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INDIA'S LOOK EAST POLICY AND THE NORTH EAST:

Building Partners or Creating Pathways!

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OKDISCD

The paper makes an attempt to take a stock of the macro-economic trends of the region in order to understand how the region may contribute in the overall paradigm of Look East Policy. In the process, the changes in the regional growth and income, the unemployment scenario and the issues related to border trade have been discussed in detail. These have also been collated with other selected indicators of the North East during the recent years. In brief, the paper is an attempt to understand the rhetoric and reality associated with the North East in India's Look East Policy.

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India's Look East Policy and the North East: *Building Partners or Creating Pathways!*

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Introduction

While the construct of North East India has various debatable connotations[1], contemporary history suggests that it has been viewed variedly by the power-centres during different periods. From being ascribed as an anthropologist paradise during the colonial era, North East been perceived with the prism of security perception during the post-colonial times. In the contemporary phase of globalization, Indian policy makers through the Look East Policy (LEP) portrays the region to be ripe with geo-economic potentials that provides the gateway for trade and co-operation with India's immediate neighbours and the countries of South East Asia.

LEP has been India's vision to re-orient its place in the Post-Soviet world order. It has several overlapping interest ranging from economic to strategic as well as security, to name a few. It is noteworthy that although LEP was initiated in 1991, the North East figured prominently only during 2008 with the launch of NER Vision 2020. The Vision Document in three volumes scans the region, its socio-economic problems and suggests ways for ushering in development.

In terms of content and coverage, the Document is certainly more inclusive than other official publications concerning the region. Policy prescriptions regarding the growth potentials and suggestions are nothing revolutionary except for the recognition that post-partition (1947) 'entrapment' of the region has stifled the potential of the North East and its people. This adversity, according to the Vision Document, can be minimised through border trade with the neighbouring countries (NC's). It highlights that border trade will increase the livelihood prospects for agricultural producers, traders and small business people as well as end the geo-political isolation of the region[2].

On the other, in the cultural arena, the document accepts the uniqueness of the people of the North East as well as emphasizes upon the commonality they share with the people in the neighbouring countries. So there should be more initiatives for promotion of tourism, communication, trade fairs and sporting events for greater contacts among people within the extended region[3]. This along with scores of policy measures can elevate NER to the position of national eminence that it occupied during the time of independence. A process of inclusive growth through inclusive governance will usher in economic prosperity thereby minimizing insurgency. Thus, NER is destined to be the arrowhead of India's Look East Policy.

In the light of the above analogy this paper will attempt to take a stock of the macro-economic trends of the region in order to understand as to how the region may contribute in the overall paradigm of LEP. In the process, the changes in the regional growth and income, the unemployment scenario and the issues related to border trade will be discussed. It will also be collated with other related selected indicators of the North East during the recent years. In other words, this is an attempt to understand the rhetoric and reality associated with the North East in India's Look East Policy.

Macro-economic Indicators

The macro-economic trends in the North East will deal with regional income, the contribution of the individual sectors and sub-sectors to the regional income as well as the participation of the work force in different sectors.

Trends in Regional Income

This section will analyse the growth rate of the region during a time period of 1980-81 to 2008-09 and the per capita income during the same period. What has been the contribution of the region and its constituent states to the overall national income will also be discussed here.

Trends in Absolute NSDP

The overall growth rate of NSDP at constant prices for the seven states and the region are given in Table I. Growth rates are considered in five time periods, from 1980-81 to 1990-91 (the pre-liberalization period), 1991-92 to 1999-2000 (the first decade under liberalization), thirdly for the time period 2000-01 to 2008-09 or second decade under liberalization and fourthly, for the entire time period under liberalization and lastly, for the time period from 1980-81 to 2008-09.

Table I: Growth Rate in Absolute NSDP (Constant Prices), 1980-81 to 2008-09

States/ Region	1980-81 to 1990-91	1991-92 to 1999-2000	2000-01 to 2008-09	1991-92 to 2008-09	1980-81 to 2008-09
Arunachal	8.01	3.75	6.23	5.15	6.48
Assam	3.27	2.02	4.83	3.2	3.1
Manipur	4.63	4.57	6.02	4.76	4.59
Mizoram	8.38	5.76	4.73	5.26	6.23
Meghalaya	4.83	5.94	6.81	6.37	5.73
Nagaland	7.31	5.24	7.56	6.82	6.89
Tripura	5.38	7.5	7.08	7.73	6.9
NER	3.91	3.14	5.5	4.23	4.01

**all values are at 1 per cent significance level*

From 1980-81 to 2005-06, NER experienced a growth rate of 4 per cent. Assam, which is the largest economy in the region, grew with lowest rates. Tripura and Nagaland registered the highest growth. Except for Assam, all other states exhibit a rate higher than the region. It shows that the growth process of the region is lagging behind mainly due to lower rates prevailing in Assam.

The first decade after economic liberalisation (1991-92 to 1999-2000) saw a decline in the overall growth rate of the region compared to the decade earlier. Only Tripura and Meghalaya had higher rates. The Table indicates that growth momentum has picked up in the region during the second decade of liberalization but on an average, the rate remains to be half the national rate. During 2000-01 to 2008-09, Nagaland registered highest growth followed by Tripura. Assam continues to be the laggard despite a comparatively higher rate compared to the earlier time periods. As a whole, if we compare the growth rates in NER during 1980-81 to 2008-09 and 1991-92 to 2008-09 there is hardly any difference between them. Despite of an increase in the rates during 2000-01 to 2008-09, the region continues to be way behind in India's growth story.

Trends in NSDP Per Capita

Coupled with lower growth rates, the region has been adversely affected by a high growth rate of population. Table II shows the per capita growth rates during the period 1980-81 to 2008-09. The overall growth during this time period for the region has been 1.96 per cent. Assam had the lowest rate of increase in spite of a comparatively lower growth rate of population vis-a-vis other states in the region.

Table II Growth Rate of Per Capita NSDP, 1980-81 to 2008-09

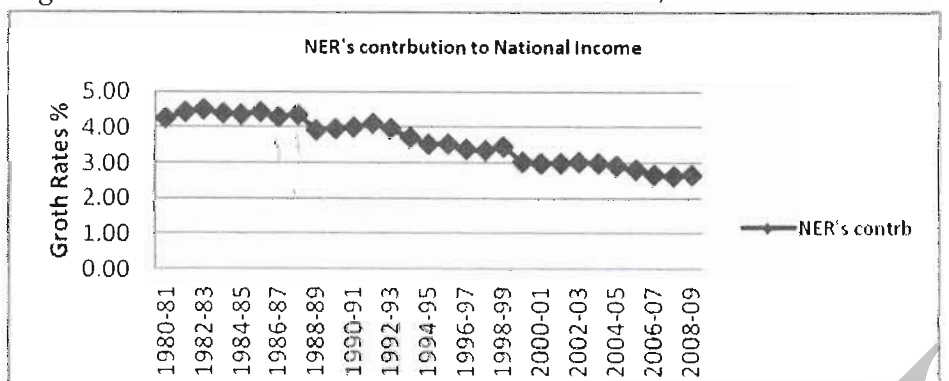
State/ Region	1980-81 to 1990-91	1991-92 to 1999-2000	2000-01 to 2008-09	1991-92 to 2008-09	1980-81 to 2008-09
Arunachal	4.87(36.83)	1.29 (27.00)	4.96 (25.92)	3.26	4.05
Assam	1.13 (24.24)	0.24 (18.92)	3.38 (16.93)	1.69	1.26
Manipur	2.05 (29.29)	2.31 (24.86)	4.02 (18.65)	2.64	2.3
Mizoram	4.86 (32.86)	3.17 (28.82)	2.2 (22.78)	2.84	3.52
Meghalaya	1.99 (39.70)	3.32 (30.65)	5.56 (27.82)	4.33	3.26

Nagaland	3.21 (56.08)	0.04 (64.53)	8.5 (-0.47)	3.51	2.79
Tripura	2.44 (34.30)	0.55 (16.03)	5.85 (14.75)	6.55	4.95
NER	1.52	1.09	4.15	2.56	1.96

Figures in parenthesis indicate the decadal population growth rates from various Censuses
**all values are at 1 per cent significance level*

Per Capita growth rates have been lower during the first decade of liberalization in spite of a slower growth rate of population compared to 1980-81 to 1990-91. Or, in other words, a lower NSDP growth rate adversely affected the per capita rates during this period. After 1999-2000, there was an increase in per capita rates due to the positive effects of lower population growth and higher NSDP growth rates. Other than Nagaland (which shows the highest rate of decadal population growth), all other states show a higher NSDP per capita during this period. During 2000-01 to 2008-09 per capita growth rates for the region as well as the constituent states has been higher (except Mizoram) due to higher growth rates and falling population growth in the region.

Figure I: NER's Contribution to National Income, 1980-81 to 2008-09



Contribution of the North Eastern States to National Income

What has been the contribution of the north eastern states to India's national income? Figure I exhibit the contribution of the region to India's national income. There has been a consistent decline in NER's contribution between 1980-81 and 2008-09. NER contributed 4.23 per cent to the national income which declined to 2.65 per cent during 2008-09. The decline has been comparatively higher during the era of liberalization.

Table III indicates that Assam's contribution to national income has declined significantly during the time period, while that of Nagaland and Tripura has increased marginally. Other constituent states have shown a fluctuating trend.

Table III: Contribution of the States in NER to National Income

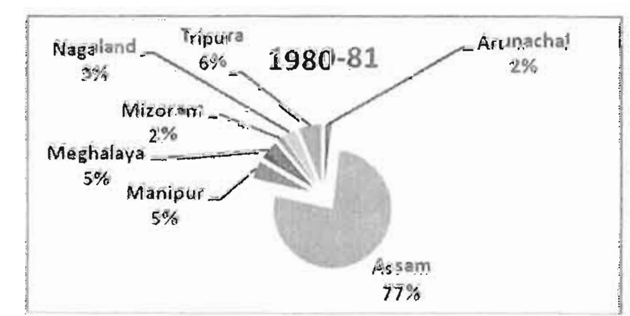
State/year	1980-81	1990-91	2000-01	2008-09
Arunachal	0.08	0.11	0.10	0.09
Assam	3.25	2.91	1.96	1.63
Manipur	0.22	0.20	0.17	0.15
Meghalaya	0.22	0.23	0.20	0.20
Mizoram	0.07	0.08	0.09	0.07
Nagaland	0.13	0.18	0.18	0.20
Tripura	0.27	0.27	0.29	0.30
NER	4.23	3.98	2.99	2.65

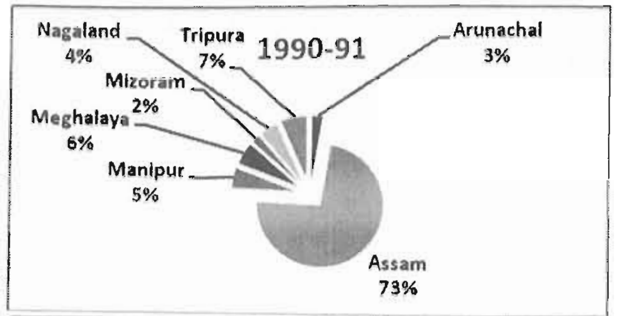
This is evident within the region as shown in Figure II. Assam contributed 77 per cent of the regional income in 1980-81 which has seen a continuous decline thereafter and the decline has been more prominent after 1990-91. On the other, all other states in the region have increased their contribution in the regional income except for Assam. But despite of its declining trend, Assam contributed 62 per cent of the total income in NER, which shows the overwhelming importance of the state towards the economic rejuvenation of the region.

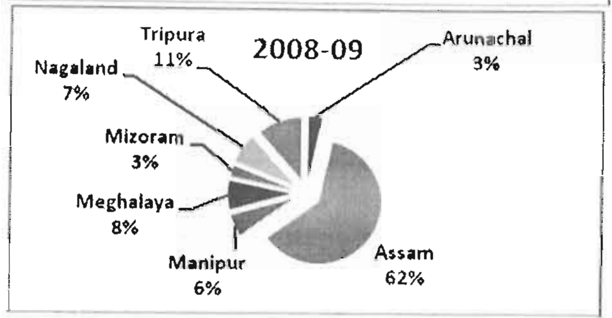
Changes in Sectoral Composition in NER

What has been the sectoral composition of income in the region? Do the constituent states in NER follow a similar pattern? Has there been any change in this direction? Issues related with the sectoral composition and its changes has been analysed in this section over a time period from 1993-94 to 2009-10.

Figure II: Contribution of the States in NER towards Regional Income





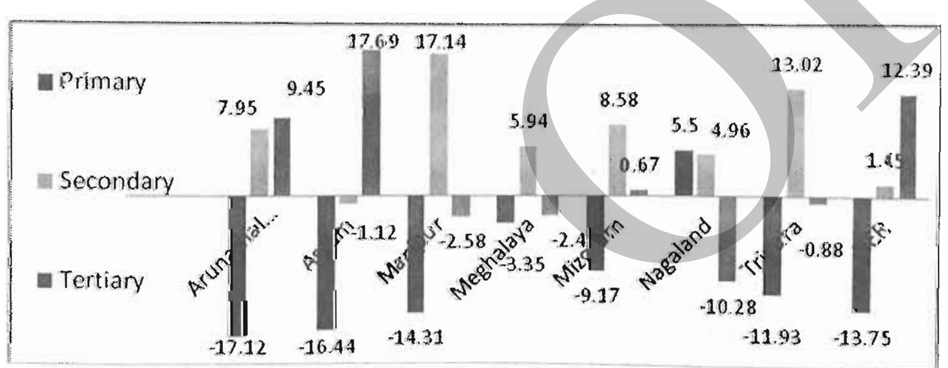


Change in Composition of NSDP

To ascertain the structural changes in the economy of the NER, a simplistic three-tier sectoral classification has been undertaken for the time period 1993-94 to 2009-10. Figure III shows the structural changes among the states in the region.

During this time period there has been a significant decline in the sectoral contribution of the primary sector (-13.75 per cent). This has been largely compensated by an increase in the tertiary sector (12.39) followed marginally by the secondary sector (1.45 per cent). The region therefore exhibits a trend of transformation where the receding contribution of the primary sector to the overall regional income is being replaced by the tertiary sector. There has been little change in the contribution of the secondary sector in NER.

Figure III: Percentage Change in Sectoral Contribution in NER, 1993-94 to 2009-10



The region at a disaggregated level exhibits a varied picture. Although the regional pattern of NSDP composition is observed in Arunachal Pradesh and Mizoram still there are variations between these two states as per the compensatory role played by the secondary and tertiary sectors vis-à-vis a decline in the primary sector. Whereas in Arunachal Pradesh, both the secondary and tertiary sectors have compensated the fall in contribution of the primary sector, in Mizoram the role of the tertiary sector, in this regard, has been minimal. The second trend consists of an increasing role of the secondary sector in NSDP contribution vis-à-vis a decline in the other two sectors. This is observed in Manipur, Meghalaya and Tripura. Assam represents the third trend where the tertiary sector alone has compensated for the fall in the NSDP contribution of the primary and secondary sectors. This is the only state in the region that exhibits a tertiary led growth process during the period of our study. Another unique trend is observed in Nagaland where there has been a substantial decline in the contribution of the tertiary sector compensated by an increase in the primary sector, followed by the secondary sector. So there are diverse trends of sectoral changes among the states of NER and this has to be considered while framing policies for development of the region.

Changes in the sub-sectors' contribution to the NSDP

There has been a decrease in the contribution of the primary sector and its sub-sectors except Mining &Quarrying in NER. Figure IV presents the sub-sectoral details of the primary sector. Within the primary sector, decrease in the contribution of agriculture has been highest compared to the other sub-sectors. Similar trends are observed in all the states of the region except Nagaland. It is the only state in the region where there has been a marked increase in the share of contribution of agriculture to NSDP from 20.80 to 27.43per cent. It is also noteworthy that the contribution of M&Q exhibits an increasing trend among all the states in the region. Its share in Meghalaya is highest in NER, where 8.71 per cent of the state's income is generated from this sub-sector. Assam also earns more than 7 per cent of its total income from this sub-sector. This shows an increasing role of extractive activities in the region during this time period.

Figure IV: Percentage Change in Contribution within the Primary Sector NER 1993-2010

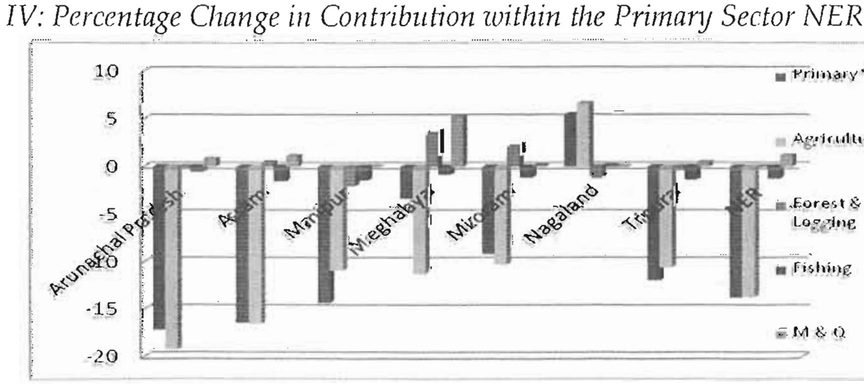
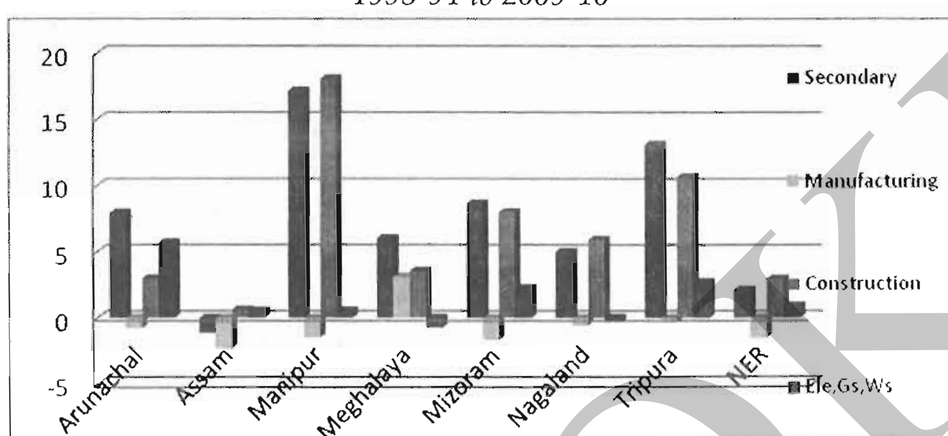


Figure V shows the sub-sectoral analysis of the secondary sector. There has been a marginal increase in the contribution of the secondary sector to the overall growth process in the region. This marginal growth has been due to an increase in construction activities. It is important to observe that both construction and manufacturing sub-sectors contributed equally during 1993-94 but thereafter there has been a consistent deceleration in manufacturing, which has been taken over by construction activities.

At a disaggregated level, the performance of the secondary sector among the states in the region has been varied. All the states have shown a higher trend in secondary sector contribution vis-à-vis NER except for Assam. Manipur shows highest increase in secondary sectors contribution to the state NSDP followed by Tripura. But in both the states, it has been a construction led growth story with manufacturing registering decline. Among the states in the region it was only in Meghalaya where manufacturing contributed positively to the states income. The biggest state in the region, Assam had the biggest fall in contribution of the manufacturing towards the state NSDP and as construction simultaneously failed to pick-up; the state had a negative growth in secondary sector contribution.

Figure V: Percentage Change in Contribution within the Secondary Sector in NER 1993-94 to 2009-10

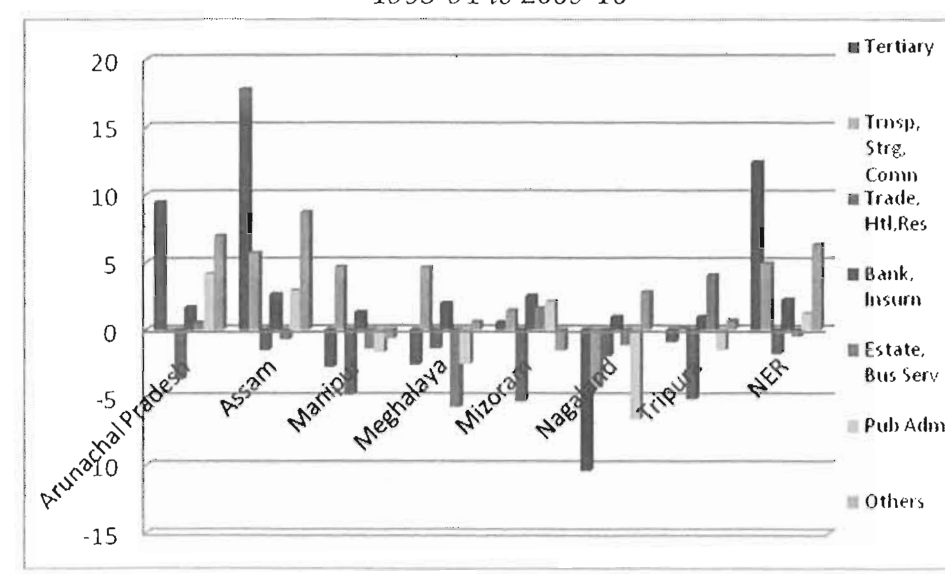


The decline in the contribution of the primary sector in NER has been largely compensated by the tertiary sector. Among the sub-sectors, the aggregated 'other services' which included education, health, community, social, personal services etc. contributed more than 6 per cent of the regional NSDP. Along with Public Administration, both these sub-sectors contributed the major share within the tertiary sector. Contribution of Transport, storage and communication along with financial

services registered positive growth whereas Trade, Hotel and Restaurant as well as Real Estate and Business Services exhibited declining rates.

The states in the region show a mixed pattern in terms of contribution of the tertiary sector. Assam (17.79 per cent), Arunachal Pradesh (9.45 per cent) and Mizoram (0.56 per cent) shows an increasing trend whereas in case of other states the growth in contribution of this sector has been negative. Nagaland shows the highest decline (-10.40 per cent) in tertiary sector contribution, mainly due to a fall in Public Administration and Transport, Storage and Communication. Compared to Nagaland, the decline in the growth rate of tertiary sector contribution in Manipur, Meghalaya and Tripura has been marginal. It is also interesting to note that other than Manipur (43.65 per cent) and Arunachal Pradesh (39.75 per cent), contribution of the tertiary sector among all the states in NER is more than 50 per cent to their respective NSDP. Other than Public Administration and Other Services, Trade, Hotel & Restaurant contributed significantly in Assam, Meghalaya and Tripura whereas in Nagaland it was Transport, Storage and Communication whereas in Mizoram it was Real Estate and Business Services. Financial services did not play an important role in terms of a significant contribution to income of the states in the region. Only in Assam it contributed more than 5 per cent of NSDP.

Figure VI: Percentage Change in Contribution within the Tertiary in NER 1993-94 to 2009-10



Sectoral Contribution of Labour in NER

In this section we deal with the workforce associated with each sector of the economy in NER and its contribution to the NSDP. A comparative analysis of the sectoral contribution and the workforce employed helps to understand the quality of growth in various sectors. Table VIII provides the sectoral contribution of labour from 1993-94 to 2009-10.

Table IV: Contribution of Labour in NER, 1993-94 to 2009-10 (In percentage)

Sector/Population/Year	1993-94	2009-10
NSDP/Primary	43.82	30.05
Rural	75.6	67.09
Urban	15.3	10.53
NSDP/Secondary	13.12	15.24
Rural	6.2	11.19
Urban	14.7	18.18
NSDP/Tertiary	43.07	55.42
Rural	18.2	22.13
Urban	70.2	71.1

**1993-94 &2009-10 are related to the 61[st] and 66[th] Rounds of NSSO*

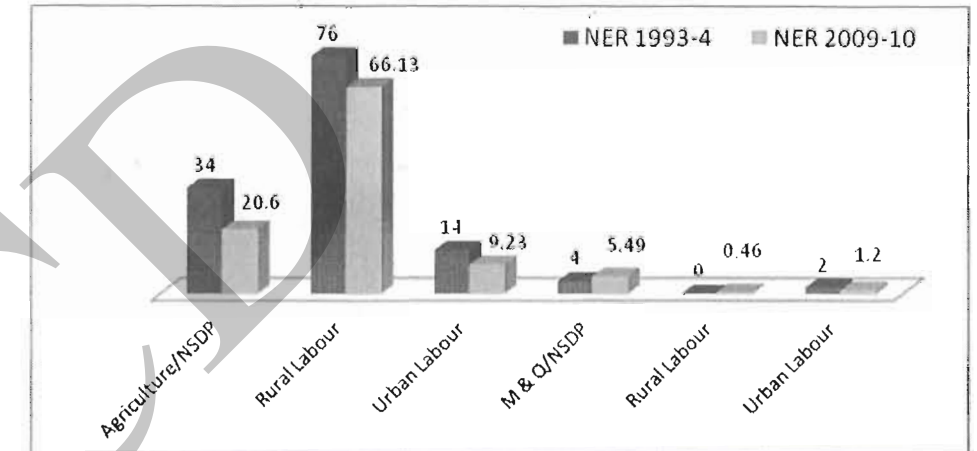
It is observed from the Table that although there has been a decline in the contribution of the primary sector to the NSDP, workforce engaged in this sector has not declined substantially (Appendix-I). More than 67 per cent of the rural and 10 per cent of the urban workforce is engaged in this sector. On the other, although there has been a substantial increase in the contribution of the tertiary sector to NSDP, it has failed to engage workforce in commensurate with its contribution. Comparatively, although the secondary sector has contributed the least to NSDP, it has absorbed higher share of the workforce in the region.

Within the primary sector in NER, contribution of Mining & Quarrying (M&Q) increased along with a marginal increase in its rural workforce. In all other categories of this sector there has been a decline in the NSDP contribution as well as workforce engaged.

Except for Nagaland, NSDP contribution of agriculture has declined among all the states in the region but the change in workforce engaged in this sub-sector shows a varied trend. There has been a decline in rural workforce in varying proportions for all the states including Nagaland. Tripura shows the highest decline (-17.60 per cent). On the other, urban workforce engaged in agriculture has increased in Arunachal Pradesh, Meghalaya and Nagaland. Whether this indicates a shift in occupational pattern among a section of the urban work force in these states needs further clarification? For M&Q,

the region exhibits a rising trend in NSDP contribution with marginal changes in workforce involved.

Figure VII: Percentage Change in the Sub-sectoral Contribution and Employment in the Primary Sector, NER



This sub-sector contributed more than 5 per cent of the regional income with an increase (although not commensurate with) in workforce involved. Meghalaya earned more than 8 per cent of the state's income from M&Q although this has not generated additional employment opportunities in the state. Assam and Arunachal Pradesh are the two other states where the contribution of this sub-sector has increased although there has been hardly any employment generation. Has M&Q activities in the region become more capital intensive?

In NER, within the secondary sector, only construction has contributed both in terms of income and employment generation (Appendix-II). Employment generated has been higher both in rural and urban areas compared to NSDP contribution. On the other, manufacturing has shown a declining trend in terms of contribution and marginal change in employment generation.

Among the states, contribution of construction in Manipur has been highest (25.39 per cent) in the region. In terms of employment, Tripura shows an increase of 32.1 per cent in rural employment and 14.7 per cent in urban employment in the construction sector. Construction has contributed significantly to Manipur's income but with a declining share of employment. Meghalaya exhibits an increasing trend in contribution of construction to NSDP but has failed to generate employment opportunities in commensurate to it. The sub-sector, electricity, gas and water supply had little contribution in the region.

Figure VIII: Percentage Change in the Sub-sectoral Contribution and Employment Among the States in NER: Primary Sector

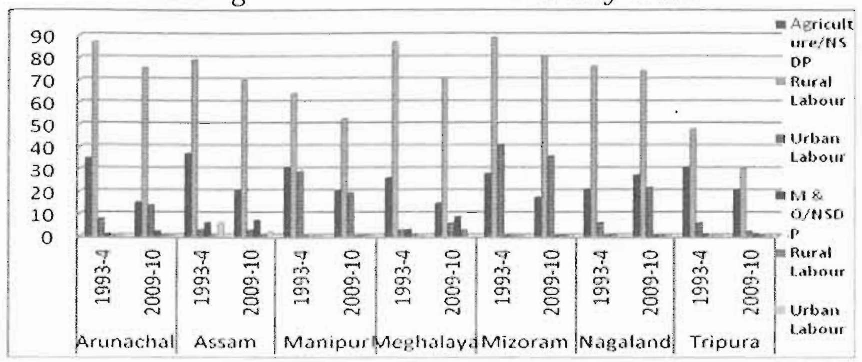
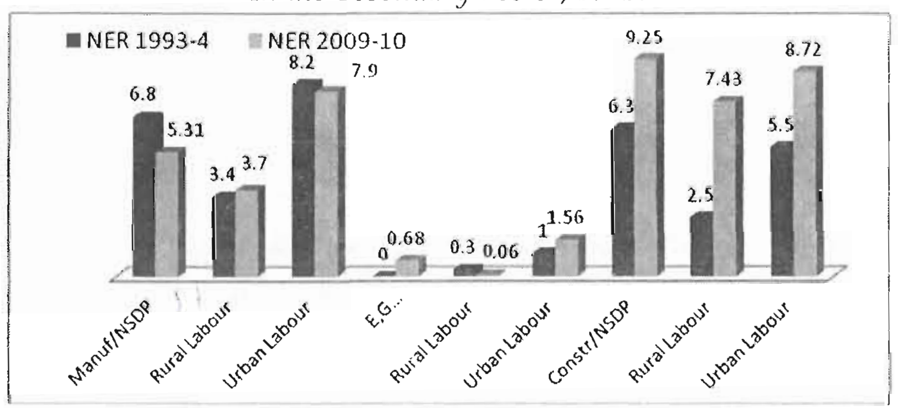
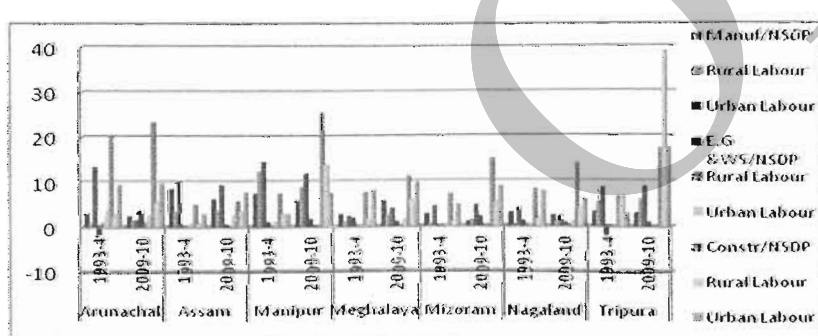


Figure IX: Percentage Change in the Sub-sectoral Contribution and Employment In the Secondary Sector, NER



Tertiary sector exhibits two broad trends for the region, Firstly, it is the main source of employment in the urban areas and secondly, there is a rapid decline of importance of Public Administration and Other Categories sub-sectors in job creation in NER. Trade, Hotel & Restaurants contribution has declined but employment generation in this sub-sector has increased substantially, particularly in the urban areas (Appendix III).

Figure X: Percentage Change in the Sub-sectoral Contribution and Employment Among the States in NER: Secondary Sector



Transport, Storage and Communication have contributed positively to the income generation process in the region and have contributed in terms of employment generation, again particularly in the urban areas. On the other, although there has been growing contribution of the aggregated category of Public Administration and Other Categories it has shown a negative trend in employment creation. There has been more than 12 per cent decline between 1993-94 and 2009-10 in this category in the urban areas of NER.

Despite a declining trend in contribution of the Trade, Hotels & Restaurant sub-sector it has generated employment among the states in the region. Except for Public Administration and Other Services categories, it is the largest source of urban employment among all the states in the North East. Even in rural areas, the share of employment generation of this sub-sector is nearly 10 per cent in Assam and Tripura. Transport, Storage and Communication has been another major source of employment generation in the urban areas, particularly in Assam, Tripura and Nagaland. Financial Services is a growing sub-sector in the region but it is yet to generate employment opportunities for the youths in the region.

Figure XI: Percentage Change in the Sub-sectoral Contribution and Employment In the Secondary Sector, NER

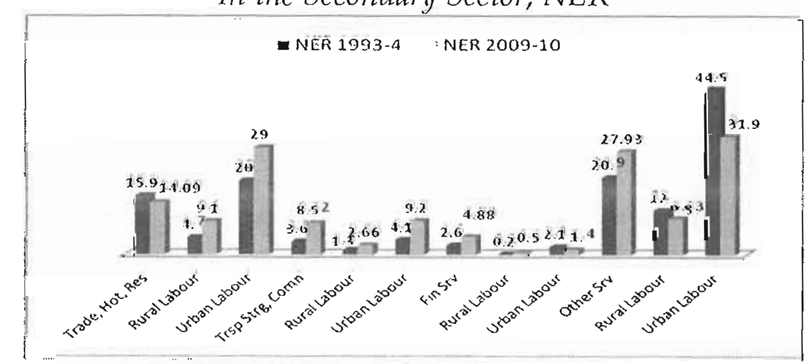
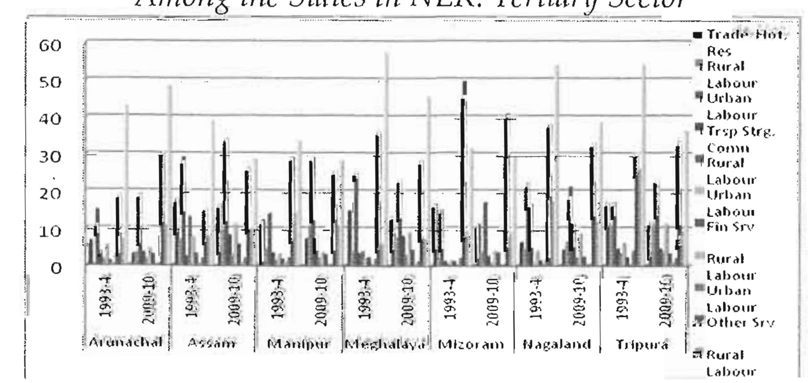


Figure XII: Percentage Change in the Sub-sectoral Contribution and Employment Among the States in NER: Tertiary Sector



The aggregated sub-sector of Public Administration and Other Services is still the largest source of employment in NER. Employment in this aggregated category varies from one-fourth to one-half of the total urban employment in the region. From the above analysis it is clear that agriculture continues to be the largest employer in the rural areas of all the states in the region. In the urban areas, the broad based aggregated sub-sector termed 'other' services in the tertiary sector is the largest employer. Other than this, trade, hotels and restaurants is the second largest employer of the urban workforce in the region. Manufacturing exhibits a declining trend both in terms of contribution to NSDP and employment generation in NER.

It also shows that in NER those sectors which had higher contribution to NSDP failed to create employment opportunities in consonance with their growth while the sector that contributed less failed to shed-off the workforce involved. In this regard a disaggregated analysis of each sector will be meaningful.

In such a scenario of skewed employment what is the quantum of unemployment in the region. In the next section we deal with this issue in detail.

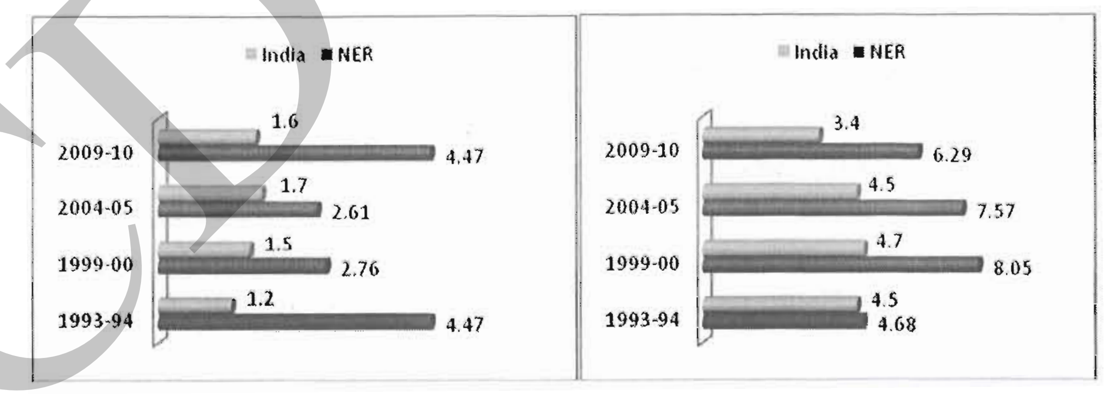
Unemployment Rates in NER

Unemployment data generated by NSSO have been included in this analysis. The 50th (1993-94), 55th (1999-2000), 61st (2004-05) and 66th (2009-10) rounds have been compared to understand the unemployment scenario in NER vis-à-vis India. The three different categories of unemployment 'the usual status (adjusted)' indicating the number of persons unemployed for a reference period of 365 days in both the usual principal and subsidiary status (ps+ss); 'weekly status' indicating persons who were unable to find work in a short period of 7 days during the period of survey and 'daily status' indicating the unemployment scenario during the day of the survey have been considered in this section along with unemployment among youths (15-29 age group) and educated among the states in North East India.

A comparative analysis of the usual status rural unemployment in NER and India in Figure XIII during four successive NSSO rounds shows that there was a declining trend during 1999-2000 and 2004-05. But that has been reversed during the 66th round. The rate in the region continues to be almost three times higher than all-India. Among the states in the region (Appendix IV), except for Assam, all the states have shown an increase in rates of usual rural unemployment. It is marginal in case of Arunachal Pradesh, Meghalaya and Mizoram and substantial in case of Nagaland and Tripura. Two other trends are noticeable from the Table, firstly, a very high rate in one state pulls the NER rate substantially higher e.g. in 2004-05 it was Tripura whereas during

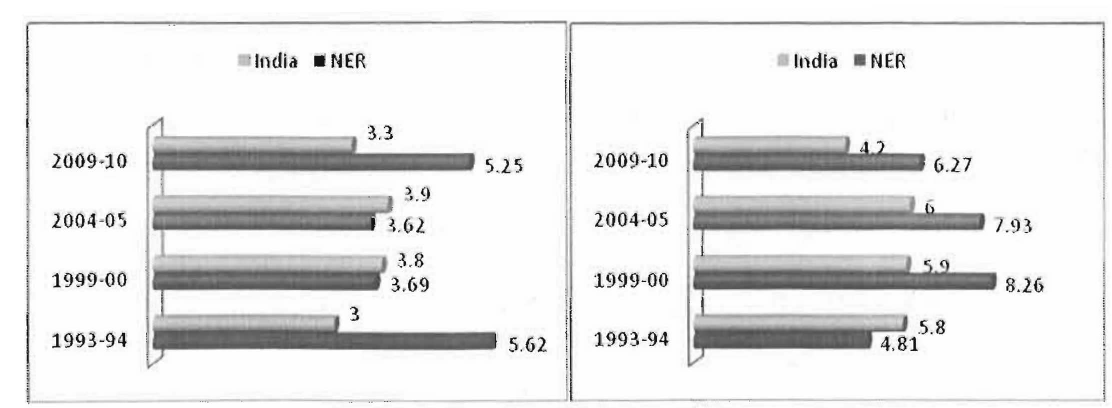
2009-10 it is Nagaland; secondly, all the states in the region have higher unemployment rates in 2009-10 compared to 2004-05 (except Tripura which by any standards had significantly higher rates during 2004-05).

Figure XIII: Comparative Percentages of Rural & Urban Usual Unemployment (Persons): NER-India



Urban usual unemployment in the region has shown a downward trend since 1999-2000 and the present rate is lowest among the last three rounds. But even with this declining trend, urban usual unemployment in NER continues to be double than the all-India rate. Among the states (Appendix V), Tripura exhibits a declining but still has significantly higher rates, which is six times more than the India rate and thrice higher compared to the regional rate. In the latest round Nagaland shows a higher rate compared to the earlier rounds. Assam shows a consistently declining trend in usual urban unemployment from 1999-2000 onwards and the present rate is lowest among the rounds considered in our analysis.

Figure XIV: Comparative Percentages of Rural &Urban Weekly Unemployment (Persons): NER-India

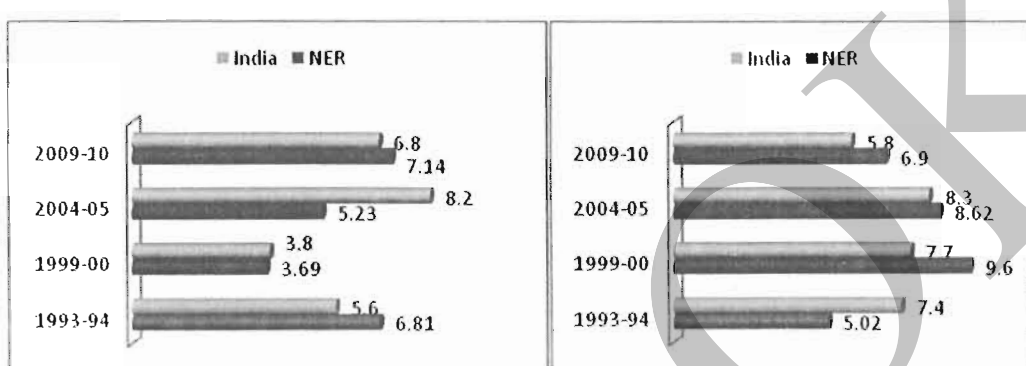


It is usually agreed that when most of the people have regular wage employment, the usual status and the weekly and/or daily status unemployment rates do not diverge. This is usually the case among the advanced industrial nations. But in economies which are comparatively less industrialised, these rates vary substantially. Comparing the usual rates of unemployment along with the weekly and the daily rates as well as among male and female is therefore a worthy exercise in our analysis also.

When we compare the usual status with the weekly status unemployment rates (Appendix VI& VII), it is observed that there are divergences between these two rates, where the weekly rates are comparatively higher in rural areas whereas in urban areas it is similar to the usual unemployment rates. In rural areas, Nagaland had the highest divergence between the two rates followed by Tripura. In the urban areas, Arunachal Pradesh shows the highest divergence whereas among other states it is not significant. A higher rate of divergence indicates the lack of permanence in employment opportunities in these areas.

Divergence becomes more acute when we compare the daily status unemployment rates (Appendix VIII& IX). The rates are significantly higher in rural areas and marginal in urban areas in the region. Rural rate divergence was highest in Nagaland followed by Tripura. In the urban areas, Nagaland exhibits the highest divergence followed by Tripura and Arunachal Pradesh. This exhibits the seasonal nature of employment generation in the region particularly in the rural areas.

Figure XV: Comparative Percentages of Daily Rural Unemployment (Persons): NER-India

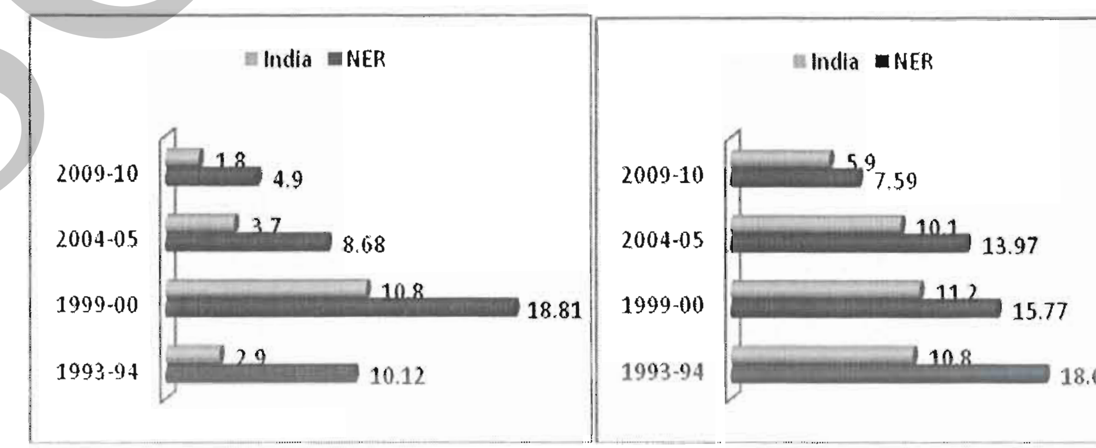


During the 66th Round rural male usual unemployment rate was highest in Nagaland. It was Tripura for female. In the urban areas, both male and female rates were highest in Tripura. Divergence among the gender both in rural and urban areas was highest in Tripura. Similarly, divergence between usual status and current daily status

unemployment rates for males and females in rural areas were highest in Tripura. Compared to males, females' rate of divergence were higher in both rural and urban areas in NER.

It is important to note that while the rural usual unemployment rate has remained same during the 50th and 66th Rounds and increased in the urban areas, the youth usual unemployment rates show a different picture (Appendix X & XI). The all-India trend of declining rates of youth unemployment is seen in the region also. In both rural and urban areas of NER, the rates were halved in 2009-10 compared to 1993-94. But the youth unemployment rates in NER have remained significantly higher compared to India particularly in the rural areas.

Figure XVI: Comparative Percentage of Rural &Urban Usual Youth (15-29yrs) Unemployment: Persons



Educated unemployment rates could not be compared for the 66th Round due to unavailability of data. Here we have restricted our analysis to the 61st Round only. It is observed that the severity of educated unemployment has increased in the region both in urban and rural areas. Of course, the severity has not been same among the states and gender. Educated unemployment in NER among rural male has doubled during 1999-2000 and 2004-05 mainly due to an increase in Arunachal, Manipur, Meghalaya and Tripura. It was highest in Tripura. On the other hand, among females, educated unemployment increased almost 10 times in Tripura and 4.5 times in Manipur. This has substantially increased the unemployment rate among the educated female in the rural areas of NER. Urban educated unemployment rates in the region have increased constantly over the years. Male educated unemployment has increased significantly in Tripura whereas for the female it has risen substantially in Manipur and Tripura, which has inflated the regional figure.

Table V: Unemployment Rates (Principal and Subsidiary) for the Educated (15 years and above) in NER, (1993-94 to 2004-05)

Rural	Male			Female			Person		
States/Region	**50th**	**55th**	**61st**	**50th**	**55th**	**61st**	**50th**	**55th**	**61st**
Arunachal Pradesh	358	3	33	118	49	29	65	8	32
Assam	226	112	106	390	366	225	247	152	127
Manipur	46	51	87	37	90	402	44	60	222
Meghalaya	17	14	19	-	68	43	12	39	21
Mizoram	102	62	32	58	0	25	92	38	31
Nagaland	30	49	43	6	99	47	26	65	45
Tripura	97	28	362	337	78	776	144	34	463
All-India	65	56	44	160	146	152	75	67	65
Urban	**Male**			**Female**			**Person**		
States/Region	**50th**	**55th**	**61st**	**50th**	**55th**	**61st**	**50th**	**55th**	**61st**
Arunachal Pradesh	6	5	9	171	164	48	29	30	16
Assam	97	110	99	449	285	140	160	141	105
Manipur	89	106	82	86	123	471	88	110	240
Meghalaya	10	50	46	73	108	57	27	70	47
Mizoram	10	65	44	12	54	64	11	62	46
Nagaland	100	140	84	89	150	119	98	143	95
Tripura	108	70	205	31	117	696	160	78	377
All India	60	62	51	182	143	156	78	74	71

Source: 50th, 55th and 61st Rounds of NSSO

The macro-economic scenario in NER is far from encouraging, neither the growth rates nor employment suggest vibrancy. Under such conditions we deal with the issues related with border trade in the next section, an aspect which has been portrayed as a panacea for the beleaguered region.

Border Trade and NER

The location of NER is such that it shares only 2 per cent of its border with the Indian mainland whereas 98 per cent is surrounded by various neighbouring countries. In the West and South West, it shares 1880 km with Bangladesh, 1643 km with Myanmar in East and South East, 1000 km with China in the East and North East and 1100 km with Bhutan in the North and North West. This unique location of the region vis-à-vis the neighbouring countries suggests that there are huge geo-economic potentials related with NER. But history shows that while dealing with the region, geo-political considerations have always dominated over geo-economic considerations. The Partition of the country in 1947 resulted in transforming the North East into a *territorial trap*

whereby traditional social and trade links were suddenly curtailed which had long term implication for the region. This situation is sought to be changed by opening the region to trade, commerce and communication and therefore various policy documents recommend measures towards the same direction. But the rhetorical statements and vision documents require substance to transform them into reality. Under such a situation, we wish to take a stock of the existing trade relation of the region with the neighbouring countries during recent years. In the earlier sections we have discussed the contemporary economic fundamentals of the region and now a look at the trade pattern will help to understand the picture in its totality.

Border Trade with Neighbouring countries

Border trade estimates in the North East suffer from various shortcomings. Firstly, there are problems associated with data pertaining to such trade. Researchers can only have access to such data if the concerned authorities are willing to share the same. Secondly, disaggregated data at the state or regional level are not available in India. Thirdly, there are lot of discrepancies regarding information available with various agencies of the government. Fourthly, it is difficult to trace the value addition of (such as in case of horticultural crops, jute etc.) a commodity in a different region/state before it is exported. Fifthly, in those regions where the volume of unofficial trade is substantially high any estimation of trade from that region to other countries risks gross underestimation[5]. Despite of such and other related shortcomings, we attempt to analyse the issues related with border trade and NER based on the available data of the Customs Commissioner, Shillong, Planning Commission, New Delhi and other secondary sources concerned with border trade. Trade of NER with two NC's, namely Myanmar and Bangladesh are considered in our study owing to the recent initiatives by the Union Government. A brief analysis of the informal trade in NER with these two countries will also be discussed in this section.

Land Customs Stations (LCS) plays an important role in facilitating trade. Any official trade between the neighbouring countries are routed through these stations. There are 40 LCS in the region connecting three neighbouring countries- Bangladesh, Bhutan and Myanmar. Majority of the LCS are with Bangladesh (33). There are 4 LCS with Myanmar and 3 with Bhutan. But only 50 per cent of the LCS's are functional. There is only 1 functional LCS each along Bhutan and Myanmar, the rest are with Bangladesh (18)[6]. The long list of non-functional LCS does not portray a satisfactory picture for trade facilitation in the region. A detailed list of LCS in NER is provided in Appendix XII.

According to the estimates of the Planning Commission, during the period 1997-98 to 2005-06, the average value of trade of NER and NC's has been around Rs. 406 crores.

Table-XII shows the details of export and import from NER to the NC's. Balance of trade is heavily in favour of the North Eastern Region (India). In 1997-98, exports constituted more than 88 per cent of the total trade while imports were just over 11 per cent. The pattern of trade remained similar during 2005-06[7] also.

Table VI: NER'S Trade with NC's from 1997-98 to 2005-06(In Rs crore)

Year	Export	Import	Total Trade
1997-98	389.69 (88.78)	49.25 (11.22)	438.94
1998-99	406.54 (94.84)	22.1 (5.15)	428.64
1999-00	393.55 (95.45)	18.75 (4.54)	412.3
2000-01	404.23 (95.38)	19.57 (4.62)	423.8
2001-02	384.47 (96.02)	15.94 (3.98)	400.41
2002-03	409.36 (90.78)	41.57 (9.22)	450.93
2003-04	434.96 (87.71)	60.95 (12.29)	495.91
2004-05	392.03 (92.75)	30.64 (7.24)	422.67
2005-06	437.81 (86.99)	65.46 (13.00)	503.27

Source: http://megplanning.gov.in/report/Task_Force_Report.pdf

The Planning Commission's report on NER 's border trade with the NC's(Table-VII) indicates that the region mainly exports primary products like boulder stone, limestone, fruits, tea, coal etc. Nearly 94 per cent of exports from the region consist of tea and coal. On the other hand, manufactured goods have a negligible presence in the export basket. Even the manufactured goods produced in areas other than North East are not very significant in official border trade[8].

Table VII: Major Export Items from NER(In Rs crore)

Item	Point of Export	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Tea	ICD, Amingaon	219.59	250.32	195.64	200.73	184.86	188.65	199.66
Coal	LCS, Bangladesh	105.62	135.87	150.67	188.61	227.14	175.08	199.14
Limestone	"	29.20	4.34	13.75	4.46	7.46	9.24	12.05
Boulder	"	3.99	3.62	2.18	1.99	0.99	0.65	0.52
Ginger	"	2.27	0.26	2.75	3.04	1.16	3.63	2.90
Fruits	"	0.56	0.95	1.36	1.12	1.31	1.25	1.65
Vegetables	"	0.05	0	0.05	0.02	0.11	0.16	0.006
Perfumery	LGBI, Guwahati	0.03	0.24	0.39	0.72	0.42	0.87	0.64
Soyabari	Moreh, Myanmar	2.24	4.43	0.97	1.28	1.44	1.53	2.08

Cumin	"	0.13	0.47	0.12	1.91	0.46	1.04	1.07
Flour	"	0.77	0.35	N A	N A	3.17	1.70	N A
Others		31.45	3.22	11.27	6.23	6.48	8.24	18.08
Total		395.90	400.85	379.15	410.12	435.00	392.04	437.81

Source: http://megplanning.gov.in/report/Task_Force_Report.pdf

Total exports from the NER have increased from Rs 395.90 to Rs 437.81 crores in the period 1999-2000 to 2005-06 with fluctuations in between. In terms of the items of export, the major commodities have remained the same although there has been change in their quantum and contribution to total exports from the region. During 1999-2000, tea (55.47 per cent), coal (26.68 per cent) and limestone (7.38 per cent) contributed nearly 90 per cent of the total exports from the region. The share of these three items increased to 94 per cent in 2005-06. The share of tea (45.60 per cent) has fallen significantly although it is still the single most exported item from the North East. Share of coal has increased significantly from 26.68 to 45.49 per cent, while that of limestone has fallen from 7.38 to 2.75 per cent[9]. Export of coal is fast becoming the most important item, mainly to Bangladesh. It caters to the rising demand in their household and the industrial sectors. All other items of export show marginal changes over the years.

Imports to NER mainly consist of manufactured products and processed food items like fish, dry ginger, yellow peas, cement, multi-wall paper sacks, laminated poly bags, machinery equipment and parts, mustard, soya and pamolein oil. These items comprise 50 per cent of the imports to the region.

NER-Myanmar Trade

NER shares a border of 1643 kms with Myanmar. Four states of the region - Arunachal Pradesh (520 kms), Mizoram (510 kms), Manipur (398 kms) and Nagaland (215 kms) - share their borders with Myanmar. Contemporary border trade with Myanmar involves three areas, the Champhai border in Mizoram, Lungwa border in Nagaland and the Moreh-Tamu sector in Manipur. However, the major part of trade takes place through the Moreh-Tamu sector because of comparatively better infrastructural facilities.

To facilitate official trade The Indo-Myanmar Border Trade Agreement was signed on January 21, 1994. Accordingly, Moreh was transformed into a Land Custom Station on April 12, 1995. The Indo-Myanmar Border Trade Agreement introduced a three tier trade system[10]

i) Traditional Free Exchange: where locally produced items up to US $1000 are allowed to be exchanged between the indigenous people residing up to 40 kms on either side of the border with simple documentation without any GR formalities.

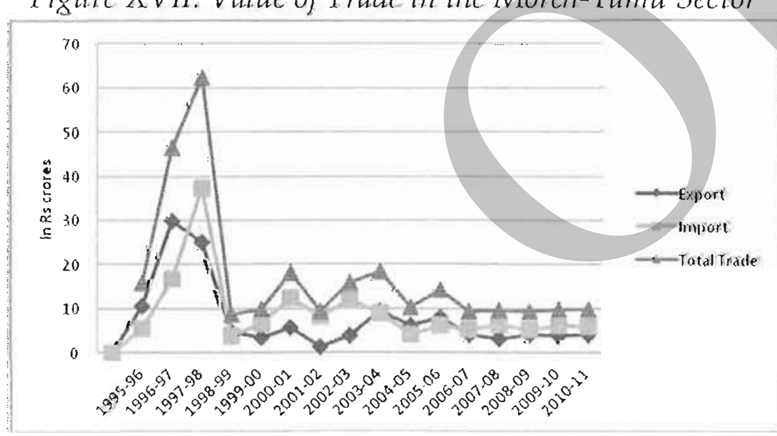
ii) Barter Trade: where 22 agreed items up to US $20,000 can be traded with GR formalities, where the traders must possess IEC number allotted by DGFT. They should pay customs duties. The items include locally produced agricultural items and minor forest produces. (See Appendix XIII for list of items)

iii) Normal Trade: trade is allowed here under the Letter of Credit System as per the EXIM Policy guidelines

As mentioned, Indo-Myanmar formal trade has been mainly limited to the Moreh-Tamu sector. Analysis of data in this sector reveals that after the initial spurt in trading activities there has been a sharp fall in the volume of trade. In the period 1995-96 to 1997-98 there has been a sharp increase in the total volume of trade in this sector, where both exports and imports increased considerably. Total volume of trade rose from Rs 15.84 to Rs 62.35 crores, exports increased from Rs 10.45 to Rs 25.16 crores whereas imports increased sharply from Rs 5.39 to Rs 37.19 crores. Thereafter, there has been a substantial decline in trade.

One of the earliest studies[11] on border trade between NER and Myanmar shows that out of the total exports of about Rs 30 crores in 1996-97 nearly 80 per cent consisted of manufactured goods and the rest were agro-horticultural products. Most of the manufactured items that were traded through Moreh originated from outside NER. Similarly, agricultural and horticultural products imported from Myanmar originated from outside the country. This shows that the Moreh-Tamu sector is a transit route through which goods originating from outside the sector are exchanged.

Figure XVII: Value of Trade in the Moreh-Tamu Sector



It is also observed that the diversity of tradable items through the Moreh-Tamu sector has drastically reduced with the decline in volumes of trade. Earlier, wheat flour consisted of 70 per cent of the total exports, which in subsequent years have fallen to 10 per cent. Now Indian variety has been replaced by Australian wheat flour which is costlier compared to the Indian product. So wheat has now been replaced by Buffalo Appall (a dried buffalo meat product), Soyabari and Cumin seed. Similar is the case of imports from Myanmar. The diversified export profile has now been restricted to beetle nuts only[12]. (See Appendix XIV, XV& XVI).

There are a number of reasons behind the decline in formal trade between India and Myanmar. Firstly, formalising border trade has resulted in limiting the number of traded items as per the Agreement norms. Secondly, formalised barter trade now requires the value of exports to be matched with the value of imports, which was not so prior to the Trade Agreement. Similarly, exchange rates of currencies involved are a major source of problem among the traders. The huge difference between the official exchange rate and the prevailing unofficial rate (between Rupee and Kyat) in the Moreh-Tamu sector adds to complication[13]. All these inter related factors result in restricting the operation of formal trade. This is being aptly exploited by the people involved in informal trade.

NER-Bangladesh Trade

NER and Bangladesh have shared age old social, economic and cultural ties. Partition of the sub-continent in 1947 disrupted these ties and then after 1971, the links were totally impassable. NER and Bangladesh share a boundary of 1880 km marked by land and rivers. Four north eastern states namely Tripura, Meghalaya, Mizoram and Assam share their boundaries with Bangladesh. Presently, there are 33 LC's along the NER-Bangladesh border, among them 18 are functional, which co-ordinate official border trade between these two regions.

During 1999-00 to 2010-11, average trade between NER and Bangladesh was of Rs260.41 crores, average exports consisted ofRs233.30 crores and imports Rs27.05 crores. NER enjoyed a trade surplus during the entire period (Appendix XVII).

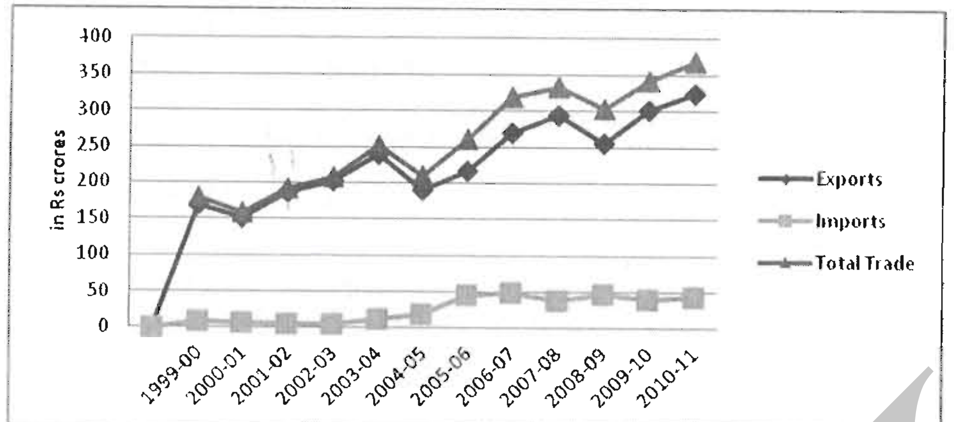
Table VIII: NER-Bangladesh Border (in kms)

Type/State	Tripura	Meghalaya	Mizoram	Assam
Land	773	443	58	160
Riverine	83	-	260	103
Total	856	443	318	263

During 1996-97, NER's export to Bangladesh accounted for 3.36 per cent of the total India's exports to the nation. Among the states in the region Meghalaya contributed more than 83 per cent, Assam 16.80 per cent and Tripura 0.16 per cent. Among the items exported, mineral products comprised 90 per cent and horticultural products a little over 5 per cent[14]. The rest consisted of agro-horticultural products produced outside the region but exported through the LCS's of the region. Almost all the items exported from the region were without any value addition.

Minerals mainly comprising of coal and limestone were supplied from Meghalaya to meet the demand of industrial units such as Chhatak Cement Company, Lafarge Surma Cement Company, jute mills, brick kilns and tea gardens in Bangladesh. The situation has not changed over the years.

Figure XVIII: NER-Bangladesh Trade, 1999-2000 to 2010-11



Mineral products comprised 97.87 per cent of the total exports through the region during 2000-01, while all other items comprised the rest. During 2010-11, the scenario has remained the same with a marginal increase (98.45 per cent) in exports of mineral products.

Minerals included coal, limestone, boulders, stone chips, and sandstones. Fruits included orange, pears, citrus fruits, grape, jackfruits, while agricultural and forest products included vegetables, ginger, onion, turmeric, dry chilly, potato, betel leaves, tomato, bamboo etc. 'Others' mainly comprised electronic goods, motor parts and handloom items.

Table IX: Items Exported to Bangladesh through LCS's in NER

Items	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Mineral Products	148.0	182.4	197.3	235.5	185.0	208.7	262.9	288.1	250.8	293.6	319.2
Fish & Animal products and feeds etc.	0.11	0.16	0.004	0.18	0.35	0.23	0.31	0.29	0.27	0.22	0.39
Fruits	0.96	1.37	1.19	1.31	0.71	.96	1.44	1.13	1.47	1.25	1.19
Agricultural & Forest Products	1.19	1.73	3.52	1.88	4.20	4.04	4.55	3.56	2.98	4.98	3.03
Others	0.96	0.14	0.60	1.06	0.11	1.93	.57	.42	.71	1.01	.43
Total	151.2	185.8	202.7	240.0	190.4	215.9	269.7	293.5	256.2	301.1	324.3

Source: Office of the Commissioner of Customs, Shillong

If we analyse the exports of various items to Bangladesh through the LCS located in NER, it is observed that Shillong division deals with the major chunk. During 2000-01, this division handled over 61 per cent of the total exports (in terms of value) from the region. This share increased to nearly 77 per cent during 2010-11. The share of other divisions, namely Karimganj, Guwahati and Dhubri has registered a decline. This is mainly due to the fact that as the export of mineral products increased over the years the quantum of exports handled by the Shillong division also increased accordingly.

Imports from Bangladesh to NER take place mainly through the Agartala division although the value of trade has declined in this section. All other sections, namely Shillong, Karimganj and Dhubri registered an increase, the highest being in the Karimganj section. Items of import which are consistently found over the years comprise raw and processed items such as *hilsa* fish and dry fish. Other than these two, a host of other items including electronics goods, confectionaries, soft drinks, garments etc. appear sporadically.

Informal Trade

Why do informal trade flourish between two nations? Although it requires a separate study to understand the phenomenon in totality there can certainly be several general interpretations related with this problem. It can be always argued that if there are tariff differentials and/or barriers to trade between two countries with complimentary demand patterns there is adequate space for informal trade to flourish to meet the deficient demand. Again, if there are price differential of commodities due to the interplay of domestic policies e.g. subsidies, then informal trade can occur by diversion of subsidised products from one place to another. This can also be the case if there are hugely different patterns of currency valuations.

Table X: Value of Exports through different LCS in NER(in Rs. Crores)

Land Custom Stations	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Shillong Division	92.4	132.2	139.4	164.8	147.1	152.5	201.3	219.2	192.2	222.5	249.5
Karimganj Division	20.7	17.8	29.1	48.4	25.1	28.4	29.3	38.4	31.7	37.5	34.1
Agartala Division	0.7	1.3	1.7	1.2	1.4	1.3	1.2	1.4	1.3	1.8	1.6
Guwahati Division	25.3	29.0	25.6	18.2	24.4	31.8	34.8	32.3	29.7	36.4	37.2
Dhubri Division	12.2	5.7	7.1	5.6	1.5	2.0	3.3	2.3	1.3	2.9	1.9
Total	151.2	185.9	202.5	238.1	190.4	215.9	269.8	293.6	256.2	301.1	324.3

Source: Office of the Commissioner of Customs, Shillong

Table XI: Value of Imports through different LCS in NER (in Rs. Crores)

Land Custom Stations	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Shillong Division	0.0039	0.02	0.02	0.05	0.09	0.98	2.48	1.37	2.14	1.02	1.87
Karimganj Division	0.9021	1.09	0.24	1.68	5.79	13.84	14.01	11.37	16.47	13.29	15.27
Agartala Division	6.16	4.39	5.79	9.14	13.07	27.57	31.79	24.78	26.41	25.11	25.87
Dhubri Division	-	-	0.04	0.21	0.64	3.25	2.39	1.93	2.47	1.35	0.26
Total	7.19	5.5	6.09	11.52	19.59	45.64	48.67	39.45	47.49	40.77	43.27

Source: Office of the Commissioner of Customs, Shillong

On the other, there may be historical patterns of institutional mechanism among the people in a region for trade and commerce which if exploited by the informal traders' can result in continuation of informal trade. Transaction cost among the informal pattern in that case may be lesser comparative to formal trade arrangements. Lack of infrastructure, high rate of corruption and rent-seeking etc. can also adversely affect formal trade. Thus, there may be variety of reasons ranging from policy issues, aspects related to cost as well as institutional mechanisms that creates ideal conditions where informal trade flourishes at the cost of formal trade. These general impressions are also associated with informal trade in NER with its NC's.

We will discuss briefly the quantum, composition and route of informal trade between NER- Myanmar and Bangladesh.

Myanmar

There can be number of reasons for informal trade between NER and Myanmar. First, although geographically they are divided through political boundaries of the nation state they continue to enjoy a shared ethnic boundary (with varying degrees) and so what appears to be international trade for New Delhi is nothing but traditional trade for these people. In fact, political boundaries have severed their normal economic ties leading to shortages and higher prices[15]. Secondly, the demarcation between the formal and informal trade becomes thin because of widespread involvement of people from different walks of life, such as politicians, bureaucrats, security personnel, enforcement agencies as well as other people from civil society. Thirdly, trade with Myanmar is more often a transit trade of goods and commodities produced in other countries, which creates conditions for informal trade.

Informal trade along the Indo-Myanmar border is a huge business. It is not only difficult to estimate the volumes of such a trade but also difficult to understand its totality. Estimation varies from one study to another. During the recent years, the Indian Institute of Foreign Trade, New Delhi[16]estimated the annual volume of trade in the NER-Myanmar border. It is estimated to be Rs 2200 crores during 1995. The Moreh-Tamu sector contributed Rs 1600 crores, Champhai Rs 500 crores and Lungwa Rs 100 crores to the informal trade. But this calculation has been described as simplistic that results in over-estimation. However, even if for argument's sake the estimates of IIFT are taken into consideration, the gap between the formal and informal trade seems to be enormous, about 44 times compared to the formal trade[17]. In another exercise, Indian Institute of Entrepreneurship, Guwahati[18], estimated the volume of informal trade based on custom seizure data. According to this report, the value of informal trade was Rs 224.90 crores, during 2000-01, where 86.88 per cent of the same was routed through Manipur. The rest was through Mizoram. If we take the value of trade as calculated by IIED, the estimates for informal trade is 10 times more than the formal trade in the Manipur sector. In a separate estimation, also based on custom seizure data, Bezbaruah[19] calculated the volume of informal trade at Rs 227.73 crores for the year 2003-04. According to his estimates, Manipur contributed about 80 per cent to the value of informal trade. Here, the volume of informal trade will be therefore more than 12 times higher than formal trade. Thus although there are huge variations in the estimation of the value of informal trade, it is clear that formal trade represents only a small portion of the total trade between NER and Myanmar and the bulk of trading takes place through informal channels. Although Myanmar has borders with four North Eastern states, informal trade takes place mainly through Manipur and partly through Mizoram. In other areas, strict border vigilance to curb insurgency as well as the poor economic condition of the people on either side of the border resulting in little demand for imported consumer goods are some of the reasons for the absence of informal trade[20]. Along the routes used for informal trade, Moreh in Manipur and Champhai in Mizoram are most active. It is a group-functioning activity through wide ranging networks from the local agents at the border to those operating at the marketing centres (See Appendix XVIII and XIX).

Commodities and items entering from Myanmar vary widely. Among them agricultural and forest products such as agar woods, pulses, groundnuts, betelnuts, gems, precious stones originate from Myanmar, while other goods ranging from electrical and electronics, textiles and footwear, cosmetics and toiletry as well as high value metals and other stationeries are from other South East Asian nations. Moreover, drugs, narcotics as well as arms comprise an important (which is yet to be properly estimated) component of informal trade through these borders. On the other hand, informal exports to Myanmar include manufactured items such as motor cycles, bicycles, agricultural implements, paints, baby food, medicines, fuel etc. Chemicals used as inputs for producing narcotics also comprise an important item of informal exports from the North East[21]

During 2003-04, composition of imports from Myanmar comprised about 50 per cent electronics and electrical equipment. Textiles and footwear (17 per cent) were the second biggest items of imports. There were various other categories of items that were imported from Myanmar but their share was much less compared to these two categories. In this regard, it is interesting to note that there was a difference in the import profile among the two states - Manipur and Mizoram through which informal trade was rampant. While in Manipur, electronics & electrical items comprised the largest component of imports, along with generator sets, inverters and inverter batteries mainly to meet the local requirements in the state where power shortage is a severe menace. On the other hand, a better-off state like Mizoram shows preference for textiles and footwear. It is also observed that recently Mizoram is slowly becoming the preferred route for informal imports vis-à-vis Manipur because of the prevailing adverse law and order situation in the latter[22].

Bangladesh

There may be several reasons for the growth of informal trade between NER and Bangladesh. The unmanned, unprotected and less than properly demarcated borders

create ideal conditions which are exploited for informal trade. Secondly, the linguistic and cultural homogeneity of the people residing on either side of the border gives rise to situation, where law enforcing agencies find it difficult to locate people involved in informal trade. In a field based study related to ascertain the reasons associated with informal trade between NER and Bangladesh, Pohit (2008)[23] cites that institutional factors and transaction cost are the dominating factors that facilitates informal trade compared to formal arrangements.

NCAER[24](1995) undertook a study related to informal trade covering 3 districts each from Assam and Tripura (other than 9 districts of West Bengal) and aggregated their findings at the state level. According to this study, the value of informal trade in Assam was Rs. 35.50 crores and the same for Tripura was Rs. 8.10 crores. The study identified sugar as the single most important commodity of informal trade followed by printed saris along the Karimganj sector in Assam. In other districts of Assam and Tripura, wood and timber-based products were the major commodities informally exported to Bangladesh. In terms of the group of commodities, food and live animals comprised 40 per cent from Assam, while in Tripura, forest products comprised more than 52 per cent of all the commodities exported informally.

RIS[25](1996) conducted a study titled India's Border Trade with Select Neighbouring Countries where they quantified the value of exports at Rs. 42010 lakh (Rs.42.01 crores) and imports at Rs. 13162 lakh (Rs. 13.16 crores). The study found that exports from NER were higher through Mizoram and Meghalaya whereas through Assam and Tripura imports were prominent. Tripura and Assam were the two important states through which informal trade was largely practised. There are a few other studies concerned with the volume and composition of informal trade. Bakht[26] (1996) estimated that informal exports to India were at least 6 times higher than legal exports thereby showing the huge quantum of informal trade. On the other, Rahman[27] (2004) calculates that illegal imports and exports are as large as their formal counterparts. He states that illegal exports from Bangladesh to the NER are limited to few high value items such as gold. Halder[28] (2008) estimates the ratio of legal to illegal import from India at 1:1.5. Notwithstanding the variety of estimates provided by scholars about the quantum, direction and composition of informal trade it is well understood that there exists a huge network of informal trade between Bangladesh and the NER.

Scope for Informal trade in areas where the functional LCS are located is limited because of the presence of vigilance and enforcement authorities. But there appears to be lot of scope for informal trade in the adjacent areas of functional LCS and non-functional LCS due to the operation of various syndicates on both sides of the border. It is sometimes puzzling to find that the items included under formal trade are also found in informal trade. This may be because of quota and restriction on the quantum of items to be traded. As the market for such commodities are large, the shortfall due to restriction is compensated through informal trade. Moreover, it is also possible that the items which are traded informally are those which have escaped the vigil of the enforcement authorities as well.

Informal exports from NER to Bangladesh include spices (23 per cent), textiles (13 per cent), sugar (12 per cent), pharmaceutical products (10 per cent), processed food (9 per cent), cereals (8 per cent), fish (6 per cent) and fruits (3 per cent). On the other hand, informal imports from Bangladesh comprise electronic items (20 per cent), jute (15 per cent), plastic products (10 per cent), palm oil (7 per cent), spices (4 per cent), textiles and fish (4 per cent each)[29] (See Appendix XX)

The amount of seizures of informally traded goods and commodities can be used as an indicative measure for ascertaining the quantum of informal trade. They provide some snippets regarding informal trade. According to the Commissioner of Customs, Shillong, from 2000-01 to 2011-12 there were 84,186 cases of seizure in NER where the total value involved amounted to Rs123.80 crores. The number of cases has shown a declining trend although there is a steep rise in value terms of the goods ceased. This indicates the trade of valuable goods in the informal variety. A list of informally traded items is provided in the Appendix- XVII as per the records of Customs officials of Shillong (Appendix XXI).

Other Selective Indicators

Selective indicators that help us to have abroad overview about the macro-trends of the region are included in this section. Index of Dependency shows the gap between the local production and consumption in NER while the infrastructure index highlights how this region is positioned socially and economically vis-à-vis India. On the other, a brief analysis about the state of public finances will exhibit the nature of fund transfer into NER and the status of revenue generation by the individual states.

Index of Production and Consumption Dependency

Estimating the production and consumption share of agricultural, horticultural and animal products of NER and comparing them with the all India estimates would have highlighted the difference between production and requirement of the region and the levels of imports. But due to non-availability of data from various states a calculation has been attempted based on the state's share in the national consumption expenditure along with the state's share of production of selected items within national production.

A study[30] was undertaken whereby the dependency index has been estimated as the ratio between the consumption share and production share. Items reporting a dependency index of greater than 100 showed the dependence of the state on that particular item from outside supplies.

Table XII: Dependency Index in NER

Items	Arunachal	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Tripura
Cereals	119.15	151.6	143.45	310.52	419.3	182.87	146.49
Cereal Substitute	-	129.35	9.66	38.82	21.91	-	731.7
Pulses &Products	270.27	459.64	-	-	-	133.15	442.44
Edible Oil	26.88	81.19	326.03	252.25	255.35	69.05	197.18
Fruits	47.94	86.02	33.52	16.95	30.99	379.96	23.3
Spices	-	288.15	273.21	19.9	20.5	131.99	234.34
Pan, Tobacco &Intoxicants	-	618.7	-	260.12	37.71	-	974.8
Clothing	-	34814	4946.31	479.48	627	8158.52	2489.59

Source: Calculated from the paper of Swandwip Das and Monica Das: 2005 in Alokesh Baruah (ed.) India's North-East

It is indicative from Table XXII that all the states have to overwhelmingly depend upon supply from outside the region for cereals. Arunachal Pradesh, Assam and Nagaland have some advantage in case of edible oil. Dependence on fruits is found in Nagaland while other states enjoy local production. There is an overwhelming dependence for clothing all throughout the region. Though these are very crude estimates and are not based on current figures they are indicative of the trend of production and consumption of various commodities and they show that in order to meet the consumption requirement of NER, it is by and large dependent on supplies from outside the region.

The Vision Document also arrives at similar findings. The Dependency Index calculated in the Document shows that for spices, meat and fruits the region is not solely dependent on supplies from outside. In all other cases, NER is overwhelmingly dependent on supplies from outside the region[31].

Infrastructure Index

Infrastructure is a multiple and complex phenomenon in an economy as it not only augments production and consumption but also has a spill over effect that further adds to the process of economic regeneration. Infrastructure means a lot of things taken together e.g. road, communication, power etc. to name a few. Instead of dealing with each component of infrastructure separately we will consider the Index of Social and Economic Infrastructure as used in the Plan documents based on Finance Commission Reports[32].

Table XIII: Index of Social and Economic Infrastructure

States	Index	Difference
Arunachal	69.71	-130.86
Assam	77.72	-122.85
Manipur	75.39	-125.18
Meghalaya	75.49	-125.08
Mizoram	82.13	-118.44
Nagaland	76.14	-124.43
Tripura	74.87	-125.7

Source: Source: Xth Plan Document, Planning Commission

In spite of the huge propaganda about infrastructure development in order to end the region's isolation it is observed from Table-XXIII that Arunachal Pradesh has the lowest index of infrastructure in India. Among NER, Tripura, Manipur and Meghalaya have very poor infrastructure. Among all the north eastern states Mizoram has somewhat better levels of infrastructure. The third column in the Table shows the difference in the levels of infrastructure with the highest ranked state, namely, Goa (200.57). The differences are striking. With such a low level of infrastructure available in NER isn't it a fanciful wish that the region should become the arrowhead of India's Look East Policy?

Central Assistance

To bridge the development deficit of the NER vis-à-vis India a plethora of agencies, schemes and assistance programme have been initiated at various points of time. It includes among various measures the formation of North Eastern Council (NEC, 1972),the special category status and the non-lapsable central pool of resources (operationalized during 1998-99); and Department of Development of North Eastern Region (DONER, 2001) as institutions especially focused on the development of NER along with the Special Area Programme under the Planning Commission. It is a different story as to how effective these mechanisms are; here we limit our analysis with the amount of resource transfer from the central government as well as agencies to the state governments to take a stock of the fund flow in the region.

To deal with the special problems of the region higher levels of central assistance to the State Plans have been an inseparable part of public finance in the region. The Xth Plan documents states that for the year 2001-02, the average per capita central assistance for state Plans for all the states in the region taken together was Rs.1, 546, compared to Rs.356 for the

country as a whole[33]. (These figures are arrived at without taking into account the special arrangements and initiatives routed through the NEC and/or DONER). This increased to Rs.2, 574.98 for NER against the all India average of Rs.683.94 during 2006-07.

The higher per capita central assistance is apparent from Table-XIV where we have estimated the same during the Xth Plan periods. The central assistance for state plans in the region is nearly three to four times higher compared to the all India average. This is indicative of the amount of resource transfer through various central agencies to NER.

Table XIV: Per Capita Central Assistance to State Plans in NER during Xth Plan Period

NER-States	2002–03	Per Cap	2003–04	Per Cap	2004–05	Per Cap	2005–06	Per Cap	2006–07	Per Cap
Arunachal	653.2	5937.8	695.5	6322.6	802.5	7295.4	859.3	7811.9	939.5	8540.9
Assam	1963.0	738.0	2043.5	768.2	2721.0	1022.9	2907.5	1093.0	3008.0	1130.8
Manipur	609.7	2540.5	668.8	2786.6	874.4	3643.3	1080.7	4502.9	1216.5	5068.6
Meghalaya	452.6	2263.0	492.2	2461.2	611.4	3056.8	656.2	3281.2	695.8	3478.9
Mizoram	471.2	5236.0	555.4	6171.3	675.7	7508.0	705.0	7833.3	717.3	7969.4
Nagaland	497.4	2486.8	546.3	2731.7	662.1	3310.3	642.6	3213.2	722.0	3609.9
Tripura	683.6	2136.3	754.9	2359.2	876.2	2738.0	861.0	2690.6	976.2	3050.7
Total NE	5330.7	1395.5	5756.7	1507.0	7223.2	1890.9	7712.3	2018.9	8275.2	2166.3
Non-special Category States	43829.9	455.8	46568.4	484.2	50343.9	523.5	51455.2	535.0	54820.4	570.0
India	54179.7	528.4	58862.7	574.1	64224.1	626.3	66015.0	643.8	70130.7	683.9

Source: Calculated from the Xth Plan Document, Planning Commission

Through the North Eastern Council and the Non-Lapsable Central Pool of Resources a sum of Rs.3174.86 crores was transferred from 1997-98 to 2001-02. On the other hand, DONER was created in 2001 for a dedicated approach to planning and implementation in the region. It acts as a nodal agency for the thrust areas for the rapid development of NER & Sikkim, and it has identified 28 programmes/schemes which are implemented with an estimated expenditure of more than Rs13, 300 crores[34].

Table XV: Central Assistance through NEC and NLCPR (Rs. in crores)

Agency	1997-98	1998-99	1999-00	2000-01	2001-02	Total
NEC	319.16	368.55	413.53	409.58	414.82	1925.64
NLCPR	-	111.95	387.91	307.26	442.10	1249.22

Source: Xth Plan Document, Planning Commission

Transfer of resources from the central agencies to the states of NER seems to be apparent when we consider the persistent development-gaps plaguing the region. But in that case has there been equal effort by the states to mobilise resources from within. There are few studies dealing with this aspect concerning the states in NER. One study was undertaken by Mishra[35] for two states of the region, namely, Nagaland and Meghalaya over a period of thirty years. The study illustrates that the ratio of states own tax revenue to the total tax revenue in Nagaland has fallen from 0.66 to 0.12 from 1963-64 to 2000-01. For Meghalaya, it has increased marginally from 0.36 to 0.43 from 1972-73 to 2001-02. On the other hand, Meghalaya's own tax revenue to NSDP has increased from 1.15 per cent to 4.30 per cent during the same period while for Nagaland it has increased at a much slower rate from 1 per cent to 2.80 per cent. As a result, total resource transferred to aggregate state's expenditure for Nagaland was 82 per cent during the Third Plan (1963-64 to 1965-66) which declined marginally to 78 per cent during the Ninth Plan period (1997-98 to 2000-01) and for Meghalaya it increased from 62.29 per cent in 1972-73 to 63.65 per cent during 2001-02. So, if one goes by the parameter of transfer of financial resources from the Central agencies to the states, the NER surely enjoys a very limited amount of self-reliance and therefore has to depend upon the Indian state for its sustenance. The figures related to such transfers during the Xth Plan (Table-XVI) also exhibit similar patterns.

These are indicative of the substantial amount of transfer of resources from the Central agencies to the state governments in the region. As to what implications does a region, like NER manifests when it is flooded with such huge amount of financial resources within a short period of time, remains an interesting area of further research?

TableXVI: Central Assistance and States Own Resources in the Tenth Plan (Rs. Crores)

State	States Own Resources	Central Assistance	Total
Arunachal Pradesh	492.07	3396.25	3888.32
Assam	-1212.37	9527.6	8315.23
Manipur	-362.42	3166.42	2804
Meghalaya	-23.71	2323.15	2299.44
Mizoram	-346.93	2399.44	2052.51
Nagaland	-366.82	2594.47	2227.65
Tripura	491.55	4008.45	4500
NER	-1328.63	27415.78	26087.15

Source: Xth Plan Document, Planning Commission

In Lieu of Conclusion

India's Look East Policy has been an effort to re-define and re-locate its position in the region and the world order. It is thereby seamlessly entwined with foreign policy aspirations, strategic initiatives, economic co-operation and security considerations of the Indian state. India's participation in various regional and sub-regional groupings including the ASEAN, BIMSTEC, Mekong-Ganga Co-operation, Bay of Bengal Initiative, The Indian Ocean Rim Association for Regional Co-operation, Kunming Initiative, Asian Highway as well as the Trans Asian Railway Network[36] are all part of this policy initiative.

In this regards, the North East with its tremendous geo-economic potential provides the alibi for India's co-operation with its immediate neighbours such as Bangladesh, China and Myanmar and not so distant neighbours in the ASEAN. This secures dual prospects, namely economic and strategic interest. On the one hand, the hydro-power of Nepal and Bhutan, gas reserves of Burma, transit facility through Bangladesh, as well as inter-regional private sector investments can add to the India's growth story and on the other, it possesses a security advantage, where strategic co-operation with these nations can give India the upper hand in dealing with the scores of insurgent groups belonging to the NER as well as act as a bulwark against Chinese machinations[37]. The region is therefore needed to become the arrowhead of India's LEP. But the question remains as to 'whose' load and aspiration will the arrow carry forward?

The LEP has tried to incorporate the region through the NER Vision 2020. Observers feel that when the vision document was launched with much fun fare in New Delhi, people in North East were "indifferent to this grand vision"[38]. For in NER "who initiates" a programme is sometimes more important compared to "what is initiated"[39]. Any new formulation undertaken by the agencies of the state often leads to indifference among the people as the masses are more influenced by retrospection instead of future windfalls promised by the Indian state. It seems that there were some attempts made prior to the finalisation of the vision document, to place it for discussion in the public domain. But either it was mere window dressing or the draft committee had little knowledge of the public space in NER. Public space or for that matter public sphere and their organisations e.g. the civil society in the region is jettisoned between the state and its agenda of counter-insurgency from 'above' and the ethno-nationalist politics of identity assertion from 'below'. This leaves very little space for the people and the civil society to speak in a different tone that does not adhere to either of the two viewpoints. It is not only a constricted domain but a dangerous space to fiddle with. In this 'controlled' public space, the 'public' which occupies the space is either the beneficiary of the state or the representatives of dominant ethnic groups rewarded for playing to the tunes of the state[40]. Therefore, it is hardly surprising that there was no recorded dissent related to the vision document prepared by six authors and six research associates where only one belonged to from the region[41] (Assam)during the so-called discussion with the people of the region. So the view that people of the region overwhelmingly accepted the document may have few takers.

Secondly, despite of a recent increase in the growth rates in the region there is hardly any difference in the long term comparative rates during the pre and post liberalization period. In fact, there has been a perpetual decline in the contribution of NER to national income.

Thirdly, primary sector's contribution to the regional income has registered decline yet more than 67 per cent of the rural and 10 per cent of the urban workforce is engaged here. This indicates that agriculture is overcrowded and also shows that the development agenda has failed to create opportunities for the shift of workforce to other sectors. Under these circumstances can only technology-infusion in agriculture change the situation? The secondary sector shows a marginal rise in its contribution but in terms of workforce employed there is hardly any significant change both in rural and urban areas. It is a construction led growth. Manufacturing has shown a declining trend both in terms of state income and employment In NER. This surely indicates a lack of industrial investment in the region. Surprisingly, during the period 1999-2000 and 2004-05, manufacturing shows the highest employment elasticity among all other sectors in the economy despite its lower growth rate[42].The contribution of the tertiary sector has increased but has failed to create additional employment opportunities. Despite of a 12 per cent decrease in employment during 1993-94 to 2009-10, the aggregated category of 'Public Administration and Others' continued to be the largest employer of urban workforce in NER. This skewed nature of the composition of the tertiary sector fails to add much vibrancy to the economic system and is therefore more of a residual category.

Fourthly, combined usual unemployment rates in NER are nearly three times higher in rural areas and double in urban areas compared to the Indian rates. Divergence between usual and daily rates of unemployment indicates lack of permanence in employment opportunities in the region. While youth unemployment rates have declined in recent years, rural rates are twice as high compared to all India. Educated youth unemployment is also substantially higher in NER. In other words, all categories of unemployment are very high in the region compared to the all India figures. This raises some serious questions about the development agenda pursued in the region in terms of its ability to utilise the manpower in NER.

Even a cursory look at the macro-economic trends and the associated figures suggest that the region is caught in a trap of low equilibrium. Overhauling the development paradigm of the region seems to be long overdue, which the Vision Document identifies in the form of stimulating infrastructure creation and generation of border trade.

Fifthly, our analysis on border trade indicates that the hype concerning it generates more heat than light. Trade that flourishes between NER and the NC's is not formal but informal. The range of commodities, the quantum of trade and the innovation in trading routes are more dynamic in case of informal trade. Ironically, a more vibrant informal trade is lucrative not only for its players but also for the state and non-state agencies. Such factors play an important role in understanding as to why informal trade flourishes in the region[43].

Policy prescriptions for trade openness mean little, if it is not substantiated by trade facilitation. Similarly, prioritising tariff liberalisation through signing of FTA and assigning MFN status will have sub-optimal effects, until streamlined with transport liberalisation[44]. This has been neglected by our policy framers. India's contradiction regarding the opening of the Stilwell road connecting NER with Myanmar is a pointer in this direction where formal trade liberalisation has failed to be substantiated by transport liberalisation. In the same vein, trade liberalisation with Bangladesh is yet to bring about major changes in transport liberalisation. The inability to access the ports in neighbouring countries for the goods and commodities of NER is a drawback in this direction. Above all, the long list of non-functional LCS's does not augur well for transformation of trade relation in NER.

There are other trade related problems between NER and the NC's which have to be dealt with policy re-formulations e.g. presently, formal trade with Myanmar has in fact become restricted to fewer items (22) compared to pre-1994 Border Agreement. The traders find these items unfavourable due to their short supply. The list of tradable items should be expanded to boost normal trading relations. Similarly, measures should be undertaken to boost the local Moreh market, which has been adversely affected after the Border Trade Agreement. Local traders and purchasers from Moreh walk through Gate-II (through which trade on head load is allowed) to the Nonpalang/Tamu Market (on Myanmar's side) and return back to the Indian side. The local market at Moreh suffers enormously due to lack of business[45].

The NER-Myanmar trade suffers from another set of problems. The official exchange rate of the Myanmar currency, Kyat is about 200 times over-valued compared to the Indian Rupee[46], which makes informal trade more lucrative vis-à-vis formal. The rule whereby exports from India must precede imports from Myanmar and the balancing to be completed within a period of six months complicates the process further. Moreover, India's obsession with Rule of Origin (ROO) certificates for the trading items i.e. the original country certificate where the commodity is produced and/or manufactured and Myanmar's stand of opposing the same is hampering regional trade[47]. Although India's concern about ROO is a desperate measure to check dumping of cheap Chinese goods in Indian markets, considering the fact that Myanmar is already a member of ASEAN, Rule of Origin certificates does not stand on firm grounds. In fact, it is high time that the RTA with Myanmar should be re-looked and updated accordingly to reflect the ground level trade requirements.

Now with what basket of goods will the NER trade with the NC's? Has there been any change in the composition of trade after trade liberalisation? A glimpse into the list of traded commodities shows that there has been absolutely no change in the commodity basket. The main formal exports to Myanmar is dried buffalo meat comprising 59 per cent of the total value of exports while more than 97 per cent of the exported commodities from NER comprises primary materials namely, tea, coal, limestone and boulders. The latter items are exported to Bangladesh[48] to meet their industrial requirements. How does the region benefit from the economies of scale in production, externalities and technological innovation if there is lack of production units located in NER?

Sixthly, while one of the cornerstones of Indian development agenda seems to be 'decentralisation' the vision document of NER chalks out a different path albeit without mentioning it. As highlighted in our analysis, all the states of NER are severely dependent upon transfer of resources from the Central agencies due to their inability to gather own financial resources. In order to deal with the situation, the vision document reiterates the necessity for routing all centralised funds through DONER. But the irony is even the framing of policies and guidelines should also be done by/through the same agency. The state governments need to follow similar pattern while disbursing the funds to the district and village level institutions[49]. This is not only centralisation of funding but of thought process too. It seems that the centre-state client-patron relation works down to the district level so that loyalty and control is not vitiated. Does not such high level of centralisation lead to higher levels of corruption?

There is an urgent requirement for synchronisation of policies and the agenda for development in the region. This synchronisation can lead to integration instead of centralisation (as visualised in the vision document). Each individual state in the region is small by all standards, geographical limits as well as the size of the market. Hence, it

is imperative that we move towards an agenda for a common regional market whereby there is mobility of goods, factors of production as well as division of labour and lesser duplication of investment along with opportunities for specialisation. Only then can we have a common development programme covering the entire region[50]. The North East Industrial Policy, 1997, is a failure in this direction where the disbursed incentive and revenue forgone for all the individual states in the region has beenRs.1664.76 crores for a total investment of Rs.1067.28 crores[51]. This is surely a case of lack of synchronization in the development agenda. Can such policies be regarded as an efficient instrument for promoting industrial growth?

Trade can be an option once we have this kind of integrated approach for NER. But it must be regarded that trade liberalisation (in terms of international trade) does not have the same consequences for all the areas. Effects of trade liberalisation on poverty reduction are not uniform over districts. District level analysis in India[52] shows insignificant benefits of liberalisation with respect to poverty reduction for districts with more exposure to potential foreign competition. In this regard, regional trade within NER will be a better option instead of overemphasis on cross border trade (of course without denying its potential) where geo-political rather than geo-economical consideration reign supreme. Establishment of transport linkages and infrastructure development hereby gains momentum. Efforts should be undertaken to link all the states with Assam in a much more broadbased way as for them it is not only the gateway to Indian mainland but also the only pathway to travel from one state to another and also among the state itself[53]. Economic integration of the market can bring about the much required unity of the region which has been otherwise affected by a process of political disintegration.

Can only pumping of central funds and stamping of authority through big development[54] projects lead to functional development pattern? Does centralisation of funds and policy making lead to co-operation or alienation? Does the policy hype concerning border trade by showcasing North East as the arrowhead of India's Look East Policy mean anything for the people in the region if their growing realisation suggests that securing their region for trade (with only few primary commodities from the region) is prime, while ameliorating their condition is secondary to the Indian state?

Unless these inter-related questions are reconciled, in the overdrive for reaching out the markets of the South East Asia, North East shall continue to figure as a *pathway*rather than a *partner* for trade in the emerging world order!

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Notes and References

1. The construct referred as North East is more than often confusing. Whether it is a geographic region? If so then North and East of what? Is it an administrative category? If it is, then how do North Eastern Council (NEC) recognizes Sikkim as a part of North East yet consider the space i.e. North Bengal connecting the seven sisters with Sikkim to be a part outside the North East? Is it a creation post-North-Eastern Areas (Reorganisation) Act, 1971? Or in other words, whether the construct of North East is an historical creation or a geo-political entity?
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Agriculture	Mining & Quarrying	Manufacturing	Construction	Trade & Hotels	Transport & Communication	Financial services	Public administration,	Overall
0.98	-6.09	2.47	0.66	0.73	0.44	-0.81	-3.05	0.29

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43. The reasons for high transportation cost of goods through roadways in NER were mainly due to payment to various state and non-state agencies, other than higher hire charges. It was similar for all goods irrespective whether they carry commodities related to formal or informal trade. GulshanSachdeva quotes the high cost of transportation in the region e.g. transportation expenditure from Moreh to Dimapur was about Rs. 50,000 per truck whereas the same for Imphal to Guwahati was Rs. 35,000. For details see, Sachdeva, Gulshan, North-Eastern Economy: New Policy Options, in Baruah, Alokesh, (ed.), India's North- East: Developmental Issues In A Historical Perspective (New Delhi: Manohar& Centre De Sciences Humaines, 2005), p325
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48. During 2002-03 Meghalaya earned Rs 171.99 crore by exporting 36.54 per cent of its total limestone production and in case of coal it was 23.79 per cent of total production which contributed 6.70 per cent of the NSDP. In terms of earning it is surely a boost for the otherwise resource starved economy of the state.But what about locating the production units in the region so that these raw materials are utilised for production within the region itself? For a detailed discussion on limestone exports from Meghalaya to Bangladesh, see De, Utpal, Kumar &Kharlukhi, R,D,H, Status and Prospects of Limestone Quarrying in Meghalaya and its Trade with Bangladesh, in Das, Gurudas &Thomas, C, J, Indo-Bangladesh Border Trade: Benefiting From Neighbourhood (New Delhi:Akansha Publishing House, 2008), pp.333-47 and for coal exports to Bangladesh, see Rout, Lambodar, Meghalaya's Coal Export to Bangladesh and its Impact on Regional Economy, in Das, Gurudas &Thomas, C, J, Indo- Bangladesh Border Trade: Benefiting From Neighbourhood (New Delhi:Akansha Publishing House, 2008), pp.351-56
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53. While identifying the huge benefits that will accrue to both India and Bangladesh if they focus on trade facilitation based on opportunity cost pricing, it is argued that Assam holds the key to the success of this mechanism. For further details see, Murshid, K, A, S, "Transit and Trans-shipment: Strategic Consideration for Bangladesh and India", Economic & Political Weekly, April 23, 2011, vol. XLVI, No.17, pp.43-51
54. Overemphasizing infrastructure development and infusion of funds will mean little if the purpose of such efforts is not embedded in the real economy of the region. Historically, high doses of investment are not new to this region but they have failed to generate development. In 'A Big Push Without a Take-off' Amalendu Guha exhibits that there was "an approximate average investment of Rs10 million or so annually, for a population rising from 1.8 million in 1881 to 2.2 million in 1901" which was "presumably equal in size to some 15 to 20 per cent of the region's then existing national income" failed to generate commensurate growth. For details see, Guha, Amalendu, Medieval and Early Colonial Assam: Society, Polity, Economy (Calcutta: K.P. Bagchi &

Company, 1991). In the hindsight, one may question that with the present levels of fund flow into the region are we approaching another level of big push without a take-off?

55. On the other, infrastructure development projects are of huge proportions. Big development in NER is always associated with resource extraction by an external authority, mainly the state, which may be further exacerbated by private players as well as public-private partnership models. This can more than often lead to suspicion, dissent and dislocation in the region. The present turmoil, related to the hydro-electric potential of the region and building of dams to harness such potentials, not only between the people and the Indian state but also among the various state governments, namely, Arunachal Pradesh and Assam, is an example in this direction. Similar incidents can be cited from various parts of the region such as resistance to uranium extraction in Meghalaya and oil in Rohmoria in Dibrugarh district in Upper Assam by the people vis-a-vis the agencies of the state. Moreover, the issues of land acquisition and displacement should also be given due consideration while undertaking these development programmes. It is important to realise that in such societies where capitalist relation of production are not ripe, the connotation attached to resource is often in the form of people's resource and so at the level of perceptions ownership by the state is therefore not absolute in nature. Such perception-hiatus regarding resources, their utility and ownership may often result in skirmishes, which in the ultimate analysis will lead to further securitization of the region.

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Appendixes

Appendix I: Sub-sectoral Composition of Labour in the Primary Sector(In percentage)

States	Sub-sectors/Time	Agriculture/NSDP	Rural	Urban	M & Q/NSDP	Rural	Urban
Arunachal	1993-4	35	87	8	1	0	0
	2009-10	15.28	75.7	13.9	2.23	0.9	0.1
	Change	**-19.72**	**-11.3**	**5.9**	**1.23**	**0.9**	**0.1**
Assam	1993-4	37	79	3	6	0	6
	2009-10	20.67	69.9	2.7	7.12	0.3	2
	Change	**-16.33**	**-9.1**	**-0.3**	**1.12**	**0.3**	**-4**
Manipur	1993-4	31	64	29	0	0	0
	2009-10	20.21	52.6	19.3	0	0.3	0
	Change	**-10.79**	**-11.40**	**-9.70**	**0.00**	**0.30**	**0.00**
Meghalaya	1993-4	26	87	3	3	1	0
	2009-10	14.73	70.7	5.8	8.71	2.9	1.2
	Change	**-11.27**	**-16.30**	**2.80**	**5.71**	**1.90**	**1.20**
Mizoram	1993-4	28	89	41	0.1	0	0.2
	2009-10	17.44	80.6	36	0.23	0.2	0.6
	Change	**-10.56**	**-8.40**	**-5.00**	**0.13**	**0.20**	**0.40**
Nagaland	1993-4	21	76	6	0	1	1
	2009-10	27.43	74.1	21.9	0.06	0.1	0
	Change	**6.43**	**-1.90**	**15.90**	**0.06**	**-0.90**	**-1.00**
Tripura	1993-4	31	48	6	1	0	0
	2009-10	20.83	30.4	2.1	1.04	0.3	0
	change	**-10.17**	**-17.60**	**-3.90**	**0.04**	**0.30**	**0.00**
NER	1993-4	34	76	14	4	0	2
	2009-10	20.60	66.13	9.23	5.49	0.46	1.2
	change	**-13.40**	**-9.87**	**-4.77**	**1.49**	**0.46**	**-0.80**

1993-94& 2009-10 indicates 50th and 66th NSSO Rounds

Appendix II:Sub-sectoral Composition of Labour in the Secondary Sector(In %)

States	Sub-sectors	Manuf/NSDP	R	U	E,G &WS/NSDP	R	U	Constr/NSDP	R	U
AP	1993-4	3.1	0.8	13.3	-2	0.8	3.6	20.2	2.6	9.3
	2009-10	2.32	1.4	1.5	3.72	0.9	2.5	23.21	5.5	9.5
	change	**-0.78**	**0.6**	**-11.8**	**5.72**	**0.1**	**-1.1**	**3.01**	**2.9**	**0.2**
Assam	1993-4	8.4	3.5	10	-0.1	0.3	0.6	4.9	0.7	2.8
	2009-10	6.1	3.5	9.3	0.46	0	2.4	5.6	3.5	7.6
	change	**-2.3**	**0**	**-0.7**	**0.56**	**-0.3**	**1.8**	**0.7**	**2.8**	**4.8**
Manipur	1993-4	7.4	12.3	14.4	1	0.3	1.1	7.3	2.8	2.6
	2009-10	5.88	8.7	11.8	1.6	0	0	25.39	13.7	7.3
	change	**-1.52**	**-3.6**	**-2.6**	**0.6**	**-0.3**	**-1.1**	**18.09**	**10.9**	**4.7**
Meghalaya	1993-4	2.6	1	2.2	1.8	0.3	0.5	7.5	1.6	8
	2009-10	5.69	2.6	3.9	1.02	0.1	1.4	11.13	5.8	9.7
	change	**3.09**	**1.6**	**1.7**	**-0.78**	**-0.2**	**0.9**	**3.629**	**4.2**	**1.7**
Mizoram	1993-4	2.7	0.5	4.4	-0.4	0.1	0.3	7.1	1.2	4.8
	2009-10	1.05	1.2	4.6	1.97	0	0.1	15.09	5.2	8.8
	change	**-1.65**	**0.7**	**0.2**	**2.37**	**-0.1**	**-0.2**	**7.99**	**4**	**4**
Nagaland	1993-4	3	0.2	4.1	1.1	0.2	0.4	8.1	1.8	7.8
	2009-10	2.41	1.1	2.4	0.78	0.5	1.1	14.02	4.1	6.1
	change	**-0.59**	**0.9**	**-1.7**	**-0.32**	**0.3**	**0.7**	**5.92**	**2.3**	**-1.7**
Tripura	1993-4	3.3	5.4	8.7	-2	0.2	0.2	6.7	6.8	2.8
	2009-10	2.9	6	8.9	0.92	0	0	17.38	38.9	17.5
	change	**-0.4**	**0.6**	**0.2**	**2.92**	**-0.2**	**-0.2**	**10.68**	**32.1**	**14.7**
NER	1993-4	6.8	3.4	8.2	0	0.3	1	6.3	2.5	5.5
	2009-10	5.31	3.7	7.9	0.68	0.06	1.56	9.25	7.43	8.72
	change	**-1.49**	**0.3**	**-0.3**	**0.68**	**-0.24**	**0.56**	**2.95**	**4.93**	**3.22**

1993-94& 2009-10 indicates 50th and 66th NSSO Rounds

Appendix III: Sub-sectoral Composition of Labour in the Tertiary Sector(In percentage)

States	Sub-sectors	Trade, Hot, Res	R	U	TrspStrg, Comn	R	U	Fin Srv	R	U	Other Srv	R	U
Arunachal	1993-4	6.6	0.2	15	3.6	1.6	5.3	1.2	0.4	2.9	18.8	6.8	42.5
	2009-10	2.99	3.3	19	3.43	1.7	4.4	2.89	0.1	0.4	30.04	10.7	48.1
	Change	**-3.61**	**3.1**	**4.3**	**-0.17**	**0.1**	**-0.9**	**1.69**	**-0.3**	**-3**	**11.24**	**3.9**	**5.6**
Assam	1993-4	17.7	6.9	29	2.4	13	7.5	3.1	0.2	2	15.4	7.7	38.6
	2009-10	16.18	9.5	34	8.15	2.7	11	5.71	0.1	2	26.25	9.9	28.4
	Change	**-1.52**	**2.6**	**5**	**5.75**	**-10**	**3.8**	**2.61**	**-0.1**	**0**	**10.85**	**2.2**	**-10**
Manipur	1993-4	12.2	4.5	14	3.4	1.5	3.1	1.7	0.9	2.2	29.1	14	33.3
	2009-10	7.31	11	29	8.09	2	3.4	2.96	0	0.3	25.29	10.9	28.1
	Change	**-4.89**	**6.6**	**15**	**4.69**	**0.5**	**0.3**	**1.26**	**-0.9**	**-2**	**-3.81**	**-3.1**	**-5.2**
Meghalaya	1993-4	14.7	3.8	25	3.3	3.8	1.7	2.2	0	1.8	35.8	5.8	56.9
	2009-10	13.3	7.6	23	7.92	2.8	8.8	4.18	0.1	1.2	28.1	7.3	45.1
	Change	**-1.4**	**3.8**	**-2**	**4.62**	**-1**	**7.1**	**1.98**	**0.1**	**-1**	**-7.7**	**1.5**	**-12**
Mizoram	1993-4	16.5	1.9	15	1.1	0.1	1.3	1.1	0.1	2	49.4	9	31.4
	2009-10	11.1	3.7	17	2.54	0.6	3.9	3.55	0	0	40.67	8.5	29.2
	Change	**-5.4**	**1.8**	**2.2**	**1.44**	**0.5**	**2.6**	**2.45**	**-0.1**	**-2**	**-8.73**	**-0.5**	**-2.2**
Nagaland	1993-4	6.2	4.5	22	16.5	0.6	3.7	1.3	0	1.7	37.9	17	53.5
	2009-10	4.19	6.3	21	12.21	2.1	8.5	2.3	0	0.3	32.8	11.6	38.3
	Change	**-2.01**	**1.8**	**-1**	**-4.29**	**1.5**	**4.8**	**1**	**0**	**-1**	**-5.1**	**-5.4**	**-15**
Tripura	1993-4	17	11	17	4.5	3.2	6	2.2	0	3.9	30	26	53.8
	2009-10	11.8	11	23	4.57	3.9	11	3.19	0.8	1.9	33.16	9	36
	Change	**-5.2**	**0**	**5.6**	**0.07**	**0.7**	**4.8**	**0.99**	**0.8**	**-2**	**3.16**	**-17**	**-18**
NER	1993-4	15.9	4.7	20	3.6	1.3	4.1	2.6	0.2	2.1	20.9	12	44.5
	2009-10	14.09	9.1	29	8.52	2.66	9.2	4.88	0.5	1.40	27.93	9.83	31.9
	Change	**-1.81**	**4.4**	**9.1**	**4.92**	**1.36**	**5.1**	**2.28**	**0.3**	**-1**	**7.03**	**-2.17**	**-13**

1993-94& 2009-10 indicates 50th and 66th NSSO Rounds

Appendix IV: Percentage of Rural Usual Unemployment: Persons

States	1993-94	1999-00	2004-05	2009-10
Arunachal Pradesh	1	0.5	0.9	1.3
Assam	5.2	3.9	2.6	3.9
Manipur	1	1.9	1.1	3.8
Meghalaya	0.2	0.4	0.3	0.4
Mizoram	1	0.9	0.3	1.3
Nagaland	1.4	2.4	1.8	10.6
Tripura	2.3	1.2	13.3	9.2
NER	4.47	2.76	2.61	4.47
India	1.2	1.5	1.7	1.6

Appendix V: Percentage of Urban Usual Unemployment: Persons

States	1993-94	1999-00	2004-05	2009-10
Arunachal Pradesh	2.6	2.9	1.2	3.4
Assam	8.9	9.7	7.2	5.2
Manipur	4.2	6.7	5.5	4.8
Meghalaya	1.7	4.6	3.5	5.1
Mizoram	0.5	3	1.9	2.8
Nagaland	6.8	9.1	5.5	9.2
Tripura	8.5	5.8	28	17.1
NER	4.68	8.05	7.57	6.29
India	4.5	4.7	4.5	3.4

Appendix VI: Percentage of RuralWeekly Unemployment: Persons

States	1993-94	1999-00	2004-05	2009-10
Arunachal/Rural	1.2	0.7	1.3	1.5
Assam/Rural	6.5	5.3	4.1	4.6
Manipur	1.3	2.5	1.5	3.9
Meghalaya	0.3	0.4	0.3	0.5
Mizoram	1.1	1.2	0.7	1.5
Nagaland	1.7	2.4	2.7	13.3
Tripura	3.2	1.3	13.5	10.3
NER	5.62	3.69	3.62	5.25
India	3	3.8	3.9	3.3

Appendix VII: Percentage of UrbanWeekly Unemployment: Persons

States	1993-94	1999-00	2004-05	2009-10
Arunachal/Urban	2.6	2.7	4.2	4.9
Assam/Rural	9.1	10.4	8.1	4.8
Manipur	4.2	6.7	6.2	5
Meghalaya	1.8	4.6	3.4	5
Mizoram	0.4	2.7	1.5	3.1
Nagaland	6.9	9.6	5.9	10.3
Tripura	9.7	6.2	28.2	17.3
NER	4.81	8.26	7.93	6.27
India	5.8	5.9	6	4.2

Appendix VIII: Percentage of Rural Daily Unemployment: Persons

States	1993-94	1999-00	2004-05	2009-10
Arunachal Pradesh	1.3	0.7	1.4	1.2
Assam	7.8	5.3	6.5	6.6
Manipur	1.8	2.5	1.6	4.1
Meghalaya	0.4	0.4	0.4	0.9
Mizoram	0.9	1.2	0.6	1.7
Nagaland	1.7	2.4	3.2	15.9
Tripura	4.6	1.3	16.1	14.1
NER	6.81	3.69	5.23	7.14
India	5.6	3.8	8.2	6.8

Appendix IX: Percentage of UrbanDaily Unemployment: Persons

States	1993-94	1999-00	2004-05	2009-10
Arunachal Pradesh	2.7	2.9	4.7	4.9
Assam	9.4	11.9	9	5.4
Manipur	4.4	6.9	6.3	5.1
Meghalaya	2.2	4.6	3.8	5.5
Mizoram	0.4	3.6	1.6	3.4
Nagaland	6.9	10	6.4	11.6
Tripura	10.8	6.2	30	18.8
NER	5.02	9.60	8.62	6.90
India	7.4	7.7	8.3	5.8

Appendix X: Percentage of Rural Usual Youth (15-29yrs) Unemployment: Persons

Rural	1993-94	1999-00	2004-05	2009-10
Arunachal Pradesh	2.4	5.2	1.3	1
Assam	12.8	23.6	8.7	4.2
Manipur	2.8	12	4.8	4.1
Meghalaya	0.5	6.2	1	0.4
Mizoram	2.5	1.5	2.2	1.4
Nagaland	3.4	14.9	7.4	11.1
Tripura	5.8	22.7	32.1	9.9
NER	10.12	18.81	8.68	4.90
India	2.9	10.8	3.7	1.8

Appendix XI: Percentage of Urban Usual Youth (15-29yrs) Unemployment: Persons

Urban	1993-94	1999-00	2004-05	2009-10
Arunachal Pradesh	5.2	11.9	4.8	3.2
Assam	23.6	22.8	19.9	5.5
Manipur	12	18.2	17.4	5.1
Meghalaya	6.2	14.3	10.7	5.3
Mizoram	1.5	8.7	4.8	3
Nagaland	14.9	26.2	18.9	20.1
Tripura	22.7	21.1	60.1	17.6
NER	18.60	15.77	13.97	7.59
India	10.8	11.2	10.1	5.9

Appendix XII: List of Land Custom Station in North East India

Arunachal Pradesh

Sl. No.	LCS in India	LCS in neighbouring country	Neighbouring country	Status
1	Nampong (Pangsu Pass)	Pangsu	Myanmar	Notified but non-functional

Assam

2	Sutarkhandi	Sheola	Bangladesh	Identified to be developed as Integrated Check Post
3	Karimganj Steamer Ghat	Zakiganj	Bangladesh	Functional
4	Mankachar		Bangladesh	Functional
5	Golakganj	Bhurungamari	Bangladesh	Not Functional
6	Karimganj Ferry Station	Zakiganj		Functional
7	Mahisasan Railway Station	Sahabajpur		Not Functional
8	Silchar R.M.S. office			Not Functional
9	DhubriSteamerghat	Rowmati	Bangladesh	Functional
10	GauhatiSteamerghat			Functional
11	Darranga		Bhutan	Functional
12	Hatisar	Galemphoo	Bhutan	Functional
13	Ultapani	Sorbhong	Bhutan	Not functional

Manipur

14	Moreh	Tamu	Myanmar	Identified to be developed as Integrated Check Post

Meghalaya

15	Borsora	Borosora	Bangladesh	Functional
16	Dawki	Tamabil	Bangladesh	Identified to be developed as Integrated Check Post
17	Ghasuapara	Karoitoli	Bangladesh	
18	Shellabazar	Sonamganj	Bangladesh	Functional

19	*Bholaganj*	*Chattak*	*Bangladesh*	
20	*Dalu*	*Nakugaon*	*Bangladesh*	*Functional*
21	*Mahendraganj*	DhanuaKamalpur	*Bangladesh*	*Functional*
22	*Baghmara*	*Bijoypur*	*Bangladesh*	*Functional*
23	*Kuliang*	*Lubacherra*	*Bangladesh*	*Non-functional*
24	*Maheshkhola*	*Bandrasora*	*Bangladesh*	*Non-functional*
25	*Bolanganj*	*Chattak*		*Functional*
26	*Ryngku*	*Kalibari, Sonamganj*		*Not functional*
27	*Balat*	*Natun Bandar*	*Bangladesh*	*Not functional*

Mizoram

28	*Kawrapuchciah*	*Thegamukh*	*Bangladesh*	*Identified to be developed as Integrated Check Post*
29	*Demagiri*	*Rangamati*	*Bangladesh*	*Functional*
30	*Zokhawthar*	*Rangamati*	*Myanmar*	*Functional*
31	*Champai*	*MelbekTiau*	*Myanmar*	*Non-functional*

Tripura

32	*Agartala*	*Akhaura*	*Bangladesh*	*Identified to be developed as Integrated Check Post*
33	*Srimantpur*	*Bibir Bazaar*	*Bangladesh*	*Functional*
34	*Old Raghnabazar*	Betuli (Fultali)	*Bangladesh*	*Functional*
35	*Manu*	Chatlapur	*Bangladesh*	*Functional*
36	*Sabroom*	*Ramgarh*	*Bangladesh*	*Non-functional*
37	*Belonia (Muhurighat)*	*Belonia*	*Bangladesh*	*Non-functional*
38	*Dhalaighat*	*Khurma*	*Bangladesh*	*Functional*
39	*Khowaighat*	*Balla*	*Bangladesh*	*Functional*
40	*Kailashahar*	*Chatlapur*	*Bangladesh*	

Appendix XIII: List of Tradable Items included under Barter Trade

1. Mustard/rape seed, 2. Pulses and beans, 3.Fresh vegetables, 4.Fruit, 5.Garlic, 6.Onions, 7.Chillies, 8. Spices (excluding nutmeg, mace, cloves and cassia), 9. Bamboo, 10.Minor forest products, excluding teak, 11.Betel nut and leaves, 12.Food items for local consumption, 13.Tobacco, 14.Tomato, 15.Reed broom, 16.Sesame, 17.Resin, 18.Coriander seed, 19.Soya bean, 20.Roasted sunflower seed, 21.Katha, 22. Ginger

Appendix XIV: Value of Export and Import in the Moreh-Tamu Sector(In Rscrore)

Year	Export (from India)	Import (from Myanmar)	Total Trade
1995-96	10.45	5.39	15.84
1996-97	29.79	16.70	46.49
1997-98	25.16	37.19	62.35
1998-99	4.88	3.74	8.62
1999-00	3.31	6.52	9.83
2000-01	5.68	12.41	18.09
2001-02	1.29	8.13	9.42
2002-03	3.84	11.90	15.74
2003-04	9.45	8.85	18.30
2004-05	6.22	4.12	10.34
2005-06	7.89	6.22	14.11
2006-07	4.11	5.21	9.32
2007-08	3.22	6.33	9.55
2008-09	4.12	5.24	9.36
2009-10	3.86	6.04	9.90
2010-11	4.02	5.87	9.89

Source: Office of the Commissioner of Customs, Shillong

Appendix XV: NER-Myanmar Formal Exports (percentage share in Total Value)

Commodities	1997-98	2003-04
Wheat flour	76.31	9.75
Buffalo appall		58.01
Seeds	7.49	
Soya Bari nuggets	4.62	25.38
Rose powder	3.73	
Cumin seeds	2.92	5.91
Peas	1.33	
Powder milk		0.95
Sugar	0.28	
Stainless steel	1.71	
Electric bulb/ switch	0.41	
Hand saw	0.27	
Saw blade	0.24	
Bleaching powder	0.38	
Ammonia chloride	0.11	
Solamonic bar	0.09	
Coriander	0.06	
Gold finger	0.04	
Common salt	0.01	
Total	100	100

Appendix XVI: NER-Myanmar Formal Imports (percentage share in Total Value)

Commodities	1997-98	2003-04
Betel nuts	65.67	99.24
Chick peas	12.58	-
Turmeric	4.77	-
Mustard seeds	3.31	-
Red kidney beans	2.82	-
Resin	2.15	-
Urad pulse	1.80	-
Pulse beans	1.71	-
Mug beans	1.49	-
Kathha	1.15	0.07
Rice beans	0.72	-
Kuth	0.60	-
Chana	0.31	-
Achar	0.28	-
Ginger	0.21	0.68
Cumin seeds	0.16	-
Reed broom	0.12	-
Serpentine roots	0.08	0.01
Dry cagor	0.04	-
Nimosapeedica	0.02	-
Total	100	100

Appendix XVII: Total Trade between NER and Bangladesh (in Rscrores)

Year	Exports (to Bangladesh)	Imports (from Bangladesh)	Total Trade
1999-00	169.81	9.44	179.25
2000-01	151.27	7.19	158.42
2001-02	186.13	5.50	191.39
2002-03	201.99	6.10	208.09
2003-04	239.01	11.51	251.52
2004-05	190.43	19.59	210.01
2005-06	215.93	45.64	261.57
2006-07	269.77	48.67	318.44
2007-08	293.56	39.45	333.01
2008-09	256.24	47.49	303.73
2009-10	301.12	40.77	341.89
2010-11	324.33	43.27	367.60

Source: Office of the Commissioner of Customs, Shillong

Appendix XVIII: Trends in Informal NER-Myanmar Border Trade

Sectors	Volume of Trade *(in Rs. Crores)*		Percentage change over 2000-04
	2000-01	2003-04	
Manipur	195.39 (86.88)	181.69 (79.98)	-7.01
Mizoram	29.51 (13.12)	46.04 (20.02)	56.08
Total	224.90	227.73	1.26

Appendix XIX: Composition of Informal Imports across NER-Myanmar Border

Sl.no	Commodities	Percentage share in Total		
		Manipur	Mizoram	Overall
1	Textiles & Footwear	11.87	39.48	17.39
A	Blanket	4.16	17.17	6.76

2	Food & Beverages	10.47	6.44	9.66
3	Livestock	-	25.75	5.15
4	Electrical & Electronic items	57.38	16.74	49.25
A	Generator	7.51	5.15	7.04
B	Inverter	9.58	1.72	8.01
C	Inverter Battery	12.38	1.29	10.16
5	Plastic & other synthetic products	6.52	2.23	5.66
A	Floor mat	5.64	2.15	4.94
6	Cutlery &Utensils	3.81	2.19	3.49
7	Cosmetics & Toiletry	2.90	1.67	2.65
8	Other	7.05	5.49	6.74
A	Miscellaneous Consumer goods	7.05	5.15	6.67
B	Precious stones	-	0.34	0.07
9	Total	100	100	100

Appendix XX: Main Items of Informal Trade in NER-Bangladesh Border

Exports	Imports
Shillong Sector	
Bidi	Gold
Sugar	Currency
Motor parts	Pirated CD
Betel leaves & nuts	Audio cassette
Ganja	Cosmetics
Phensedyl	Cigarettes
Liquor	Potato chips
Timber	Dry fish
Bolder stones	
Agartala Sector	
Cotton Sarees	Rape seed oil
Metal scraps	Readymade garments
Phensedyl	Old garments
Sugar	Synthetic fabrics
Bidi	Garlic (Chinese)
Ganja	Dried peas
	Fruit drinks
	Fish
	GCI sheets
Karimganj Sector (including North Tripura)	
Bidi	Readymade garments
Cattle	Vegetable oil
Electrical items	Gas lighters
Motor parts	Synthetic fabrics
Sugar	Soap
Kerosene oil	Potato chips
Diesel	
Dhubri Sector	
Ganja	Readymade garments
Sugar	Fish
Betel leaves & nuts	Dry fish
Diesel	Pirated CD
Livestock	
Liquor	

Appendix XXI: Seizure in NER-Bangladesh Border

Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
No. of Cases	6828	7274	7405	7687	7789	7899	8048	6331	7968	6817	6427	3713
Value (in crores)	5.28	8.92	9.69	5.81	8.13	8.65	7.98	7.65	12.19	20.34	19.25	9.89

Source: Office of the Commissioner of Customs, Shillong

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