

9. LOOK EAST POLICY



ASEAN North East India Investment & Trade Opportunities Summits in Vietnam

India's relationship with Association of South East Asian Nations (ASEAN) is central to her Look East Policy enunciated by the **Ministry of External Affairs**. The Look East Policy of the Government of India has been evolving since early 1990s and India has significantly deepened her interaction with ASEAN.

The Look East Policy has allowed India to take advantage of new opportunities in trade and investment. The results of India's "Look East" policy are amply demonstrated in her growing economic interaction with the region. India's trade with ASEAN has risen from US \$ 2.4 billion in 1990 to US \$ 23 billion in 2005. India's trade with the countries of the East Asia has, similarly risen from US \$ 8 billion in 1990 to US \$ 67.6 billion in 2005. This accounts for nearly 30% of the external trade. At the same time, the period has also seen an increase in FDI flows, both from India to the region and from the region into India.

As the North Eastern region of the country shares a land

border with Myanmar, several cross-border development projects in diverse areas such as roads, railways, telecommunications, IT, science & technology, power, etc. are underway so as to improve the region's connectivity and market access for the benefit of the North-Eastern region. Recently, India concluded negotiations on a free trade agreement (FT) with the Asean bloc, which will create a market of over 1.5 billion people in the region including North-East Region also. The Look East policy is pursued in a multi-faceted manner. Government supports the idea of benefiting to remote regions of North East under Look East Policy.

Some of the important developments in the Look East Policy, interalia, relate to initiating/resuming dialogue/trade with the following neighbouring countries:

China

Promotion of border trade at Nathu La pass in Sikkim.

Bangladesh

- (i) The issue of declaring Ashuganj, in Bangladesh, as a Port of Call was discussed by the Government of India under the Protocol for Inland Water Transit and Trade (IWTT) on May 26-27, 2008 with the Government of Bangladesh. The issue of operationalizing Sherpur in Bangladesh, as a multimodal link under the Protocol, has also been taken up.
- (ii) Government of India has proposed to the Government of Bangladesh to consider a direct bus service from Kolkata to Agartala via Dhaka as also increasing the frequency of the Dhaka-Kolkata bus service.
- (iii) Access to Chittagong Port.

Myanmar

- (i) Implementation of Kaladan Multi-Modal Transport and Transit Project - The Protocols on Maintenance of Administration, for facilitation of Transit Transport and a Framework Agreement for the Project were signed between India and Myanmar in April, 2008. The Inland Waterways Authority of India (IWAI) has been appointed as Project Management Consultant by the Ministry of External Affairs.
- (ii) Conversion of current border trade into regular

trade to enhance trade between North East States of India and Myanmar- In the 3rd Meeting of the Joint Trade Committee held on 14-16 October, 2008, the two sides have agreed to :

- * Open the existing border trade centres at Moreh in Manipur and Zowkhathar in Mizoram to normal trade;
 - * Develop Avankhung in Nagaland as a third border trade centre to begin with and thereafter move to normal trade here as well.
 - * Expand the existing Indo-Myanmar Border Trade Agreement from the existing 22 items to 40 items.
 - * Establish banking systems with foreign exchange facilities at Moreh and Zowkhathar to begin with.
- (iii) Construction of Rhi-Tidim and Rhi-Falam roads by India in Myanmar to operationalize the India-Myanmar border trading point at Rhi-Zokhawthar – A two member team from RITES met the concerned officials of Myanmar Ministry of Construction on 27-28 August 2008 in connection with these roads. The requirement projected by RITES and agreed by the Myanmar side may result in changes in the DPR prepared by BRO.