food Park in Manipur could be developed into a processing centre for fruit, pulses and agricultural products which are imported from Myanmar. Moreh could emerge as the support centre for trade promotion activities through commodity exchanges, logistics servicing and warehousing facilities.
16. The Government's Vision 2020 document envisages increasing the GDP growth rate and per capita income growth of the North-eastern region, inter alia, through a skill development and capacity building programme. In this context, we invite India's corporate sector and ASEAN countries to establish programmes for building skills and capacity of youth in our North-eastern states to absorb these upcoming economic opportunities.
17. Under the 2007 North-eastern Industrial and Investment promotion policy, several incentives are being offered for setting up new industrial units and capital investments in the North-eastern region. Last week our Prime Minister also launched the "Make in India" campaign, inviting industry to set-up manufacturing plants in India. Corporate Sector from ASEAN countries and India can avail these incentives and partner with state governments to set up industrial clusters and production networks so that our economic ties with South East Asia will become economically sustainable. In addition to the government, international and multilateral financial institutions can play a critical role by supporting these massive infrastructure and connectivity projects.
18. In conclusion, I would like to emphasise that greater connectivity with ASEAN will provide more development opportunities for states in

North-east India. Building partnerships with ASEAN necessitates a holistic and multi-sectoral approach and active participation of several stakeholders, especially the North-eastern States.

19. I would like to compliment the ASEAN India Centre and RIS for their meticulous research and analytical work, and organising several brainstorming events on India's relations with ASEAN. They have recently released a detailed report on "Transforming Connectivity Corridors between India-Myanmar into Development Corridors" which many of you will find useful. I would like to acknowledge the efforts of the Indian Chamber of Commerce towards highlighting the potential of increasing commercial ties between North-east and Eastern India, and ASEAN. The North Eastern Council, since its establishment has also played a critical role in focusing the attention of policymakers and important stakeholders, on the North-eastern region.
20. I sincerely hope that the Roundtable will provide an opportunity for fruitful discussions.

Thank you.

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Excellencies Ambassadors, High Commissioners, esteemed Colleagues

Dear friends from the NEC, ICC, RIS, and AIC

Excellencies

Ladies and Gentlemen

A very good evening to all of you

First of all allow me to express our thanks to the RIS and partners for organising this Roundtable on “ASEAN-India Connectivity and India’s Look East Policy: Challenges and Opportunities for the North Eastern Region”.

I am truly privileged to address this august gathering on-behalf of my ASEAN colleagues. I hope that the roundtable would enrich our understanding for stronger connectivity between ASEAN and India.

I will begin by mentioning two recent Agreements between ASEAN and India, namely, the Free Trade Agreement (FTA) in Services and the FTA in Investments. They both complemented the TiGA (Trade-in-Goods Agreement) previously signed. ASEAN and India together form a region comprising nearly 1.8 billion people, and a combined GDP in excess of US\$ 3.8 trillion. The sheer volume of economy reflects the potential for socio-economic cooperation.

I think all of us here acknowledge the ongoing/future projects between India-ASEAN member states, notably flagship projects between northeastern India and neighbouring countries. Among these commendable projects are:

1. The MIEC (Mekong-India Economic Corridor), which would connect the India-Vietnam sea link through Dawei (Myanmar);
2. The TH/AH (Trilateral/Asian Highway) connecting Thailand, Myanmar and India;
3. The Bangladesh-China-India-Myanmar Economic Corridor; and
4. The road corridors in Greater Mekong Sub-region (GMS) connecting Vietnam, Laos, Cambodia, Thailand and Myanmar.

ASEAN member states and India have been closely working together to expand trade and investment relations. RIS has fostered effective policy dialogue involving broad-based stakeholders and business community to formulate the roadmap of this integration process.

I am hopeful that this Forum will examine India's "Look East Policy", combining with the vision of "Link-West" mentioned by Honourable Prime Minister Modi. ASEAN-India Connectivity should be simultaneously promoted based on the framework of MPAC (Master Plan on ASEAN Connectivity) and the consultation mechanism conducted by the ACCC (ASEAN Connectivity Coordinating Committee). While development in Indian Northeastern Region is the key agenda for this meeting, we may also want to look into key elements of the RCEP (Regional Comprehensive Partnership), particularly on the creation of regional value chain, between ASEAN and its FTA Partners. It will give us a better understanding about the specifics of cooperation between North East India and bordering neighbour countries.

Creation of physical infrastructure and improvement of existing institutional framework is crucial to strengthen ASEAN-India connectivity. We can envision revival of the historical sea-linkage between ASEAN and India with free flow of goods trade and services, passing through the corridor of Southeast Asia's Malacca Strait.

ASEAN-India sea-link in discussion is geographically laid-out in the Bay of Bengal region of Indian Ocean, bordered by India's east coast in the west and Southeast Asia's west coast in the east.

Maritime connectivity between India and Southeast Asian neighbours requires collaborative projects to harness economic potential and formulate effective strategy in this regard.

Development of integrated, modern and extensive infrastructure along India's eastern shores will allow smoother movement of people, goods and services. This will lead to trans-oceanic passage of more merchant ships and commercial vessels through Malacca Strait crossing Andaman Sea and Bay

of Bengal, to harbour in Chennai. Port-led development, as conceived by Honourable Prime Minister Modi, requires building of extensive industrial zones, enclaves and smart cities around the coastal area. However, air transport connectivity is also crucial for an integrated ASEAN-India.

One cannot overlook the facts that the AFTPs (ASEAN Free Trade Partners) are making most fortune out of the establishment of the ASEAN Free Trade Area. This fortune can be sustained and secured by boosting people-to-people contact.

Excellencies,

Esteemed Colleagues,

Allow me also to share the following points:

1. India and ASEAN will make the best out of all avenues available in consultation and coordination on project-based cooperation.
2. The MPAC requires consolidated efforts, extensive coordination and full cooperation among ASEAN member states, dialogue partners and international development organisations.
3. The MPAC requires efforts for synergising respective national development agenda and budgeting.
4. While for time being, India is contemplating the concept paper on ASEAN-India Joint Task Force on Maritime Connectivity, it is recommended that we also carefully consider the following:
 - Building industrial zones and enclaves in Northeast India; integrated and extended all the way down to Chennai and further down southward.
 - Integrate infrastructure projects in entire eastern shore to seize more commercial interaction with merchant ships/vessels coming through transoceanic hub of Malacca Strait.

In conclusion, I once again appreciate for the invitation to this Forum. I hope that broader picture will be elaborated and concrete actions will be pursued out of the deliberations of the forum. And on that note, I thank you very much for your kind attention.

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GLIMPSES OF THE ROUNDTABLE



Glimpses of the Roundtable



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