THE SOUTHERN SILK ROUTE AND INDIA'S ECONOMIC GROWTH TRAJECTORY: 2000-2015

Thesis Submitted to Jadavpur University for the Award of the Degree of Doctor of Philosophy

By

ADITYA KANT GHISING

Department of International Relations

Faculty of Arts

Jadavpur University

Kolkata – 7000032

2022

Declaration

I declare that this thesis was composed by myself, that the work contained herein is my own except where explicitly stated otherwise in the text, and that this work has not been submitted for any other degree or professional qualification. I am aware of and understand the university's policy on plagiarism and I certify that this thesis is my own work.

Aditya Kant Ghising,

Doctoral Candidate,

Department of International Relations,

Jadavpur University

Certified that the Thesis entitled

The Southern Silk Route and India's Economic Growth Trajectory: 2000-2015

submitted by me for the award of the Degree of Doctor of Philosophy in Arts at Jadavpur University is based upon my work carried out under the supervision of Dr. Herkan Neadan Toppo and that neither this thesis nor any part of it has been submitted before for any degree or diploma anywhere / elsewhere.

Countersigned by the

Supervisor: Herkan Neadan Toppo

Associate Professor
Department of International Relations
Jadavpur University
Kolkata - 700 032

Dated: 12/01/20

Candidate:

Dated: 12/01/2022

Preface

A renewed focus on regionalism and connectivity in the 21st century highlights the necessity on the part of scholars to contribute towards the existing discourse on the subject. The concept of connectivity in this sense is closely linked to that of development, the idea being that increasing the number and pace of connectivity projects would essentially lead to economic development and ensure peaceful relations between the areas so connected. Historically, many such connecting routes have played an immense role in shaping the current relations among nations as well as in their economic growth. One of the most important routes in this regard has been the Silk Route network connecting ancient China with parts of the Persian Empire and Europe. The importance of this route towards the exchange of commodities as well as cultural, religious and technological ideas has been well documented.

This research is focused on the lesser known southern branch of this route, called the Southern Silk Route, which in its heyday played a major role in trade and exchange of ideas between the societies of India, Myanmar and China. Additionally, another important route in this regard was the Tea-Horse trade route connecting the erstwhile kingdom of Tibet and some northern parts of the present day states of West Bengal and Sikkim. Although this particular route is not regarded as a part of the Southern Silk Route network in general, this research studies them together under the common theme of prospects for their revival and implications for the countries involved. This is also necessitated by the fact that the present day Tibetan Autonomous Region is considered to be a part of the People's Republic of China, a significant departure from its earlier existential role in cross-border trade. Hence, the Tea-Horse trade route is studied here as a part of this new concept of the Southern Silk Route.

The observations and interactions during the field visits conducted during the course of this research amply justify the idea of a revival of these linkages especially from the perspective of the landlocked North Eastern parts of India. The region as a whole has been earmarked for a larger role in India's connectivity initiatives with Southeast Asia. On the other hand, certain strategic compulsions have led to a lack of initiative for further connectivity with China, one exception to this being the reopening of the

Nathu-La (pass) on the Sino-Indian border at Sikkim in 2006, which resulted in renewed hopes for increased economic interactions between two of Asia's largest economies. There is also increasing demand from the educated youth in the states of North-East India for closer integration with Southeast Asia through Myanmar, with a focus on tapping the resources as well as entrepreneurial potential of these states. Many important projects (both government-sponsored as well as private) have been carried out recent years with the same focus and vision. These point to an increased relevance of these old road networks and their revival for achieving maximum benefits of trade in the region. This is further highlighted by the fact that South-western China faces a similar challenge in regional integration.

With the resurgence of border-related conflicts between India and China and particularly with the rapid development of transportation in the Tibetan Autonomous Region along the border with India, the development of roads and highways has hastened. This could have important ramifications for the development of many small, medium and micro industries in the region as a whole. The capitals of each of the eight states of the North Eastern region of India are being connected with railway lines. These have provided a new way of looking at connectivity and regionalism between India, China and Southeast Asia.

This research aims to contribute to the literature with an assessment of these renewed developments.

Acknowledgement

This research would not have been completed without the constant support and blessings of my parents. I am also indebted to my supervisor, Dr. Herkan Neadan Toppo for his invaluable academic guidance, support, fruitful discussions and patience, all of which have contributed immensely towards the completion of this work. I am also thankful to the faculty members of the Department of International Relations at Jadavpur University for their invaluable suggestions, guidance and support throughout the course of my research.

In this regard, I would also like to place on record my gratitude towards Professor Sumita Sen, Professor Om Prakash Mishra, Professor Anindya Jyoti Majumdar and Dr. Iman Kalyan Lahiri of the department of International Relations at Jadavpur University for their constant encouragement and support towards my work. I am also indebted to Professor Mahendra P. Lama (Jawaharlal Nehru University) for his invaluable suggestions and for sharing his insight on some of the issues concerning this research topic.

Libraries and think-tanks have been a crucial and inseparable part of this research and in this regard I express my heartfelt gratitude towards the departmental library of International Relations at Jadavpur University, the Central Library of Jadavpur University, National Library of India (Kolkata), Maulana Abul Kalam Azad Institute of Asian Studies (MAKAIAS, Kolkata), Dr. B. R. Ambedkar Central Library (Jawaharlal Nehru University), Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA, New Delhi), United Service Institution (New Delhi), Observer Research Foundation (New Delhi), Parliament Library (New Delhi), the Asiatic Society (Kolkata), Tibet University (Tibet Autonomous Region, People's Republic of China), Institute of South Asian Studies, Sichuan University (People's Republic of China) and South Asia Institute of the Tibetan Autonomous Region Academy of Social Sciences (Tibet Autonomous Region, People's Republic of China) for their support and supply of literature and important historical documents which have played a tremendous role in shaping some of the core arguments of this research.

This work would be incomplete without the active participation of the respondents from various parts of North-East India as well as Kalimpong and Darjeeling districts of West Bengal. I wish to thank Pine Brothers (Kalimpong) for granting me access to some of the rarest photographs with regard to my research area and for allowing me to share them through this work. It would also not see the light of day had it not been for the grants and fellowships provided to me by the Government of India towards the completion of this research. The Rashtriya Uchchatar Shiksha Abhiyan (RUSA) fellowship has been extremely helpful in carrying out a comprehensive study of many border areas in Northeast India.

Lastly, I express my deepest gratitude towards all who have directly or indirectly played a role in helping me develop my ideas with regard to this topic. I shall forever be grateful to the hotel managers, drivers and tour guides who helped me with logistical support during the different phases of my field work.

CONTENTS

List of Tables, Figures & Maps

Maps

Tables

Figures

List of Abbreviations and Acronyms

ASEAN………………… Association of Southeast Asian Nations

BBIN…………………....Bangladesh-Bhutan-India-Nepal

BCIM……………………Bangladesh-China-India-Myanmar

BIMSTEC……………….Bay of Bengal Initiative for Multi-Sectoral, Technical and Economic Cooperation

BRO……………………. Border Roads Organization

CADP………...…………Command Area Development Project

CAGR………………….. Compound Annual Growth Rate

CLMV+T………………..Cambodia- Laos- Myanmar- Vietnam + Thailand

CLMV………………….. Cambodia- Laos- Myanmar- Vietnam

DPAD…………….......... Drought Prone Area Project

EC………………………..European Community

EXIM…………………….Export Import Bank of India

GDP…………………….. Gross Domestic Product

GSDP……………… ……Gross State Domestic Product

HADP…………….......... Hill Area Development Project

ICP………………… …....Integrated Check Post

IMT………………………India- Myanmar- Thailand

ISC&EI………….......... Inter State Connectivity and Economic Importance Scheme

ISO…………………….... International Organization for Standardization

K2K…………………….. Kolkata to Kunming Initiative

LOCs…………………… Lines of Credit

MERCOSUR……………Bienvenidos al Mercado Común del Sur (Southern Common Market)

NEC……………………...North Eastern Council

NEEPCO………………...North Eastern Electric Power Corporation Limited

NEIIPP……………...North East Industrial and Investment Promotion Policy

NEIP……………….. North East Investment Promotion Policy

NER…………………North Eastern Region

NERAMAC………….North Eastern Regional Agricultural Marketing Corporation Limited

NHAI……………… ..National Highways Authority of India

NHDP………………. National Highways Development Project

NHIDCL……………..National Highway Infrastructure Development Corporation Limited

NTMs……………….. Non-Tariff Measures

PIWTT……………… Protocol on Inland Water Transit and Trade

PWD…………………Public Works Department

R&D………………… Research and Development

SAARDP-NE……… Special Accelerated Road Development Programme for North Eastern Region

TADP……………….. Tribal Area Development Project

Chapter 1

Introduction

The advent of the twenty-first century has been predominantly characterized by conscious attempts at increasing interconnectedness between the countries of the world in terms of technological transfers and innovations, skill-sharing, diplomacy, economic-dependencies and socio-cultural relations. Although such initiatives have been witnessed during earlier times as well, since the early 1990s, the process of globalization has had a significant impact on international relations especially with regard to key issues involving security and the global balance of power, international trade, establishment of global value and supply chains, a rapid increase in the pace and intensity of cross-border and trans-national flow of goods, ideas, values and cultures. In the case of Asia, countries like India and China have been touted as future superpowers in global politics and their relations with each other over the years have been closely scrutinized by scholars and strategic elites from various parts of the world, be it with regard to strategic, military and economic competition or rivalry between the two countries, population demographics, border disputes in North and North-East India or with China's growing influence in South and Southeast Asia as well as in the Indian Ocean Region and India's role as a balancer of this influence. Yet these two countries have a history that long precedes the advent of globalization or even colonialism, especially with regard to trade and the exchange of goods, ideas, religious values and culture.

The transmission of Buddhist philosophy from South Asia to China was largely fostered by the existence of the Silk Route. The Southern Silk Road, as an offshoot of the renowned Silk Road itself, emerged as a means for trade and cultural exchanges between China and its southern and south-western neighborhood during the second century B.C and saw its expansion soon after. It has played an important role in trade and commerce while also serving as an avenue for the sharing of cultural and religious ideas between India (formerly known as Sindhu in Chinese records), China as well as the countries of the Middle East, Europe and Southeast Asia.

While the Silk Road in general is an extensive network of ancient trade routes connecting China to Europe and Africa, the Southern Silk Road has been a term used for any or all of the three trade routes that originated from Chengdu in southwestern China and ran southwards into South and Southeast Asia. While the first of such routes led to the present day country of Afghanistan, the second route entered India via its northern parts as well as through the present day North-Eastern Region (NER) and ended in the Bay of Bengal, thereafter relying on the existing port facilities there to extend towards Arabia, Persia, Europe, Africa as well as Southeast Asia. The third route (of the three routes) led to the Indochina region.

Based on various studies carried out during the time, it can be understood that when these routes were opened, Tibet (presently the Tibetan Autonomous Region of China) was a major economic center and trading hub in Asia. Along with other commodities, tea and horses, both highly valued commodities at the time, were frequently traded between China's Chengdu region, the erstwhile Kingdom of

Sikkim and Bhutan through this route. It has also been noted that tea was such a valuable commodity in China during the Song dynasty that generals were known to seek their reward in tea rather than in land. This is aside from that fact that tea was also used as currency during these times in some parts of the world.

This research focuses specifically on a series of ancient roads extending from Yunnan Province in southwest China, across Burma and up the Irrawaddy River, into what are today the North-Eastern states of India as well as the northern fringes of the state of West Bengal, particularly the town of Kalimpong. Additionally, it makes an attempt to understand the importance of the revival of these routes, collectively called the Southern Silk Road and its socio-economic and strategic implications for India and the Southeast Asian region in the twenty-first century. The tea-horse trade route between Tibet and India has been studied as one of the branches of the Southern Silk Road in this regard.

The research is based on an observational study of the Southern Silk Road and has been supplemented primarily by official government documents and treaties pertaining to trade relations and statistics as well as through questionnaire distribution, field visits and interviews with the local residents as well as the concerned government and military officials, serving and retired.

Statement of Purpose

The purpose of this research is to develop an understanding of the various economic, cultural, religious, social and political linkages between the countries of South and Southeast Asia through the Southern Silk Route. In this regard, the following points constitute the main purpose of this study:

1. To study the implications of the enhancement of regional economic cooperation on various aspects of development in South and Southeast Asia. This would entail looking at issues pertaining to employment generation, logistical development, improvement in the standard of living through cross-border economic integration in the landlocked areas of North-East India and analyzing the potential of the small and medium enterprises in the areas connected by the erstwhile Southern Silk Road.

2. To understand and study the existing lines of communication and linkages for enhancing cooperation between the countries connected by the Southern Silk Road.

3. To gauge the economic and strategic potential of the Southern Silk Road's revival in the case of India vis-a-vis the other South and Southeast Asian countries.

4. To examine the developmental prospects of the North-Eastern region of India with regard to the Southern Silk Road and the Asian Economic Corridor.

5. To analyze the prospects and challenges of India's Look/Act East Policy and to study the sub-regional economic cooperation with regard to commerce, culture and connectivity.

Overview of Literature

"Building Roads to Myanmar: A Historical Overview", Sukanya Sharma, Economic and Political Weekly, Vol. 40, No. 48 (Nov. 26 - Dec. 2, 2005).

This article explains the role of the British frontier policy with regard to Burma (Myanmar) and North-East India in the 19th century and the hindrances to trade with China through the region. It explains the role played by the British in driving out the Burmese from North-East India, thereby bringing the region under the colonial administration over the years. This was done with the goal of establishing stronger trading links with China. The article mentions how the same problems that prevented this strategy from becoming a reality in the 19th century may or may not prevent the Look East Policy, which also focuses on stronger links between India and Southeast Asia, from achieving its objectives. It also discusses the efforts made by the East India Company in promoting local trade in North-East India to provide for its desired operations in China. However, China's refusal to trade, given its superior product quality and huge demand in Europe for Chinese goods, led the British to export opium from India to China instead. For this the British had to use the land routes in North-East India.

The article also explores how the French and British rivalry shaped the frontiers of the region. The French wanted to deprive the British of trade with China by connecting the Mandalay-Yunnan trade route with the Mekong. Furthermore, the creation of certain routes in the region was based on the need to evacuate British citizens from Burma during the Second World War. It then goes on to explain how these roads played an important role for sending supplies to the soldiers stationed there.

The article concludes by observing that even though the plans of linking India more closely with China and Southeast Asia have been around for over 150 years, they could not materialize earlier due to geographical, economic and political constraints. However, in the present world, these things can be sorted out in a much easier way. Technological advancements have made it possible to estimate the exact cost of building roads and increasing efforts at peace-building between the various countries of the region have made it easier to forge trading links between the various countries of South and Southeast Asia. The main areas that this article focuses on are relevant even at present. For instance, the British policy of trading with China through the North-Eastern states of India holds importance even for India's present Act East Policy (formerly called the Look East Policy). It provides significant insight into the hindrances that prevented the British from establishing the planned trade routes with China during the 19th century.

"Duet or Duel?", Ravi Bhoothalingam, India International Centre Quarterly, Vol. 36, No. 3/4, INDIA-CHINA Neighbours - Strangers (Winter, 2009- Spring, 2010).

This article focuses on the ancient linkages between India and China. The author mentions that hostility between the two countries is a rather recent phenomenon and their history has been characterized by peaceful interflow of culture, religion, goods and services. He writes how the desire to shape a new Asia based on humanistic and ecological principles was shared by Rabindranath Tagore, Okakura and Sun Yatsen. The scale of globalization was massive during those days as there were no fixed boundaries and the word "tourist" was unknown. Hence travelling and exploring new lands for various reasons was easier. The article suggests that a twenty first century reincarnation of the Silk Route through tourism would result in a win-win situation for both India and China. Increasing the role of private ventures in such an undertaking would highly decrease the chances of political conflicts. It would lead to increased people to people contacts, employment as well as improved mutual perceptions between the two countries. The article then moves on to assess how the differences between the two countries can become sources of productive collaboration. The author also mentions that reconnecting India and China is important for the world. Combining the innovative abilities of the two cultures can lead to huge benefits in terms of new ideas and production volumes which are required by large populations. The problems of poverty, ill health, deprivation and inequality in both countries need such new ideas.

Finally, the article enlightens the reader on how the two civilizations need to look at each other given their vast size and population. Since their relationship is characterized by complex elements issues ranging from soceity, economy to geopolitics, any form of diplomacy should consider the worldviews of both these countries and employ the right sequence of communication. India and China have been considered to be a part of a tango and each misstep would inflict damage to the concerned parts. Hence, according to the author, in order to engage peacefully with

China, India needs to concentrate on developing and demonstrating its economic potential on a global scale as this would evoke greater respect for India not only in China but also in Asia, Africa and Latin America. The article presents the reader with a view that if the cooperation between India and China is strong enough, even the competition that may arise from time to time will be negligible and stronger India-China relations will ultimately benefit the world. The article paints a positive picture with regard to India-China relations suggesting that more contacts between the two countries are essential and given the resources each of these countries have, they could be helpful in solving many of each other's problems like poverty and unemployment.

"India's Encounter with the Silk Road", Subhakanta Behera, Economic and Political Weekly, Vol. 37, No. 51 (Dec. 21-27, 2002).

The article explores the importance of the Silk Road in connecting Asia with Europe. The author mentions that the Silk Road is not a single road or highway but a series of caravan routes, trading posts and oases. It has been shown how the Silk Road extended to the present country of Afghanistan along with Srinagar and Leh before branching out further towards North-Western India. For India, the Silk Road was more important due to its role as a highway for the flow of ideas and cultures. The author also mentions that along with Silk, the Silk Road was known for trade in gold, ivory and exotic plants and animals. The article states that the Silk Road was created when the Han emperor Wu-ti attempted to forge an alliance with the central Asian nomads against Tibetan bandits and Xiongnus. To achieve this, he dispatched General Chang Chie'n who travelled across present Afghanistan thereby finding a direct way into central Asia. In case of the commodities traded, the author mentions medical herbs, carved jade, furs, ceramics, and a wide variety of luxury goods along with horses, glassware, raw jade, frankincense, gold, silver, etc. North- Western Indians who lived near the Ganges came to play a significant role as middlemen between China and Rome. The Silk Road soon came to play a major role in the spread of religious ideas.

The article then proceeds to discuss the growth and spread of Buddhism and Islam through the Silk Road. In this regard the author mentions that Bamiyan, located now in Afghanistan became one of the most important Buddhist centres by the 4th century AD due to its strategic location at the intersection of roads to Persia, India, Tarim Basin and China. Eventually areas near the Tarim Basin in the western part of China were dominated by Buddhism and Sanskrit became the religious language. The Silk Road thus facilitated the growth of Buddhism in China. With the passage of time, Buddhist missionaries and pilgrims began to travel between China, central Asia and India. Indian art and culture also began to spread to these areas. The author talks about how Gandharan art, which was a fusion of the Indian Buddhist art and the Greek art introduced by Alexander the Great in that region, came to define India's engagement with the Silk Road. He also mentions how Islam was introduced into India through the Silk Road. In this regard the growth of Sufism in areas around the Silk Road has been highlighted.

The growth and spread of poetry, architecture and music in these areas, all with different backgrounds and influences has been accredited to the linkages established by the Silk Road. The author states that even though the Silk Road declined after the 14th century AD, its influence still continues to this day. In the case of India, the Silk Road symbolizes its outward looking and liberal perspective of the world. The Silk Road thus provided India with an opportunity to engage more directly with the outside world and in the process, played a major role in trade and the spread of ideas and cultures.

This article does not focus much on trade between the various areas connected by the Silk Road and is based only on the northern Silk Road connecting China with Europe through North and North-West India. However, it provides significant information regarding the role of connectivity in the spread of religion, ideas and cultures. It shows how major religions like Buddhism and Islam could be spread to new areas through the Silk Road.

"Silk Road, Cotton Road or.... Indo-Chinese Trade in Pre-European Times", Stephen F. Dale, Modern Asian Studies, Vol. 43, No. 1, Expanding Frontiers in

South Asian and World History: Essays in Honour of John F. Richards (January 2009).

This article focuses on the silk and cotton trade between India and China in the pre European times. It traces the evolution of silk-cotton trade between India and China. Here cotton has been associated with India and silk with China as these were the commodities that defined their trade with the rest of the world. The author states that Chinese silk was known to be of a superior quality compared to the silk produced elsewhere and Indian cotton enjoyed the same status. However, with the opening of the Silk Road, the knowledge of silk and cotton cultivation reached India and China respectively. Here he mentions two Silk Roads- one in Central Asia and the other in Southeast Asia which linked Szechwuan (Sichuan) and the Chinese heartland with Burma, Assam, Bengal and the Ganges valley. The article also mentions that even though Chinese silk may have been introduced into India first via Burma, the volume that it came in via Xinjiang to Kashmir or through Bactria and Kabul was much higher. Even though Indians had started to weave silk clothes themselves, the superior quality of the Chinese silk resulted in increasing demand for it in India. The author points out that although there has been sufficient discussion regarding India's consumption of silk, the use of cotton by the Chinese has not been discussed to such an extent. On this note he mentions that when the Chinese finally started cultivating cotton on their own, much like the case with silk in India, the Chinese cotton was of an inferior quality and it continued to depend on Indian cotton.

The article then proceeds to discuss how Buddhism and Indo-China trade complemented each other. During the first to third centuries CE, India sent corals, glass and pearl to China. The author states that China also imported Indian drugs and medical texts during the T'ang era, which also witnessed the arrival of Indian scientists in China. In an attempt to summarize the balance of payments between India and China, the author believes that there was economic symmetry due to the fact that the export of cloth and Buddhist artefacts by India balanced the imports of silk and porcelain. The article finally concludes by saying that apart from the symmetry in import and export, the Indo-China trade was characterized by growing emphasis on Buddhism, which in turn led to more trade in commodities like incense and medicine.

"Indianization" from the Indian Point of View: Trade and Cultural Contacts with Southeast Asia in the Early First Millennium C.E.", Monica L. Smith, Journal of the Economic and Social History of the Orient, Vol. 42, No. 1 (1999)

This article explores the relationship between the Indian subcontinent and Southeast Asia from the third century BCE to the fourth century CE. The author begins the article by pointing out that even though there was a belief in the past that the relationship between the Indian subcontinent and Southeast Asia was one characterized by dominance, archaeological evidence has suggested that the local elites of Southeast Asia adopted "indianization" to increase their political legitimacy. It has also been pointed out that it was only after the fourth century CE, political entities in Southeast Asia began to adopt Indian models.

It has been mentioned that investigations have shown that instead of engaging in cultural colonization in Southeast Asia, Indian influences were made a part of a cultural base that was already well developed. With regard to trade, based on archaeological findings, the author states that the commodities traded between the Indian subcontinent and Southeast Asia were few. This was because the Indian subcontinent could import most commodities from the Romans, the Arabians or the East African ports, through the western Indian Ocean. On the other hand, commodities like iron beads could be manufactured locally in Southeast Asia. It has been mentioned that after the fourth century CE, dynastic leaders in Southeast Asia adopted traditions that were more Indian in order to increase their dominance over local groups and to increase their contact with other cultures. On the question of how Southeast Asia came to be influenced by the Indian culture, the author states that political consolidation in the subcontinent, mostly associated with the Gupta dynasty, was responsible. The Gupta dynasty was the earliest political group to have an impact on Southeast Asia. Along with having a political impact, it also led to the spread of religion and cultures across Southeast Asia. The influence of China on Southeast Asia has been focused on next.

The article suggests that Chinese military intervention in the area of northernmost Southeast Asia began in 111 B.C.E. It has been mentioned that the adoption of Indian traditions by Southeast Asia may also have been a way to prevent Chinese expansionism in the region. It also explores an interesting topic as far as India-Southeast Asia relations area concerned. It focuses on archaeological evidence to arrive at conclusions regarding Indian influence on Southeast Asia.

"India's North-Eastern Region: Insurgency, Economic Development and Linkages with South-East Asia", by Nischal N. Pandey, Institute of South Asian Studies, Manohar Publishers & Distributors, New Delhi, 2008, 117 pages.

This book has been written by Dr. Nishchal Nath Pandey who has served as the Executive Director of the Institute of Foreign Affairs (IFA) under the Ministry of Foreign Affairs. Dr. Pandey was also International Research committee member of the Regional Centre for Strategic Studies (RCSS), Colombo and at present Honorary fellow at the Institute of Peace and Conflict Studies (IPCS), New Delhi and also teaches at the department of conflict, peace and development studies under the Tribhuvan University. The book explores the potential of the North-Eastern region of India with regard to natural resources and trading capacities in the backdrop of insurgencies, negligence over the years and the resultant backwardness of the region. It looks at the historical linkages between the region and countries of Southeast Asia and shows how the region has played the role of a bridge between those countries and South Asia.

The author puts forward the view that a vicious circle involving geopolitical isolation, poor infrastructure and insurgency have continuously kept this region backward. He shows how the quality of life, in various aspects, of the inhabitants of the North-East region has always been much below that of the rest of India. He mentions how the region, due to its diverse agro-climatic conditions, can become a 'sourcing point for high value and value added agro based products for onward marketing, both within the country and abroad'.

The book is divided into six chapters each dealing with important aspects of development of the region and its potential for building links with Southeast Asia. It aims to investigate some of the issues regarding security and economic development in the North-Eastern states of India and their implications for the region.

The author talks about how the untapped resources of India's North-Eastern region can be properly utilized to generate economic growth and ultimately lead to economic development of the region and the country. The book brings out important points with regard to the states of North-East India. The issue of governance or lack of governance has been addressed and the problem of insurgency has been focused on as well. The book also shows the strength of the region with regard to natural resources, biodiversity and manpower. It stresses on the need to connect the region with other countries of Southeast Asia to gain from such resources. This is an informative book for anyone interested in a deeper understanding of the North-Eastern region. However, I feel that the book could have thrown more light on how the Southern Silk Route's revival could benefit the North-Eastern states of India and lead to their development.

Aims and Objectives

- The study aims to examine the Southern Silk Road and its role in forging closer linkages and sharing of ideas, culture and trade.

- It is an attempt to examine the government policies and the development of an Asian corridor linking the South and Southeast Asian countries economically. It also aims to understand the significance of the Southern Silk Road for India’s Act East Policy in the 21st century.

- It aims to assess the significance of the revival of the Southern Silk Road for the development of the North-Eastern region of India, based on the idea that its revival would lead to sectoral development and development of infrastructure, create job opportunities and lead to industrial development of the region, thereby improving the quality of life of the local residents.

• The study also aims to evaluate the effects of the Southern Silk Road's revival on insurgency in the North-Eastern states.

Hypothesis

1. This study is based on the hypothesis that the revival of the Southern Silk Route could be highly beneficial for the development of the areas that lie in this route, particularly the North-Eastern region of India as well as northern West Bengal.
2. It may lead to a significant increase in international trade due to the long border the region shares with neighboring countries.
3. India's interest in Southeast Asia through its Look/Act East Policy could be mutually beneficial to all the stakeholders given the reopening of these trade routes.

Research Methodology

Coverage: The research has employed the use of both qualitative as well as quantitative methods in order to understand the various issues associated with the revival of Southern Silk Road. The units of observation in this regard have been the North-Eastern states of India, Southwestern China, North Bengal and Myanmar. The findings from the field visits have been incorporated into the different chapters and under divergent themes ranging from geography to entrepreneurship. I have especially focused on the levels of implementation of various schemes and policies of the concerned administrations with regard to connectivity enhancement in the region. These findings have been incorporated into the chapters as well.

Research Tools: The study is based on primary sources which consist of government documents, field visits and questionnaire distribution, as well as secondary sources which include archived materials and printed or published texts. It has been based on a purposive sampling method.

Research Questions

The research questions that the study attempts to answer are the following:

1. Has the Southern Silk Road played any historically significant role in the development of trade relations between South and Southeast Asia?
2. How important is the role played by the Southern Silk Road in terms of the economic, political, cultural, social and religious development of South and Southeast Asia in the 21st Century?
3. Given the availability of natural resources, biodiversity and manpower available in the North-Eastern region of India, what role will the revival of or increase in trade through the Southern Silk Road play in the economic development of the region?
4. Can the revival of the route be considered a priority for economic, strategic and socio-political development of some parts of East and North-East India as well as for South-Southeast Asia relations in the 21^{st} Century?

5. What are the major bottlenecks in the establishment of stronger trade relations between North-east India, South-west China and South-east Asia?

Chapterization

Chapter 1, as the introductory chapter, outlines the various aspects of this research and provides an outline of the methodology, research questions, literature review and a brief discussion of the topic. Chapter 2 discusses the genesis of the Southern Silk Route with an emphasis on its distinct identity with regard to the more commonly known 'Silk Road' or the Northern Silk Route which successfully laid the foundations for over-land trade between Mongolia, China and Europe. It analyses the various off-shoots of the southern branch of this route based on historical records and trade data sourced from the archives of the Government of India. It makes an attempt to understand the dynamics of trade between India, Nepal, erstwhile Tibet (now the Tibetan Autonomous Region of China), Chengdu (China) and Sikkim (then an independent kingdom). With regard to India here, the northern parts of the state of West Bengal have been focused on. Kalimpong, located in north

Bengal, was the epicenter of trade through the branch of the Southern Silk Route commonly referred to as the Tea-Horse route through the Jelep-La (pass).

Chapter 3 studies similar routes in the North-eastern region of India and the role of the British in undertaking connectivity initiatives such as the Stillwell Road (Ledo Road). It also focuses on other routes in the region which served as connecting linkages between British India including the present day Myanmar and southern China. Furthermore, the historic role played by the Ledo Road during World War 2 and the eventual policies fostering connectivity in the region have been discussed here. Chapter 4 analyzes the various trade routes and off-shoots of the Sothern Silk Route in the region from a comparative perspective under the pre and post British-Era scenario. It focuses on trade linkages between India and her neighbors through the different branches of this route and also attempts to analyze the economic trends. The various facets of connectivity have been studied from a regional perspective in Chapter 5 and while the penultimate chapter (Chapter 6) analyzes the issues related to the stakeholders in the revival of the Southern Silk Route, particularly from northern West Bengal and the North-Eastern Region of India. The final chapter

(chapter 7) provides a conclusion to the issues analyzed in the preceding chapters with possible outcomes for developmental policies in these areas in the future.

Chapter 2

The Genesis of the Southern Silk Route

The Silk Road network originated in China as far back as 130 BC when official trade between the Han Dynasty and the Western world was opened. This route has been perhaps one of the most studied, analyzed and researched areas by scholars interested not only in Chinese culture and history but also in trade, globalization and international relations in general. In this regard, the various branches of this route meandering through different cultures and regions of the globe have been a subject of debate amongst academics. One such branch has been referred to as the Southern Silk Route. This road originated in Yunnan province of China during the hey-day of trade through the Silk Road and made its way into India through various passes like Jelep-La and Nathu-La. It has also been called the “Tea-Horse Trade Route” in the context of trade between Tibet and Kalimpong (in present-day North Bengal) in the colonial era. The North-Eastern region of India is similarly characterized by various passes and connecting roads with countries like Myanmar and China which have played a major historical role in the promotion of trade, transfer of commodities, sharing of ideas and cultural values and in leading to an overall homogeneity in the region. This chapter makes an attempt to understand the genesis of this historical route and its various branches linking India with Tibet (the Tibetan Autonomous Region of the People's Republic of China at present) as well as other significant routes that eventually contributed to physical connectivity between the various civilizations in the region.

The Chinese scholar and pilgrim Hiuen Tsang, who visited the plains of Assam in the first half of the seventh century described the region as covered with beautiful mountains, lush forests and wildlife, and depicted a fairly advanced civilization and rich cultural heritage in his narratives. During the colonial period, the issue of connectivity between India and Southeast Asia through the North-eastern region of the former had always been a vital one. As observed by Ghosal (2011), one may notice that most of the road links in the region have a colonial legacy either with regard to their construction or their destruction.[1] The region was considered more as a part of Southeast Asia than the Indian subcontinent as the people interacted more with the people of this region and the culture and racial composition was more close to that of Southeast Asia. The British military success over Burma in 1826 and the annexation of the Ahom kingdom of Assam to the Bengal Presidency marked the entry of the British East India Company to the region and its inclusion into the Indian subcontinent. Initially British India was strongly against the absolute possession of the present North-Eastern region of India, however due to strategic compulsions they were forced to so. By the right of conquest these territories were brought directly under the control of the British government and the region was redrawn as the political frontier, away from its historical positioning at the cultural and ecological crossroads of South and Southeast Asia. The initial colonial policy with regard to the North-Eastern region of India seems to have been driven by the urgent need to

[1] Ghosal, S. (2011). "The North-east in India's Look East: A Focus on Connectivity and Development in the Region" In R. Bhattacharya & B.K. Mishra (Eds). *A Journey through the Stilwell Road*. Anshah Publishing House. New Delhi. p.84.

secure the political frontiers in an area which happened to be inhabited by what the British considered to be wild tribes.

This was coupled with the ambitious designs of the kingdom of Burma. The initial British policy of improving connectivity in the region was primarily based on these two factors.[2] However there is considerable debate on the discourse regarding the actual policy of the British with regard to the region. Some scholars argue that the initial British policy for the frontiers was the policy of segregation. Anthropologists like Verrier Elwin (*India's North-east Frontier in the Nineteenth Century*) believe that the British administrators were for the protection and seclusion of the hill tribes. Since their contact and subjugation, the British administration took steps to give the people of the North-Eastern hills a paternal government which allowed them considerable freedom and authority to manage themselves, with some amount of control from above. A series of acts and regulations were passed by the British to protect the people in the hill areas of the North-Eastern region and most of these acts and regulations were followed by the independent Indian government. The legal

---

[2] *Ibid*. p.85.

enactments made for the rest of the country could not be automatically enforced in these areas, except when they were specifically adopted for them. The administrative system developed for these areas were quite different from that in the rest of the country and most of the administrative work was left by the British to the local tribal chiefs. Road building in these areas was another important feature of the British system of establishing control over them. Dzuvichu (2013) has analyzed this issue in terms of an essential 'civilizing' measure that would not only open up the hills and 'tame' the 'wild tribes' but also usher them into the modern civilized world."[3]

Toponymical Ambiguity

The discourse on the extent and exact location of the Southern Silk Route/Road as opposed to its more popular counterpart connecting Imperial China with the Middle East, appears to be a matter of debate among historians. Particularly, two branches of the route find mention in this debate. However, the ambiguity begins to disappear as one studies these routes in isolation. Some scholars believed that there were two

[3] Dzuvichu, L. (2013). Roads and the Raj: The Politics of Road Building in Colonial Naga Hills, 1860s- 1910s. *The Indian Economic and Social History Review*, Vol. 50, No. 4, p.474.

routes which collectively made up the Southern Silk Route. The western road, also called the *Maoniu* Road or the "Yak Road" started in modern day Chengdu, the capital of China's Sichuan province and ran across various places in Sichuan and Yunnan provinces, ultimately making its way into India's north-eastern parts through Myanmar (Burma). The eastern route on the other hand was called the *Wu Chi* Road (the five-foot-wide road) and also started from Chengdu. It had two branches/sub-routes from Kunming, the capital of the Yunnan province of China. One of these routes entered Vietnam and the other extended west towards India and Myanmar after joining the afore-mentioned *Maoniu* Road in the city of Dali in Yunnan province of China.

Lending more credibility to the existence of similar trade routes in South Asia, particularly one connecting India to Tibet and running through the valleys of Nepal, Marshall (2005) argues that although the first British contacts with the Himalayan area came through the survey work of James Rennell, who is credited to have penetrated the borders of Bhutan in 1766, the early interest of the Company in the area was commercial. Interestingly, the acquisition of Bengal by the British coincided with the conquest of most of Nepal by the Hindu Gurkhas under Prithvinarayan Shah. In 1767 Shah invaded the Newar states of Nepal which had close ties with Tibet and the resulting military operations and siege effectively disrupted the trans-Himalayan trade which passed through Nepal. A force under Captain Kinloch was sent after the Newars appealed to the Company for help against the Gurkhas with the hope that a successful result would both help to contain the Gurkha expansion and also revive the trade relations which had been disrupted by the Gurkha conquests. The expedition however, turned out to be a failure and the proposed commercial mission of James Logan to Nepal two years later was abandoned with the fall of Kathmandu in 1769. The Indo-Tibetan trade route through Nepal was now virtually closed and the Company began to look towards Bhutan and Assam in the hope of finding alternative routes to Tibet.[4]

Post Indian independence and after the closing of Kalimpong -Tibet border following the Sino-India war of 1962, the descendants of early Newar settlers from the Kathmandu Valley living in India, have taken to floriculture. At a lower altitude

[4] Marshall, J.G. (2005). Britain and Tibet: 1765-1947. Routledge Curzon. p.28.

than Darjeeling and with much less rainfall, Kalimpong offers a different climate, one which has proven to be particularly suited to flower-growing. The impact of Buddhism on trading linkages between Nepal and Tibet are also profound. During the 17th century, Nepalese traders were permitted to trade at Lhasa (Tibet) and other areas as privileged businessmen based on a commercial agreement. A barter-system was in practice for commodities like rice and salt as late as the 19th century. Interestingly, almost all Nepali businessmen at Lhasa were Newars and belonged to the Buddhist community. Some of the most common were the Tuladhars (a business community and experts in different branches of trade), the Shakya (experts in gold, silver and bronze), and the Bajracharyas who were the priestly class and experts in trade of religious items. All of them performed and practiced Buddhist rites and rituals in their daily life. For the coordination of their business and other social activities, one Nayo was appointed, who was from the Newar community. After 1856 he was replaced by a Vakil who was from a non-Newar community and was given extra-territorial jurisdiction to settle disputes between the Nepali merchants, but for the cases involving Newars and Tibetans, he had to work jointly with Tibetan authorities. This is a good example of social harmony between Newar merchants and Tibetan people. It is also worth noting that Nepali women were not permitted to go to Lhasa and elsewhere along with their husbands or fathers. So the Nepali merchants working at Lhasa married Tibetan women and there was a kind of social assimilation between two cultural groups – both adherents of Buddhism. This is relevant to this research as most of the traders engaged in trade with Tibet via Kalimpong were the Newars from Nepal.

The Southern Silk Route: An Identity of its Own

With regard to the subject of the Southern Silk Route, an important distinction between itself and the more commonly understood 'Silk Route' has to be made. This difference essentially lies in the fact that trading in the former was essentially non-governmental in nature while the latter enjoyed considerable government support and patronage from China. In the case of the 'southern' route, it was mainly due to the migration of ancient nationalities that the trade route gradually extended and became the passageway linking China and India. According to a report on the external trade of Bengal with Nepal, Tibet, Sikkim and Bhutan (1889-90) published by the then Government of Bengal during 1988-89, the number of registering stations for trade between these countries between those years was increased from thirty-eight to forty, with the addition of two posts for the registration of the Tibet and Sikkim Trade.[5] The report also remains one of the most authentic and holistic documents in providing the trade data for Bengal's trade with Nepal, Bhutan, Tibet and Sikkim during these years. The following tables present an overview of the total trade between 1887 - 1890. Table 1 shows the total imports of Bengal from these areas and Table 2 shows the total exports of Bengal to these areas.

Table 1. Bengal's Total Imports from Nepal, Bhutan, Tibet and Sikkim: 1887-90 (Value in Rupees)

Sl. No.	Exporting Country	Year		
		1887-88	1888-89	1889-90
01	Nepal	1,12,34,228	93,97,491	1,03,92,153
02	Tibet and Sikkim	3,65,262	1,27,804	2,67,101

[5] Report on the External Trade of Bengal: Nepal, Tibet, Sikkim and Bhutan for the Year 1889-90, Published by the Government of Bengal, Bengal Secretariat Press, 1890.

03	Bhutan	1,28,913	1,48,708	1,79,649
Total		1,17,28,403	96,74,003	1,08,38,903

(*Source: Report on the External Trade of Bengal: Nepal, Tibet, Sikkim & Bhutan for the Year 1889-90*)

Table 2. Bengal's Total Exports to Nepal, Bhutan, Tibet and Sikkim: 1887-90 (Value in Rupees)

Sl. No.	Importing Country	Year		
		1887-88	1888-89	1889-90
01	Nepal	73,51,720	74,30,836	79,06,026
02	Tibet and Sikkim	2,50,834	79,904	2,32,528
03	Bhutan	1,80,677	1,53,041	1,84,111
Total		77,83,231	76,63,781	83,22,665

(Source: Report on the External Trade of Bengal: Nepal, Tibet, Sikkim & Bhutan for the Year 1889-90)

In this regard, the stations for registering trade, according to their districts were as follows:[6]

Table 3: Districts with Trade Registration Stations

District	Stations
Chumparun	Tribeni Ghat
	Ruxoul
	Adapore
	Kutkenwa
	Ghorasan
Mozufferpore	Bajragnia
	Majorgunge
	Sonbursa
	Bela
	Sursund

[6] For the districts, the old British names have been used.

Durbhunga	Madhwapore
	Hatwary
	Joynuggur
	Mirzapore
	Pipra Ghat
Bhagulpore	Kandowli
	Patchpandareah
	Beerpore
	Panthamari
	Dhoorsa
	Teragutch
	Siktee
	Nawabgunge

Purneah	Mirgunge
	Gandharpdinga
	Kusumbah
	Koari
	Bhatgaon
	Korhabari Hat
	Korlekote
Darjeeling	Sukiapokri
	Goompahar
	Kurjulia

(Source: Report on the External Trade of Bengal: Nepal, Tibet, Sikkim & Bhutan for the Year 1889-90)

The items that constituted the main imports from Tibet were yak tails, horses, raw wool, silver, musk silk and tea. In terms of imports from Sikkim, these were brass, copper, vegetable oil, silver, cattle, hides of cattle, horses, ponies, mules, ghee, yak tails and timber. Similarly, Bengal's exports to Tibet were made up of indigo, tobacco, porcelain, earthenware, iron, cotton yarn, jewellery, dying materials as well as horses, ponies and mules. With regard to Sikkim, these were tobacco, rice (husked), cattle, salt, fresh fruits and vegetables, horses, ponies and mules.

Apart from the established trade linkages with Nepal, Tibet and Sikkim, Bengal also had lucrative business connections with Bhutan which was facilitated by stations at Ambari, Buxa, Hantupara, Rhenok, Pedong, Laba and Kalimpong. However, the items traded between Bengal and Bhutan were not much different from those that were traded with the rest of the neighbouring countries and kingdoms at the time. When compared with the total trade between these areas just a few years earlier, for example 1882-86, we see an increase in the trade volume. This can be calculated through an analysis of the official trade reports published by the erstwhile Government of Bengal which show that between 1882 and 1886, the total value of imports by Bengal from Nepal, Sikkim and Tibet stood at Rs. 2,30,93,272. During the same period, the total value of exports from Bengal to these countries was Rs. 1,96,19,293. On the other hand, the total value of imports to Bengal from these countries between 1887-90 stood at Rs. 3,22,41,309 while the exports from Bengal were valued at Rs. 2,37,69,677, therefore suggesting a rather significant increase in trade in the region. Figure 1 shows traders from Tibet in Kalimpong's (presently a newly created district in northern West Bengal) main trade center during the hey-days of the Tea-Horse trade.

Figure 1. Traders from Tibet with their parcel in Kalimpong's Main Road market, 1950.

(Picture courtesy: Pine Brothers, Kalimpong.)

Cowry as Currency

On an analysis of trading linkages, particularly between Yunnan (China), Myanmar and the then province of Bengal, the role of 'cowries' becomes prominent. There is significant evidence to add to the discourse on Bengal's connections with Yunnan province of China, especially during the Qing dynasty (1636-1911), or the medieval period to the early modern period. The presence of cowries in the Maldives and the existence of a cowry trade between Maldives and Bengal has been noted by medieval travelers such as Ibn Battuta (1983), who has described a cowry as an animal which the inhabitants of these areas gathered in the sea and placed in pits where its flesh would disappear, leaving its white shell. This shell was then used for buying and selling at the rate of four hundred thousand shells for a gold dinar. These island inhabitants sold them in exchange for rice to the people of Bengal, who in turn, used them as an alternative to sand for ballast in their ships.[7] Battuta himself traded with cowries when he decided to leave the Maldives. In Bengal, cowries were called '*cury*'. In Arakan, white cowries were used as well. In Siam, cowries were used for trade throughout the country for smaller transactions, while gold and silver were used for transactions of higher value. In Thailand, 1100 cowries were equal to one piece of silver and various commodities, ranging from tools, domestic and forest animals, wild products, ritual objects, people's property such as water, money,

[7] Battuta. I. (1983). Travels in Asia and Africa: 1325-1354, Routledge & Kegan Paul.

clothes as well as slaves are known to have been traded, with their value measured in cowries.

The Bengal cowries however, have been noted to be larger and having a yellow stripe in the middle. They were valid throughout Bengal for a large number of commodities, a privilege it shared with gold. Similar was the case in Orissa, but they were not valid anywhere else, thereby increasing their value in these two places.[8] The Kings and great lords of Bengal have been said to have had houses built expressly to store these shells and treated them as a part of their treasure. The Chinese pilgrim and translator *Faxian* (Fa Hien), who visited India during the reign of Chandragupta II of the Gupta Dynasty has noted that cowries (*beichi*) were used as money. Similarly, *Xuanzang* (Hsuan Tsang), a Chinese scholar during the mid-seventh century witnessed cowries being used as a medium of exchange in India. What the Chinese pilgrims, scholars and monks recorded during their visit to India has been confirmed by local hoards and texts discovered in northern India. An

[8] Yang. B. (2012). The Bengal Connections in Yunnan. *China Report*. No.48, Vol. 1 & 2, Sage Publications, pp. 125-145.

example of this would be that of the currency system in medieval Kashmir which was recorded to have consisted of a copper coinage with cowrie shells serving for smaller transactions.[9] Furthermore, with the regular use of the maritime Silk Road since the Tang period, Chinese travellers began to notice similar cowries in Southeast Asia as well. Scholars have examined, analyzed and reflected on the cowrie monetary system in Yunnan from the ninth to the seventeenth centuries. Yunnan being an inland area, the source of its cowries fascinated the scholars of the time. The term '*cury*' or '*kauri*' as they were commonly known in Bengal suggests that Bengal could have been the source of cowries in Yunnan, since the locals in Yunnan originally called them '*bei*', '*haibei*' (sea shell) or '*beichi*' (sheel teeth) but never '*kaoli*'. This new term had not been invented at least until the Yuan-Ming period, to refer to cowries. Based on this pronunciation of the term, scholars such as Ma Huan and Gong Zhen of the early fifteenth century concluded that the origin of cowries in Yunnan was indeed Bengal. Moreover, trading routes linking Bengal to

[9] Deyell. J. (1999). Living without Silver: The Monetary History of Early Medieval North India, Oxford University Press.

Yunnan as well as inland and coastal Southeast Asia have been recorded by Chinese travellers. In this regard, Xuanzang (mid-seventh century) and Yi Jing (late seventh century) have written about a road linking south west China (comprising areas such as Yunnan and Sichuan) and India.

Additional Records on the Southern Silk Route

Jia Din, a Prime Minister in the Tang court is known to have presented the Emperor with a book that documented China's foreign relations and communications as early as the year 801.[10] Xin Tangshu in his 'New History of the Tang Dynasty' further records that there were seven routes linking China with the 'barbarians' in all four directions. Out of them, the sixth route linked Annam with India (*Tianzhu*). This route has been recorded to have started from Tonkin (located near the Red River delta region of northern Vietnam), passing via Yunnan and running all the way through Prome (a kingdom that existed for six decades between 1482 and 1542 in present-day Myanmar) to finally enter Magadha. According to Jia Dan's records,

[10] Yang, B. (2004). Horses, Silver, and Cowries: Yunnan in Global Perspective. *Journal of World History*, 15(3), pp. 281–322

there were two routes from Tonkin to Dali, one by the river and the other, overland. Upon arrival at Dali, the routes merged together and extended towards Burma (Myanmar) and India. It has further been recorded that there were two routes connecting Yunnan and India. The southern route from Dali to Yong chang, ran through the kingdom of Pyu (present-day northern Myanmar), Prome, the Arakan range, Kamarupa and finally reached India. The second (western) route crossed the Irrawaddy and the Mogaung rivers as well as the Chindwin river to reach India. This route was about 3,200 li (one li is equal to 0.5 kilometre), compared to the 5,600 li of the southern route. However, the southern route was more important since it linked Yunnan and Burma while also connecting the Maritime Silk Road with the overland roads.[11]

It may be argued that trade through the ancient Southern Silk Road emerged as a natural outcome of small and large scale market conditions created by the forces of supply and demand dictated by the needs of people who resided along this route. It may also be safe to conclude that this trade was not a planned project by a political

[11] Yang, B. (2012). The Bengal Connections in Yunnan. *China Report*, No.48, Vol. 1 & 2, Sage Publications, pp. 125-145

authority. The resurgence of interest in the revival of these ancient linkages resembles such historical prerequisites while holding even greater potential based on the forces of globalization and regionalism and the importance of supply and value chains in the global economy in the 21st century. These new projects have immense potential for preparing the foundations for regional cooperation, creating political flexibility, improving economic growth and offering trade diversifications along with an increased focus on enhancement of investment in the transportation, mining and energy sectors in these regions.

Chapter 3

India’s North Eastern Region and the Southern Silk Route

B.G. Verghese (2018) argues that the urgent need for exploring alternative available links between the land-locked North Eastern region of India and the economic giants of Southeast Asia as well as with China is highlighted by the fact that the entire critical infrastructure that links India to the North-Eastern states in the 21st century, namely the railways, national highways, oil pipelines, multiple telecommunication conduits and power transmission lines, run through the Chicken’s neck (Siliguri Corridor), a narrow corridor 22 km wide sandwiched between Nepal and Bangladesh and in close proximity to Tibet/China and Bhutan. Furthermore, any breakdown, bandh or interruption anywhere along any part of this funnel has a critical impact on supplies, prices, security and the well-being of millions.[12] This argument underscores the importance of exploring avenues of geographical connectivity with the region at large, with the ultimate objective being a transformation of the landlocked north eastern region to a land-linked economic hub.

During the colonial era, a vast majority of the road development work carried out in the north eastern region had been a result of various political, strategic and economic needs of the British in the Indian subcontinent. The Second World War for instance, highlighted the need for the development of these roads further in order to evacuate British citizens from Burma as well as for creating a supply route for the army in case of a Japanese attack on Burma. The British project of construction of 'motorable' roads took shape with the aid of the Indian Tea Association (ITA). It began in March 1942 and materialized into three roads across the Patkai, namely the Tamu-Imphal-Dimapur Road, the Imphal-Bishenpur-Silchar Road and the routes in

---

[12] Verghese B.G. (2018). "Building Northeastern Futures, Looking East", In B. Oinam and D.A. Sadokpam (Eds.), *North East India: A Reader*. Routledge. New York. pp. 379-390.

the extreme north-east via the Hukawng Valley and the Patkai mountains to Ledo and from there, by train or steamer down to the Brahmaputra Valley.[13]

The Ledo Road, also referred to as the Stilwell Road after General Joseph Stilwell, a United States army general who served during the Second World War's Southeast Asia theatre, has been widely regarded as an engineering marvel on ground in terms of geographical and physical connectivity between India, Burma and China. Militarily, the main objective for the construction of this route/road was to maintain a continuous supply of arms and ammunition to the Chinese forces in order to keep the Japanese at bay. As mentioned by various observers and scholars as well as by military personnel in their accounts of the war days in Burma, the Japanese were willing to pay large sums of money to the local tribesmen for "American and British heads." Therefore, in order to ensure the validity of a counter initiative, the Allied powers became heavily dependent on a constant connectivity project in the region which would ensure a seamless flow of supplies to protect their own forces. The

[13] Ghosal. S. (2011). "The North-East in India's Look East: A Focus on Connectivity and Development in the Region", In R. Bhattacharya and B.K. Mishra (Eds.), *A Journey through the Stilwell Road*. Anshah Publishing House. New Delhi. p.85.

British and American forces had two options of accessing the Ledo road. The first was by air which took them directly to Ledo in Assam and the second was by means of a railroad from Calcutta to Assam. It is interesting to note here that the trains plying on this route moved at a maximum speed of twenty-four kilometers per hour until the Americans took over the whole operation and increased the speed to fifty-six kilometers an hour. The slow pace of the trains were attributed to the frequent anti-British strikes and the engineer deciding to stop the train every time a cow crossed the tracks.[14]

Initially the Ledo Road connected to Myitkina in Burma and from there it joined the Burma Road which was built while Burma was a British colony, to serve the purpose of ensuring supplies to China during the Second Sino-Japanese War (1937-1945). During World War II, Ledo served as a rail centre for General Stilwell's forces in north Burma as well as the supply route for the flights over the 'Hump' to Chiang Kai Shek in China. From Calcutta (present day Kolkata), it travelled in the north-east direction to Dimapur and from there on to Ledo. In 1939 this railway could carry

[14] Nelson D. (1945). Journey to Chungking. Augsburg Publishing House. Minnesota. USA.

600 tons a day: by the end of 1943 the capacity had increased to 2,500 tons after which, due to the efforts of six American railway battalions equipped with modern equipment, the capacity increased further to well over 4,000 tons a day.

The Ledo Road Connection

Although the Ledo road/route connecting *Myitkyina* to Burma was used by the inhabitants of the land near the border mainly for trade and cross-border visits, it gained prominence during the Second World War. The road originated in the town of Ledo in Assam and ran all the way through Burma before entering Kunming (Yunnan province of China). It followed the same course as the ancient route linking the upper Irrawady and Chindwin region to Assam and is therefore believed to be an integral part of the ancient Southern Silk Road that connected India and southern China. There has been a general consensus among scholars studying the route that the Ahoms reached India through this route in the early thirteenth century and that this period was also marked by the movement of people, small trade, embassies as well as invading armies. Subsequently, this route was used by the Burmese army in its invasions of Assam during 1817, 1819 and 1821.[15] Although there have been some debates among historians regarding the authenticity of the places mentioned in the Ahom documents with regard to their present status and location, the major sites and places do match up rather well. The anomaly, for the most part has been a result of different names given by different people in different languages to the same place, along with a constant shifting of villages especially in the hill tracts. The similarities between the places mentioned in the Ahom documents and the present time can be found in a few areas. For example, Ta Waing Mien mentioned in these documents is the present day Waing Mao, which is located just below Myitkyina, Nong Jang is the present day Nong Yang, Kham Jang is the present day Kham-Yang, etc. The documents also reveal the existence of close diplomatic relations between the Ahom kingdom and other Shan rulers at least till the beginning of the nineteenth century. The visit of the Mogaung embassy mentioned in these documents is particularly interesting since it brought with it things such as coloured cloth, writing

[15] Phukan, J.N. (2004). "Stilwell Road in Historical Perspective" In D. Nath (ed), *Reopening of the Stilwell Road: Prospects and Problems*. Maulana Abul Kalam Azad Institute of Asian Studies. Anamika Publishers. New Delhi, p.39.

sheets, steel needles as well as two horses with saddle and bridle which according to S.K. Bhuyan (1894–1964), must have been obtained from China. However, the route soon lost its importance for the British after the annexation of the Burmese kingdom of Upper Burma in 1885 and the subsequent gaining of access by the British of the whole of Upper Burma as well as the Shan states located on the border with southern China.

In the absence of air transport and distinct borders the Ledo road served as a vital means of ensuring the preservation of age-old traditions, economic exchanges and sharing of religious practices and beliefs in the region. Even today one may find striking similarities in the everyday lives of the people inhabiting these 'borderlands'. The British and American forces, in their efforts to enhance connectivity in the region to serve their strategic requirements, understood the importance of the Ledo road. However, after the end of the war, the road has been largely defunct.

The Development of Logistics in the Post-Independence Era

Since India's independence, road development in the north-eastern region was necessitated by a host of factors including stronger geographical connectivity with the rest of the country, aggression on the part of the Chinese across the border, the need for economic development as well as trans-boundary connectivity. Of late, with the rise in the literacy rates in the region, many scholars from the North East have started looking at the prospects of the reopening of this old route. Along with this, the growth of micro, small and medium enterprises mushrooming in the region has created a group of young and enthusiastic entrepreneurs who feel positively about infrastructural development in the borders leading to an expansion of cross-border trade facilities. Under the present order of international relations based on globalization and economic connectivity along with the rising popularity of the concept of region and regionalism, various forms of regional organizations have also come up in South and Southeast Asia. The Bangladesh-Bhutan-India-Nepal Initiative (BBIN), the Bay of Bengal Initiative for Multi-Sectoral Technical and

Economic Cooperation (BIMSTEC), the South Asian Association for Regional Cooperation (SAARC), the Bangladesh-China-India-Myanmar Forum for Regional Cooperation (BCIM) and the Mekong-Ganga Cooperation are some of the well-known initiatives in this regard. The revival of these old linkages for the purpose of harnessing the true potential of resources in the north-eastern region of India however, has yet to be fully realized.

Different regimes in the region and along both sides of the border have tried to restart trade between India and Myanmar and as a consequence, provide a significant boost to India's Southeast Asia policy (formerly Look East and presently Act East) with the establishment of border trading markets in the north eastern states of Mizoram and Manipur along with their counterparts in Myanmar. The success of such endeavors over the course of time has started to depend on a variety of factors at the social, political and economic levels. For instance, the number of trade-able items through these border markets remains highly negligible by 21st century standards. During its inception, the list of items allowed to be traded between India and Myanmar was considered as a stepping stone towards greater economic connectivity and integration in the near future. However, the benefits brought about by trade in these items have not been able to move beyond a certain threshold.

The adoption of the Look East Policy by India in 1992 was an initiative towards developing extensive economic and strategic relations with the ASEAN nations. Since then India has progressed from a dialogue partner to the present status of a strategic partner. The economic and trade linkages which saw an expansion of trade volume showed the intensity of economic engagement. India’s total trade with the CLMV countries (comprising of Cambodia, Lao People's Democratic Republic, Myanmar and Vietnam) has expanded from US$ 1.1 billion in 2004 to US$ 11.2 billion in 2013, more than a ten-fold increase. The balance of trade is in India’s favour, with the surplus amounting to US$ 2.6 billion in 2013. Among the countries of the CLMV grouping, India has a trade deficit with Myanmar owing to increased imports of pulses and forest products from the nation.[16] This may also be attributed to the fact that trade facilities on the Indian side of the border are sub-par at the

[16] Enhancing India’s Bilateral Ties with Cambodia, Lao PDR, Myanmar, Vietnam: A Brief Analysis. Working Paper No. 34. Export-Import Bank of India. November 2014.

moment, while being efficient and more organized on the Myanmarese side. The Integrated Check Post (ICP) at Moreh which was initiated in 2014, has already missed many deadlines for proper completion. Even though the passenger terminal was opened in the month of August in the same year, the Customs authorities are still functioning from the Land Customs Station and the goods section remains incomplete as well. It is here in Moreh that citizens of India can get a one-day pass to spend the whole day in the market towns of *Namphalong* and *Tamu* in Myanmar's Buddhist-dominated Sagaing Region without a visa or passport. The same goes for Burmese citizens wanting to spend the day in Manipur.[17]

Presently, the Indian government is engaged in road building in Meghalaya where a detailed project report of the 80-km improvement of National highway-40 (NH-40) between Shillong and Dawki and construction of the Dawki bridge is to be prepared after the National Highway Infrastructure Development Corporation Limited (NHIDCL) approved the alignment for the project in December 2016. The final

[17] Valsan, S. (2018). Get a taste of Myanmar's vibrant culture and cuisine at the Indian border town of Moreh in Manipur, *Outlook Traveller (Online)*, available at https://www.outlookindia.com/outlooktraveller/explore/story/69101/moreh-town-a-gateway-to-myanmars-vibrant-culture Accessed on 24.01.2019.

feasibility report on the improvement of the 80-km stretch of the national highway and construction of the bridge has also been submitted to the National Highways and Infrastructure Development Corporation Limited (NHIDCL). The project will be implemented by M/s Transys Consulting Private Limited at an estimated cost of Rs. 200 crores to be funded by Japan International Cooperation Agency. The proposed road is expected to improve trade and commerce with Bangladesh through Dawki by reducing the travel time and providing better connectivity to nearby areas such as Mawlynnong, which is notable for its cleanliness and also known as Asia's cleanest village. Similar initiatives with foreign collaboration may be the need of the hour in other parts of north-east India for better connectivity with the Southeast Asian region.

In an event dedicated to the promotion of tourism in West Bengal in 2017, N.V. Srinavasan, the national President of IACC (Indo-American Chamber of Commerce) remarked, “Tourism is a state subject and requires active participation of states. This is an opportunity to attract foreign investment and learn how destinations and experiences can be packaged".[18] During the same event, he also remarked that if industrialization was difficult in a state, tourism was the next best option to generate employment. In building a case for the reopening of the Southern Silk Road, the prospects of international tourism, which is not limited to a single country but applies to the region as a whole, may also need to be looked into and studied further. In case of the North-eastern region, this can be achieved rather easily given the common cultural and economic habits of the people of the region, mainly southern and south-western China, north-eastern India and northern Myanmar. A far-sighted policy decision would have the potential to contribute massively towards the development of alternative models of tourism in the region and generate other sources of revenues for the respective administrations. Given the terrain and geographical placement of these areas, it would be easier to achieve with cross-border cooperation. Myanmar for instance, would be able to add to its geostrategic significance given its location at the tri-junction between East, South and Southeast Asia.

---

[18] West Bengal leaders skip tourism event, BJP steals show. (2017). *The Economic Times*, The Times of India (Online), May 6, 2017. Available at http://timesofindia.indiatimes.com/city/kolkata/state-leaders-skip-tourism-event-bjp-steals-show/articleshow/58540545.cms Accessed on 07.05.2017

Prospects for a South-Southeast Asian Regional Common Market

A deeper analysis of the prospects and challenges with regard to the revival of the trade linkages via the Southern Silk Route often leads one to draw comparisons with similar initiatives elsewhere. In this regard, the European Union model has often been considered as a successful model of economic integration by prominent think-tanks. Therefore, it becomes necessary to turn towards the EU model with the goal of understanding the similarities as well as differences between Europe and Asia in terms of regionalism and connectivity. A 2012 joint publication by the Asian Development Bank and Edward Elgar Publishing titled ‘Regional Integration and Economic Development in South Asia’ has studied various important issues in this regard.

The idea of a common market is not recent. Since the twentieth century, one of the best examples has been that of the European Community where the member-states engaged in duty-free trade along with the promotion of free movement of labor and capital and it proved to be a rather successful endeavor. This success can be looked at through various lenses. Regional harmony is one of them. The European Union countries are no longer at loggerheads like they were in the past. Mutual benefits of trade can be one of the major reasons for this. With the exception of civil war in Yugoslavia (which was not a member of the EU at the time), Europe has managed to heal the divisions exposed during the two World Wars in the twentieth century and the EU was awarded the Nobel Peace Prize in 2012 for helping to promote peace and international cooperation. Furthermore, the European Union has a strong commitment to human rights, preventing discrimination and the due process of law. This makes it attractive to countries such as the Ukraine.

Furthermore, free trade and removal of non-tariff barriers have helped reduce costs and prices for consumers and removal of customs barriers mean 60 million customs clearance documents per year no longer need to be completed, cutting bureaucracy and reducing costs and delivery times. The free movement of goods, capital, services, and people have been termed as the "four freedoms" in the modern economy. Living by this goal, the Internal Market, which is the common market of the European Union, so far has to a large extent been successful in solving many of the problems of its member states. The idea of a common market is one that has found appreciation in other parts of the world. Some examples operating today are the Andean Community (CAN) which is a customs union comprising the South American countries of Bolivia, Colombia, Ecuador, and Peru; the Caribbean Community Single Market (CARICOM) which is a grouping of twenty countries (fifteen Member States and five Associate Members); the Central American Common Market (CACM) which is an association of five Central American nations that was formed to facilitate regional economic development through free trade and economic integration.

Traditionally, linguistic differences and bureaucratic regulations were regarded as the main obstacles to a common market. However, one may find that this did not deter them from engaging in trade with other parts of the globe. Western countries involved in economic interactions with a country like Japan or with some of the countries of Africa and the Far East may be taken as a case in point. The fact that linguistic differences are very frequently paralleled by cultural differences can most easily be demonstrated by the meanings of words that are hard to translate and involves a wide range of professions apart from the public administration, the military, or the police. For example, the education system, post office, railways, etc. This cultural difference problem of a common market may not however be a major obstacle in the proposal for a common market in the north east Indian region and involving neighbouring countries like China and Myanmar, as the people of this region as a whole share some common cultural aspects, which in turn can be tapped into and converted to huge benefits for the countries involved. This could find its form in traditional commodities of common usage, pharmaceutical products, the fisheries industry, tourism, etc. Apart from natural resources, this shared culture then becomes a major advantage for cross-border trade with the establishment of a common market. In an area such as the north-eastern region of India which is almost geographically landlocked, such an idea involving neighbouring countries like China and Myanmar along with the vast market potential of Southeast Asia seems logical. Land-ports like Nakugaon in Bangladesh where India, Nepal, Bhutan and Bangladesh have transit facilities or the Tamabil land-port which offers a gateway between Bangladesh and Shillong can be highly important in this regard. Additionally, the idea of cross border movement of people and goods in the case if the north eastern region has received a major boost with the Chief Minister of Arunachal Pradesh discussing the prospects of building the road that connects India and Bhutan at the Belting-Trashigang border, which would not only facilitate the movement of people and goods across the borders but also reduce the travel time between Tawang in Arunachal Pradesh and Assam by 150 km.[19] Any prospect of revival of such routes would be beneficial not only for the region but it would have implications for other countries in South Asia as well, as was the case when the older routes were in operation before 1954.

The proper development of land-ports in areas around the Indo-Myanmar border is another highly crucial requirement to ensure smooth flow of goods, people, capital and services through border markets such as Moreh, for example, thereby laying the groundwork for a common market in the region. This necessitates a pre-existing environment of peace since financial investments are often withdrawn from volatile markets. The role of government agencies in such cases becomes paramount as

[19] Arunachal Pradesh CM takes up the matter to build India-Bhutan road with Centre. (2020). *India Today* (Online), available at https://www.indiatoday.in/india/story/exclusive-arunachal-pradesh-cm-pema-khandu-takes-up-the-matter-to-build-india-bhutan-road-with-centre-1700679-2020-07-15 Accessed on 13.11.2020

witnessed during the the crisis surrounding the 2015 Rohingya refugees in Myanmar. The international condemnation of the same led to a resurgence in the discourse on the need for and challenges to a peaceful South Asian region. The Human Rights Watch observed the Myanmarese government's intervention in the matter closely. In its official statement, the following was mentioned:

"Burma's civilian-led government, which took office in March 2016, has failed to meet expectations to carry out significant reforms. Authorities continue to use repressive laws to arrest and prosecute activists for criticizing the government or military. The military remains the country's most powerful institution, with control of key ministries and autonomy from civilian oversight. In late 2016, the army carried out a brutal crackdown on ethnic Rohingya Muslims in Rakhine State, including extrajudicial killings, rape, torture, and widespread arson. Ongoing fighting between the military and ethnic armed groups has intensified in Shan and Kachin States, causing mass displacement."[20]

[20] Human Rights Watch (Online). Available at https://www.hrw.org/asia/burma Accessed on 09.05.2017

At the beginning of the 21st century, Indian External Affairs Minister Jaswant Singh, during a visit to Myanmar in February 2001, remarked that India needed an eastward access and this would not be achievable if it stood apart from Myanmar. Jaswant Singh was the first important Indian Minister to visit Yangon, Myanmar at least since the 1987 visit of Prime Minister Rajiv Gandhi. India's emphasis on developing its eastward trade access to Myanmar during that time illustrated the Indian Government's resolve to mend and enhance historic ties with Myanmar. The Indian Government has time and again showed its awareness of the potential for developing trade ties with Myanmar, an economy that only opened its market in the late 1990s.[21]

In the context of the present global order, borders are increasingly being seen as connecting elements rather than separating boundaries. Borders in Globalization (BIG), along with its ten university partners has emerged as one of the pioneer institutions engaged in border studies and policy linkages throughout the world. With regard to India’s need for acceptance of the changing economic realignment of the modern world, in an article published in 1991 argues that the countries of East

[21] Yahya, F. (2003). India and Southeast Asia: Revisited, *Contemporary Southeast Asia*, Vol. 25, No. 1. ISEAS. p.93

and South East Asia have followed Japan in developing highly integrated systems with research, business and government acting together, united by the ideology of growth and by institutional structures that are conducive to mobility, the latest entrants to this group being the erstwhile Soviet Union, China and Vietnam. India remains outside, an isolation that is largely the result of a combination of domestic policy, geography and geo-politics. Hence, opportunities in this regard do exist but their success would depend on India's reaction to them. It sets out to question whether India will or will not join the group of Asian countries and develop trade and investment linkages which are motivated more by mutual economic benefit than by notions of "South-South" solidarity.[22]

In an era characterized by economic interdependence, regional market set-ups seem to be a logical step towards achieving the maximum benefits from trade. Moreover, in terms of connectivity with the ASEAN member states, India is only linked physically with Myanmar and here again, the north-eastern region comes to the fore.

[22] Sudershan, R. (1991). Research Planning Meeting on the Changing International Economic Environment, particularly in Asia and the Pacific and its Implications for India and Southeast Asia New Delhi, 1–2 May 1991: Summary Record of Discussions, *ASEAN Economic Bulletin*, Vol. 8, No. 2. ISEAS. p.230.

Common logic would therefore suggest that economic development of the region as a whole would automatically lend more credibility to trade between Myanmar and India.

China's Yunnan and India's North-east: A Comparative Historical Analysis

Yunnan is a province in South-west China. Externally, it borders Vietnam, Laos and Myanmar and internally, it is neighbor to Guizhou, Guangxi, Chongqing, Sichuan and Tibet. When Sukapha, a Tai prince of the Mong Mao kingdom reached the valley of Brahmaputra in 1228 A.D. (where the Ahom rule continued for about six centuries), physical linkages between India's North-east and China's Yunnan were known to have been established. Geographically, Mong Mao is located in the present-day Dehong Dai Jingpho autonomous prefecture of south-western Yunan province of the People's Republic of China. Over the years, this physical linkage evolved to incorporate economic linkages.

In the twenty first century, regional initiatives such as the Bangladesh–China–India–Myanmar Forum for Regional Cooperation (BCIM) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) have come to define the linkages between the countries of the region. With the launching of the Look East Policy in 1992, the government hoped to usher in the development of the North-eastern region by connecting it with the international neighborhood. Additionally, the aforementioned initiatives along with the impetus on the development of the Kolkata-Kunming economic corridor are aimed at greater integration of trade and investment between the four countries (India, China, Myanmar and Bangladesh).[23]

China launched its grand plan to develop the western region during the mid-1990s. Accordingly, the provincial leadership of Yunnan emphasized on accelerating economic cooperation in two sub-regional development schemes to make it part of the national strategy hoping to promote its local economic and social development through these schemes. The two sub regional development schemes are the Greater Mekong Sub-region (GMS) development scheme and the Bangladesh China India

[23] Raimedhi, S.P. (2016). Prospect of Tourism Promotion and Revenue Generation in North East India: A Lesson Learnt in Yunnan, China, *Journal of Kolkata Society for Asian Studies*, Vol. 2, No. 1 & 2. p.174.

Myanmar (BCIM) regional economic cooperation, which have been driving much of the economic development in the province and across the border. Myanmar is a member of both of these cooperative mechanisms and is critical to Yunnan due to its geo-strategic position. In terms of transportation, Myanmar holds the only passage for Yunnan to reach Southeast Asia and, consequently gain access to the Indian Ocean. Myanmar is rich in oil, gas, lumber and gemstones and issues related to border security, counter-narcotic trafficking, money laundering, and smuggling of arms are important issues for both Myanmar and China.

Myanmar may therefore be regarded as one of the most important pieces in China's strategic design to develop its southern and south western regions. In the case of India and Myanmar, the two countries share an unfenced 1,640 km border via four of the states in the north-east. Myanmar has a long coastline which shares parts of the Bay of Bengal, and in particular, the surrounding areas of the Coco Islands and the Andaman Sea which is of strategic significance to India. Furthermore, India's maritime doctrine[24], published by the Ministry of Defense in late 2004, focuses to a

[24] Indian Maritime Doctrine. (2009). Published by the Ministry of Defence (Navy). Standard Press (India) Pvt. Ltd.

large extent, on China's potential threat in the Indian Ocean. On the other hand, a comparative assessment of road and logistics development between China's Yunnan province and India's Arunachal Pradesh shows that the road density of Yunnan and Tibet were 26.95 km and 20.90 km per 100 sq.km against Arunachal's road density of around 16 km per 100 sq.km. (in 1999-2000)[25].

1. **Yunnan Province of the People's Republic of China**

(Source: https://www.chinadiscovery.com/yunnan/maps.html)

[25] Gogoi, J.K., Goswami, H., & Borah, K.C. (2009). Project Report on Problems of Border Areas in North East India: Implications for the Thirteenth Finance Commission, Government of India, p.36

Road Networks and Logistics

With regard to the development of road networks in the region, it may be noticed that ever since India's independence, the North-east has been witnessing spurts of road development activities. However, at present, perhaps with the exception of Arunachal Pradesh where a two-lane highway is already under construction, all other arteries that connect vast stretches of Assam, Manipur, Nagaland and Tripura have been suffering significant delays. One of the major problems being faced by the contractors in this regard is the reality of stressed finances that have been accrued from past projects. The significance of building a strong road network can be exemplified by the Chinese model of road and expressway development which has played a major role in the growth of its economy since 1984. Known officially as the National Trunk Highway System, the network of expressways has been instrumental in not only integrating the country as a whole but also in ensuring quick and timely delivery of goods and services between different provinces. This has been a major contributor towards the development of its industries focusing on perishable goods by providing them a much quicker transport time along with much lower transport costs as compared to the other alternative which is air freight. The cost-analysis of the different types of freight for connectivity is discussed in chapter 5. Under China's Belt and Road Initiative, this is set to expand rapidly beyond its own territory and into the neighbouring South and Southeast Asian countries of Nepal, Myanmar, Thailand, Cambodia, Laos, Vietnam, etc.

In terms of the North eastern region of India, borders with Bhutan, Myanmar, Bangladesh and China could effectively be turned into international trade zones if the network of roads already in existence was strong. However, aside from strategic bottlenecks, one also faces the problem of developing a road network and undertaking construction of highways even as turnkey projects, given the terrain of the region. This, coupled with severe weather conditions in parts of Meghalaya add to the existing woes of the stakeholders involved in road construction. The Ministry of Road Transport and Highways of the Government of India has paid special attention to the development of National Highways in the North eastern region and according to its Annual Report (2014-15), 10 percent of the total allocation is earmarked for this purpose.[26]

The total length of National Highways in the North-Eastern Region is 12,581 km and these are being developed and maintained by three Agencies, namely:

i) The state Public Works Departments (PWDs)

ii) The Border Roads Organization (BRO)

iii) The National Highways Authority of India (NHAI).

Of the total length of 12,581 km, the construction duties and responsibilities of about 11,628 km lie with the BRO and respective state PWDs. The NHAI looks after the remaining length of 953 km. National Highway No 44 in the State of Meghalaya (Jowai - Meghalaya / Assam border stretch) falls under the National Highways Development Project (NHDP) Phase-III.

As of 2015, under the Inter State Connectivity and Economic Importance (ISC & EI) scheme, 35 projects amounting to Rs. 565.47 crore are under progress. The

[26] Annual Report: 2014-15. Ministry of Road Transport and Highways. Government of India. Available at http://morth.nic.in/annual-reports

Government has also invested an amount of Rs. 500 lakhs to help improve the Research and Development (R&D) in the roads sector with an aim to update the specifications for road and bridge works, for effective quality control in projects, to introduce emerging construction materials in projects and to recommend new techniques for highway construction and maintenance. A study of the government's road building projects and initiatives in the North-eastern region on a state-to-state basis reveals that in the case of Arunachal Pradesh, the government has approved the Arunachal Pradesh Package of Roads & Highways covering construction and/or improvement of 2,319 km roads at an estimated cost of Rs. 11,919 crores. Out of the 2,319 km, 2,180 km falls within the state of Arunachal Pradesh. Furthermore, the implementation of two-laning of NH 153 from Jairampur to Pangsau Pass covering 32 km at a cost of Rs.94.82 crore under Phase-A of the Special Accelerated Road Development Programme for North-Eastern Region (SARDP-NE) has also been approved.

Overall, four roads are of significance in terms of physical connectivity between India's North-east, Southeast Asia and China. These are:

i) The Stilwell/ Ledo Road connecting Ledo in Assam to Kunming in Yunnan province of China;

ii) The Aizawl – Champhai – Zokhawthar Road connecting Mizoram and Myanmar

iii) The Old Tea-Horse Trade Road connecting the town of Kalimpong in northern West Bengal to the Tibetan Autonomous Region of China;

iv) The Numaligarh - Moreh Road connecting the three states of Manipur, Nagaland and Assam.

According to Raimedhi (2016), if direct overland routes between North-east India and Yunnan could be opened, then it could reduce transport costs between these regions by at least thirty percent. It would also tremendously reduce the time required in transporting goods. Indian exports to China are mainly primary goods such as oilseeds, salt, cotton, dairy products, rubber, plastic, etc. and delay in transport end up in soiling and wastage of the goods. If routes between North-east India and Yunnan could be opened up, India's chance of increasing bilateral trade with China is guaranteed.[27] It is interesting to note here that out of these four roads, the old Tea-Horse trade route does not precisely fall in the North-eastern region but in West Bengal, which in itself holds immense potential for re-development, owing to the comparatively stronger logistical network in the state. This route, if reopened, provides direct access to the Tibetan Autonomous Region (TAR) of China via Kalimpong much like through the Nathu-la in Sikkim.

Just as the North-eastern region of India serves as it's gateway to Southeast Asia, Yunnan in China practically serves the same purpose for the Chinese given the fact that it shares borders with Myanmar, Laos and Vietnam. However, over the years China has placed an increasing importance to the internal development of this province and has transformed it into a hub for international trade with Southeast Asia. This does not seem to be the case when we look at the North-eastern region of India. Moreover, given the strategic concerns between India and China regarding the border of Arunachal Pradesh, the two sides arriving at a mutually beneficial economic arrangement in the region seems rather distant at present, although given

[27] *Ibid*.

the changing nature of economic relations between states in the international arena, this may not be an impossible hurdle to overcome as and when these concerns are assuaged.

In terms of the initiatives aimed at greater connectivity being undertaken by the government of Arunachal Pradesh, it may be important to note that it has made plans to urge the central government to take steps in improving road connectivity between Myanmar, China and Bhutan and to open up trade routes between North-east India and these countries. The identified border points in this regard are as follows:

Along the Sino-Indian border:

- Bum La in Tawang district.
- Kenzamane (Zemithang) in Tawang district.
- Gelling (Kepang La Pass) in Upper Siang district.
- Kibithoo in Anjaw District.
- Mechuka (Lolla Pass) in the West Siang district.
- Monigong (Dumla Pass) in the West Siang district.

- Taksing in Upper Subansiri district.

Along the Indo-Myanmar border:

- Pangsu Pass (Nampong) in Changlang district.

Along the Indo-Bhutan border:

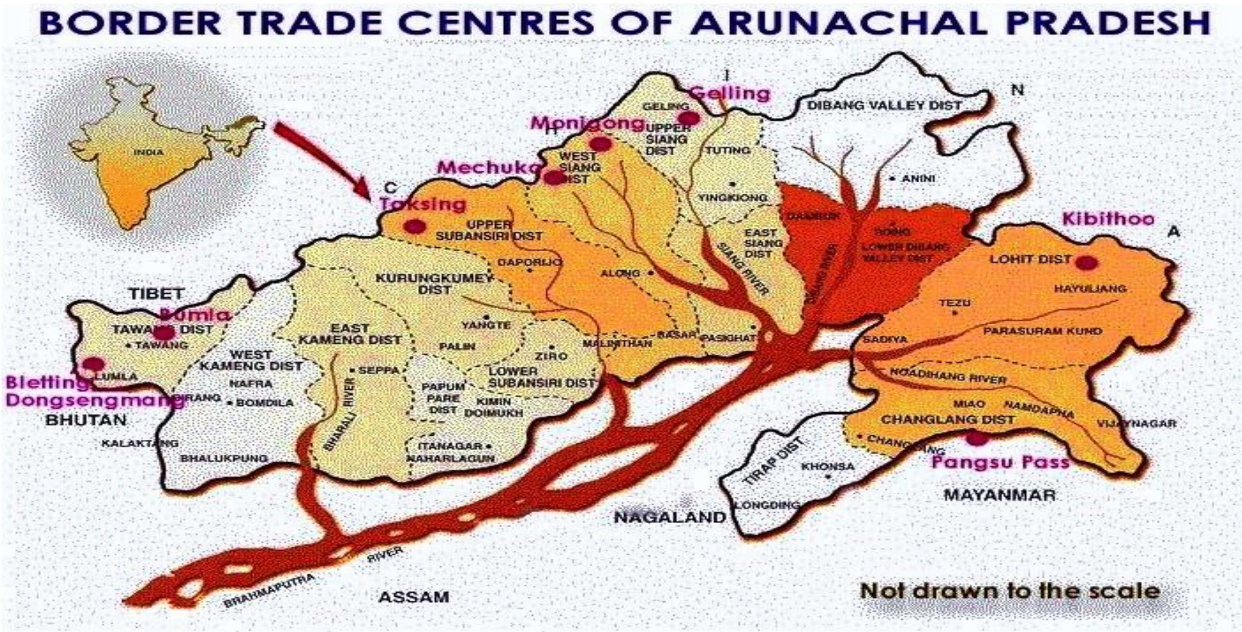
- Bleting (Namtsering) in Tawang district.
- Dongshengmang and Bongkhar in Tawang district.

Most of these identified areas (shown in the following maps) for a possible border trade mechanism between India and China in the future, have had a tremendous historical significance as a part of the Southern Silk Road. For example, the 14th Dalai Lama entered India via Kenzamane when he fled Tibet in 1959. As a result, this road is treated as the most sacred road by the Buddhists and holds immense potential for international tourism under the Buddhist circuit pilgrimage which is currently centered around the state of Uttar Pradesh; additionally, the Bum La pass is a historic trade route and border pass between Tibet's Cona County and India's Tawang district in Arunachal Pradesh. It is 37 km away from the town of Tawang and 43 km from the town of Cona and provides one of the shortest connectivity points to China from Tawang. It is connected by an all-weather metaled road to Tsethang (district HQ in Tibet, China) at a distance of 508 Km. If a border trade agreement is made between India and China in the future, it could be operationalized from this point; before 1962, Kibithoo was also one of the most flourishing centers of trade along the Sino-India border. Before the 1962 Sino-India conflict, barter trade was prevalent and flourished through the Kepangla Pass between the local people of Siang district and the people of erstwhile Tibet. In the case of a revival of trade linkages between the North-eastern region of India and China, these would be the most promising areas for further development of India’s connectivity with countries such as Myanmar, Bhutan and China through the state of Arunachal Pradesh. According to studies conducted by the Asian Development Bank and others, the benefits of economic integration between South and Southeast Asia could be about $570 billion, of which about two-third would benefit South Asia.[28]

The Department of Trade and Commerce, Arunachal Pradesh, has categorically mentioned the significance of these areas for trade. As stated on the department's official website, "*The traditional or informal trade relation in between the local people of our state and Tibet province of China has been carried on since time immemorial which was discontinued after the Sino-India conflict in 1962. However, the Union Govt. of India with its all-out efforts, has actively pursued for re-establishment of the past trade points under India-China sector. Up till now, no LCS could be approved by the Union Govt., under India-China Trade Points due to want of clearance at the bilateral levels*."[29]

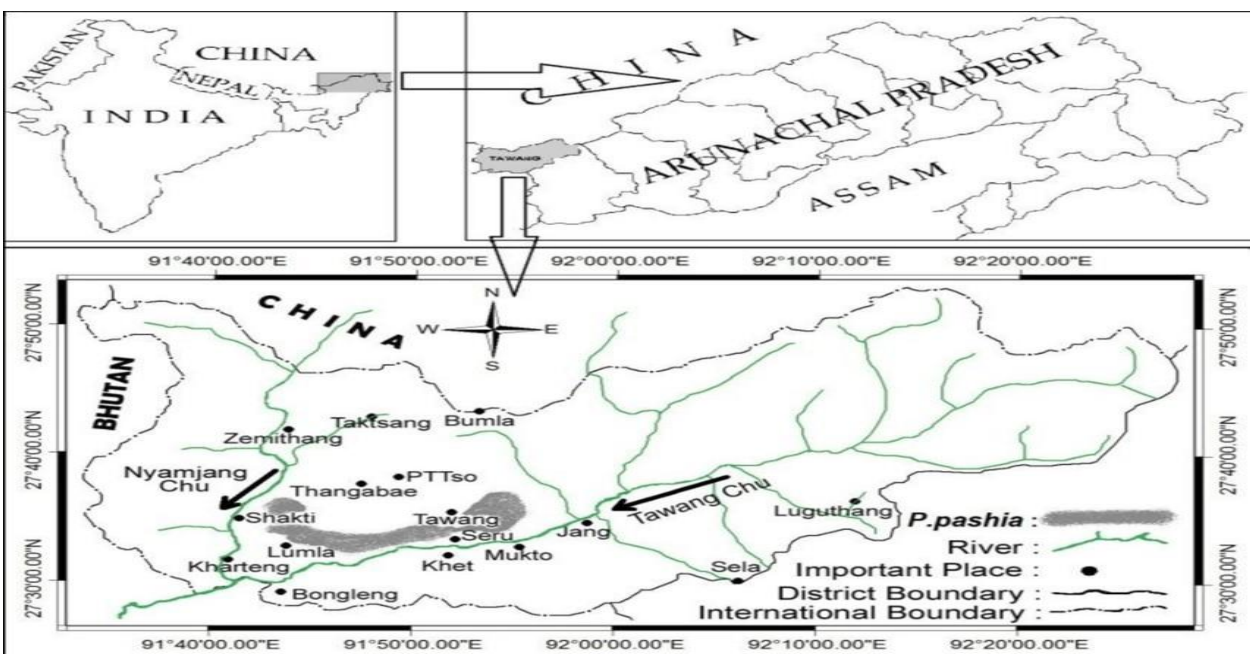
[28] Concept Note: Infrastructure based on Act East Policy. *Mott Macdonald Report*. 2018. The North Eastern Development Finance Corporation Ltd. p.2.
[29] Indo-China Border Trade, Department of trade and Commerce, Government of Arunachal Pradesh. Available at http://aruntrade.gov.in/html/indo_china_trade.htm Accessed on 14.5.2020

2: Map showing the geographical location of Bum-La (Pass), Monigong and Kibithoo, Arunachal Pradesh.



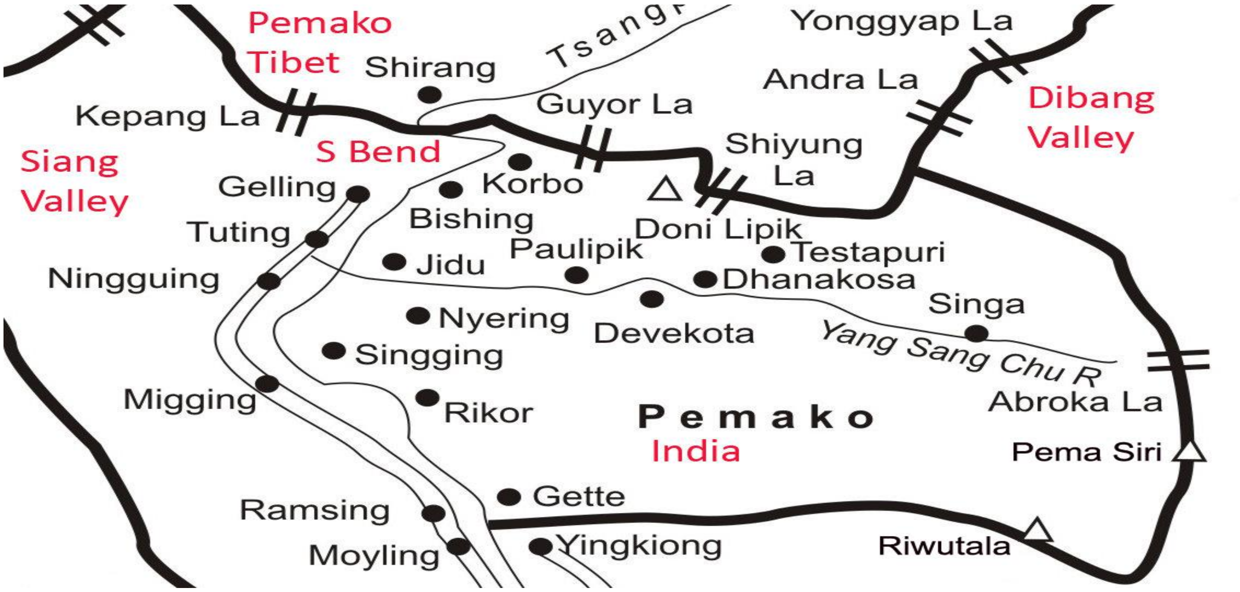
(Source: Economic and Political Weekly, Vol. 54, Issue No. 5, 2019)

3. Map showing the geographical location of Zemingthang, Arunachal Pradesh



(Source: Jambey Tsering, https://researchgate.net)

4. Geographical location of Kepang La Pass.



(Source: Harish Kapadia https://www.harishkapadia.com/climbs-explorations/arunachal-pradesh/maps/)

Moreover, states like Sikkim, Manipur and Mizoram carry the potential to be turned into economic transit points between India and Southeast Asia as well as the Tibetan Autonomous Region of China if reforms with a focus on the similarities in cross-culture markets are introduced at various levels by respective state governments. In this regard, Jelep La in West Bengal, Nathu La in Sikkim, Moreh in Manipur and Champhai in Mizoram do not seem to have been used to their fullest potential at the moment. The Nathu La pass in Sikkim is located at an altitude of 14,140 feet and is 52 km. from the capital Gangtok and was an important pass of the Southern Silk

Route connecting India and Tibet until 1962. Barrens of mules carried silk, gold and many other items from Tibet to India and take daily essentials back to Tibet. The Tibet section of the route traversed down the Chumbi Valley to Yathung, a place about 30 km. away which once used to be a major trading township. Although economic exchanges through this pass were reopened in July 2006 allowing limited trade between India and Tibet, currently the items for trade include yak hair and tail, silk brocades, clothes etc. and it is limited to border trade and participated in by about a hundred odd businessmen.

A nearby place is Sherathang which has a well-developed shopping mart and India's highest altitude internet cafe. Close to it is another place called Kupup which mostly remains covered with clouds. It has the second highest golf course in the world and was one of the major trading areas during the days when trade and exchanges through the Southern Silk Route were operational. The ancestors of most of the residents of this town migrated here from Nepal and Tibet as labourers during the initial stages of the road's construction. Gradually they started settling here amidst the booming trade between India and Tibet. Jelep La, on the other hand is a high altitude mountain pass at 13,999 feet and links Lhasa (Tibet) to India. The word Jelep La is of Tibetan origin and it means “the lovely level pass”. As this may indicate, it happens to be located at the highest level among all the passes between Sikkim and Tibet. On the Indian side, Jelep La branches out into two routes, one running through Kalimpong (West Bengal) and the other through Gangtok (Sikkim). The Kalimpong route is the older one and it passes through the town of Pedong in the northern part of West Bengal. This route has played a pivotal role in the development of the local economy in the region, as it was used for trading furs and wool till the early twentieth century. However, the route has been closed after the Sino-Indian War in 1962.

On the other hand, the route from Gangtok, crosses the towns of Sherathang, close by Changu Lake and alongside Nathu La and Kupup. Following their tradition of road building in far flung areas, when the British rule began in India they built roads in Sikkim around 1884. A small Tibetan armed force occupied the area around the ‘la’ (pass) two years later. With the rising influence of Russia in Tibet, the British sent an expedition in 1904, via Jelep La to Lhasa, headed by Colonel Francis

Younghusband. This expedition was confronted by formidable Tibetan forces but the British were successful in defeating them. In the absence of the 13th Dalai Lama, who had escaped to Mongolia, a trade agreement was forced on the Tibetans. A website run by travelers who have explored the Silk Road in Sikkim offers the following insight on the Jelep –La pass:

"*In 1947, when India gained independence, Sikkim was a monarchy. During this time, Sikkim was granted a special protectorate status and India owned the status of a suzerain nation. From that point onwards, the defense and foreign affairs of Sikkim were managed by India. After the invasion of Tibet by China in 1950, the passes in Sikkim were used by the refugees coming from Tibet. However, after the Sino-Indian War in 1962, the Jelep La Pass was closed down permanently. In the early phase of 1975, following a referendum, Sikkim became a part of India. Again, with the recent development in relation between India and China, there are possibilities in reopening the Jelep La Pass (following the reopening of the Nathu La Pass on July*

6, 2006). There is a huge expectation that the opening of the pass, will lead to an economic boom in the region".[30]

The issue of connectivity and inaccessibility stays on the forefront of all development projects in the North-eastern region. The creation of East Pakistan in 1947 further added to its inaccessibility. Prior to that, trade was carried out through avenues like the sea route, inland waterways and through railways and road. The creation of East Pakistan therefore took away a huge chunk of connecting elements between the North-east and mainland India. Today the narrow twenty-two-kilometer-wide Siliguri Corridor happens to be the only physical link between the two. In this regard, as a majority of the boundary of the region happens to be international borders, developing the already existing routes between them may be of immense importance for turning the entire region from land-locked into a land-linked one. The Stilwell Road, if reconstructed would directly connect the state of Assam with Myanmar. This road could then be extended to connect Moreh (India)

[30] Jelepla Pass. *Sikkim Silk Route: Tourism and Trade for 2000 Years*, Available at http://www.sikkimsilkroute.com/jelepla-pass/ Accessed on 09.04.2017

with Kalewa (Myanmar) on the Chindwin river. Mizoram shares a 722 kilometer border with Bangladesh and Myanmar. According to Hazarika (2011), "if Bangladesh and Myanmar could be linked to Akyab (now called Sittwe) in Myanmar and if Bangladesh agrees, Agartala could be connected to Chittagong. This would open up the entire North-east of India, making it the commercial outlet for the eastern trade."[31] This route also has a pre-colonial legacy in the fact that it was used by the people of Assam, Burma, the present Arunachal Pradesh and China for their trade activities. Incidentally today, one of the main impediments to deeper integration in the case of Asia is the lack of integrated transport linkages. Railways connecting countries like Myanmar, India, Bangladesh and China are absent. In this regard, the car rally organized by the BCIM forum in 2013 from Kolkata to Kunming was a highly significant step in showing that physical overland connectivity was in fact possible between these countries in the 21st century. However, similar initiatives need to be taken up frequently even if just to act as morale boosters for the stakeholders if this route is to be used for international trade as the vitality of the

[31] Hazarika, P. (2011). "Connectivity and Economic Potential of Stilwell Road" In R. Bhattacharya & B.K. Mishra (Eds). *A Journey through the Stilwell Road*. Anshah Publishing House New Delhi. p.125.

private sector in the Asian region depends on effective transport and communication links between key urban centres. China was able to turn the city of Kunming into an international trade hub under similar conditions.

However, there are certain bottlenecks in the issue of connectivity and road building in other parts of the region. Broadly, the problem here is two-fold. Firstly, the presence of insurgent groups mainly in Manipur and Nagaland. Nearly twenty insurgent groups of Manipur and Nagaland have been reported to collect a total of Rs. 50,000 as extortion from every import or export consignment that passes through that route. Secondly, the dismal condition of roads connecting most of the main cross-border trading centres in the region. Most of these roads are either *Kuchcha* (unmetalled) or are too narrow to transport cargo across borders. The government's proposals to turn these roads into highways for better connectivity in the region over the years have run into such bottlenecks, thereby rendering development policies and plans more or less fruitless.

Bottlenecks in Development

Several attempts by the Indian government to initiate peace talks with the insurgents have not been able to achieve the desired results or have had limited success. This has contributed to the slow pace of development, which in turn has been one of the major reasons for the growth of insurgent elements in the region. Hence one may find a vicious circle of poverty, underdevelopment and insurgency while looking at the North-eastern region. However, a concrete plan based on achievable goals and political will on the part of the government could in fact lead to a solution to these problems. The British were able to 'tame' the 'wild tribes' of the North-east by means of connectivity with not only the mainland of India but also with neighbouring countries like Burma (Myanmar) and Tibet (China) by focusing on road building and trade with those countries. These roads built by the British which served as the backbone of economic and cultural interactions between the people of this region lie in shambles at present, completely neglected and with little sign of re-development.

Added to this are the various brands of identity politics in the region which have their roots mainly in the colonial period. These have served to create the basis of exclusion of groups thereby resulting in various forms of rifts like majority against minority, "sons of the soil" against immigrants, locals against outsiders, tribal against non-tribal, the people of the hills against those of the plains as well as intertribal issues against intra-tribal ones. In the backdrop of the strategic and sensitive border areas, low level of development, immense cultural diversity, and participatory democratic processes, identity politics has resulted in social exclusion which has in turn led to perceptions of marginalization, deprivation and erosion of identity adding to the strong basis of brands of separatist movements in the garb of regionalism, sub-nationalism, and ethnic politics, most often verging on extremism and secession.[32] Insurgency and ceasefire agreements in the North-east have been a major source of discourse on the region. According to the South Asia Terrorism Portal (SATP)[33], in 2005 there were a total of 717 fatalities in the North-eastern

[32] Das, N. K. (2009). Identity Politics and Social Exclusion in India's Northeast. A Critique of Nation-Building and Redistributive Justice. *Anthropos, Bd*. Published by Anthropos Institute. pp. 549-558
[33] South Asia Terrorism Portal, available at http://www.satp.org/. Accessed on 09.05.2017

states of Assam, Tripura, Manipur, Meghalaya, Mizoram and Nagaland due to insurgency related incidents in the region.[34] This is coupled with the varied range of unique problems each of these states are still facing, ranging from logistics and bad weather conditions to bottlenecks in proper integration with the rest of the country. According to the available literature on the subject and from observations on the ground, it may be understood that conflicts between different ethnic groups in Manipur have played out in Imphal, although they go through phases of heightened and reduced tensions. It has also been observed that in the recent past, blockades have become a viable tactic in bargaining with the administration both at the local as well as the national levels. The threat of a blockade has become a perpetual possibility during any breakdown in interethnic relations. Imphal's geography of vulnerability based around the concept of a valley surrounded by hills, as well as the prominence of a discourse that casts Imphal as a Meitei city and the seat of power for a government that supports Meitei interests, coupled with the unexpected success

[34] This figure includes civilians, security force personnel and terrorists. The figure was 637 in 2006; 1,036 in 2007; 1,051 in 2008; 852 in 2009; 322 in 2010; 2 46 in 2011; 316 in 2012; 269 in 2013; 465 in 2014; 273 in 2015; 160 in 2016 and 32 till 30th April 2017.

of the two blockades in 2010 and 2011, have all contributed to the appeal of blockades as a form of action in the vacillations of interethnic politics.[35]

For many years, the Naga civil society groups in Manipur have pushed for an autonomous district council in the Naga areas, since such councils exist in other hill areas of the borderland legislated by the Sixth Schedule of the Indian Constitution. With regard to Manipur, six autonomous district councils were created in 1971 and subject to direct elections. After violence escalated in Manipur during the 1980s, the councils were suspended. A new act was passed in the year 2000 under the mounting pressure from civil society groups in the state, which came to be known as the Manipur (Hill Areas) Autonomous District Council Act. However, the act was never brought into force and in 2006, was replaced with the 1971 act. In 2008 the act was amended once again and these amendments were seen as further stripping autonomy from the hill areas. The Manipur Government announced elections to the hill councils in late 2009. In April 2010 a number of Naga civil society groups led by the All Naga Students Association of Manipur and the umbrella United Naga

[35] McDuie-Ra, D. (2016). Borderland City in New India. Amsterdam University Press. p.95

Council called for a boycott of these elections. The Manipur Government was undeterred and scheduled the elections for late May. In response the boycott turned into a blockade of the two main highways into Manipur, National Highways 39 and 53, thereby cutting off Imphal from the rest of India. Within a year, the Sadar Hills District-hood Demand Committee (SHDDC) called for a weeklong blockade of two highways connecting Imphal to India as well as the border with Myanmar. The SHDDC demanded the upgrade of the Sadar Hills district to a revenue district, giving the majority Kuki community in this area a higher level of territorial autonomy. The supporters of the demand regarded the blockades as a success in terms of their longevity, which gave the hill communities a powerful tool at their disposal. The blockades also exposed the fragility of connectivity in the region.

The blockades affected all the traders in Imphal, given the fact that without goods arriving in the city from the rest of the country there was less to sell. Small-scale traders could not travel back and forth to the border with Myanmar and the vendors who buy and resell these goods in Imphal also faced depleted stock. With many residents unable to work they spent less on non-essential items, and even these items became hard to obtain as the blockades wore on. The Consumer Development and Public Distribution Department organized mobile markets that went around to different neighbourhoods with essential commodities sold out of the back of trucks under state police guard. Such incidents have greatly affected the socio-economic hindrances to the development of logistics networks in the region.

Chapter 4

Historical Trade Routes in the Region: North Bengal and North-East India

In the realm of global connectivity, for centuries trade has been one of the most important and recurring themes. Other facets of connectivity, be it culture, religion or language have often been bolstered by prospects of trade. For example, South Asia's connectivity with the immediate neighbourhood in the various eras preceding the advent of colonialism were largely strengthened by the possibility of trade and trading routes and in this regard the historical significance of the Southern Silk Route has been undeniable. This chapter studies the various facets of trade linkages between India and her neighbours through the different branches of this route and also attempts to analyze the trends in trade and commerce during the pre-colonial era as well as after the independence of India in 1947. The designations which are applied to routes used by the merchants and religious travelers refer not only to their itineraries, but also to geographical regions characterized by flexible boundaries and polyvalent socio-religious connotations. Encounters, contacts, and exchanges along these overland and maritime routes largely contributed to changing definitions of insiders and outsiders while at the same time, demarcated the existing norms of purity and pollution.

The Tea Horse Road

Historically, the ancient 'Tea Horse Road' in China was a trade route passing mainly through Yunnan, Sichuan, and Tibet. It got its moniker somewhere between the 6th century to the 20th century when people in Sichuan and Yunnan provinces of China used this route to trade tea with horses. In the case of trade between Tibet, Darjeeling, Sikkim (a kingdom during the colonial period in Asia) and Bhutan, between 1897-98 the imports from Sikkim into British territory were valued at Rs.

4,94,039 and the exports were valued at Rs. 3,64,963. During the same period, the imports from Bhutan were valued at Rs. 1,08,194 while the exports were valued at Rs. 1,37,460. The imports from Tibet during the same year were valued at Rs. 4,98,125 and mainly consisted of horses, raw wool, ponies, mules, silver, musk and yak tails. The exports from India were valued at Rs. 1,88,280 and included silver, tobacco, indigo, cotton-piece goods, brass and copper. In fact the ponies in Darjeeling and Kalimpong that even today contribute towards the tourism-related services in northern West Bengal are a result of this trade.[36]

Today, the remnants of this route presents a significant opportunity for the revival of these ancient linkages, as exemplified by the re-opening of trade in 2006 through Nathu-La at 14,500 feet on the Sino-India border in northern Sikkim. The second branch of this route, leading towards the district of Kalimpong in northern West Bengal, has however been largely unexplored in terms of the possibilities of reopening for trans-boundary trade between India and China. The volume of trade, given the location of the trading centers during the colonial era as well as the

[36] Newman's Guide to Darjeeling and its Surroundings: Historical and Descriptive. (1909). W. Newman and Co. Calcutta.

immediate period following India’s independence was rather significant, as supported by the aforementioned figures. It has been rendered practically stagnant after the Sino-India war of 1962 and remains unexplored in terms of its potential for economic linkages between the Tibetan Autonomous Region (TAR) of China and West Bengal in India much like the Nathu-La in northern Sikkim. In 1865, after the Anglo-Bhutan War, British India brought the town of Kalimpong under its control after considering its advantage as an outpost for trade with Tibet, which they did accomplish in establishing. It has been documented that at least up to the middle of the19th century, the present town of Kalimpong was ruled in succession by Sikkimese and Bhutanese overlords. It was rendered a marginal space following the ceding of its surrounding areas to Britain by Bhutan after the Anglo-Bhutan War of 1864 and its conversion to a ‘frontier zone’ of colonial India. The British sought to modify and control the lateral linkages across this part of the Himalayas by renovating the direct trade route between Tibet and India in such a way that the trade would converge on the frontier town of Kalimpong rather than passing through Bhutan, Sikkim or Nepal as they used to. It was believed that this would help to secure the imagination and identification of Kalimpong with India. Therefore, an attempt was made to divert the major chunk of the Tibetan trade that earlier used to pass through Bhutan, Sikkim and Nepal towards the Kalimpong–Lhasa route via Jelep La.[37] Till the early 1950's until China shut down Tibet's border, Kalimpong flourished as a trading post. A trade agency named Tibetan Trade Mission opened in Kalimpong in the first half of the 1950s. This was complemented with the setting up of the Indian Trade Agencies at Gyantse and Yatung in the Tibetan Autonomous Region of China.

Trade with Tibet brought in caravans of musk, hides, furs, turquoise, coral, gold, herbs and minerals of medicinal value, and especially lamb wool. Soon large godowns were built where thousands found employment in sorting, drying and baling wool that came from Tibet. In exchange, the Tibetan traders took back cloth, tea, sugar and other food produces. Alongside the trade with Tibet, the arrival of missionaries also contributed significantly towards an early expansion of Kalimpong to a sizeable town that it is today. Schools and hospitals were established as early as

---

[37] Sherpa, D. (2019). The Transformation of the Indo-Tibetan Trade in Wool: 1904–1962. *China Report*. Vol. 55, No. 4. pp.393–409

1873, and even today the town's reputation as an educational center is known far and wide. Moreover, Kalimpong was chosen as one of the three places where China was to open trade agencies, the other two being Kolkata and New Delhi in the India-China trade agreement of 1954.

The Tea Horse Road played a highly significant role in linking Sichuan, Yunnan, and Tibet with Bhutan, Sikkim, Nepal and India. In other words, the road had already set in motion the foundation for regionalism between South Asia and China even before the modern iteration the former was created. Furthermore, its significance has been multidimensional, as is often observed during an analysis of historical ties between Tibet and India. It shaped the culture, traditions, customs as well as the socio-economic fabric of the entire Himalayan region as we know it today.

As far as China is concerned, the Ancient Tea Horse Road was divided into two major roads: the Sichuan-Tibet Tea Horse Road and the Yunnan-Tibet Tea Horse Road. Under the rules of economic engagement prescribed by the forces of globalization today, Yunnan has re-emerged as one of the focal points of China's economic and strategic worldview ever since the year 1984 when China allowed the twenty-seven border districts of Yunnan province to function as border trading points with her neighbours.[38] For China, Yunnan has also been a crucial geographical area in a multitude of initiatives aimed at economic integration, some of which are;

- The Greater Mekong Sub-regional Economic Zone (GMS), also known as the "hexagonal economic cooperation", initiated by the Asian Development Bank in 1992 which includes China's Yunnan province, Myanmar, Lao PDR and Thailand.
- The China-Myanmar Economic Corridor; and The Belt and Road Initiative (BRI).

The Sichuan-Tibet Tea Horse Road

It was during the Ming Dynasty (1368-1644) in China that the Sichuan-Tibet Tea Horse Road was officially recognized. The complete length of this road was over 4000 kilometers, with a history of 1300 years and stretched from Ya'an in Sichuan

[38] Masviriyakul, S. (2004). Sino-Thai Strategic Economic Development in the Greater Mekong Sub-region (1992-2003). *Contemporary Southeast Asia*. Vol. 26, No. 2. p.305.

to Lhasa via Luding, Kangding, Batang, and Chamdo in Tibet with its extensions reaching as far as Nepal, Burma, and India. In the Tang and Song (960-1279) dynasties, the Qinghai-Tibet Highway became a major alternative for transporting tea to Tibet from Sichuan and other more eastern areas, taking the less-steep long way round through Chengdu, Xi'an (then Chang'an) and the Silk Road. This road helped the commercial towns and cities nearby to expand and also promoted commerce between inland areas and Tibet. At a time when tea was worth more than porcelain or silk, porters and pack animals inched up switchbacks to cross Tibet's 15,000 foot Zar Gama Pass as they followed the Tea Horse Road.

The Yunnan-Tibet Tea Horse Road

The Yunnan-Tibet Tea Horse Road started functioning in the late 6th century. It began from Simao (a major tea-producing area) and led to Lhasa, crossing Pu'er in Xishuangbanna, Dali, Lijiang, Shangri-La and continued onwards to Nepal, Burma, and India. It was a critical trade route connecting Yunnan to Southern Asia. The rise of the tea-horse trade not only boosted the local economy but also contributed to an enrichment of the local culture in western China, while at the same time promoting the development of the road. The growth of the hamlet of Kalimpong into a thriving economic hub for Indo-Tibetan trade stands testament to this fact. For travelers however, it was often a dangerous and risky journey. Transportation was difficult to come by in the southwestern areas of Tibet owing to high and precipitous mountains, climbable only by narrow zigzagging roads as well as due to the presence of rapid rivers to cross. Wheeled or waterway transportation was nearly impossible. Under such circumstances, pack horses were the only means of transportation. It has been widely argued that this road was created by humans with their feet and horses with their hooves. This connected communities in neighboring valleys and villages, emerging as one of the most important communication links for southwest China. The stations where traders stopped to conduct their business later turned into towns or cities. Today's Lijiang, located in the north-western part of Yunnan Province, in the middle reach of Jinsha River at the intersection of Yunnan-Guizhou plateau and the Tibetan plateau, is a well-preserved ancient town known as an important survivor from the Tea-Horse Road. It realized a GDP of RMB 24.88 billion in 2013, representing a rise of 14.2 per cent year on year. The city's GDP accounted for approximately two percent of Yunnan's total.[39] In the 21st century, as reported in the *Jakarta Post*, the relatively small Chinese province of Yunnan is preparing to be the next big economic miracle in Asia by capitalizing on its strategic location that borders Southeast Asian countries and is almost next to India and Bangladesh.[40]

The Chinese government has big plans for Yunnan, which is part of the ancient Southern Silk Road connecting Chengdu in Sichuan to Myanmar and Bangladesh. This route extended further to India, Thailand and even Indonesia. With the rapid development of modern roads in the late 20th century, the ancient pathways have been superseded by the Sichuan-Tibet Highway and other Tibetan roads. In the case of India, these linkages have immense potential for revival in the sense that entire generations residing in areas connected by these routes are now aware of their economic potential, largely due to the rapid rise in the number of educated youth in the region. The idea of connectivity has been made broader with the advent of the

[39] China Knowledge (Online). available at http://www.chinaknowledge.com/CityInfo/City.aspx?Region=Western&City=Lijiang Accessed on 20.10.2016

[40] Yunnan at the Core of Modern-day Silk Road. (2015). *The Jakarta Post (Online)* available at https://www.thejakartapost.com/news/2015/08/23/yunnan-core-modern-day-silk-road.html Accessed on 17/05/2019

forces of globalization. This idea has in turn shaped the recent policies of many of the governments of the region, while at the same time leaving out the potential of reviving these roads for the same. The Ledo Road presents itself as a classic example here. While a portion of this road is witnessing immense development in terms of logistical capabilities on Myanmar's side (which links Myanmar with China), the same stands largely abandoned on the Indian side.

China- India Trade: Nathu-La

According to the Agreement on Trade and Intercourse with Tibet Region signed between the Republic of India and the People's Republic of China in 1954, trade between India and the Tibetan Autonomous Region (TAR) was to be carried out through certain trade areas and agencies which were mutually agreed upon. In this regard the Government of India agreed that the Government of China may establish Trade Agencies at New Delhi, Calcutta and Kalimpong. Similarly, as per article 2 of the same agreement, the Government of China agreed that the Government of

India may establish Trade Agencies at Yatung, Gyantse and Gartok. The Trade Agencies of both Parties would be accorded the same status and the same treatment. The border disputes between India and China since the late 1950s have contributed towards the closure of this route. A border war broke out between the two countries in 1962, which was followed by nearly two decades of icy cold relationships. Talks resumed in the 1980s leading to the signing of two border agreements in 1993 and 1996. However, progress in the bilateral relationship remained limited as border issues were still a major cause of concern. Another cause of discord was China's refusal to recognize Sikkim as a part of India territory. It was not until the period from June 2003 to April 2005, when China and India had discussions on the possibility of resuming border trade in Nathu La, at the Sikkim border, that some positive development was hoped to be achieved by both sides. Nathu La is the world's highest mountain highway trade pass at 4,328 meters above sea level. It is 56 km from the Sikkimese capital, Gangtok, 52 km from the Chinese border town of Yadong, and around 400 km from the Tibetan capital, Lhasa. It is a part of the Southern Silk Route and is passable between April and October every year, while also being one of the better conditioned trade passes between India and China. It was once a venue for intensive cross-border trade activities between India and Tibet. During the 1962 border war, Nathu La witnessed the end of cross-border trade and the arrival of troops of the two countries, often engaging in what strategic experts refer to as an 'eyeball-to-eyeball' confrontation. The breakdown of cross-border trade proved detrimental for the economy of not just the northern parts of the state of Sikkim, but also affected the economy of the North-eastern India as a whole. On the eve of Indian Prime Minister Atal Bihari Vajpayee's visit to China in 2003, China declared its intention to address the issue for the first time in history.[41] Vajpayee embarked on a state visit to China which lasted from June 22 to 27, 2003. On June 23, Vajpayee and Chinese Premier Wen Jiabao signed the Declaration on Principles for Relations and Comprehensive Cooperation Between the People's Republic of China and the Republic of India as well as nine other agreements, including the Memorandum on Expanding Border Trade that provided for the formal reopening of

[41] MDONER (Online), Available at http://mdoner.gov.in/content/items-border-trade-%E2%80%93-nathu-la Accessed on 15.03.2019

Nathu La as a border trade pass between India and China. About five kilometers ahead of the pass lies Sherathang, where the Indo-China Border Trade Mart is situated. The Memorandum also included details on the sites of border trade between India and China. Each of the two sides agreed to appoint a special representative to explore the framework of a boundary settlement as soon as possible. By the time China and India agreed to reopen Nathu La, the border trade pass had been closed for 43 years.

The Present Trade Scenario at Nathu-La

The traditional trade between India and China through Nathu La Pass in Sikkim started from 6th July 2006. Today, import and export of locally produced commodities by people living along both sides of the Indo-China border as per prevailing customary practices are allowed. The commodities allowed under border trade at Nathu-La are as divided into the following categories:

i) Items exempted from duty when imported into India from China through border trade. These include goat skin, sheep skin, goats, horses, sheep, wool, raw silk, yak tail, yak hair, china clay, borax, szaibelyite, butter, goat cashmere and common salt.

ii) Items freely exportable to China in border trade, which comprise of agricultural implements, blankets, copper products, clothes, textiles, cycles, coffee, tea, barley, rice, flour, dry fruit, dry and fresh vegetables, 'gur' and 'misri', tobacco, snuff, cigarettes, canned food, agro-chemicals, local herbs, dyes, spices, watches, shoes, kerosene oil, stationery, utensils and wheat.

There is no duty on these items unlike on the Indo-Myanmar border where a five per cent duty is levied. Other conditions of trade via the Nathu-La are as follows:

Border trade markets shall be open from 1st June to 30th September every year and from Monday to Thursday every week. Timings for the border trade are between 7:30 am to 3:30 pm Indian time and 10 am to 6 pm Chinese time. A permit fee of Rs.50 each will be levied for every vehicle entering the Sikkim side from China. Similarly, a fee of 5 yuan (Rs. 10 in 2019 equal to one Yuan) will be levied for every vehicle crossing over to the Chinese side up to the trade mart point at Renqinggang.

Both Sikkim's Nathu La Trade Study Group (headed by Prof. Mahendra P. Lama of Jawaharlal Nehru University and the Chief Economic Advisor to the Chief Minister of Sikkim) and India's Confederation of Indian Industry (CII) evaluated the economic potential and benefits in the opening trade and commerce through Nathu La. The CII believed that the value of border trade would reach 10 billion USD within the first 10 years of opening. The Study Group predicted a trade volume of 2.06 billion Rupee (approximately 45 million USD) within the first year of opening. It was also indicated that the border trade would grow in small increments at first and then leapfrog. The Indian Chamber of Commerce noted that many people failed to notice the incredible business opportunities created by the opening which attests to the notion that the opening of Yadong and Nathu La promised a bright future for the economy of China and India. Pagri (a border trade market in Yadong) alone generated a trade volume of more than 20 million RMB in 2004. This figure is evidence of Yadong's potential of becoming the largest border trade pass between China and India. The Confederation of Indian Industry also believes the opening of Nathu La has presented an economic windfall to North-east India and is likely to turn Calcutta into the new China-India trade center. Aware of the need to seize the advantage, the CII worked with representatives and stakeholders from Sikkim and West Bengal to brainstorm development strategies. The group decided that the twin cities of Siliguri and Jalpaiguri (in the northern part of West Bengal) had the potential for massive economic development. Siliguri, with its immense potential for regional connectivity as well as given its location near Sikkim, is one of the most important transportation centers along with Kolkata. The city of Siliguri has been designated by the West Bengal government as the future China-India trade center thanks to its railway, highway, and air transportation advantages.

On the other hand, the Chinese have also developed a plan for the development of regional connectivity. Under its 'Great Western Development Strategy' launched in the year 2000 and aimed at shortening the economic gap between its eastern and western provinces and to bolster the economy especially in the western provinces, China developed a 50-year long-term development program covering of twelve provinces, autonomous regions, and municipalities in its western regions. The first ten years (2000-2010) of the strategy were focused on the development of infrastructure. The Tibetan Autonomous Region is an important gateway linking China to South Asia. Furthermore, owing to its 4,000-km border with India, Nepal, Bhutan, and Myanmar, the southwestern region is gifted with geographical advantage for cross-border trading. Tibet currently has five cross-border trade passes, including Lhasa Gonggar Airport, Nyalam (Zhangmu), Jilong, Pulan, and Riwu, with the largest cross-border trade partner being Nepal.

China's Belt and Road Initiative and the Southern Silk Road

The One Border One Road or the Belt and Road Initiative was floated by the Chinese President Xi Jinping in 2013 in Kazakhstan and Indonesia. It is based on three main principles broadly explained as *Gong Shang* (negotiate/talk), *Gong Jian* (construct/build) and *Gong Xiang* (share good results). The policy focuses on improving connectivity and cooperation among Asian countries, Africa, China and Europe along the lines of the Old Silk Road and the Maritime Silk Road. Thus the emphasis is on enhancing land as well as maritime routes. As of this research, India and Bhutan are the only South Asian countries which are opposed to this initiative and therefore are not signatories thereof. This may be for strategic reasons given the fact that the US$50 billion China-Pakistan Economic Corridor (CPEC), an important part of the initiative, passes through the disputed Gilgit Baltistan area. The Belt and Road initiative thus far looks like the Chinese President Xi Jinping's determination to move on from Deng Xiaoping's dictum to "hide our capabilities and bide our time, never try to take the lead" as it shows China's willingness to take the lead at least in Asia. At the moment, it looks like its ultimate aim is to make Eurasia which is already largely dominated by China, an economic trade center to rival the transatlantic one which is dominated by America.

Here again, an emphasis should be laid on the redevelopment of the Southern Silk Road by the government of India due to its potentiality in terms of economic inter-connectedness, trading hubs and access to a much bigger market. At the moment India's main concern with regard to the Belt and Road Initiative is based on the China-Pakistan Economic Corridor between China and Pakistan which happens to lie in Pakistan-Occupied-Kashmir. There is also some backlash from countries like Myanmar and Sri Lanka whose current leaders want to renegotiate the terms of the initiative. Although the policy is in its nascent stages at the moment and holds huge economic possibilities for China, the strategic costs for the region is being looked into as well, mainly form think tanks and security establishments in India.

According to the Action Plan on the Belt and Road initiative issued by the National Development and Reform Commission, Ministry of Foreign Affairs and Ministry of Commerce of the People's Republic of China on March 28, 2015, the Belt and Road run through the continents of Asia, Europe and Africa, connecting the vibrant East Asia economic circle at one end and developed European economic circle at the other. It includes countries with huge potential for economic development. The Silk Road Economic Belt focuses on bringing together China, Central Asia, Russia and Europe (the Baltic) linking China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia; and connecting China with Southeast Asia, South Asia and the Indian Ocean. The 21st-Century Maritime Silk Road is designed to go from China's coast to Europe through the South China Sea and the Indian Ocean through one route and from the South China Sea to the South Pacific through the other. On land, the policy focuses on jointly building a new Eurasian land-bridge and developing a China-Mongolia-Russia, China-Central Asia-West Asia and China-Indochina Peninsula economic corridors by taking advantage of international transport routes, relying on core cities along the Belt and Road and using key economic industrial parks as cooperation platforms. On the maritime domain, the policy focuses on jointly building smooth, secure and efficient transport routes connecting major sea ports along the countries of the region which have a sizeable coastal area. The China-Pakistan Economic Corridor and the Bangladesh-China-India-Myanmar Economic Corridor are closely related to the Belt and Road Initiative and therefore require a deeper analysis for closer cooperation and greater progress.[42]

However, this depends largely on the nature of future diplomatic relations between the countries involved. With relations between India and China being largely based around economic competition and unresolved borders at the moment which have been further exacerbated by strategic calculations based on geopolitics such as the

[42] Action plan on the Belt and Road Initiative. (2015). The State Council. People's Republic of China. available at http://english.gov.cn/archive/publications/2015/03/30/content_281475080249035.htm. Accessed on 09.01.2017

USA's Indo-Pacific strategy and China's rejection of India's bid for joining the Nuclear Suppliers Group (NSG), talks focusing on trans-border trade arrangements between the two countries seem unlikely in the near future. However, it is also interesting to note that the opening of Nathu-La in 2006-07 led to significant diplomatic shifts between the two countries including China's official recognition of Sikkim as a state of India. This contributes to the discourse on the economic benefits to be achieved through trade and connectivity projects in the region. In today's globalized and highly interconnected world, if trade activities hold the potential to bring about significant changes, governments tend to downplay the other aspects of their relations. In the case of India's connectivity with China and Southeast Asia through the North-eastern states, a broad and long term vision would go a long way in securing the development of the region.

In railways, India has a long history of cross-subsidizing passenger tariffs by charging higher rates for freight. The outcome of this policy has been that sixty-five per cent of India's freight moves on trucks via highways and roads, with only thirty-five per cent moving by rail (World Bank, 2017).[43] As argued by Nayyar (2018) this is the precise opposite of the scenario in most major economies, as roads are much slower than rail. Thus, the perverse rail cross-subsidization reduces the competitiveness of those engaged in trade and has other negative externalities, including congestion and pollution.[44]

Border trade is understood to be different from trade through air, land or sea ports. Trade through ports usually involves obtaining clearance through customs and typically has larger volume. Border trade in contrast, is 'over-land trade' by way of the 'exchange of commodities' from a bilaterally agreed list by people living along both sides of the international border. On comparing India's border trade with that of Myanmar, it is seen that India's current border trade through the North-eastern region is less than two per cent of total trade with neighbouring countries. However, in the case of Myanmar there has been a big increase in border trade with its neighboring countries since 2011-12 and it constituted forty-six per cent of total

[43] Green Signal for Faster Development: India's New Freight Corridor. (2017). The World Bank, available at https://www.worldbank.org/en/news/feature/2017/02/07/green-signal-faster-development-indias-new-freight-corridor, accessed on 9.9.2017
[44] Nayyar, D. (2018). "India's Asian Trade Strategy" In S. Armstrong & T. Westland (Eds*). Asian Economic Integration in an Era of Global Uncertainty*, ANU Press.

trade in 2017-18. In this regard, Table 4 shows the various Land Customs Stations in the North-eastern states, designated for border trade with the neighbouring countries in the region at the moment.

Table 4. Land Customs Stations in the North-eastern region of India

Country	**LCS in North-eastern region of India**
Bangladesh	Agartala, Bholaganj, Borosora, Dalu, Ghasuapara, Golakganj, Karimganj Steamer Ghat, Mahendraganj, Mankachar, Manu, Old Raghnabazar (Dharmanagar),Shellabazar, Srimantapur, Sutarkhandi
Bhutan	Hatisar
Nepal	Borsorah, Chasuaparah, Dalu, Dawki, Karimganj and Mahendraganj
Myanmar	Moreh, Zowkhathar
China	Shreathang (Nathu la)

Source: *Ministry of Development of North Eastern Region, Government of India*

Chapter 5

Connectivity Initiatives: A Regional Perspective

Four out of the eight North-Eastern States, namely Arunachal Pradesh, Nagaland, Manipur and Mizoram share international boundary with Myanmar. Arunachal Pradesh is often referred to as the “land of the dawn-lit mountains” and was known as the North East Frontier Agency (NEFA) till 1972. On 20th January 1972, the area was renamed as “Arunachal Pradesh” and in the same year it was declared as a full-fledged union territory of India, attaining its statehood on 20th February 1987. The state shares a long international border with Bhutan in the West covering 160 km, China in the north and north-east covering 1,030 km and Myanmar in the east covering 440 km. This would underscore the potential of cross-border trade as highlighted by the central government’s approval regarding the opening up of a

Border Haat at Pangsau Pass along the Indo-Myanmar border in Changlang in March 2013. Due to the rich biodiversity of flora and fauna, Arunachal Pradesh has a vast market potential for the cultivation of some of the rarest orchids along with a variety of medicinal plants. Abundant forest cover, minerals and hydel power resources of the state can be utilized for setting up industrial units. Major mineral deposits in the State are limestone, dolomite, quartzite, graphite, coal, marble, oil, natural gas, kyanite, mica, iron and copper.[45] Furthermore, the state has a hydro power potential with an installed capacity of about 58,000MW which is one-third of the national hydro potential of India and four-fifths of the same in the North-eastern region.

Notwithstanding the advantages, for a long time India-Myanmar border trade has been low in comparison to the Sino-Myanmar and Thai-Myanmar border trade. This is primarily due to a restrictive border-trade policy framework wherein trade is permitted only in a limited number of locally produced items through the framework of a barter mechanism. However, in December 2015 two important policy changes have been introduced by India, namely a shift from "Barter Trade to Normal Trade"

[45] Arunachal Pradesh State Industrial Profile. *NER Databank (Online)*. North Eastern Development Finance Corporation Limited. available at http://databank.nedfi.com/content/arunachal-pradesh accessed on 17.07.2019

and from “Border Trade to Normal Trade”. Before this, as per a circular titled “Barter Trade with Myanmar under the Indo-Myanmar Border Trade Agreement” (16 October, 2000) issued by the Exchange Control Department of the Reserve Bank of India, it was decided that under the border trade arrangement between India and Myanmar, imports from Myanmar into India should precede exports from India to Myanmar.

Globally and throughout history, several countries have tried to use trade as an instrument in furthering their socio-economic development goals. In contemporary times, many emerging economies in particular have viewed trade as a catalyst for development. Various forms of regional organizations have been formed with an idea of promoting trade and lifting trade barriers between them. Given the commercial nature of transactions, for entrepreneurs the prospect of profits is generally the motive while formulating trade deals. From a policy perspective, trade is measured from its impact on development especially accretion to foreign exchange reserves, generation of jobs, increase in incomes for stakeholders, contribution of trade to local areas development as well as profit booked by individual traders. Therefore, enhancing exports is an important peg in trade policy. India has an eight-digit tariff (Harmonized Code) with about 11,500 tariff lines applicable to different products. This differs from country to country. Moreover, there are non-tariff barriers or NTMs (non-tariff measures) that do not involve duties. Both tariffs and NTMs are calibrated by countries to regulate or streamline trade. In developing countries, NTMs are either non-existent or being evolved. Non-tariff barriers are regulatory frameworks or standards set by countries to regulate both exports and imports. While NTMs are widely used by developed countries to regulate trade, their counterparts in developing world, rely heavily on tariffs to calibrate import-exports.

The evolution of the discourse on logistics and supply chain, particularly driven by a move by many companies towards global operations, has had an undeniable impact on the relative importance of the different modes of freight transport. In the global trade scenario of the 21st century, more products are moved far greater distances due to the concentration of production facilities in low-cost manufacturing locations and because companies have developed concepts such as focus factories, some with a single global manufacturing point for certain products. Long-distance modes of transport have thus become much more important to the development of efficient logistics operations that have a global perspective.

In the case of the North-eastern region of India, given the pre-existing historical trade networks as well as a similar topographical features across borders, perhaps lessons from similar integration processes in similar parts of the world could be focused on. For quite some time now, the Government of India has been focusing on linking the capitals of the eight North-eastern states by rail networks, although road freight transport continues to be the dominant mode of transport. A look at recent European trade statistics confirms the importance of road freight transport in continental Europe, where the shorter travel time across borders makes it feasible. The upward trend in the use of road transport has continued for many years and it seems unlikely that the importance of road freight transport will diminish in the near future. Rail freight on the other hand has remained relatively static for some time. Moreover, inland waterways are used and pipelines are still important for certain specialized movements. In this regard, the Government of India is working to develop its inland waterways to increase economic connectivity with Southeast Asia. The project will connect India's North-eastern states with Bangladesh and Nepal and boost trade in the region as part of India's Act East Policy. Officially, Bangladesh and India signed the Protocol on Inland Water Transit and Trade (PIWTT) in 2015. This would also provide an immense boost to other initiatives like the Kaladan Multimodal Transit Transport Project in connecting Haldia and Kolkata in India to Myanmar's Sittwe Port.

An Analysis of Modes of Transport

Stronger connectivity between India and the neighbourhood, both immediate as well as extended, is essential for India's overall integration with Southeast and East Asia. India's 'Make in India' initiative launched by Prime Minister Narendra Modi on 25th September, 2014 as well as the 'Skill India' initiative launched on the 15th of July, 2015 are heavily reliant on strong integration and connectivity infrastructure. With regard to freight transport, a vital element of economic connectivity and integration, the establishment of four major modes are essential, viz., Sea-freight, road freight, rail freight and air freight. These may be supplemented with container and intermodal systems. Each of these modes have distinct advantages and disadvantages. India and the neighbouring countries have been focusing on the development of such linkages, although the rate of success has been heavily dependent on a host of other factors discussed in the previous chapters. Generally, on a global scale the following points are considered by countries looking to expand their existing logistical networks:

i) Sea Freight

Most countries with access to maritime facilities opt for sea freight as a mode of international transport for goods since it is known to be the most economic means of carriage. This applies to bulk goods as well as large packaged consignments intended to cover distant markets or destinations. However, the much longer time taken by sea freight makes it an option to be considered only if the speed of service is not important or negligible. Moreover, sea freight is generally not preferable for shorter distances and is plagued by problems associated with delay which can lead to irregular services as well as increase the transport time itself. Bad weather, missed tides and delays at the discharge port are some issues associated with sea freight. It has also been observed that goods transported via this mode are more prone to damage, both in terms of products as well as packaging. Myanmar and West Bengal would be the ideal providers of access to sea freight with regard to the reopening of the Southern Silk Route.

ii) Road Freight

Road freight transport is widely considered to be the most important mode for national movements. Even where sea crossings exist, road freight is an integral part of the overall logistics network. This has been shown by the Bangladesh-Bhutan-India-Nepal (BBIN) Friendship Motor Rally which began on 14th November, 2015 in Bhubaneshwar, Odisha and concluded on 2nd December 2015 in Kolkata, West Bengal. This momentous event was made possible by the landmark BBIN Motor Vehicles Agreement which was signed by the transport ministers of the BBIN countries in June 2015 in Thimphu, Bhutan. It has raised the hopes of making freight movement more efficient, promoting business and contributing to the region's economy.

Road freight transport has been known to be highly competitive from the viewpoint of cost, especially in the case of complete unit loads (a unit load combines individual items or items in shipping containers into single units that can be moved easily) with a single origin and destination point. Since there are not many handling processes involved in road freight transport, it has been known to minimize the likelihood of damage to the goods. Moreover, since transit shocks are rarely encountered in road freight, the packaging cost can be kept to a minimum. The flexibility of road-vehicle scheduling means road freight transport provides regular and scheduled services. As mentioned in the previous chapters, in the North-eastern region, blockades of important national highways due to ethnic and political reasons have significantly hampered the confidence of entrepreneurs, businesses and other stakeholders who could have otherwise availed of the existing border trade in the region with neighbouring countries like Myanmar. On the other hand, the Myawaddy-Thinggan Nyenaung-Kawkareik section of the Asian Highway Network connecting India and

Thailand via Myanmar provides a significant boost to the entrepreneurs in the region. The new International highway runs from Moreh in Manipur to Maesot in Thailand via Myanmar's Tamu, Mandalay and Myawaddy. In this regard, another significant development has been the Asian Highway-42, which connects China's Gansu province with India's Jharkhand and runs through Lhasa in Tibetan Autonomous Region of China as well as Kathmandu in Nepal. Proper policy formulation and implementation could aid in the development of these regions significantly, given their economic potential.

iii) Rail Freight

Rail freight has seen a rapid evolution in recent times, especially with the development of inter-modal containerized systems which use containers certified by the International Organization for Standardization (ISO). These containers are suitable for ships, rail or road freight thereby eliminating the need for unloading and reloading of cargo. Rail freight systems of transport are also relatively cheap, especially for heavy consignments that require movement over longer distances and where delivery speed may not be vital. However, on the downside, often the packaging cost is high since transportation through this mode is associated with ‘shunting’ and ‘switching’ shocks associated with railway operations, which can cause damages to the goods being transported. Its efficiency is also greatly hampered by the limited number of railheads available at factories and depots, which makes direct origin-to-destination journeys rather rare. In a country like India, as well as in the neighbouring countries which have functioning railways, passenger trains take priority and movement of goods through freight trains depends on the schedule of the passenger trains, causing delays to the rail freight. The smooth international movement of freight trains is also dependent on compatibility in different rail gauge sizes, bridge heights and other factors like proper electrification facilities. One of the factors for the enhancement of trade between India and Tibet through the Tea-Horse trade route was the presence of a rail service at Geil Khola near Kalimpong. This greatly recued the travel time for goods coming to Calcutta and provided an incentive for the booming trade in the region through this route. Although this railroad is no longer operational, the government of India is currently planning to reestablish railway lines for effective connectivity between Siliguri in northern West Bengal and Sikkim.

iv) Air Freight

Air freight as an alternative transport mode has grown rapidly in recent years accelerated largely by the spread of globalization. The main advantage of this mode of transportation is its speed over longer international movements. One particular advantage is with regard to what economists call ‘lead time economy’. This essentially means that the time saved on the entire transaction from the origin point to the destination nullifies the need for storage or inventory holding costs. Since air transport does not experience severe physical shocks unlike other modes, the packaging cost is greatly reduced. Moreover, this form of goods transport is preferred by businesses dealing in more expensive items, emergency supplies, perishables and spare parts without which certain industries may have to put production at hold as well as where the transport cost, compared to the cost of the goods, may be rather negligible. Air transportation has been an important contributor to the growth of India's international trade in recent decades by offering a reliable and faster mode of transportation services to move products and personnel across long distances. The total freight traffic was 2.2 million tonnes in 2013-14 and has grown at a Compound Annual Growth Rate (CAGR) of 6.07 per cent since 2008-09.

Domestic and international freight traffic have grown at a CAGR of 8.82 per cent and 4.66 per cent respectively. Industries that rely heavily on air transportation for their international freight shipments include high growth sectors such as pharmaceuticals, office equipment and electronic equipment, besides those that have high value to weight products such as gems and jewellery.[46] In the North-eastern region, the pharmaceutical sector is a promising one, especially in the state of Sikkim, which is also an untapped market for traditional himalayan medicines and herbs. Cordyceps Sinensis, also known as Caterpillar fungus or 'Yartsa-gunbu' locally, is a rare himalayan medicine found in the northern parts of Sikkim along its border with the Tibetan Autonomous Region, and is valued at up to US$50,000* for

[46] ASEAN-India Air Connectivity Report. 2016. RIS. New Delhi. p.39.

a pound (or INR 37,91,550 for about 500 grams) in 2020 in the international market, depending on the quality. Given the development of a strong logistics network in the region, this sector has the potential to increase revenue as well as boost medical tourism, which is fast emerging as an off-shoot industry in Southeast Asia, Japan and China. In emerging markets, the high growth sectors are heavily dependent on the services of the aviation industry.

In the case of India's integration efforts with the economies of Southeast and East Asia under the Act East Policy, these modes of transport need to be further studied and proper policies need to be implemented at various levels to ensure a steady flow of people, goods, capital and services across borders. According to a working paper published by the Export-Import (EXIM) Bank of India, Southeast Asian countries like Myanmar, Cambodia, Lao PDR and Vietnam are primarily agrarian and agriculture and allied activities form the backbone of their economy. This is due to the fact that a majority of the population in these countries are heavily dependent on this sector for their livelihood. The region has the advantage of natural resources, fertile agro-ecosystems, and rich biodiversity. However, agro-industries in this sub region of the overall ASEAN region are mostly underdeveloped, leaving significant opportunity for collaboration in and development of agro-based industries. Towards this end, Lines of Credit (LOCs) extended by Exim Bank India to these countries serve to contribute towards the development of agricultural and related activities in the region. With such LOCs in place, Indian entrepreneurs and experts could increase exports of agriculture-related machinery and equipments to the region, thus enhancing bilateral co-operation in the agricultural sector in the region.

Additionally, given the fact that these countries are endowed with mineral wealth and natural resources, there is immense scope for enhanced cooperation with India due to its expertise and experience in the industrial realm, especially for the development/exploration of natural resources in these countries. For instance, Myanmar has abundant mineral and energy resources, as well as large hydro-electric potential. Since four North-eastern states share borders with Myanmar, they could also benefit from such initiatives. Such levels of connectivity have an immense potential in the development of other industries in the region. Furthermore, investment in infrastructure development could prove to be a mutually rewarding area of bilateral co-operation. The lack of forward and backward linkages between different modes of transportation, poorly equipped ports, lack of a well-developed railway network and inadequate access to all-season roads are some of the key problems which the low-income countries in India's neighbourhood are beset with. Areas that provide investment opportunities include development of highways and roadways, development of railway networks and power systems, which could provide a boost to regional integration. Through the North-eastern region, especially through the states which have comparatively developed road and rail networks, large Indian construction companies could explore business opportunities to meet infrastructural requirements in these countries, thus contributing largely to the economic development of the region as a whole, while enhancing bilateral relations. Such cooperation could also be taken up in sectors covering micro, small and medium enterprises in the region.

The Potential of North East India

North East India is strategically located for foreign and domestic investors to tap the vast contiguous markets of Myanmar, China, Malaysia, Thailand, Singapore, Philippines, Indonesia and other East and South East Asian countries. This is evident from the government's push towards developing closer linkages between the region and the CLMV+T countries (Cambodia, Lao PDR, Myanmar, Vietnam and Thailand) in recent years. In almost all studies which aim to provide an analysis of development based on connectivity projects and initiatives, it is imperative to highlight the benefits of trade from the perspective of the stake-holders. The economic potential of Myanmar, not only as a member of the ASEAN but also as the gateway to India's Act East policy has to be complemented by harnessing similar avenues of cooperation in the Eastern and North-eastern regions of India. The city of Kolkata in West Bengal plays a vital role here with regard to maritime connectivity through the use of port facilities once the goods reach there. This also opens up possibilities with regard to the other markets elsewhere currently being explored by China. On the prospects of enhancing land linkages and trade, it is therefore imperative to understand the present economic potential of the North-eastern region.

Some of the most important discussions in the case of Arunachal Pradesh, the easternmost state of India, are based around its international border of 1,817 km., the longest in North-east India. Along with common strategic concerns, this also provides massive opportunities for a well-planned creation of new trading centers along its borders with countries such as China and Bhutan. Arunachal Pradesh is regarded as an 'Orchid Paradise', accounting for 601 species of orchids and is home to India's largest and world's second largest monastery - Tawang Monastery. Given the development of proper channels of cross border- connectivity, such avenues could be promoted for various forms of international tourism for revenue generation in the region. The off-shoots of traditional concepts of tourism such as eco-tourism, adventure-tourism, medical-tourism and pilgrimage emerge as the untapped sectors in this regard. The Government of India has approved the opening up of a Border Haat at Pangsau Pass along the Indo-Myanmar border in Changlang in March 2013 to boost border trade with South East Asia. The long border with countries such as

Myanmar, Bhutan and China necessitates a deeper study on the feasibility of suitable border passes for enhancing trade with these countries. As proven by the reopening of border trade between India and China in 2006 through the border at Nathu-La in Sikkim, it is possible for boundary disputes to take a backseat when economic benefits gain prominence.

Abundant forest cover, minerals and hydel power resources of the state can be utilized for setting up industrial units in the state. Some of the major mineral deposits in the state are limestone, dolomite, quartzite, graphite, coal, marble, oil, natural gas, mica, iron and copper. Due to its hilly terrain, the state requires adequate and efficient provisions of well-connected roadways, railways and airways to boost connectivity. Such infrastructural services are indispensable for integrating the State with the rest of India as well as with neighboring economic hubs, facilitating trade and commerce and improving the quality of life or standard of living. A sound telecom and power infrastructure is another area that may need immediate attention. The nearest airport to Arunachal Pradesh is in Tezpur (Assam), 216 km from Naharlagun and 226 km from Itanagar. Naharlagun is also connected by a helicopter service from Mohanbari (Dibrugarh) and Guwahati (Assam). The more remote areas of the state like Tawang and Anini are also linked by helicopter services from Guwahati. Other places connected by air services are Pasighat, Roing, Khonsa, Changlang, Namsai, Ziro, Daporijo, Along and Yingkiong. In order to further develop the airways network in the state, efforts are being made for the construction of new helipads and landing grounds as well as for extension, renovation and maintenance of existing ones. In terms of the export potential of the state, items such as coffee, floriculture products, fresh fruits, vegetables, spices, tea and handicraft products may be considered.

The economic potential of Arunachal Pradesh is further highlighted by the locals themselves, who believe that there is significant scope for rice and oil mills in major towns like Tezu, Namsai and Itanagar; for fruit processing and cold storage units at Bomdilla of West Kameng district; and for floriculture at Tawang, Bomdilla, Pasighat and Ziro. Furthermore, setting up tea processing units near tea garden areas of Lohit, East Kameng, Changlang and Papumpare districts would bring substantial development to the state as a whole. If these industries and developed and promoted, they could provide a significant boost to the efforts at reopening the Southern Silk Road via Arunachal Pradesh and lend immense credibility to the concept of border markets in the region.

The details of the border districts of Arunachal Pradesh along with their length of international border are provided below:

Table 5: Border Districts of Arunachal Pradesh and their length of International Border (in km)

District	Countries with International Border	Length of International Border (in km)
Tawang	Bhutan and China	208.49
West Kameng	Bhutan and China	84.74
East Kameng	China	41.05
Kurung Kumey	China	97.28
Upper Subansiri	China	111.06
West Siang	China	53.69
Upper Siang	China	153.85
Dibang Valley	China	357.32
Lower Dibang Valley	China	26.60
Anjaw	China and Myanmar	253.73
Changlang	Myanmar	278.21
Tirap	Myanmar	68.65

(Source: Project Report on Problems of Border Areas in North East India: Implications for the Thirteenth Finance Commission, Sponsored by: The Thirteenth Finance Commission, Government of India, New Delhi, 2009)

In the case of Nagaland, the tradition and culture of the tribal inhabitants is revealed through the different customs, dialect, attires and habits of the people of the state.

Along with this, the fact that it is one of the states sharing a border with Myanmar necessitates a deeper analysis of its role in enhancing connectivity initiatives through the North-eastern region of India. The state enjoys a comparative advantage in the availability of fruits such as pineapple, plum, pear, banana, passion fruit, orange and other exotic spices. This highlights the immense potential of its food processing industries which also have the added advantage of the availability of supplementary resources in the form of its rivers, forests and minerals. Bamboo is found extensively all over Nagaland, in pure patches as well as mixed with deciduous and evergreen tree species. The growing stock of bamboo has been estimated to be around 8.96 million hectares (90 million tonnes) in the country, out of which about five per cent of the growing stock is assessed to be available in Nagaland. Presently, about forty-six different bamboo species are known to exist in the State. The bamboo industry is regarded as a high profit making industry of the future given its use in the making of items such as toothbrushes (rapidly rising in demand due to the tilt toward reduction in the usage of plastic products), furniture, paper, floorings, activated charcoal as well as biofuel.

Coal, limestone, nickel, cobalt, chromium, magnetite, copper, zinc, platinum, petroleum and natural gas are the major minerals available in the state. With regard to its tourism potential, Nagaland with its rich historical, cultural and panoramic landscape is regarded as a traveler's paradise. Lush green vegetation, interesting flora and fauna, deep valleys with clean rivers, natural lakes, hill agriculture and pleasant climate throughout the year are unique natural features of Nagaland which can be tapped for further development of its tourism sector. Nagaland also has its own unique identities reflected through mystic culture, ethnic traditions, hospitable people, fast social evolution of the urban Naga society, high literacy rate as well as interesting and indigenous architecture.

As envisaged in the Industrial Policy 2004, the Nagaland Government has taken various measures like development of industrial infrastructure, promotion of export and trade, provision of training for development and improvement in entrepreneurial and technical skills. The Government also provides incentives to promote industrial activity. The incentive scheme package includes the following:

(a) Power subsidy

(b) Manpower subsidy

(c) Subsidy for quality control measures

(d) Special incentives for 100 per cent export oriented units, etc.

Such policies have significantly encouraged investments in the state, which have the potential to contribute towards the value and supply chains in the region. With economic opportunities emerging from the Act East Policy, the State Government has up scaled its industrial infrastructure development and institutional policy framework to tap into the economic benefits. Five Border Trade centers have been identified along the Indo-Myanmar border where necessary infrastructure development works have been initiated. The government is also working on a revised State Investment and Industrialization Policy with provisions to stimulate rapid industrialization and investment in the state.

Assam is another important state in this regard. Popularly known as the land of the red river and blue hills, Assam is the gateway to North east India due to its geographic location. The state enjoys the geo-political advantage of being situated close to South East Asian countries which further supports its potential of emerging as a strategic base for foreign and domestic investors to tap the vast potential of contiguous markets of Myanmar, China, Malaysia, Thailand, Philippines, Cambodia, Indonesia and other East as well as South East Asian countries, providing investors access to one fifth of the world population. Assam is the also the largest economy of North-east India and is rapidly making strides towards employment generation and inclusive growth by a balanced pattern of industrial investment. In terms of connectivity, Guwahati is the nerve center of logistics in the entire region and is well connected with all metro cities of the country by road, air and rail.

Petroleum (crude) is the principal mineral produced in the state while other mineral resources available are coal, limestone, iron ore, granite, fireclay, lithomarge, fuller's earth, sillimanite (used in the manufacture of glass, metals, ceramics and cement) and glass sand. Additionally, about 300 types of medicinal herbs and plants are known to exist in abundance in the state with the Brahmaputra valley itself having 150 varieties of herbs and plants of commercial value. The potential of such florae can be further integrated into the regional economy given the reopening of the

Southern Silk Route and opening access to markets in the neighbouring countries and regions. With regard to its tourism potential, more than 75 per cent of the tourists coming to the North eastern region visit Assam and the sector contributes 5.5 per cent to the state GDP while also providing approximately 10.5 per cent of the total employment in the state. To synergize its efforts in creating a favourable investment climate, the Government of Assam also offers attractive investment incentives as well as subsidies on power consumption through its state industrial policy.

The tea industry, another important asset of Assam, plays a vital role in the State as well as in the national economy. It is well known that the state contributes towards more than half of India's tea production and about 1/6th of the tea produced worldwide and the total area under tea gardens in the state is about 3,22,000 hectares. Although the tea industry is already one of the major industries in the state, its potential can be significantly increased if access to regional markets can be improved.

Another important state in the region is Manipur. In terms of area, Manipur ranks twenty third among the states of India and fourth among the North eastern states.

About 48 km. away from its capital Imphal, lies the Loktak Lake which is the largest fresh water lake in the North-east covering an area of 216 sq. km. It is the largest natural source of fish supply which is one of the important food items of the people of the state. Manipur acts as India's ‘Gateway to the East’ through the border market at Moreh and also provides one of the main land routes for trade between India and Myanmar through the region. The agro-climatic condition of this state makes it suitable for growing almost all kinds of agricultural and horticultural crops and for setting up of food processing industries. The state already produces sizeable quantities of paddy, wheat, maize, pulses, oilseeds (like mustard, groundnut, soya beans and sunflower), fruits (like pineapple, lime, lemon, banana and orange), and vegetables (like cauliflower, cabbage, tomato and peas). Some of its major mineral resources include limestone, copper, lignite, nickel, chromite etc. and many non-timber forest products like bamboo, broom grass, honey, aromatic and medicinal plants are the source of livelihood for its rural population. In terms of connectivity, the second largest airport of the region is located in Imphal.

According to the Industrial and Investment Policy of Manipur (2013), the Government of Manipur aims at driving industrial growth by attracting private investments and provide an investment climate with better regulation by removing barriers to competition and growth. The Government endeavors to create an investor friendly environment for rapid industrial development in Manipur in order to generate more employment opportunities. Additionally, as discussed in previous chapters, the economic development of Manipur is vital not only in terms of combating the scourge of insurgent elements in the region, but also for the success of India's Act East Policy. Improvement of border trade and further connectivity through Myanmar with the regional markets of Southeast Asia and China could be the most important factor in bringing about this development given the state's geographical proximity to such markets.

In contrast, the state of Mizoram which also shares an international border of 510 km. with Myanmar and 318 km. with Bangladesh, has emerged as a more peaceful state in the North-eastern region. The border-haats situated along its international borders have generated much interest in academic discourse in recent years.

Furthermore, complementing the road and rail networks, the opening of Lengpui Airport near Aizawl has further enhanced the state's connectivity.

The following points are often regarded as strong growth areas for the region:

- Attractive fiscal packages, subsidies on capital investment, transport and working capital.
- A high literacy rate (over 70 per cent), and large number of people fluent in English, with a strong potential for growth of information technology enabled services.
- Unparalleled Tourist Attractions: Wildlife sanctuaries, adventure tourism, eco-tourism, hill stations, lakes and historical heritage.
- The region has 7 per cent of the country's total land space and 3.7 per cent of the country's population and a distinct demographic edge over the rest of the country.
- An emerging market of 400 million people, including the neighboring nations of Bangladesh, Myanmar, Bhutan and Nepal.

- Potential to be India's powerhouse: The region has hydropower potential estimated at nearly 50,000 MW, natural gas reserves of 190 billion cubic metres, coal reserves of over 900 million tonnes and oil reserves of over 500 million tonnes.
- Large Mineral Resources including limestone reserves of around 5000 million tonnes and a forest cover which is 25 per cent of the country's forest area.
- Phenomenal bio-diversity – forest wealth, agro base, fruits and vegetables, herbs, aromatic plants, exotic flowers, other flora and fauna.
- Large variety of agricultural produce –rice, maize, millets, sugarcane, jute, cotton, rubber, tea, mustard, grapes, guava, coconut, coffee, apples, pineapples, passion fruit, walnut, brinjal along with a vast range of other fruits and vegetables.
- In terms of the region's hydropower potential, according to the North Eastern Electric Power Corporation Limited (NEEPCO), the North Eastern Region

has the potential of about 58,971 MW i.e. almost 40 per cent of the India's total hydro potential.[47]

In the case of Nagaland, four-border trade centers have been set up by the state government along the Indo-Myanmar border for the promotion of trade between the two countries as well as with other ASEAN members. Out of the four border trade centers, infrastructural development for three (Pangsha, Longwa and Avankhu) have been initiated. Under the State Industrial Policy-2000 of the Nagaland state government, which was revised in 2004, the following thrust areas were identified:

Table No. 6: Thrust Areas under the Nagaland State Industrial Policy, 2000

Sl. No.	**Thrust Areas**
1.	Food Processing Industries
2.	Tourism Industries
3.	Agro-based Industries
4.	Mineral based Industries
5.	Handloom and Handicrafts
6.	Sericulture
7.	Floriculture
8.	Electronics and IT
9.	Pharmaceuticals
10.	Petrochemicals
11.	Bio-tech Industries
12.	Cane & Bamboo Processing/Manufacturing Industries

[47] Power Potential in the North Eastern Region. North Eastern Electric Power Corporation Limited. Government of India. Available at https://neepco.co.in/projects/power-potential Accessed on 7th March 2020.

13.	Distillation of oils from Medicinal & Aromatic Plants including value added products
14.	Processing/manufacturing of indigenous Herbs & Natural Dyes
15.	Micro and Small Scale Service & Business Enterprises

(Source: Department of Industries and Commerce, Government of Nagaland, India)

The state has a comparative advantage in the availability of fruits such as Pineapple, Plum, Pears, Bananas, Passion fruit, Orange as well as in exotic spices. Furthermore, since the Naga farmers by and large do not use or rely on chemical fertilizers, proper marketing of organic food can reap a high return. Presently most of the produce is marketed in the local markets leading to huge volumes of surplus and wastage. This has brought to light the immense potential of food processing industries in the state. The surplus produce could easily and profitably be traded in border-markets, had they been in existence.

Sikkim is another state in North-eastern India which has shown immense potential for cross border trade. The reopening of the Nathu-La pass along its border with the Tibetan Autonomous Region of China in 2006 and the findings of the research team which ultimately led to this reopening lends credibility to this assessment. However, as discussed in earlier chapters, border trade via Nathu-La has been facing certain bottlenecks in the recent past, largely owing to the strategic dimension of relations between India and China. The key highlights of the state include its recognition as India's first fully organic state; its strategic locational advantage owing to its shared boundary with Bhutan, China and Nepal; its importance as the largest producer of large cardamom in India; its 315 glacier lakes and world's highest mountain peak, Mt. Kanchenjunga as well as its high per capita income, which is the highest among the North-eastern states in India. These are the areas which can be further utilized under international tourism and its various modern facets including adventure tourism, eco-tourism, pilgrimage, health-tourism, etc. However, as mentioned earlier, this has run into some bottlenecks given the limited interactions in cross-border engagements due to strategic concerns at the moment.

Chapter 6

India's Economic Trajectory: Stakeholders in West Bengal and North-East India

Since independence, the Indian economy has undergone a significant transformation and is still adjusting to forces determined by globalization and the Internet of Things with the services sector emerging as a key driver of growth in recent years. This chapter makes an attempt to analyze the interlinkages between the national economic overview of India and regional economic growth with a specific focus on the northern parts of West Bengal and the states of the North-eastern region. In doing so, it tries to evaluate whether these states could have witnessed better economic performance than they have, if international connectivity and logistical issues had been resolved through alternative approaches and models of growth.

Historically, the North-eastern region has not been a tremendous factor for growth contribution towards the larger economic milieu of India due to various constraints in its value and supply chain dynamics. Connectivity, as discussed in the earlier chapters, has also proven to be a significant bottleneck in this regard. On the one hand, the existence of immense potential in the form of resources and manpower necessitates a deeper understanding of policy implications in this regard over the years, while on the other, the demand-supply and input-output models of economic development gain prominence in any attempt at understanding the potential sectors themselves. Patnaik (2011) argues that while on the one hand there has been a clear acceleration in the rate of growth of the Gross Domestic Product of the Indian economy, generally since the mid-eighties, on the other, there has been an increase in the magnitude of absolute poverty.[48] In the case of borderlands in the areas connected by the Southern Silk Road in India and especially in the North-eastern region, poverty has been one of the main factors contributing to the strength of

[48] Patnaik, P. (2011). Growth and Poverty in the Indian Economy. *Social Scientist*. Vol. 39, No. 9/10. pp 19-34.

insurgency. As a result, investment was significantly low based on market confidence which brought further poverty.

The eight states in the region make up 8 per cent of India's land area, 3.77 per cent of its population and account for a little over 2.5 per cent of India's GDP. The regional economy is largely agrarian in nature with over 70 per cent of the population engaged in agriculture for livelihood and this is followed by the service sector. The manufacturing sector is still at a nascent stage. The partition of India in 1947 has had a significant impact on the economy of the region, virtually cutting it off from rest of the country. With East Bengal becoming East Pakistan, the traditional trade and communication routes with the North-east were almost immediately snapped, and with the earlier frontier routes with Myanmar and China having died down, the region became landlocked in the true sense of the term.

The first North East Investment Promotion Policy (NEIP) announced in 1997 provided a number of incentives for industrial investments in the region. After witnessing the limited success of the NEIP a much more comprehensive North East Industrial and Investment Promotion Policy (NEIIPP) which provides a host of incentives at unprecedented levels, for investment in the region was announced in 2007.

Ever since India's independence, the priorities of economic policies were focused on states which showed significant growth potential. Sarker (1994) has argued that the first three Five-Year Plans of India were directed towards achieving the objective of higher growth rates. The idea behind this was that scarcity of resources and efficiency of investment made it imperative for decision-makers to concentrate developmental efforts in those segments of the economy and those regions of the country where the rates of return were expected to be high.[49] The North-eastern region therefore, was not significantly represented in this plan. With this in mind, the Fourth Plan (1969-74) took a more comprehensive view of the factors responsible for the backwardness and proposed that a multidimensional area development approach should be adopted in order to accelerate the development of backward areas.[50] Moreover, given the peculiar situation where each backward area

[49] Sarker, P.C. (1994). Regional Imbalances in Indian Economy over Plan Periods. *Economic and Political Weekly*. Vol. 29, No. 11. pp. 621-633

[50] Fourth Five Year Plan, Planning Commission, Government of India, available at https://niti.gov.in/planningcommission.gov.in/docs/plans/planrel/index.php?state=planbody.htm Accessed on 12/1/2021

represented a unique combination of factors, it was recognized that no uniform programme could be successfully conceived and imposed from the level of the central government.

Accordingly, in the Fifth Plan (1974-79) it was felt that an essential prerequisite for accelerated development was the evolution of appropriate location-specific strategies based on careful identification of the causes of backwardness as well as the potential available for development. Thus, the Fourth and Fifth Plans grouped backward areas broadly into two categories:

(i) Areas with unfavourable physio-geographic conditions, terrain, and regions including drought-prone areas, tribal areas and hill areas.

(ii) Economically backward areas marked by adverse land-man ratios, lack of infra-structure and inadequate development of resource potential.

This exercise was a precursor to the changes in the development strategies/policies during the 1970s, when a variety of programmes based on 'Area Development' and 'Target Group' approaches were launched with a view to not only providing income and employment opportunities to the people of backward areas but also arresting the widening of inter-regional disparities. Important among these programmes falling in the first category were Drought Prone Area Project (DPAD), Tribal Area Development Project (TADP), Hill Area Development Project (HADP), Command Area Development Project (CADP), etc.

It is a known fact that a significant proportion of the least developed countries are landlocked, which means that their access to world markets depends largely on the availability of a trade corridor and transit systems. With this in mind, scholars have often argued that the business and donor community should push towards implementation of comprehensive facilitation strategies, primarily at the national level along with planning the design of robust and resilient transport and transit regimes. Given the land-locked nature of most of the areas covered under this research, these pre-requisites gain paramount importance for making any fruitful gains in the future. As argued in earlier chapters, one of the main bottlenecks in achieving an upward economic growth trajectory in the North-eastern region as well as the areas of northern West Bengal connected by the Southern Silk Route and perhaps the main impediment to a successful reopening of these routes so far has been with regard to logistics coupled with the slow pace of industrial development in the region. Transit logistics is known to be a complex process involving many public and private participants. It requires adequate procedures and responsibilities from all stakeholders and its performance is determined by a wide range of policies, implementation mechanisms, or organizations of services.[51] The combined contribution to the national economy by the North-eastern region is around 2.5 per cent[52] and given the existing linkages with the Southeast Asian as well as the Chinese markets across the border, the commencement of trade with these economies show immense potential for the land-locked region.

In the Third Five Year Plan of India, the concept of a balanced regional development was discussed in detail. The policies through which the balanced regional development was supposed to be achieved were selection of industrial location (both

[51] Arvis, J.F., Raballand, G. & Marteau, J.F. (2007). The Cost of Being Landlocked: Logistics Costs and Supply Chain Reliability. *World Bank Policy Research Working Paper 4258*. The World Bank.
[52] North East Advisory Regional Council (Online). The Federation of Indian Chambers of Commerce & Industry, available at https://ficci.in/state/1011/Project_docs/ficci-north-east-council.pdf Accessed on 12/3/2021.

for public and private sector), use of large projects as nuclei of regional growth, technological development, education and training and labour mobility.[53]

A sign of acceptance of the fact that the North-eastern region needed special incentives and institutions for development came in the form of the North Eastern Council (NEC), which was established in 1972. Furthermore, under the sub-plan approach of the Sixth Five Year Plan (1980-85), greater emphasis was placed on Special Tribal Plan, Hill Area schemes and the programmes handled by the North Eastern Council. Until the Ninth Five Year Plan (1997-2002), the Council was instrumental in promoting regional institutions in the North-eastern states, such as Lokpriya Gopinath Bordoloi Regional Institute of Mental Health (Assam), North Eastern Regional Institute of Water and Land Management (Assam), North Eastern Electrical Power Corporation Ltd. (Meghalaya), Regional Institute of Medical Sciences (Manipur), Cane & Bamboo Technology Centre (Assam), Regional Institute of Pharmaceutical Science & Technology (Tripura), Regional Institute of

[53] Sachdeva, G. (2018). "Preparing the Northeastern economy of the future." In Oinam B. & Sadokpam D.A. (Eds). *Northeast India: A Reader*. Routledge. New York. pp.391-405.

Paramedical & Nursing Sciences (Mizoram), North Eastern Regional Institute of Science & Technology (Arunachal Pradesh), etc. The prospects of individual member-states of the council have been discussed in greater detail in the previous chapter.

A significant policy-shift in this regard came in the form of the Look East Policy, announced by the P.V. Narasimha Rao administration and renamed as the Act East Policy in 2014 with certain upgradations. Geographically, this policy relies on the development of trade-facilitating border infrastructure in the North-eastern region of India as well as in the northern parts of Myanmar. The Bangladesh-China-India-Myanmar (BCIM) Economic Corridor is another initiative that would be significant for the NER owing to the complementarities of the goals of China - to unlock the potential of its relatively backward western regions and of India - to develop an economically backward and landlocked North-eastern region.

The year 2013 was crucial in the development of BCIM initiative as a car rally from Kunming to Kolkata (K2K) was organised with great success. However, this could not bring about significant changes in the economic relations between the member-states and the absence of alternative geographical routes may have been a crucial factor for this. The 1,360 km long India-Myanmar-Thailand (IMT) Trilateral Highway to establish road connectivity from Manipur border to Thailand through Myanmar, inaugurated in 2001 was yet another significant initiative aimed at improving connectivity between South and Southeast Asia. Here again, infrastructural development in the bordering states of the North-eastern region of India has proven to be a crucial factor. As per the data published by the Ministry of Statistics and Programme Implementation, Government of India, at constant 2011-12 prices, Mizoram attained the highest GSDP growth rate of 14.07 per cent, followed by Bihar (10.47 per cent) among twenty three Indian states and union territories.[54] The Gross Domestic State Product is a measurement of a state's output and the sum of value added from all industries in the state. In the case of the eight states of the North-eastern region of India between the years 2000 and 2015, the GDSP figures are shown in Table 5. Similarly, Table 6 shows the yearly percentage growth of the GSDP for the eight sates of North-east India. Mizoram recorded the

[54] Ministry of Statistics and Programme Implementation (Online). Government of India. Available at http://mospi.nic.in/data Accessed on 3.5.2020

highest percentage growth between the years 2005 and 2015, from 10.77 per cent in 2005 to 23.12 per cent in 2015.

Table 7: Statement of Gross State Domestic Product at Current Prices, in Crores (As on 31.07.2015)[55]

Sl. No.	State\UT	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	Arunachal Pradesh	3488	3755	4108	4810	5687	7474	9021	10775	11836	13545	15588
2	Assam	53398	59385	64692	71076	81074	95975	112688	125903	138401	159460	183798
3	Manipur	5133	5718	6137	6783	7399	8254	9137	11084	12697	14324	NA
4	Meghalaya	6559	7265	8625	9735	11617	12709	14583	17199	19009	21922	25333
5	Mizoram	2682	2971	3290	3816	4577	5260	6388	6890	8363	10297	NA
6	Nagaland	5839	6588	7257	8075	9436	10527	11759	13859	15676	17749	20099
7	Sikkim	1739	1993	2161	2506	3229	6133	7412	8907	10473	12377	NA
8	Tripura	8904	9826	10914	11797	13573	15403	17868	19974	22697	26810	NA
All-India GDP(2004-05 base		2971464	3390503	3953276	4582086	5303567	6108903	7248860	8391691	9388876	10472807	NA

(*Source: Ministry of Statistics and Programme Implementation, Government of India)*

Table 8: Percentage Growth over previous year: 2005-2015

Sl. No.	State\UT	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
1	Arunachal Pradesh	7.654817	9.400799	17.08861	18.23285	31.42254	20.69842	19.44352	9.846868	14.439	15.08306
2	Assam	11.21203	8.9366	9.868299	14.06663	18.37951	17.41391	11.72707	9.92669	15.21593	15.26276
3	Manipur	11.39684	7.327737	10.52632	9.081527	11.55562	10.69784	21.30896	14.55251	12.81405	NA
4	Meghalaya	10.76384	18.71989	12.86957	19.33231	9.400017	14.74546	17.9387	10.52387	15.32432	15.55971
5	Mizoram	10.77554	10.73713	15.98784	19.94235	14.92244	21.44487	7.858485	21.37881	23.12567	NA
6	Nagaland	12.82754	10.15483	11.27188	16.85449	11.5621	11.70324	17.85866	13.11061	13.22404	13.24018
7	Sikkim	14.6061	8.429503	15.96483	28.85076	89.93496	20.85439	20.16999	17.58168	18.18008	NA
8	Tripura	10.3549	11.07266	8.090526	15.05467	13.48265	16.00338	11.78643	13.63272	18.12134	NA
GDP(2004-05 base)		14.10211	16.59851	15.90605	15.74569	15.1848	18.66058	15.76567	11.883	11.54484	NA

(Source: Ministry of Statistics and Programme Implementation, Government of India)

---
[55] *Ibid*

The state's importance in this regard is further highlighted by its geographical placement as one of the four states in the North-eastern region of India which share international borders with Myanmar. To further convert this growth into tangible benefits for the region, sectoral development based on current potential has to be initiated by the local administrative bodies as well as by the central government. Highlighting the potential of the agriculture sector, for example, in its 32nd Annual Report (2013-14), the North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC) states that the Corporation achieved a turnover of Rs.54.13 Crore during 2013-2014 as compared to Rs.43.70 crores during 2012-13. During the year 2013-14 the Company earned a gross profit of Rs.1.88 crores as compared to that of Rs.1.66 crore during the previous year.[56]

On the other hand, the state of West Bengal where the Tea-Horse trade route is located, presents a different picture in this regard owing to its well-developed port facilities and a historically well integrated logistical network. The northern parts of

[56] 32nd Annual Report 2013-14. North Eastern Regional Agricultural Marketing Corporation Limited (NERAMAC), Guwahati, Assam.

the state, particularly the town of Kalimpong has been historically significant for its trade linkages with Tibet. The establishment of a rope-way station (Figure 9) for easy transportation of goods down to the Gail river, which also had a railway station at the time, which was instrumental in transporting these goods to other parts of the state.

Figure 2: Kalimpong Ropeway Railway Station, 11th Mile. 1937.

(Image courtesy: Pine Brothers, Kalimpong)

Figure 3. Trade through the Tea-Horse Route: A Tibetan Woman Sells Her Goods to a Nepali Buyer at a Market in 10 Mile, Kalimpong, 1919.

(Picture Courtesy: Pine Brothers, Kalimpong)

As a result of the Sino-India War of 1962, the historic Tea-Horse trade route via Jelep-La in Kalimpong remains abandoned and is mostly being used by the local guides as a tourist site for visitors. However, a possible reopening of this route is being studied by some scholars in these areas. The 21st century has been guided by increasing connectivity between peoples and markets and most of the respondents during interviews and field visits were hopeful of the perceived benefits of a reopening of this route.

A vast majority of previous empirical studies on regional trading arrangements have placed more emphasis on economic variables while the role of socio-cultural and political factors in trade have not been addressed extensively. Yet, both these sets of variables have been known to have a significant role to play in trade.[57] In terms of a suitable model for this research that would apply to the analysis on increased inter-connectedness between India, Myanmar and China based on the revival and upgradation of the Southern Silk Route, the classic gravity equation offers a systematic framework for measuring the normal pattern of bilateral trade. The aim of this model is to examine the extent to which trade within each region can be explained by economic factors such as gross national product that proxies for the size of the economy, per capita income which represents the level of development, population of countries and distance between them. Accordingly, income, distance,

---

[57] Shrestha, H.K. & Upadhyay, M.P. (2004). Political Economy of Regional Trading Arrangements in South Asia, *Journal of Economic Integration*. Vol. 19, No. 3. pp.427-446.

and population are the most common variables included in empirical estimates of the gravity equation since these variables tend to have a direct and significant impact on trade flows between countries. Most empirical studies show that income and population affect trade flows positively and significantly while physical distance between trading nations that proxies for transportation cost has a significant negative impact. Studies also show that regional trading blocs have a positive effect on bilateral trade among members.

Regarding the importance of political factors in trade, a major study of bilateral trade within and across trade blocs was conducted by Frankel, Stein and Wei in 1997.[58] Their study examined the existing trade patterns throughout the world, but found different magnitudes and trends of the bloc effects for different parts of the world. The study showed the strongest effects of regional blocs on the Association of Southeast Asian Nations (ASEAN), and Mercado Comun del Sur (MERCOSUR) or Southern Common Market, as compared to other blocs and suggested that the

[58] Frankel, J. A., Stein, E., & Wei, S. J. (1997). *Regional trading blocs in the world economic system*. Peterson Institute.

expansion of European Community in 1973 and 1983 boosted intra-EC trade by 65 per cent. Some gravity models estimate the impact of trade policy, such as tariff rate, black market exchange premium and direct exchange control.

Chapter 7

Conclusion

As has been observed during the course of this research, enhancing connectivity between India and Southeast Asia through a revival of the Southern Silk Road network is a multifaceted task which requires implementing strong initiatives at multiple levels ranging from the local administrative setup and the state machinery to practical projects from the central government, regional organizations and private stakeholders. Development of these connectivity projects and logistical networks would open significant opportunities for industrial development in the region and enhance its trade potential with Southeast and East Asian countries. At the same time, with greater connectivity centered on the development of efficient road and rail networks on both sides of the border, the North-eastern states would be better integrated with the markets of neighbouring countries like Myanmar. The ground developments in this area, as observed during the tenure of this research, do not correspond to the nature of bilateral relations between India and Myanmar. It has been frequently observed by academics and various think-tanks in different forums/fora that cross-border trade and investment flow and cross-border development cooperation will open up new avenues for growth and development and private investment will be encouraged to cash in on the cross-border synergies. As projected by various studies, ASEAN-India connectivity will be highly beneficial for the people living across the borders in both the countries, especially from the viewpoint of enhanced cross border economic interactions, increase in the value and volume of tradeable commodities, broadening of the trade basket, etc. Its effects would also spillover into the social and cultural realm, since people to people contacts are essential elements of fostering and cultivating good relations in the global arena. It would also drive the various off shoots of tourism sector in the region, especially given the rapidly growing interest in Buddhist circuit tourism. In fact, officials in Myanmar had requested their counterparts in India to consider the possibility of developing Imphal into a layover hub for tourists from Myanmar embarking on religious pilgrimages to sites like Bodh Gaya. If proper policy decisions are implemented, this would essentially provide an immense boost to similar sites in Arunachal Pradesh, Sikkim, Assam and other states of the North-eastern region, while at the same time, exposing other areas of potential cooperation in the process.

Experts on the subject have often suggested a two-pronged strategy of development to help the North-eastern region overcome the predicaments of its landlocked geography. Firstly, since the region shares ninety-six per cent of her borders with the neighbouring countries of Bhutan, Bangladesh, China, and Myanmar, it is important to link the region with the Southeast as well as South Asian markets. Secondly, the restoration of the region's traditional routes by way of transit and transshipment corridors through Bangladesh for movement of goods and passengers can address the adverse conditions related to terrain and topography while ensuring speedy development of the region. However, for both the options, the obstacles to physical connectivity as well as non-physical institutional arrangements between the region and the ASEAN countries on the one hand and between the region and Bangladesh on the other need to be addressed expeditiously. Once the cross-border connectivity is improved, cross-border trade and development cooperation would be promoted. Additionally, border trade may be viewed as a strategic tool for the long-term development of the frontier areas. An improved infrastructure, especially in the bordering regions between India and ASEAN will be insufficient to foster regional integration until and unless it is widely complemented by appropriate policies and regulations as well as participation of the private sector.

Furthermore, based on the feedback of the local respondents during the multiple rounds of interviews conducted in the course of this research, it may be safely concluded that a majority of respondents from the North-eastern states as well as in Kalimpong (northern West Bengal) strongly believe that a revival of the defunct routes and passes in the region could address some of the bottlenecks in their economic development at the moment. Many of them were engaged in small businesses and were of the opinion that owing to the nature of relations between India and China at the moment, a revival of these geographical linkages does not look possible at the moment, however they had often pointed out to the reopening of the Nathu-La pass in Sikkim and were hopeful of similar initiatives in their own states as well. Accordingly, the current focus has shifted towards re-connecting India with Myanmar via Arunachal Pradesh, Nagaland, Manipur and Mizoram. This imperative underscores the crucial role governments as well as private enterprises play in supporting industrial growth led by innovation under the current norms of international trade.

It is also important to realize that importers have been known to consider not only the quality of the product and prices but also the place of product origin and political relations with the exporting country. Similarly, exporters may be concerned about the destination and existing political relations between the governments of the respective countries as this would have a direct bearing on the tariff rates. Traders may avoid establishing ties with their counterparts in an adversary country, knowing that such ties may be ruptured by one government or the other as part of some foreign policy maneuver. Therefore, the reopening of this route would require a concerted effort from all the regional players with a focus on development, peace economics, cross-border synergy and mutual benefits. This would entail the development of a holistic policy with a long term vision complimented by short term goals and objectives.

Appendix

Appendix I: Trade Traffic into British Territory from Nepal: 1889-90

TRAFFIC INTO BRITISH

STATEMENT No. I—*Showing the total Quantity of each Staple of Traffic imported into British during the year* 1889-90, *as compared*

1	2		3	4	5	6	7	8	9	10	11	12
			THE FRONTIER POSTS									
			In Chumparun.					In Mozufferpore.				
Number.	LIST OF ARTICLES.		Tribeni Ghat.	Suroul.	Adapore.	Kukenwa.	Ghorasan.	Bairagnia.	Major-gunge.	Soobursa.	Bela.	Sursund.
I	Animals, living (for sale—)											
	1.—Horses, ponies, and mules ...	No.	1	...	...	...	...	...	...	...	...	...
	2.—Cattle	"	75	40	16,060	...	645	3,401	...	3,270	204	578
	3.—Sheep and goats	"	7	...	...	...	411	502	547	1,038	...	551
	4.—Poultry	"	...	...	3,924	...	1,260	...	...	...	...	...
	5.—Other kinds	"	368	80	...	...	...	...	...	...	...	11
IIa	Building materials—											
	1.—Lime and limestone	Mds.	...	...	...	...	...	...	...	...	...	...
III	Canes and rattans	Rs.	...	...	...	...	...	...	...	...	...	...
VI	Coal and coke	Mds.	...	...	...	...	...	...	...	...	...	...
VII	Cotton, raw	"	...	...	...	...	...	...	...	...	144	...
VIII	Cotton, manufactured—											
	2.—Twist and yarn (Indian)	"	11	...	...	...	...	...	...	...	...	...
	3.—Piece-goods (European)	Rs.	1,854	...	96,886	...	...	...	...	...	...	...
	4.— Ditto (Indian)	"	640	5,170	10,145	...	...	506	...	...	...	...
IX	Drugs and medicines—											
	2.—Non-intoxicating—											
	a.—Musk	"	...	...	...	...	...	...	...	...	...	...
	b.—Other sorts	"	539	...	...	1,100	...	...	...	...	...	39
X	Dyeing materials—											
	2.—Madder or manjit	Mds.	...	...	...	...	...	...	...	...	...	...
	4.—Turmeric	"	...	...	807	...	...	...	...	...	...	...
	5.—Other kinds	"	...	...	...	...	...	...	...	...	...	...
XI	Earthenware and porcelain	Rs.	...	...	586	...	...	...	...	426	...	...
XII	Fibrous products—											
	1.—Jute, raw	Mds.	...	100	...	...	...	...	...	...	...	...
	2.—Do., manufactured—											
	a.—Gunny-bags	No.	17	...	...	...	...	...	...	...	...	...
	3. Other fibres, raw	Mds.	...	...	...	...	...	...	...	3,002	318	402
	4.— Ditto, manufactured	"	...	...	263	...	28	197	...	...	...	...
XIII	Fruits, nuts and vegetables—											
	2.—Vegetables and all other kinds.	"	9	280	1,604	...	12	2,579	...	...	...	...
XIV	Grain and pulse—											
	1.—Wheat	"	...	...	717	...	68	110	870	288	...	27
	2.—Gram and pulse	"	10	1,120	1,758	2,984	209	4,396	2,273	...	...	353
	3.—Other spring crops	"	...	335	3,074	1,077	53	4,252	45	1,554	...	...
	4.—Rice, husked	"	1,308	8,243	43,350	8,170	3,799	68,213	69,402	20,998	19,801	26,004
	5.—Do., unhusked	"	2,885	63,940	1,17,870	1,2[illegible],080	13,178	46,863	19,277	16,835	12,290	6,518
	6.—Other rain crops	"	402	310	24,542	13,146	9,091	1,20,033	7,836	11,874	9,885	7,755
XVI	Hides and skins—											
	1.—Hides of cattle	No.	45	191	9,206	5,042	1,039	9,913	1,389	7,062	41	1,852
	2.—Skins of sheep, goats, and small animals.	"	8	308	11,542	...	...	31,107	333	7,097	81	2,344
XVII	Horns	Mds.	2	...	170	14	...	6	...	...	...	30
XVIII	Jewellery, &c.—											
	1.—Precious stones and pearls, unset.	Rs.	1,746	...	...	...	...	...	...	...	...	...
	2.—Jewellery	"	...	...	...	...	...	...	...	...	...	...
XIX	Lac—											
	2.—Shell	Mds.	...	...	...	...	...	...	...	...	...	...
	3.—Stick and other kinds	"	...	...	...	...	...	...	...	...	...	...
XX	Leather—											
	1.—Unmanufactured	No.	...	...	...	...	...	...	...	...	...	...
	2.—Manufactured	Rs.	125	...	...	...	...	...	...	...	...	...
XXII	Mats	"	...	...	122	...	51	...	...	...	...	...
XXIII	Metals and manufactures of metals—											
	1.—Brass and copper	Mds.	73	...	370	...	...	88	...	...	...	...
	2.—Iron	"	3	...	410	...	...	...	...	...	...	...
	3.—Other metals	"	3	...	127	...	...	251	...	...	...	...
XXIV	Oils—											
	2.—Vegetable	"	2	...	114	...	...	291	8	...	...	...
XXV	Opium	"	...	...	55	65	...	...	...	...	...	...
XXVII	Provisions—											
	1.—Ghee	"	49	...	33	440	60	2,842	90	1,276	193	204
	2.—All other kinds	"	8	159	702	...	89	54	...	...	78	...
XXVIII	Salt	"	9	3	345	...	...	...	...	...	...	...
XXIX	Saltpetre, &c.—											
	1.—Saltpetre	"	...	...	1,165	586	...	6,241	2,060	...	...	...
	2.—Other saline substances	"	...	...	...	...	...	...	...	...	...	...
XXX	Seeds—											
	1.—Oilseeds—											
	a.—Linseed	"	...	7,238	7,8[illegible]	13,765	1,087	26,740	4,096	5,214	1,801	8,239
	b.—Mustard and rape	"	11	6,324	8,244	14,900	1,343	36,659	...	13,929	2,522	6,880
	c.—Til or jinjili	"	...	...	...	...	...	...	...	...	...	104
	d.—Other oil-seeds	"	...	...	358	712	69	4,024	...	...	...	591
	2.—Other seeds—											
	c.—Other kinds	"	...	...	...	...	1	...	...	...	...	...
XXXI	Silk—											
	3.—Manufactured (Indian)	Rs.	...	...	...	...	...	...	...	...	...	...
XXXII	Spices—											
	a.—Betelnuts	Mds.	5	...	142	...	...	...	...	...	...	...
	b.—All other kinds	"	129	121	824	...	...	...	...	...	...	12
XXXIII	Stone and marble	"	...	...	...	...	...	...	...	...	...	...
XXXIV	Sugar—											
	2.—Unrefined	"	1	...	684	...	...	...	...	...	...	...
XXXV	Tea—											
	1.—Indian	"	...	...	...	...	...	...	...	...	...	...
	2.—Foreign	"	...	...	...	...	...	...	...	...	...	...
XXXVI	Tobacco	"	11	...	361	...	...	...	...	...	...	468
XXXVII	Wax	"	...	6	...	...	...	44	...	...	17	8
XXXVIII	Wood—											
	1.—Timber	"	...	54,371	254	28,535	1,542	...	...	520	...	580
	2.—Firewood	"	...	400	...	...	...	...	...	...	...	...
	3.—Bamboos	No.	...	...	...	...	...	...	...	...	...	...
XXXIX	Wool—											
	1.—Raw	Mds.	...	42	...	220	...	...	...	...	...	...
	2.—Manufactured (European)	Rs.	9	...	2,200	...	...	...	...	...	...	...
	3.— Ditto (Indian)	"	5	...	...	...	...	...	...	...	...	...
XL	Yak-tails	"	...	6,980	500	38,300	...	...	...	...	...	...
XLI	All other articles of merchandise—											
	1.—Unmanufactured	"	...	...	...	...	...	...	...	...	...	...
	2.—Manufactured	"	1,133	638	190	...	...	...	...	...	...	22
XLII	Treasure—											
	1.—Gold	"	...	...	...	...	...	...	...	...	...	...
	2.—Silver	"	11,501	15,000	...	8,57,000	...	...	...	...	...	...
	TOTAL VALUE	...	...	...	...	...	...	...	...	...	...	...

TERRITORY FROM NEPAL.

Territory from Nepal and registered at the several Frontier Stations between Bengal and Nepal with the totals of the preceding two years.

BETWEEN BENGAL AND NEPAL.

13	14	15	16	17	18	19	20	21	22	23			43
	In Durbhunga.				In Bhagulpore.			In Purneah.					
Madhwapore.				Pipra Ghat.		Patchpandarrah.							List of Articles.
											49		Animals, living (for sale)—
											24	No.	1.—Horses, ponies, and mules.
494	268	311	61			218	1,131	11	4,763	929	61	"	2. Cattle.
70	84	1,057			244	166	81	...	653	92	11	"	3.—Sheep and goats.
							...	62	1,006	409	68	"	4.—Poultry.
					89		241					"	5.—Other kinds.
													Building materials—
					88						87	Mds.	1.—Lime and limestone.
											82	Rs.	Canes and rattans.
											19	Mds.	Coal and coke.
11		138				331	26				81	"	Cotton, raw.
													Cotton, manufactured—
											98	"	2.—Twist and yarn (Indian).
											40	Rs.	3.—Piece-goods (European).
									1,030	107	66	"	4.— Ditto (Indian).
													Drugs and medicines—
													2.—Non-intoxicating—
											458	"	a.—Musk.
			851	154		153	1,754		87	33	01	"	b.—Other sorts.
													Dyeing materials—
				36		85					60	Mds.	2.—Madder or manjit.
			... 2				87	45			42	"	4.—Turmeric.
							...					"	5.—Other kinds.
					379	103	307				17	Rs.	Earthenware and porcelain.
													Fibrous products—
								14,208	1,701	4,663	74	Mds.	1.—Jute, raw.
													2.—Do., manufactured—
									1,/	464	53	No.	a.—Gunny-bags.
	183	140	160	194	499	1,071	2,274		...	...	06	Mds.	3.—Other fibres, raw.
									198	...	37	"	4.— Ditto, manufactured.
													Fruits, nuts and vegetables—
17		87	37	33	180	1,180	1,347	417	904	480	532	"	2.—Vegetables and all other kinds.
													Grain and pulse—
					408		870	303	8,075	167	450	"	1.—Wheat.
203	2,153	817	14		69		535	...	1,078	287	987	"	2.—Gram and pulse.
...								1,507	...	1,035	348	"	3.—Other spring crops.
38,466	71,848	3,858	8,848	44,841	1,21,913	29,375	18,747	1,469	14,836	17,718	821	"	4.—Rice, husked.
14,824	8,187	42,604	18,714	29,466	23,307	52,011	10,612	15,044	68,179	1,14,004	837	"	5.—Do., unhusked.
940	1,776	58,738	800	2,733		2,180	1,450		44	87	306	"	6.—Other rain crops.
													Hides and skins—
81	268			370	1,038	1,306	2,124		475	4,219	829	No.	1.—Hides of cattle.
30				325						10	494	"	2.—Skins of sheep, goats, and small animals.
											193	Mds.	Horns.
													Jewellery, &c.—
											110	Rs.	1.—Precious stones and pearls, unset.
												"	2.—Jewellery.
													Lac—
											303	Mds.	2.—Shell
												"	3.—Stick and other kinds.
													Leather—
												No.	1.—Unmanufactured.
											378	Rs.	2.—Manufactured.
							24				140	"	Mats.
													Metals and manufactures of metals—
											182	Mds.	1.—Brass and copper.
									19		817	"	2.—Iron.
											270	"	3.—Other metals.
													Oils—
						22	36				320	"	2.—Vegetable.
13											230	"	Opium.
													Provisions—
274	81		70		290	140	471		54	62	790	"	1.—Ghee.
					147	204	784	439	4,849	2,356	039	"	2.—All other kinds.
											529	"	Salt.
													Saltpetre, &c.—
101											239	"	1.—Saltpetre.
			82						11		768	"	2.—Other saline substances.
													Seeds—
													1.—Oilseeds—
905	880	4,078	288	219		1,692	1,138	1,278	4,733	690	744	"	a.—Linseed.
	2,308	3,442		724	3,-47	8,708	16,392	31,012	6,474	30,865	546	"	b.—Mustard and rape.
	10	86		304	423		75				248	"	c.—Til or jinjili.
	16	703			282	319	349				497	"	d. Other oil-seeds.
													2.—Other seeds—
											23	"	c.—Other kinds.
													Silk—
											219	Rs.	3.—Manufactured (Indian).
													Spices—
											234	Mds.	a.—Betelnuts.
40	31		514	100		904			477	904	704	"	b.—All other kinds.
												"	Stone and marble.
													Sugar—
										15	898	"	2.—Undrained.
													Tea—
												"	1.—Indian.
			40	273				215			918	"	2.—Foreign.
254	1,043			2,524	38						054	"	Tobacco.
									32		909	"	Wax.
													Wood—
	2,977		14,000	7,836	8,120				719	11,388	011	"	1.—Timber.
			19		391	435			1,184	...	730	"	2.—Firewood.
					153	1,594		7,304	8,900	4,000	318	No.	3.—Bamboos.
													Wool—
											684	Mds.	1.—Raw.
											209	Rs.	2.—Manufactured (European).
											044	"	3— Ditto (Indian).
											970	"	Yak-tails.
													All other articles of merchandise—
						168	...				362	Rs.	1.—Unmanufactured.
		131	48	16	20	55	372		677	963	261	"	2.—Manufactured.
													Treasure—
							...		103		193	"	1.—Gold.
							19,079		76		801	"	2.—Silver.
											516		TOTAL VALUE.

TRAFFIC INTO BRITISH

Statement No. I—*Showing the total Quantity of each Staple of Traffic imported into British during the year* 1889-90, *as compared*

1	2		24	25	26	27	28	29	30	31	32	33	34
			The Frontier Posts between Bengal and Nepal—*concluded.*										
			In Purneah—*concluded.*								In Dar		
Number.	List of Articles.		Koari.	Siktee.	Korbahari Hât.	Gandharp-dinga.	Teraguteh.	Koriakote.	Dhoora.	Panthamari.	Sukiapokri.	Kurjalia.	Siligoree.
I	Animals, living (for sale—)				198	73		3	142	7	19		
	1.—Horses, ponies, and mules...	No	263	1,000	3,403	12,832	911	1,346	5,529	244	518	1,888	...
	2.—Cattle	"	...	...	2,747	3,658	338	706	743	41	9,324	12,794	...
	3.—Sheep and goats	"	3,981	3,324	15,760	8,303	649	391	751	707	109,030	61,702	...
	4.—Poultry	"	...	...	...	...	...	...	...	...	...	...	...
	5.—Other kinds	"	...	...	...	...	...	...	2	...	1,368	8,486	...
IIa	Building materials—												
	1.—Lime and limestone	Md	...	...	668	...	...	...	...	...	...	...	...
III	Canes and rattans	No.	...	...	...	...	...	...	...	...	...	...	...
VI	Coal and coke	Md	...	...	...	...	...	...	...	...	...	...	...
VII	Cotton, raw	"	...	...	...	...	306	...	...	96	...	...	...
VIII	Cotton, manufactured—												
	2.—Twist and yarn (Indian)	"	...	...	...	...	...	...	...	...	...	...	...
	3.—Piece-goods (European)	Rs	...	...	...	...	...	...	...	...	...	...	...
	4.— Ditto (Indian)	"	...	...	...	...	...	...	...	...	...	800	...
IX	Drugs and medicines—												
	2.—Non-intoxicating—												
	a.—Musk	"	1,401	...	120	181	...	...	255	...	450	...	...
	b.—Other sorts	"	...	...	...	...	...	...	...	...	790	...	...
X	Dyeing materials—				1								
	2.—Madder or manjit	Md	...	248	9	1,058	16	...	25	...	...	...	...
	4.—Turmeric	"	...	...	...	...	...	...	...	...	...	...	...
	5.—Other kinds	"	...	363	...	515	179	26	35	...	...	...	...
XI	Earthenware and porcelain	Rs	...	...	...	...	...	...	...	...	...	...	...
XII	Fibrous products—												
	1.—Jute, raw	Md	2,909	909	4,652	8,533	81	1,251	1,061	1,903	...	...	...
	2.—Do., manufactured—												
	a.—Gunny-bags	No	4,360	2,566	9,636	66,513	2,300	881	2,277	10,116	...	...	...
	3. Other fibres, raw	Md	...	...	1,589	401	...	3	...	...	...	...	...
	4.— Ditto, manufactured	"	...	...	...	...	...	...	...	...	...	...	...
XIII	Fruits, nuts and vegetables—												
	2.—Vegetables and all other kinds.	"	1,821	2,091	245	5,692	1,119	651	1,039	438	4,282	214	...
XIV	Grain and pulse—												
	1.—Wheat	"	689	...	...	...	...	...	...	...	...	...	...
	2.—Gram and pulse	"	717	...	825	263	...	128	...	...	3,379	74	...
	3.—Other spring crops	"	...	...	...	...	...	...	...	...	...	...	...
	4.—Rice, husked	"	10,298	4,203	12,481	30,926	829	4,897	2,651	6,407	1,156	42	...
	5.—Do., unhusked	"	35,815	24,309	15,405	52,247	7,151	6,788	26,553	8,862	...	...	...
	6.—Other rain crops	"	...	...	...	...	...	4	...	...	6,767	73	...
XVI	Hides and skins—												
	1.—Hides of cattle	No	149	...	...	13,350	...	698	2,548	...	2,637	151	...
	2.—Skins of sheep, goats, and small animals.	"	...	...	...	5,825	...	428	273	8	15	...	...
XVII	Horns	Md	...	...	...	...	...	...	...	...	...	...	...
XVIII	Jewellery, &c.—												
	1.—Precious stones and pearls, unset.	Rs	...	...	1,270	100	...	...	...	...	...	...	...
	2.—Jewellery	"	...	...	...	...	...	...	...	...	...	...	...
XIX	Lac—												
	2.—Shell	Md	...	...	...	...	...	...	...	...	10	3	...
	3.—Stick and other kinds	"	...	...	...	...	...	...	...	...	...	...	...
XX	Leather—												
	1.—Unmanufactured	No	...	...	...	...	...	...	...	...	...	...	...
	2.—Manufactured	Rs	189	...	1,025	...	...	...	...	...	3,745	246	...
XXII	Mats	"	...	...	...	...	...	...	...	...	1,896	...	...
XXIII	Metals and manufactures of metals—												
	1.—Brass and copper	Md	...	...	...	109	...	...	...	...	...	...	...
	2.—Iron	"	...	...	61	...	...	4	...	...	86	34	...
	3.—Other metals	"	...	...	...	...	...	...	...	...	272	25	...
XXIV	Oils—												
	2.—Vegetable	"	...	...	...	348	6	201	147	...	...	...	...
XXV	Opium	"	...	...	...	...	...	...	...	...	...	...	...
XXVII	Provisions—												
	1.—Ghee	"	...	...	120	902	...	186	15	7	2,872	817	...
	2.—All other kinds	"	...	486	5,089	20,366	6,350	2,003	10,378	1,089	1,326	...	...
XXVIII	Salt	"	...	...	...	...	...	...	...	...	107	...	...
XXIX	Saltpetre, &c.—												
	1.—Saltpetre	"	...	...	...	...	...	...	...	...	...	...	...
	2.—Other saline substances	"	...	...	...	...	...	...	...	...	...	...	...
XXX	Seeds—												
	1.—Oilseeds—												
	a.—Linseed	"	1,146	248	1,290	4,073	85	...	378	...	...	...	...
	b.—Mustard and rape	"	11,385	624	6,651	27,617	495	243	2,759	2,220	...	...	...
	c.—Til or jinjili	"	...	...	...	...	...	...	...	...	...	...	...
	d.—Other oil-seeds	"	...	...	...	...	...	...	...	...	...	...	...
	2.—Other seeds—												
	c.—Other kinds	"	...	...	...	...	...	...	...	...	...	...	...
XXXI	Silk—												
	3.—Manufactured (Indian)	Rs	...	...	...	...	...	...	...	...	7,058	161	...
XXXII	Spices—												
	a.—Betelnuts	Md	...	...	...	...	...	...	...	...	...	...	...
	b.—All other kinds	"	406	534	849	2,238	458	173	482	...	998	123	...
XXXIII	Stone and marble	"	...	...	...	...	...	...	...	...	...	...	...
XXXIV	Sugar—												
	2.—Undrained	"	...	...	...	...	...	...	...	...	...	...	...
XXXV	Tea—												
	1.—Indian	"	...	...	...	...	...	...	...	...	...	...	...
	2.—Foreign	"	...	...	...	...	...	...	...	...	...	...	...
XXXVI	Tobacco	"	...	147	578	36,308	3	374	11,297	459	...	...	...
XXXVII	Wax	"	...	...	...	...	...	...	...	...	...	...	...
XXXVIII	Wood—												
	1.—Timber	"	...	...	1,342	7,037	...	9,614	4,816	5,457	...	...	...
	2.—Firewood	"	...	...	...	526	...	...	...	...	...	...	...
	3.—Bamboos	No	...	...	...	5,762	...	5,736	2,806	550	...	...	...
XXXIX	Wool—												
	1.—Raw	Md	...	...	...	...	...	...	...	...	...	...	...
	2.—Manufactured (European)	Rs	...	...	...	...	...	...	...	...	...	...	...
	3.— Ditto (Indian)	"	...	...	...	...	...	...	...	...	15,654	1,706	...
XL	Yak-tails	"	...	...	...	...	...	...	...	...	...	240	...
XLI	All other articles of merchandise—												
	1.—Unmanufactured	"	...	...	...	...	...	...	...	...	...	...	...
	2.—Manufactured	"	24	...	3,428	3,579	...	38	899	...	...	93	...
XLII	Treasure—												
	1.—Gold	"	...	...	...	...	...	...	...	...	...	...	...
	2.—Silver	"	...	...	...	...	...	...	...	...	50,246	...	...
	Total Value		...	...	...	...	...	...	...	...	...	...	...

TERRITORY FROM NEPAL.

Territory from Nepal and registered at the several Frontier Stations between Bengal and Nepal with the totals of the preceding two years.

35	36	37	38	39	40	41	42	43	
		TOTAL.							
...jeeling.		Quantity.			Value.			LIST OF ARTICLES.	
Kalimpong.	Laba.	1887-88.	1888-89.	1889-90.	1887-88.	1888-89.	1889-90.		
					Rs.	Rs.	Rs.		
									Animals, living (for sale)—
...	...	133	200	405	11,070	18,600	41,946	No.	1.—Horses, ponies, and mules.
...	...	37,986	89,701	88,614	8,08,557	13,73,123	14,37,228	"	2. Cattle.
278	9	22,174	34,080	38,230	53,544	94,978	1,15,466	"	3.—Sheep and goats.
...	21	196,880	209,405	208,553	84,038	87,471	98,811	"	4.—Poultry.
4	...	5,021	5,368	6,222	23,246	23,708	20,093	"	5.—Other kinds.
									Building materials—
...	...	196	182	76	83	113	87	Mds.	1.—Lime and limestone.
...	...	...	...	...	...	...	682	Rs.	Canes and rattans.
...	...	310	291	293	162	136	119	Mds.	Coal and coke.
...	...	1,897	5,263	1,142	20,955	88,157	21,431	"	Cotton, raw.
									Cotton, manufactured—
...	...	42	4	11	1,324	132	338	"	2.—Twist and yarn (Indian).
...	...	...	...	...	20,421	19,911	1,00,740	Rs.	3.—Piece-goods (European).
12	...	...	...	...	16,832	13,536	19,096	"	4.— Ditto (Indian).
									Drugs and medicines—
									2.—Non-intoxicating—
...	...	...	...	...	8,110	5,128	450	"	a.—Musk.
...	300	...	...	...	8,913	11,314	7,901	"	b.—Other sorts.
									Dyeing materials—
...	...	481	94	125	4,572	920	1,000	Mds.	2.—Madder or manjit.
...	...	2,489	2,010	2,253	16,472	11,453	11,092	"	4.—Turmeric.
...	...	33	3	...	1,022	187	...	"	5.—Other kinds.
...	...	...	...	...	2,800	2,535	2,717	Rs.	Earthenware and porcelain.
									Fibrous products—
...	...	10,784	51,569	45,138	38,890	1,93,154	1,83,074	Mds.	1.—Jute, raw.
									2.—Do., manufactured—
...	...	38,083	100,062	101,086	9,109	21,652	27,855	No.	a.—Gunny-bags.
...	...	19,289	23,509	8,338	1,13,432	1,35,819	47,916	Mds.	3.—Other fibres, raw.
...	...	706	4,747	2,619	8,238	53,949	27,937	"	4.— Ditto, manufactured.
									Fruits, nuts and vegetables—
...	...	18,772	26,485	26,067	2,65,486	3,49,418	1,33,532	"	2.—Vegtables and all other kinds.
									Grain and pulse—
...	...	69,079	22,913	7,772	1,61,148	52,370	18,456	"	1.—Wheat.
...	...	1,18,505	40,127	23,406	2,40,850	79,310	48,397	"	2.—Gram and pulse.
...	...	30,556	88,400	14,179	95,200	65,111	22,343	"	3.—Other spring crops.
...	...	10,01,748	8,77,486	7,06,278	24,30,227	8,05,768	17,57,821	"	4.—Rice, husked.
...	...	11,84,478	6,32,623	9,78,154	15,62,062	7,40,666	13,16,857	"	5.—Do., unhusked.
...	...	3,34,023	1,52,748	2,76,019	5,46,419	2,48,217	4,82,386	"	6.—Other rain crops.
									Hides and skins—
...	...	51,219	57,788	63,973	1,62,873	2,06,242	2,34,929	No.	1.—Hides of cattle.
...	...	80,388	31,468	61,324	1,40,410	62,186	1,13,494	"	2.—Skins of sheep, goats, and small animals.
...	...	1,031	417	245	11,909	5,126	3,193	Mds.	Horns.
									Jewellery, &c.—
...	...	...	...	...	21,250	5,867	3,116	Rs.	1.—Precious stones and pearls, unset.
...	...	...	...	...	14,855	...	...	"	2.—Jewellery.
									Lac—
...	...	...	...	13	...	...	303	Mds.	2.—Shell
...	...	...	5	...	...	53	...	"	3.—Stick and other kinds.
									Leather—
...	...	...	89	...	...	378	...	No.	1.—Unmanufactured.
10	...	...	...	...	...	4,331	5,878	Rs.	2.—Manufactured.
...	...	...	...	...	2,196	1,536	2,103	"	Mats.
									Metals and manufactures of metals—
...	...	72	482	694	2,334	16,380	24,152	Mds.	1.—Brass and copper.
4	...	106	949	571	665	5,104	2,837	"	2.—Iron.
...	...	493	548	687	10,106	12,400	9,270	"	3.—Other metals.
									Oils—
...	...	884	1,681	1,263	9,588	17,524	15,525	"	2.—Vegetable.
...	...	146	288	135	2,55,450	3,07,488	1,82,259	"	Opium.
									Provisions—
1	...	6,127	9,082	11,300	1,71,397	2,80,248	3,40,700	"	1.—Ghee.
...	...	28,959	63,286	57,258	2,46,366	4,02,142	4,78,049	"	2.—All other kinds.
...	...	407	421	464	1,518	1,434	1,829	"	Salt.
									Saltpetre, &c.—
...	...	9,360	13,411	11,731	81,814	1,09,954	67,230	"	1.—Saltpetre.
...	...	...	200	145	...	1,151	798	"	2.—Other saline substances.
									Seeds—
									1.—Oilseeds—
...	...	2,00,719	1,68,782	97,098	8,02,876	6,06,909	3,72,744	"	a.—Linseed.
...	...	1,34,714	1,18,894	2,79,819	4,49,178	4,47,395	11,75,646	"	b.—Mustard and rape.
...	...	193	830	1,106	724	3,410	5,248	"	c.—Til or jinjili.
...	...	2,801	4,999	7,825	9,084	18,538	26,097	"	d. Other oil-seeds.
									2.—Other seeds—
...	...	25	63	1	439	1,453	22	"	c.—Other kinds.
									Silk—
...	...	...	...	...	4,717	4,176	7,219	Rs.	3.—Manufactured (Indian).
									Spices—
...	...	34	82	147	393	872	1,234	Mds.	a.—Betelnuts.
5	9	4,264	8,174	8,750	1,36,173	2,64,349	1,51,704	"	b.—All other kinds.
...	...	...	47	...	...	203	...	"	Stone and marble.
									Sugar—
...	...	740	544	603	3,405	2,201	2,208	"	2.—Undrained.
									Tea—
...	...	611	229	...	25,662	9,018	...	"	1.—Indian.
...	...	503	394	528	20,057	15,045	24,816	"	2.—Foreign.
...	...	14,320	82,877	53,058	1,09,706	3,99,375	4,14,954	"	Tobacco.
...	...	367	52	107	12,280	2,080	5,904	"	Wax.
									Wood—
...	...	2,04,710	1,75,295	1,39,323	8,18,840	4,95,012	3,06,031	"	1.—Timber.
3	...	1,038	1,836	2,019	323	860	730	"	2.—Firewood.
...	...	41,411	41,550	33,179	4,142	4,158	3,318	No.	3.—Bamboos.
									Wool—
...	...	70	429	262	1,295	8,25[illegible]	3,604	Mds.	1.—Raw.
...	...	...	...	...	1,335	...	2,209	Rs.	2.—Manufactured (European).
160	...	...	...	...	10,981	16,722	17,644	"	3— Ditto (Indian).
...	...	...	...	...	26,505	36,724	45,070	"	Yak-tails.
									All other articles of merchandise—
...	...	...	...	...	413	816	162	Rs.	1.—Unmanufactured.
...	20	...	...	...	6,048	9,169	14,262	"	2.—Manufactured.
									Treasure—
...	...	...	...	...	195	...	103	"	1.—Gold.
...	...	...	...	...	21,66,419	10,46,251	4,46,501	"	2.—Silver.
...	...	...	...	...	1,35,44,407	96,81,826	1,04,90,310		TOTAL VALUE.

STATEMENT No. II.—*Showing the total Quantity of each Staple of Traffic exported from British Territory as compared with the totals*

Number.	LIST OF ARTICLES.				In Chumparun.				In Mozufferpore.	10	11	12
										THE FRONTIER POSTS BETWEEN		
	Animals, living (for sale)—											
	1.—Horses, ponies, and mules	No.				5	...					
	2.—Cattle		14	298		...	331					...
	3.—Sheep and goats ...		100	1,028	32,025	5,308	1,406					445
	4.—Poultry		8	...	...	...						
	5.—Other kinds		57	5,716	...	303	24					
II	Borax	Mds.			7	...						
IIa	Building materials—											
	1.—Lime and limestone ...				...	...						
III	Canes and rattans	Rs.			...	...						
VII	Cotton, raw	Mds.		1,741	405	35		81				14
VIII	Cotton, manufactured—											
	1.—Twist and yarn (European)...	"		105								26
	2.— Ditto (Indian) ...	"	8	190	185	70				16	12	182
	3.—Piece-goods (European) ...	Rs.	12,503	4,14,847	13,17,671	3,58,916	1,35,345	87,267		1,290	874	4,900
	4.— Ditto (Indian)	"	7,607	1,26,192	1,62,316	12,610	4,303	3,684		352	103	4,595
IX	Drugs and medicines—											
	1.—Assafœtida	"	10				5				22	12
	2.—Non-intoxicating—											
	b.—Other sorts	"	3,170	1,975		6,100	400					170
	3.—Intoxicating drugs (other than opium)	Mds.		5		1						
	Dyeing materials—											
	1.—Indigo	"		18		16						
	3.—Safflower	"		131		...						
	4.—Turmeric	"				...	183					45
	5.—Other kinds	"		214		103	30					
XI	Earthenware and porcelain ...	Rs.		183			36					
XII	Fibrous products—											
	1.—Jute, raw	Mds.										
	2.—Jute, manufactured—											
	a.—Gunny-bags	No.			800			77				
	3.—Other fibres, raw	Mds.										12
	4.— Ditto, manufactured ...	"										
XIII	Fruits, nuts and vegetables—											
	1.—Coconuts	No.	880	300	10,735	11,800	1,750					1,990
	2.—Vegetables and all other kinds	Mds.	103	1,526		638	305	171		785	1,133	793
XIV	Grain and pulse—											
	1.—Wheat	"		4				538				168
	2.—Gram and pulse	"		2,083	70	800		2,089	1,334	40	2,745	2,368
	3.—Other spring crops	"		450		41		306	...	2,582	...	301
	4.—Rice, husked	"					153	1,163	324	3,865	1,115	882
	5.—Rice, unhusked	"				540	15	41	...	...	250	363
	6.—Other rain crops	"		526				31	157	378	1,187	809
XV	Gums and resins	"										
XVI	Hides and skins—											
	2.—Skins of sheep, goats, and small animals.	No.										
XVIII	Jewellery, &c.—											
	1.—Precious stones and pearls, unset.	Rs.	2,500	205	30,430	6,000					2,000	
XIX	Lac—											
	2.—Shell	Mds.										
	3.—Stick and other kinds	"										
XX	Leather—											
	1.—Unmanufactured	No.										
	2.—Manufactured	Rs.		2,514	10,285	14,400	8,500				80	
XXI	Liquors	"		...		600	...					
XXII	Mats	"		28			57					
XXIII	Metals and manufactures of metals—											
	1.—Brass and copper	Mds.		1,833	6,547	3,188	550	694		46		
	2.—Iron	"		484	7,077	1,082	984	824				
	3.—Other metals	"		19	200	1,109	170	211				
XXIV	Oils—											
	1.—Mineral	"		1,209	7,388	6,454	96	367				20
	2.—Vegetable	"	40	254			3					
XXVI	Paints and colours	"		1								
XXVII	Provisions—											
	2.—All other kinds	"		4,334	28,369	9,077	4,098	8,027	215	1,139	785	...
XXVIII	Salt	"		3,910	15,873	6,115	8,227	11,363	2,944	3,806	1,620	1,307
XXIX	Saltpetre, &c.—											
	2.—Other saline substances ...	"		2,316			50					
XXX	Seeds—											
	1.—Oilseeds—											
	a.—Linseed	"										
	b.—Mustard and rape ...	"										
	c.—Til or jinjili	"										
	d.—Other oilseeds	"										
XXXI	Silk—											
	2.—Manufactured (European)	Rs.		21,034	2,062		40					
	3.— Ditto (Indian)			4,831	6,000							
XXXII	Spices—											
	a.—Betelnuts	Mds.		234	4,780	610	881	296				
	b.—All other kinds ...			1,367	9,247	807	3,141	1,640		15		486
XXXIII	Stone and marble											
XXXIV	Sugar—											
	1.—Drained			800	3,457		694	421				13
	2.—Undrained			767	21,800	522	1,117	3,012		57		397
XXXV	Tea—											
	1.—Indian											
XXXVI	Tobacco		27	1,884	21,121	5,524	1,247	2,356	175	1,888	480	
XXXVIII	Wood—											
	2.—Firewood							...				
	3.—Bamboos	No.		40				...				
XXXIX	Wool—											
	1.—Raw	Mds.						...				
	2.—Manufactured (European)	Rs.		13,919	25,896		...	681				
	3.— Ditto (Indian)		103	...	15,772	10,000	4,987	...				18
	4.—Shawls			10,790	4,000	8,000		...				
• XLI	All other articles of merchandise—											
	1.—Unmanufactured ...		126	...	1,110	5,870	2	...				
	2.—Manufactured		586	42,303	39,020	1,34,424	8,658	7,416				2,497
XLII	Treasure—											
	1.—Gold							...				
	2.—Silver		14,111					21,731			216	

TOTAL VALUE

Appendix II: Barter Trade with Myanmar under the Indo-Myanmar Border Trade Agreement

Barter Trade with Myanmar under the
Indo-Myanmar Border Trade Agreement
A.P.(DIR Series) Circular No.17 (October 16, 2000)

RESERVE BANK OF INDIA
EXCHANGE CONTROL DEPARTMENT
CENTRAL OFFICE
MUMBAI 400 001

A.P.(DIR Series) Circular No.17

October 16, 2000

To

All Authorised Dealers in Foreign Exchange

Dear Sirs,

Barter Trade with Myanmar under the
Indo-Myanmar Border Trade Agreement

Please refer to A.D.(G.P. Series) Circular No.8 dated 17th May 1997 on guidelines for the border trade between Myanmar and India, under the Border Trade agreement dated 21st January 1994 signed between the Government of Myanmar and the Government of India.

It has been decided in consultation with the Government of India that under the border trade arrangement between the two countries, imports from Myanmar into India should precede exports from India to Myanmar. Accordingly, the revised guidelines for the border trade are as follows:-

i) The barter trade shall be restricted to land route as per the Border Trade Agreement between the two countries. Such barter trade transactions shall take place only by way of head load or non-motorised transport system.

ii) Imports from Myanmar to India shall precede export from India to Myanmar.

iii) The border trade will be restricted to items agreed to as per the Border Trade Agreement between India and Myanmar as listed in Annexure I.

iv) There will be no monetary transaction under the barter trade arrangement.

v) The consignments of imports and exports should be invoiced in U.S. dollars.

vi) The value of goods exported under barter trade should not exceed U.S.$ 20,000 per transaction.

vii) Exports from India to Myanmar under barter trade of the value not exceeding U.S.$ 1,000 per transaction are exempt from declaration on the prescribed form viz. GR form, in terms of Reserve Bank Notification No.FEMA.23/2000-RB dated 3rd May 2000. However, such transactions should be completed in one or two days. Customs authorities at the Indo-Myanmar border will report import/export transactons of the value not exceeding U.S.$ 1,000 to the Exchange Control Department, Reserve Bank of India, Guwahati, on monthly basis.

viii) On import of goods the party should submit documentary evidence such as Bill of Entry to the designated bank, where the value exceeds U.S.$ 5,000.

ix) The export of goods from India to Myanmar against import of goods from Myanmar to India should be completed within a period of six months from the date of import.

x) The exporters should get the GR forms countersigned by one of the designated banks viz. United Bank of India, Moreh Branch, Manipur and State Bank of India, Champai Branch, Mizoram before submitting them to the Custom authorities. A copy of the contract for import and export with Myanmar parties should also be submitted along with the GR forms.

xi) On completion of export, the exporter should submit duplicate copy of GR form along with all commercial documents viz. copy of invoice certified by Customs, etc. within 21 days from the date of export, to the concerned designated bank.

2. (i) The following branches of authorised dealers (i.e. banks) have been designated for the purpose of monitoring transactions under the barter trade arrangement.

(a) United Bank of India (UBI), Moreh Branch, Manipur.

(b) State Bank of India (SBI), Champai Branch, Mizoram.

(ii) The designated banks' branches should only handle proposals for barter trade and documents relating to imports and exports thereunder.

(iii) The designated banks' branches should countersign GR forms original and duplicate, submitted to them by the exporters (before submitting to the Customs authorities) after satisfying themselves that the GR forms are supported by a Bill of Entry for import of goods from Myanmar to India. Both original and duplicate copies of the forms should be returned to the exporter. The GR forms may be superscribed as under:

> "Exports under barter arrangement with Myanmar. The payments have been received in the form of goods/commodities of the equivalent value".

(iv) The designated banks should maintain a record of the transactions under the barter trade arrangement on the basis of GR forms countersigned by them, in a register as per proforma enclosed (Annexure II).

(v) The designated banks should forward a monthly statement as per the above form to the Exchange Control Department, Reserve Bank of India, Guwahati, within 15 days from the close of the month.

(vi) On completion of export against receipt of payment in the form of import of goods/commodities from Myanmar, the concerned designated bank should surrender the duplicate copy of GR form and evidence of import to the Exchange Control Department, Reserve Bank of India, Guwahati along with the monthly statement, duly certified as under:

"Value of goods exported adjusted against value of goods imported under barter trade arrangement as per Contract dated ………………..". Before certifying the GR forms, the designated banks should verify documentary evidence for import of goods/commodities of corresponding value and ensure that the commodities exchanged are as per Annexure 1.

(vii) The transactions relating to barter trade should not be reported in R Returns.

3. Authorised dealers may bring the contents of this circular to the notice of their concerned constituents.

4. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and any contravention or non-observance thereof is subject to the penalties prescribed under the Act.

Yours faithfully,

K.J. UDESHI
Chief General Manager

Appendix III: Agreement between the Republic of India and the People's Republic of China on Trade and Intercourse between Tiber Region of China and India.

***

AGREEMENT

BETWEEN
THE REPUBLIC OF INDIA AND THE PEOPLE'S REPUBLIC OF CHINA ON TRADE AND INTERCOURSE BETWEEN TIBET REGION OF CHINA AND INDIA

The Government of the Republic of India and the Central People's Government of the People's Republic of China.

Being desirous of promoting trade and cultural intercourse between Tibet Region of China and India and of facilitating pilgrimage and travel by the people's of China and India.

Have resolved to enter into the present Agreement based on the following principles:

(1 mutual respect for each other's territorial integrity and sovereignty,

(2) mutual non-aggression.

(3) mutual non-interference in each other's internal affairs,

(4) equality and mutual benefit, and

(5) peaceful co-existence.

And for this purpose have appointed as their respective Plenipotentiaries:

The government of the Republic of India, H.E. Nedyam Raghavan, Ambassador Extraordinary and Plenipotentiary of India accredited to the People's Republic of

China; the Central People's Government of the People's Republic of China, H.E. Chang Han-fu,
Vice-Minister of Foreign Affairs of the Central People's Government, who, having examined each other's credentials and finding them in good and due form, have agreed upon the following:-

Article I

The High Contracting Parties mutually agree to establish Trade Agencies:

1- The Government of India agrees that the Government of China may establish Trade
Agencies at New Delhi, Calcutta and Kalimpong.
2 -The Government of China agrees that the Government of India may establish Trade
Agencies at Yatung, Gyantse and Gartok.
The Trade Agencies of both parties shall be accorded the same status and same treatment. The Trade Agents of both Parties shall enjoy freedom from arrest while exercising their functions, and shall enjoy in respect of themselves, their wives and children who are dependent on them for livelihood freedom for search.

The Trade Agencies of both parties shall enjoy the privileges and immunities for couriers, mail bags and communications in code.

Article II

The High Contracting Parties agree that traders of both countries known to be customarily and specifically engaged in trade between Tibet Region of China and India may trade at the following places:

1- The Government of China agrees to specify (1) Yatung, (2) Gyantse and (3) Phari as markets for trade. The Government of India agrees that trade may be

carried on in India, including places like (1) Kalimpong,(2) Siliguri and (3) Calcutta, according to customary practice.
2 -The Government of China agrees to specify (1) Gartok, (2) Phulanchung (Taklakot),
Gyanima-Khargo, (4) Gyanima-Chakra, (5) Rampura, (6) Dongbra, (7) Puling Sumdo, (8) Nabra, (9) Shangtse and (10) Tashigong as markets for trade; the Government of India agrees that in future, when in accordance with the development and need of trade between the Ari District of Tibet Region of China and India, it has become necessary to specify markets for trade in the corresponding district in India adjacent to the Ari District of Tibet Region of China, it will be prepared to consider on the basis of equality and reciprocity to do so.

Article III

The High Contracting Parties agree that pilgrimage by religious believers of the two countries shall be carried on in accordance with the following provisions:-

1- Pilgrims from India of Lamaist, Hindu and Buddhist faiths may visit Kang Rimpoche (Kailash) and Mavam Tso (Manasarovar) in Tibet Region of China in accordance with custom.
2- Pilgrims from Tibet Region of China of Lamaist and Buddhist faiths may visit Banaras, Sarnath, Gaya and Sanchi in India in accordance with custroms
3- Pilgrims customarily visiting Lhasa may continue to do so in accordance with customs.

Article IV

Traders and pilgrims of both countries may travel by the following passes and route:

1- Shipki La pass, (2) Mana pass, (3) Niti pass, (4) Kungri Bingri pass, (5) Darma pass, and (6) Lipu Lekh pass.

Also, the customary route leading to Tashigong along the valley of the Shangatsangpu (Indus) River may continue to be traversed in accordance with custom.

Article V

For travelling across the border, the High Contracting Parties agree that diplomatic personnel, officials and nationals of the two countries shall hold passport issued by their own respective countries and visaed by the other Party except as provided in Paragraphs 1,2,3 and 4 of this Article.

1- Traders of both countries known to be customarily and specifically engaged in trade between Tibet Region of China and India, their wives and Children who are dependent on them for livelihood and their attendants will be allowed entry for purpose of trade into India or Tibet Region of China, as the case may be, in accordance with custom on the production of certificates duly issued by the local government of their own country or by its duly authorised agents and examined by

the border chekposts of the other party.

2 - Inhabitants of the border district of the two countries who across the border to carry on petty trade or to visit friends and relatives may proceed to the border districts of the other Party as they have customarily done hereto fore and need not be restricted

to the passes and route specified in Article 1V above and shall not be required to hold passports, visas or permits.

3- Porters and mule-team drivers of the countries who cross the border to perform
necessary transportation services need not hold passports issued by their own country, but shall only hold certificates good for a definite period of time(three months, half a year or one year) duly issued by the local government of their own country or by its duly authorised agents and produce them for registration at the border checkposts of the other party.

4- Pilgrims of both countries need not carry documents of certificates but shall register
at the border ckeckposts of the other party and receive a permit for pilgrimage.

5- Notwithstanding the provisions of the foregoing paragraphs of this Article, either
Government may refuse entry to any particular person.

6- Persons who enter the territory of the other Party in accordance with the foregoing
paragraphs of this Article may stay within its territory only after complying with the
procedures specified by the other Party.

Article VI

The Present Agreement shall come into effect upon ratification by both Governments and shall remain in force for eight (8) years. Extension of the present Agreement may be negotiated by the two Parties if either Party requests for it six (6) months prior to the expiry of the Agreement and the request is agreed to by the other Party.

Done in duplicate in Peking on the twentyninth day of April, 1954, in the Hindi, Chinese and English language, all texts being equally valid.

(Sd) NEDYAM RAGHAVAN,	(Sd) CHANG HAN-FU,
Plenipotentiary of the	Plenipotentiary of the
Government of	theCentral People's
Repubublic of India.	Government, People's
	Republic of China.

NOTES EXCHANGED

NOTE

Peking, April 29, 1954

YOUR EXCELLENCY MR. VICE-FOREIGN MINISTER,

In the course of our discussions regarding the Agreement on Trade and Intercourse Between Tibet region of China and India, which has been happily concluded today, the Delegation of the Government of the Republic of India and the Delegation of the Government of the People's Republic of China agreed that certain matters be regulated by an exchange of notes. In pursuance of this understanding, it is hereby agreed between the two Governments as follows:-

(1) The Government of India will be pleased to withdraw completely within six (6) months from date of exchange of the present notes the military escorts now stationed at Yatung and Gyantse in Tibet Region of China. The Government of China will render facilities and assistance in such withdrawal.

(2) The Government of India will be pleased to hand over to the Government of China at a reasonable price the postal, telegraph and public telephone services together with their equipment operated by the Government of India in Tibet

region of China. The concrete measures in this regard will be decided upon through further negotiations between the Indian Embassy in China and the Foreign Ministry of China, which shall start immediately after the exchange of the present notes.

(3) The Government of India will be pleased to hand over to the Government of China at a reasonable price the twelve (12) rest houses of the Government of India in Tibet region of China. The concrete measures in this regard will be decided upon through further negotiations between the Indian Embassy in China and the Foreign Ministry of China, which shall start immediately after the exchange of the present notes. The Government of China agrees that they shall continue as rest houses.

(4) The Government of China agrees that all buildings within the compound walls of the Trade Agencies of the Government of India at Yatung and Gyantse in Tibet region of China may be retained by the Government of India. The Government of India may continue to lease the land within its Agency compound walls from Chinese side. And the Government of India agrees that the Trade Agencies of the Government of China at Kalimpong and Calcutta may lease lands from the Indian side for the use of the Agencies and construct buildings thereon. The government of China will render every possible assistance for housing the Indian Trade Agencies at Gartok. The Government of India will also render every possible assistance for housing the Chinese Trade Agency at New Delhi.

(5) The Government of India will be pleased to return to the Government of China all Lands used or occupied by the Government of India other than the lands within its Trade Agency compound walls at Yatung.
If there are godowns and buildings of the Government of India on the above mentioned lands used or occupied and to be returned by the Government of India and if Indian traders have stores, godowns or buildings on the above-mentioned lands so that there is a need to continue leasing lands, the Government of China

agrees to sign contacts with the Government of India or Indian traders, as the case may be, for leasing to them those parts of the land occupied by the said godowns, buildings or stores and pertaining thereto.

(6) The Trade Agents of both Parties may, in accordance with the laws and regulations of the local governments, have access to their nationals involved in civil or criminal cases.

(7) The Trade Agents and traders of both countries may hire employees in the locality.

(8) The hospitals of the Indian Trade Agencies at Gyantse and Yatung will continue to serve personnel of the Indian Trade Agencies.

(9) Each Government shall protect the person and property of the traders and pilgrims of the other country.

(10) The Government of China agrees, so far as possible, to construct rest houses for the use of pilgrims along the route from Pulanchung (Taklakot) to Kang Rimpoche (Kailash) and Mavam Tso (Mansarovar); and the Government of India agrees to place all possible facilities in India at the disposal of pilgrimage.

(11) Traders and pilgrims of both countries shall have the facility of hiring means of transportation at normal and reasonable rates.

(12) The three Trade Agencies of each Party may function throughout the year.

(13) Traders of each country may rent buildings and godowns in accordance with local regulations in places under the jurisdiction of the other party.

(14)Traders of both countries may carry on normal trade in accordance with local regulations at places as provided in Article 11 of the Agreement.

(15) Disputes between traders of both countries over debts and claims shall be handled in accordance with local laws and regulations.

On behalf of the Government of the Republic of India I hereby agree that the present Note along with Your Excellency's reply shall become an agreement between our two Governments which shall come into force upon the exchange of the present Notes.

I avail myself of this opportunity to express to your Excellency Mr. Vice-Foreign Minister, the assurance of my highest consideration.

(Sd.) N.RAGHAVAN
Ambassador Extraordinary
and Plenipotentiary of the
Republic of India.

His Excellency Mr.Chang Han-fu,
Vice-Minister of Foreign Affairs,
Central People's Government,
People's Republic of China.

***

NOTE

Peking, April 29,1954

Your Excellency Mr. Ambassador,

I have the honour to receive your note dated April 29, 1954, which reads:

------ ---------------------------- -------------------------------------"

On behalf of the Central People's Government of the People's Republic of China, I hereby agree to your Excellency's note, and your note along with the present note in reply shall become an agreement between our two Governments, which shall come into force upon the exchange of the present notes.

I avail myself of this opportunity to express to Your Excellency, Mr. Ambassador, the assurances of my highest consideration.

(Sd) CHANG HAN-FU,
Vice-Minister,
Ministry of Foreign Affairs,
People's Republic of China.

H.E.NEDYAM RAGHAVAN
Ambassador Extraordinary and Plenipotentiary,
Republic of India.

***

(Original in English)

Appendix IV: Report on the External Trade of Bengal with Nepal, Sikkim and Bhutan for the Year 1882-83.

REPORT

ON THE

EXTERNAL TRADE OF BENGAL

WITH

NEPAL, SIKKIM, AND BHUTAN,

FOR THE YEAR 1882-83.

As in the previous four years, the collection of the statistics of the external trade of Bengal with Nepal, Sikkim, and Bhutan was limited to the registration of the traffic passing along all the important trade routes, of which there are 32 on the northern frontier of Bengal between the districts of Chumparun and Julpigoree.

2. The total value of such trade registered during 1882-83, as compared with the figures of the preceding two years, was as follows :—

	Imports into Bengal.				Exports from Bengal.		
	1880-81.	1881-82.	1882-83.		1880-81.	1881-82.	1882-83.
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
From Nepal	1,03,17,915	75,42,743	75,60,604	To Nepal	56,15,443	53,36,668	55,57,525
" Sikkim	1,67,960	1,67,533	2,00,148	" Sikkim	80,898	86,011	1,16,294
" Bhutan	2,26,622	1,23,048	1,11,442	" Bhutan	1,96,947	1,05,168	86,693
Total	1,07,12,497	78,33,324	78,72,194	Total ...	58,93,288	57,27,847	57,60,512

According to the returns, the excess of imports of merchandize over exports for the year 1882-83 was Rs. 21,11,682, against Rs. 21,05,477 in 1881-82, and Rs. 48,19,209 in 1880-81.

3. These figures represent the traffic to and from stations in Bengal only. The amount of traffic with other provinces passing through the trade routes in Bengal, was as follows :—

Year.	Imports into other provinces from Nepal.	Exports from other provinces to Nepal.
	Rs.	Rs.
1880-81	... 28,731	3,99,170
1881-82	... 4,38,040	5,03,732
1882-82	... 4,55,050	4,29,117

4. The combined total of these two sections of the registered trade during the past three years is shown below :—

Year.	Imports into Bengal.	Exports from Bengal.	Total.
	Rs.	Rs.	Rs.
1880-81	1,07,41,228	62,92,458	1,70,33,686
1881-82	82,71,364	62,91,579	1,45,62,943
1882-83	83,27,244	61,89,629	1,45,16,873

5. The gross value of the traffic registered during the past year thus shows a trifling decrease of Rs. 46,070 as compared with 1881-82. In the import trade, there is an increase amounting to ·68 per cent, but the exports indicate a falling off of 1·62 per cent. Of the articles imported from Nepal, there has, however, been a large increase in the traffic in turmeric, food grains, hides, skins, ghee, linseed, timber, and specie, while amongst the articles of export, the decrease is conspicuous under Indian twist, and piece-goods, both European and Indian, but it is made up by a corresponding increase under raw cotton, and manufactured silk and woollen goods. The export of brass and copper and their manufactures has also been large, against a marked falling off in safflower, jewellery, other metals, paints and colours, and betelnuts. The fluctuation of traffic in all the important commodities will be briefly considered further on in this report.

Appendix V: Report on the External Trade of Bengal with Nepal, Sikkim and Bhutan for the Year 1883-84.

REPORT

ON THE

EXTERNAL TRADE OF BENGAL

WITH

NEPAL, SIKKIM, AND BHUTAN,

FOR THE YEAR 1883-84.

THE system under which the external trade of Bengal with Nepal, Sikkim, and Bhutan is registered has been described in previous reports, and no change was introduced in it during the year 1883-84.

2. The total value of this traffic registered during the past three years on all the important trade routes, at the 32 stations which are distributed along the frontier between Chumparun and Julpigoree, was as follows :—

	Imports into Bengal.				Exports from Bengal.		
	1881-82. Rs.	1882-83. Rs.	1883-84. Rs.		1881-82. Rs.	1882-83. Rs.	1883-84. Rs.
From Nepal ...	75,42,743	75,60,604	71,76,210	To Nepal ...	55,36,668	55,57,525	64,56,930
,, Sikkim ...	1,67,533	2,00,148	2,21,523	,, Sikkim ...	86,011	1,16,294	1,12,711
,, Bhutan ...	1,23,048	1,11,442	96,350	,, Bhutan ...	1,05,168	86,693	1,23,000
Total ...	78,33,324	78,72,194	74,94,083	Total ...	57,27,847	57,60,512	66,92,641

3. In addition to these figures, which relate to the trade to and from stations in Bengal only, the total value of traffic with other provinces which passed over trade routes in Bengal in those years, was as follows :—

Year.	Imports into other provinces from Nepal. Rs.	Exports from other provinces to Nepal. Rs.
1881-82	4,38,040	5,63,732
1882-83	4,55,050	4,29,117
1883-84	1,28,423	5,56,168

4. The total value of the traffic registered amounted to Rs. 1,48,71,315 against Rs. 1,45,16,873 in 1882-83, and Rs. 1,45,62,943 in 1881-82, as shown below :—

Year.	Imports into Bengal. Rs.	Exports from Bengal. Rs.	Total. Rs.
1881-82	82,71,364	62,91,579	1,45,62,943
1882-83	83,27,244	61,89,629	1,45,16,873
1883-84	76,22,506	72,48,809	1,48,71,315

It will be seen that the gross value of the trade during 1883-84 was 2·44 per cent. in excess of the figures of the preceding year, and 2·12 per cent. over those of 1881-82. The import trade, however, shows a material falling off, the figures for the past year being 8·46 and 7·84 per cent. below those of the two previous years respectively. Under exports, there was an increase of 17·11 per cent. as compared with 1882-83, and of 15·21 per cent. as compared with 1881-82. The chief staples in the import traffic which showed the largest decrease during the past year as compared with 1882-83, were food-grains, timber, and silver; and the articles showing the largest increase were precious stones and pearls (unset), cattle, opium, linseed, and saltpetre. As regards exports, the greatest improvement is found in European piece-goods, metals, provisions, treasure, horses, salt, tobacco, and unrefined sugar, while manufactured woollen goods showed a decrease.

5. In the report for 1882-83 it was observed that the information furnished by the local officers of the frontier districts regarding the imposts levied by the Nepalese authorities on traders after they leave, or before they enter British territory, showed that the rates of duty at different points on the frontier varied considerably. With the

Imposts levied by the Nepalese authorities.

Appendix VI: Report on the External Trade of Bengal with Nepal, Sikkim and Bhutan for the Year 1884-85.

REPORT

ON THE

EXTERNAL TRADE OF BENGAL

WITH

NEPAL, SIKKIM, AND BHUTAN

FOR THE YEAR 1884-85.

No change was made during the year in the system of registering the external land trade of Bengal with Nepal, Sikkim, and Bhutan. The trade with Nepal is registered at 27 stations, which are situated in the following districts :—

Chumparun ...	5	Durbhunga ...	5	Purneah ...	6
Mozufferpore ...	5	Bhagulpore ...	3	Darjeeling ...	3

The trade with Sikkim is carried on through two routes in the Darjeeling district, and that with Bhutan through three stations in the Julpigoree district.

2. The following statement gives the total value of the trade registered during the past three years at all the stations :—

	Imports into Bengal.				Exports from Bengal.		
	1882-83.	1883-84.	1884-85.		1882-83.	1883-84.	1884-85.
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
From Nepal ...	75,60,604	71,76,210	72,16,819	To Nepal ...	55,57,525	64,56,930	68,18,097
" Sikkim ...	2,00,148	2,21,523	3,75,987	" Sikkim ...	1,16,294	1,12,711	2,04,735
" Bhutan ...	1,11,442	96,350	1,34,189	" Bhutan ...	86,693	1,23,000	1,43,308
Total ...	78,72,194	74,94,083	77,26,995	Total ...	57,60,512	66,92,641	71,66,140

3. These figures represent the trade to and from stations in Bengal only. The value of the traffic with other provinces, which passed through the trade routes in Bengal during those years, was as follows :—

Year.	Imports into other provinces from Nepal.	Exports from other provinces to Nepal.
	Rs.	Rs.
1882-83	4,55,050	4,29,117
1883-84	1,28,423	5,56,168
1884-85	1,08,681	2,89,265

4. The combined total of these two sections of the trade during the past three years is shown below :—

Year.	Imports.	Exports.	Total.
	Rs.	Rs.	Rs.
1882-83	83,27,244	61,89,629	1,45,16,873
1883-84	76,22,506	72,48,809	1,48,71,315
1884-85	78,35,676	74,55,405	1,52,91,081

Compared with 1883-84 and 1882-83, the total trade of the past year showed an increase of 2·82 per cent. and 5·33 per cent., respectively. The imports in 1884-85 were 2·79 per cent. in excess of the figures of the previous

Appendix VII: Report on the External Trade of Bengal with Nepal, Sikkim and Bhutan for the Year 1885-86.

REPORT

EXTERNAL TRADE OF BENGAL

NEPAL, SIKKIM, AND BHUTAN

FOR THE YEAR 1885-86.

THE arrangements for collecting statistics of the external trade on the most important routes of traffic between Bengal and Nepal, Sikkim, and Bhutan remained substantially unchanged during the past year. The registering stations for the Bhutan trade remained unchanged, but on the Sikkim frontier, Rhenok and Kalimpong were substituted for Pheydong from 1st June 1885, and Silligooree took the place of Nuksurbari as a registering station for Nepal trade from the same date.

2. The total value of the registered trade of Bengal with these three States during the past three years is shown below:—

	Imports into Bengal.				Exports from Bengal.		
	1883-84.	1884-85.	1885-86.		1883-84.	1884-85.	1885-86.
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
From Nepal ...	71,76,210	72,16,819	93,18,431	To Nepal ...	64,56,930	68,18,097	52,27,817
,, Sikkim ...	2,21,523	3,75,987	6,73,075	,, Sikkim ...	1,12,711	2,04,735	4,96,617
,, Bhutan ...	96,350	1,34,189	99,164	,, Bhutan ...	1,23,000	1,43,308	1,00,787
Total ...	74,94,083	77,26,995	1,00,90,670	Total ...	66,92,641	71,66,140	58,25,221

3. The aggregate value of the registered trade with other provinces which passed through Bengal during those years was:—

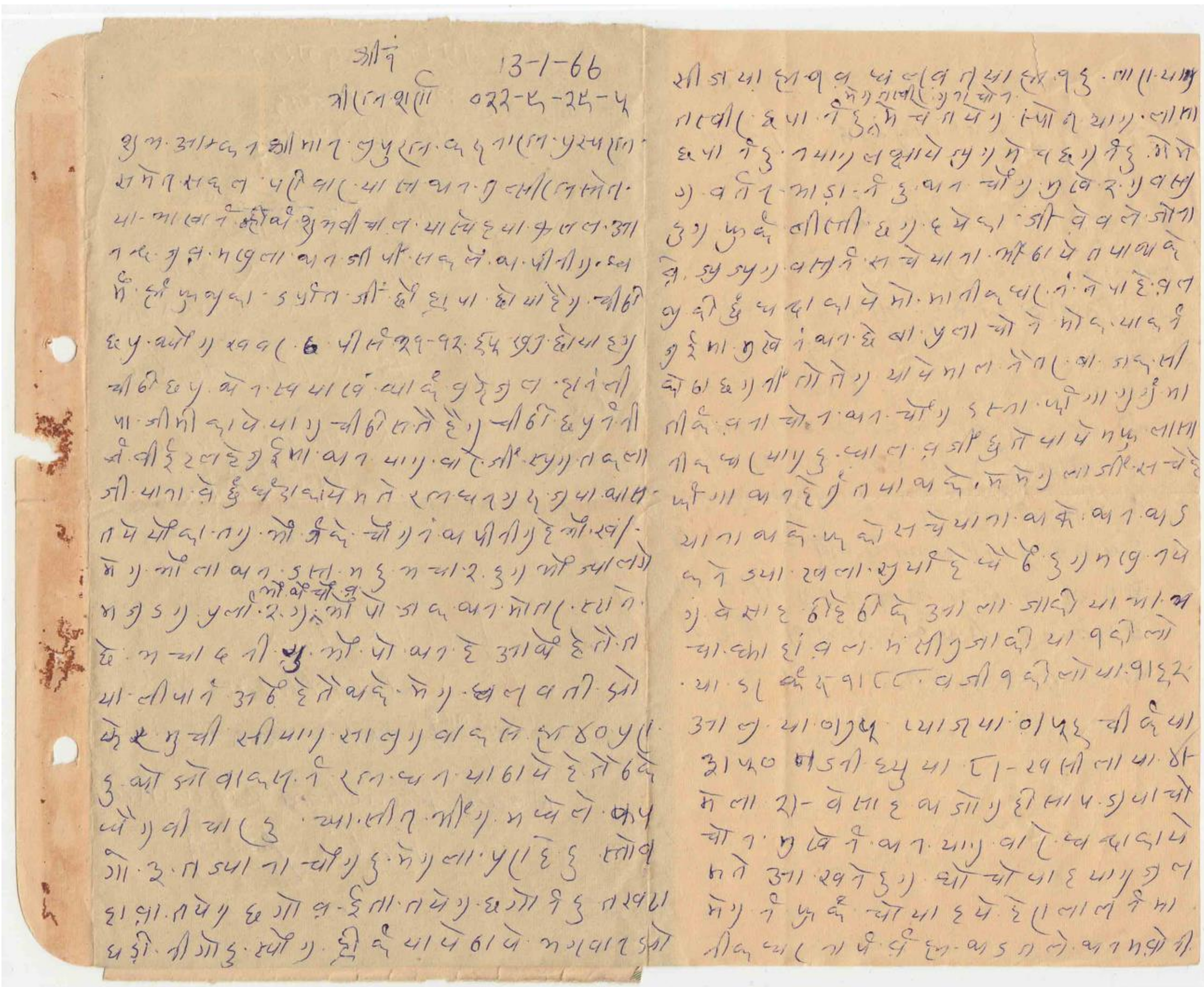
Year.	Imports into other provinces from Nepal.	Exports from other provinces to Nepal.
	Rs.	Rs.
1883-84	1,28,423	5,56,168
1884-85	1,08,081	2,89,265
1885-86	2,49,913	2,25,991

4. The grand total of the import and export trade brought within the scope of registration, therefore, during the past three years was as follows:—

Year.	Imports.	Exports.	Total.
	Rs.	Rs.	Rs.
1883-84	76,22,506	72,48,809	1,48,71,315
1884-85	78,35,676	74.55,405	1,52,91,081
1885-86	1,03,40,583	60,51,212	1,63,91,795

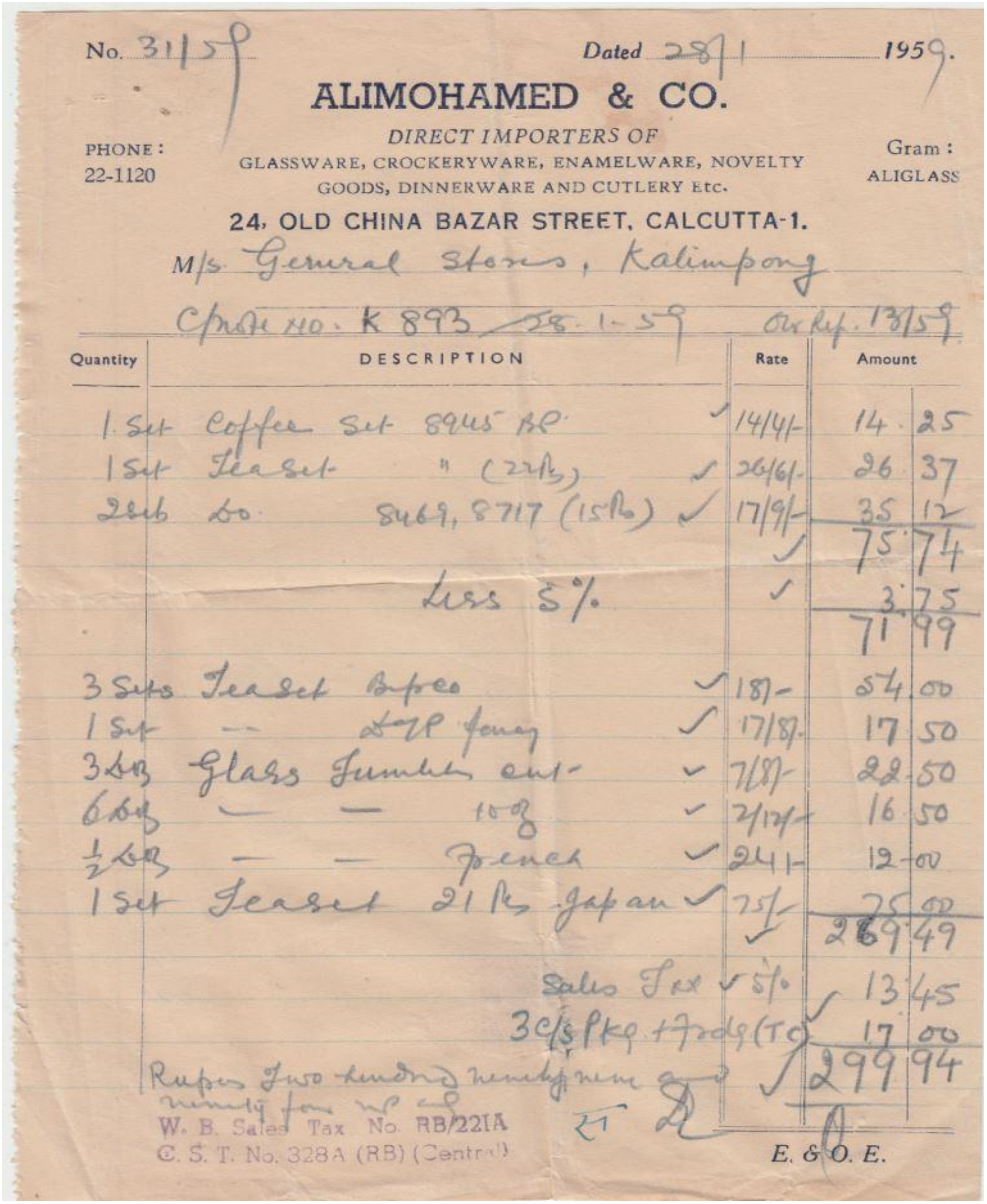
According to these figures, the total value of both sections of the trade of the past year increased by 7·11 per cent. as compared with 1884-85, and by 10·22 per cent. as compared with 1883-84. It will be seen that while the

Appendix VIII: Handwritten letter sent by Nepalese merchant Tulsi Ratna Tuladhar from Kalimpong, India to Kathmandu, Nepal about the situation in Kalimpong (13/1/1966).


13-1-66

अन्तर्देशीय पत्र
INLAND LETTER
To Sahu Lupuratna
Karunaratna
122 Asan Tyeuda tol
P.O. Kathmandu
NEPAL
NEPAL
भेजने वाले का नाम और पता :— Sender's name and address :—
Tulsi Ratna
C/O Ratnadhan Saky
9 3/4 MILE Rishi Road
Near Kanchan Cinema
इस पत्र के अन्दर कुछ न रखिये

Appendix IX: Receipt of goods procured for General Store in Kalimpong, India, a subsidiary of Ghorashar business house of Lhasa, Tibet (1959).



No. 31/59 Dated 28/1 1959.

ALIMOHAMED & CO.

DIRECT IMPORTERS OF
GLASSWARE, CROCKERYWARE, ENAMELWARE, NOVELTY GOODS, DINNERWARE AND CUTLERY Etc.

PHONE: 22-1120

Gram: ALIGLASS

24, OLD CHINA BAZAR STREET, CALCUTTA-1.

M/s General Stores, Kalimpong

Chalan No. K 893 28-1-59 Our Ref. 13/59

Quantity	DESCRIPTION	Rate	Amount
1 Set	Coffee Set 8945 BP	14/4/-	14.25
1 Set	Tea Set " (22 Ps)	26/6/-	26.37
2 Set	do. 8469, 8717 (15 Ps)	17/9/-	35.12
			75.74
	Less 5%		3.75
			71.99
3 Sets	Tea Set Bufco	18/-	54.00
1 Set	— do. fancy	17/8/-	17.50
3 doz	Glass Tumbler cut	7/8/-	22.50
6 doz	— — 10 oz	2/12/-	16.50
½ doz	— — French	24/-	12.00
1 Set	Tea Set 21 Ps Japan	75/-	75.00
			269.49
	Sales Tax 5%		13.45
	3 c/s Pkg + Frdg (T.C.)		17.00
	Rupees Two hundred ninety nine and ninety four nP only		299.94

W. B. Sales Tax No. RB/221A
C. S. T. No. 328A (RB) (Central)

E. & O. E.

No. AT/AD—K 1014

Consignment Note

CONSIGNOR'S COPY

AMALGAMATED TRANSPORT

(AIR DEPT.)

AIR CHARTERS & BOOKING AGENTS

30/31, KALAKAR STREET,

CALCUTTA-7.

TELEGRAMS
AIRPRINCE CAL.
PARAKH SILIGURI

TELEPHONES: CALCUTTA 33-3637, " 33-1827, SILIGURI 2 & 2A, KALIMPONG 102, DARJEELING 240, GANGTOK, KURSEONG, JALPAIGURI

From Calcutta

To Kalimpong

Date 16-2-59

N. B.—All goods accepted subject to the rules and conditions of the Company whose Air Crafts are chartered.

Consignor's Name K. Ratna

Address 154. Mahatma Gandhi Road. Calcutta

Consignee's Name General Store

Address Kalimpong

Package	Description	Weight in lbs.	Rate	Paid Rs. nP.	Due Rs. nP.	To Pay Rs. nP.
	Said to Contain :— (1) One G. Package Manihari goods	24				4=50
	13/= To Pay					
	Insurance charge for Rs. O/R					
	Total ...					4=50

I/We hereby declare that the particulars furnished are correct.

Consignor's Signature

B.Sethia
For AMALGAMATED TRANSPORT

F. No. 1—

Appendix X: Business letter written in Nepali language sent by Tibet Commercial Corporation Lhasa, Tibet to Nepalese merchants in Kalimpong, India in 1948.

COPY BY
ORDINARY MAIL

EXPORTERS
IMPORTERS
GENERAL
MERCHANDISE
STOCKISTS

Overseas Telegrams
" GYALINTSOKPA "
GYANTSE

Codes
BENTLEY'S
&
PRIVATE

Tibet Commercial Corporation — *Lhasa.*

Gyalingtsokpa, P. O. GYANTSE (Tibet) — Via N. Bengal (India).

Ref. No. 5-K/2

17th Jan. 1948.

श्री साहु पुर्ण मान, लुपोरत्न, सिंहरत्न, बुद्धिहर्ष,
पिनि सेवास,

थो पत्र द्यू छिकीपीनी सेवास छोया हय माःगु कारणा, थन यागु कम्पनी या ज्या बिदेश व इंडिया नापनं सुचारु रुपं चले यायेत आमकन कालिम्पङ् (Indiа) स नं कम्पनी या छगू शाखा थें छयका थुकिया ज्याय् ज्वाहाली व बोगु ज्या तेरे याना बिया दीइपीं छवलः मदुकं मज्युगु जुया चोन।

थुकिया बारे थन कम्पनी या संचालक त मुना छलफल याना सोया भले, थो ज्या मेमे पीनं याके मज्यू गुली आः यात कम्पनी छिकी पिनित हे बिश्वास याना थो ज्याय् ज्वाहाली याना बिया दिसं धैगु अनुरोध याना छोय्गु कोः जितः। कारणा कम्पनी या संचालक ते मनुत जुइगुली व थन नं कम्पनी या ज्या थः थः हे मन्दु तस्यें याना चोंगु लीं छिकी पिसं हे जक थ्व ज्या याना दिय फैगु व छिकी पीं के हे जक ज्वाहाली याना दीईगु कुतः दई गुनीं।

छानं छिकी पीनं हे अनुरोध याना हय माःगु कारणा आमकनं थनं धया हैगु ज्या जक यानां गाःगु मखू। कम्पनी यात फाईदा जुलसा भी सकल सितं उत्तीं फाईदा ज्वी गुलीं आमकनं नं छसा ज्या यायगु स्वया दिया छु ज्या यानां फाईदा दै उकी छिकी पिसं नं थन यात माःगु सल्हा बिया ह्या दिय माःगु जुया चोन।

उकीं आमकन छिकी पीं ४ म्हं मुना सल्हा याना दियाःजिमिगु थो आशा पुर्ण गु अनुरोध स्वीकार याना दिलसा कम्पनी छिकी पिनी कृतज्ञ ज्वी।

थो अनुरोध स्वीकार यानाः कम्पनी या चिठी पत्री यायगु थाय् नं लिसः नापं याकनं चोया ह्या दी धैगु आशा यानाः पिया चोना।

निबेदक पिं

Appendix XI: Industrial Investment Policy:2014, Government of Assam

GOVERNMENT OF ASSAM
INDUSTRIES & COMMERCE DEPARTMENT
BLOCK 'C', 2nd FLOOR
DISPUR ::: GUWAHATI-6

ORDERS BY THE GOVERNOR OF ASSAM
NOTIFICATION

Dated Dispur, the 12th February, 2014

No:CI.187/2012/151 : The Governor of Assam is pleased to enunciate the Industrial and Investment Policy of Assam , 2014 w.e.f 01-03-2014. This Policy would be valid for 5 (five) years i.e upto 28th February, 2019.

Sd/-
(R T Jindal, IAS)
Addl. Chief Secretary to the Govt. of Assam
Industries & Commerce Department.

Memo No.CI.187/2012/151-A **Dated Dispur, the 12th February, 2014**

Copy for information and necessary action to:

1	All Additional Chief Secretary/Principal Secretary/Commissioner & Secretary/Secretary to the Govt. of Assam.
2	The Resident Commissioner to the Government of Assam, Assam House, New Delhi
3	The Agricultural Production Commissioner
4	All Commissioner of Divisions, Assam
5	The Chairman, Assam State Electricity Board, Guwahati-1
6	The Principal Secretary to the Chief Minister, Assam, Dispur, Guwahati-06
7	The Under Secretary to the Government of India, Ministry of Commerce and Industries, Department of Industrial Policy & Promotion, Udyog Bhawan, New Delhi- 110011
8	The P.S to the Minister, Industries & Commerce, Assam
9	All Principal Secretaries of the Autonomous Councils
10	All Deputy Commissioners
11	The P.S to the Chief Secretary
12	The P.S to the Additional Chief Secretary, Industries & Commerce Department
13	All P.S to Ministers/Minister of State
14	The Commissioner, Industries & Commerce, Assam, Bamunimaidam, Guwahati-21
15	P.S to Parliamentary Secretary, Industries & Commerce Department.
16	The Managing Director, AIDC/ASIDC
17	All General Manager, DI&CC
18	Managing Director, AIIDC, Bamunimaidam, Guwahati-21. He is requested to upload the same in the departmental website.
19	The Deputy Director, Assam Govt. Press, Bamunimaidam, Guwahati-21 with a request to publish the notification in the next issue of the Gazette and to submit 50 copies of the Gazette notification.

By orders etc.
Sd/-
(R P Das, ACS)
Joint Secretary to the Govt. of Assam
Industries & Commerce Department.

Appendix XII: Mizoram Industrial Policy, 2012.

COMMERCE & INDUSTRIES DEPARTMENT

Government of Mizoram

Page Links: https://industries.mizoram.gov.in/page/the-mizoram-industrial-policy-2012251016011001p

The Mizoram Industrial Policy 2012

THE MIZORAM INDUSTRIAL POLICY 2012

1. ***Background and necessity***:

The Industrial Policy of Mizoram State was first notified on 15.3.1989 to give direction to the strategy for Industrial development of the State. It laid stress on reducing shifting cultivation by encouraging a shift from primary to secondary sectors while protecting the Socio-Cultural and ethnic identity of the indigenous enterprise of Mizoram. The intention of the Government in that policy was not Industrial growth per se but was rather directed towards all-round development of the people of Mizoram with special focus on upliftment of indigenous people and also towards giving them gainful employment and self employment opportunities in the Industries and allied sectors. Significant growth has been experienced as a result of this policy direction during 8th Plan period.

In view of the National Industrial Policy which laid special emphasis for the development of Industries in the North Eastern Region, the Govt. of Mizoram had notified new Industrial Policy 2000 for accelerated Industrial and Economic development of the State. The main objectives of the New Industrial Policy of Mizoram 2000 are to engineer rapid sustainable growth of Industry in the State. It laid stress on encouraging Industries utilizing locally available raw materials. The Government had adopted the approach for identification of thrust areas and promoting them with fiscal and other incentives packages. Broad policy of Foreign Direct Investment (FDI) and Investment from outside the State has been adopted on Joint venture (JV) mode to safeguard the interest of the tribal population of Mizoram. Various administrative support system and market support system are also announced.

With the introduction of New Industrial Policy of Mizoram 2000, a significant shift towards development of local resource base Industries has been achieved during 10th and 11th Five Year Plan. The overall Industrial growth has been experienced though it is much lower than the National average.

The Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 was enacted by the Parliament in 2nd October 2006. This MSMED Act, 2006 has brought about comprehensive legal framework for the policies and promotional measures for Small & Medium Enterprises. The earlier concept of Industries has been changed to Enterprises.

The Govt. of India has announced North East Industrial and Investment Promotion Policy (NEIIPP) on 1st April 2007 which envisages the package of fiscal incentives and other concessions for the North East Region. The Govt. of India has also laid stress upon the inclusive growth in its National agenda.

The Govt. of Mizoram is mandated in giving sustainable employment and introducing better utilization of land by introducing New Land Use Programme (NLUP). The NLUP aimed at increasing Agriculture, Horticulture and livestock produce, better utilization of forest resources, plantation and development of Micro Enterprises at the rural level.

In view of the large scale change in global Industrial scenario, National Industrial Policy and the economic development of the State, the Govt. of Mizoram feels necessary to announce new Industrial Development Policy for accelerated economic development of the State.

2. *Vision, Mission, Objectives and Strategies*

2.1: **Vision**

- Sustainable Industrial growth especially in the MSME sector in Mizoram
- Encourage increasing value addition in various local produces and giving better income to farmers.
- Conducive environment for investment.
- Promote direct and indirect employment opportunities.

2.2: **Mission**

Our mission is to accelerate industrial development in Mizoram by maximizing investment, output, growth, employment and competitiveness through development of infrastructure, human resource, incentives and administrative support network.

2.3: **Objectives**

The following are the key objectives of this policy.

- To create infrastructure facilities, provide incentives and marketing as well as technical support to industries.
- To create employment opportunities particularly to the vulnerable section of the society and people in rural area, ensuring inclusive development.
- To provide skill development and training for educated youth to develop entrepreneurial skills and make them self-employed.
- To attract investment in the state.
- To reduce procedural formalities to speed up industrialization.
- To reduce sectoral and regional imbalance in the industrial development in the State by promoting Industries under all sectors.
- To create proper linkage of processing Industries with the farm produce of agriculture, horticulture, forest and livestock's.

2.4: **Strategies:**

Under this policy, the following strategies and approaches will be adopted to achieve the desired objectives:

- Identification of thrust areas.
- Creating and upgrading Industrial areas and infrastructure facilities with the participation of Public Sector and private sector in PPP mode.
- Supplementing and fine tuning to suit local requirement of cluster development scheme available under the Govt. of India.
- Providing subsidy incentives to MSME in the State.

- Providing Special Capital Subsidy assistance to MSME in thrust sectors for first generation entrepreneurs by supplementing schemes under NEIIPP and other schemes of the Govt. of India.
- Promote entrepreneur development and sector specific skill development training programmes to match the emerging skills needs of the Industries.
- Re-engineering of Public Sector Undertakings.
- Evolving rehabilitation package for sick Industries
- Development of market support system and market level integration of product under common branding system.
- Adoption of administrative support system to reduce procedural delay
- Adoption of broad frame work for FDI and investment from outside the state while safeguarding the interest of bona fide people of the State.
- Taking up evaluation of the working of various schemes and also continuously reviewing procedures to ensure simplification and procedural re-engineering.
- Ensuring faster and timely flow of credit.
- Providing and ensuring access to information for availing of benefit of various promotional schemes of the Govt. of India.
- Provide incentives for adoption of low cost environment friendly technologies.
- Simplifying regulations and procedures and ensure speedy clearance by single window clearance Mechanism.

3. **Identifications of Thrust area:**

In view of the hilly terrain of the State with underdeveloped infrastructure and Entrepreneurship level of the people, there is limited scope for development of large enterprises. MSME with tremendous scope of employment will be encouraged.

Thrust will be given for those industries based on value addition of locally available resources. Special incentives will be formulated for speedy development of industrial units engaged in any of the following thrust sector Enterprises.

- Forest-based Industries
- Food processing Industries
- Handloom Industries
- Handicraft Industries
- Plantain fibre and hill brooms
- Tea, rubber, Coffee and plantation based Industries
- Textile related industries.
- Animal feed and poultry feed Industries.
- Entertainment/ Music industries
- Packaging industries
- Any other Industry to be notified by the Government in this regards from time to time.

3.1: **Forest-based Industries**

The vast bamboo and other forest resources of Mizoram will be optimally harvested for setting up of Industry for manufacturing of various high value bamboo and other forest based products. The process of value addition for maximum utility of Forest resources will be encouraged while restricting the out flow of forest resources without value addition. Entrepreneurs will be encouraged to utilize waste materials of bamboo in paper/pulp industry and also as feedstock (pulverized bricket) in biomass *gasifier* for power generation.

3.2: Food Processing Industries

Primary production of various food items, whether agricultural based, horticultural or livestock based will be linked with processing Industries. Contract farming or management participation route will be encouraged to ensure proper supply chain management. As far as practicable on economic consideration, primary processing activities, such as, cleaning, grading, waxing and cold storage will be encouraged at the vicinity of the growing areas. From the primary processing unit, food items will flow to local market and secondary processing unit. Secondary processing unit will be encouraged at the strategic location of the State. Considering high cost of transportation, giving priority and favourable treatment to processing with high value content is a crucial element of food processing policy. In addition, private participation in *Public Private Partnership* (PPP) mode or otherwise will be encouraged in food processing Industries. Providing or setting up Food Testing Laboratory and Certification of products will also be a new focused area basically to facilitate gaining foothold in international markets. The Govt. will ensure land at the right place for setting up of primary processing unit. Proper linkage of this sector with agro-horticulture and livestock sectors will be ensured and a separate guidelines and road map for food processing Industries will be notified taking into account the initiative of the Govt. under agro-horticulture and livestock sectors.

3.3: Handloom Industries

Handloom sector will continue to receive serious attention of the Govt. Utmost importance will be given for improving quality product by introducing improved design, packaging, branding. Acquisition of modern technology will be encouraged and insisted for gaining competitive advantage in marketing the products. Presence of innate designing skill of womenfolk in rural areas will be utilized for enriching the industry. Branding of product will be encouraged for sustainable merchandising the product. The Govt. will ensure that Weavers in the State enjoy maximum benefit from the schemes of Central Govt.

3.4: Handicraft Industries

The traditional skill of Mizo people will be upgraded and diversified for market competitiveness of handicraft products. Market promotion scheme will be systematically designed and utilized under which the products of various craftsmen could be marketed under the same brand name may be considered.

3.5: Plantain fibre and hill brooms

The Govt. will encourage value addition of hill-brooms. The flow of raw and unprocessed broom outside the state will be discouraged by giving attention towards value addition to help local industry. Proper branding will be encouraged to secure advantage in marketing the products outside the state. Cultivation of broom grass will be properly linked with the processing Industries so that the farmers will reap maximum benefit. Existence of large quantity of plantain gives ample scope towards development of fibre materials for different application

3.6: Tea, Rubber, Palm and Coffee Industry

The climate and soil condition of Mizoram is favourable for tea plantation. Commercial and scientific tea plantation linked with tea processing Industry will receive attention of the Govt. The Govt. will formulate separate roadmap and scheme for the development of this sector and ensure that the planters of Mizoram enjoy maximum benefit out of the incentive schemes of Tea Board of India. Fiscal incentive to supplement the Tea Board Scheme and linkage of this sector with other schemes of the government will also be considered. Rubber, Coffee and Palm based Industry will also receive due attention of the Govt.

3.7: **Textile related industries**

Bulk production of readymade garments will be encouraged as this sector is having good potential for market outside the state and export. Introduction of modern machines and design improvement will find consideration of the Govt. Procurement of raw materials and accessories will be arranged through marketing efforts and eventually by way of development of local industries.

3.8: **Animal Feed and poultry feed Industries**

The Government is giving thrust towards having sufficient meat and meat products for which farming has been encouraged. This in turn requires sufficient supply of animal feeds and poultry feeds. The government will encourage production sufficient quantity of animal and poultry feeds.

4. Development of Infrastructure:

Infrastructure is a pre-requisite for Industrial Development. Construction of industrial area in the form of industrial estate, park etc. in hilly terrain of the state is not an easy task. The state government so far had developed the following Industrial Areas with only basic facilities are provided:

- Industrial Estate at Zuangtui, Aizawl, Aizawl District.
- Industrial Estate at Bairabi, Kolasib District.
- Export Promotion Industrial Park at Lengte, Mamit District.
- Bamboo Technology Park at Sairang, Aizawl District.
- Integrated Industrial Development Centre at Pukpui, Lunglei District
- Integrated Industrial Development Centre at Zote, Champhai District
- Industrial Growth Centre at Luangmual, Aizawl District.

These earmarked industrial areas are not yet up to the mark and need a lot of up-gradation. Many basic amenities like proper fencing, approach road, internal road, and land development especially leveling of site, water and power supplies are to be improved. The Govt. will develop synergies among various departments involved in building up of general infrastructure towards having developed Industrial Infrastructure. The Govt. will take primary role for building infrastructure as the capital base of entrepreneurs in the state is not strong enough to develop such Industrial Infrastructure. However, guidelines and roadmap for development of Industrial Infrastructure will be formulated to encourage more participation of private sector. The following approach will be adopted for infrastructure development.

- Land for Industrial Area will be identified in different locations taking into account the industrial potential of the hinterland.
- Land survey and blue print of the Area will be prepared and properly demarcated.
- It will be the responsibility of the Govt. and or the PSUs to provide basic infrastructure requirement like road, power supply, water supply, plot demarcation, etc. Private entrepreneurs will be encouraged in plot development and construction of work shed/ factory building in PPP model.
- A comprehensive proposal for availing possible grant from the Govt. of India will be initiated.
- More involvement of PSU for Construction and management of Industrial Area will be encouraged.

5. **Direct catalytic subsidy support**

5.1. **State Incentive Subsidy schemes:**

The State incentive subsidy schemes under the New Industrial Policy of Mizoram 2000 will continue. However, an early evaluation of the scheme will be carried out with a view to re-engineering of the scheme component so that the Industrial units of the state are properly subsidized. The Government will also formulate special package for those units under the thrust sector. In general the following incentive scheme will be provided:

S/ No.	**Name of subsidy**	**Eligibility**	**Amount Claimable**
1	Subsidy on Cost of Project Report	All new Industrial Unit within 5 yrs of existence	(i) 90 per cent in case of micro enterprises subject to a ceiling of Rs. 5,000/- per unit. (ii) 75 per cent in case of small enterprises subject to a ceiling of Rs. 25,000/- per unit. (iii) 50 per cent in case of medium enterprises subject to a ceiling of Rs. 50,000/- per unit.
2	Land Subsidy	New Industrial unit established inside Notified Industrial Area within 5yrs of existence.	(i) 25% of the lease charge/fee of allotted developed/undeveloped land will be subsidized for a period of 5 years unless the claimable amount is not adjusted at the time of payment of such fee or charges. (ii) 25% of the amount spent by the unit on development of undeveloped land allotted to the unit will be subsidised.
3	Factory Rent Subsidy	New MSME occupying the built up factory sheds within the declared Industrial Area on monthly/annual rent basis for a period of 5yrs from the date of commencement of production	50 per cent of the duly assessed rent of factory Shed subject to a ceiling of Rs. 30,000/- per unit per year.
4	Man Power Development Subsidy	New and existing Industrial units	50 per cent of the actual course fee for training subject to a ceiling of Rs. *10,000/-* per trainee and Rs. *50,000/-* per unit per year.

5	Interest Subsidy	New Industrial unit	i) The interest on loan paid by an industrial unit in excess of 8.5 per cent shall be subsidized up to a maximum of 4 per cent. ii) Subsidy shall be limited to a claim on a total amount not exceeding Rs. 3,60,000/- paid by an industrial unit towards interest on term loan in a full year. However, for working capital loan, the total amount paid towards interest on which subsidy can be claimed shall be limited to Rs. 1,20,000/- in a full year. iii) If the unit avail interest subsidy under NEIIPP, only the shortfall amount, if any, will be applicable for interest subsidy on working capital loan.
6	Power Subsidy	New MSME for a period of 5yrs from the date of commencement of production	i) 60 per cent of total expenditure on power consumption in case of micro enterprises. ii) 50 per cent of the total expenditure on power consumption in case of small enterprises. iii) 30 per cent of the total expenditure on power consumption in case of medium enterprises.
7	Subsidy on Power Line	New MSME for a period of 5yrs from the date of commencement of production	50 per cent of the actual expenditure to a ceiling of Rs. 50,000/- per unit.
8	Subsidy on Power Generating Set	New MSME for a period of 5yrs from the date of commencement of production	50 per cent of the cost of Captive generating set and installation charge thereof subject to a ceiling of Rs. 3,00,000/- per unit.
9	State Transport Subsidy on Plant & Machineries	New MSME for a period of 5yrs from the date of commencement of production	50 per cent of the actual cost of transportation by railway or on road or both of plants and machineries.

5.2. **VAT exemption for Manufacturing Micro & Small Enterprises:**

- All the materials used as raw material and manufactured by manufacturing Micro and Small Enterprises will be exempted from VAT for a period of 7 yrs from the date of commercial production in general and 10years for thrust sector enterprises. Such exemption will be subject to fulfillment of the following conditions and other condition prescribed by the Govt. from time to time.

- The raw materials procured and goods manufactured by the unit should be that listed in the Entrepreneur Memorandum (EM) Part 2 and accepted by the DIC.
- The unit should be registered under Mizoram VAT Act.
- The unit should invariably file returns on purchase of raw material and productions both at DIC and Taxation Department.

5.2.1. **VAT Remission for Medium and Large Enterprises**

In order to achieve rationalization of pricing at the level of consumers in the State, efforts will be made by the government to put in place a scheme of VAT remission for Medium and Large Enterprises.

5.2.2. **Up-front loan for new MSME in the thrust sector:**

There is Capital Investment Subsidy (CIS) scheme available under NEIPP-2007. This scheme has envisaged re-imbursement of 30% of investment in Plant and Machineries when the unit starts commercial production. This scheme has linkage with term loan sanctioned by primary lending Institutions. The first generation entrepreneurs require certain amount of equity to avail term loan from the Financial Institutions and the financial Institutions normally adopted Dept Equity ratio of 3:1 or above. The Capital Investment subsidy under NEIIPP can be materialized only after commencement of commercial Production and creating difficulty in availing term loan. In order to bridge the gap between having equity participation at the time of availing term loan and capital Investment subsidy, the Govt. will consider formulation of up-front loan scheme with 2 to 5% interest for those MSME in the thrust sector with the following and other conditions prescribed by the Govt.

- The amount of loan will be the amount of CIS eligible for that unit.
- The unit shall liquidate the loan with the CIS

5.2.3. **Existing Grants in Aid Scheme:**

The grants-in-aid scheme under the Mizoram Industries (Grant-in-Aid to Industrial Units) Rules 1990 will continue in its present form. However this scheme will be evaluated and reviewed so as to device more pragmatic Grant-in – Aid scheme. Such formulated new scheme, inter- alia, will aimed at solving capital scarcity of small and micro investors and will cover the following.

- Capital grant for manufacturing Micro Enterprises in the form of providing machine for improvement of quality product.
- Working capital grant for Micro Enterprises engaged in traditional Industry

5.2.4. **Rehabilitation of sick unit:**

The Govt. will formulate scheme for revival and rehabilitation of sick Industrial Unit. Professional management consultants' services will be availed, if necessary.

6. **Skill development and training**

The Government recognizes that lack of technical, managerial and entrepreneur skill among the people is one of the major problems in the process of Industrialization. Impetus will be given for skill development training and for improvement of training facilities in the State. The following approach will be adopted for the development of Industrial manpower and entrepreneurship skill.

- Training will be organized and sponsored trainees based on the industrial requirement of the state.
- DICs will be re-engineered to conduct a series of EDP Programme on continuous basis.
- Organizing product specific skill development training in association with various training institutions.
- Sponsorship of trainees in various national level training Institutions.
- Establishment of national level training Institute or their Satellite unit in the state.
- Setting up of business incubator in association with University and other institutions.
- Capacity building and training for officials of Industries Department in various fields in association with national institutes and funding from Govt. of India.
- Apprenticeship scheme will be formulated under which skill trained personnel can undergo on the job training in various industries in the state with apprenticeship stipend from the Govt.

7. Information and marketing support

The Govt. will give support to Industrial Units for effective marketing of their products both inside and outside the state as well as export market. The following approach will be adopted for promotion of markets.

- Price preference of 15% as provided in the Mizoram Preferential Store Purchase Rules 1994 will continue to operate. The Govt. will consider effective implementation of these Rules for Government's store purchases.
- Waiver of earnest money deposit for Micro & Small Enterprises in the State for Govt. purchases.
- A grant scheme for Industries association for participation in the national level exhibition and organization of State level exhibition to the tune of at least 50% of expenses towards hall rent and transportation of their products for exhibition will be formulated.
- Creation of market intelligent network.
- Formation of marketing network under which the products of Micro & Small Enterprises are marketed under common brand name.
- Sponsorship of deserving entrepreneurs to attend national and international level workshop and seminars which have relevance in promoting marketing and export of their products.

8. Support for quality products, patent, R&D

The Government will provide all support for the Industrial units and Industrial association for availing schemes to be implemented under the National Manufacturing Competitiveness Programme (NMCP) and other schemes of Govt. of India. Scheme will be formulated to support industrial unit for obtaining quality certification, patent of their products and to undertake R&D activities for development of new design, products, machines and technology. The Govt. will give impetus on having systematic data required for industrial research and policy formulation.

9. Investment promotion

The Government will take efforts to create conducive environment for promotion of Investment in the State. An integrated approach and administrative support system will be adopted on the following lines:

- Two-tier investment promotion committee will be set up; one at the ministry level under the Chairmanship of either Chief Minister or Industries Minister and the other at the Official level under the Chairmanship of either Chief Secretary or Industries Secretary.
- Micro & Small Enterprises will be reserved for indigenous people of the State.

- Foreign direct investment/investment from outside the state shall be permissible only in the medium and large sector and that too in joint venture mode. Outside investor has to form joint venture with a local entrepreneur/Public sector unit. The unskilled employment in such units shall be exclusively for the locals of Mizoram.
- Foreign direct investment/outside investment proposals shall be compulsorily be submitted to state govt for approval. Medium sector investment proposals shall be cleared by the committee formed under the Chief Secretary and large sector investment proposals shall be cleared by the committee formed under Chief minister/industries minister. No outside investment can be made unless approved by the State government.
- Guidelines for Foreign Direct Investment (FDI) and Investment from outside the State will be reviewed by the state government from time to time.
- Land settlement system for investors from outside the state and FDI for land lease mechanism having a long term tenure of 25 to 99 years depending upon requirements will be notified with due consideration of the existing land law being in force.

10. Public Sector Enterprises

The Public Sector Undertaking (PSU) enterprises in the State are not performing well as yet. These PSUs are established with different mandate. There are many factors contributing towards below-expected performance of these PSUs. Those factors inter alia include slow and irregular capital fund flow, poor management, and infrastructure problem of the State etc. In view of the entrepreneur level and infrastructure condition of the State, the Govt. will keep all option open for restructuring of these PSUs including amalgamation or disinvestment based on systematic studies.

The Government has initiated re-structuring of these PSUs under the Mizoram Public Resource Management and Development Programme (MPRMDR). This initiative will continue and restructuring of PSUs will be speeded up which will include:

- Re-defining the role of PSUs.
- Re-modeling of PSU.
- Introduction of Exit programme/ policy.
- Introduction of effective Monitoring Mechanism.
- Deployment of qualified professionals.

11. Administrative reforms

In order to effectively implement these policy resolutions the following administrative reform measures will be taken up by the Government.

- Administrative machinery of Industries Department would be suitably strengthened and resources provided in order to enable it to cope up with the emerging trend and play a facilitating role.
- Re-engineering of DICs with modern IT- enabled facilities and training so as to keep them updated with the emerging industrial environment of the country as well as global industrialization trend.
- Resource Centre will be set up in the Directorate of Industries which will supply all kinds of information regarding policies, schemes, technologies etc. required by the entrepreneurs. This resource centre will be equipped with modern IT-enabled facilities.
- Entrepreneur's facilitation centre will be set up in all the DICs which will be networked to the resource centre in the Directorate of Industries. This centre will act as source of information for the entrepreneurs and will extend guidance support to entrepreneurs.
- Single window system shall be set up for reducing procedural delays.

- Opening of Industrial research and development Wing or Cell in the Directorate of Industries will also be considered by the Government.

12. Monitoring Implementation of Policy

An **Empowered Committee** will be set up under the Chairmanship of Industries Minister; Secretaries of all concerned department involved for fulfillment of this policy will be a member and Secretary, Industries as a member Secretary. This Empowered Committee will continuously monitor the progress of implementation of the resolutions under this policy.

List of contact persons in the Industries Department

S/No.	Name & Designation	Contact No. & Fax	E-mail
1.	R. Lalthangliana Minister	0389-	
2.	Florence Zotluangpuii Director	0389-2322450 (O)	
3.	Esther Lalruatkimi Commissioner & Secretary	0389 2316611 8731921062 (M) 9774387176 (M)	
4.	Zaithanmawia Deputy Secretary	0389-2315205 9862416604 (M)	
5.	Lalthawmmawia Under Secretary	0389-2300327 9862569568 (M)	
6.			

Directorate of Industries

S/No.	Name & Designation	Contact No. & Fax	E-mail
1.	Florence Zotluangpuii Director	0389-2322450 (O)	dirind-mz@gov.in (mailto:1456%20rel='nofollow'%20target='_blank'
2.	Lalhmunsiama Addl. Director	0389-2316248	
3.	Lawmkima Joint Director	0389 2326003	
4.	Laldinpuii Deputy Director	0389-2323417	**(mailto:dinpuii.huha@mizoram.gov)** (mailto:di (mailto:dinpuii.huha@mizoram.gov).in
5.	Lalremsiami Deputy Director (Admn)	0389 2316247	
6.	V. Lalrinawma Deputy Director	9862560979 (M)	
7.	Dawngzalala Asst. Director	9436756462 (M)	dawngzalala@gmail.com (mailto:605%20rel='nofollow'%20target='_blan
8.	Vanlalbera Asst. Director	9436159942 (M)	

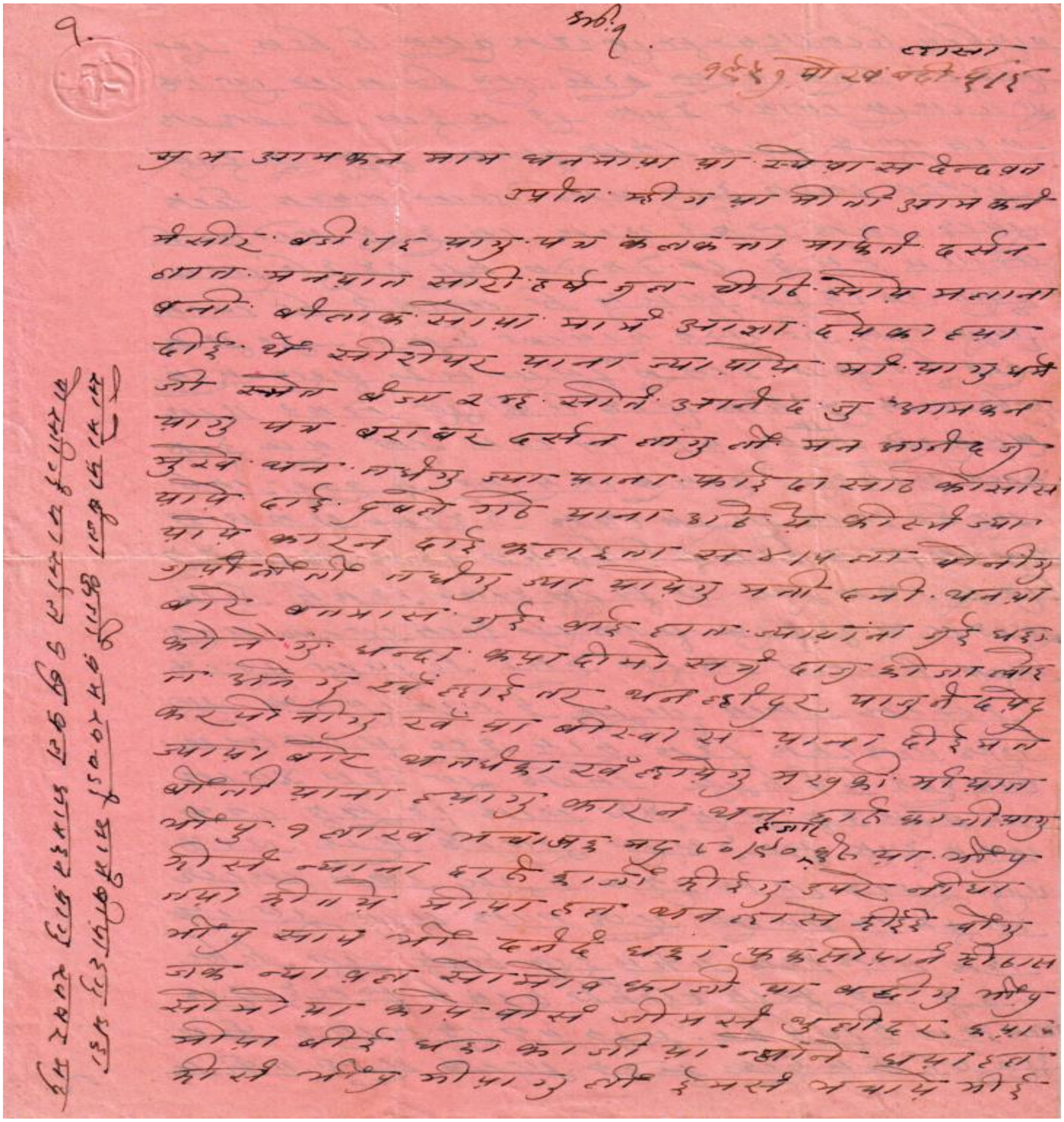
9.	V. Lalhmangaiha Asst Director	9436144380 (M)	
10.	Hunthianghlimi Asst. Director	9862133140 (M)	**(mailto:1749%20rel='nofollow'%20target='_blank'%3Eralte.hunthia** (mailto:1749%20rel='nofollow'%20target='_blank'%3Eralte.hunthian (mailto:1749%20rel='nofollow'%20target='_blank'%3Eralte.hunthian (mailto:1749%20rel='nofollow'%20target='_blank'%3Eralte.hunthian **(mailto:1749%20rel='nofollow'%20target='_blank'%3Eralte.hunthia**

District Industries Centres

S/No.	Name & Designation	Contact No. & Fax	E-mail
1.	Lalhmunsiama General Manager DIC, Aizawl	0389-2347430 9436156448 (M)	
2.	R. Laltanzuala General Manager DIC, Lunglei	0372-2324707 9612164681 (M)	
3.	Lalrokhawma General Manager DIC, Saiha	03835-222048 9612904543 (M)	
4.	Lalrinawma SDIO DIC, Champhai	03831-232609	
5.	R. Lalvuana Functional Manager DIC, Kolasib	03837-21223 9436158911 (M)	
6.	Elizabeth Lalremthangi Functional Manager DIC, Serchhip	9612722792 (M)	
7.	C. Dokulha Functional Manager DIC, Lawngtlai	9436149975 (M)	
8.	Lalbiakzuala Aineh SDIO DIC, Mamit	9436153420 (M)	

Page Created On: 2nd Dec 19 10:43 AM
Updated On: 29th Sep 21, 6:46 PM

Appendix XIII: Letters from Tibet*



* These letters were written by **Karuna Ratna Tuladhar**, a Nepali merchant who lived in Lhasa (Tibet) from 1934-46 and from 1949-54, running his family business house named 'Ghorashar'. These letters are written in his hand and addressed to his elder brother at their business office in Kalimpong, India. They offer a glimpse into the old trade between Kalimpong, India and Lhasa, Tibet through the Tea-Horse Trade route. (available at https://archive.org/details/LettersFromKalimpong/05%20karuna%20kpg1%2008-08-1957.jpg Retrieved on 23.11.2017)

2

मफ़ुत अते काजी करनी कापे मफ़ुपुनीर्टी
मफ़ु उतीम दी दत नीनी मदु धुनीदु भइ धात
शती ईंमसी दुपाये लुदुरान पीसी कर देइ
म्युयु ती दीगु मीर्ट मफ़ुत धइ धात भइ
काजी जीत धात अते धोमनु पा रवें जइ
उरापा भकु मौदु बदी धती काजी दीत
कात अते काजी जीत ईंमसी मोईं मफ़ुपा
कपा दीसीदी धात लुदु पीली देइ मीत धइ
धातर तर जी आपा मौदु दुयु उठे मात
मंमुलात गठे माप भइ भपा धात अती
जी काजी यात दु बीनी पाना भरसा
काजी जीतीयु उपरे नीधा नपा पु बीसा
दीत कांजी पायु नीमात मीईंनी फ़ न काजी
पायु पुघइ न्याइ पीली नी नीलकां पे डीगु
देइ नीपा भइ दब मदुगु नी मरवु काजी पा मीशा
नी दबनी न्याइ दु भकु बीनी मातो दुसी
जुपा मठे पे उपापेमा बेपारे रहनानी अरापा
बीईं मती उपा मइ पा दब भाषा सोपे मनी
धात दबस जी फ़ुगु काजी पायु$^{पा}$ दी पाना दुसी
पापे जीनी नुम नीती बेपार नधीगु दु मापे
मती नी नधीगु उपाकाये दसो उगु भइ बीनी
माना उगु दुपासा उगु दीमती नुई डा भा जीठे
कानी नुईडा नीपु बराबर भा दीमनु मगासा
पुसारान दीदे पा धात दबस धपा काजी
भायु बरवत सागर बत दीदे पाना नसाते
जीईं 6 बी उपानी खपा भनी काजी पात
धाधर उ नाईमे 6ी बीदु 2 माना बोनायु सी
काजी साप दु सी मुरवे सोमोत पेग रव हापी
नी मजु उ खोपे धइ बीसी रवडाणायु मरवुदीत

3 वारता मारु मरखु मीयात मोती जद्ध मानाइया
उं भाइ सागार नै कासे दोपा इजा गैहेजुई
मुरदे सौहरान पीनाप ज्यापानारु बोर कलइ-
मापारु हीसाब कुछ हीइ पाना वन नपान
पारुइ नेपा पारवै वरु मीपुती कीठाईदया
नपा वतै लीइर पारु माता मीई तेना कारन
पारुपीसी मचा लाब नसी उठै रव दर मापा
बीत धडा मेपीनी हाली धेया लाइयु लीइ
मनु हापापाठै कासे ज्यामेजुई धुइल उडी
वल जीमसी बीचार पाना पारु माइनै सना
माना ज्यापाना बोना कजीया कास नै बराव
या की माना बोना मामै धीन्दा कपादीमो
मामइल मामै खर्च मापा मपाना दीनीरु
उपरे जी वाइहाली खर्च मपाना धारुयात
उडी मोपारु उपरे चुती मैइनत पानापोना
उं मोते भाइ पारु जीमो हुइ जाइ पीयाप्रे
मजुई मारुजी पी जइयुला बोठै मामै जी-
कीरु लागी पुरवलीया भाइ पाना नरु ली
बोइने मोपारु बमै ज्यानीसखेरी अनुमारु
बीतपा जा माना बोनै कत माना नै बोनारु
पु लदीमापानमी पीनीरु बोर नै दाइ इलाइना
सपुरु लौ ठीनी लमान जुई कइ मरखु मानै
बोमाइ हीसाब देपैडा नपारु पु धाला मठ
हीसाबतै कुइ याइची पामै मारु लौसोपैइ
जा बाबा बैजानीम्हं ज्यायु आरवमसेदम
म्ही पतै मा जातै उइ मों पेबा देम जाडुइत
लपा नपाम्हं उरयुनु दाई लीसे दोपा हेतैरवै
साव पुरव धारुती येबा 314 मदपै इवै मजार
बोरवैने दाई मात बोपा दोपारुपु उठैलाते

हीसाव बीताइ मोहो पाना बोनागुई इइनढ
कुलइता दोपागु बो कलत मोपों मगुमा
दाइवो ओपुइ बर बनोबस्त पाये नेपालेवी
जापाये गुसोपे धइा धपा दीईगु दु. दाजुपाइ
नेना कुलइता पात इुनोबजाबु ईन दम देवगा
मेपों कोडो स्नगार वसा मजुमा माइ. ज़्यातवा-
ज्या. पागु पमसुइ उरवनं गी अल्लराव पात
बोपे धुन। सुरवे रव धन पागु हीसाब फुइ
कइा बोताइ सोपा बेसाइ मो नइ बोपाहो
धइा धपा बफुगु दु. धन पागु पुराहीसाव
पाना उगमइन दाइ बोनी. गुबरवनो बोपा
इपे. उगा दाइवों दुहीसाव सोपा कीगु मडु
फुइ अदि पे पानाइपे. पागुं नपीगु ज्यापाग
हीसाव ४. फुइ सी धपेइा थुगु दु सीजपागु
मडुगु फुइ धपा४फुगुडु बा दाजुपागुबो
कोजा. पागु पोगु इमडु: नधमस्या पासो.पाये
मा मपालें मागु इइमडु दाजुं धपा बखेंछ
फुइ पापे फइा हाइनाले उठेपापे उगा नमा.
ज्या उगपा गुलो हाइना उठे पाये मफु नी २. पागु
ज्यो पे. उतमत बोइवे हाइनाबो धुइनमवोपा
नगना नगाव अइ बेपार उगपा. दाजु मडुगुनो
जोमसी सुइनो ३धार मबोपा तेपापा बीमबो
धइा धपा दोपेगु पगास उपा गुलो रवँगपे
बोपत्र ६ उगाता पागु.पा नाबे दोपा इपा
उगकइनो पागु पत्र बराबर दोपाइ.पादीसँ
जीहासें उपागु नी ४/५ बर्ष दम. धव. हीगे
जीम सगु हा हलीफर पागु नावाबों धागु तीनवा
नवा बोना उगाया नार नी बोपे मन बो इने उगोजी
ले मा उगपाको पागु मरवु मेगु मोपासु भ
आशाकारी.
कलाराम

[illegible]

सं० १

सुभ आमकन दीईक मेह माम धनमाया मासेवास
उप्रांत आमकन पाउ पत्र १ चेन
रवे खाके वुके जुत नडी पा कीजायात दे बीपादीई
धीकत पे उुई मुरवे रवें थन पात मेउ है नाते
लापी मेदुला थन मेलक पाकनें कोली लेपाना
दोपाइपे थन दाउ देकेजा नीम लीत नी खोपाना
लागाए पाकने दोपा इपे धाउ पात नुके उुता अलल
मानी सीपा पाना दीईउ पात नेचापे माउ
पेदु मीपा लागी जीपी वुहीनक दुव लीपा
सना चोनाउ उुकदें जीत उुइदें मीपात दुवीला
उुत उकदें पाना दीई उ पात जीपी लाप वुली
आमइन मी पाक चा जकउ ली जी कीनें लाप
धीनदा थन पा कोए मी माउ पमें मीपा आलीए
वातें थन पाउ ज्यापात लाप बीइ उपा चीउद
मचा जीत नइतीयक उुउने कुइ माइ ची पामेनाउ
लीं पेनें उु दुवनापे नाउ मेलु बेपाए पापे उुपे
ज्या उुपा नीनी पेउुइउ कापे मचा पानेपे जाइ
तव थन ने कउ ज्या लीपे इा चोना कपा
कपे मपुउ ज्याने इरपापे लई मलना नापापा
उु ज्याने नात धीउ उपानी नी लीजाइ पमेइता

पे थाकू अड़ी लेके बेपार मेरा तेमे चोलो मुहु
मदुं अ: लीट्ठलजी पो नाप लाद्यु मीय
अचा आपा पर्छे उपा चोन इपी नापनी
कुइ ही लाव ली घर्ये है घड़ा चोनो ११२दी
महजनो चोन नेम जोती पाको अपापेतई
ज्याराती जमद्या मदुं नीजायाई बीव दो बीनो
रवेव्ला पाउ ८१ मोट ७४ बीपा हीई गुलानाव
पाई चोनी चीजु लेमसुध नीजु हीत इपाईत
थन कुती बीपा इफा दीसाई उ: मीनी चाईत
ओवाई वे कुती जोगमी पान ~~७०~~ ७५० लीई
नासी चीत बीपा दीयाउ थन नासी चीबीई
थुने [illegible] जोगमी याउ चीटिनी पउद मेउ
जोगमी पाउ हीसाव दीपाइन दी बीई मोह
थासा धामदने कुठनारेजी पान धपाहीसाव
माकी ईपी नाप लाढाउ मातपुड़ पा नेमाई
ईमीली खेचे याउ थन ती हीसव मानेमाउ
लोटा मजु को हो मैला हीसाव पासीजा
थनमानामे बकु ~~~~ ५२ बना चले मानाइजा
याउ आमदने उपा खेव कुइ थन बीपा इनी
बा: कलदन्त से बीपा दो आसदन हेउसुती
धाम मजु असल में का लो २०/२५ बडे पानाछै
पाइनी ३००/मसी बीई मो ज्याली पा बडेपावे
उु नेबती नीसे इती मघी बीई मजे मेगवे
उती चोपे कुउहाल लीपा को माइये दुजो
कठनारेजी

श्री:१.

ददाला

१९९८ साल. जेठ वदी २/३

सुभ आसकन टीकम राम घनस्याम यादीवास
उप्रांत आसकन याकु चिठी छपुये
महेगु तादत अको थी पत्र १ कलकता मार्फत
दीया इया. थेतेव जवाब कोते थीना पुंपाकु
या तामे दीया६ याकु पत्र थेन येकुई थाताबीदो
या टेरागत यात ·१२००/ हुंढी बीहा येकुई थी पत्र १
दीया इया काने आसकत थेतेव नडी याडीगा
चीठीडी यात मोहर २००१/ जीया दीसँ ईहीं
पुजीं हुं बीयाद याकु मडु वयाती चीठी थेतेव
कावई. जीया दीसें थात दी फुकु मारु दीवाव
याना कोये धुन. दी. मगाला कलकता बीयाई
जवाब कडु याकनी बीयाहीं मेकु थात याकु बोद
हुं थीन्हा कया दीईनो मौयाकु धर्म ज्या बीताक
याना थेनायुगु. टेरागत या बोदे कलकता ते
थीयाहकु दे पुहांस बैजाती रव नयाबाये दीलाती
रुकु. थातये अक तेह मा थईकु गुई मडु दाकु जीतो
मडु गया लयी मडुकुती गया रवासी तद दी
दीर पीसें लोया दीस कोत पत्र बाबत दीया इया
दीसें मेकु रवँ दीया कुमा कलतारी.

कार्ड:१

सुश्र: माम परमाया पालेवास ~~आमा~~ देबवतं पालेसं ठपा

उप्रोत आसकन पाउ पत्र रह्लेसनात

मुले मरवमत कआई २५ मार्ति येन बना १२ मार्ति महेनी
पेनेव जवाफ बीई मुले कामहन कलनाले वाई छ्हा
नेना दीलें ही कुती मार्ति नार्प चलेयाना ठउ ली कोउ
कआई २५ मार्ति व: साढा पाउ फलालेन १०५ मार्ति व
सीसीइ बाकले ५ डीमा १३५ मई साइली इनीउ शतवा
उंसी मार्ति डीमा जोगनीने कुती ल्याइवा पाता दोउ
पेलो महुली ल्याइवा पा नाढुनी पल बकु १२२ येन
उठी कलनालान पीली उ लाजा महुउ पे पुउ इ मारि
गुलीन ने ना जःवाफु नाल हाने लीया दीउ बना १२ मार्ति
पुइली दोसा दउ महेनी हानै कुती बना बाई इ मेउ
बकु बलेपीपन ल्याइवा पान जोगानी वेदी ल्युउ दुना
हीमउ जःवाफु नाल मेउ पें पुलो गवा पाउ बीसाईये
चीनी चीउ लमपुइ २ लीन हाये पीले पन दोसा दये
मोहले आनमइन पे दुना लुउली उपु पाल नाल कुलीनी
पुली लमपुइ लीन कवाउ लीपुली मइउ पोपा हनी
पत दया बोये नाउ मेउ बनसीत मोया धर्म मानीद
गउउ लाइ सीत आनमइन पाउ बलेवल चीठी वलान
पान सानीदे दया पालाउ नी कुबीलो लाफलेकुपाये
मठे वे बलेवल नीमा लमा दीलें पल ल कुली पें नाप.

Appendix XIV: Sample of Questionnaire

Research Questionnaire

*Required

1. email address *

2. Do you believe that the Northeastern region of India can benefit from further connectivity initiatives with the neighbouring countries? *

   Mark only one oval.

   - Yes
   - No
   - Maybe

3. Would you agree that the Northeastern states have an economic potential that has yet to be fully realised? *

   Mark only one oval.

   - Yes
   - No
   - Maybe

4. According to you, which sectors of the Northeastern region need immediate and undivided attention of the administration?

5. The comparative underdevelopment of some areas in the Northeastern region has often been associated with the problems related to insurgency. Do you believe it is still the case today? *

Mark only one oval.

- Yes
- No
- Maybe

6. Do you believe that encouraging more trade with Myanmar would result in the development of the border areas of Northeast India? *

Mark only one oval.

- Yes
- No
- Maybe

7. Should the administration work towards developing more border markets in the Northeastern region? *

Mark only one oval.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

8. Which schemes/policies of the government have worked well in the Northeastern region, according to you?

9. Are there any other points you would like to add?

Appendix XV: Some pictures from the field visits (All photos taken by Aditya Kant Ghising)

National Highway 39: Widening of Imphal to Moreh Stretch (2019)

Local shops near the border market at Moreh selling goods from Myanmar

Goods from Myanmar en route to Imphal

Cargo scanning shelter near the border market

A popular monastery in Tamu, Myanmar (about 30 minutes away from the border market at Moreh)

Lhasa, Tibetan Autonomous Region, People’s Republic of China, 2019

New houses being constructed along the old Southern Silk Route in Tibetan Autonomous Region (China), 2019.

The old route is now a well-developed highway in China

Bibliography

Primary Sources

(NERAMAC), N. E. (2015). *32nd Annual Report: 2013-14.* Guwahati, India: Government of Assam, India.

Battuta, I. (1983). *Travels in Asia and Africa: 1325-1354.* London: Routledge & Kegan Paul.

Chand, M. (2014). *Act East: India's ASEAN Journey*. New Delhi: Ministry of External Affairs, Government of India.

Countries, R. a. (2016). *ASEAN-India Air Connectivity Report, 2016.* New Delhi: AIC-RIS.

Das, R. (2016). *Enhancing India-Myanmar Border Trade: Policy and Implementation Measures.* New Delhi: Ministry of Commerce and Industry, Government of India.

Department of Industries and Commerce. (2015). *Advantage Assam: India's Expressway to ASEAN.* Guwahati: Government of Assam, India.

EXIM Bank of India. (2014). *Enhancing India's Bilateral Ties with Cambodia, Lao PDR, Myanmar, Vietnam: A Brief Analysis.*

EXIM Bank of India. (2020). *MSMEs in North East India: Capacity Building for Export Competitiveness.* New Delhi: UNDP.

IBRD. (2007). *Strategy Report: June 2007. Development and Growth in Northeast India: The Natural Resources, Water and Environment Nexus.* Washington: The World Bank.

MHA. (2015). *Indo-Myanmar Relations: Annual Report 2014-15*. New Delhi: Departments of Internal Security, States, Home, Jammu & Kashmir Affairs and Border Management, Government of India.

Ministry of Development of North Eastern Region. (2008). *North Eastern Region: Vision 2020.* New Delhi: North Eastern Council.

Ministry of Tourism. (2014-15). *Scheme Guidelines for National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD).* New Delhi: Government of India.

NEDFi. (2018). *Mott MacDonald Report: Infrastructure Based on Act East Policy.* Guwahati, Assam: Mott MacDonald.

NHIDCL. (2016). *Annual Report:2016-17*. New Delhi: Ministry of Road Transport and Highways, Government of India.

OECD. (2018). *Economic Outlook for Southeast Asia, China and India 2018: Fostering Growth Through Digitalisation.* Paris: OECD Publishing.

Report on the External Trade of Bengal: Nepal, Tibet, Sikkim and Bhutan for the Year 1889-90. Calcutta: Government of Bengal.

Secondary Sources

Baruah, I. 2002. "Borders, Ethnicity and Traditions: A Passage to the Northeast of India. ." *Traditional Dwellings and Settlements Review, Vol. 14, No. 1.*

Battuta, I. 1983. *Travels in Asia and Africa: 1325-1354.* London: Routledge & Kegan Paul.

Behera, S. 2002. "India’s Encounter with the Silk Road." *Economic and Political Weekly, Vol. 37, No. 51.*

Borooah, R. 2000. "Transformations in Trade and the Constitution of Gender and Rank in Northeast India." *American Ethnologist, Vol. 27, No. 2.*

Dale, S.F. 2009. "Silk Road, Cotton Road or Indo-Chinese Trade in Pre-European Times." *Modern Asian Studies, Vol. 43, No. 1.*

Das, N.K. 2009. "Identity Politics and Social Exclusion in India's Northeast: A Critique of Nation-Building and Redistributive Justice." *Anthropos (H.2).*

Deyell, J. 1999. *Living without Silver: The Monetary History of Early Medieval North India.* Oxford University Press.

Dutt, J.K. 2003. "Outlook for Peace in North-East." *Economic and Political Weekly, Vol. 38, No. 2.*

Dzuvichu, L. 2013. "Roads and the Raj: The Politics of Road Building in Colonial Naga Hills, 1860s- 1910s." *The Indian Economic and Social History Review, Volume 50, No. 4.*

Frankel, J.A. 1997. *Regional Trading Blocs in the World Economic System.* Peterson Institute Press.

Ghosal, S. 2011. "The North-East in India’s Look East: A Focus on Connectivity and Development in the Region ." In *A Journey through the Stilwell Road*, by R. Bhattacharya & B.K. Mishra. New Delhi: Anshah Publishing House.

Gupta, J.D. 1997. "Community, Authenticity, and Autonomy: Insurgence and Institutional Development in India's Northeast." *The Journal of Asian Studies, Vol. 56, No. 2.*

Gupta, J.D. 1977. "Nation, Region, and Welfare: Ethnicity, Regionalism, and Development Politics in South Asia." *The Annals of the American Academy of Political and Social Science, Vol. 433.*

Hak, J. Dul & T. 2008. *Case Study Methodology in Business Research.* USA: Elsevier Ltd.

Hall, K.R. 2010. *A history of early Southeast Asia: Maritime trade and societal development, 100–1500.* oOwnam & Littlefield Publishers.

Hazarika, P. 2011. "Connectivity and Economic Potential of Stilwell Road ." In *A Journey through the Stilwell Road*, by R. Bhattacharya & B.K. Mishra. New Delhi: Anshah Publishing House.

Holmes-Tagchungdarpa, A. 2017. "Sacred Economies of Kalimpong: The Eastern Himalayas in the Global Production and Circulation of Buddhist Material Culture." In *Transcultural Encounters in the Himalayan Borderlands: Kalimpong as a Contact Zone*, by M. Viehbeck. Heidelberg University Publishing.

Hricko, A.M. 2004. "Beyond the Bench: Problems along the New Silk Road." *Environmental Health Perspectives, Vol. 112, No. 15.*

Kumar, D.V. Zou & M.S. 2011. "Mapping a Colonial Borderland: Objectifying the Geo-Body of India's Northeast." *The Journal of Asian Studies, Vol. 70, No. 1*.

Lall, M. 2006. "Indo-Myanmar Relations in the Era of Pipeline Diplomacy ." *Contemporary Southeast Asia, Vol. 28, No. 3.*

Ma, D. 1996. "The Modern Silk Road: The Global Raw-Silk Market, 1850-1930." *The Journal of Economic History, Vol. 56, No. 2.*

Marshall, J. 2004. *Britain and Tibet 1765-1947: A Select annotated bibliography of British relations with Tibet and the Himalayan States including Nepal, Sikkim and Bhutan* . Routledge.

Masviriyakul, S. 2004. "Sino-Thai Strategic Economic Development in the Greater Mekong Sub-region (1992-2003)." *Contemporary Southeast Asia, Vol. 26, No. 2.*

McDuie-Ra, D. 2016. *Borderland City in New India: Frontier to Gateway.* Amsterdam University Press.

Miller, L. 1995. "Southern Silk Route Tales: Hospitality, Cannibalism and the Other ." *Merveilles & Contes, Vol. 9, No. 2.*

Murayama, M. 2006. "Borders, Migration and Sub-Regional Cooperation in Eastern South Asia." *Economic and Political Weekly, Vol. 41, No. 14.*

Nath, M.K. 2004. "Mapping North East on India's Foreign Policy: Looking Past, Present and Beyond." *The Indian Journal of Political Science, Vol. 65, No. 4.*

Nayyar, D. 2018. "India's Asian Trade Strategy." In *Asian Economic Integration in an Era of Global Uncertainty*, by S. Armstrong & T. Westland. ANU Press.

Nelson, D. 1945. *Journey to Chungking.* Augsburg Publishing House.

Newman, M. E. 1909. *Newman's Guide to Darjeeling and its Surroundings: Historical and Descriptive.* Calcutta: W. Newman and Co.

Patnaik, P. 2011. "Growth and Poverty in the Indian Economy." *Social Scientist, Vol. 39, No. 9/10.*

Phukan, J.N. 2004. "Stilwell Road in Historical Perspective." In *Reopening of the Stilwell Road: Prospects and Problems*, by D. Nath. New Delhi: Anamika Publishers.

Prabhakra, M.S. 2004. "Is North-East India Landlocked?" *Economic and Political Weekly, Vol. 39, No. 42.*

Raimedhi, S.P. 2016. "Prospect of Tourism Promotion and Revenue Generation in North East India: A Lesson Learnt in Yunnan, China." *Journal of Kolkata Society for Asian Studies*, *Vol. 2, No. 1 & 2.*

Ramakrishnan, A. Kumar & P.S. 1990. "Energy Flow through an Apatani Village Ecosystem of Arunachal Pradesh in Northeast India ." *Human Ecology, Vol. 18, No. 3.*

Sachdeva, G. 2018. "Preparing the North Eastern Economy of the Future." In *Northeast India: A Reader*, by B. Oinam & D.A. Sadokpam. New York: Routledge.

Sarker, P.C. 1994. "Regional Imbalances in Indian Economy over Plan Periods." *Economic and Political Weekly, Vol. 29, No. 11*.

Sharma, S. 2005. "Building Roads to Myanmar: A Historical Overview ." *Economic and Political Weekly, Vol. 40., No. 48.*

Sharma, S. 2005. "Building Roads to Myanmar: A Historical Overview." *Economic and Political Weekly, Vol. 40, No. 48.*

Sherpa, D. 2019. "The Transformation of the Indo-Tibetan Trade in Wool: 1904–1962." *China Report, Vol. 55, No. 4.*

Singh, B.P. 1987. "North East India: Demography, Culture amd Identity Crisis." *Modern Asian Studies, Vol. 21, No. 2.*

Sinha, P. 2003. "Women Entrepreneurship in North East India: Motivation, Social Support and Constraints ." *Indian Journal of Industrial Relations, Vol. 38, No. 4.*

Smith, M.L. 1999. "Indianization from the Indian Point of View: Trade and Cultural Contacts with Southeast Asia in the Early First Millennium C.E." *Journal of the Economic and Social History of the Orient, Vol. 42, No. 1.*

Sudershan, R. 1991. "Research Planning Meeting on the Changing International Economic Environment, particularly in Asia and the Pacific and its Implications for India and Southeast Asia New Delhi." *ASEAN Economic Bulletin, Vol. 8, No. 2.*

Upadhyay, H.K. Shrestha & M.P. 2004. "Political Economy of Regional Trading Arrangements in South Asia." *Journal of Economic Integration, Vol. 19, No. 3.*

Vandenbosch, A. 1946. "Regionalism in Southeast Asia." *The Far Eastern Quarterly, Vol. 5, No. 4.*

Verghese, B.G. 2018. "Building Northeastern Futures, Looking East." In *North East India: A Reader*, by B. Oinam & D.A. Sadokpam. New York: Routledge.

Yahya, F. 2003. "India and Southeast Asia: Revisited." *Contemporary Southeast Asia, Vol. 25, No. 1.*

Yang, B. 2012. "The Bengal Connections in Yunnan." *China Report, Vol. 1 & 2, No. 48.*

Young, K.R. 1975. "The Stilwell Controversy: A Bibliographical Review." *Military Affairs, Vol. 39, No. 2.*

Zhao, H. 2008. "China and India: Competing for Good Relations with Myanmar." *The Journal of East Asian Affairs, Vol. 22, No. 1.*

Web sites followed:

1. Ministry of Development of North Eastern Region. Website: https://mdoner.gov.in/
2. North Eastern Regional Agricultural Marketing Corporation Limited. Website: https://www.neramac.com/

3. Ministry of Road Transport and Highways of India. Website: https://morth.nic.in/

4. Ministry of Statistics and Programme Implementation. Website: https://www.mospi.gov.in/

5. North Eastern Electric Power Corporation Limited. Website: https://neepco.co.in/

6. The State Council, People's Republic of China. Website: http://english.www.gov.cn/

7. North Eastern Region Data Bank Web Portal. Website: http://databank.nedfi.com/

8. Federation of Indian Chambers of Commerce and Industry (FICCI). Website: https://ficci.in/

9. North East Division, Ministry of Home Affairs, Government of India. Website: https://www.mha.gov.in/division_of_mha/north-east-division-0

10. Policies and Guidelines: Border Management Division, Ministry of Home Affairs, Government of India. Website: https://www.mha.gov.in/documents/policies-guideline
11. Ministry of Micro, Small and Medium Enterprises, Government of India. Website: https://msme.gov.in/
12. Directorate General of Commercial Intelligence and Statistics. Website: http://www.dgciskol.gov.in/

Journals referred to:

The Journal of Asian Studies

The Journal of East Asian Affairs

Contemporary Southeast Asia

The Indian Journal of Political Science

The Indian Economic and Social History Review

China Report

The Economist

Journal of Kolkata Society for Asian Studies

Social Scientist

Economic and Political Weekly

Journal of Economic Integration

Journal of the Economic and Social History of the Orient

The Journal of Economic History

Modern Asian Studies

Journal of World trade

South Asian Survey

India Quarterly

The Indian Journal of Asian Affairs

International Journal of Trade, Economics and Finance

International Studies Quarterly

Third World Quarterly

World Focus

Journal of Strategic Security

Journal of International Trade and Economic Development

Journal of World History