CHAPTER-2
POLITICAL ECONOMY OF INDO-MYANMAR BORDER TRADE AGREEMENT AND MIZORAM.

2.1 Introduction:

India and Myanmar had a close socio-cultural, geographical, economic and political links. Being in the geographically contiguous and strategic location of Asia, it is only natural that the two countries should live as good neighbors. The colonial era was not helpful for economic co-operation between India and Myanmar. The agricultural oriented backward economies of the colonial era could not provide intensive cross-border economic co-operation either. It is clearly known that during the colonial era the British were very much concerned about their security perception rather than an over all development of the region,\(^65\) and as a result, the British policy of frontier management gave little scope for local economic potential to grow across the border. Moreover, before the British era, it was unlikely that cross-border trade flourished in this region due to the fact that the region was very volatile on account of inter-tribal feuds and animosity. In the British era the Lushais often raided the tea-planters of Assam,\(^66\) who were the British subjects which led to the invasions by the British to tame the hill wild tribes.

In the post-colonial era also, the security perception of India and Myanmar did not give room for cross-border trade between the two

countries; as such, the atmosphere did not allow the regional economic potentials to grow across the border for the first three decades. India and Myanmar treated their respective borders as surrounding areas and responsible for many problems rather than a catalyst for growth. Consequent upon that the idea of shared border between the two countries to develop economic potential in either side of the border did not receive importance from the national powers of both the countries. That is to say that the geo-economic potential of the region was sacrificed at the alter of geo-political consideration in this remote part of the region of Indo-Myanmar border.\footnote{Gurudas Das and CJ Thomas, \textit{Op.cit}, pp.1-2.}

The situation, however, has changed due to the end of cold war and the rise of East Asian countries as well as the onset of the the process of globalization. The break down of bi-polar system has set nations free to move steadily to form new strategic partnership among them. The new pattern of globalizations that has emerged as the result of the break dawn of bi-polar system brought the economic interests in the forefronts of nation’s foreign policies. As a result of all these, regional trading arrangements are increasingly on the rise, considering these phenomena border areas have begun to be viewed as economic corridors and opportunities for growth and developments. Keeping in view this situation, both India and Myanmar from the early 1990s began to seek whether there exist any potential for shared border between the two countries for growth and developments of the regions. A thorough investigations and ground work were done to chalk out the advantage of border trade between the two countries. Accordingly, Indo-Myanmar
border trade agreement was signed on 21\textsuperscript{st} January 1994, to usher border trade between the two countries.

2.2 Myanmar Political Consolidation:

Myanmar being located in the immediate eastern neighbor of India, occupies a strategic location, and so can not be sidelined, whatever may be its political record. In the initial stage when India and Myanmar (then Burma) became independent, the relationship between the two countries was very cordial,\textsuperscript{68} Jawaharlal Nehru the first Prime Minister of India was instrumental in cementing the initial political and diplomatic relations between the two nations. In the initial stage, India provided Burma with economic and military assistance which was critical period for both the countries.

Pundit Jawaharlal Nehru was strongly in favor of Burma’s independence. His relation with Col. Aung Sang,\textsuperscript{69} the founding father of Burma was based on the common historical experience of colonial rule. However, Aung Sang, the father of Aung Su Kyi was assassinated on July 19, 1947 and he was succeeded by U Nu, who became the Prime Minister of Burma. A treaty for Myanmar to become an independent country was signed in London on October 17, 1947. However, the Union of Burma came into existence on 4\textsuperscript{th} June 1948. The era between 1948-1962 was the period of good relationship between India and Myanmar. It was a period of sunshine relationship between the two immediate neighbors.

\textsuperscript{69} J.N. Dixit ‘Indian Foreign Policy and its Neighbours’ Gyan Publishing House, New Delhi, pp.323-324.
During this phase Myanmar was ruled by a civilian government under the leadership of U Nu as prime minister of Myanmar. The country was facing a very hard time. Apart from ethnic insurgency; political insurgent groups like Burmese Communist Party and Kuomintangs also had their strong holds. The operations of various insurgent groups also had adverse impact on the efforts towards economic development of Myanmar. U Nu Government could not solve economic, political and insurgency problems in the country which created the ground for the military take over in 1962,\textsuperscript{70} and relationship between India and Myanmar got a U-turn and nosedived due to the military take over in Myanmar. Gen. Ne Win seized power, nationalized all private enterprises and ordered the expulsion of Indians,\textsuperscript{71} which created unhealthy relationship between India and Burma.

2.3 State Law And Order Restoration Council In Myanmar (SLORC)

General Ne Win came to power on 2\textsuperscript{nd} March 1962 by overthrowing General U Nu’s Government in a \textit{coup d’etat} and seized political power in Myanmar. General Ne Win ruled Myanmar till 23\textsuperscript{rd} July 1988. He became an autocratic ruler in the country and formed Burma Socialist Programme Party to carry his programmes to the people. All types of political activities were prevented. Ne Win renamed the country as the Socialist Republic of the Union of Burma on 4\textsuperscript{th} January 1974,\textsuperscript{72} and created a new constitution for Burma. But General Ne Win had to face many opponents and on the face of such strong public protest,

\textsuperscript{71} \textit{Ibid}.
\textsuperscript{72} \textit{Ibid}. 
he resigned on 23rd July 1988. As a result of Ne Win’s resignation the country returned back to political disturbance. In the event of this political turmoil, Ne Win was replaced by Sein Lwin. However, he also could not solve the political problem of the country. Consequent upon this political development, General Saw Maung who was Minister of Defence in Ne Win’s last Government overthrew the Government by a coup d’etat and assumed power on 18th September, 1988. The new government cancelled the 1974 constitution and constituted a new military regime known as State Law and Order Restoration Council. The Armed forces of the Union of Burma, under Chief of Defence Staff General Saw Maung seized power and formed a State Law and Order Restoration Council (SLORC) with himself as Chairman and made political restructuring of the country and accordingly on 19th June 1989, the Government changed the official name of the country in English to the Union of Myanmar. Popular elections were held on May 7, 1990 and the opposition, National League for Democracy (NLD) won 397 seats out of the 487 seats of Peoples’ Assembly.73 The NLD won 81.51 per cent of peoples’ Assembly seats. In spite of that the Military Junta refused to hand over power to the representatives of the people and continued to suppress the democracy movement with an iron hand by sending to jail the elected leaders and members of the opposition. This repression continues even today.

73 Ibid.
2.4 Significance of Border Trade:

Myanmar’s economic and trade relations with India ushered in rich advantage to Myanmar. The export to India enabled the Government of Myanmar to get the much needed resources for the pursuit of its economic aims of reconstruction and rehabilitation, but that international trade could not possibly meet the needs of the people who lived in the remote areas of the international boundary. In this context, border trade across the international border has become very important.

The North-eastern region of India is one of the areas where the changing economic environment could not be available to the desired level. In the nineteen fifties and sixties the Northeastern India had very little to show in terms of economic achievements. On the other hand, today is the era where closer border economic links are being undertaken in many parts of the world. Therefore, border trade has come to be viewed with a lot of expectations to the North-Eastern Region of India. Myanmar with its geographical closeness with the prosperous economy of South East Asia and China, the prospect of Indo-Myanmar border trade assumes great importance. Trade across the Indo Myanmar is regarded as not only a two countries affair but a via-media for closer economic links to the countries of the East and South East Myanmar.

All the studies of the border trade in the Northeastern region indicate that the volume of informal trade far exceeds that of formal trade.

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by several times.\(^{76}\) Among them the Manipur border route has been relatively better connected with Mandalay, the commercial center in the heart land of Myanmar. It continues to account for a substantial chunk of the informal trade across the Indo-Myanmar border. This trend has declined, but in the case of Mizoram, though in spite of its infrastructural disadvantage, the volume of the informal trade has greatly increased. The main reason for the increase in the informal sector in Mizoram is that the State has become peaceful State, and as such political and social stability has turned business environment conducive for economic and business activities in Mizoram. In the case of Manipur, the State has been embroiled in frequent violence, band, and communal clashes etc which are not healthy for business establishment,\(^{77}\) but the significance of the Indo-Myanmar border trade can not be overemphasized in view of the fact that compared to the mainland India, the North-eastern States have disadvantageous geographical location in terms of communication, road transports air ways and industries. Moreover, the Northeastern States share 99.56 per cent of their borders with neighboring countries and only a small portion of it, i.e. only 0.44 per cent with mainland India.

\section*{2.5 Implications for Mizoram:}

Due to political turmoil, hardship and authoritarian regime in Myanmar a large number of Myanmarese have arrived in India, particularly in the State of Mizoram. Chins from the Chin State have come to settle here in large numbers which have huge socio-cultural, political implications in Mizoram. The Northeastern States neighboring

\footnote{\textit{Ibid.}, p.3.}

\footnote{\textit{Ibid.}}
Myanmar have become homes of illegal immigrants from Myanmar, especially in Mizoram where the State is very congenial for Myanmarese to make settlement due to its ethnic affinity and closeness with the Mizos. The largest Myanmar settlers are the Chins from the Chin State of Myanmar bordering Mizoram. The Chins are one of the ethnic tribes of the Mizos and as such easy for them to infiltrate into the State. In other words, Mizoram being one of the most peaceful States in the country has become a fertile ground for them to vent their feelings away from military control in their home land. Moreover, the Chins find Mizoram suitable for them to settle, and many have become integrated in the Mizo society. These Myanmarese migrants though many of them are refugees would not remain like refugees and are enjoying a very comfortable life in the State. The Government of Mizoram understands the positions of the Chins in Mizoram and tolerates their existence in the State, but the Government and the people of Mizoram are absolutely against the anti-social activities that often come to light in many forms among the Myanmarese migrants in Mizoram. These anti-social elements often put the Government in a precarious situation. This is well understood by the comment made by the Governor, M.M Lakhera of Mizoram in his gubernatorial address on the first day of the first budget session of the Sixth State Assembly on March 17, 2009. To quote him, ‘Foreign nationals who committed crimes in Mizoram, on being apprehended, will be handed over to their respective government agencies’. Nevertheless, the Myanmarese work in the State in accordance with their ability and knowledge. They are engaged in different kinds of works and earn their living. They engage in household works, such as, labor in the weaving

industries etc., thereby, contributing to the development of socio-cultural, economic and political development of the State of Mizoram.

2.6 Political Developments In Mizoram: A Brief History Of The Progress Of Border Trade In Mizoram:

After a long hardship, which engulfed the State by famine and MNF insurgency problem, peace has finally prevailed in Mizoram. The direct result of the Peace Accord was the formation of the Coalition Government of the MNF and the Congress (1) where on August 26, 1986, the oath of office was taken before the Lieutenant Governor Hiteswar Saikia. Laldenga become the Chief Minister and Lalthanhawla Deputy Chief Minister. The Bill to elevate Mizoram to a full fledged State was introduced in Parliament on 4\textsuperscript{th} August, 1986, and consequent upon that the Bill became an Act on August 16, 1986, hence, by an Act of Indian Parliament,\cite{Lalnithanga2005} Mizoram become the 23\textsuperscript{rd} State of India with 40 members Legislative Assembly. On February 20, 1986, the Prime Minister of India, Rajive Gandhi came to inaugurate the State of Mizoram. On February 16, 1987 general election was held; as a result, Mizo National Front came to power with overwhelming majority. The new government however, could not function for long due to internal bickering inside the MNF ministry and 8 MLAs of MNF Ministry broke away from the MNF and formed MNF (D) and in collusion with the Congress tried to form an alternative government. In the meantime, Mizoram Legislative Assembly was dissolved and president’s rule was promulgated in Mizoram from September, 7, 1988.

The general election was held again on January, 21, 1989, people voted Congress to power, and Lalthanhawla became the Chief Minister of Mizoram once again. During this ministry, nothing tangible could be seen in the development of Indo-Myanmar border trade, though border trade with neighboring countries was envisaged very clearly in the Government of India- MNF Peace Accord. During all these years, the informal trade was flowing to and fro across the international border and foreign goods were flowing uninterrupted across the Indo-Myanmar border through Zokhawthar-Rih sector. But the Mizoram Government did not take any step to improve the border trade facilities across Myanmar, even though most of foreign goods in Mizoram have come through Champhai-Zokhawthar sector from Myanmar. In the meantime, the 3rd Mizoram State Election took place on November 30, 1993, the election result was in favor of Congress again. In this election, Congress and MJD joined together. Once again, under the Chief Ministership of Lalthanhawla, the Congress Ministry lasted a full term. Up to this stage also, the Mizoram Government was not involved in the strengthening of Indo-Myanmar border trade which is so crucial for the development of the State. That is to say that so far, one of the most vital clauses of the Peace Accord signed between the Government of India and Mizo National Front has been kept in abeyance.

A new era was ushered in the State of Mizoram when the fourth State Election was held on November 25, 1998. In this election, Congress was voted out and a new government, a coalition government of MNF

and MPC came to power. Zoramthanga was the Chief Minister and Lalhmingthanga was his Deputy. But the coalition could not run smoothly for long; as such, MPC MLAs left the Ministry, but the MNF ministry was not disturbed and could complete its full term. Unfortunately, during this time too, the development of border trade across the Indo-Myanmar border was not paid due attention. The 5th State General Election which was held on November 20, 2003 brought forth the M.N.F party to consecutive second term in succession; and that was crucial in the sense that the MNF ministry in the State was beginning to embark upon the development of Indo-Myanmar border trade and began to develop Zokhawthar Land Customs Station which has been hitherto neglected Clause of the Peace Accord for so long.

Any trade, whether domestic or international, or any other enterprise to be successful and prosperous, one of the most important factors is peace to be prevailed in the region. But with regard to the Indo-Myanmar border trade, the region is very volatile. The Northeastern region of India is infested with different types of insurgencies. In this situation a flourishing border trade could not be established. But in the case of Mizoram, the insurgency problem of such magnitude of the MNF era is over by the signing of the Mizoram Peace Accord between the MNF and the Government of India on 30th June, 1986, on account of that Mizoram has become one of the most peaceful States in India. The Peace Accord also became one of the most successful Accords ever signed in India. Considering the geographical feature of Mizoram and the

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natural resources, the Mizo Accord included the right of the State to have trade relationship with the neighboring countries of Myanmar and Bangladesh. The Government of Mizoram under the Chief Ministership of Zoramthanga with the co-operation of the Central Government have pursued with all seriousness the opening of the Indo-Myanmar border trade point at Zokhawthar which has a tremendous impact in the socio-cultural, economic and political dimensions of the State.

2.7 Indo-Myanmar Border Trade Agreement:

In view of the immense potential that exist between India and Myanmar in the fields of trade and economic co-operation, the Government of India and the Union of Myanmar signed border trade agreement on January 21, 1994 with the following main objectives:

The aims and objectives of the agreement are to find out ways and means to exchange locally produced commodities by the people living along the Indo-Myanmar Border. The crux of the matter concerning the Indo-Myanmar border trade is to tap the economic potentials of the two countries, and for that the exchange of locally produced commodities by people living along the Indo-Myanmar border has been emphasized. In order to facilitate exchange of commodities in the international border, different mechanisms have been initiated. The people living in the border areas have close affinity in terms of culture and race so that they can tap their natural resources. To deal with the foreign transactions in currencies

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freely convertible currencies, or, in mutually agreed upon by the two countries. Another objective of the border trade agreement is to make goods available at cheaper rate by transporting through land route and to provide scheme for employment generation by creating facilities of manufacturing activities through trade zone, or joint venture establishments on both sides of the international border. However, these agreements are not static but can be modified and even altered completely depending on the exigencies of the circumstances. This is the case with the Indo-Myanmar border trade agreement signed between India and Myanmar. The initial lists of tradable items of 22 agricultural items have been extended to other industrial goods to meet the requirement of the people.

According to the border trade agreement between India and Myanmar, the Moreh Land Customs Station was formally declared open by the then Union Minister of State for Commerce P. Chidambaram who declared the Land Customs Station open on April 12, 1995. This office is situated near Luckchow Bridge that connects India with Myanmar. On the other side of Myanmar there is a counterpart border trade town called Tamu sector. It is to be noted that as per the agreement of border trade between India and Myanmar signed on January 21, 1994, Moreh in India and its counterpart Tamu in Myanmar side, and Champhai-Zokhawthar in Mizoram and its counterpart at Rih in Myanmar have been specifically notified as Indo-Myanmar border trade centers between the two countries.

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84 Ibid, p.155.
A close observation of Indo-Myanmar border trade agreement exposes that, the 22 items that are listed in the agreement for exchange in the barter system are not found favorable for exchange by the exporters and importers under barter system in Mizoram. That is to say that barter trade is the system of exchange of goods by means of other goods, i.e. in order to exchange a particular good the trading partner also must have goods to exchange acceptable to the trading partner. Therefore, the barter trading method in reality is not advisable in the present age at the Zokhawthar-Rih sector. The reason is that traders are business persons, as such, if there is no profit in the exchange, the traders would not like to venture in the project. If a trader in Zokhawthar (Mizoram) wants to import betal nut from his Myanmar counterpart under barter system, he has to exchange with some goods listed in the agreement as quid pro qua for the import of betal nut.  

It is a matter of fact that trade across the international border in the North eastern States can be the engine of economic growth. In this respect, international trade has the potential to supplement and enlarge the size of the markets, thereby attracting business interests to the full potential of the region. For the economic development of the Northeastern regions of India, which is endowed with at a disadvantageous geographical location vis-à-vis the rest of the country,

85 In the Memorandum of Settlement between the MNF and The Govt. of India, the right of the Mizo people to conduct border trade with neighboring countries has been clearly mentioned, ‘border trade in locally produced or grown agricultural commodities could be allowed under a scheme to be formulated by the Central Government, subject to International arrangements with neighboring countries’.

86 A Paper presented by Q.J.Naghvi, Deputy General Manager, Foreign Exchange Department, in a Sub-Committee Meeting on Export Promotion, held on 17.02.2009, State Guest House, Aizawl.
border trade in particular plays a very significant role. The whole region shares an international border with 4 countries viz, China, Bhutan, Bangladesh and Myanmar which account for 98 per cent of its total border. Only the remaining 2 per cent of its border is connected to the mainland India through a narrow corridor which is commonly known as Chicken Neck. Thus, we can say that the region is entirely landlocked. However, the geographical disadvantage can be turned into huge potential for growth, thereby transforming the region into huge advantage and opportunities, provided proper planning is done.

2.8 Cross-Border Movement Prior to the Introduction of the Indo-Myanmar Border Trade Agreements:

The indigenous people dwelling on either side of the Indo-Myanmar-Border were allowed to cross over the other side up to 40 km on either side of the entire stretch of the Indo-Myanmar border, covering a distance of 1643 km international border. Tribals of these areas continuously cross over to other side to meet their needs. There has been tacit understanding between the two countries that there would be free movement of people, which have been continuing for the past many years due to close economic and cultural links. The Myanmar Pass Port Rule permitted the indigenous nationals of those countries whose land boundaries are coterminous with the border of Myanmar are exempted from Pass Port requirements if they were hill tribes dwelling in the border areas and did not proceed beyond 40 km across the land border. In December 1948 this provision was modified, and as such, continuous stay
of tribals crossing over would not be beyond 30 days. Nevertheless, this rule has been more honored in violation than in observance. The tribals have crossed the Indo-Myanmar border through the State of Mizoram via-Champhai and reach as far as Aizawl, to Silchar and different parts of the State. Even today, people have come from Chin State across the border in Myanmar for shopping and marketing at Champhai in Mizoram. People come and go back as per their convenience, rather than the rules. The same is the case with the people living in the border in the Mizoram side. People from the State, particularly, in the border areas of Champhai District, go to the Tiau in Myanmar to fetch their needs and used to come back in the evening as per their convenience. At the same time, these days road transport communications have been fast developing which enable the people living across the international border to move quickly to and fro across the Indo-Myanmar border through Champhai - Zokhawthar-Rih sector.

The Government of India issued a notification on 25th September1950, there by, allowing the tribal people inhabiting the Indo-Myanmar border within the radius of 40 km to travel back and forth across the border without pass port requirement, on condition that such nationals of the Union of Myanmar would not proceed beyond 40 km from the land border. The tribals from both the countries enjoyed this exemption up to June 1968, and since then, the Government of India through a notification unilaterally introduced a permit system to regulate the movement of the people across the border with a view to prevent entry of undesirable elements and curbing the activities of insurgency.

88 Ibid, p.46.
This system of permit is still practiced today and as such the Indian and Myanmar tribals would have to carry permit for traveling across the border.

According to the guideline for regulating entry of Myanmarese tribals into Mizoram, the Mizoram Government has the power to give permission to stay for 30 days within the range of 40 km from the international boundary. In case if they happen to cross 40 km from the international boundary, Myanmarese have to obtain passport and valid visa,\(^89\) and those Myanmarese who have crossed beyond 40km without passport can be dealt with as per rules and regulations enforced in the country. However, ipso facto, in the State of Mizoram these rules are more honored in violation than in observance. The State Government also knows this but choses to keep silence in most of the time. The fact of the matter is that most of the Myanmarese nationals who come over to the State of Mizoram belong to the people of Chin Hills who have a strong ethnic link with the Mizo, and as a result the Chin people consider the State of Mizoram as part of their home. The Chins of Myanmar have engaged in different types of works in the State along the Mizos. Moreover, the political situation in Myanmar being unhealthy for these people, with lot of forced labor being practiced by the Myanmar military junta, and human right violations in Myanmar make the Myanmarese sympathized by the people of Mizoram.

The movement of the people across the border in the Mizoram sector often violates the rules and procedures prescribed by the

permit system issued by the Government of Mizoram. Here, we will explain what is going on in the Indo-Myanmar border areas in the State of Mizoram vis-à-vis Myanmar. There are two check-gates, one in Mizoram side and one in Myanmar side across the Iron Bridge of river Tiau-international boundary of India and Myanmar. The people coming from Myanmar before crossing the international boundary deposit their identity cards to the Myanmar officials at border check gate, and then arrive in Mizoram. The period of their stay in Mizoram depends on their will. Most of them come for work as laborers and remain in Mizoram for most of the year. Many of them are in Mizoram for many years doing variety of works such as household works, laborers, weaver and traders etc.

2.9 Trading Mechanisms:

As per the Indo-Myanmar border trade agreement, three-tier system of trade was introduced. The first tier is the **Traditional Exchange system**. In this traditional exchange system the volume of trade in one time consignment should not cross US$ 1000. Therefore, as per the agreement transactions should be done below US$1000 or, maximum amount US$ 1000. The Traditional System of Exchange is done by the indigenous people living within the radius of 40 km from either side of the Indo-Myanmar border. These transactions cannot take place beyond 40 km. The aim of this traditional system of exchange is to facilitate free movement of goods for the people living in the border areas of both the international boundary. This should be done through head

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90 The Researcher’s field study in the Zokhawthar Indo-Myanmar border area and interview with Myanmarese settlers in Mizoram, during June 15-20, 2007.
loads only. This type of trading system is for the local people but if others like non locals have done this traditional system of exchange, then they have to do within the areas of 40 km and not beyond that radius. In this system, Guarantee Receive (GR) formality is not needed for the transaction of border trade. ‘In the traditional exchange system both barter trade and transaction through money can be done’,\textsuperscript{92} therefore, it is up to the local people whether barter or no barter but it is all for the benefit of the local people. What the the traders have to keep in mind is that the amount at one time transaction should not exceed US $ 1000,\textsuperscript{93} and the transaction should be done through head loads only. In this traditional exchange system a consignment should be done within 1 or 2 days.

\textbf{2.10 The Barter Trade:}

The second tier of trading mechanism is the barter trade. The initial agreement was barter trade on 22 items agreed upon exchangeable to US$20,000 with Guarantee Receive (GR) formalities. Under this system traders should possess IEC (Import-Export Code) allotted and issued by Director General of Foreign Trade (DGFT). The items that can be traded under this system are locally produced commodities, mainly agricultural produce and minor forest products. In the barter system transactions should be balanced within a period of 6 months from the date of export/import. This is a system of exchange from goods to goods. Barter system is the exchange of commodities with another equivalent

\textsuperscript{92} Interview with Saingura Sailo, who had served as Customs Agent in Moreh Indo-Myanmar border for 10 years, and he was newly appointed Customs Agent of Zokhawthar Indo-Myanmar border, in Mizoram, the interview took place on 24\textsuperscript{th} March 2009, at 7:30am.

\textsuperscript{93} Ibid.
commodity from across the border. Therefore, barter trade is done through equally agreed upon items/commodities/goods up to $2000 US, with Guarantee Receive formality. Under the barter system, the traders should possess Import-Export Code allotted by Director General of Foreign Trade. A discussion on the items that can be traded under barter system is in order.

Mustard / Rape Seed, Pulses and Beans, Fresh vegetable, Fruits, Garlic Onions, Chilies, Spices (excluding nut met, Mace, cloves, Cassia), Bamboo, Minor forest products excluding Teak., Betel Nuts and leaves Food items for local consumption, Tobacco, Tomato, Reed Broom, Sesame, Resin, Coriander seeds, Soya bean, Roasted Sunflower Seeds, Katha, Ginger, an any other commodities as may be mutually agreed upon between the two sides. However, the Director General of Foreign Trade include the flowing commodities, in addition to the existing 22 items which were notified in 1995 when the Indo-Myanmar border trade agreement was signed for the first time. These additional items have been added to the existing 22 items for the interest of the public concerned. These 18 additional items have been made effective with effect from 7th November 2008. These additional items that have been approved are bicycle’s spare parts, life saving drugs, fertilizers, insecticides, cotton fabrics, stainless steel utensils, menthols, agarbatti, spices, cosmetics, leather food wears, paints and vanishes, sugar and salt, mosquito coils, bulbs, blades, x-ray, papers and photo papers and jewelry are under the barter system. However, only tradable items that are listed

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in the border trade agreement between the two countries are allowed and no other items from the third country are supposed to be traded. With regard to barter trade, trading can be done beyond 40 km from the international boundary, but transaction must be completed within 6 months.

2.11 Normal Trade:

The normal trade or, the regular trade is the third trading mechanism provided in the Indo-Myanmar border trade agreements. Normal, or, regular trade, is being done under the Letter of Credit System as per Export-Import policy lines, but the normal trade has not picked up at the Zokhawthar-Rih sector of the Indo-Myanmar border trade point in Mizoram due to the absence of regular banking system on either side of the Indo-Myanmar border. Normal trade transactions will be through banking channels for all freely permissible items of export and imports, and with licenses for restricted items as per foreign trade policy guidelines.

Normal trade to come into shape through the State of Mizoram State Bank of India Champhai branch vis-à-vis the Commercial bank in Myanmar are not yet ready to handle the Letter of Credit System. Therefore, the best option at the moment with regards to the Indo-Myanmar border trade through the State of Mizoram is to go for

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96 Ibid, p.50.
Traditional system of exchange and the Barter system. But with regard to the barter system, the traders find difficult to adhere strictly to the rules of the barter system and they have to go off the track to make profit. And if there is no profit, traders will not go for trade and the system will collapse. However, the concerned authorities of the Indo-Myanmar border trade through the State of Mizoram have stated that border trade as per existing rules can be done via Zokhawthar - Rih sector and advise the traders in the State to begin trading activities. In this regard, the customs agent for Zokhawthar sector is already there to do his work but the Customs department wants to inaugurate, the starting of the Indo-Myanmar border trade with great pomp and shows, so as to tell the world that Indo-Myanmar border trade as per rules have been taken place at Zokhawthar. They want to invite the Central Minister to flag off the Indo-Myanmar border trade via Zokhawthar-Rih sector but due to many trivial reasons things could not start as per plan. The flagging off ceremony was supposed to start in the month of April 2009.

2.12 Memorandum of Understanding between the Banks:

The Memorandum of understanding between the banks of India and Myanmar has not been signed. To understand the reason why no Memorandum of Understanding has been signed between the two designated banks, one has to look at first the existing exchange rate mechanism in actual operation along the border. The existing rate of exchange is approximately as follows.

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<th>Official</th>
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US $ 1 = Rs.47 Rs.1 = 20-30 Kyats.
Kyat 1 = Rs.7.  

As per the researcher’s field study at the Indo-Myanmar border area of Champhai Zokhawthar-Rih sector, the exchange value of Rupee and Kyat in the black market is Rs 1=30-30.30 Kyats. 

Without signing the Memorandum of Understanding between the State bank of India and Myanmar Commercial Bank which are designated banks to formulate the Indo-Myanmar border trade through the State of Mizoram, transaction of goods through normal trade can not take place across the international border. The Military regime in Myanmar makes the value of dollar very high and consequently traders are unwilling to transact business under regular trade, under the Letter of Credit System. In these circumstances, informal trade continues along the border.

2.13 The schemes to promote the Indo-Myanmar Border Trade:

As a matter of fact, the Indo-Myanmar border trade was first implemented as per agreed upon at Moreh-Tamu sector way back in 1995. But in the State of Mizoram the implementation of the Indo-Myanmar border trade as per agreement signed between India and Myanmar has been delayed. It is to be noted that the Indo-Myanmar

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98 Ibid, p.52.
99 This is based on the researcher’s field study on border areas of Champhai-Zokhawthar on 08.10.2007.
border trade through the State of Mizoram is in the process of take off stage only after a gap of 15 years since the signing of the Indo-Myanmar border trade agreement between the Republic of India and the Union of Myanmar. It is to be noted that border trade with neighboring countries is in the Union List of the Indian constitution, and as such the State alone can not develop to its full potentials and needs the co-operation of the Central Government. However, the Central Government undertakes this development project with the co-operation of the State Government. In the State of Mizoram, the MNF Ministry has done what it can for the development of Indo-Myanmar border trade. The MNF ministry also facilitated for the development of Indo-Myanmar border trade in their second term. In the 6th Assembly election held in 2009 in the State of Mizoram, the Congress formed the Government in the State and it is hoped that under the Congress Ministry border trade in the State will further develop. Trade and Commerce Department was created in the State of Mizoram in 1987 by the Mizo National Front Ministry for developmental process and to provide new skills of business in the State, the Government had proper vision to create and develop border trade with neighboring countries, Myanmar and Bangladesh in which Trade and Commerce department has been kept as a Nodal Department. As a matter of fact, the Trade and Commerce Department was formed to implement these vision documents of the Mizoram Government. Border trade has occupied a significant position in the State of Mizoram. The efforts made by both the Government of India and the Government of Mizoram have enabled sanctioning of the Land Customs Stations at Zokhawthar near Champhai in the extreme Indo-Myanmar border. Out of the Total project

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cost of the Indo-Myanmar border trade center at Zokhawthar, amounting 7.00 crores, the Ministry of Commerce, Government of India has sanctioned 5.20 crores to Border Road Organization for the construction of Land Customs Station at Zokhawthar,\textsuperscript{102} which accommodate offices of Telecom, Bank, Postal, Immigration, Security and Trade and Commerce Department.

\textbf{2.14 Export Level Promotion Committee:}

State Export-Level Promotion Committee on Indo-Myanmar border trade has not yet formed as the Indo-Myanmar border trade through the State of Mizoram has not taken place formally as per the Indo-Myanmar border trade agreement. Nevertheless, Champhai Syndicate Union under the leadership of H.B Manhleia, as its president undertakes all what is possible to promote Indo-Myanmar border trade from Zokhawthar-Rih sector in Mizoram. Champhai Syndicate Union entrusted all its powers in the hands of its president H.B Manhleia, who is also a prominent trader at Champhai. He visited government officials, ministers, participated in the seminars and mobilized public opinion for the promotion of the Indo-Myanmar border trade from second border trade point of Zokhawthar-Rih Sector in Mizoram. Now almost every thing is ready for formal trade to take place at the second border trade center of Zokhawthar-Rih sector,\textsuperscript{103} the only hindrance in the way of formal trade to function is the absence of Foreign Exchange Bank at Champhai-Zokhawthar-Rih sector. In the meanwhile, trading partners


\textsuperscript{103} Interview with H.B. Manhleia, President, Champhai Syndicate Union on 17\textsuperscript{th} June, 2009, at 1:30 pm.
from both sides of the Mizoram and Myanmar are ready to transact goods across the international border. Also there used to be official level discussion on the development of Indo-Myanmar border Trade Center at Zokhawthar-Rih sector among the concerned officials of both Customs departments and the Mizoram Government officials. It is to be noted that Zokhawthar has been declared as a point of entry for imports of plants and plant materials and other regulated articles.

Trade and Commerce Department of Mizoram occasionally conducts seminars on promotion of Indo-Myanmar border trade in Mizoram, however, border trade as per the agreement has not yet materialized in Mizoram. More than organizing seminars, the department can do nothing much for the overall development and progress of Indo-Myanmar border trade in the State. In the meanwhile, Trade and Commerce Department of Mizoram is actively engaged in the evolving scenario of Indo-Myanmar border trade in the State. The acquisition of Land Customs Station Composite Structure at Zokhawtar to facilitate Indo-Myanmar border trade was undertaken by the Trade and Commerce Department of Mizoram. As far as Zokhawthar –Tiau Indo-Myanmar border trade is concerned; the Land Customs Composite Structure at Zokhawthar has been completed. Various sectoral levels meeting for the development of Indo-Myanmar trade used to take place either in Myanmar or in India in which officials from trade and commerce department used to participate. As far as Indo-Myanmar border trade

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104 Preliminary Discussion on Development of *Indo-Myanmar Border Trade* at Zokhawthar-Rih Sector held in the office chamber of Commissioner, Trade and Commerce on 7.4.2004.
point through the State of Mizoram is concerned, both officials in Myanmar and Mizoram sides claimed that they are ready to start the barter System as per the Border trade agreement between India and Myanmar. The Customs Department in Mizoram and the Trade and Commerce Department in Mizoram have been waiting the border trade to flag off from Zokhawthar border trade point in Mizoram.

2.15 Border Crossing:

It is to be noted that the movement of people take place through all the gates and all along the Indo-Myanmar international border. The reason is not far to seek as the boundary between India and Myanmar is porous. In the case of the Mizoram sector the gate at the entrance of Iron Bridge at Zokhawthar-Rih sector is manned by the Mizoram Armed Police, and on the Myanmar side the gate is manned by Myanmar customs and immigration personnel. The gate is kept open at 7:00 A.M and is closed at 5:00 P.M, during the time of the opening of the gate people go to and fro across the international border. As it has already been mentioned, that the boundary between India and Myanmar is porous throughout as such there are many thoroughfares in the Indo-Myanmar border. Traders also often pass through other directions other than through the main check-gate at Zokhathar-Tiau. There are also other road sides in the Indo-Myanmar border trade which are not officially recognized. Another entry point for animal husbandry to enter Mizoram is Vaphai which is 60 km from southern part of Zokhawthar-Tiau border.

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105 I bid.
trade point,\textsuperscript{106} and the smuggling of cow is mostly carried through this sector. Cattles arrive from this border trade point and then transport to different places in Mizoram.

\textbf{2.16 Feasibility of Trading Mechanisms across the Indo-Myanmar Border Trade at Zokhawthar-Rih Sector: }

Three tier system of trade was introduced so that the people residing in the border areas and the people of border States may have opportunities to develop and grow by utilizing their resources and talent and develop and harness their best potentials which are endowed with them. On account of this, the three tier systems of border trade in the Indo-Myanmar border sector have been proposed. Out of these three tier system of the Indo-Myanmar border trade, the traditional system of exchange and the barter trade system are not unfamiliar to the people of the border areas,\textsuperscript{107} and hence can be practiced across the Indo-Myanmar border trade point at Zokhawthar-Rih sector provided there are mutual trading partners across the international border. But the third point with regard to the normal trade involves Letter of Credit System which required banking facilities across the border. That is one of the reasons why the normal trade has not yet picked up as per the Indo-Myanmar border trade agreement.

\textsuperscript{106} Based on the researcher’s field work and interview with dealers in cows at Champhai.

\textsuperscript{107} The record of the Sub-Committee on Export Promotion of Indo-Myanmar border trade, held on 17.02.2009, at Conference Hall, State Guest House, Aizawl. The researcher was also participated in the workshop, pp.1-2.
2.17 Efforts to Develop Zokhawthar Land Customs Stations:

However, the ground reality concerning the State of Mizoram is very different, in the sense that the Indo-Myanmar border trade agreement that have been signed between the two countries with tradable items, which afterwards have been enlarged to suit the needs of time, is unworkable in toto in the State of Mizoram. In the case of barter trade across the Indo-Myanmar border through the State of Mizoram, the exchange of commodities by other commodities becomes a difficult business for the traders. The real motive of a trader is to make profit in the transactions of business. For instance, if a trader in Mizoram wants to import betel nuts from Myanmar, he has to send commodities within the list identified for exchange, and if the Myanmar partner does not want goods within the tradable items, then barter trade cannot take place as per the agreement signed by both India and Myanmar. This is the crux of the matter concerning Indo-Myanmar border trade.

The Government of Mizoram in collaboration with the State Bank of India, the Reserve Bank of India, the Customs officials and Chamber of Commerce used to hold meetings every year from the last few years for the progress and development of Indo-Myanmar border trade in Mizoram. This research scholar also participated personally in these meetings. On 18.12.2007, there was Sub-Committee Meeting on Export Promotion at State Guest House at Aizawl. This Meeting was attended by officials from RBI, SBI, Trade and Commerce Department, Industries, Export-Import Syndicate Champhai, and officials from

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108 Ibid.
Customs department. There was a lengthy discussion on how to improve and develop Indo-Myanmar trade from Zokhawthar-Rih Sector.

In the Meeting Mr J.Meghanath, the Director General Manager, RBI, Guwahati stated clearly that the main reason behind the barter trade is to facilitate the people living in the hilly regions across the border to engage in border trade. Ngurhuzaua, Director, Trade and Commerce, Government of Mizoram pointed out that certain issues are needed to be addressed immediately. The Land Customs Station, Zokhawthar needs to be notified as Land Customs Station instead of Champhai as stipulated in the Government of India’s notification. At this point, Director also reported the work of the State Government for the development of border trade at Zokhawthar-Rih Sector in Mizoram. He stated that infrastructure such as warehousing, police station except posting of staff for phytosanitary certificate have been completed. It has to be kept in mind that the Department of Trade and Commerce, Government of Mizoram is the Nodal Agency of the border trade point at Zokhawthar. At this point, D.M. Das. Superintendent of Customs clarified by stating that Champhai Land Customs Station is being relocated to Zokhawthar, this was achieved due to the efforts from the Customs Department. In this discussion, H.B.Manhleia, President Exporters-Importers syndicate, Champhai while participating in the discussion said that the traders communities in Mizoram are ready to execute the trade at any moment and further stated that talks have been finalized with their counterparts in Myanmar but infrastructural facilities like bank, etc., are yet to be completed, as the SBI has not yet completed its parts, as such, the actual trade is being delayed. Therefore, the president, Exporters-Importers
Syndicate, Champhai requested the Committee to begin for starting the Border trade immediately. Discussions were held by the Committee in various spheres like the importance of banking for handling of documents. The Committee felt the urgent need of SBI, Champhai branch to handle the trade documents like Bill of Entry, Bill of Shipping etc., Apart from that the meeting also felt that providing the necessary finance is very important for successfully executing border trade.

In the meeting, the representatives of the Reserve Banks of India, the Customs Department and the Champhai Chamber of Commerce all have expressed their readiness to start border trade with Myanmar. From the Customs side also expressed their readiness to deal with formal trade, the RBI Manager who was participating in the meeting also requested the traders to start border trade with Myanmar, however, the president of the Champhai Chamber of Commerce told the gathering that as things stand, the banks are not yet ready to handle the border trade at Champhai. At this point, the RBI Deputy General Manager, O.V Nagvi told the gathering that he would see to it that the Champhai State bank of India is well equipped with sufficient staff to man the entire system.

\[109\text{ Ibid.}\]
2.18 Sectoral Level Meetings between India and Myanmar For The Promotion of Border Trade and Other Related Issues:

Since the signing of the Indo-Myanmar border trade on 21\textsuperscript{st} January, 1994, several sectoral level meetings between the representatives of India and Myanmar have taken place to find out ways and means for the security, growth and development of Indo-Myanmar border trade.

Here, we shall discuss briefly some important sectoral level meetings between the officials of India and Myanmar because these sectoral level meetings promote directly or indirectly Indo-Myanmar border trade. In this context, the third sectoral level meeting between India and Myanmar which was held at Aizawl, during November 22-24, 1994 was very important in the annals of the Indo-Myanmar border trade through the State of Mizoram. In this meetings, the Indian officials stated that India has been serious with regard to the activities of the insurgents, drug-smuggling and other negative elements which have been using facilities across the border for transit, sanctuary and hideouts, supply of armed ammunitions, drug trafficking etc. The meeting also felt that the principle routes of these elements could be studied,\textsuperscript{110} and patrolling intensified in order to control the activities of negative elements operating across the Indo-Myanmar border. In this context, the Myanmar delegate responded by stating that the locations and routes as identified by the Indian delegates were the areas under regular surveillance by Myanmar security forces and confirmed that none of such insurgent activities were detected. The meeting also resolved to prepare

\textsuperscript{110} Agreed Minutes of the Third Indo-Myanmar Sectoral Level Metting held at Aizawl, from November 23-24, 1994, pp. 2-4.
nodal officers between the two countries. These nodal officers were authorized to meet occasionally for sharing information, view and discuss any problem that may arise within their legal power, without requiring any prior permission of their higher authorities.

Mention also must be made in this context about the third sectoral level meeting. In this meeting the issue of handing over all illegal entrants had been discussed. Myanmarese side responded by stating that the details, such as, names, address and other relevant information might be given to them so as to enable them to make necessary verification. If information is found authentic, illegal entrants could be handed over to the designated places along the border. Another significant point of this sectoral level meeting was the Myanmar officials agreed to allow Indian visitors to visit Rih Lake during the day time without over-staying at night,\textsuperscript{111} and since then Rih Lake has been regularly visited by people from Indian side. It is to be noted that Rih Lake has occupied a special place in the hearts of the Mizo people since their forefathers’ time. Even today it is said in Mizo that the largest lake in Mizoram is Rih Lake which is in Myanmar.

Several sectoral level meetings have taken place ever since the signing of the Indo-Myanmar border trade agreement in either country alternately. These sectoral level meetings produce better understanding and co-operation between the two countries. It is very pertinent to elucidate at this point the sectoral level meeting between India and Myanmar held during May 29-30, 2007 to discuss the various aspects of

\textsuperscript{111} \textit{Ibid.}
Indo-Myanmar border and other related issues. The meeting was conducted at Gangtok, Sikkim in India. Indian delegation was led by G.K Pathak, Joint Secretary, Government of Home Affairs, and Government of India. Myanmar delegation was led by U Myat Ko, Director General Administration Department, Ministry of Home Affairs, and Government of the Union of Myanmar. The leader of the Indian delegates extended a very warm welcome to the Myanmar officials and distinguished members of Myanmar delegation. The leader of Indian delegation stated that as a result of different high level visits between the two countries in the recent past, the relationship between India and Myanmar have strengthened and have set a stage for enhancement and co-operation in various spheres, including border trade. The Indian delegates in the meeting stated that India lays great emphasis on its relationship with Myanmar for bilateral and regional development as well.

In this sectoral level meeting, the Indian delegates wanted the successful implementation of cross border projects over which the two countries agreed upon. In order to get full benefit which accrues from the projects, it is necessary that peace and tranquility must be prevailed along the Indo-Myanmar border. The Indian delegates sought the full co-operation of Myanmar in preventing insurgents, arms smugglers, drug traffickers and other negative elements in carrying their activities along the Indo-Myanmar border.\footnote{Agreed Minute of the 15\textsuperscript{th} Sectoral Level Meeting Between India and Myanmar, at Gangtok, in Sikkim during May 29-30, 2007, pp.1-2.} In this context, Myanmar side also expressed their appreciation of India’s assistance to Myanmar in the form of projects for the development of Myanmar. They also observed that cross border projects over which the two countries have agreed to co-operate...
especially in the fields of roads, science and technology, communication and information technology would benefit people living in both sides of the Indo-Myanmar border, thereby, enhancing border trade. These types of meetings are quite helpful in shaping Indo-Myanmar relations in general and Mizoram economy as well. The Indian delegates also acknowledged the co-operation extended by the Government of Myanmar in taking action against Indian insurgent groups operating in the Northeastern States of India who have used the Indo-Myanmar border as their bases.

It is strongly felt that despite the actions taken by both India and Myanmar to curb insurgent groups; still they are carrying out their activities against Northeastern States along the Indo-Myanmar border. In the meeting the Myanmar delegates told the Indian delegates that it has been the policy of Myanmar not to allow the Northeastern insurgent groups to use Myanmar territory to undertake hostile activities against India and that Myanmar has been extending co-operation with India in taking effective actions against Indian insurgents operating along the Indo-Myanmar border. In this context, Myanmar delegates stated that cleaning-up operation along the Indo-Myanmar border was launched by Myanmar security forces in January 2007 on the basis of the information received from the Government of India but no insurgents were found in these areas. Finally, the delegates felt that in order to have an effective operation, it is necessary to have sharing with regard to locations of insurgents and other negative elements operating across the border through the existing communication network.

\[113\] Ibid, pp. 3-4.
Several Sectoral level meetings between India and Myanmar used to take place every year. Meeting among the army also used to take place with regard to border management. However, even though, different areas are used to be covered in the meeting, from Myanmar side, the real decision making body who wield power are not used to represent in the sectoral level meeting,\(^{114}\) therefore, what they used to say is that the higher authorities will be kept informed. As things stand like this, even though, many times sectoral level meetings had taken place between India and Myanmar, progress with regard to Indo-Myanmar border trade has been very slow.

### 2.19 The Infrastructural Projects of the Indo-Myanmar Border:

India has been helping Myanmar in developing her infrastructural projects particularly in the fields of road transport and communication. The 15th sectoral level meeting between the two countries also discussed about the detailed project report prepared by the Indian Border Road Organization for the construction of roads from Rih to Tiddim situated in the north of the Chin Hill and Rih to Falam located in the south of the Chin Hill adjacent to the State of Mizoram.\(^{115}\) The Indian delegates requested the Government of Myanmar to provide certain clarifications with regard to the projects because the Government of Myanmar felt that the estimate of the projects was high. In this regard, Myanmar delegates agreed by saying that their view points would be conveyed to the

\(^{114}\) Researcher’s interview with Romawia, Under Secretary, Home Department, Government of Mizoram, who personally participated in the 15th sectoral level meeting held at Gangtok in Sikkim during, May 29-30, 2007.

\(^{115}\) *The 15th sectoral level meeting, op.cit.*
Government of India at the earliest possible. It is to be noted that these projects are trade routes, and if properly constructed and maintained the Indo-Myanmar border trade through the State of Mizoram will be enhanced.

Another important aspect with regard to Indo-Myanmar border trade development was the National Level Meeting held at Monywa in Myanmar. In this meeting, a discussion on Indo-Myanmar border trade took place. In the meeting both sides agreed that border trade between the two countries needs to be improved but still a lot of ground works have to be done. At this point, both delegates shared the view that the progress of border trade between the two countries has been partly hindered due to lack of security in some parts of the border and agreed that peace and serenity are essential for facilitating Indo-Myanmar border trade. An important thing to be noted in this meeting is that Myanmar officials requested the Indian delegates to lift import restrictions on meat and meat products, especially pork and chickens from Myanmar at the border trading points as bird flu has already put under control in Myanmar, at this point the Indian delegates obliged the request made by Myanmar delegates. It is to be noted that whenever there is an outbreak of bird flu in Myanmar, the Government of Mizoram used to prohibit the import of meat and other related issues from Myanmar. It is also to be noted that the State of Mizoram is not self-sufficient in meat; it depends on the neighboring States and Myanmar. Accordingly, pigs are allowed to enter

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116 Agreed Minutes of 14th National Level Meeting Between India and Myanmar, held at Monywa in Myanmar, from 28th to May, 2006, issued by the Government of India, Ministry of Home Affairs, NE Division, North Block, New Delhi, Dated, the 8th June, 2006, p.7.

117 Ibid.
the State, thereby, bringing great relief to the people of Mizoram. Pork is one of the staple diets of the Mizos, as such; Mizoram imports its needs mainly from Myanmar.

2.20 Mizoram Consultative Forum (MCF) on Indo-Myanmar Border Trade:

This organization was formed on 20th April, 1998 by different church leaders and responsible citizens in Mizoram. This organization is an NGO with its main objective being to work for the overall progress of the State. Keeping its aim in view, the organization puts pressure to the power that be, to work sincerely. It is important here to elucidate the steps taken by the MCF for the development of Champhai District. Champhai is the commercial town located in the Indo-Myanmar border. From Champhai, the Indo-Myanmar border trade center Zokhawthar-Rih Sector is only 30 km. Goods that have come from Myanmar via Zokhawthar-Rih Sector have to pass through Champhai, hence, being located in the border areas where diverse people passed by and settled, the town plays a very significant role in contributing to the socio-cultural, economic and political dynamics in Mizoram. M.C.F. has taken measures for the development of Champhai District. Some of the areas where the MCF has taken steps may be discussed thus. The MCF influenced pressures to the government to make national high way between Seling and Zokhawthar,\textsuperscript{118} and the MCF influenced the authorities responsible for building the Land Customs Composite Building at Zokhawthar to complete as per plan. This has been done on the ground that the work has

\textsuperscript{118} Report of the General Secretary, Mizoram Consultative Forum, on the 9th General Conference, held at I & P.R conference hall, Aizawl, on 19.02.2009, p.3.
been temporarily stopped, as of now the work has been completed. The MCF claimed that it was due to its pressure tactic that the work has been completed sooner than later. The road between Champhai and Zokhawthar which used to be in very bad shape has been made good partly because of the pressure applied by MCF. The MCF has been demanding many times to the concerned authorities to make bridges over the rivers between Seling and Champhai into permanent ones and the works have been in progress at this time.

At present, the MCF has been working in collaboration with their counterparts across the Indo-Myanmar border to protect and preserve the natural environment as there is a scheme to preserve and protect the vast forest and natural habitats on either side of the border. This scheme they call it *Zotheihuan* and when the scheme is materialized the vast areas in and around the Indo-Myanmar border with Zokhawthar-Rih Sector as the epicenter, may become one of the most healthy environment of the international borders, thereby, attracting a large number of tourists and traders across the international border choosing this route. The MCF also is involved in repairing of the *Rih-Dil* (Rih-Lake) approach road. But in the case with Bangladesh border with Mizoram, the MCF could not make much head way. The MCF blames Bangladesh Government for the slow progress of Indo-Bangladesh border trade through the State of Mizoram.

**2.21 Haimual Border Trade Meeting:**

Haimual is only about 7 km away from Zokhawthar-Tiau town. It is a sub-town attached to the river Tiau that links Zokhawthar with Tiau
Bridge. At Haimual, Myanmar Trade and Commerce office is located. So, the Assistant Director of Haimual and Commandant Rihkhawdar convened border trade meeting with Champhai Syndicate on January 20, 2009. The main agenda in this meeting was to discuss the additional tradable items that have been put forward by India and Myanmar in the Indo-Myanmar Border Trade agreement. In the meeting, the assistant director trade and Commerce, Haimual stated that Myanmar has already allowed all the border trade to take place as per the rules and regulations enshrined in the Indo-Myanmar border trade agreement through Zokhawthar –Rih sector. He questioned why normal trade across the border cannot take place. Myanmar side in this meeting stated that barter trade is a system that has been practiced during the British period, and the Myanmarese do not want the system. Due to that Myanmar government is ready for normal trade. The Assistant Director of Trade and Commerce Haimual in Myanmar stated in the meeting that all the trade that has come through Haimual is normal. He said that at Haimual the goods are packed and make list of the goods and then taxes have been levied and after that they send the goods by motor to be delivered to the Rihkhawdar bank about 10 km from Tiau town, then the goods went to the Tiau immigration office to be finally delivered to Zokhawthar in Mizoram.

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119 Interview with H.B Manhleia President Champhai Import-Export Syndicate, who had attended the Haimual border trade Meeting on January 20, 2009. The interview took place on 17th February 2009 at Aizawl.