

Importance of Connectivity in North East India's Cross Border Trade



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Abstract

Connectivity is one of the most important factors for trade and commerce in the present global market. It is no longer just a communications matter but an essential fabric that enables workers productivity and drives customer satisfaction. A better Connectivity can give a place to new heights in the field of trade and commerce. Again it is absolutely key for any small business. The biggest challenge of north eastern Region is that it suffers from economic isolation due to its present position of connectivity. The states are mostly covered by hilly areas and isolated from each other. This poses one of the big constraints to economic growth and nullifying the border advantage. Therefore it is become a challenging job to make better (feasible and viable) connectivity structure to take advantage of these international border.

This study attempts to build empirical models to investigate the present position of connectivity and its deficiencies and how to make it better for the improvement of international trade and commerce with the bordering countries like Bangladesh and Bhutan and Myanmar.

Keywords: International Borders, North East India, International Trade.

Introduction

The North East India is surrounded by international borders and serving as India's gateway to the east. By improving its connectivity it can be develop to a economic hub in southeast Asia and also with Bangladesh, china and Japan.

India and Bangladesh have recently signed several bilateral agreements and the potential for growth of trade between north eastern stated and neighboring country has increased manifold. The northeastern region could earn huge benefit from the improved physical connectivity. It is the need of hour to invest in upgrading and expanding road and rail network with the northeastern region. The better connectivity will enhance consumer welfare through access to goods at a competitive price, it also enhance the profit of the firms through access to cheaper inputs and enhance opportunities of the exporter of finished goods to a new market. The BBIN (Bangladesh, Bhutan, India and Nepal) Motor Vehicle Agreement, the port use Agreement, the use of cross border inland waterways agreement, the access of the Chattogram and Mongla ports to the northeast have opened up the prospect for the growth in the region. Again the meeting between the business delegates between the representatives of this region and neighboring countries has to generate awareness about the opportunities made available to the exporters and importers and transporters by agreements sign on connectivity. It takes over 1200 Km for goods to reach from haldia port to the region but access to the Chittagong port will cut down the distance by almost half .the distance between Guwahati and Chittagong is about 600 KM this means a lots to the region which has to import goods from other part of the country.

Objectives of the Study

1. To study present institutional and physical infrastructure and find out the deficiencies and how to overcome with those lacunas
2. To study better and feasible connectivity available for win-win situation
3. To know how these connectivity works and how these polices can implement for better and profitable trade relationship.
4. To suggest more effective and workable issues for smooth running of business for long time.

Methodology

To carry out the study the data and information are collected from both primary and secondary sources. The primary data and information are collected by personal interview with the local business man from the study area i.e. businessman from Guwahati city and other north eastern state

including some from Bangladesh and Bhutan. The secondary data related to the study has been collected from different secondary sources like research papers, journals books newspapers, organizational records and other published and unpublished sources.

Conclusion

A better connectivity is utmost important for the development of trade and commerce in a country in present time. Likewise good institutional and physical connectivity is vital for the growth and development of trade and commerce in north eastern region then only it will be able takes the full advantage of international border.

Though a number of projects have been initiated under the south Asia sub regional economic cooperation to construct roads and upgrade facilities and a number of agreements have been signed but we are yet to reap full benefits of these initiatives. In many cases these are mounting over the time with unpredictable and nontransparent regulatory barriers being the major hindrance of trade facilitation in the regions. A climate of mutual trust and confidence, respect of each other sensitive's and concerns as well as peace and stability in our regions are essential for the people of the region to realize the enormous potential in this relationship.

Suggestion

A clear and viable policy must be formulated between the seven sister states and that may communicate to the central government for making some special policies like simple and easy procedure for entry and exit in the international border, easy export and import procedure and lifting restrictions in a long run basis and also better road connectivity and other infrastructure must be prepared accordingly. The present policy regarding visa procedure and other regulation must be make easy and simple so that it will bearable for the small and less qualified business man of this region.

Moreover, north eastern states must modernize cross border supply chain, setting up logistic park in all major point of international trade and setting special economic zone for better co-operation among the states. It will create a huge business opportunities since north eastern India is a consumption driven region.

Also, it is essential to hire some experts both technical and financial who are accustomed to working internationally and fully conversant with north-eastern demographics, as they can give these states a clear view of the prevailing economic landscape in the target area of business. The expert can even help to monitor market stability and predict future growth.

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