

Chapter 5

Perspectives from the North Eastern Region of India

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Chapter 5

Perspectives from the North Eastern Region of India¹

The North Eastern Region of India (NER), consisting of the states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, and Sikkim (Figure 5.1), is India's natural resource powerhouse. The region is endowed with not only vast natural resources, such as oil, natural gas, and hydro power, but also agro-climatic conditions that have been helping the region to grow some of the country's best agro-forestry products. A well-educated labour force, relatively high literacy rate, and access to clean water are some of its unique strengths over other Indian states. In addition, the NER is surrounded by an international border, serving as India's gateway east. However, against these strengths, there are weaknesses and threats emanating to a large extent from the difficult terrain of the region and inadequate infrastructure (Sarma and Bezbaruah, 2009). These pose some of the greatest constraints to economic growth, thereby nullifying the NER's border advantage. Transport and logistics bottlenecks have also long been identified as serious constraints to the growth of the NER.²

Overall, trade and transportation infrastructure in the NER is dominated by the distribution of goods and products that are sourced mostly from the rest of India. The region lags behind the rest of India in its pace of economic growth and has a relatively small regional market.³ Trade has a special significance for the economies of the NER states. The growth potential is considerably high in the NER when one takes account of its geographical proximity to the growing Southeast Asian and East Asian markets. Given its geographical location, enhanced engagement with the Association of Southeast Asian Nations (ASEAN) under the Act East Policy (AEP) may generate new economic opportunities, thereby fuelling growth in the NER, *ceteris paribus*.⁴

The NER is central to the AEP. The AEP is designed to provide economic opportunities to the NER to benefit from its vast border and vibrant neighbours. The NER's value chain potential can be

¹ This chapter is a summarised and re-structured version of De et al. (2020), and the focus is placed on the perspective of India. Some sections in De et al. (2020) are used in other relevant chapters of this report.

² See, for example, De (2011), Brunner (2010), RIS (2012a), and De and Kunaka (2019).

³ The total population is about 46 million (2011 census), with 70% living in Assam alone.

⁴ See, for example, Kathuria and Mathur (2019).

unlocked if border infrastructure and transportation networks, in particular, are improved.⁵ In other words, the improvement of border infrastructure coupled with enhanced transportation networks with Southeast Asia may provide new economic opportunities to the NER (Sarma and Choudhury 2018).

Figure 5.1. The Northeastern Region of India



Source: Maps of India (www.mapsofindia.com).

To strengthen the connectivity between India and ASEAN, the Trilateral Highway (TLH) between India, Myanmar, and Thailand is being developed, and there is a plan to extend the TLH to Cambodia, the Lao PDR, and Viet Nam.⁶ Completion of the TLH is likely to facilitate the faster movement of goods and people between India and ASEAN⁷ and add growth impetus to the NER (De et al. 2019).

⁵ See De and Majumdar (2014), Singh (2020), and Das (2020).

⁶ At the ASEAN-India Informal Breakfast Summit on 15 November 2018, the Leaders welcomed India's proposal for a study by the Economic Research Institute for ASEAN and East Asia (ERIA) on developing an economic corridor along the TLH and the feasibility of its extension to Cambodia, the Lao PDR and Viet Nam.

⁷ See Kimura and Umezaki (2011), Kumagai and Isono (2011), De (2016), to mention a few.

The aim of this chapter is to shed light on the economic principles underlying the NER market and to offer new ideas on how its potential can be better exploited by developing the TLH. As the NER will be at the forefront of the TLH on the Indian side, this study assesses the status of the economic linkages of the NER to identify the constraints behind and at the India–Myanmar border, and recommends policy measures to augment the linkages between the NER and Southeast Asia.

5.1. Rationale of an Integration Synergy for the NER

The NER is a US\$43 billion economy, contributing about 2% to India’s gross domestic product (GDP). Assam is the largest economy in the NER, comprising 57.0% of the GDP of the NER as a whole (Table 5.1). Services are the mainstay of the economies of the NER, accounting for 62% of GDP and a major source of employment and livelihood in the region. Except for Sikkim, the NER states are services-driven, which is very much consistent with the national trend. The agriculture sector comprises almost 27.3% of GDP, which is another lifeline to the NER economy.

Table 5.1. Economic Profile of the NER

	Per Capita NSDP ⁽²⁾ FY2017/18		NSDP ⁽²⁾ FY2017/18		Share of GSDP FY2016/17			CAGR of NGDP FY2011/12- 17/18
	USD	Ratio	USD bil.	Share in NER	Agriculture	Industry	Service	
Arunachal Pradesh	1,528	1.00	2.29	5.3%	38.8%	3.8%	57.4%	6.7%
Assam ⁽¹⁾	782	0.51	24.45	57.0%	30.7%	14.6%	54.7%	6.2%
Manipur	785	0.51	2.48	5.8%	16.8%	3.4%	79.8%	5.9%
Meghalaya	989	0.64	2.91	6.8%	27.3%	6.9%	65.9%	1.6%
Mizoram	1,591	1.04	1.87	4.4%	30.0%	0.9%	69.2%	10.6%
Nagaland ⁽¹⁾	948	0.62	1.94	4.5%	29.7%	1.6%	68.7%	4.7%
Sikkim	3,074	2.00	2.10	4.9%	7.8%	48.1%	44.1%	6.2%
Tripura	2,151	1.40	4.84	11.3%	37.1%	5.6%	57.3%	10.6%
NER ⁽³⁾	1,481	0.97	42.88 ⁽⁴⁾	100.0%	27.3%	10.1%	62.1%	6.5%
India	1,534	1.00	2,018.60	-	20.3%	17.8%	61.9%	6.7%

Notes: (1) Values for 2016–2017; (2) taken at constant prices at base 2011–2012; (3) simple average of the eight NER states as applicable; and (4) total of NER states. NSDP, GSDP, NGDP, and CAGR stand for net state domestic product, gross state domestic product, nominal gross domestic product, and compound average growth rate, respectively.

Source: Calculated based on *The Economic Survey of India*, Ministry of Finance, Government of India and *The Handbook of Statistics on Indian Economy*, Reserve Bank of India.

In contrast, industry has a small share in the NER economy (10.1%). The existing industries of the NER include coke and refined petroleum products, food products, and a range of manufactured products, including wood, furniture, beverages, pharmaceuticals, metal products, rubber, and plastics products.⁸ Industries requiring large-scale production, such as petrochemicals, cement, steel, and sugar, are not present despite the fact that the region is a rich source of the basic raw materials required as inputs for such industries.

The per capita income of the entire NER is slightly below the national average, with a ratio of 0.97 of the national average (Table 5.1). In terms of per capita income, Sikkim is the richest state in the NER, followed by Tripura and Mizoram, with per capita income ratios to the national average of 2.00, 1.40, and 1.04, respectively. The economic growth of most of the NER states is growing close to the national average growth rate (6.7%), with the exceptions of Mizoram (10.6%) and Tripura (10.6%). Today, the rise in construction of public utilities in the NER is, thus, a manifestation of the NER's growth. The NER presently witnesses the construction of roads and highways, bridges, railways, airports, land ports, and many such projects (NITI Aayog, 2018).

However, the NER suffers from infrastructure deficits. The region requires more quality infrastructure, both physical and social. A high level of infrastructure investment is a precursor to economic growth (Barro 1990). The scatter diagram in Figure 5.2 shows a positive association between road density and per capita income amongst the Indian states, thereby suggesting enormous scope for further improving the income level of Indian states with higher capital accumulation. At the same time, the NER lags behind other Indian states in terms of technological progress and capital accumulation, which are essential for growth and development. The NER's capital accumulation base is abysmally low, and technological progress is rather slow. Infrastructure investment is, therefore, needed not only to build the national infrastructure but also to strengthen its capital accumulation.⁹

On the supply side, strengthening the NER's current level of trade and economic linkages with neighbouring countries will require infrastructure and institutional support, which, gradually, will facilitate growth and remove the region from economic isolation (Figure 5.3). Investment in

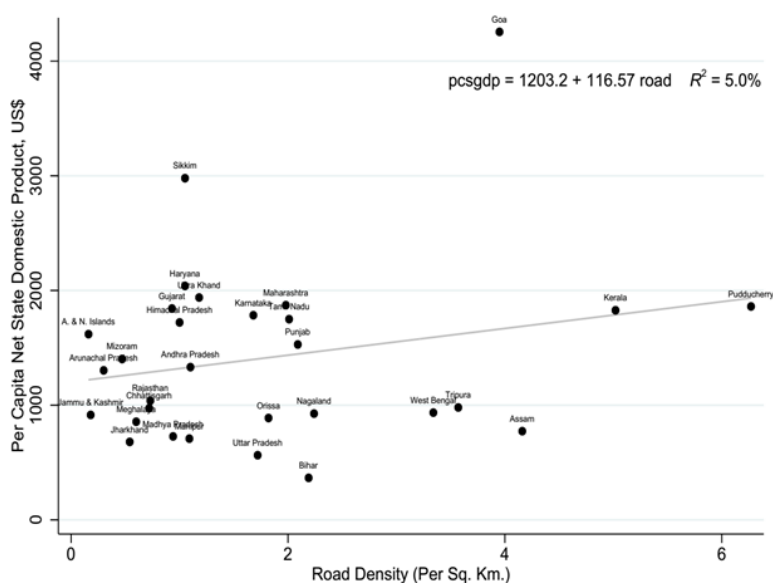
⁸ Based on the NEC Databank.

⁹ Several studies argue that the NER needs major improvements in its border infrastructure, particularly to facilitate trade and investment with Bangladesh and Myanmar. See, for example, Das and Purkaystha (2010), RIS (2012a, 2012b), De and Ray (2013), De and Majumdar (2014), Dutta (2015), and Das (2020).

physical and institutional infrastructure may augment production, both within and across borders, and enhance the growth of the region.

Considering the above, building infrastructure networks, such as the TLH and its potential extension to the Mekong subregion, may facilitate trade and integration between India and Mekong (CLMV-T) countries. The synergy between them may enable the NER to realise the benefits of economic integration and generate new growth potential.

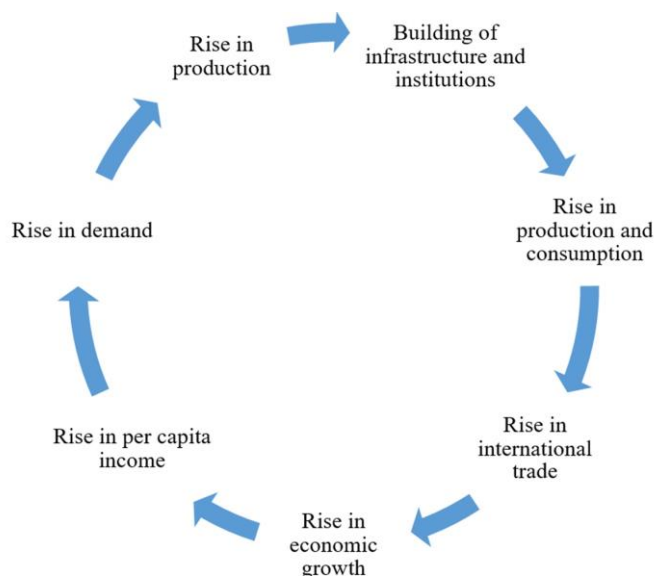
Figure 5.2. Per Capita Income and Infrastructure Development (FY2016/17)



Notes: Values for FY2016/17 taken at constant prices at base FY2011/12.

Source: De et al. (2020), originally based on *the Handbook of Statistics on Indian Economy*, Reserve Bank of India and National Highway Authority of India (NHAI).

Figure 5.3. Removing Economic Isolation: Development Cycles for the NER



Source: De and Majumdar (2014).

5.2. The TLH and the Eastward Extension

Enhancing connectivity between ASEAN and India is a major thrust of ASEAN's Master Plan on ASEAN Connectivity (MPAC) 2025 and India's Act East Policy (AEP). In order to foster regional cooperation and integration through deeper economic relations and people-to-people linkages, it is important to establish well-designed connectivity for the region by developing strategies to enhance economic, industrial, and trade relations between India and ASEAN. The current foundations of ASEAN-India connectivity need to be updated and synced with the progress in physical connectivity within ASEAN and between India and ASEAN. In this context, the ongoing connectivity project of the TLH between India, Myanmar, and Thailand and the potential extension towards Cambodia, the Lao PDR, and Viet Nam would enable the increased exchange of goods, services, and movement of people between India and ASEAN. In addition, connecting India's NER with Southeast Asia would contribute to higher trade and investment, strengthen regional value chains, create jobs, and bring greater people-to-people contact, amongst others, and would further strengthen the relationship with Myanmar in enhancing ASEAN-India connectivity.

(1) The Trilateral Highway

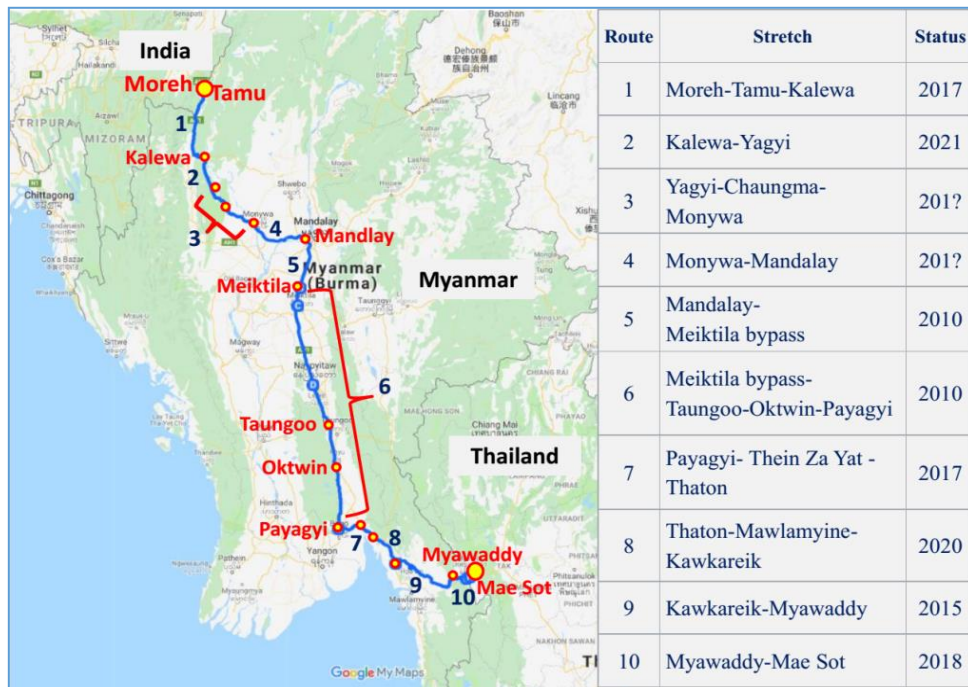
The TLH project involves the construction of a 1,360 km highway connecting Moreh in Manipur to Mae Sot in Thailand through Myanmar. The cost of construction is estimated at US\$140 million. The TLH is further proposed to be extended to Cambodia, the Lao PDR, and Viet Nam.

(2) India–Myanmar Friendship Highway

The India–Myanmar Friendship Highway (IMFH), or the Tamu–Kalewa–Kalemyo Road, was inaugurated in 2001. The road, built entirely by India, was a gift to Myanmar and is part of the Asian Highway. The IMFH was built by the Border Roads Organisation (BRO) and was transferred to the Government of Myanmar in 2009. The related agreements between India and Myanmar suggest that India would widen and repave the existing roads in the area, while Myanmar would upgrade the single-lane bridges along the route. Myanmar, however, was unable to carry out the upgradation work. In 2012, India agreed to repave the existing highway and upgrade all 70 weak or old bridges along the road, of which only one has been repaired by Myanmar till date. The remaining 69 bridges in the Tamu–Kyigone–Kalewa section (149.70 km) of the highway and upgrading of the Kalewa–Yargyi section (120.74 km) are being undertaken by India. This is a part of the TLH, which is likely to be completed by May 2021. The route of the TLH is as follows (Figure 5.4): Moreh (India)–Tamu–Kalewa–Yargyi–Monywa–Mandalay–Meiktila Bypass–Taungoo–Oktwin–Payagyi–Theinzayat–Thaton–Hpa-An–Kawkareik–Myawaddy–Mae Sot.¹⁰

¹⁰ The alignment is based on the information provided by the Ministry of External Affairs, the Government of India, during the course of the study.

Figure 5.4. India–Myanmar–Thailand Trilateral Highway Route



Source: Drawn by ASEAN–India Centre, Research and Information System for Developing Countries (AIC–RIS).

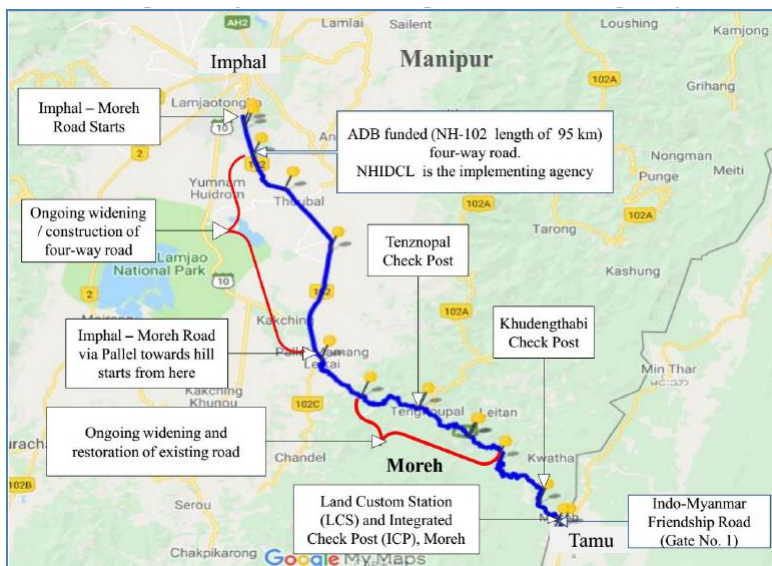
The National Highway Authority of India (NHA) has issued a letter of award to the Punj Lloyd and Varaha Infra joint venture for the construction of a two-lane highway in the Kalewa-Yargyi section of the TLH. The 122 km road is estimated to cost Rs11.20 billion. The project is funded by the Ministry of External Affairs, Government of India. Of a total road length of 122 km, about 20–25 km of the road fall in the hilly terrain. The project was commenced on 28 May 2018 and is expected to be completed by 2021. The contractors under NHA supervision will carry on the maintenance of the road until 2028. So far, they have made 11% progress in the project.¹¹ The project is primarily focused on improving the curves, which would reduce the length by 50 km and also reduce the travel time by 1–2 hours from the present 6–7 hours and also increase the speed of trucks by 80 km per hour.

¹¹ As of May 2019, based on RIS Survey (2019).

(3) Imphal–Moreh Highway

The Government of India and the Asian Development Bank (ADB) signed a US\$125.2 million loan, which has been used for the upgrade of roads in India’s Northeast. National Highway and Infrastructure Development Corporation Limited (NHIDCL) is implementing the ADB-funded highway project between Imphal and Moreh (Figure 5.5). The total estimated cost is Rs11.88 billion. The loan agreement amount between ADB and the Government of India is around US\$160 million. The length of the road (NH-102, which used to be known as NH-31) is 110 km. The construction of the first phase (Point 330 to Point 350) is under the tendering process. The construction of the second phase (Point 350 to Point 395) is ongoing. For the construction of the third phase (Point 395–Moreh Border), the loan has not yet been sanctioned. The construction of the second phase is likely to be completed by October 2021, whereas the first and third phases are likely to be completed by 2022. The Gurgaon-based GR Infrastructure has been awarded the construction of the second phase of the highway.

Figure 5.5. Project Status of the Imphal–Moreh Highway



Source: RIS Survey (2019).

There are issues regarding the ongoing construction of the project; for example, land acquisition in some of the places between Imphal and Pallel. Another example is the old bridge (known as Lilong Bridge), which is a single lane at Lilong Bazar that is heavily congested and has to be reconstructed. Similarly, the bridge at Thoubal (Thoubal Bridge) and Wangjing is too narrow and

has to be widened. The second phase of the ADB project starts from this location (Figure 5.5). The road construction under the ADB project from Kaching to Pallel Bazaar is ongoing. The hilly terrain starts from Pallel, while the bridge at Pallel Bazaar needs replacement. Also, on the hill between Pallel and Moreh, there used to be seven check posts, but now there are only two check posts in operation. The first vehicle check post is located at Tengenoupal, and the second check post is located at Khudengthabi. At the second check post, Assam Rifles has introduced a cargo scanner for goods to be imported through Moreh and transported to Imphal. Under this project, there are plans to build a 2 km bypass in Moreh to avoid the congested part of the Moreh town. The bypass will connect NH-102 straight to the India–Myanmar Friendship Bridge. The Imphal–Moreh road connects the Integrated Check Post (ICP) at Moreh, which is close to the Indo–Myanmar Friendship Road at Gate No. 1. The current speed of vehicles is 40 km in the valley and 20 km on the hill. Once the project is completed, the speed will be enhanced to 100 km in the valley and 65 km on the hill for passenger vehicles.

(4) Road Networks between Imphal and Moreh to Major Growth Centres in the NER

In the last 3–4 years, several road connectivity projects have been taken up in the NER under the Bharatmala project and economic corridor schemes. Under the Bharatmala Pariyojana, about 5,300 km of road will be developed as border roads and international corridors. Of this, about 2,000 km has been implemented under Phase 1 from October 2017 onwards. It is expected that by 2023, almost 80%–90% of the road connectivity in NER under Bharatmala Pariyojana would be completed. It is important to consider the internal connectivity of the northeast to the border town of Moreh in Manipur. Moreh is connected with Imphal by NH-39. National Highways 36, 37, and 39 connect Imphal with Guwahati, which is the main hub of the NER (Figure 5.6). The journey from Imphal to Guwahati at present takes about 12 hours, with many sections of the road being in disrepair. Another option for travelling from Imphal to Guwahati via Haflong is also being considered, which is a shorter but more difficult route. Suggestions for upgrading the Imphal–Silchar road have also been considered. In fact, a Detailed Project Report (DPR) is under preparation for road connectivity between Imphal and Dimapur. Road connectivity between Imphal and Silchar is good, and the expansion of two small bridges and one large bridge is ongoing. Internal connectivity is vital for boosting bilateral links, and considerable attention should be given to this by both the state and central governments.

Figure 5.6. Growth Centres in the NER



Source: National Highways and Infrastructure Development Corporation (NHIDCL).

The National Highways and Infrastructure Development Corporation (NHIDCL) has been awarded to complete the construction and maintenance of the National Highways in the NER. NHIDCL is also working to improve the roads between Imphal–Kohima and Imphal–Jiribam. Additionally, NHIDCL is implementing an Aizawl–Tuipang (NH 54) road connectivity project of about Rs67.21 billion, which is being funded by the Japan International Cooperation Agency (JICA). The project has realigned the existing 250 km and stretches for about 380 km in length. The project was approved in March 2019 and is proposed to be carried out through eight packages. So far, two packages have been signed, and the rest of the packages have been initiated for signing. The project is implemented under the Engineering Procurement Construction (EPC) mode through different contractors.¹² There is a possibility of connecting the TLH with the Kaladan Project.

¹² Letter of Agreement (LoA) issued for seven phases in EPC mode: one package for Gammon; three packages for ABCI; two packages for Bhartya; and one package for National Project Construction and Cooperation (NPCC).

Imphal can be connected with Aizawl by road via Churachandpur and Tipaimukh in Manipur.

There are many challenges: (i) land acquisition and encroachment are a main challenge for development and highways. Although land can be acquired by NHIDCL, it requires the support of the respective state governments to take over the land for the road construction project; (ii) unlawful activities of insurgent groups, particularly between Imphal and Jiribam and between Imphal and Dimapur; (iii) high replacement costs of standing structures/horticulture/forest land; and (iv) a lack of cooperation from state line departments.

(5) Imphal–Mandalay Bus Service

The proposed bus service is expected to take 14 hours to cover the 579 km distance between Imphal and Mandalay. The initial proposal for the bus service was submitted to the Ministry of Road Transport and Highways and the Ministry of Development of North Eastern Region in 2009. The Imphal–Moreh section of the road is about 110 km, while the section from Moreh to Mandalay is about 469 km. The memorandum of understanding (MoU) for the bus service between India and Myanmar was amended in 2012, and in 2014 a technical committee meeting was held for the second time. A joint special team by members of both countries was formed and it was found that the road between Imphal to Moreh is in good condition, but the route from Moreh to Yargyi is not in good condition. There are three routes proposed for the bus service, of which the second route is not usable during the rainy season, while in the first route, there are about 70 bridges in the Yargyi–Kalewa section that need repair. In 2014, Route 1 from the three options was finalised, and the service was expected to begin in 2019 (Chaudhury and Basu, 2015). Finally, an MoU was signed between Yangon-based Shwemandalar Express and Imphal-based Seven Sisters Holiday on 14 February 2020 for the commencement of a bus service between the two neighbouring countries by April 2020 (Myanmar Times 2020). According to the MoU, the Shwe Mandalar Express will provide services from Mandalay to the border town of Tamu in Chin State, and Seven Sister Holidays will provide services from Tamu to Moreh and Imphal. The journey from Mandalay to Tamu will take about 11 hours, while the journey from Tamu to Imphal may take about 2 hours, with about an hour for security clearances at Tamu–Moreh, making a total 14-hour trip. Once the road repairs are completed in India and Myanmar, the trip from Mandalay to Imphal will take only 5 hours. Tour operators in Imphal have suggested that following Dhaka–Kolkata or Agartala–Kolkata bus services, immigration and check-in should

be done on an end-to-end basis, which will drastically reduce the commuting time between the two cities.

(6) Rail Connectivity

Establishing rail connectivity with Myanmar is important, both in terms of increasing bilateral commerce and improving people-to-people contact. Rail links will significantly reduce journey times, especially for longer-distance cargo and passengers. With India, a study for a rail link from Jiribam in Manipur to Mandalay in Myanmar was conducted by RITES in 2005. According to this study, the total length of the rail line from Jiribam to Mandalay is 885.4 km, out of which the length of the Jiribam–Imphal–Moreh route is 219 km and the length of the Tamu–Kalay route is 127.4 km. This rail project is part of the southern corridor of the Trans-Asian Railway network.

Within India, there is no rail link between Jiribam and Moreh, while on the Myanmar side there is also no link between Tamu and Kalay. Connectivity between these points in the respective countries would contribute to increasing communication and commerce. The Jiribam–Tupul–Imphal broad gauge line is expected to be completed by 2020. The route involves several minor and major bridges and tunnels, of which a special feature is the construction of Bridge No. 164, which has a pier height of 141 metres and is the tallest girder rail bridge in the world (Financial Express, 2018). An initial survey of a broad gauge rail link between Imphal and Moreh has already been completed by the North East Frontier Railway (Chaudhury and Basu, 2015). International bodies like the JICA and the Korea International Cooperation Agency have shown interest in improving the railway system in Myanmar.

(7) Air Connectivity

Air connectivity between India and Myanmar needs to be improved to promote religious and medical tourism. For instance, people from Myanmar are interested to visit Bodh Gaya. The present air connectivity is a direct flight from Kolkata to Yangon and between New Delhi to Yangon via Gaya. During the months of October–March every year, Myanmar Airways and another privately operated service, Myanmar Golden Airlines, operate flights three times a week from Yangon to Gaya for the Buddhist pilgrimage in Myanmar (Myanmar Times, 2019). Myanmar Airlines is slated to begin a new flight on the Kolkata–Bodh Gaya–Yangon route, mainly targeting religious tourism. Meanwhile, the Indian Diaspora is concentrated mainly in Yangon and Mandalay and employed in various fields like education, trade and commerce, and civil services.

Many families are engaged in the trading business, and having families in India and Myanmar. Indigo has recently started daily flights between Kolkata and Yangon.

Air connectivity will play an important role in fostering multi-modal connectivity in the region. According to an RIS Study, 'with Imphal now becoming an international airport, it will be important to include it as an option in the Bilateral Air Services Agreement to enable airline companies to consider operating flights between Imphal and Mandalay. Likewise, by the time the Zokhawthar border trade point begins to show greater levels of activity and the Rhi-Tiddim road gets going, flights from Aizawl to Kalemmyo and Mandalay would help in further promoting trade. It has already been indicated that the Myanmar government would be further strengthening the Kalemmyo airport' (RIS, 2014: 42).

There is no flight between Imphal and Mandalay or Imphal and Yangon. There are nine flights between Mandalay and Yangon. It is possible to connect Imphal with Mandalay and Imphal with Yangon by air, and there was a trial run in the past. Air KBZ and KB Enterprises are likely to start flights between Imphal and Mandalay. The Government of India may consider extending E-visas to Myanmar citizens for coming to India through Moreh and Tamu. In addition, a visa collection centre may be set up at Moreh and Tamu. Direct air connectivity between Imphal and Mandalay is likely to be started soon.

(8) Digital Connectivity

Myanmar has set up cross-border fibre optic links with many of its neighbouring countries, including India. The first cross-border fibre optic link between India and Myanmar was set up in February 2009, running from Moreh in Manipur to Mandalay in Myanmar, for a distance of 500 km. The 640 km link passes through Tamu, Kambatwa, Kyi Gone, Shwebo, Monywa, and Sagaing. The optical fibre link is a high-speed broadband link for voice and data transmission (Global Times, 2017).

5.3. Developmental Impacts of the TLH on the NER India

(1) Benefitting from Trade-Development Linkages

The extension of the TLH to Cambodia, the Lao PDR, and Viet Nam may further strengthen road connectivity between the NER states and Southeast Asian countries. The operationalisation of the TLH would have immediate impacts on businesses and commercial activities in the Moreh–Tamu area at the India–Myanmar border as spin-off effects of the improved connectivity, and, hence, lead to the faster transportation of goods between Moreh and Imphal on the Indian side of the border and subsequently to the Myanmar side. As a result of the reduced cost of transportation and faster processing of documents at the ICP Moreh, Indian exports to Myanmar, Thailand, and other countries are likely to increase. Increased trade between India and the Southeast Asian countries would propel economic activities along the TLH. The trade-induced rise in business in Moreh–Imphal has the strong potential to generate a centripetal force around Imphal and attract exports from other parts of the NER, which is possible because of notable progress in rail connectivity in the NER connecting all the capitals of the NER states. This spurt in commercial activity would then require improved supply chains and the strengthening of existing corridors in the region. Moreh could become a critical node in the growth corridor that has been emerging with the TLH and its possible extension to Mekong countries.

(2) Leveraging the Growth Corridor Advantage

The larger developmental gains from the TLH and its extension to the Mekong subregion can be visualised from the growth corridor perspective. In a growth corridor, connectivity facilitates the integration of urban centres, growth centres, and nodes with the hinterland and less-developed areas. Connectivity-led integration in the form of a growth corridor has the potential to expand economic activities along the Moreh–Imphal zone. Very often, local industrialisation, especially for small and medium-sized enterprises (SMEs), is affected due to a lack of technical know-how, uncertainty of markets, and lack of scale. Rural markets in most cases are fragmented and, thereby, offer little scope for growth or diversification of local businesses. Therefore, improved and faster connectivity may unleash new dynamism in the rural economy in the NER. It may generate wider economic benefits through new enterprises and jobs and greater inclusion. However, to gain such welfare, countries have to invest in transport, agriculture, tourism, energy, urban development, and other multi-sector/border zone development.

(3) Gaining from Trade-Industry Linkages

The most immediate impact anticipated from the operationalisation of the TLH is the rise in bilateral trade amongst the partner countries. Once export possibilities increase, it would be cost effective for the exporters in Manipur and other states in the NER to use the land corridor to trade with Myanmar and other Southeast Asian countries. The Sagaing Province of Myanmar is a big market for Indian goods. Along with higher exports, the TLH may generate a conducive business environment for the growth of industries in the NER. This is based on the logic that local firms in the NER would not only be able to export to Southeast Asian countries and beyond without the hassle of transporting goods to ports and waiting for formalities and customs clearance but also to source raw materials and intermediates from the neighbouring countries at cheaper prices. In view of such a scenario, a strong case for trade-induced industrialisation is being visualised. To assess the potential of the industrialisation that could be attributed to TLH, it is imperative to examine the trends and patterns in industrialisation in the NER states.

(4) Sectors Offering Business Opportunities

The sector of significance for the NER states is the food processing industry. The NER is known for agriculture and horticulture crops, including organic farming. In recent years, the region has witnessed significant growth in the production of fruits, spices, and plantation crops. Amongst the NER states, Assam and Tripura have more units in food processing than other states in the NER (NEC, 2019). There are several challenges that the food processing industries face in the NER, including a lack of transportation, inadequate cold storage facilities, lack of post-harvest technologies and processing of farm produce, lack of market access, and other factors (Rais et al., 2014; Kathuria and Mathur, 2019).

The central and state governments have implemented several schemes for the promotion and development of food processing industries in the NER. The schemes cover an entire spectrum of issues, such as food parks, cold chain, value addition and preservation infrastructure, food testing laboratories, research and development, and the modernisation of food processing industries. The number of projects sanctioned under the two schemes, the National Mission on Food Processing and Technology Upgradation/ Modernization of Food Processing Industries schemes, are higher than other schemes. For instance, there are hardly a few projects under the Mega Food Parks scheme, Integrated Cold Chain, Value Addition & Preservation Infrastructure,

and Research & Development for all the northeastern states except for 19 projects for Assam under the Research & Development scheme (NEC, 2019).

In terms of the potential for industrial development, the NER is well-endowed with natural resources. In particular, the rich mineral resources of the NER states can be harnessed properly for planned industrial development in the region. The mineral resources in the NER include coal, limestone, petroleum, natural gas, chromite, zinc, lead, copper, iron ore, and others.

In view of a possible spurt in economic activity after the implementation of the TLH extension, a number of steps can be taken to promote industrial development in the NER. Manipur State may like to develop special economic zones (SEZs) for timber, food processing, and other sectors. For the ease of payments and settlement in bilateral trade, normal banking facilities between Myanmar and Manipur should be opened. Some of the sectors that have high business potential in Manipur are health care, education, tourism, infrastructure development, construction, and food processing.

The business opportunities are likely to trickle down to the entire NER through better connectivity and business marketing. There is a possibility of connecting the TLH with the Kaladan Project and Imphal with Aizawl by road via Churachandpur and Tipaimukh in Manipur. This would perhaps boost industrial development in the neighbouring states, such as Mizoram, Assam, and Tripura.

In addition, the industrial units in and around Imphal have witnessed significant growth and have the potential to grow further. The industrial units broadly cover sectors such as garment-making including fabric, tailoring, embroidery, papad making, PVC pipe manufacturing, electrical transformer manufacturing, plastics products, drinking water, bread, and so on. Although the industries department in Manipur has provided industrial sheds in the designated industrial estates, local firms face a number of challenges in expanding their businesses, which include a lack of on-time availability of working capital, uncertainty in the delivery of raw materials and finished goods, power supply interruptions, logistics problems, and insurgency.

(5) Tourism Opportunities

The geographical location of the NER states surrounded by the Himalayas and vast natural flora and fauna makes the region attractive to tourists, both domestic and foreign visitors. There are numerous tourist locations spread over the eight different states in the NER. Some of the major tourist attractions in the region are listed in Table 5.2. Tourism is also a key income-generating activity in the region, and it offers employment and people-to-people linkages. The completion of the TLH and the strengthening of air connectivity with neighbouring countries will certainly expand tourism in Manipur and other neighbouring states in the NER. Amongst the factors that are likely to accelerate tourist flows is the ease of travel between the border towns of both India and Myanmar, which would open greater people-to-people interactions and attract tourists from Thailand, Viet Nam, Cambodia, and the Lao PDR.

The operationalisation of the TLH and its extension to Cambodia, the Lao PDR, and Viet Nam would yield promising results for Indian tourism. Besides the TLH, there has been remarkable progress in road and rail connectivity as a result of the successful completion of road projects under the Bharatmala economic corridor programme and the railway projects connecting the state capitals in NER. In addition, the Ministry of Tourism, Government of India, introduced two new schemes in 2014–2015 called the Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) and Swadesh Darshan i.e. Integrated Development of Theme-Based Tourist Circuits. Kamakhya in Assam has been identified as a project under the PRASAD scheme. Likewise, the North-East India Circuit is one of the 12 thematic circuits that have been identified under the Swadesh Darshan scheme. The Government of India also offers certain incentives to promote tourism in the NER. These include the provision of complimentary space to the NER states in India Pavilions at major international travel fairs and exhibitions, 100% financial assistance to organising fairs and festivals, and special campaigns on the NER on TV channels to promote tourism in the region. Two tourist circuits that link Manipur with other states in the NER are Guwahati–Kaziranga–Kohima–Imphal–Moreh–Guwahati and Kolkata–Imphal–Moreh–Kolkata. The initial effects of the TLH will be generated in Manipur and, subsequently, other tourist circuits in the region would either bring tourists to Manipur from other parts of the region through India–Southeast Asia route via Moreh, or would increase the movement of Southeast Asian tourists to the NER and other parts of India through the Moreh–Tamu border. The National

Highways and Infrastructure Development Corporation (NHIDCL) has been improving the roads between Imphal to Kohima and Imphal to Jiribam that connect different places in the NER.

Table 5.2. Major Tourist Attractions in the NER

State	Major Tourist Places
Arunachal Pradesh	Tawang, Dirang, Bomdila, Tipi, Itanagar, Malinithan, Likabali, Pasighat, Along, Tezu, Miao, Roing, Daporijo, Namdapha, Bhisimknagar Kund and Khonsa
Assam	Kamakhya Temple, Umananda, Navagraha, Basisth Ashram, Dolgobinda, Gandhi Mandap, State Zoo, State Museum, Sukreswar Temple, in Guwahati, Kaziranga National Park, Manas, Orang, Sibasagar, Tezpur, Bhalukpong, Hajo, Batadrava
Manipur	Imphal, Bishnupur, Loktak Lake, Sirori Hills, Keibul Lamjao National Park
Meghalaya	Shillong, Jowai, Cherrapunji
Mizoram	Aizawl, Champhai, Tamdil, Thenzawl
Nagaland	Kohima, Dimapur, Khonoma, Dzukou Valley, Dzulekie, Japfu Peak, Tseminyu, Longkhum, Ungmaveda Peak, Shilloi Lake Mount Tostu
Sikkim	Gangtok, Bakhim, Yamthang, Dubdi, Dzungri, Varsey, Tashiding
Tripura	Agartala, Old Agartala, Tripura Sundari Temple

Source: NEDFi Databank.

In the context of the TLH, several steps are warranted to address the connectivity challenges with an aim to promote tourism. A motor vehicle agreement (MVA) between India, Myanmar, and Thailand should be signed at the earliest. India may consider providing on-arrival visas at Moreh, which could facilitate tourism between India and Myanmar, and between India and Southeast Asian countries. Visa collection centres should be set up at Moreh (India) and Tamu (Myanmar). There have been strong historical and cultural linkages between Manipur and the Sagaing province of Myanmar. Both sides share a geographical border, and the people of Sagaing province visit Manipur for health care, tourism, and trade, and vice versa. People from Myanmar also participate in sports festivals on the Manipur side every year. Regular bus services (private) have started from Tamu to Mandalay, Yangon and Naypyidaw in Myanmar, which will pick up in demand once the TLH is completed. Completion of the TLH will also resume the point-to-point bus services between the two countries, such as the services for Imphal and Mandalay or Yangon and Imphal through the Moreh border. In particular, people from the Sagaing region can travel to Bodh Gaya via Imphal. Further travel to Kolkata and Patna will be possible either by road or

by air. Therefore, Buddhist pilgrimage will receive a fillip with the completion of TLH and the MVA between the three countries.

Medical tourism between India and Myanmar is another services sector that offers immense business opportunities for the NER. Today, a significant number of patients from Myanmar visit Imphal for the treatment of their health ailments. For instance, about 600 patients from Myanmar have been treated at the Shija Hospital in Imphal in the past few years. Medical tourism will expand further once the TLH comes into operation.

Despite the number of initiatives taken by the governments, there are several challenges to promoting tourism activities in the NER. Amongst others, a lack of proper infrastructure, lack of road-side amenities, lack of comprehensive marketing and promotion, an uncertain law and order situation due to insurgency, negative travel advisories, and blockades affect tourism in the NER.

(6) Employment Generation

The creation of adequate employment opportunities, including self-employment as well as wage-employment, is being viewed as the most tangible and desirable output of the TLH and related projects. As argued above, trade at the India–Myanmar border at Moreh would act as a regional gateway for higher trade, investment, and other forms of economic engagement between the NER states and Southeast Asia. The growth corridor impact of the TLH in NER is likely to yield positive results drawing on the success stories of the economic corridors of the GMS, SASEC, and CAREC countries and the Indonesia–Malaysia–Thailand (IMT) Growth Triangle and others. Although the size of the employment impact cannot be measured at this stage, the historical trends in employment in the NER may shed more light on the likely impact of TLH-inspired rise in economic activities and/or the nature of government intervention required to activate the regional value chains for job creation.

(7) Education and Skill Development

The TLH will certainly raise the demand for higher education and better-skilled resources. The issues of industrialisation, trade, and development in the NER require a comprehensive approach to addressing education and skill development. Skilling is a big challenge in the NER. The short-term response to opening the TLH would be mostly demand-side measures. For instance, given the current and envisaged trade liberalisation, any possibility of an export rise can be met with higher production utilising existing industrial capacity and human resources. However, in the long run, supply-side measures would matter the most. Two important areas need special attention in this regard. Formal education, especially technical and vocational education, would ensure a sustained flow of a trained workforce in different industrial fields. At the same time, focus on skilling both for fresh candidates and for the augmentation of the existing workforce is vital.

Skill development may exclusively focus on food processing, garment manufacturing, small and village industries, tourism, trading of goods and services, and construction activities, amongst others. Women self-help groups can be suitably employed in the mission of skilling and contributing to income-generating activities. As part of long-term entrepreneurship development, technical and management graduates from the NER states may be offered technical guidance and credit support to explore the establishment of SMEs.

5.4. Dealing with Challenges and Recommendations

(1) Improvement of Road Infrastructure, Completion of the TLH, and the Replacement of 69 Bridges

The road between Imphal and Moreh should be made six-lane. In particular, the Moreh–Pallel section of the road has to be improved. The road in the Monwya–Yargyi section in Myanmar should be widened and be made four-lane. Meanwhile, road conditions in Manipur, particularly those connecting neighbouring countries, should be made high quality. The timely completion of the TLH and the replacement of 69 bridges is critical to the NER's linkages with Southeast Asia and vice versa. At present, the 122 km road of the TLH is under construction under the supervision of the NHAI. The project was commenced on 28 May 2018 and is expected to be completed by May 2021. The replacement of 69 weak or old bridges along the Tamu–Kyigone–

Kalewa road section of the TLH was suspended due to a legal case at the Manipur High Court. The Government of India won the verdict in October 2019 and the work for the rehabilitation of the bridges is about to start. Without the completion of the bridges, the TLH cannot be made operational for cargo vehicles and passenger bus services between India and Myanmar.

(2) Completion of the Negotiation of the Trilateral Motor Vehicle Agreement

Progress on the negotiation of the Motor Vehicle Agreement (MVA) between India, Myanmar, and Thailand for the TLH has been slow. Given that all the three countries have ratified the WTO Trade Facilitation Agreement (WTO-TFA), TLH countries may resume the MVA negotiation at the earliest and complete the negotiation before the TLH comes into operation. In many areas, the WTO-TFA and TLH-MVA are interrelated. Myanmar's progress in implementing the WTO-TFA has been slow. Myanmar needs technical assistance and capacity building while implementing the WTO-TFA. Both India and Thailand may offer adequate technical assistance and capacity building to Myanmar while implementing the TLH-MVA.

(3) Promotion of Tourism

Myanmar and Manipur have strong cultural and civilizational links. People from Myanmar, particularly from the Sagaing region, would like to travel to Bodh Gaya via Imphal. They can come in groups by road to Imphal and then fly to Bodh Gaya via Kolkata or Patna. Once the bus service between Mandalay to Imphal is started, tourism will expand drastically.

For the case of health tourism, about 600 patients from Myanmar have been treated in Imphal's Shija Hospital over the last few years. Shija Hospital has been receiving patients from Mandalay and several parts of Myanmar, and the hospital has conducted health missions in Myanmar. In addition, jointly with Monywa General Hospital in Myanmar, it has conducted 179 operations. Through this mission, several surgeons and nurses were also trained. Health care facilities may be developed at Moreh. Tamu General Hospital in Myanmar provides basic health care facilities. Therefore, the development of a super-specialty hospital in Moreh will promote health services between the two countries. In this case, patients will not need to go to Imphal for treatment. At the moment, visa collection takes 10–15 days. To facilitate health services, E-visas at Moreh border should be extended to Myanmar citizens for entering through the Moreh and Tamu border.

More hotel rooms should be added as we promote tourism. At the moment, Manipur does not have any five-star hotels, whereas Manipur has high tourism prospects in the medium-to-high range. Most of the foreign tourists in Manipur are from Japan and the United Kingdom.

Manipur does not have any economic zones. Manipur state may consider developing an SEZ for health and education, etc. However, there are many challenges, such as bad road conditions and lack of infrastructure, particularly of roadside amenities, which are very poor in quality and limited in number. In addition, the lack of comprehensive marketing and promotion, the law and order situation, negative travel advisories, *bandhs*¹³ and blockades, and a low image in the market are also negatively affecting tourism activities. These are significant challenges that must be addressed while promoting tourism in NEER.

The Manipur government is planning to set up an empowered team to facilitate trade, people-to-people contact, and economic interactions between Manipur and the Myanmar government under the overall guidance of the Government of India under its Act East Policy.

(4) Improvement of Border Infrastructure

There are several challenges associated with Moreh LCS and the newly opened ICP, and some of them include a shortage of staff, lack of 24/7 electricity, absence of good quality internet, absence of accommodation for officials, and other social infrastructure. During the time of the field survey, the cargo terminal of Moreh ICP was not operational. The Friendship Bridge near to Gate 1 at the Moreh–Tamu border has to be redeveloped so that cargo vehicles use the bridge and direct shipments through Moreh ICP. In addition, the number of good hotels and homestay facilities at the Moreh border should be increased. India may consider building a guest house for Buddhist travellers at Moreh.

Passengers and traders face harassment at the border, which must be stopped. A full-body cargo scanner (for containers) should be introduced at the Moreh ICP for export and import consignments. At the moment, there has been no container movement at the Moreh–Tamu border between the two countries. In addition, the Moreh border requires facilities such as border fencing, additional warehousing facilities for refrigerated goods, cargo vehicle yards,

¹³ A *bandh* is a form of political protest in India, which is similar to a general strike.

warehouses for seized items, plant and quarantine facilities, and a controlling office for drugs and narcotics, etc.

Land acquisition and encroachment have been major challenges for the development and construction of highways. Additionally, local businesses and people face unlawful activities from insurgent groups, particularly between Imphal and Jiribam and between Imphal and Dimapur.

(5) Ease of Travel between Moreh and Imphal

The Myanmar government has allowed third-country nationals to move through the Tamu border, which has led to the facilitation of passengers' movements between the two countries through the Moreh and Tamu borders. After the clearance of immigration at Moreh ICP, incoming nationals (mostly from Myanmar) face multiple security checks between Moreh and Imphal, which cause time delays and costs. The travel of foreign nationals should be made comfortable. Some of the people, particularly business people, should not face such trouble, and they should be handled agreeably. Besides hotels and other amenities at Moreh, there should be adequate transportation facilities between Moreh and Imphal.

(6) Safety and Security and Smart Borders

With the opening of the TLH, there are concerns with issues of illegal immigration, informal trade, and terrorism. Therefore, both India and Myanmar should introduce more scrutiny at the Moreh–Tamu border as well as other borders connecting the two countries. There is no denying that the border dispute between India and Myanmar has been forcing illicit trade and transportation to happen, and this needs to be resolved before the TLH becomes operational. The border at Moreh should be fenced with watch towers, night-vision cameras, and radar cameras so that trade can take place with sufficient security and safety. The completion of the Imphal–Moreh road will help better track the safety and security of vehicles with the help of digital technology, such as RFID. Electronic data interchange should also be introduced at Moreh customs, and human resources should be scaled up at Moreh ICP.

(7) Removing the Informality in Trade at the Border

Border agencies should ensure that illegal imports passing through Moreh or Tamu do not take place. Once a formal payment system is introduced, the current arrangement of informal payment at the borders will disappear. In parallel, all illegal trade routes at the border have to be

closed, such as through fencing of the border or introducing border passes with the help of new technologies. The government's support is needed for the promotion and capacity building of human resources who will be deployed to check for illegal payments and trade. Large informal trade (from neighbouring countries) has been negating the growth of industrial activities in Manipur and other parts of the NER. Formal trade at the Moreh–Tamu border is crucial for promoting industrialisation in the NER.

(8) Supporting SMEs in the Border Area

Trade is mostly handled at Moreh by SMEs. Supporting the SMEs will then lead to involving local youth and ethnic communities. Innovative measure, such as Mudra loans of about US\$7,000 per individual that are currently extended to SMEs should be continued to help expand activity in the local markets. The Government of India may also consider extending transport subsidies to the exporters located in Imphal and Moreh, which would help them to compete with bigger exporters who are not from the region.

(9) Opening of International Flights from Imphal

There are no flights between Imphal and Mandalay or Imphal and Yangon, whereas there are several flights between Mandalay and Yangon. Connecting Imphal with Mandalay and Imphal with Yangon will pave the way for enhanced tourism and trade. Myanmar's Air KBZ and Imphal-based KB Enterprise are considering opening a direct flight between Imphal and Mandalay. If air connectivity is allowed, we need to make sure that flights from Imphal go straight to Mandalay and not via Aizawl. In addition, Imphal may also be connected with Bodh Gaya by direct flights. The airport in Imphal has to be upgraded to accommodate international flights.

(10) Streamlining Banking Facilities

Normal banking facilities between Myanmar and Manipur should be opened. Presently, all transactions between Indian and Myanmar traders are in cash. Both countries need to move from informal payments to formal payments through bank transfers. India can consider special incentives and training programmes on formal trade procedures for local traders and youths.

(11) Maintaining Law and Order

Law and order is a critical issue for peace and prosperity in the region. Problems faced by local traders and problems faced by manufacturers are different. Trade and violence cannot go

together. The movement of vehicles between Moreh and Dimapur and Moreh and Silchar with high security is very much needed. Moreh town and Imphal city have to be saved from the occurrences of bandhs (general strikes), theft, violence, and disturbances of the peace.

(12) Branding

Massive image building and awareness campaigns are needed. As Manipur is at the border of Myanmar and in view of the rising flow of Myanmar nationals to Manipur, The Government of Myanmar may like to open a consul office in Imphal. Both the state and central governments must invest in promotion, publicity, and marketing for the NER states abroad. In addition, roadshows, online and electronic advertisements, and participation in international trade fairs and travel meetings, etc. are required. The NER states may appoint brand ambassadors and consider targeted approaches for domestic and international tourists.

(13) Food Testing Laboratory at Moreh

All the laboratories in the NER under the Food Safety and Standards Authority of India should be certified by the National Accreditation Board for Testing and Calibration, which does not exist in Imphal so far. At present, the food testing activities are managed by the Manipur State Food Safety Department. A micro-biology section has not yet been developed at the food testing laboratory in Imphal. A small office was opened in Moreh in December 2018 to check chemicals in processed food items, but it closed down later. In view of international trade at Moreh and Tamu, food safety must be strengthened, and food testing laboratories should be reopened with adequate capacity and human resources.

(14) Narrowing the Infrastructure Gap between Moreh and Tamu

Moreh has set-up an ICP, and several border improvement projects, both behind and at the border, are ongoing or proposed. Trade infrastructure at Moreh has witnessed drastic improvements in recent years, whereas the same in Tamu is missing. Table 5.3 presents the comparison of facilities between the two border posts. Current infrastructure at Moreh and Tamu is not adequately equipped to handle the future trade that we envisage when the TLH comes in operation. To meet such a target, priority should be to narrow down the infrastructure gap between Moreh and Tamu. Some of the projects worth considering are ratifying standard operating procedures for the handling of goods and passengers, inter-operability of customs EDI systems, and handling of container cargoes, etc. at the border.

(15) Building the Partnership between the NER and Myanmar

There have been strong and steady economic linkages between Manipur and Myanmar's Sagaing province. Not only do they share a border but the people of Sagaing province also visit Manipur for health care, tourism, and trade. Some of the sectors offer high business potential, such as in health care, tourism, education, infrastructure development, construction, and food processing. Similarly, the NER's Mizoram, Nagaland, Tripura, and West Bengal states have cultural and economic linkages with Myanmar. Strengthening the NER–Myanmar partnership will then not only reinforce the bilateral foundation but also scale the relations to new heights. A new study may be conducted on the state-province level partnership between India, Thailand, and Myanmar.

Table 5.3. Comparison of Border Infrastructure Facilities at Moreh and Tamu

No. Facilities	Moreh	Tamu
1 Warehousing	Yes, ongoing capacity of 800 square meter	Yes, two warehouses capacity of 855 square meter and 485 square meter, respectively*
2 Cold storage	Yes*	No
3 Bank	Yes	Yes
4 Foreign Exchange Facility	No	Yes
5 Weighing Bridge	Yes	Yes
6 Plant Quarantine	Yes*	Yes*
7 Food Testing Lab	Yes*	No
8 Internet Bandwidth	Moderate	
9 Human Resources	At ICP: 1 regular post and 13 people are presently working as contractual basis. At LCS: 3 inspectors, 2 havildars and 1 superintendant	8 custom officials and 1 supervisor
10 Security	Yes	Yes
11 Electricity	Yes	Yes
12 Medical facility	No	Yes
13 Public conveniences	Yes	Yes
14 Parking Space	Yes	Yes
15 Weighbridge	Yes	Yes
16 Refer containers handling	Yes*	No
17 Hotel	Yes	No
18 Immigration	Yes	Yes
19 Customs EDI	Yes (SWIFT)	Yes (MACS)

*Not in operation at the time of field survey

Source: RIS Survey (2019).

5.5. Conclusions

Trade has special significance for the economies of the NER states. However, transport and logistics bottlenecks have long been identified as serious constraints to the growth of the NER. Growth potential is considerably high in the NER when one considers its geographical proximity to the growing Southeast Asian and East Asian markets. Given its geographical location, enhanced engagement with ASEAN under India's AEP may generate new economic opportunities, thereby fuelling growth in the NER, *ceteris paribus*.

The NER's value chain potential can be unlocked if border infrastructure and transportation networks, in particular, are improved. To strengthen the connectivity between India and ASEAN, the TLH between India, Myanmar, and Thailand is being developed with a proposed extension of to Cambodia, the Lao PDR, and Viet Nam. The completion of the TLH is likely to facilitate the faster movement of goods and people between India and ASEAN and add growth impetus to the NER.

The NER's connectivity with the ASEAN has witnessed good progress with the construction of the TLH. As the NER is at the forefront of the TLH on the Indian side, this study presents the status of economic linkages of the NER and identifies the constraints behind and at the India–Myanmar border, and recommends policy measures to augment the linkages between the NER and Southeast Asia. Imphal and Moreh are strategic locations. Moreh should be developed as a centre for trade and business. Development should take place at both Moreh and Tamu, otherwise there will be only transit trade.

Chapter 4 reviews the institutional arrangements and identifies key elements that may hinder the movement of goods and people across the India–Myanmar border along the TLH. This chapter concludes that the NER will gain enormously if these challenges are taken care of and the needed mitigation measures are implemented throughout the region.

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