



# **BORDER AND CONNECTIVITY**

North-East India  
and  
South-East Asia

Edited By

**K. Vidya Sagar Reddy**  
**C. Joshua Thomas**



Border and C

i  
t  
i  
e  
T  
a  
Ir  
T.  
in  
ca  
co.  
As  
wil  
wit  
(C:

**Border and Connectivity: North-East India and South-East Asia**

*Editors: K. Vidya Sagar Reddy, C. Joshua Thomas*

First Published in 2019

Copyright © Reserved

ISBN 978-93-86618-80-1



All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without first obtaining written permission of the copyright owner.

Disclaimer: The views and opinions expressed in the book are the individual assertion of the Author. The Publisher does not take any responsibility for the same in any manner whatsoever. The same shall solely be the responsibility of the Author.

*Published by*  
PENTAGON PRESS LLP  
206, Peacock Lane, Shahpur Jat  
New Delhi-110049  
Phones: 011-64706243, 26491568  
Telefax: 011-26490600  
email: [rajan@pentagonpress.in](mailto:rajan@pentagonpress.in)  
website: [www.pentagonpress.in](http://www.pentagonpress.in)

Printed at Aegean Offset Printers, Greater Noida, U.P.

9	Importance of Myanmar in Act East Policy <i>Lalrinngbeta</i>	107
10	Enhancing Indo-Myanmar Trade with Special Reference to Zokhawthar-Rih Border Sector <i>Lily Sangpui</i>	117
11	India-Myanmar Sub-regional Cooperation <i>Pradip Phanjoubam</i>	130
12	Act East Policy from Perspectives of Soft Power Engagements and Connectivity between Northeast India and ASEAN <i>Suwa Lal Jangu</i>	139
13	Prospects of India-ASEAN Relations in the Light of Myanmar's Political Reforms <i>Jonathan Zodintluanga</i>	156
14	Connecting Lives on India-Myanmar Border: Issues in Migration and Public Health Hazards <i>Anasua Basu Ray Chaudhury</i>	169

### III. NORTHEAST INDIA AND ASEAN

15	Look and Act East: View from the Northeast Region and Mizoram <i>Jagdish K. Patnaik</i>	183
16	Developmental Implications of the Act East Policy: A Case of Tourist Promotion in Mizoram <i>K.V. Reddy</i>	194
17	Process of Look East Policy and Its Perspectives in Manipur and Nagaland <i>Jangkhongam Dounge</i>	206
	<i>Contributors</i>	221
	<i>Index</i>	223



# 10

## Enhancing Indo-Myanmar Trade with Special Reference to Zokhawthar–Rih Border Sector

Lily Sangpui

### ABSTRACT

The paper looks at the various aspects of the Zokhawthar-Rih trade sector situated along the Indo-Myanmar border. It examines the volume of trade and some observable impact it had on the bordering village of Zokhawthar located on the Indian side. In exploring the problems and challenges faced by different stakeholders who depend on border trade it discusses some pertinent prospects for increasing trade and ushering in development along the border region. Drawing from field observations, seminary discussion and secondary data, the paper concludes that trade across this sector facilitates mutual benefits across various stakeholders and that various socio-economic cooperation could be extended in order to change its transit nature which could substantiate to some extent India's imbalance of trade across the Indo-Myanmar trade zone.

**Keywords:** Indo-Myanmar, Border Trade, Zokhawthar-Rih sector, Mizoram.

### Introduction

The opening of borders along the corridor of India's North-East has been dubbed a paradigm shift toward placing the region on the policy radar to garner much needed market linkages and development. The North-East cannot overlook its advantage in sharing an enormous long stretch of international boundaries with its neighbouring countries when it is linked with the rest of India by just a 2-km corridor at Siliguri. The once uncharted territory now holds an important socio-economic strategic location on its possibilities to integrate with the dynamics of South-East Asian economies and also as a strategic tool to further enhance regional cooperation with its neighbours. It is rightly subscribed that where the North-East ends, South-East Asia begins. With the onset of the Act East Policy, the erstwhile



Look East Policy, during the 1990s, India has opened up its border to facilitate trade across its North-Eastern frontiers. Sharing 98 per cent of its borders with countries such as Myanmar, Bangladesh, Bhutan, Nepal and China, the borders of the North-East which is often presumed to be liabilities is now viewed and deemed as a window of opportunities: opportunities to link with booming South-East Asia economics and as a means to usher in development along India's least developed North-East. The promotion of trade in a landlocked non-industrialised region of the North-East which has a natural advantage of trading is one aspect that could inevitably boost the region's much-needed growth and development. It becomes pertinent to replenish the much-needed development dreams through the opening of border trade zones. As trade signifies beyond just the exchange of items, it also encapsulates the inflow of people, culture, skills, knowledge and ideas taken together in absolute terms which affects people. It is in this light that this paper attempts to observe trade across the Zokhawthar–Rih trade zone and highlights some of the significant aspects it had on Zokhawthar, a bordering village in Mizoram on the Indian side. It also intends to point out some pertinent local problems and challenges faced by Indian traders. The paper concludes by drawing points on how this trade zone could be extended beyond its current transit nature, viz., as a channel to promote socio-cultural and economic ties between the Mizos and the Chins who share the same ethno-cultural and linguistic affinity.

### **India's Experience: Looking East and Trade**

The mid-Eighties and Nineties were characterised by a phase of trade openness, globalisation and economic reforms. With the world being unified, regional groups were formed to bring economic and political ties closer and also to reap the benefits from being trading partners. Borders which were once seen as a liability are now seen as a geo-economic potential (Das, 2005). Opening up of borders and advocating a concept of shared borders began to take a forefront role in the policies of nations. The rise in regional cooperation and frameworks and with Myanmar joining the ASEAN, India felt the need to redirect its foreign policy. The Act East Policy, the erstwhile Look East Policy, was formulated towards garnering geo-economic potentials by linking with South-East Asia, countries via Myanmar (Bhaumik, 2014; Sikri, 2009). Another important dimension of the policy lies in its domestic considerations; to help transform the geographical handicap of the North-East region by taking advantage of its geo-strategic location. Using the 3Cs—Culture, Commerce and Connectivity—India's foreign policy towards South-East Asian regions began to take shape and develop.

Drawing on the potentials of border trade to leverage the economic as well as



the much needed developmental aspect of the North-East region, in 2008 the Government of India broadened the conceptual contours of border trade (Das, 2016). To further the linkages between domestic economic imperatives and external economic environment, the number of exchangeable items was increased and normal trade (MFN) was permitted in Moreh and Zokhawthar (Das, 2016).

India has made significant strides through its Act East Policy in infrastructure development, especially in its supervisory and regulatory role (Sikri, 2009; Kalita, 2012). In a study conducted by Srinivasan (2012) on regional cooperation and infrastructure development in South Asia, it indicated an improvement in the level of households and income. It also shows a significant decline in poverty as the construction of rural roads resulted in substantially improved access to health and education services. The opening of a border and its linkages to development lie in promoting livelihood in border trade areas and in ushering in development (Das, 2006; Kabra & Singha, 2006). One finds support of this hypothesis from the data in Singh (2011) in his study of the Moreh-Tamu trade sector in Manipur where it is seen that there is a significant impact in the per capita income as depicted by the volume of trade and provides scope for employment generation. One also finds support of this hypothesis from the study by Romalsawma (2000) on Zokhawthar-Rih border trade where it indicated socio-economic development in Mizoram to the extent that 4.11 per cent of the total income of the state comes from this border trade and gave livelihood to at least 6 per cent of the total population of Mizoram. The border as such, acts not just as a transit point but also as a catalysing agent for regional development.

Despite the enormous geo-economic potential, India has not been able to derive the much-intended benefits. It has benefited some traders, industrialists and highly qualified professionals but has not met expectations in employment generation (Bhattacharjee, 2016). Considering the time frame of its formulation, the Act East policy has not shown much improvement in ushering in intended benefits. The problems persisted in the geopolitical contours of the North-East region and ASEAN countries coupled with slow infrastructure development (Bhaumik, 2014; Bhattacharjee, 2016). According to Taneja (1999), Thomas (2000) and Singh (2011), the domination of informal trade on account of problems in formalising trade and the dominance of high tariffs diverted much of the intended benefits. In the same study by Singh (2011), border trade does facilitate employment opportunities along the border regions in sectors like transport, small business enterprise and labour but it does not lead to much development as expected due to its transitory nature. In addition, the opening of border trade also brings in other non-security threats and ushers in social, political and economic dynamics especially among people residing in the border areas (Songate, 2010).



### **Indo-Myanmar Trade**

Border trade refers to the transaction of goods and services across the border between those living near the international border (Das, 2016; Chutia, 2015). It is part of the trade that flows through the export and import (EXIM) framework of nations. Border trade facilitates the exchange of commodities in a bi-laterally agreed list overland by people living along both sides of the border (Chutia, 2015:10). India has opened up 42 Land Custom Services (LCS) in different border zones of the North-East states. With the signing of the Border Trade Agreement (BTA) between India and the Government of Myanmar in 1994, it was agreed to open up four border trade zones, viz., Moreh-Tamu, Zokhawthar-Rih and Longwa in Nagaland and Pangsau Pass in Arunachal Pradesh. Indo-Myanmar border trade is largely through Moreh, a small border town in Manipur and Namphalong in Sagaing division of Myanmar and through Zokhawthar, a border village in Mizoram. The Zokhawthar-Rih trade sector which is the second Indo-Myanmar Border Trade Point, the first being the Moreh-Tamu trade sector, was inaugurated in 2004.

Under the BTA, it the following three types of trade across the Indo-Myanmar border were agreed to, viz.

- a) Barter trade of items not exceeding US\$ 1,000 or its equivalent,
- b) Barter trade of items up to a value of US\$ 20,000 or its equivalent, and
- c) Normal trade against payment for supplies.

The first two types of trade envisaged the exchange of goods without any monetary transaction. Providing clarity at the conceptual level, Das (2016) differentiates the barter system carried out as part of the subset under border trade with that of border trade under normal trade. Under the Indo-Myanmar Border Trade Agreement (BTA), it provides for barter trade of identified items under specific conditions as well as normal trade against payment. Under barter trade, India accrued a trade deficit as most of the items listed in the agreement were not found favourable for India as demand for Indian products was lower. This makes it difficult for Indian traders to exchange it for goods equivalent to imported goods (Bhattacharya, 2005; Das, 2005; Das, 2016). On account of this, the barter system was subsequently replaced by normal trade. Contemplating the difficulties and problems associated with the barter trade system, the Reserve Bank of India (RBI) on November 5, 2015 abolished it and laid down guidelines for the functioning of normal trade (Das, 2016).

### **Zokhawthar-Rih Trade Zone**

Mizoram, which is located in the extreme east of North-Eastern India, has a border with Myanmar in the east and south, with Bangladesh in the west and in with



Assam and Manipur in the north. The state shares 450 kilometres of its international boundary mostly with the Chin Hills of Myanmar where the people from both sides share the same ethno-linguistic affinity. Prior to the opening of the border trade zone, there existed traditional trade across the border mainly among the Mizos and Chins. The existence of a porous border and make-up of the same ethnic composition along it accentuates natural trading ties and movement of people to and fro. In view of the import-driven economy of Mizoram and its backwardness in terms of infrastructure, slow growth of economy and various other socio-cultural and political factors, facilitating trade across the border could inject much-needed market linkages and development. It is widely recognised that the development of border trade was included in one of the clauses enshrined in the Mizoram Peace Accord of 1986 between the MNF leaders and the Government of India (Songate, 2010).

Despite the signing of the Indo-Myanmar Trade Agreement on January 31, 1994, it took eight years to set up the infrastructure requirements and services to facilitate trade across the Zokhawthar-Rih sector. It was only after the construction of a Bailey bridge in 2002 over the Tiau river that runs between Mizoram and Myanmar that an impetus for the commencement of trade was seen. In 2004, the Zokhawthar-Rih border trade zone was officially inaugurated. This zone is marked by the Tiau river separating Zokhawthar village on the Indian side and Rih (also known as Rihkhawdar) village of Myanmar. In order to facilitate trade, the Government of Mizoram acquired 126.96 acres of land at Khawnuam in Melbuk village which is 8 kilometres from Zokhawthar for the establishment of a border trade township to accommodate Customs officers and staff. Twelve Assam-type residential quarters of Types I, II, III and IV have been constructed along with a helipad and other basic amenities. In addition, a composite land customs building situated at zero point at a distance of 30 metres from the border was constructed to accommodate different trade-related departments and agencies.

Zokhawthar is a very small village with a population of around 2,025 people (Songate, 2010). It is located on the extreme east of Champhai district at a distance of 30 kilometres from the district headquarters. The state capital, Aizawl, is situated at a distance of 228 kilometres from zero point. Prior to the opening up of border trade, the main occupation of the people was jhumming (slash and burn) cultivation and people migrate to the nearby Champhai town for employment and education.<sup>1</sup> However, with the opening up of border trade, there is a shift in occupation. Cultivation is a secondary occupation and the majority of the people are now engaged in trade-related activities either in some way or the other as porters, traders, business persons and lorry drivers.



Border trade along the India-Myanmar border is carried out in three ways, viz., Traditional/Free Exchange Mechanism, Barter Trade System and Normal Trade. The barter system flourished in this sector until it was withdrawn in 2015 and replaced by normal trade. Unlike the limit of 62 tradable items under the barter system, in normal trade all goods and items are tradable provided they are not listed as restricted or prohibited as declared by the Directorate-General of Foreign Trade (DGFT). Unlike in the barter system, the onset of normal trade introduced a new mechanism by which export and import is permissible under the EXIM policy in freely convertible currencies or in currencies mutually agreed upon through a Letter of Credit (LoC) or advance payment. Besides, it made changes in the Customs aggregate duty of 4 per cent to 46.848 per cent (LCS Zokhawthar Report, 2017). This change in duty tariff posed a sense of reluctance among importers who feared losses. In addition, a lack of banking facilities creates problems for Indian traders that slow down the transfer of goods. In spite of the existence of a State Bank of India branch at zero point which was supposed to handle EXIM transactions, it is yet not equipped to handle trade-related transactions. Indian traders had to rely on HDFC Bank and IDBI Bank situated at Champhai to handle most of the advance payment for import transactions. In spite of the existence of infrastructure such as BSNL tower, office buildings and storage facilities, the bank is yet to function. Traders have to rely mostly on private storage facilities with no proper equipment to preserve goods.

### **Trade in Zokhawthar Sector**

Trade at Zokhawthar presented an erratic trend with the total volume remaining extremely low though it pointed at times toward an increase. In 2009-10, the total trade was valued at only Rs 1.2 lakh, which increased to Rs. 1.85 lakh in 2012-13 but the next year it decreased to Rs. 1.79 crore. The decrease was on account of zero imports; the increase in volume of trade was because of a large import of betel nut. It again plunged to Rs. 8.15 crore in 2014-15 and reached the highest volume of trade in 2016-17 at Rs. 27.24 crore. The increase is on account of the high import of betel nut which has a huge market in Mizoram and in Assam (see Tables 1 & 2). As far as import items are concerned, betel nut constituted the largest item, followed by reed brooms and black pepper in a small quantity. Export is extremely limited to a single item. Soyabari is the main export item from India. The years 2010-11, 2011-12, 2014-15, 2015-16, 2016-2017 and 2017 until October 2018 saw zero export. Customs data on formal trade (see Table 2) shows lack of demand for Indian products; however, on further probing, the position is not as it seems to indicate. It is not the absence of demand but rather the inability of local traders from Mizoram to meet the demands for items required by their counterparts across



the border because of technical hitches and structural and human capital inadequacies. There exists a large demand for fertilizers, pharmaceuticals, bicycles, auto parts and other agri-allied items. Mizoram being a non-industrial state and with an import-oriented economy makes it difficult for local traders to meet the demand. In most cases, they have to procure from other regions which, in the absence of good roads and other infrastructure, becomes unprofitable.<sup>2</sup> Also, the limited knowledge of trading mechanisms in trading across different regions and spectrums along with little enterprising skills often hold back local traders to explore the potential beyond the region. They feel unequipped to conduct vast trade involving huge financial transactions let alone taking into consideration financial constraints and lack of market information.<sup>3</sup> On the other hand, import of some items comes with curtailment, for instance, like fertilizers and pharmaceutical products. In such instances, the demand for these items is met through informal channels and traded mainly through unmanned routes.

Table 1: Import Particulars through LCS Zokhawthar

Year	Commodity	No. of Consignments	Qty. (in metric tons)	Assessable Value (in INR)	Revenue (Duty & Cess) (in INR)
2009-10	Reed Brooms	01	15.00	61,882	5,790
2010-11	Betel Nuts	04	11.68	4,33,548	40,564
2011-12	Betel Nuts	07	60.00	22,27,740	2,08,446
2012-13	Nil	Nil	Nil	Nil	Nil
2013-14	Betel Nuts	14	140.00	1,61,56,394	15,11,594
2014-15	Betel Nuts	66	584.00	8,15,04,710	75,25,606
2015-16	Betel Nuts	134	1132.00	16,74,14,039	1,56,63,286
2016-17	Betel Nuts	67	1500.00	27,24,66,127	1,08,99,415
2017-18	Betel Nuts	06	63.60	1,59,83,152	75,04,444
	Black Pepper	02	10.00	9,70,295	11,98,749

Source: Land Customs Station, Zokhawthar

Table 2: Export through LCS Zokhawthar

Year	Commodity	No. of Consignments	Qty. (in Metric Tons)	Assessable Value	APEDA+AP
2009-10	Soyabari	01	02.069	60,000	Duty-Free
2010-11	Nil	Nil	Nil	Nil	Nil
2011-12	Nil	Nil	Nil	Nil	Nil
2012-13	Soyabari	01	6.4000	1,85,600	Duty-Free
2013-14	Soyabari	02	29.000	18,12,500	Duty-Free
2014-15	Nil	Nil	Nil	Nil	Nil
2015-16	Nil	Nil	Nil	Nil	Nil
2016-17	Nil	Nil	Nil	Nil	Nil
2017-till date	Nil	Nil	Nil	Nil	Nil

Source: Land Customs Station, Zokhawthar



It is seen that on account of low formal trading Zokhawthar-Rih generates low revenue. In 2009-10, it collected just Rs. 5,790 which rose to Rs. 40,564 in 2010-11 and Rs. 2.08 lakh in 2011-12 but then decreased to Rs. 8,500 in 2012-2013. The decrease was due to zero import and also on account of duty-free items exported. From 2012-13 onwards, it showed a rise in revenue collection and 2015-16 indicated the highest revenue collected at Rs. 1.56 crore (see Table 3).

A comparison between revenue generated and seizure indicates that the worth of seizure exceeds revenue collected (see Tables 3 & 4). This sheds light on the prevalence and dominance of informal trade where it is estimated that more than 90 per cent of trade is carried out through informal trade. The existence of informal trade on account of problems in formalising trade has induced an enormous loss to the government. The desire to evade high tariff tax, the existence of porous borders, unmanned old routes and a free movement regime (FMR) contributes to the parallel running of informal trade. Import of cattle for meat, export items such as fertilizers and pharmaceuticals are carried out mainly through unmanned routes.

Table 3: Revenue through LCS Zokhawthar

Year	Personal Penalty	Auction Sale Proceeds	Customs Duty	Total
2009-10	Nil	Nil	5,790	5,790
2010-11	Nil	Nil	40,564	40,564
2011-12	2000	Nil	2,08,446	2,40,446 *
2012-13	8500	Nil	0	8,500
2013-14	Nil	Nil	15,11,594	15,11,594
2014-15	Nil	Nil	76,25,606	76,25,606
2015-16	Nil	Nil	1,56,63,286	1,56,63,286
2016-17	Nil	Nil	1,08,99,415	1,08,99,415
2017-till October 2017	Nil	Nil	87,03,193	87,03,193

\* includes 30,000 (INR) realized against provisional release i/r of case No.06/CL/EXP/CUS/LCS-ZKT/11-12 dated 17/11/11

Source: Land Customs Station, Zokhawthar.

Table 4: Seizures at LCS Zokhawthar

Year	No. of Cases	Seizure Value (Rs.)
2009-10	31	25,38,200
2010-11	29	51,63,520
2011-12	18	69,47,700
2012-13	28	64,12,895
2013-14	08	40,90,240
2014-15	02	37,25,000
2015-16	Nil	Nil
2016-17	01	4,62,400
2017-18	02	6,01,75,000

Source: Land Customs Station, Zokhawthar



As one visits the markets of Aizawl and Champhai, one finds the market to be adorned with foreign-made goods which originate mainly in China and Thailand and small petty shops that sell edible food products from Myanmar. Close observation reveals that every household in Aizawl is adorned with at least one foreign-made product that originated from Third World countries in terms of electronic goods, food products, cosmetics, etc.<sup>4</sup> These products find are brought in mainly through informal channels unaccounted for in items traded resulting in an enormous loss to the government.

### **Problems and Prospects: The Way Forward**

In assessing the volume of trade where India accrued a trade deficit along with the dominance of informal trade, a parallel line can be drawn whereby a large section of the population of Mizoram depends on this trade for their livelihood. The importance of trade in the lives of the Mizos cannot be underestimated. In a study conducted by Romalsawma (2000) on the implications of border trade in Mizoram, it is estimated that 4.11 per cent of the total income of the State comes from border trade and also provides a livelihood to 6 per cent of the total population of Mizoram. Many shops spring up selling food products of Myanmar, clothes and electronic goods which has a tag of 'Made in China' or Thailand. In Aizawl, one sees another livelihood activity carried out by street hawkers selling cheap apparel, electronic goods and cosmetic on the pavement and also going from door to door.

In the case of Zokhawthar, there exists a livelihood diversification; jhumming (slash and burn) which was the main occupation prior to border trade becomes a secondary occupation. Around 100 local traders, mainly from Champhai and surrounding areas, depend for their livelihood on this trade sector. For the bordering villages, trade escalates non-farm income generation and provides employment to a large number of people as porters earning between Rs. 500 and 1,000 per day depending on the consignments arriving at Zokhawthar.<sup>5</sup> The opening of trade has provided Zokhawthar with road linkage and other services such as bank, communication and transport. Drawing on the transformational nature of trade and potentials in place, the community set up the Zokhawthar Welfare Association (ZWA) to channelize resources and funds from trade for its progress and welfare. A major contribution came from the local traders' association of Mizoram and also from individual members. The Association sponsors a high school, looks into the requirement of teachers and contributes towards the salary of additional teachers. Besides, it caters to the welfare of the poor and needy through financial help and takes up numerous developmental initiatives for the locality. The population of Zokhawthar depends on this trade for their livelihood and lack of it would render



most of the people jobless. Porters who depend on trade for their daily sustenance are worst affected. They have to rely on other sources of income when trade is closed.

The benefits of trade also percolate on the Rih side of the border. Retail and wholesale markets spring up and flourish there on the Myanmar border where visitors make purchases. On the other hand, in Zokhawthar, such development is yet to be observed. The opening of border trade at Zokhawthar is thus merely used as a transit point for the movement of goods. Zokhawthar alone as a hub of border trade could not attract much visitors/tourists from India. One could attribute this to distance from the state capital, difficult terrain and poor conditions of roads that increases transportation costs.

On another account, trade across the Zokhawthar border has its own rippling effects. Along with its benefits, it brought another dimension of non-security threats like increase in drug circulation and arms smuggling and other contraband substances and infiltration of Myanmar's migrants into Mizoram (Songate, 2010). Another pertinent problem is the nature of its terrain and topography. Being a hilly region with an incessant monsoon and prone to landslides, it levels out development work especially in road development. Apart from taxation, traders have to bear additional transportation costs on account of the terrain and bad roads. Transporting of goods cost one rupee per kilogram which adds to the cost of goods making the price vary for the same goods found at Moreh-Tamu Market (Manipur's Border Trade Zone).<sup>6</sup> The absence of laboratory testing facilities compounds the problems of traders across Zokhawthar LCS. They have to get samples tested either at Imphal or Assam where they have to shell out additional money for transportation and warehouse charges for their consignments. The inadequacies in terms of soft and hard infrastructure, banking services and telecommunication along with a lack of awareness on trading regime, information, goods complementary and trade-related skills hinders the development of trade across the Zokhawthar-Rih zone.<sup>7</sup>

Given the spectrum of potentials, border trade could invigorate in terms of development of border regions and promote livelihoods. It is pertinent to endeavour and strengthen the trade zone and address those inadequacies. Some of the steps that could be taken to enhance this trade zone are:

- 1) The culture element enshrined under the three Cs of India's foreign policy towards South-East Asian regions needs to take shape to help expand beyond the designated transit point by taking advantage of the ethnic ties and historical significance the place has to offer. With a host of festivals and



could begin along the trade zone to facilitate greater visitation of people which could boost the local economy. This will eventually spiral affordable rooms that could be extended as hotels or homestead. The existence of many historical places in and around Champhai and Rikhawdar has to be explored, operationalised and promoted as a hub for socio-cultural meets and as a site for tourist destinations. Rih Dil (A lake situated on the Myanmar border) has a strong cultural connotation across the people of Zo as the passage of the death soul, and the existence of common cultural ties spells out for further collaboration. The existence of a Free Movement Regime should be taken advantage of for the promotion of cultural ties, tourists, etc. -

- 2) Organise and promote border meets and haats to facilitate both bilateral and local trade.
- 3) Promote a spectrum of services in the areas of health and education. India can take advantage of a medical tourist destination. There exist potentials to promote medical tourism as lack of health care services often prompted people on the other side of the border to visit Mizoram and Manipur to avail health care services.
- 4) Revamp and promote local industries along with establishing forward and backward linkages for domestic as well as international trade. An entrepreneur development programme could be initiated for local youths and investors. In spite of the abundance of bamboo which could be processed in a variety of products, there is a dearth of bamboo processing units. Bamboo shoots, a delicacy in the North-East and South-East Asian countries has a huge market potential and bamboo food processing units can be set up in and around the border trade zone to augment development of the region and reduce costs in transportation.
- 5) Inject necessary soft and hard infrastructure such as all-weather roads, connectivity, laboratory testing facilities, health care facilities, broader banking services and institutions that will cater to human development resources such as entrepreneurship development.
- 6) Setting up of well-functioning communication towers/networks, information booths and upgradation of bank services in the border trade zone.
- 7) More studies on market-related research needs to be conducted to capture market demand, supply chain and networks and in other fields that could add knowledge to the existing literature on border trade and facilitate a better trading mechanism.
- 8) Promote and enhance traders' skills by organising exposure trips and interactive sessions from time to time.



## Conclusion

The importance of trade in the demand-driven economy of Mizoram cannot be understated. It has generated employment opportunities, connectivity and promotes livelihood through the trade zone and the much-needed market linkages. It also opens up an enormous potential for revamping local industries and marketing domestic products. Despite its positive impacts and windows of opportunities, its growth is marred by structural constraints, and institutional inadequacy reducing it to only a transit point for the movement of goods and people. The dominance of informal trade needs to be addressed by injecting these inadequacies in formalising trade. The 3Cs of India's foreign policy towards South-East Asia need to be invigorated and take shape, especially the cultural components, considering the potentials of collaborating beyond trade as the Mizo and Chin tribes of Myanmar also share a close affinity and similar economic, socio and cultural structures.

## ENDNOTES

- 1 Interview with an elder resident of Zokhawthar on 11 October 2017.
- 2 Interview with Customs officials at Aizwal, Champhai and Zokhawthar on October 2017.
- 3 Points highlighted during Interactive Meet among Mizoram and Myanmar Traders on 10 November 2017 at Champhai.
- 4 Observation during a visit to Aizawl and Champhai markets.
- 5 Interview with President of Zokhawthar Porter's Association and women porters at Zero Point.
- 6 Interview with Secretary, Mizoram EXIM Union.
- 7 Points deliberated during an interactive meet between Myanmar and Mizoram traders at Champhai on 10 November 2017.

## REFERENCES

- Bhattacharjee, D. (2016). India's Vision on Act East Policy. Paper presented at National Seminar on India's Act East Policy: Problems and Prospects in North East India, held at Imphal, 28-29 January 2016.
- Bhattacharya, R. (2005). Trade Settlement Issues and Introduction of Letter of Credit for Promotion of Indo-Myanmar Border Trade. In Gurudas Das, N. Bijoy Singh, & C. J. Thomas (eds.) (2005). *Indo-Myanmar Border Trade: Status, Problems and Potentials*. New Delhi: Akansha Publications.
- Bhaumik, S. (2014). Look East Through Northeast: Challenges and Prospects for India, ORA occasional paper No. 51, June. New Delhi: Observer Research Foundation.
- Chutia, S. (2015). Prospects of Border Trade for North East Region of India with South Asian Countries. *International Journal of Research in Economics and Social Sciences*, Volume 5, Issue 10 (October).
- Das, G., Singh, N. B. & Thomas, C. J. (eds.) (2005). *Indo-Myanmar Border Trade: Status, Problems and Potentials*. New Delhi: Akansha Publications.
- Das, G. (2006). Border Trade in India's North-East Theory and Practice. In David R. Syiemlieh, Anuradha Dutta & Srinath Baruah (eds.) *Challenges of Development in North East India*. New Delhi: Regency Publications.
- Das, R. U. (2016). *Enhancing India-Myanmar Border Trade: Policy and Implementation Measures*. Ministry of Commerce and Industry. New Delhi: Government of India.



- Kabra, K.C. & Singha, R.K.P.G. (2006). Border Trade in Mizoram Emerging Trends and Future Prospects. In David R. Syiemlieh, Anuradha Dutta & Srinath Baruah (eds.) *Challenges of Development in North East India*. New Delhi: Regency Publications.
- Kalika, H. (2012). India's Look East Policy: Challenges and Opportunities Ahead, *Global Journal of Human Social Science Arts & Humanities*, Vol. 12-13.
- Singh, Ng. Dev-Karna (2011). *Indo-Myanmar Border Trade and Its Impact in the Economy of Manipur*. (Unpublished Doctoral Dissertation), Manipur University, Imphal.
- Sikri, R. (2009). India's Look East Policy, *Asia-Pacific Review*, 16:1, 131-145.
- Srinivasan, P.V. (2012). Regional Cooperation and Integration through Cross-Border Infrastructure Development in South Asia: Impact on Poverty. South Asia Working Paper Series, No. 14, November, Asian Development Bank.
- Songate, P. (2010). *Indo-Myanmar Border Trade: The Study of Socio-Cultural and Political Dynamics in Mizoram*. (Unpublished Doctoral Dissertation), Mizoram University, Aizawl.
- Taneja, N. (1999). Informal Trade in the SAARC Region.
- Thomas, C.J. (2000). Indo-Myanmar Border Trade: An Assessment on the Moreh-Tamu Sector. In Gurudas Das & R.K. Purkayastha (eds.), *Border Trade North East India and Neighbouring Countries*. New Delhi: Akansha Publications.
- Romalsawma, C. (2000). *Socio-Economic Implications of Border Trade in Mizoram: A Geographical Analysis*. (Unpublished Doctoral Dissertation), North Eastern Hills University, Shillong.