10. EXPANDING TRADE WITH NEIGHBOURING COUNTRIES

Session on Tourism at North East India Investment & Trade Summit

Efforts are being made by the Ministry to encourage external trade from the region. To start with, the emphasis is on encouraging trade with the neighbouring countries. Several business summits have been arranged to achieve the objective both within India and abroad. The latest summit that was held in this regard was held at Guwahati on 15-16 September, 2008 and was fourth in the series of such summits.

1 Fourth North-East Business Summit, Guwahati: 15-16 September 2008

1. His Excellency the Vice-President of India inaugurated the Fourth North-East Summit on 15th September, 2008 at Guwahati. The Summit was a huge success. If the Third Summit in April 2007 definitively put the North-East on the map of business India, this Summit has equally definitively put the North-East on the global business map.

2. Building on the initiatives taken last year to invite the Thai Commerce Minister and the Chairman of the Thai Board of Investment to visit the North-East with business delegations in June 2007 and January 2008 respectively, and the North-East India Investment and Trade Opportunities Week in Bangkok in October 2007, the Thais were the principal partner in the Fourth Summit and showcased their business potential and cultural diversity.

3. It was agreed that the stage had now been fully set for intensified investment and trade relations in the following four sectors:

   i) **Infrastructure**: Augmentation of absorptive capacity in the North-East by the participation of major Thai construction companies in construction-related projects, especially the
construction of roads of all kinds, inland waterways and modern as well as low-cost buildings;

ii) **Tourism:** The collaboration to expand across the tourism spectrum from connectivity to construction in the hospitality sector to tourism promotion and the establishment of common tourist circuits between Thailand and the North-East.

iii) **Agro- and Food-Processing:** Taking into account Thai expertise in export-oriented agro- and food-processing, and the Thai conglomerate CP’s growing presence in other parts of India, the scope for this sector was recognized as immense.

iv) **Energy:** The focus will be on mini-hydel projects and thermal energy, particularly gas-based electricity generation in Tripura.

II Trade & Investment relations with Thailand

Thailand

1. A high level business delegation from Thailand led by the Thai Minister of Commerce visited Tripura, Assam and Meghalaya during 22-24 June 2007 to explore the investment opportunities in the identified sectors like road, power, tourism, inland water transport, agriculture etc. As a follow-up of this visit, North East India Trade and Investment Opportunities Week was organized by Ministry of DoNER in association with Indian Chamber of Commerce, Kolkata and Thai Department of Trade & Negotiations from 1-4 October, 2007 at Bangkok. The primary objective of the initiative was to provide a platform to the businessmen and officials of the two countries to zero in the areas of mutual cooperation, potential for investment and trade in the identified sectors and the need to initiate fruitful dialogues. This visit was followed by another visit by a Thai delegation headed by the Deputy Minister of Industry of Thailand to the States of Sikkim, Arunachal Pradesh and Assam from 9-12 January, 2008 to further explore the areas of cooperation through exchange of information and visits of organized trade, investment & tourism delegations to promote Thailand-India trade and investment.

2. The Minister for External Affairs had also taken a high level meeting on 31.10.2007 on the Look East Policy with the Chief Ministers of the North Eastern States and the Central Ministries concerned so as to formulate a strategy for a meaningful involvement of the North Eastern Region in the Look East Policy. A number of important issues emerged from this interaction which are being followed up.

3. It was agreed that a thoroughly business-like interaction between Thai and Indian business enterprises operating in the North-East in each of these four sectors would be held once a quarter over the next four quarters, with the business interaction in the infrastructure and tourism sectors taking place in India and the business interactions in the agro- and food-processing and energy sectors taking place in Thailand. The Thai-India Business Council and the Indian Chamber of Commerce will mobilize Thai and Indian enterprises operating in the North-East respectively, facilitated, on the Indian side, by the Ministry of DoNER and NEC in association with NE State Governments, and, on
the Thai side, by the Thai Foreign Office and the Thai Board of Investment, both of which were represented at the Summit.

4. It was noted that, following last October’s Week in Bangkok, there were already 25 Indo-Thai business proposals under active consideration or under implementation. It is hoped to exponentially increase the number of these North-East-Thai joint ventures over the next four quarters in the four identified sectors.

5. The Summit was attended by nine of the ten ASEAN Heads of Mission, as well as by the Senior Minister of Commerce of Cambodia. By an interesting coincidence, the Cambodian Minister also holds charge of the development of the backward North-East region of his country, which is adjacent to the most backward provinces of Vietnam and Laos. Therefore, as being both in charge of the development of his country’s North-East region and generally leading the trilateral effort in eliminating regional backwardness in his country and the adjacent regions of Laos and Vietnam, the Cambodian Minister has invited Minister for DoNER to visit Cambodia in the second fortnight of January 2009 to exchange expertise on how GoI worked out the NER-Vision-2020.

6. Vietnam have expressed their desire to host the next North-East India Investment and Trade Opportunities Week in Ho Chi Minh city in the immediate aftermath of proposed visit to Cambodia. However, all formalities relating to MEA and PMO clearance will be sought at the appropriate time.

7. The Asean Ambassadors will be visiting all States of the North-East in groups to intensify their knowledge of the area and explore business opportunities. The Council of Arab Heads of Mission in New Delhi have requested similar facilities; to this end, the Ambassador of the Arab League was also at the Summit. Similar arrangements are in hand for the Nordic Ambassadors.

8. A visit to the region a year ago by the Australian High Commissioner and Hon’ble Minister for DoNER’s visit to Sydney in March this year have paved the way to a delegation of Australian businessmen led by Graham West, a Minister of the New South Wales government, planning a business visit to the region in the first fortnight of October. The Russian and Italian Ambassadors has also been enabled by us to explore business opportunities, which are being followed up by the designated nodal chamber, the Indian Chamber of Commerce, Kolkata and their North-East Initiative headquartered in Guwahati. The EU representative, Ambassadors of the Benelux countries, and the High Commissioner of the United Kingdom also sounded us to help them make business-oriented visits to the North-East Region over the coming autumn-winter-spring months.

9. But possibly the most intelligently led business initiative has come from the Czech Ambassador who, after two visits to the North-East and soundings in his home country, has arranged for leading Czech business houses in the four identified sectors of construction, mini-hydel projects, helicopter services and mini-breweries, to visit different States of the North-East in the second
fortnight of October. Given the scientific way he has gone about organizing Czech-NER business relations, he was invited to deliver a very well-received special address at the Summit. He did so with considerable effect.

10. Bhutan was well-represented (the delegation being led by the Bhutan Ambassador and Dean of the Diplomatic Corps), as was Bangladesh. (The Nepal delegation failed to turn up at the last minute, possibly on account of the visit to Delhi of the Nepal Prime Minister, which was scheduled at the same time.) The Bangladesh delegation was organized by the Indo-Bangladesh Chamber of Commerce, Dhaka and was accompanied by Farooq Sobhan, the former High Commissioner of Bangladesh in India and former Foreign Secretary, who has been very active in Track-II Indo-Bangladesh diplomacy. His Valedictory Address to the Summit was a masterpiece and set the stage to move forward as soon as the elected Government of Bangladesh is in place by December. Bangladesh has been invited to be our principal partner at the Fifth NE Business Summit next year. They want us to organize a North-East India Investment and Trade Opportunities Week in Dhaka in February-March 2009, the details to be worked out after the elected government assumes office, as desired by our MEA.

11. On the domestic front, it is found that of the 128 Expressions of Interest (EoIs) at the Third NE Business Summit in New Delhi in April 2007, as many as 74 are currently being operationalised. The Fourth Business Summit has generated 247 EoIs by 64 Indian private sector corporates. The Indian Chamber of Commerce is closely monitoring developments on a company-wise basis.