CHAPTER 2

TRADE RELATION, FLOW AND REGIONAL DEVELOPMENT

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2.1 INTRODUCTION

India-ASEAN Business Fair to Leverage Brand India (March 3, 2011):

“Sameer Pushpa (2011) conveyed, in newspaper *The Sangai Express*, that India’s search for economic and strategic space in changing world order resulted in ‘LEP’ The bedrock of this policy is to foster economic and security cooperation with our east neighboring countries. Believing in philosophy of the LEP, India is aiming at leveraging its economic and strategic interest by greater integration with East and SE Asia. It is also an attempt to forge closer and deeper economic, social and institutional assimilation with its eastern neighbors. Keeping this in mind, India signed FTA with ASEAN which now provides a platform to connect with member countries. ASEAN 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 with intent to become India’s partner in trade and investment, which is a significant factor in our policy paradigm. India-ASEAN agreement took around six years to negotiate, eliminates tariff on some 4000 products by 2016, as it was reported by the newspaper. Further, it has displayed that the India-ASEAN FTA came into force on 1 January 2010 and expects bilateral trade to reach US $ 70 billion in next few years. India-ASEAN trade during the calendar year 2009 was – exports $ 17.3 billion and imports $ 23.8 billion and during 2010 – exports $ 22.3 billion and imports $ 27.8 billion. The partnership between India and ASEAN comprising Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam has been developing at faster pace. The India-ASEAN FTA covers 95% of trade providing huge opportunities for exports in sectors of trade complementarities”.
India-ASEAN business fair & business conclave, 2-6, March, 2011:

India-ASEAN Business Fair & Business Conclave, which was conducting from 2-6 March 2011, in New Delhi, was a defining event, which will symbolize the post-ASEAN FTA synergy between the two major trading partners. This first major event after the FTA will be a unique blend of exhibition, meeting of captains of trade and industry and business conclave. The main objective of the fair is to promote Brand India and provide a platform to Indian companies to display their strengths and capabilities in both developed and emerging markets with respect to Indian products, technologies and services. This Fair, apart from business and commerce, focuses on the soft power of India portraying the rich Indian cultural heritage, as exhibited through cultural events, food festivals, etc. It provides unique opportunity to build on the positives arising from the India-ASEAN Trade in Goods Agreement. The Business Fair and Business Conclave 2011 was coordinated by the Federation of Indian Chambers of Commerce and Industry (FICCI), was first of its kind and will bring together business leaders and practitioners for knowledge sharing and business development across industry segments from India and 10 ASEAN countries. The Trade & Industry Ministers from the 10 ASEAN countries has participating with a high-level business delegation. The focus sectors of display and interest of businesses during the India-ASEAN Business Fair & Conclave are Banking, Tourism, Training, Health Products, Infrastructure, Garments, Pharmaceuticals, IT, Agriculture & Food processing and many more.

Asia a continent of hope- This business fair has endeavored to engage with the economies of the East in a comprehensive manner. India has already progressed towards economic integration with countries such as Singapore, Korea, Japan and Malaysia and is in the process of negotiating a Comprehensive Partnership Agreements with Thailand, New Zealand and Indonesia. In future, pan-
Asian integration through initiatives such as the Comprehensive Economic Partnership in East Asia (CEPEA) would be part of the future dynamics of LEP. India and ASEAN can together leverage their advantages to promote and strengthen Asia to play a major role in changing global economic and political landscape.

Role of ‘Manipur Sangai Festival’ in the Global business as ‘Global Manipuri Summit’-

State government should be able to answer ‘what actually determines the success or failure of conducting Manipur Sangai Festival’. Is it just about celebrating few days by displaying few cultural and adventurous programs by incurring a heavy cost (e.g. 2 crores for 2012 event)? The money spent for conducting such event does not justify if only local people in Manipur comprise major percentage of consumers attending in the event. Who exactly are the target consumers for the event (e.g. other Indian state nationals, or foreign nationals) and how effective are the various marketing channels used to attract these consumer segments (i.e. contractors/partners used for the event)? How many local businesses benefits from the visit of tourists (local or national or foreign) during the event and what is the incremental economic impact in the following year after this year’s event because of increase in customers/tourists visit in Manipur? Are major percentage of tourists spending only at Imphal market places and how much percentage of tourists visits far-flung locations (in other districts of Manipur) making a spending to local businesses therein? Thus, state government ought to have an ‘Impact Analysis framework’ by identifying relevant KPIs (Key Performance Indicators) prior to conducting the event and measuring result against the pre-identified performance metrics. This would give a clear understanding to judge if we have made an effective and efficient usage of the allocated money. Thus, unless we can show that local businesses and people (not just in central Imphal municipal areas but also in other valley and hill districts areas) are benefits in some ways out of the ‘Manipur Sangai Festival’ and proven via
statistical data, we ought to introspect other new ways of tourism promotion approach to cause socio-economic impact in Manipur state. By the definition of ‘Tourists’, it may not be improper to consider thousands of Manipuri already working/migrated to various cities of India and foreign countries as ‘Tourists’ intending to visit Manipur state occasionally every year. In addition, thousands of Manipuri students studying outside Manipur may be also considered as ‘Tourists’ in the sense that, they visit once or twice back home in Manipur annually for few days of holiday breaks and they spend money buying some services from local businesses during their stay in Manipur state. Moreover, these consumers are almost ‘Confirmed tourists’ who have the most likeliness to visit Manipur state as compared to other tourist categories, since being Manipuri they have got a purpose to make a visit and spend their money while in Manipur state. It may be harder to ask a non-Manipuri or foreigner to visit Manipur state as compared to asking a Manipur origin.

Going by the actual volume of Manipuri tourists visiting Manipur annually from outside the state (within India) and from foreign countries, the number of Manipuri tourists may be in the order of lakhs thereby contributing in few crore rupees to the state economy annually. Thus, it also makes a common sense to focus on ‘Manipuri Tourists’ (from outside the Manipur state and abroad) as one of the key potential consumer segments while planning for any tourism festivals and events of Manipur (thereby catering to what these consumers may like as their holiday-break options).

Considering overall socio-economic development in Manipur state, state government needs help more from people and private firms (apart of using its own government officials and resources) to revive the current situation for a positive change. State government has been facing difficulties to attract national/foreign companies to invest in Manipur due to law and order situations especially insurgency problem. In addition, entry of non-local companies and professionals may cause unseen socio-cultural impacts to local communities in Manipur. Moreover, it is hard to evaluate long-term
benefits of having those non-local entities since there is the tendency for non-local companies to take away profits earned elsewhere to their own pockets and native localities. Thus, Manipur state would need to groom local firms to grow ready enough to compete on national/global markets and still embed Manipuri ethics and culture within these organizations. Since last two decades (1990s and 2000s), Manipur state has had export of its high-skilled manpower to other states of India and abroad due to lack of opportunities and unhealthy social security conditions in Manipur. Eventually, Manipur state is likely to go from bad to worse considering that potential pillars of the future are already migrating away in search of better prospects and leaving behind a huge generation gap of 40 years (i.e. 1990-2030) to take care of Manipur. Unless state government seriously consider a long term strategy right now to reconnect to those lakh of Manipuri already migrated to other states of India and foreign countries, Manipur state is going to face a huge crunch of high caliber manpower resources and passionate industrialists/professionals wishing to develop Manipur state in future. Realizing the importance of maintaining ‘India’ brand globally and getting tremendous contributions from Non-Resident Indians/PIOs (as investors to India and lobby groups for India in foreign countries), central Indian government has been conducting ‘Pravashi Bharatiya Divas’ (PBD) annually by welcoming Overseas Indians for a semi-professional gathering since 2003. Similarly, it is the need of the hour for Manipur state government to consider conducting ‘Global Manipuri’s Summit’ annually similar to PBD focusing on socio-economic development of entire villages/towns within Manipur state through active contribution of Overseas Manipuri and those Manipuri already migrated to other Indian states. Such a global Manipuri focus festival is not just intending for socio-economic development but also for tourism growth in Manipur (if compared to ‘Manipur Sangai Festival’). Interestingly, few pioneers among Overseas Manipuri has already initiated actively engaging with Manipur state government after their
attendance to PBD 2011 to create a global Manipuri platform focused on socio-economic development of Manipur by integrating with activities of state government ministries and though support of relevant officials in each industry sector. An initiative named ‘Knowledge Exchange Network -Manipur’ has been spearheaded by overseas Manipuri (with support from few self-dedicated state government officials) to create a **Knowledge Exchange Network (hereinafter KEN)** that links every Manipuri professionals living across the globe in various industry sectors and plugging into the network of Manipur state government officials in each department/ministry. State-wide socio-economic development and integrity of Manipur among various ethnic communities can be expedited in a short span of 5 years or so, if state government enables the flow of best brains and personal money back to Manipur state by allowing engagement among local and non-local Manipuri through such KEN approach. In conclusion, organizing annual ‘Global Manipuri Summit’ in Manipur just like **Pravashi Bharatiya Divas** event in January, 2012 will allow Overseas Manipuri to attend such events while visiting India from abroad.

### 2.2 INFRASTRUCTURE VIS-À-VIS LOOK EAST POLICY

There is no doubt that the government of India is serious about initiating a fast and rapid development process in the **North Eastern Region (NER)**. The NER vision 2020, which was release by the then Prime Minister on the 2nd July 2008 aptly, signifies the government’s sincerity of intention to chalk out a meaningful path of development for the region. Though the **North East Region vision 2020** is an authoritative document addressing various developmental attraction for the region, there is an important missing link – how to bring the region on to a path of development – the market or non-market agency?
The Japanese Government has reportedly assured to provide necessary financial and technical assistance to the Government of Manipur for the development of infrastructure and enhancing trade relations. The Sangai Express newspaper (May, 2011) expressed that officials of Reserve Bank India (RBI), Foreign Exchange Department headed by DGM Bhaskara Rao was visited Moreh. RBI team would convene a meeting of traders, importers, and exporters of Moreh on May 9, 2011 at the Moreh Trade Centre. United Bank India (UBI) is coordinating the programme with the help of GoM. The RBI team has taken stock of logistics and infrastructure at Moreh and visit the UBI, Moreh branch, which is a B category authorized dealer of foreign exchange. This UBI, Moreh branch was authorize for monitoring barter trade in the Moreh border for import and export of goods of value above $ 1000 to $ 20,000. Besides barter trade, other normal trade is also allow through Moreh land Customs Station but so far, no normal trade except the barter trade through banking channel is materialized. The RBI team would analyze the bottlenecks of formal trading through Moreh border and would take stock of the weakness of the banking channel, if any, conveyed a press release issued by the United Bank India. For development of infrastructures related to transport sector including Inter-state road connectivity in Manipur, North East Council (NEC) has given its approval to provide Rs. 600 crores during the 12th Plan period. In addition, North East Council has approved another amount of Rs. 420 crores for development of requisite infrastructures for expansion of Tulihal Airport at Imphal after acquiring the required land. According to an official source, decision to provide Rs. 600 crores towards development of Inter-State road connectivity as well as approval for sanctioning Rs. 420 crores for up gradation of Tulihal Airport were adopted during the 4th Working Group meeting held at the conference hall of NEC at Shillong on April, 2011.
2.3 AN OVERVIEW: Net State Domestic Product (NSDP) of Manipur State

NSDP is the value of all goods and services produced in the State during a specified period, after making adjustments for the Consumption of Fixed Capitals (CFC). It may be defining as given below:

\[ \text{NSDP} = \text{GSDP} - \text{CFC}; \]

Where, \( \text{GSDP} = \text{Gross State Domestic Product} \)

The Net State Domestic Product at current prices for the year 2013-14 is estimate at Rs. 12,559 crores as compared to Rs. 4,603 crores in 2004-05. The revised Net State Domestic Product (NSDP) at current and constant (2004-05) prices are generated from the following Table no. 2:1.

Table No. 2: 1

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary Sector</th>
<th>Secondary Sector</th>
<th>Tertiary Sector</th>
<th>Total</th>
<th>Primary Sector</th>
<th>Secondary Sector</th>
<th>Tertiary Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>24.75</td>
<td>36.66</td>
<td>38.59</td>
<td>100</td>
<td>24.75</td>
<td>36.66</td>
<td>38.59</td>
<td>100</td>
</tr>
<tr>
<td>2008-09</td>
<td>24.81</td>
<td>33.14</td>
<td>42.05</td>
<td>100</td>
<td>24.26</td>
<td>34.70</td>
<td>41.04</td>
<td>100</td>
</tr>
<tr>
<td>2009-10</td>
<td>26.76</td>
<td>31.48</td>
<td>41.76</td>
<td>100</td>
<td>25.78</td>
<td>34.66</td>
<td>39.56</td>
<td>100</td>
</tr>
<tr>
<td>2010-11</td>
<td>24.32</td>
<td>24.96</td>
<td>50.72</td>
<td>100</td>
<td>21.21</td>
<td>29.69</td>
<td>49.10</td>
<td>100</td>
</tr>
<tr>
<td>2011-12</td>
<td>21.73</td>
<td>25.34</td>
<td>52.93</td>
<td>100</td>
<td>19.80</td>
<td>28.16</td>
<td>52.04</td>
<td>100</td>
</tr>
<tr>
<td>2012-13(Q)</td>
<td>22.07</td>
<td>23.31</td>
<td>54.62</td>
<td>100</td>
<td>20.32</td>
<td>26.84</td>
<td>54.48</td>
<td>100</td>
</tr>
<tr>
<td>2013-14(A)</td>
<td>21.36</td>
<td>22.44</td>
<td>56.20</td>
<td>100</td>
<td>19.72</td>
<td>25.80</td>
<td>54.48</td>
<td>100</td>
</tr>
</tbody>
</table>

As shown in the above table, the NSDP of Manipur at constant prices rose from Rs. 4,603 crores in 2004-05 to Rs. 7,263 crores in 2013-14 registering an annual exponential growth rate of about 6.23%.

2.4 PER CAPITA INCOME OF MANIPUR STATE, INDIA

Per capita Income is generally considering as the most effective indicator for ascertaining the economic welfare of a state. It enables one to know the average size of the income and the standard of living of the people. The net per capita income of Manipur and India at current and constant prices (2004) are presented at the following table-

Table no. 2: 2

Net Per Capita Income at current and constant prices (Manipur vis-à-vis India)

<table>
<thead>
<tr>
<th>Year</th>
<th>At current Prices</th>
<th></th>
<th>At constant (2004-05) Prices</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Manipur AGR</td>
<td>All India AGR</td>
<td>Manipur AGR</td>
<td>All India AGR</td>
</tr>
<tr>
<td>2004-05</td>
<td>18,547 -</td>
<td>24,143</td>
<td>18,547 -</td>
<td>24,143 -</td>
</tr>
<tr>
<td>2008-09</td>
<td>24,413 6.98</td>
<td>40,775 13.82</td>
<td>20,861 5.00</td>
<td>31,754 4.69</td>
</tr>
<tr>
<td>2009-10</td>
<td>26,621 9.04</td>
<td>46,249 13.42</td>
<td>21,810 4.55</td>
<td>33,901 6.76</td>
</tr>
<tr>
<td>2010-2011</td>
<td>28,336 6.44</td>
<td>54,021 16.80</td>
<td>20,711 (-)5.04</td>
<td>36,202 6.79</td>
</tr>
<tr>
<td>2011-2012</td>
<td>33,695 18.91</td>
<td>61,855 14.50</td>
<td>22,169 7.04</td>
<td>38,048 5.10</td>
</tr>
<tr>
<td>2012-2013(Q)</td>
<td>37,656 11.76</td>
<td>67,839 8.67</td>
<td>23,130 4.33</td>
<td>38,856 2.12</td>
</tr>
<tr>
<td>2013-2014(A)</td>
<td>41,573 10.40</td>
<td>74,380 9.64</td>
<td>24,042 3.94</td>
<td>39,904 2.70</td>
</tr>
</tbody>
</table>


AGR: Annual Growth Rate;  Q: Quick Estimates;  A: Advance Estimate
The net per capita income of Manipur is worked out to be Rs. 33,695 and Rs. 22,169 in 2011–12 at current and constant (2004-05) prices respectively as against Rs. 18,640 in 2004-05. The net per capita income at current and constant (2004-05) prices in 2013-14 are estimated to be Rs. 41,573 & Rs. 24,042 respectively showing an increase of 10.40 % and 3.94 % over the previous year.

2.5 BI-LATERAL TRADE OF INDIAN & ASEAN COUNTRIES

In 1991, India declared its ‘LEP with a view to seeking better engagement with EA countries building upon its historical associates with these countries. India became a sectoral dialogue partner of the ASEAN in 1992. India became a Full Dialogue Partner of ASEAN at the 5th ASEAN Summit in Bangkok in 1995 and a member of the ASEAN Regional Forum (ARF) in 1996. With a view to providing an institutional framework for operational economic cooperation, India and ASEAN signed a Framework Agreement or Comprehensive Economic Cooperation Agreement on October 8, 2003. Negotiations towards a Trade in Goods Agreement started in March 2004 and ended in May 2009. In the meantime, ASEAN have signed FTAs with China (2004), South Korea (2006), Japan (2007), Australia and New Zealand (2009).

India-ASEAN Trade in Goods Agreement:

P.K. Dash (2010) expressed his view on the newspaper The Sangai Express (2010, January) that “on 13th August 2009, India and the ASEAN signed the Trade in Goods Agreement under the broader framework of Comprehensive Economic Cooperation Agreement (CECA) between India and the ASEAN. The Agreement has come into force on 1st January 2010 in high opinion of Malaysia, Singapore and Thailand. In the case of other countries, it will come into force after them inclusive their internal requirements. Along with the Trade in Goods Agreement, the following
related agreements have also been signed: (a) Process to Amend the Framework CECA between India and the Association of SE Asian Nations, (b) Agreement on Dispute Settlement Mechanism under the agenda of CECA between India and the Association of Southeast Asian Nations and (c) Considerate on Article 4 of the Trade in Goods Agreement under the Framework CECA between India and the Association of SEA Nations. Each country (excluding Singapore) has maintained an Exclusion or Negative list to address its respective domestic sensitivity. India has barred a large number of items from the list of tariff concessions to address our sensitivities in agriculture, textile, auto and chemical sectors. It may be renowned that India insisted and ensured a large Negative List despite ASEAN’s reluctance. ASEAN has very small or no Negative List in its FTAs with China, South Korea, Japan, and Australia & New Zealand. Key substances that have been given shield through the Negative List which are exhibit at below:

<table>
<thead>
<tr>
<th>Vegetables</th>
<th>Tomato, onion, garlic, cauliflower, cucumber, peas, beans, chilli, capsicum, potato, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit</td>
<td>Coconut, copra, cashew kernel, nut, banana, pineapple, guava, etc.</td>
</tr>
<tr>
<td>Spices</td>
<td>Chilli powder, nutmeg, vanilla, cardamom, fenugreek, coriander seeds, cumin, turmeric, etc.</td>
</tr>
<tr>
<td>Cereals and Grains</td>
<td>Rice, wheat, maize, sorghum, jowar, bajra, malt, etc.</td>
</tr>
<tr>
<td>Oilseeds and Oils</td>
<td>Soya bean, groundnuts, linseed, rapeseed, sunflower seed, soya oil, groundnut oil, sunflower oil, coconut oil, etc.</td>
</tr>
<tr>
<td>Fisheries</td>
<td>Trout, Sole, Tuna, Herring, Cod, Sardine, Mackerel, Hilsa, Prawn, Crab, Lobster, processed Tuna, etc.</td>
</tr>
<tr>
<td>Chemicals</td>
<td>Kerosene oil, Diesel, Aviation Fuel, Zinc Oxide, Red Oxide, Distemper, Herbicides, Disinfectants, etc.</td>
</tr>
<tr>
<td>Textiles</td>
<td>Woven Fabrics of Cotton including dhoti, shirting, casement, upholstery, etc.</td>
</tr>
<tr>
<td>Automobile</td>
<td>Cars, buses, 3-wheelers, trucks, chassis, clutches, etc.</td>
</tr>
</tbody>
</table>

Timelines for tax Commitments have also been indicated by all Parties along with the yearly tariff cuts to be undertaken opening from is January 2010. The end dates for achieving the needed end-rates of tariff are: 31st December 2019 is for India and ASEAN-5, 31st December 2022 is for India and the Philippines and 31st December 2024 is for new ASEAN Member states. For India’s agreed tariff lines, tariff abolition would be achieved in two phases by 31st December 2013 and 2016”.

**Settlement for India:**

The Agreement would guide to growth in bilateral trade and investment ensuing in economic welfare gains to India. Indian exporters of Machinery & Machine Parts, Steel & Steel Products, Oilcake, Wheat, Buffalo Meat, Auto Components, Chemicals, Synthetic Textiles, etc. would increase additional market access into the ASEAN countries. Indian manufacturers would be capable to source products at competitive prices from the ASEAN markets.

**Agreement on Trade in Services & Investment:**

India and ASEAN are presently negotiating Agreements on Trade in Services and Investment which are beset to be complete by August 2010. ASEAN provides a huge potential for export of services by India. ASEANs entire trade in services is US$ 280.90 billion compared to India’s US$ 137.50 billion in 2006. With the aims of promoting people to people contact for endorsement of bilateral trade, a team of Myanmar Delegation comprising 3 officials and 28 other trade related bodies visited Manipur on 28th Feb., 2007 and also a one-day interaction programmed was held on 1st March, 2007 at Imphal by the traders and officials of both sides. It was indeed a historic visit of Prime Minister Dr. Manmohan Singh to the neighbouring country Myanmar from May 27 to 29, 2012. Both countries share historical relations through millennia but the long military rule in
Myanmar had altered equations. Singh landed at capital Nay Pyi Taw where he was received by the Foreign Affairs Minister of Myanmar U Wanna Maung Lwin. Regardless of significance of the three – days visit vis-à-vis India’s border concerns, discussions and commitments between the premiers of the two countries bode well for Northeast India. During the three days visit Dr. Manmohan Singh held discussions on bilateral, regional issues of mutual interests and signed twelve important agreements/memorandum of understanding. Border trade and insurgency problems were discussed at length. The main highlight was a commitment to a 2016 deadlines for completing the stretch of Trilateral Highway running from northeast across Myanmar to the Thai border. Manipur and Mizoram have one border trade point each at Moreh and Zowkhatar respectively. Work on the ambitious Kaladan Multi Modal Transport Project which will connect Sittwe in Myanmar to Lawngtlai in the southern part of Mizoram is in progress and is likely to be completed in near future. Once completed Kaladan project will give land locked north east an access to sea. At the same time it will also advantage the people living on the Myanmar side as it will give access to huge unexplored natural resources. The ‘LEP’ which opens opportunities for the land locked north east region and Myanmar being the gateway to China and SE Asian countries, Manmohan Singh has opened new areas of trade, cooperation, connectivity and people to people contact. The visit authorized Myanmar’s rapid transformation towards a constitutional democracy after 50 years of military rule. The former Prime Minister Dr. Manmohan Singh had stated “India welcomes Myanmar’s transition to democratic governance and the steps taken by the Government of Myanmar towards a more broad based and inclusive settlement process. We should stand ready to share our democratic experience with Myanmar”. The logic being that unless the Indian side of the border sees development, trying to get better connectivity and energy access on the other side would meet logistical failure.
2.6 PRESENT POSITION OF INDO-MYANMAR BORDER TRADE

Manipur has the advantage of acting as India’s Gateway to the East through Moreh town, which is the only feasible land route for trade between India and Myanmar and other SEA Countries. It shares 398 km long international border with Myanmar. The present efforts in connection with India’s LEP to make the NER a transit point with no serious attempt to enhance the productive forces of the region for its economic regeneration and a development will be meaningless. India’s LEP will further generate an array of marginalization linked to the economic development through the neo-liberal methods and understanding.

Integrated Check Post (ICP) at Moreh:

The setting up of Integrated Check Post at Moreh is one of the 13 Integrated Check Posts that were developing by Central Government along India’s international borders. These Integrated Check Posts is developing by the Ministry of Home Affairs through the Land Ports Authority of India (LPAI). The proposed Integrated Check Post will facilitate speedy movement of export-import consignments and redress the inconveniences suffered by public in the emerging scenario of India’s Look East Policy. State Government has identified 45.50 acres of land near Gate No.1 within Customs notified area. RITES (Rail India Technical Evaluation Services), a Central Public Sector undertaking have prepared a DPR for Moreh Integrated Check Post costing 136 crores and are under the process of implementation. The proposed centre should have (i) Immigration Department (ii) Police Department including Women Constables (iii) Land Customs Department (iv) Customs Preventive Department (v) Forests Department (vi) Narcotics & Drug Control (vii) Postal Department (viii) Bank Counter (ix) Telecom facilities (x) Animal Quarantine (xi) Plant
Moreh and its place in the Look East Policy:

As things stand today, Moreh presents a contracting look to Namphalong, the trading centre on the side of Myanmar. The Chief Minister, Okram Ibobi Singh, of Manipur has talked about land acquisition to expand the town and on putting up the requisite infrastructure. This is fine and goes along with the idea of developing a place, but there are still several bottlenecks, which need to be clear first. Any venture in trade and commerce centers around connectivity. This is where the importance of the Imphal-Moreh section of National Highway-2 needs to be taken into serious consideration. There have been talks about making the provisions of Letter of Credit available at the border town of Moreh to boost the border trade but so far, not much progress has been witness on this front. In addition, while the Act East Policy will extend beyond the border trade, as it is understand now, the importance of Moreh on the large canvas of the said policy cannot be overlook at any cost. The assurance of the Chief Minister O. Ibobi Singh, is fine but it is anyone’s guess whether the State Government will be up to the task of developing this town to the level that it importance in the overall scheme of Act East Policy demands. Construction of a highway from Moreh in India to Mae Sot in Thailand through Bagan in Myanmar has been needed to be completed within few years.

2.7 EXPLORING ASEAN MARKET FOR INDIA’S NORTH EAST PRODUCTS

India’s active engagement with the ASEAN started in 1991. ASEAN has a membership of 10
countries namely Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. India became a summit level partner (on par with China, Japan and Korea) in 2002. India has entered into the agreements with ASEAN:

- Agreement on Comprehensive Economic Cooperation was conclude in 2003.
- India has joint to the Treaty of Amity and Cooperation in 2003, on which ASEAN are formed initially in 1967 and declared for Cooperation to combat Terrorism.

Agreement on “India-ASEAN Partnership for Peace, Progress and Shared Prosperity” was signed at the 3rd ASEAN-India Summit in 2004. Setting up of Entrepreneurship Development Centre in ASEAN member. The First ASEAN Economic Ministers (AEM) – India Consultations was formed on 15th Sept. 2002 in Brunei Darussalam where the Ministers, after discussing the Joint Study Report, decided to establish an ASEAN-India Economic Linkages Task Force (AIELTF). The AIELTF was asking to prepare a draft Framework Agreement to enhance the ASEAN-India trade and economic cooperation. Subsequently, at the first ASEAN-India Summit held on 5 November 2002 in Phnom Penh, Cambodia, India made the following major commitments:- (i) India will extend special & differential trade treatment to ASEAN countries, based on their levels of development to improve their market access to India; (ii) FTA turns to action within 10 years.

**Challenges and Impact of Globalization:**

Raw materials, components, machinery, technology, etc. are obtaining from the cheapest source from any part of the world. Further product development and production planning are considering based on global market. The manifest global orientation of organizational structure and management culture is need. More and more companies are adopting such a global strategic orientation. A company has to pass through various stages before it adopts globalization.
Challenges to be face by the business world in North East region of India and abroad i.e., global economies are-

- The challenges of survival due to fast changing technology.
- Consumerism for new products, new services.
- Concern for total quality control and cost effectiveness.
- Internationalization of social costs due to industrialization.
- Employ empowerment.

Globalization has emerged in the realm of business in recent years. It is an important matter in all business conferences all over the world. Now, globalization has attained a very important place in the business environment, for example, Japan has achieved a spectacular success through their global approach to business. Companies are now trying to establish their corporate identity as corporate citizens. In this century, it has become necessary to adopt corporate strategies to operate in global business environment for all business organizations. Every organization must have a global approach in business whether it is for local or regional or world market.

**Obstacles:**

- Government policy: It is complex and confusing.
- Cost: high cost of the materials, power, finance, infrastructural facilities etc. has made it less competitive globally.
- Infrastructure: It is very costly due to insufficient and inadequate methods. It thus retards the growth and makes the firm in competitive.
- Poor quality: The North East Indian products are of poor quality in comparison with other countries due to various reasons.
- Lack of Experience: Small size and supply problems is handicap for NE India Company and due to growing competition from the developed and developing countries, North East firms are facing more problems.

2.8 PROJECTS AND PROGRAMMES UNDERTAKING IN PROGRESS

Some of the major projects include Kaladan Multi-modal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway project, Rhi-Tiddim Road project, Border Haats, etc. The project on India's LEP aims to determine the content, rationale, progression, and determinants of the renewed emphasis on the east by the country. The project would build up based on proactive policies and measures undertaken during recent years to the end. In addition, propose to examine the inter-linkages involved. Necessarily, different components - economic, political and security - would be delving into and analysed with reference to the bilateral and regional context of the undertaking. A special emphasis would be on the many different and still evolving frameworks of bilateral and multilateral cooperative endeavours. The place and role of the NE region of the country in the making and success of the LEP would also be examining. Still another component of the project would be to establish and institutionalize Track II interaction with credible and reputed institutions and organizations in all the countries to the east of India. On connectivity, special efforts are being made to develop a coherent strategy, particularly for linking ASEAN with our North East. Measures, including infrastructure, airlines in the region, and contacts between academic and cultural institutions are underway.
Kaladan Multi-Modal Project In Myanmar, December 19, 2010:

Institute of Peace & Conflict Studies (2010) reported that “the Kaladan project is essentially a result of more than a decade-long effort by India to provide sea-access to the northeastern states and developing an alternate transport network. It has reduced the traffic-load over the connecting link by land through the narrow Siliguri corridor and substantially reduces the distance between Kolkata and the NE. Bangladesh has consistently refused to grant such rights, including access to its Chittagong port, which is less than 200 kms. away from Agartala, the capital of Tripura. What does the Kaladan project offer India? First, the project offers India’s NE states access to the sea and an opportunity to develop greater economic linkages with Southeast Asia, and is a newly acquired focus of the Look East Policy. Maritime access can facilitate bulk trade via Sittwe port, opening up contiguous markets. The Sittwe port offers quicker access to the largest Myanmar’s market – the most densely populated regions of Irrawaddy basin and Yangon, thereby, further advancing the economic logic of India’s engagement with Myanmar. With the operational of the Sittwe port, Mizoram will get sufficient quantities of rice from Myanmar and this would further enhance border trade between the two countries. Moreover, Sittwe can also enable businesspersons from NE India to explore markets in Thailand, Malaysia and Singapore and vice-versa.

Second, the opening of the Kaladan waterways reduces the distance between Kolkata, the largest city and port in eastern India, and the capital cities of Border States of Nagaland, Manipur, Mizoram and Tripura by more than a half. The distance between Kolkataport and Sittwe port is roughly 539 kilometers (hereinafter kms.), but people and products from Lawngtlai would have to travel only 650 kms. to reach Kolkata, as opposed to the current route of Aizawl – Silchar – Siliguri-Kolkata that is approximately 1,700 kms. long. Thus, the maritime transport network will
reduce the dependence on the Siliguri corridor. However, two important logistical obstacles, facing the project, need to be address before the project can actually achieve its desired objectives. The project involves a complicated process of getting off and re-embarkation at Setpyitwin in Myanmar. Mizoram-bound goods and people need to de-board from the Kaladan waterway and board land-based vehicles before entering Indian Territory. This transfer requires easy availability and smooth operation of switchover vehicles at the point of getting off, and monitoring of the traffic of people and goods, which can prove to be a lengthy process. Faced with complicated operational procedures, people may choose not to use the Kaladan transport network. One question arises is whether the military regime will be well equipped to oversee the sophisticated and complicated process of disembarkation and embarkation. On 14th October 2015, the Union Cabinet chaired by Prime Minister Narendra Modi gave its approval for the revised cost estimate of Rs. 2904 crores for this project in Myanmar”.

2.9 INDIA’S REGIONAL DEVELOPMENT IN THE CONTEXT OF MANIPUR

A public seminar was organized at Kotlenphai village, Chandel on “Look East Policy and its possible impacts” on Mar 4, 2011. Speaking at the seminar, MLA Thangkholum Haokip said that he had written to the relevant Ministry to make New Somtal area of Chandel district the ‘border haat’. Addressing the workshop as a resource person, the then EXIM OSD (On the Special Duty) Dwijamani said that the incumbent United People Alliance (UPA) Government was pursuing the LEP initiated during the National Democratic Alliance (NDA) regime actively. The policy is a direct result of the understanding reached between India and ASEAN countries to enhance cross-border trade and other commercial activities among these Nations. As Manipur occupies a very crucial site in the Government of India’s LEP, it is imperative for the people of Manipur to study in
advance about the benefits that may reaped this policy as well as the impacts it would produce on the State and her people, Dwijamani said. Kuki Development Council Demand Committee (KDCDC), Manipur secretary general Thongkhohao Haokip said that it is time to include New Somtal in the tourism map of Manipur and rest of the world. He emphasized on the need to develop tourist spots in view of the Look East Policy.

**Sudden consciousness of North East India:**

Things are indeed moving at a much faster pace than it was ten or even five years back. While Manipur existed as a Part C province for 23 long years, from the time it merged with the union of India in 1949 until the time it was conferred statehood in 1972. It has not taken more than a month or two, since the visit of the then Prime Minister Dr. Manmohan Singh to Myanmar, for the political leaders of Delhi to look beyond the Brahmaputra. Clearly, India’s Look is Policy is not merely an external economic policy, as enunciated by none other than Prime Minister Dr. Manmohan Singh himself. It has gone beyond a strategic shift in India’s vision of the world and India’s Place in the evolving global economy and today it has come to mean where the NE States figure in Delhi’s overall scheme of things. The emergence of China as a super power, economically and militarily, the opening up of India’s economy in 1991, the reforms that have been put in place at Myanmar etc. are all contributory factors for the eagerness in which the country is pursuing the LEP but the spillover effect on the North East States is intense. In addition, so it took years for mobile telephony to reach the region with Manipur getting access to mobile phones only in 2004. The political leaders are talking about IT development in the region, from a place where the Protected Area Permit (PAP) is mandatory, for foreigner, Delhi is talking about bus service from Moreh to Mandalay, the second biggest town in the neighboring country, a six way lane highway, new township at Moreh etc. Only 4 states and UTs have so far indicated their support for allowing
FDI in multi-brand retail, a development which will further delay entry of global chains like Wal-Mart and Carrefour in India. "Till date, written communications, indicating support for Foreign Direct Investment (FDI) in multi-brand retail trade, have been received from the governments of Delhi, Manipur and from Daman & Diu and Dadra Nagar Haveli,” Minister of State for Commerce and Industry Jyotiraditya Scindia informed the Rajya Sabha in a written reply. Delhi, Manipur approve FDI in multi-brand retail Fashion United India. Until date, the governments of NCT of Delhi, Manipur, and the union territories of Daman & Diu and Dadra and Nagar Haveli have sent a written communication indicating support for FDI.

Government of India, Ministry of Commerce & Industry; Department of Industrial Policy & Promotion; (FC-I Section), Press Note No.1 (2012 Series) emphases the Subject: “Review of the policy on Foreign Direct Investment- liberalization of the policy in Single-Brand Retail Trading”. Foreign Direct Investment (FDI), in retail trade, is prohibit except in single brand product retail trading, in which FDI, up to 51% is permitted, subject to conditions specified under paragraph 6.2.16.4 of 'Circular 2 of 2011- Consolidated FDI Policy'. Issue at National level-On 18 September 2012, Trinamol Congress, the second biggest constituent of the UPA, dealt a major blow to the Manmohan Singh government when it decided to withdraw its support on the issue of petroleum price hike, FDI in retail and corruption. Manmohan Singh had listed 17 issues, including FDI in retail and aviation, saying decisions in this regard needed to be taking along with hike in diesel price as the economy was in a bad shape. Banerjee added a caveat saying if the Centre rolls back the decision on FDI in multi-brand retail; raise the cap on supply of subsidized Gas to 12 cylinders and reduction of diesel hike from Rs. 5 to Rs.3 or 4, then the party would reconsider the decision to withdraw support. Referring to the FDI decision, she said there are 50 million people in
unorganized retail sector, “Where will these people go? There will be disaster. It has not been sustainable even in the west.”

**Concern issue in Manipur:**

Protesting the **United People Alliance (UPA)** government’s recent decision to hike price of diesel fuel, reduce yearly provision of Liquefied Petroleum Gas refill by a domestic consumer, and allow FDI in the retail sector. Terming the September 14, 2011 decision of the UPA government to hike diesel price, slash Gas provision and allow FDI in retail sectors as a ‘darkest chapter’ of the **Dr. Manmohan Singh** rule, Sotinkumar expressed that the decisions will have severe impact on the working class citizens. Stating that the impact would most severely affect people of the North East region, who mostly depend on road transport for food-grains supply as well as conveyance due to absence of rail network, Sotinkumar regretted that the UPA’s anti-people decision amounts to additional burden upon the marginalized section of the society. Reacting against the deduction in subsidized LPG refills, Sotinkumar remarked that the UPA’s decision is similar to slaughtering the common people and encouraging the black-marketers. However, persistence by the Finance Minister **P. Chidambaram** ultimately resulted in allowing FDI in the retail sector, highlighted the CPI leader who expressed strong resentment that the decision would deliver a crippling blow to Indian traders and expressing that such anti-people policies of the UPA Government need to be protest.

**2.10 INDIA’S LOOK EAST POLICY AND YOUTHS OF MANIPUR**

Mizoram, Nagaland and Arunachal Pradesh of North East India are a drug trafficking route. Different chemicals, which are used in producing illegal drugs from raw opium, are smuggled from Kolkata and other parts of the country to Tamu, Mandalay, then to the Northeastern part of the
Shan states. After refining, drugs is smuggled to North East India and then into the world market. In connection with this problem, another surprise information relate to security personnel who are directly and indirectly involved in this trade. Keeping this fact in view, any sort of free trade between India and south East Asia entails the risk of opening a floodgate of immigrants and with it hoarders of drugs smugglers from across the border. The opening of more roads and railways through Myanmar are sure to bring along drugs and infectious diseases. The impact of the golden triangle has badly felt particularly in Manipur and other North East States and India in general where the number of drug addicts is increasing. The figure of the HIV affected persons is increasing so quickly in the state of Manipur.

The presence of mainland immigrants and illegal foreigners is not only a threat to the indigenous population of the region but also a security risk for the country as a whole. Immigration on a large scale has created an environment conducive to communal and linguistic problems. The emergence of collusive networks of smugglers, organized criminal gangs and religious extremist groups operating in the NE greatly accentuated the problems of illegal immigration. Apart from the problems of drug smuggling, human trafficking, gun running etc., generally associated with cross-border immigration, another security concern is the infiltration of foreign intelligence agencies along with the hoarder of espionage and other clandestine operations.

The benefits of free trade should reach the people of NE rather than going to the business houses in big cities. The LEP of India should not be a mere tool to use NE as a corridor free trade with neighbours. The knowledge of trade with full technical infrastructure is quite necessary. Over and above, there is a need for more universities and technical and management institutes for the youth of the region. Introduction of new and relevant courses in the Universities would help talented students to pursue courses of their choice. The number of higher and technical educational
institutions is very low in this region when it is compare with other parts of the country. From the above, it is very clear that sixteen years of India’s liberalized economic policy and eleven years after signing trade pact with Myanmar, one questions is still with us – will it boon or curse to the younger generation of NER in general, and Manipur in particular? Here, the researcher would like to draw the attention of the Central and State Government that if proper steps are not taking in time, it will create total chaos and confusion in the region instead of development.

In Asia, economic, social and political instability is paving in drug use, sex work and cross border migration – all recognized factors in the spread of HIV. Shift in trade, transportation and communication networks across Asia are also facilitating the spread of drug injecting, needle sharing and consequently of HIV.

All said and done about LEP in the context of the people of Northeast India is in regard to economic expansion by boosting a vibrant economy by means of industrialization inducing a vivacious trade and commerce with India’s Southeast Asian neighbouring countries. For achieving the benefits of the India’s LEP, highlighting a few suggestions:

(i) Controlling illegal trade along the 1640 km., long border with Myanmar and India increase the number of official trade items like bicycle, fertilizers, medicine etc.
(ii) Improve the sufficient infrastructural facility.
(iii) Initiating measures for improving he present law and order situation of the Northeastern states in general and bordering sates of Manipur and Nagaland in particular which has caused the slow pace of development and disrupted the normal volume of trade.
(iv) Facilitated certain programme to encourage the involvement of local people in the infrastructural and trade development.

(v) Open the new secondary and tertiary sector in the area that will provide more job facilities to the youth of the region.

As an impact of liberalization, privatization and globalization and Indo-Myanmar border trade especially there is a ray of hope for the socio-economic and political development of the region which will give direct result to the youth of the region.

2.11 CONCLUSION OF THE CHAPTER

For reaping the benefits of India’s LEP, Industrialization and Skill Development Programme of the state is quite necessary for the state of Manipur. From the above analysis, we can get the causal to a certain extent on the part of the state to change the infrastructure and industrial policy. More of security issues then economic ones, in spite of its conspicuously different projections, condition New Delhi’s concern for Manipur and the NE India. An in-depth analysis needed to ascertain to the validity of New Delhi’s claims of benefit in the NE through this policy. Another sad side of the story is the Diminishing Tendencies of Myanmar’s traders because of frequent blockades on Indian side (Manipur). Myanmar’s traders might have chalked out a better strategy through Champhai (Mizoram), a state that has been award peace prize. Trade flows can be improved by adopting two sets of strategies for ASEAN and Myanmar. India-Myanmar trade can be increased manifold through production networks, provided appropriate investments are made on two sides of the border on activities that give rise to trade complementarities. For instance, the NER, which is a hub of fresh fruits and vegetables, can act as a source of raw materials for the food processing sector in Myanmar. If the DoNER Ministry takes only the official Statistics as the
truth, just compare the per capita power consumption of the NE region with the rest of the country. Per capita power consumption figure is one of the key elements of determining Human Development Index of the particular State or region. It would clearly reveal the pathetic position of the NE region in terms of power, social infrastructure and connectivity. And, capacity building measures should be taken up to opportunities, as far as possible, generally the people in and around Moreh so that a proportionate share of the opportunities of trade accrues to them. Both sides of countries should agree to take necessary steps to prevent cross border crimes, including drug trafficking and arms smuggling, and to upgrade bilateral cooperation.

2.12 REFERENCES


