

Act East and Northeast

Prabir De

INDIA

States and Union Territories



North East India



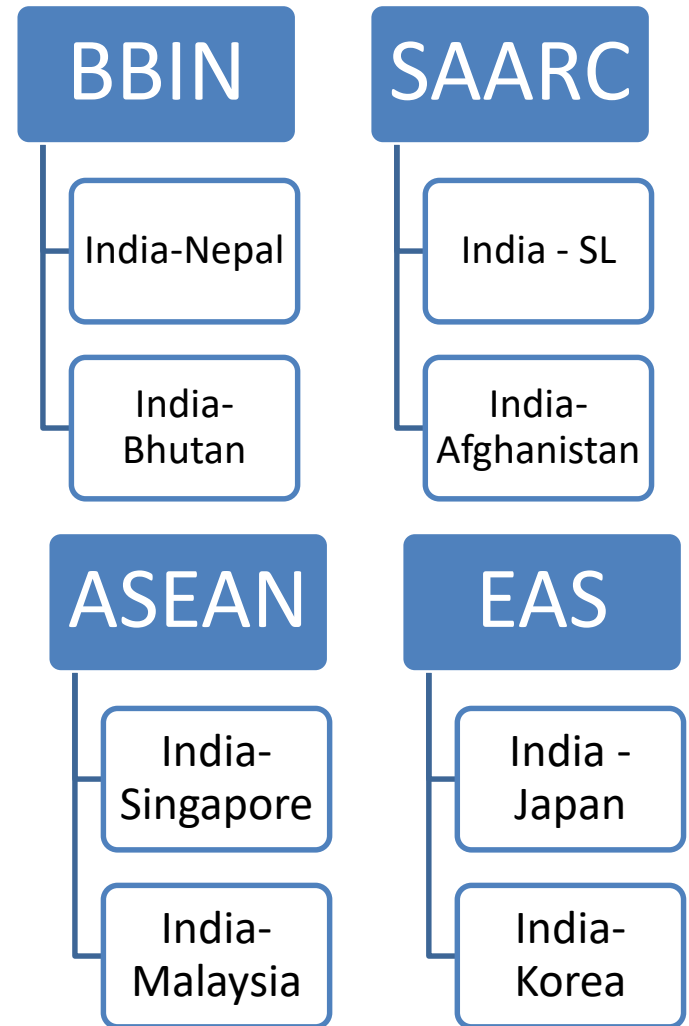
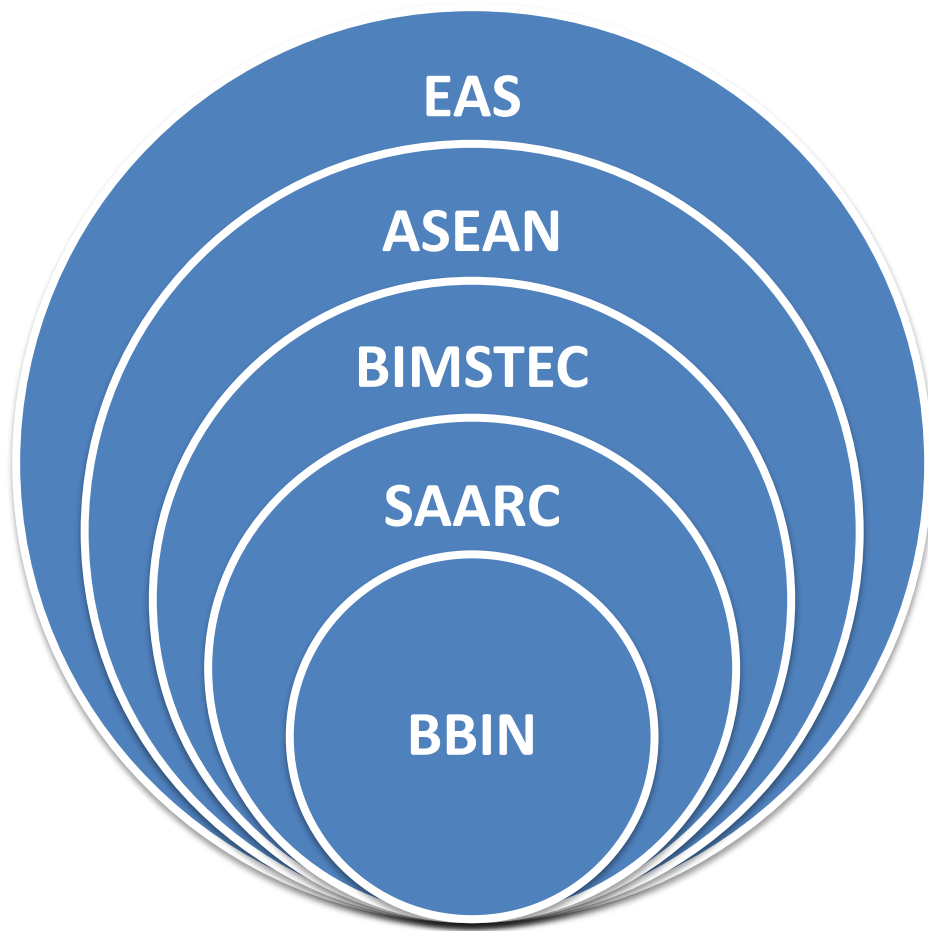
A new wind of change

- The new trade regime with ASEAN & EAS
 - 25% of India's global trade with EAS
 - India's border is connector
 - Vibrant Act East Policy and NER states getting engaged, albeit slowly
- Emerging scenario with AEP:
 - Strong bilateral (e.g. Bangladesh, Myanmar)
 - Emerging sub-regional (e.g. BBIN)
 - Working regional (e.g. ASEAN-India, BIMSTEC)
- NER holds the key to a larger integration between South and Southeast Asia

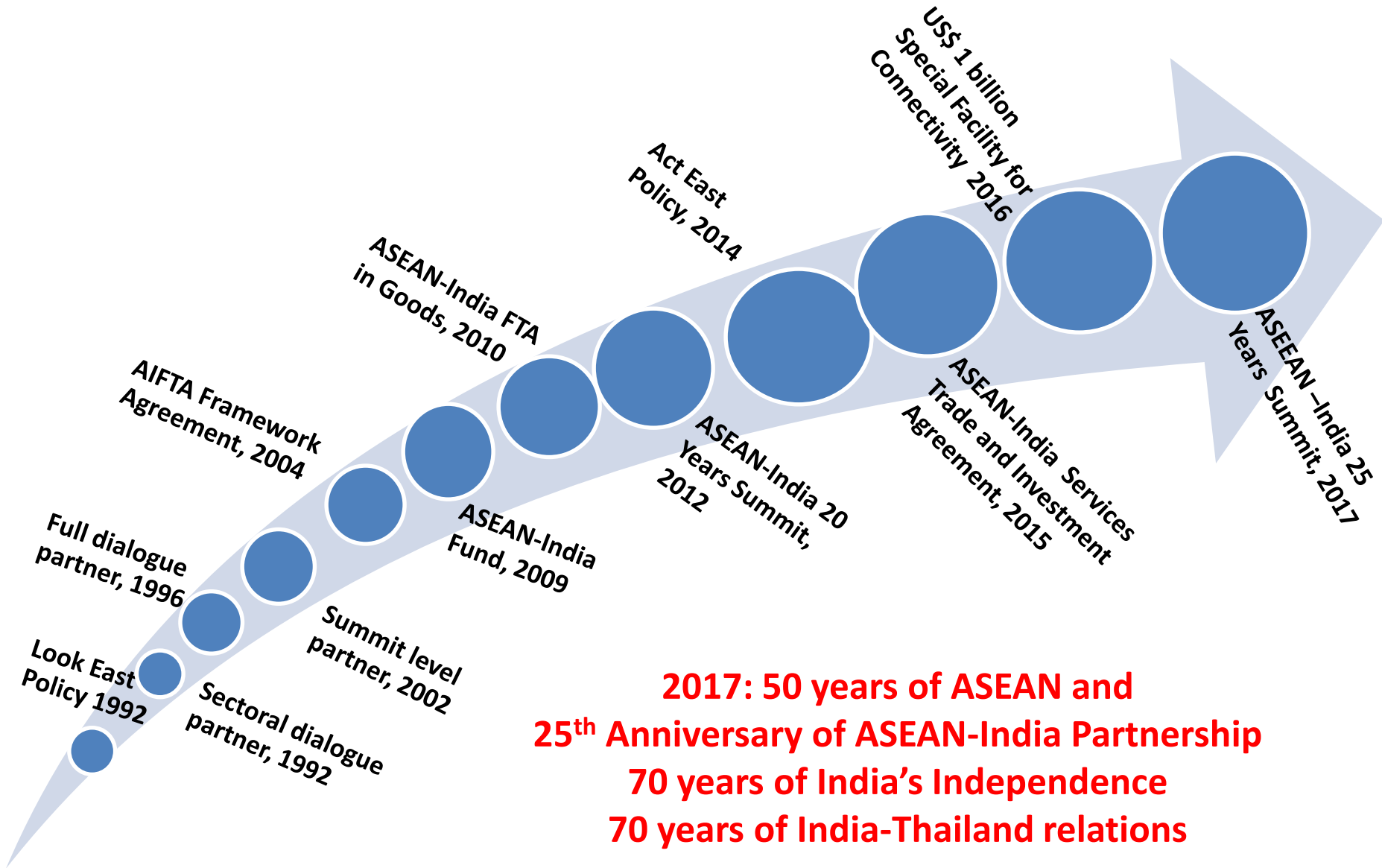
Strategic Pillars of Act East Vision

1. Strengthening infrastructure linkages
2. Facilitating trade, investment and tourism
3. Developing human resources
4. Protecting the environment and promoting the sustainable use of shared natural resources.

India's 'Neighbourhood First' policy



Major milestones crossed in last 25 years



India's trade with ASEAN increased by 25 times in last 25 years

	India's Export to ASEAN	India's Import from Import	India's Total Trade with ASEAN
	(US\$ million)		
1992 (Look East Policy)	1,222.96	1,541.77	2,764.73
2016	30,117.11	40,691.4	70,808.51
Growth (%)	14.28	14.61	14.47

*Calculated based on DOTS, IMF

Source: ASEAN-India Centre

India's trade with the Philippines

	2000	2010	2015
	(US\$ million)		
Export	187.83	804.09	1308.23
Import	61.3	396.76	513.57
Total	249.13	1200.85	1821.8

Source: DOTS, IMF

Connectivity is central to ASEAN-India strategic partnership

- ASEAN – India Eminent Persons Group Report 2012
- ASEAN – India Vision Statement 2012
- ASEAN-India Summit 2013
- Two major windows:
 - FTA (software) – e.g. RCEP, Single Window in Customs, a.o
 - » Paperless trade
 - Connectivity / services links (hardware) – e.g. Trilateral Highway, MIEC, a.o
 - » Seamless trade
- Connectivity in India on two structures:
 - National connectivity [DMIC, DFC, etc.]
 - Regional connectivity [TH, KMTTP, MIEC, etc.]
- India's regional connectivity with ASEAN follows two axis:
 - North East India [multimodal + intermodal type]
 - Southern India [multimodal]

Look East to Act East : What is new?

- ASEAN centrality
- Focus 3Cs – culture, commerce and connectivity
- Greater degree of action and dynamism
 - 30 official dialogues and 7 ministerial meeting between ASEAN and India every year
- Focus on digital links, value chains and production networks
- More business dimensions with greater involvement of SMEs, Start ups, a.o.
- Implementation of specific projects
 - US\$ 100 million PDF, US\$ 1 billion special facility to start with
- Getting support from countries from East
 - Joint Statement on India and Japan Vision 2025: Special Strategic and Global Partnership Working Together for Peace and Prosperity of the Indo-Pacific Region and the World(December 12, 2015)

Population share

States	Share in 2015 (%)
Arunachal Pradesh	0.120
Assam	2.583
Manipur	0.242
Meghalaya	0.259
Mizoram	0.098
Nagaland	0.173
Sikkim	0.050
Tripura	0.298
West Bengal	7.390

GDP share

State	Share in GDP, 2015-16 (%)
Arunachal Pradesh	0.148
Assam	1.654
Manipur	0.141
Meghalaya	0.188
Mizoram	0.112
Nagaland	0.145
Sikkim*	0.124
Tripura	0.228
West Bengal	5.310

Source: MOSPI, GOI

Share in export

	Share in export (2014-16), %
Arunachal Pradesh	0.002
Assam	0.110
Manipur	0.000
Meghalaya	0.028
Mizoram	0.000
Nagaland	0.001
Sikkim	0.001
Tripura	0.002
West Bengal	2.945

Source: Government of India

Income per capita

	In come per capita, US\$
Arunachal Pradesh	1576.27
Assam	810.76
Manipur	709.46
Meghalaya	1139.06
Mizoram	1299.02
Nagaland	1401.68
Sikkim	3011.90
Tripura	1189.55
West Bengal	1292.87
Delhi	3976.34

Source: MOSPI, GOI

Border as in NER

Trading with Bangladesh

NER State	Functional	Non-functional	Total
Assam	5	3	8
Meghalaya	8	2	10
Mizoram	0	1	1
Tripura	7	0	7
Total	20	6	26

Trading with Myanmar

NER State	LCS in India	LCS in Myanmar
Arunachal Pradesh	Nampong* (Pangsau Pass)	Pangsu
Manipur	Moreh	Tamu
Mizoram	Zokhawthar (Champai)	Rih**
Nagaland	Avangkhu***	Somara

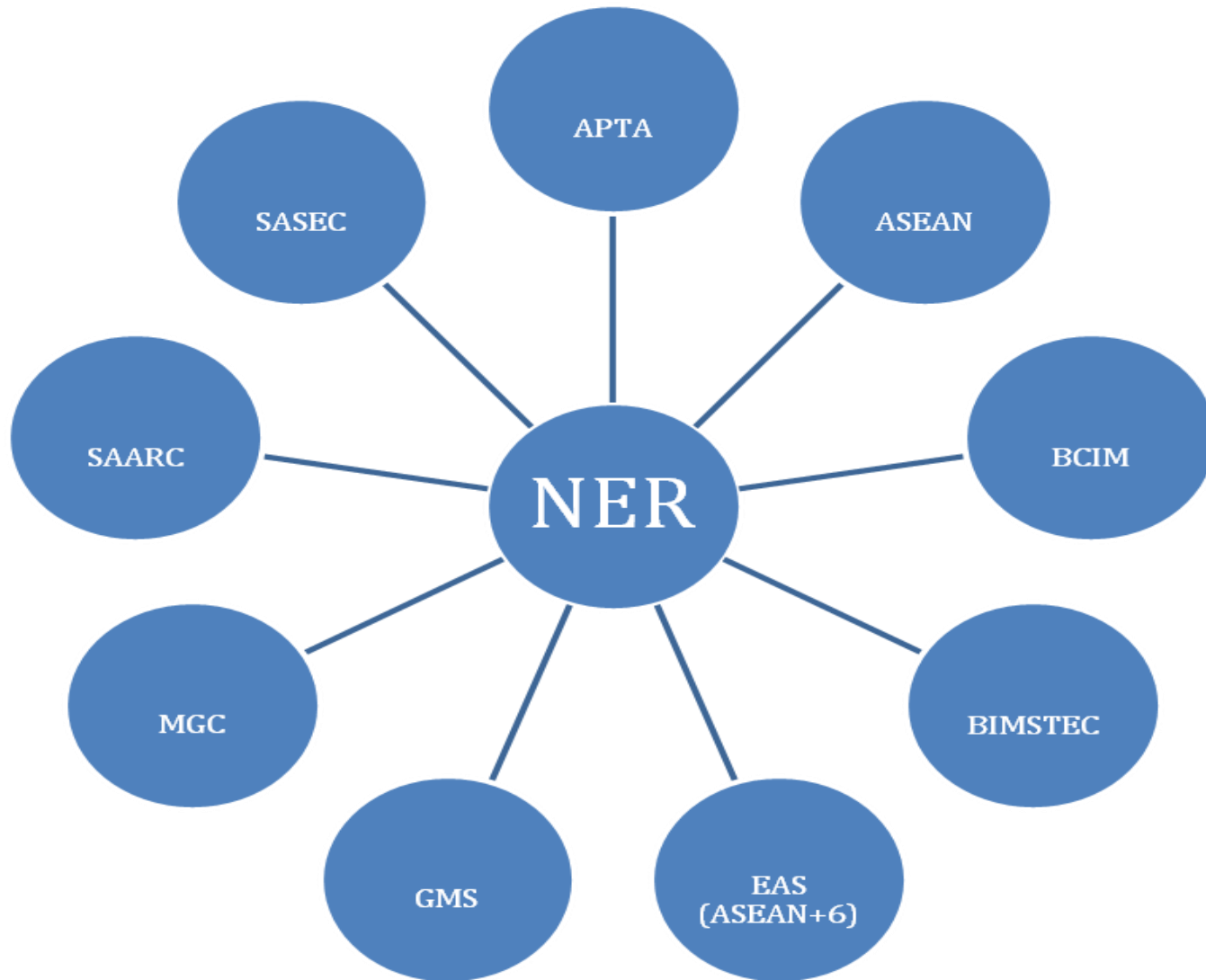
Source: De (2013) based on various Government sources

Border in NER, a cultural connector too!

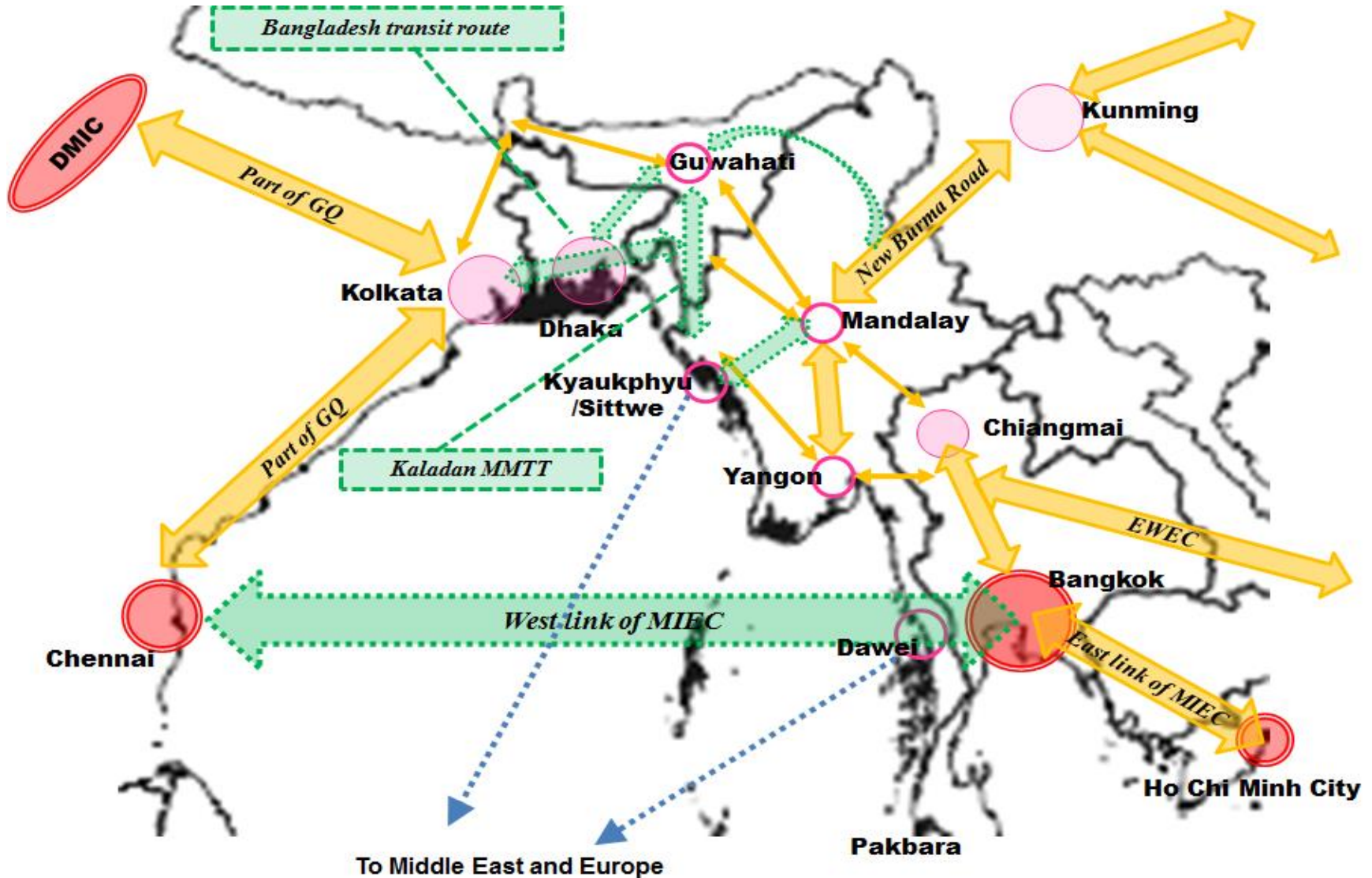
Lungwa village in Nagaland



Northeast India pivot to India's LEP/AEP



Emerging NER



Source: ERIA

Important connectivity projects at NER

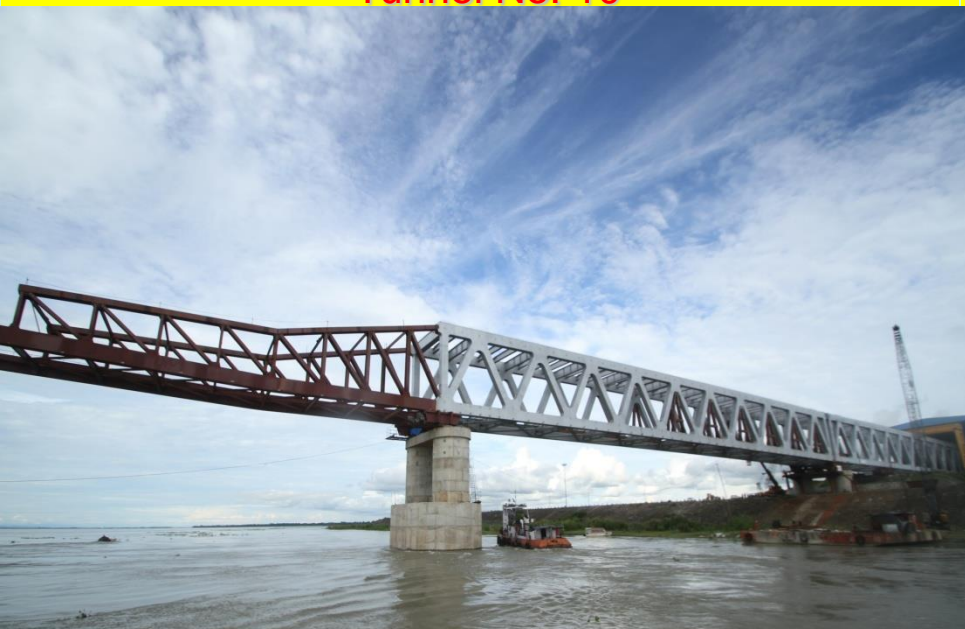
1. Kaladan Multimodal Transit Transport Project
2. India – Myanmar – Thailand Trilateral Highway and further extension to Cambodia, Lao PDR and Vietnam
3. Rih – Tidim Road in Myanmar
4. Imphal – Mandalay, Dhaka – Shillong – Guwahati bus and air services
5. Sittwe economic zone, Port and IWT
6. India – ASEAN digital link
7. Integrated check posts (ICP): Moreh / Tamu (ongoing)
8. Border connectivity projects



Tunnel No. 10



Tunnel No. 18



Bogibeel Bridge- View of 2nd Girder Resting at P2 on 12.7.14.



Bogibeel Bridge- View of South Road Viaduct from Tail End

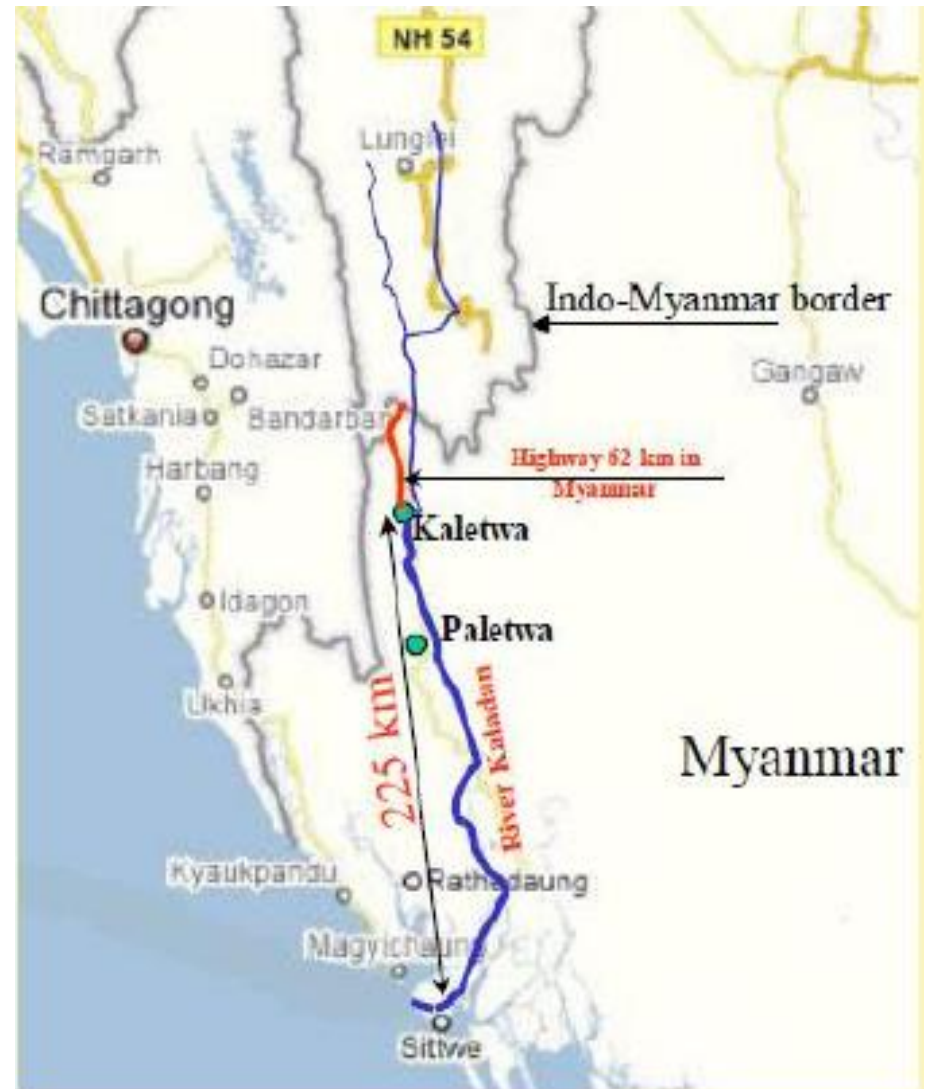
India – Myanmar-Thailand Trilateral Highway



- Highway links Moreh (in India) with Mae Sot (in Thailand) through Mandalay (in Myanmar)
- The alignment of this trilateral highway falls within the AH 1 and 2, being pursued by UNESCAP.
- Border Roads Organisation (BRO) upgraded the Tamu-Kalewa-Kalemyo (TKK) road (160 km) in Myanmar at a cost of about US\$ 27.28 million.
- Development of new roads between Kalewa to Yargi ongoing
- Rehabilitation/ reconstruction of weak or distressed bridges (69)
- The target deadline of opening the highway is 2020

Kaladan Multimodal Transit Transport Project

- Piloted and funded by MEA
- Project area entirely in Myanmar.
- Transport infrastructure components planned originally
 - Port/IWT development between Sittwe and Kaletwa along Kaladan river
 - Road from Kaletwa to Indo-Myanmar border (*Mizoram*)





Kaladan Multimodal Transit Transport Project

Aizawl

Lawngtlai

Myeikwa
(IM Border)

Kaletwa
(Ch 225 km)

Paletwa
Ch. 158 Km

Kyauktaw

Sittwe
Ch. 0.0 km

Road in India

Road in Myanmar

I W T

Bay of Bengal

NH 54

Kaladan River

I N D I A

B A N G L A D E S H

I N D I A

M y a n m a r

Dacca

Kolkata

Chittagong

Aizawl

Lungle

Myeikwa

Kaletwa

Paletwa

Kyauktaw

Sittwe

Road in India

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Kaladan River

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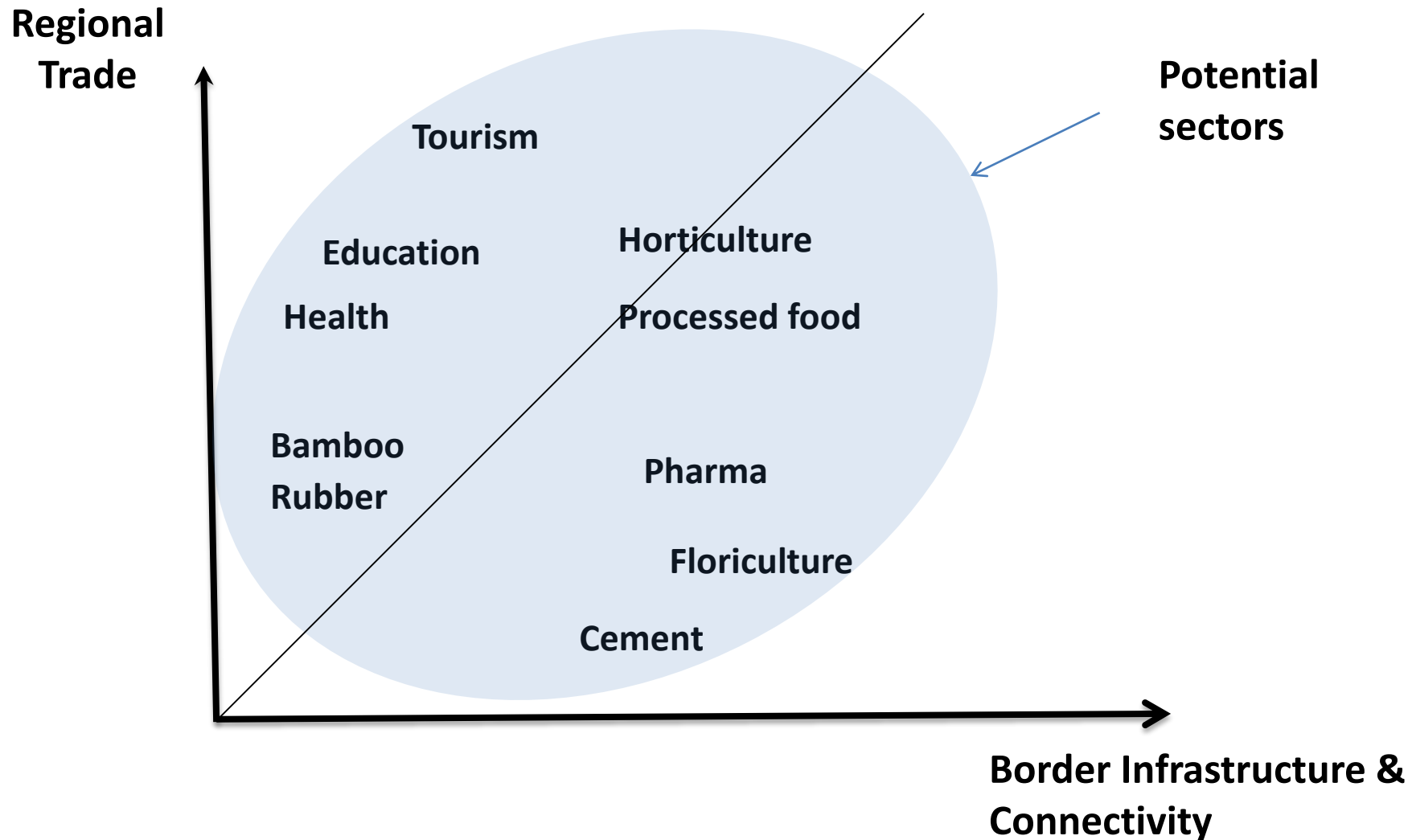
Kaletwa

Paletwa

Kyauktaw

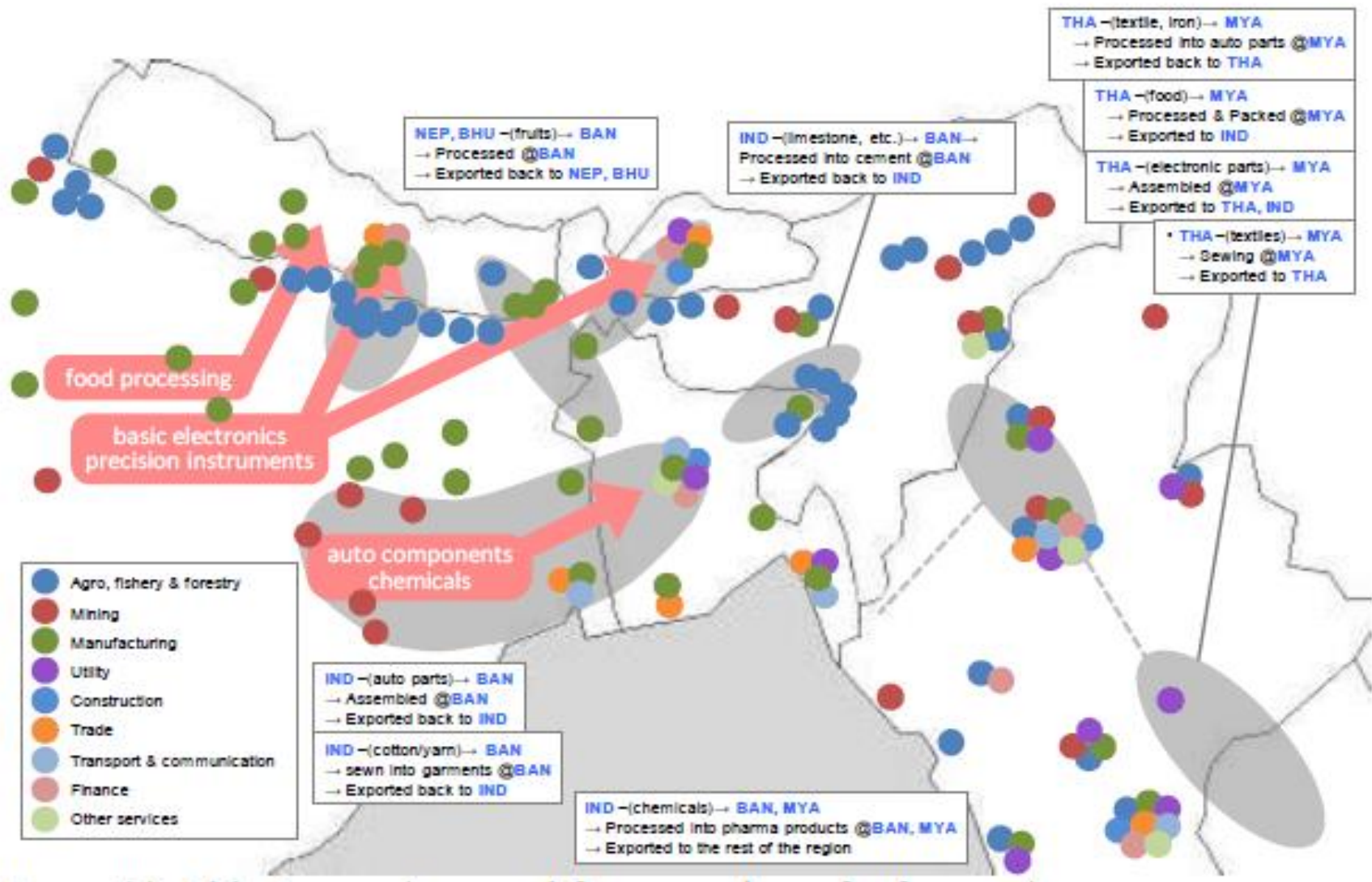
Sittwe

Border infrastructure and value chains in NER with ASEAN and Bangladesh



Source: Prabir De (2017)

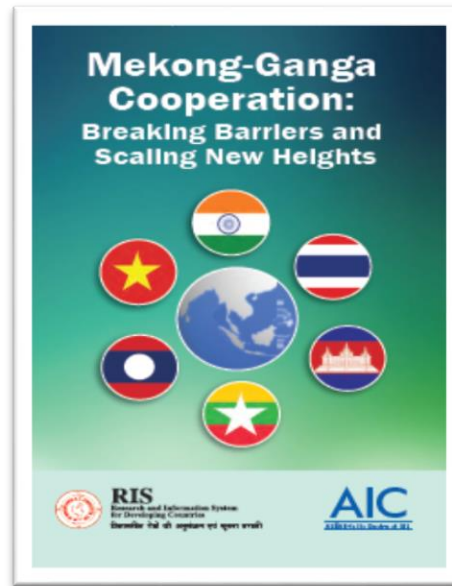
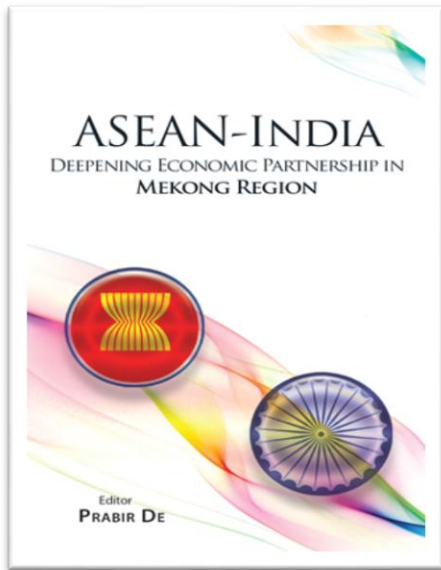
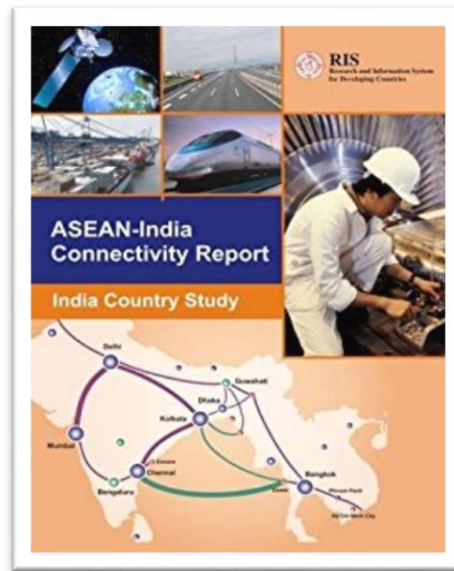
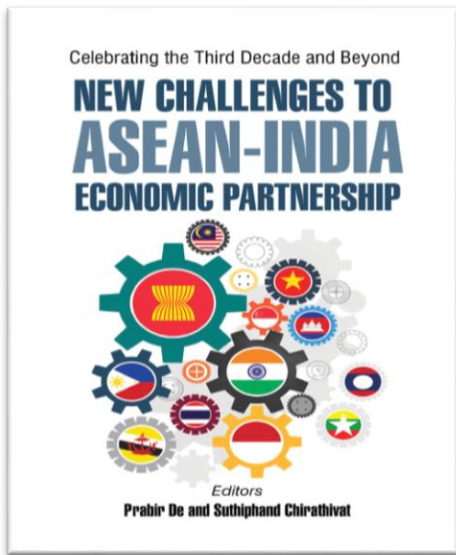
Potential of regional value chains



Source: JICA, March 2014

Concluding remarks

- Continue with connectivity projects
 - Border infrastructure
 - Energy linkages
 - Transport services (air, shipping, logistics)
- Training and capacity building
- Priority – TH, Kaladan, Extension of TH, MIEC
- Private-sector's engagement in connectivity development in CLMVT (MGC)
- Islands connectivity between ASEAN and India – cruise, ro-ro, tourism, etc
- Grand plan
 - Indo-pacific: BIMSTEC and ASEAN
- India and Philippines partnership to reinforce the ASEAN-India partnership



Thank you

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