CHAPTER – 1

INTRODUCTION OF THE STUDY

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1.1 BACKGROUND OF THE STUDY

1. North East India:

Situated between latitudes 23.80 o N to 25.68 o N and longitudes 93.03 o E to 94.78 o E, Manipur covers a total geographical area of 22,327 sq.km. Of the total area, about nine-tenths constitute the hills which surround the remaining one-tenth valley. It is one of the Border States in the North-Eastern part of India and along the east it shares a 352 Km. long international boundary with Myanmar. The topography of the hills is generally rugged and vast areas are inaccessible.

Border States in the North-Eastern part of India:

| • Arunachal Pradesh | • Assam |
| • Nagaland          | • Sikkim |
| • Manipur           | • Meghalaya |
| • Mizoram           | • Tripura |

International Boundaries:

| • North           | • China |
| • South West      | • Bangladesh |
| • North West      | • Bhutan |
| • East            | • Myanmar |

Features of North East India

| • Major Plantation     | • Tea |
| • Major Minerals       | • Coal, Petroleum, & Natural Gas |
| • Major Crops          | • Rice |
| • Major Religions      | • Hinduism, Islam, Christianity |
| • Major Languages spoken | • English, Hindi, etc. |
2. Profile of Manipur State:

Location and Area:
Manipur is one of the border States in the Northeastern part of India and along the east; it shares a 352 Km. long international boundary with Myanmar.

People:
Manipur inhabits by three major ethnic groups in Manipur - the Meitei in the valley, the Naga, and the Koki-Chin tribes in the hills. The Meitei Muslims forms a minority community. Besides this, other communities from the other states of India have also settled in the State. People are predominantly Mongoloid.

Population:
As per the census record of 2011, published by the office of the Registrar General and Census Commissioner, India (ORGI), the total population of India is 1,21,05,69,573 while Manipur has 27, 21,756 excluding the population of the three sub-divisions of Senapati district i.e. Mao-Maram, Paomata and Purul Sub Division.

Transportation:
Imphal, the State Capital, is well connecting by air with Delhi, Kolkata and Guwahati. Further, National Highway no. i.e. NH-2 and NH-1 link the State with the rest of the country respectively through the railway heads at Dimapur in Nagaland at a distance of 215 km. and Silchar in Assam of 269 km. from Imphal. The total road length in Manipur is about 7170 km in a network connecting all the important towns and far off villages of the State.

Agriculture:
Agriculture is the mainstay of the State’s economy. It engages 76% of the workers. The size of
the cultivated area is, however, only 9.41% of the total geographical area of the State.

**Unemployment:**
A high rate of unemployment exists in Manipur, particularly among the educated youth. There are total of 7,29,012 registered job seekers till June, 2015 as per the report of **Directorate of Employment, Government of Manipur**. The table below will throw some light on the level of development in the State.

### Features of Manipur state, India

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Reference Yr.</th>
<th>Quantum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Decadal growth rate of population</td>
<td>%</td>
<td>2001-2011</td>
<td>24.50</td>
</tr>
<tr>
<td>2. Literacy</td>
<td>%</td>
<td>2011</td>
<td>76.94</td>
</tr>
<tr>
<td>3. Agriculture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Rice production</td>
<td>`000 tones</td>
<td>2014-2015</td>
<td>482.25</td>
</tr>
<tr>
<td>ii) Fertilizer consumption</td>
<td>`000 tones</td>
<td>2014-2015</td>
<td>31.75</td>
</tr>
<tr>
<td>4. Total Road length covered</td>
<td>Km</td>
<td>2015-2016</td>
<td>4395.51</td>
</tr>
<tr>
<td>5. Power</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Per capita consumption</td>
<td>(lakh) KWH</td>
<td>2014-2015</td>
<td>222.21</td>
</tr>
<tr>
<td>ii) Villages electrified</td>
<td>%</td>
<td>2011-2012</td>
<td>69.97</td>
</tr>
<tr>
<td>6. Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Banks</td>
<td>No.</td>
<td>2013</td>
<td>115</td>
</tr>
<tr>
<td>ii) Banks offices per average population</td>
<td>No.(`000)</td>
<td>2013</td>
<td>39</td>
</tr>
<tr>
<td>7. Per capita net income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) At current prices</td>
<td>Rs.</td>
<td>2013-2014</td>
<td>41,573</td>
</tr>
<tr>
<td>ii) At 2004-05 prices</td>
<td>Rs.</td>
<td>2013-2014</td>
<td>24,042</td>
</tr>
</tbody>
</table>


3. **India’s Look East Policy: A Review:**

“Newspaper ‘www.thepoliticalchronicle’ reported that ‘India’s Look East Policy (hereinafter
LEP) is not merely an external economic policy; it is also a strategic shift in India’s vision of the world and India’s place in the evolving global economy. Most of all it is about reaching out to our civilization neighbours in South East Asia (hereinafter SEA) and East Asia’ mention by the then Prime Minister Dr. Manmohan Singh. This was the time (1991), when India launched its LEP. This also coincided with the period when India had launched her economic liberalization reforms. With India’s obsession towards Pakistan and with its preoccupations with China, the SEA region did not figure much in its foreign policy until the early 90s. SEA was a growing market with countries like Malaysia, Singapore and Indonesia. Though some analysts pointed out that by launching this policy India was trying to balance China’s influence in this region, India had often reiterated that it was not competing with China. India had to go beyond the confines of South Asian Association for Regional Cooperation (hereinafter SAARC) if it had to reap the benefits out of the economic potential of the SEA region and establish itself as a regional power.”

India-ASEAN Relations:

India-ASEAN relations have deepened and intensified significantly in recent years. India became a sectoral dialogue partner of Association of South East Asian Nations (hereinafter ASEAN) in 1992. In 1995, this was upgrade to full dialogue partnership. It participated in the ASEAN Ministerial Meeting (AMM), the Post Ministerial Conference and the ASEAN Regional Forum (hereinafter ARF) in July 1996. Since 2002, India has annual summits with ASEAN along with China, Japan and Republic of Korea. These political level interactions are further strengthen through the Senior Officials’ meetings, as also specialized working groups in functional areas. India-ASEAN functional cooperation includes cooperation in sectors such as Science & Technology, Health and Pharmaceuticals, Sciences, Agriculture, Infrastructure, Tourism
Proposed New Measures:

- Simplifying the visa handling for travelling to ASEAN countries and vice-versa.
- Setting up of an India-ASEAN Green Fund to tackle issues associated with Climate.
- Target millions of tourists to India from ASEAN regions by the forthcoming year.

Political and Security Issues ‘ASEAN has expressed desirability to work together to fight terrorism and transnational crime, combating corruption and promoting good governance and the protection of human rights as well as cooperation in forums such as ARF and the MGC (Mekong Ganga Cooperation). The crowning glory of the LEP is the signing of the India-ASEAN Free Trade Agreement on 13 August 2009 at Bangkok. The agreement was only for trade-in-goods and did not include software and IT. Negotiations for agreements on services and investment are in progress. Two-way trade between India and ASEAN was $ 47 billion in 2008 and both parties expect a $ 10 billion increase even in the first year. The Free Trade Agreement (hereinafter FTA) is part of the Framework Agreement on Comprehensive Cooperation signed with ASEAN in 2003. The FTA is significant for the reason that it is the first multilateral trade agreement entered into by India on ASEAN-India Summits. The inaugural ASEAN-India Summit was held on 05 November 2002 at Phnom Penh (Cambodia). “The 7th ASEAN-India Summit were held at Thailand on 24 October 2009. During these years, India had proposed a number of initiatives for ‘enhancing connectivity and empowering peoples’ in areas such as greater economic integration, people to people contacts, agriculture, human resource development, education, science and technology and information and communication technology.”Cited by Kuppuswamy. C.S. (2010).
Look East Policy and the North East India:

The North Eastern States of India has often described as land locked. They are joining to the rest of India by a narrow land corridor that skirts the north of Bangladesh. This land corridor is only 21 to 40 Km in width and knowing as the Chicken’s Neck. This has been a serious impediment for the development of the region, which has lagged behind the rest of the country in terms of infrastructure and industrial development. With the release of the document, ‘NE Region Vision 2020’ by the Prime Minister in July 2008 a serious effort has been made for socio-economic development of this region to match with the objectives of the LEP. Several measures have been undertaking under the aegis of the LEP to uplift North East India such as the ‘Asian Highway’, ‘Asian Railway link’ and ‘Natural Gas pipeline’. The Kaladan Multi-modal Transit Transport facility is aim at establishing connectivity between Indian ports and Sittwe port in Myanmar through reverie transport and road links in Mizoram. With the Ganga Mekong initiative, there is potential for direct flights between Guwahati -Ho-Chi Minh city – Imphal-Hanoi. This document (Vision 2020) admits that the LEP has failed to uplift the North East in the last fifteen years or so as most of the goods from ASEAN are sending through the sea route as the land route is highly unsafe for reasons such as lack of infrastructure.

Expansion of the Look East Policy:

The Look East Policy was initially direct towards the SEA nations. It is significant to note that India has since included China, Japan, South Korea and other Asia Pacific nations in the gamut of this policy. The policy, which began largely as an economic initiative, has gained political, military and regional dimensions. With Japan, we have had high-level visits of Prime Ministers Koizumi,
Shinzo Abe and Hatoyama in 2005, 2007 and 2009 respectively. The then P.M. Manmohan Singh had visited Japan in 2006. We had some strategic partnership arrangement, economic interaction, defense policy dialogue and had conducting some joint naval exercises. Since 2003, India has replaced China as the top recipient nation of yen credits. Japan was keen to have India, Australia and New Zealand join the EAS. The entering of the **Comprehensive Economic Partnership Agreement (hereinafter CEPA)** with South Korea (which took effect from January 2010) and inviting the President Lee Myung Bak as chief guest for the Republic Day function on 2010 are noteworthy in this regard. Currently there are about 9000 Koreans staying in India with about 7000 Indians living in Korea.

**Highlights and Shortcomings of the Look East Policy:**

- Becoming a member of the ASEAN Regional Forum (ARF) in 1996.
- Completing of the 160 Km India-Myanmar Friendship roads from Tamu to Kalemno or Kaletwa built by the Border Roads Organization by 2001.
- Becoming a summit level partner of ASEAN in 2002.
- Entering into a Framework Agreement on Comprehensive Economic Cooperation (for establishing a FTA in a period of 10 years) in 2003. Similar FTAs have been entering into with some ASEAN nations independently.
- Becoming a founder member of EAS in 2005.
- South East Asia was the focus in the India International Trade Fair (IITF) in 2005, which happened to be the Silver Jubilee of the fair. Companies from Indonesia, Malaysia, Vietnam and Thailand took part in the fair.
- Under the open skies policy, today, there are over 215 direct flights every week between India
and Singapore, 115 with Thailand and 50 with Malaysia.

- Finalizing the port of Sittwe in Myanmar (250 Km from Mizoram border) will be connected to the Indian ports and Kaletwa (Myanmar) will be linked with the National Highway 54 in Mizoram.
- Appointing an Ambassador to ASEAN in order to accelerate the bilateral relation in all spheres of activities.

**Shortcomings:**

- India has entered into a number of pacts, agreements and FTAs with nations of ASEAN but its record for implementation of such accords has been poor. The Indian industry has doubts about its own competitive efficiency or it is scared of cheaper exports to India.
- India lags behind China and Japan in almost all spheres of East Asian cooperation, East Asian observers reckon that India has so far appeared less proactive than China on critical issues.
- Some analysts feel that India’s LEP lacks a strategic vision despite seeking defense cooperation with some ASEAN nations (Myanmar, Indonesia and Vietnam).

India’s objectives in LEP can be furthered through areas ‘education, democracy and culture’ where it has a comparative advantage over Asian countries. In this context, the Nalanda project, which envisages the setting up of an International University, is noteworthy. India has a lead in Information Technology. Tourism is an area where much can do to reverse the trend of more Indians going to South East Asia (Singapore) for shopping. At the strategic level, India’s LEP envisages the ASEAN states and Japan as key partners in East Asia. Ties with South Korea are also strengthening. With India-US relations also expanding in scope and content, India can become a stabilizing and balancing force in this region. India’s inclusion into the **Group of Twenty Economies (G-20)** has
boosted its image in this region. Six of the 20 (Australia, China, Japan, India, Indonesia and South Korea) are from East Asia. The crux is that this LEP should reinforce and demonstrate India’s commitment to this region, which accounts for about one-third of India’s trade. It should also be made clear that this commitment will not be influenced in any way by the improving relations between India and the United States and European Union.

1.2 SELECTION OF THE RESEARCH PROBLEMS

“Good relations between regional areas of North East states and neighbouring countries need to be maintained to have a coherent Look East Policy” asserted by former Director General of Indian Council of World Affairs and Secretary of Ministry of External Affairs (MEA), Sudhir T Devare (2014) attended the International Conference which was held at Manipur University under the theme ‘NE India in India’s LEP’ on March 24, 2014. India is now into the 2nd phase of LEP and the state of Manipur has the higher prospect of getting the best advantage from the policy compared to other states. Relation between Myanmar and India has strengthened significantly, development and extension of surface transport in Myanmar and multi-model transport systems has been introduced. A coherent LEP can developed when there is good relations between NE states and neighbouring countries. The border trade is the major contributor to the economy. The distinguishing features of Act East Policy lie in its potential for creation of gainful employment and especially self-employment opportunities to the youths. The present study entitled “Trends & Implication of Look East Policy in the North East Region - A Case Study of Manipur” comes in the mind of the researcher after considering the present problems faced by the people especially Traders, Manufacturers, Service providers in Manipur. Hence, in this study the researcher has made an attempt to determine the operational adequacy of planning and strategies in border trade and
would like to give an eye opener particularly to the entrepreneurs of people in general, industries, financial institutions and the government of Manipur state.

1.3 BORDER TRADE – Contain of India’s Look East Policy

India’s Look East policy, which was initiating in 1991, marked a strategic shift in India’s perspective of the world. That was developing and enacted during the government of the then Prime Minister P.V. Narasimha Rao and rigorously pursued by the successive governments of A.B. Vajpayee and Manmohan Singh. The essential philosophy of the LEP is that, India must find its destiny by linking itself more and more with its Asian partners and the rest of the world, and that India’s future and economic interests are best serve by greater integration with East and Southeast Asia. Hence, LEP is an attempt to forge closer and deeper economic integration with its eastern neighbors as a part of the new very politic evidence in India’s foreign policy. In addition, the engagement with ASEAN is a part of the recognition on the part of India’s strategic and economic importance of the region to the country’s national interests. As the then PM Manmohan Singh said, the LEP is not merely an external economic policy; it is also a strategic shift in India’s vision of the world and India’s place in the evolving global economy.

The economic reforms, coupled with the integrative forces of globalization; frustration with the process of integration within South Asia and the renewed concern about the antecedent and powerful China and its impact on India’s security, as well as India’s unease at Beijing’s growing assertiveness in the Asia-Pacific region made India to rethink the basic parameters of its foreign policy. In this changed international system in the aftermath of the cold war, the success stories of the East Asian Tiger economies and the radical shift in India’s economic and strategic circumstances caused New Delhi to pay more attention to the rapidly growing economies of
Southeast and East Asia. In the initial stage the focus of the LEP was much on ASEAN. India’s conscious efforts to forge closer economic ties with ASEAN member states pay dividends; bilateral relations between India and ASEAN improve rapidly. India become a sectoral dialogue partner in March 1993 in the three areas, namely, trade, investment and tourism, a full dialogue partnership in 1995, member of the ASEAN Regional Forum (ARF) in July 1996 and finally to a Summit Level Partnership in 2002. The first phase of India’s LEP was ASEAN-centred and focused primarily on trade and investment linkages. The second phase, which began in 2003, is more comprehensive in its coverage, extending from Australia to East Asia, with ASEAN as its core. The new phase marks a shift in focus from trade to wider economic and security cooperation, political partnerships, physical connectivity through road and rail links. India-ASEAN cooperation now covers a wide field, including trade and investment, science & technology, tourism, human resource development, transportation and infrastructure, and health and pharmaceuticals. India signed ‘Long Term Cooperative Partnership for Peace and Prosperity’ with ASEAN, which is the corner-stone of India’s LEP. India prefers to use the Comprehensive Economic Cooperation Agreement as a template for Free Trade Agreements (FTAs), because of its comprehensive coverage of goods and services trade as well as investment. When negotiating FTAs, India takes the position that service trade is as important as trade in goods. India’s trade negotiators believe the country’s economic strength lies in its services sector. As part of the endeavour to strengthen India’s linkages with the East and Southeast Asian region and reinforce the Look East policy, a sub-regional grouping, called BIMSTEC, comprising Bangladesh, India, Sri Lanka and Thailand was established in 1997. With the addition of Myanmar and, in 2004, of Bhutan and Nepal, the grouping came to be known as BIMSTEC or the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. This forum has identified six sectors for focused cooperation: 1. Trade and
Investment, 2. Technology, 3. Transport and Communications, 4. Energy, 5. Tourism and 6. Fisheries. When India initiated BIMSTEC in 1997, it received strong support from Thailand, which also saw it as a political and economic forum to bridge SEA and South Asia. India promotes BIMSTEC to establish economic links with peninsula member countries of ASEAN to boost the development of its seven NE states.

India is also part of the **Mekong Ganga Cooperation (MGC) Project**, which also includes Myanmar, Thailand, Laos, Cambodia and Vietnam. It came into being on November 10, 2000 where the representatives of the six member states met at Vientiane and came up with a set of guidelines known as the ‘Vientiane Declaration’. In order to give a well-structured outlook to the initiative, a concept paper was worked out which delineated the agenda for cooperative efforts, where the project is primarily aimed at the development of three main areas for cooperation tourism and culture, infrastructure and Information Technology as envisaged by the Vientiane Declaration. The MGC is an extension of India’s LEP and also a reminder of its constant cultural interaction with the mainland SEA countries. The LEP has yielded many benefits and supported India’s economic transformation and growth, including closer and strategic contacts between India and Southeast Asian countries, an impressive increase in the quantum of bilateral trade and increased people-to-people interaction. The ASEAN-India Plan of Action for the period 2016-2020 has been adopted in August, 2015 which identifies tangible initiatives and areas of cooperation along the three premises of **Commerce, Culture and Connectivity commonly known as 3Cs**. Efforts are being made to raise the trade volume between ASEAN and India up to $100 billion in 2015-16, while taking steps to foster relations of private sectors as well as small and medium enterprises. In the fiscal year 2011-12, with a total trade volume of $1.37 billion, Myanmar’s export to India was $1.04 billion, up 20 percent from the previous year, while its import from India took $324.5 million,
a 66.5 percent increase correspondingly.

However, a need is felt to focus the benefits of this cooperation more sharply on the NE region, which is a natural bridge between India and Southeast Asia. A new paradigm of development whereby foreign policy initiatives blend seamlessly into the national economic development is felt and there is need to make these structures work for the NE region. While colonial rulers built railways and roads mostly to take tea, coal, oil and other resources out of Assam, the disruption of old trade routes remained, to use Sanjiv Boruah’s word, “colonialism’s most enduring negative legacy”. In its efforts to bail out NE India from the region’s difficulties as a result of the loss of connectivity and market access following the partition of 1947 and recognition of region’s geographical proximity with East and SEA and, India focus the benefits of this cooperation more sharply on the NE region. In this foreign policy vision NE India is often described as the gateway to SEA. 

According to Rajiv Sikri, Secretary East of the MEA, ‘the LEP envisages the Northeast region not as the periphery of India, but as the centre of a thriving and integrated economic space linking two dynamic regions with a network of highways, railways, pipelines, transmission lines crisscrossing the region.’ It is an effort to open the region that involved opening doors in intellectual, cultural, political matters as well as in the economic arena.

To achieve the policy’s objectives, India is negotiating bilateral FTAs with East Asian economic powers. India has entered into a number of pacts, agreements and FTAs with Thailand and Singapore; there are plans to create a free-trade area with Brunei, Indonesia and Malaysia by 2011 and with the remaining ASEAN countries – the Philippines, Cambodia, Laos, Myanmar and Vietnam – by 2016. India’s trade with countries bordering the NE has seen the most dramatic expansion, with the share going up more the five times from 1.7% in 1992-93 to 8% in 2003-04.
This dramatic expansion of trade with India’s eastern neighbours has had little or no impact on the NE. Most of this trade expansion has taken place through the seaports. India is looking east, but not through its contiguous North-eastern borders. For the NE to expand from FTAs with the economies of the east, the solutions are transit arrangements, creation of trade routes and custom check post, uncomplicated visa regime making it possible for traders, businessmen and transport operators to move in and out of the region. For this to be possible requires considerable investments in infrastructure, construction of highways and bridges, re-establishment of rail links and communication facilities which is largely absent. The Shukla Committee on ‘Transforming the NE’ estimated such investment to exceed Rs. 25,000 crores. As a result of this initiative, India has concluded a number of bilateral and multilateral projects, aimed at enhancing connectivity between the Northeast and Southeast Asia. In this regard India built the 165-km long Indo-Myanmar Friendship Road connecting Tamu and Kalaymyo-Kalewa. The other vital on-going and possible infrastructure projects are India-Myanmar-Thailand Trilateral Highway, Trans Asian Highway, India-Myanmar rail linkages, Kaladan Multimodal project, the Stilwell road, Myanmar-India-Bangladesh gas and/or oil pipeline, Tamanthi Hydroelectricity project and optical fibre network between Northeast India and Southeast Asia. India and Myanmar in recent times agreed on the Kaladan Multi-Modal Transit Transport Facility, which envisages connectivity between Indian ports on the eastern seaboard and Sittwe Port in Myanmar and then through reverie transport and by road to Mizoram, thereby on condition that can vary route for transport of goods to Northeast India. Efforts are also in progress to improve infrastructure, particularly road links, at the second India-Myanmar border trade point at Rhi-Zowkhathar in Mizoram sector by upgradation of the Rhi-Tiddim and Rhi-Falam road segments in Myanmar. To one side from developing road links, efforts are underway to have a rail connection from Jiribam in Manipur to Hanoi in Vietnam transient
through Myanmar. However, the process of enhancing connectivity is not a cakewalk because there are also geographical, technical, political and security challenges that limit the process of infrastructure development. To take maximum benefit from the policy, the North-eastern region should develop industrially. The new NE Industrial Policy 2007 has practically made the whole region a special economic zone. Otherwise, no policy initiative, no opportunity is going to benefit the NE region. In his speech, former PM Manmohan Singh referred to India’s NE as a gateway to ‘Asian Century’. Through these efforts the government of India is showing its keenness in developing the NE. But still the government lacks commitment in its various efforts.

The then Union Ministry of State inaugurated the Indo-Myanmar Border Trade on 12.4.1995 for Commerce, as a follow-up measure of the Trade Agreement signed between the two countries on the 21.01.1994, at New Delhi. The opening of the Border Trade along the Tamu (Myanmar)-Moreh (Manipur) sector is quite significant, as this would act as an economic bridge between industrially developed India and the blooming economies of SEA countries. Along this sector besides the Border trade (within 40 km. of the international border based on barter mechanism), the normal export-import as per the existing policy of Government of India is possible. A developed trade across this border will be of advantage mainly in reduced cost while assessing the market of South East and even far-east Asian countries. Data on value of export and import for Indo-Myanmar border trade at Moreh have been shown in table no. 1:1.

<table>
<thead>
<tr>
<th>Year</th>
<th>India’s export</th>
<th>India’s Import</th>
<th>Total</th>
<th>Trade balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>545.38 (70.1%)</td>
<td>1381.15 (35.72%)</td>
<td>1870.20 (39.75%)</td>
<td>(-) 835.77</td>
</tr>
<tr>
<td>2012-13</td>
<td>544.66 (-0.13%)</td>
<td>1412.69 (2.28%)</td>
<td>1957.35 (1.6%)</td>
<td>(-) 868.03</td>
</tr>
<tr>
<td>2013-14</td>
<td>787.01 (44.5%)</td>
<td>1395.67 (-1.20%)</td>
<td>2182.68 (11.51)</td>
<td>(-) 608.66</td>
</tr>
<tr>
<td>Year</td>
<td>Value 1</td>
<td>Value 2</td>
<td>Value 3</td>
<td>Value 4</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>2014-15</td>
<td>773.74 (-1.69)</td>
<td>1231.54 (-11.76)</td>
<td>2005.28 (-8.13)</td>
<td>(-) 457.8</td>
</tr>
<tr>
<td>2015-16</td>
<td>1068.20 (38.15%)</td>
<td>984.27 (-20.08 %)</td>
<td>2052.47 (2.38%)</td>
<td>83.93</td>
</tr>
</tbody>
</table>

Source: Directorate General of Foreign Trade.2016, Department of Commerce, India.

Note: Figures in brackets indicate variation from previous year(s).

The State Government is taking all the required measures for the development of the export-import along this sector. Institutional mechanism like up-gradation of the Directorate of Industries and Commerce (hereinafter DIC), Grievance Committee, conducting general awareness programme, setting up of State level Export Committee which includes banks etc. has already been done.

1.4 EXTERNAL TRADE : THE STAKES FOR NORTH EAST INDIA

Trends in the Volume and Composition of Formal Trade:

In an initial period, soon after the border trade agreement, there was a spurt in formal trade across the Moreh–Tamu sector. Starting from about Rs.15 crores in 1995-96, the trade volume quickly reached Rs. 46.49 crores and Rs. 62.39 crores in 1996-97 and 1997-98 respectively. However, in the next year the volume fell sharply. This followed the restriction imposed by Myanmar authorities that exports from India should precede imports from Myanmar with effect from 26.11.1997. Thus while informal trade continues to be the mainstream of exchange of goods.

Volume and Composition of Border Trade:

Indo-Myanmar Border Trade Agreement between the governments of the Republic of India and the Union of Myanmar, was signed on January 21-1994, with the goal of formalization on border trade practices and set trade activities in a congenial model. The agreement initially provided for cross border trade in 22 products, mostly agricultural/primary commodities produced in the trading
countries (not the third country products that dominate the informal border trade). In 2001, a few more items were adding to the list of tradable items. The agreement specified that trade should be conducted through the designated custom posts, via, (a) Moreh in India (Manipur State) and Tamu in Myanmar, (b) Champhai in India (Mizoram State) and Rhi in Myanmar and (c) other places that may be notified by mutual agreement between the two countries. Following the signing of the agreement the two Land Customs Stations (hereinafter LCS) at Moreh and Champhai on Indian soil were notify. However, the Champhai station has not become functional until date and all formal border trade has been taking place through the Moreh-Tamu route.

I. Volume, Composition, and Direction of the Informal Border Trade:

a) Volume of Informal Trade:

All the studies on border trade in India’s North Eastern region that have come up in the last decade or so insist that the volume of informal border trade exceed that of formal border trade by several times. These reports further show that this is true for Indo-Myanmar border trade than the other components, say the Indo-Bangladesh trade. However, because of the concealed nature of this part of border trade, it is difficult to directly estimating the volume and composition of these trade flows. The volume of informal Indo-Myanmar border trade has been estimate indirectly from custom seizure data by using the methodology and parameters used by the Indian Institute of Entrepreneurship (IIE) for their estimations for the year 2000-12.

b) Composition of the Informal Trade:

As per earlier reports of Research and Information System for Non-Aligned and Other Developing Countries (1997), the composition of informal exports from India to Myanmar used to be very much varied and ranged from basic necessities like medicines and kerosene, to household
consumption items such as clothes, manufactured food products and household appliances like sewing machines, cookers, bicycles, etc. However, medicines and fertilizers are still exported at a large number of quantities and these two items these days dominate the composition of informal export from the Indian side.

c) Source and Destination of Informal Exports and Imports:

The sources and destinations of Informal imports and exports at the time of the present study have broadly remained the same as reported by Indian Institute of Entrepreneurship (2012). Almost the entire informal export from Indian side originates in UP, Delhi, Haryana, Punjab region and ends up in different parts of Myanmar extending to as far as Yangon. Cotton yarns, which used to be exported through both formal and informal channels, traveled further as this item originated in Gujarat in western India and ended up not just in Myanmar but also even in China.

II. Prospects for Growth of Trade between North-East India and Myanmar:

If the trade and exchange rate policy are discuss in the preceding period, it will sort out Indo-Myanmar border trade a flourish. It is conceivable that with trade restricting factors sorted out and a legitimate system of transit trade put in place, formal border trade stands to expand.“With customs duties coming down progressively economic incentives for smuggling should be reducing. Whether the NE India and Myanmar can get to provide similar transit route to trade between SEA and India is a matter of some debate. It depends on the comparative transport cost by the alternatives of the maritime route across the Bay of Bengal and the continental route through Myanmar and NE India.”

Referred to Baruah, Sanjib (2004).
Table 1:2

Exports and Imports across Moreh-Tamu sector under Formal Trade: (US $ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Export from India</th>
<th>Import from Myanmar</th>
<th>Total Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>320.62</td>
<td>1017.67</td>
<td>1338.29</td>
</tr>
<tr>
<td>2014</td>
<td>773.24</td>
<td>1231.54</td>
<td>2004.78</td>
</tr>
<tr>
<td>2015(April-November)</td>
<td>458.23</td>
<td>774.48</td>
<td>1232.71</td>
</tr>
<tr>
<td>% change (2010-2014)</td>
<td>141.1702</td>
<td>21.01565</td>
<td>49.80161</td>
</tr>
</tbody>
</table>

Source: Land Custom Station, Department of commerce, Government of India (2015).

Table 1:3

Composition of Exports through Formal Channel for Year, 2013-2014

<table>
<thead>
<tr>
<th>Sl.no.</th>
<th>Commodities</th>
<th>No. of Consignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wheat flour</td>
<td>96</td>
</tr>
<tr>
<td>2</td>
<td>Cumin seeds</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>Tata sumo vehicle</td>
<td>02</td>
</tr>
<tr>
<td>4</td>
<td>Dry grapes</td>
<td>01</td>
</tr>
<tr>
<td>5</td>
<td>Masoorie pulse</td>
<td>01</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>116</td>
</tr>
</tbody>
</table>

Source: Land Custom Station, Moreh, Manipur; 2016.

The major products of imports of India from Myanmar being traded at Moreh are provided in the table. The composition of imports is concentrated in betel nut.

Composition of Imports through Formal Channel for Year, 2013-2014

<table>
<thead>
<tr>
<th>Sl.no.</th>
<th>Commodities</th>
<th>No. of Consignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Betel nut (whole)</td>
<td>185</td>
</tr>
<tr>
<td>2</td>
<td>Betel nut (split)</td>
<td>92</td>
</tr>
<tr>
<td>3</td>
<td>Dry Ginger</td>
<td>04</td>
</tr>
<tr>
<td>4</td>
<td>Fresh Ginger</td>
<td>01</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>282</td>
</tr>
</tbody>
</table>

Source: Land Custom Station (LCS), Moreh, Manipur; 2016.
### Table 1:4
Composition of Informal Imports across Indo-Myanmar Border: % shares in total

<table>
<thead>
<tr>
<th>Commodities</th>
<th>Manipur</th>
<th>Mizoram</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Textiles and Foot Wear</td>
<td>11.87</td>
<td>39.48</td>
<td>17.39</td>
</tr>
<tr>
<td>1.a Blankets</td>
<td>(4.16)</td>
<td>(17.17)</td>
<td>(6.76)</td>
</tr>
<tr>
<td>2. Food and Beverages</td>
<td>10.47</td>
<td>6.44</td>
<td>9.66</td>
</tr>
<tr>
<td>3. Livestock</td>
<td>-</td>
<td>25.75</td>
<td>5.15</td>
</tr>
<tr>
<td>4. Electrical and Electronic Items</td>
<td>57.38</td>
<td>16.74</td>
<td>49.25</td>
</tr>
<tr>
<td>4.a Generator</td>
<td>(7.51)</td>
<td>(5.15)</td>
<td>(7.04)</td>
</tr>
<tr>
<td>4.b Inverter</td>
<td>(9.58)</td>
<td>(1.72)</td>
<td>(8.01)</td>
</tr>
<tr>
<td>4.c Inverter Battery</td>
<td>(12.38)</td>
<td>(1.29)</td>
<td>(10.16)</td>
</tr>
<tr>
<td>5. Plastics and Other Synthetic Products</td>
<td>6.52</td>
<td>2.23</td>
<td>5.66</td>
</tr>
<tr>
<td>5.a Floor Mat</td>
<td>(5.64)</td>
<td>(2.15)</td>
<td>(4.94)</td>
</tr>
<tr>
<td>6. Cutlery and Utensils</td>
<td>3.81</td>
<td>2.19</td>
<td>3.49</td>
</tr>
<tr>
<td>7. Cosmetics and Toiletry</td>
<td>2.90</td>
<td>1.67</td>
<td>2.65</td>
</tr>
<tr>
<td>8. Other</td>
<td>7.05</td>
<td>5.49</td>
<td>6.74</td>
</tr>
<tr>
<td>8.a Miscellaneous Consumer Goods</td>
<td>(7.05)</td>
<td>(5.15)</td>
<td>(6.67)</td>
</tr>
<tr>
<td>8.b Precious Stones</td>
<td>-</td>
<td>(0.34)</td>
<td>(0.07)</td>
</tr>
<tr>
<td><strong>TOTAL [1+2+3+4+5+6+7+8]</strong></td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>


Note: Amount shown in the brackets are not included in the calculation of total.

In practice, the agreement actually doesn’t go beyond according a formal sanction to exchanges traditionally going between the local populations in the border areas of the two countries. It holds significant symbolic value in terms of economic ties between two countries.

### 1.5 CONDITIONS OF THE STUDY

No economy in the world is perfectly independent. Every country is interdependent to one another economically. In the absence of international trade, it will be very difficult for a country to
develop. Because of this, international trade is regarded as the engine of growth of an economy. Due to restrictive economic policies, North East India’s economic integration globally was very low. The new economic policy in 1991 due to globalization saw the North East Indian firms expanding their business globally using different strategies such as Act East Policy; Liberalisation, Privatisation, Globalisation (LPG); etc. More funding is needed for the projects, better high-level management, and visible and sustained action. The authorities should issue “authoritative notes on when the projects, like Trilateral Highway and the Kaladan Multi-modal Project will be completed - or the deadlines will keep lengthening”. The relevant matters undertaken under the Ministry of Development of NER, which is meant for the Northeast region, should have its office in the Northeast and not in the New Delhi and the constant delay in implementation of crucial connectivity projects is hampering forward movement. At the 2nd India – CLMV (Cambodia, Laos, Myanmar and Vietnam) Business Conclave at India, she stated that the Free Trade Agreement on goods had been signed with ASEAN in 2009, and because of that and through that trade between ASEAN and India had been reaching about USD 80 billion level. “We hope by 2015 it will touch USD 100 billion and get doubled by 2022. So, there is lot of work, there is a lot of scope,” Nirmala Sitharaman (2014) added. Currently, 70-80% of India-CLMV trade is confined on only a few products. There is a scope to bring in more commodities and manufactured goods into it. Manipur though stands tall when it comes to Look East Policy of the Indian government, where the economy of the state can be boost up by contributing a lot in the field of trade, tourism and transport, lack of a specific policy on the part of the state government has left the state going backward instead of marching forward at the international trade. Replacement of the present Department of Trade of Commerce by a separate Directorate of Trade and Commerce; to set up a Trade &Investment policy which focus on market expansion beyond the state, providing subsidy
and insurance to traders, opening of grievance cell for traders, opening of trade information centre, removal of informal check-post along **National Highways (hereinafter NH)** and institution of State Trade Promotional Institute; and to speed up the work progress of the construction of Integrated Check Post.

The implementation of India Act East policy exhibits a tendency to decrease the North East to a mere corridor to Southeast Asia. A glaring example can be found in the case of the **Sittwe gas pipeline project**. So far, there is no visibility of installing any gas plant in the north east where the pipeline shall have to pass through. Paradoxically the cost of the gas pipeline shall have to be borne by the peoples of this region in terms of environmental destruction, demographic dislocation and human rights violation. Worse still, the gas from the developing gas fields of Tripura and Assam will also be transported through the pipeline to Kolkata. This is nothing less than colonial exploitation of a backward area by a metropolitan power. Similar is the case with the Asian highways or the Trans-Asian railways that are being considered as the backbone of continental Act East Policy. Unless there are structural changes in the mode of production of the North East economy, the region will only remain a “transit point” or rather a mere bridge in the execution of future trans – national trade. Reading between the lines, the only thing the North East can expect from India’s Look East policy are economic exploitation, demographic transfiguration, environmental destruction, obliteration of cultural identity, intensified political subjugation and extensive militarization.

The explorative study pursues to find the reasons behind the inferior improvement in the trade & commerce of the states of Northeast India with its SEA neighbours. This study also seeks to find the suitable developmental strategy for the region which has been least understood by its central administrative gear clusters.
1.6 LITERATURE REVIEW

The review of Literature for the concerned study is essential to produce accurate and sufficient information related to the area of study. In other word, referring to the studies done previously is the foundation upon which development facts can be making possible. Therefore, an attempt has been made to review some of the available studies. The researcher had arranged the list according to the basis of concern year in chronological order. Many further studies may said to be need to identify problems of the concern topic. In this perspective, the present investigation proposed here is to be quite relevant.

Ahluwalia (2011) presented in Regional Consultative Meeting on the Approach Paper on the 12th Five Year Plan, Ahluwalia talk’s development needs for improved connectivity and rural transformation for development. “Many of the states pointed out that the Government of India’s Look East Policy (LEP) puts the North-east in the centre,” Ahluwalia told. “They want connectivity with the neighbouring countries to be improved for trade,” said the Deputy Chairman of the Planning Commission. The ‘LEP’, he said, was design to achieve greater integrity of the country with the South-East Asian countries for trade. “The states suggested a bottom up approach to development with emphasis on rural areas and agriculture. He also held on health, education and skill development.¹

Bahroo (2005) maintain that improved India-Myanmar relations formed the first and critical step in India-Southeast Asia ties while improving security in the NE region and paving the way for future economic development in the region. In the meeting of the ASEAN Regional Forum in July 2006 in Kuala Lumpur, India’s State Minister of Defense declared that India would not isolate Myanmar in an attempt to encourage democracy in the country. The changing shifts in India’s
economic and strategic needs and its desire for a strong foothold in Southeast Asia through its all-inclusive “Look East Policy” necessitated a close relationship with Myanmar.²

Browne and Braun (2008) assert that growing numbers of immigrants are seeking a better life in another country, increasingly, they are women.³

Chattatopadhyay (2008) ensured to safety and security of tourists, the tourist industry should be destroyed by political unrest and terrorism.⁴

Datt and Sundharam (1993) highlighted that India has chosen a federal structure in which a clear distinction is made between the Union and State functions and sources of revenue, but the residual powers belong to the centre.⁵

Gupta (1997) opined that there should be educational research by Social Science Departments other than the education department. This has the benefit of cross – fertilization of ideas leading to new horizon.⁶

Handique (2014) asserted that the then Minister of Mines and Minister of Development of North Eastern Region said the Look East Policy has also been pursued through constructive engagement with various regional groupings/organizations such as ASEAN, East Asia Summit, BIMSTEC and Mekong-Ganga Cooperation (MGC). East Asia Summit (EAS): then Malaysian Prime Minister first promoted the concept of an East Asia Grouping in 1991. It provides India the forum to carve out for itself a larger East Asian strategic presence and taking forward our vision for the future. Thrust areas of EAS include (i) Energy, Environment, Climate Change & Sustainable Development, (ii) Education, (iii) Finance, (iv) Natural Disaster Mitigation and (v) Avian Influenza. Four summits of EAS have been held so far.⁷

Hanjabam (2008) reiterates the need for creation of substantial economic and industrial
infrastructure to envisage a positive role for Manipur in the Look East Policy.  

Hongmei (2010) opined that the Look East policy was "born out of the failure" of India's trying to play the Soviet Union and the United States against each other for its own benefit during the Cold War. In addition, that trying to do the same with China and Japan by strengthening its ties with the latter would fail. A columnist at the China Internet Information Center criticized the LEP as being borne out of a misguided "fear of China" and as reflecting "a lack of understanding of the PLA's strategic ambitions".  

Kojima (2007) highlighted the evolution of international trafficking in women appears to be closely linked to two areas: i) changing demands for women’s labour in the global political economy, and ii) the changing patterns of international migration. The role of women in migration from being dependents of male migrants to becoming the major economic.  

Kotler (2002) emphasised “a sales is very different from marketing in the organisation. Four areas where they differ separate the two approaches: organizational objectives, orientation, attitudes to segmentation and the perceived task facing marketing in the organization".  

Kumar, Deka and Baishya (2010) emphasized that Myanmar’s petroleum, whether in crude or processed, in due course found its way to the major markets in the north and western states of India. Though there is little study on the link between the effect of remoteness and trade distraction on the extent of poverty in the NE, there is the impact on the highly regressive.  

Laishram (2006) focuses on the need to evolve a meaningful development discourse in the light of colossal damage done by haphazard development projects that fail to take the local populace and environment into account.
Laishram (2014) commented that Village tourism, sports and cultural tourism could be look at as future economy of the state. It is very different from conventional tourism regarding infrastructures and its investment. It could be afford by the poor state/country. Therefore, leading rural tourism states of the world are from Asia. Manipur could also be one of the leading rural tourism states in the world if Arunachal Pradesh and Sikkim are in the good position. A tourism village is a village area, which has some special characteristics of a place as tourism object. A tourism village is also colour by some supporting factors, such as local cuisine/food, agriculture system and social system. Besides, pure nature and environment are added points for a tourism village. Village tourism is one of the types of rural tourism. Besides, there are four types of tourism like natural, cultural, health, and ecotourism.¹⁴

Langpoklakpam (2000) recognized the backdrop of developments Myanmar’s relations with China and its overall implications on India’s national interests can be analyzed from two angles: i) Strategic considerations; and ii) Economic compulsions.¹⁵

Lyngdoh and Merostar (2008) assured that there are negative implications to the implementation of the LEP, yet the policy has the potential to transform India’s Northeast to a region of peace and economic prosperity by assessing and managing the risks that are associated with the policy. To realize this possibility the Government of India and the state governments of the region should come forward with a positive outlook and actively participate in making the policy at success.¹⁶

Ministry of External Affairs (1994) extended the fact that India’s relations with Myanmar underwent a major change in 1994 with the signing of a Memorandum of Understanding on trade and economic cooperation, particularly in terms of border trade.¹⁷
Mishra (2010) revealed that the RITES to assess water route feasibility after arriving Manipur to conduct a field assessment of the feasibility of introducing mechanized vessels in the major rivers of Manipur state so that agriculture, forest, and horticulture produces can be transported from interior areas at the cheapest rate.\(^{18}\)

**NABARD (2011)** stressed that the Indian economy is witnessing a rapid change since 1990s with the adoption of economic liberalization. The last 7 years have registered impressive growth (except 2008-09 and 2009-10) where real Gross Domestic Product (GDP) has grown over 9%. The last decade has seen the advent and growth of organised retailers in various sectors including food.\(^{19}\)

Nandeibam (2011) reported that when the buyers do not turn up, the market is bound to perish. In other words, frequent bundhs and blockades in Manipur tell heavily upon the initiatives of LEP of India. God knows, the Mynamarese traders might have chalked out a better strategy through Champhai (Mizoram) a state, which has awarded peace prize. The Mizos in Mizoram know much more of Peace Dividend. Now the Government of Manipur may think of entering into a MOU with the Myanmar Government for supply of Petrol. This could be a better strategy. Tighten the belt to address the possibility of shifting of the commercial hub of Indo- Myanmar Border Trade from Moreh to Champhai (Mizoram).\(^{20}\)

Nandeibam (2013) mention that we are in trouble again; perhaps, our own creation, a man-made trouble, a product of ignorance and arrogance, a hybrid of burden of history and hurdle of politics and a result of lop-sided political and economic design. If the right thinking is the ultimate asset of the nation, where do we stand now? When the literacy is 80 %, do we do exercise of 50 % of right thinking? Did not you like to have cheerful neighbours as sine- quo- non-for emotional stability? Once you destroy the foundation of peace and social order, the general atmosphere is
imperiled and investment is bound to suffer. Subsequently the spiraling web of poverty and deprivation would endanger you and your society. How long NHs should be under the control of Highwaymen. Is it the fair sign of human civilization? How it could be possible that we feel strange in our own homeland? Are we getting close to the bigger world or are we getting close to the mini world while the new article of existence is “think globally and act locally”? Of course, conflict is unavoidable facet of modern life. We can at best contain the violence but we cannot address the root cause. Manipur remain terribly plagued with Insecurity of Life, Investment, Insecurity of Business and Insecurity of Income. Perhaps the funniest thing after 67 years of economic planning is Fuel Insecurity. It is also funny that when you talk of e-governance, e-banking and digital India, Manipur, a land of 27 lakhs, cannot even manage Petrol Market. How can you manage investment market? Go to basics before you go global.21

Narayan (2014) pointed that Narendra Modi government will give a greater push to India’s Look East Policy, turning it into “Acting East”, External Affair Minister Sushma Swaraj said India has helped Vietnam with its knowhow in rice cultivation through a rice centre set up here, she said adding “look today, at how they have left us behind” in rice exports. “We want to go in for joint rice exports with Vietnam,” she said. Elaborating on India’s Look East Policy, Swaraj said that under the Modi government “it is time to make it Acting East and Vietnam has a huge role to play in it.” She said she would look into newer areas of cooperation during her bilateral talks with President Truong Tan Sang and Vice President Nguyen. Border trade at Nathu La Pass, Sikkim with China is duty free.22

Neog (2009) emphasised that economic development is basically a function of work and resultant output. Capacity to do work depends on application of electrical energy.23
Pruthi (2006) review World Bank, 2004 illustrates the weakness of port and transport infrastructure, regulatory environments, and service-sector infrastructure.\textsuperscript{24}

Saint (2006) asserted that major road network projects have been under consideration since 2001 to extend route to Thailand in order to create a ‘transport corridor’.\textsuperscript{25}

Salam (2014) highlighted that into the age of globalization and competiveness in international trade and commerce, we talk of the opening of frontiers that were once exclusive and accessible only to the powerful and money-laden companies, or governments. We in the northeastern corner of the Indian subcontinent never imagined that our lives would be so dramatically change with the coming of the Trans Asian Highway and the opening of the once exclusive Burmese frontiers, and thence onto the realms of the ASEAN economy and market. At one point of time, and still true of today, we in the North East were particularly concerned with the Indian markets in Kolkata, Delhi, Chennai and Mumbai. Guwahati was our stepping-stone to these markets. We relied heavily on these markets for much of our essential commodities, including building material, hardware, food and household utilities. Today, we see options other than these markets opening up close to us. Some of the concerns that we share as we move with a faster pace towards modernism is, how prepared are we in terms of safeguarding our interests and command over our land and resources, and how prepared are we in moving along with the winds of change? As to the first concern, it is certain that we have not prepared our footings to withstand the onslaught of a fast expanding culture of modernism much influenced by the easy accessibility to the information technology, or the cyber world. As for the second concern, we are also of the opinion that we are hardly prepared to move along with the pace of the changing times. There are many productive places in rural Manipur where for the lack of good roads, the produces go waste. Therefore, as we understand it, a fundamental necessity for an area to develop is to have good roads connecting the village cluster to
the State Highway and thence to the National Highway. Accessibility to communication and transportation is the core to the development of a place or an area. It is indeed ironic that in this age of ultra-modern facilities available within reach, there are still many places in rural Manipur where good, and all weather roads have not yet reached. With the upgradation of the NH 2 as the Asian Highway 1 recently, there obviously arise the necessity to develop the highway at par with international standards. We could benefit immensely if transparency and a committed work culture is maintained in any of the major schemes of the Government.26

Sharma (2013) shown that “Indian airlines can now operate flights to Myanmar as the country has granted traffic rights to India-based carriers paving the way for air connectivity between the nations” the then Commerce and Industry minister Sharma said in Yangon. Bharti Airtel has submitted its final bid for telecom license in the Myanmar. Other Indian companies, which are upbeat on business prospects in resource – rich Myanmar, include few oil firms – ONGC Videsh Ltd and Oil India, besides banks like State Bank India. Mr. Sharma has said that over the next few years, “We will see an investment of around $ 2.6 billion from India to Myanmar.” India is the 10th largest investor in Myanmar with an investment estimated at $ 273.5 million. Indian companies like Tata motors. Essar energy, Tractors, Pharmaceuticals, Ranbaxy and Cedilla Healthcare etc. already have their presence in Myanmar.27

Singh (2000) has commented in the context of larger China-Myanmar relations, Myanmar’s increasing dependency on China in economic terms as well as for military armaments has been a matter of concern for India.28

Singh (2008) attempt to draw a road map for a policy of Education to be provided for the younger generation for Human Resource Development in the context of LEP with special reference to Manipur so as to enable them to gain the benefit out of it.29
Takehiko (2001) highlighted the adverse consequences of the existing dual exchange rate system for the better economy of Myanmar and it indicates a way of moving to a unified exchange rate.\textsuperscript{30}

The Ministry of Commerce and Industries (2011) reported that- As part of the export development programme, the Ministry of Commerce and Industries has given informal assurance to the State Commerce and Industries Department to extend assistance in setting up a tetra-packaging unit in Manipur. It would be far more convenient to adopt Letter of Credit system when the export-import volume achieved its potential. On other hand, the State Government's plan to import 30,000 metric tons of rice from Myanmar is likely to be scrapped as the price of rice has come down to Rs.12 per Kg.(according to FCS rate). The State Government has planned to import rice from Myanmar in view of the acute shortage of rice.\textsuperscript{31}

The people chronicle (2012) expressed that Mission Myanmar which was flagged off by the Deputy CM, Gaikhangam and Minister of Works, Dr. Kh. Ratan on May 22 to eradicate cleft lips and palate from Myanmar jointly initiated by Shija Hospital and Research Institute, Langol and Smile Train Inc., USA was completed successfully, asserted by MD Dr. Palin, Shija Hospital, in a press meet. Dr. Palin stated that Shija Hospital had the plan to initiate Mission Myanmar since the past three years. Mission Myanmar was a triangular effort of Union Republic of Myanmar, Indian Consulate General, and Smile Train Shija Cleft Project. The successful completion of the mission will bring the two countries closer to each other for growth and development and eradicate the problem of cleft lips and palate from Myanmar, he stated. Shija Hospital has a vision to be a premium and leading brand in healthcare services in South East Asia recognized by the customers for the holistic approach, personal touch, and technological advancement in 2015 and Mission
Myanmar was also a part of the vision of the hospital, according to Dr. Palin.  

Yambem (2011) identified land routes as the only major means of transport with marginal presence of water transport in the relatively small rivers, and the nature of economic activities supported by surface transport.  

Yungkham (2013) highlighted certain projects taken up by the Government at Moreh town bordering Myanmar to accelerate the ongoing commercial activities between the two countries. Chief Secretary DS Poonia pointed out the development of various units like the IT park at Mantripukhri, the food park, expansion of airport where 12 flights are currently being operated on a daily basis and the construction of rail link between Jiribam sub division and Imphal, which would be extended up to Moreh to be the backbone of the proposed Trans Asian railways.  

To review the impacts of the LEP, various committees and analysts have presented their expertise, as it has been a key area of study on the relationship between India and Myanmar. They have suggested various tools and techniques for effective analysis and interpretation of the financial and operational aspects of the trade relation with Myanmar. No one so far has been studied on the doctoral level concerning ‘Trends and Implication of Look East Policy in the North East region – A case study of Manipur’. Therefore, the researcher has taken up this present study in order to fulfill the gap.

1.7 CONCEPTUALIZING EAST ASIA

South – East Asia, for its part, slowly began to be structure when the Association of South – East Asian Nations was form in 1967, with Indonesia, Malaysia, the Philippines, Singapore and Thailand as its founding members. Political neutrality is affirming officially as a smokescreen for a
pro – western sensibility that put India at odds with the Association. The ASEAN countries dissociated themselves from their Indian neighbor and imposed a stricter definition of South-East Asia. It was, therefore, hardly surprising to witness the emergence of the notion of South Asia in the 1960s, almost by default. By virtue of their rapid development, the ASEAN states hitched on to the ‘fast-growing-economics’ train driven by Japan and South Korea. In the international collective imagination, the dividing line between India and its eastern neighbors became very clear thenceforth. In 1980, a Pacific Economic Cooperation Council (PECC) was creating, accompanied by the euphoric rhetoric of the Pacific Age. In short, Asia is a fluctuating idea, whose definition varies according to the actors, the issues and the periods under consideration. The paradox, therefore, is that the process of redefining contemporary Asia has been monopolize by just a single part of Asia, excluding India, in spite of India being one of the countries that has contributed the most, both culturally and intellectually, to shaping the Asian concept. Sino-Indian relations are a separate subject by themselves, but in the framework of the present study, they constitute just one of the parameters of India’s ‘LEP’.

<table>
<thead>
<tr>
<th>ASEAN MEMBERS</th>
<th>EAST ASIA MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam.</td>
<td>China, Hong Kong, Japan, Macau, North Korea, South Korea, Taiwan.</td>
</tr>
</tbody>
</table>

1.8 OBJECTIVES OF THE STUDY

The present study has been conceiving to analyze the concern matter of the India’s Look East Policy. It has the following specific objectives oriented study.

i. To understand the changing scenario of India’s Look East Policy.
To identify the potential areas of opportunities from India’s North East to the rest of the world.

To explore the associated relevancy (viz. Tourism, Foreign Direct Investments) of India’s Look East Policy and Manipur in particular of India;

To predict the existing constraints and bottlenecks for trade-led development in the North East region and Manipur state in particular.

To suggest possible policy measures for the implementation of Look East Policy.

Chapters are formulated on the basis of objectives oriented study.

1.9 HYPOTHESES OF THE STUDY

The following are the Null Hypotheses (Ho) for the purpose research work.

**Ho1:** There is no difference among the three types of Industry viz. Service, Manufacturing and Trading sectors of Manipur with respect to Identification of Marketing scope.

**Ho2:** There is no difference among the three types of Industry viz. Service, Manufacturing and Trading sectors of Manipur with respect to Government decision on Foreign Direct Investment.

**Ho3:** There is no difference among the three types of Industry viz. Service, Manufacturing and Trading sectors of Manipur with respect to presences of Quality Infrastructure especially Tele-communication facilities.

**Ho4:** There is no difference among the three types of Industry viz. Service, Manufacturing and Trading sectors of Manipur with respect to Human Resource Development.
Finding and analysis of above hypothesis are presented on the Chapter 5.

1.10 RESEARCH METHODOLOGY

The research is based on both primary and secondary data.

Primary data-

Type of study: Cross-sectional comparative study.

Study population: Manipur state consisting of 9 districts i.e. Ukhrul, Senapati, Tamenglong, Churachandpur, Thoubal, Bishnupur, Imphal (West), Imphal (East) and Chandel.

Duration of the study: The periods of proposed for analysis of primary data of concern paper are cover from the year October 2011 to August, 2016.

Study subjects: Entrepreneur (Business owners, business units heads), Government officials, Customers (represented by local shopkeepers).

Study tools: Pretested semi structural questionnaire (prepared for purposed)

Sampling method: Purposive Sampling.

Sample size: For getting the meaningful and reliable insights the aware of Foreign Trade, 264 numbers of entrepreneurs, government officials and customers were evaluated on other parameters. It consists of 264 respondents.

Statistical analysis: After thorough checking and scrutinized the raw data, statistical data processing and analysis was performed through SPSS version 21. Results are report as number of cases/frequencies along with percentages. In order
to establish the association, Pearson $\chi^2$ - test/Likelihood Ratio $\chi^2$ - test is use if data permit. All comparisons are two-sided and the P-values of $< 0.05$ and $< 0.01$ are treating as the cut off values for significance and highly significance respectively.

The name of Entrepreneurs Memorandum has been collect from DIC, Manipur. The Sample comprises the Manufacturer who engage themselves in manufacturing like blankets, water tank, pottery, bakery, garments, pharmaceutical products, etc., Trading like stone trader, clothes, mineral water bottle, eatable items etc. and Servicing like banking, education, consultancy services, catering, hospital, hill resort, IT, etc.

The size of the sample seems to be quite representative for drawing inferences which could be applied to a large extent to the manufacturer, trader and service industries in the state of Manipur. The uses of all this techniques at different places have been made in the light of nature and suitability of data available and also requirements of analysis.

**Secondary data**

The required information was collected through the following sources i.e. the Directorate of Economics and Statistics, Government of Manipur(GOM); The Directorate of Commerce and Industries, GOM; Planning department, Government of Manipur; Small Scale Industries Services Institute, Imphal, etc.. The statistical tools used in the study are CAGR, Growth Rate, the estimated series of NSDP and Percentage analysis. The periods of proposed for analysis of secondary data of concern paper are cover according to need basis.

**1.11 LIMITATIONS OF THE STUDY**

As the broad concept of Look East Policy, objectives are confining to specific area, such as
Human resource, of vast perception of the concern policy. LEP has not concrete content, as it is a virtual reality. To provide a very precise and accurate result, sample size adheres to the limited data. At the same time due to the vastness of area and poor road connectivity, it is not possible to cover all districts and contact with concern respondents. Gross Domestic Product considers reporting consumption into account. Black market goods like pirated movies, drugs and labor charge paid for in cash are not report. This means that there is potential for inaccuracy.

The study covers for the period of above 10 years i.e. (2004 - 2016, August) on analyzing secondary data. If there were delay on presenting our research work, then data, especially secondary data, became outdated due to big lapse of time in improvement of research finding. The updated data would turn out to be outdated data as the matters, relating with Look East Policy, are occurring on regular basis of time.

The study was constrained by a number of factors. This is representing below.

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<thead>
<tr>
<th>Constraints</th>
<th>Remarks</th>
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<tr>
<td>Unavailability of long time series data on organized sector</td>
<td>The study utilized other variables with certain assumptions.</td>
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<tr>
<td>Few sources did not share critical information like turnover, size of investment etc.</td>
<td>The data was access through secondary sources.</td>
</tr>
</tbody>
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1.12 REFERENCES


2BahrooLaxman. (2005). “India’s Foreign Policy Challenges: Today and Beyond”. Journal-


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