

DIGITALES ARCHIV

ZBW – Leibniz-Informationszentrum Wirtschaft
ZBW – Leibniz Information Centre for Economics

Banerjee, Sreeparna; Ghosh, Ambar Kumar

Book

India's Northeast : gateway to connectivity with eastern neighbours

Provided in Cooperation with:

Observer Research Foundation (ORF), New Delhi

Reference: Banerjee, Sreeparna/Ghosh, Ambar Kumar (2023). India's Northeast : gateway to connectivity with eastern neighbours. New Delhi, India : ORF, Observer Research Foundation.
https://www.orfonline.org/wp-content/uploads/2023/03/ORF_OccasionalPaper_395_India-Northeast.pdf.

This Version is available at:

<http://hdl.handle.net/11159/654401>

Kontakt/Contact

ZBW – Leibniz-Informationszentrum Wirtschaft/Leibniz Information Centre for Economics
Düsternbrooker Weg 120
24105 Kiel (Germany)
E-Mail: [rights\[at\]zbw.eu](mailto:rights[at]zbw.eu)
<https://www.zbw.eu/econis-archiv/>

Standard-Nutzungsbedingungen:

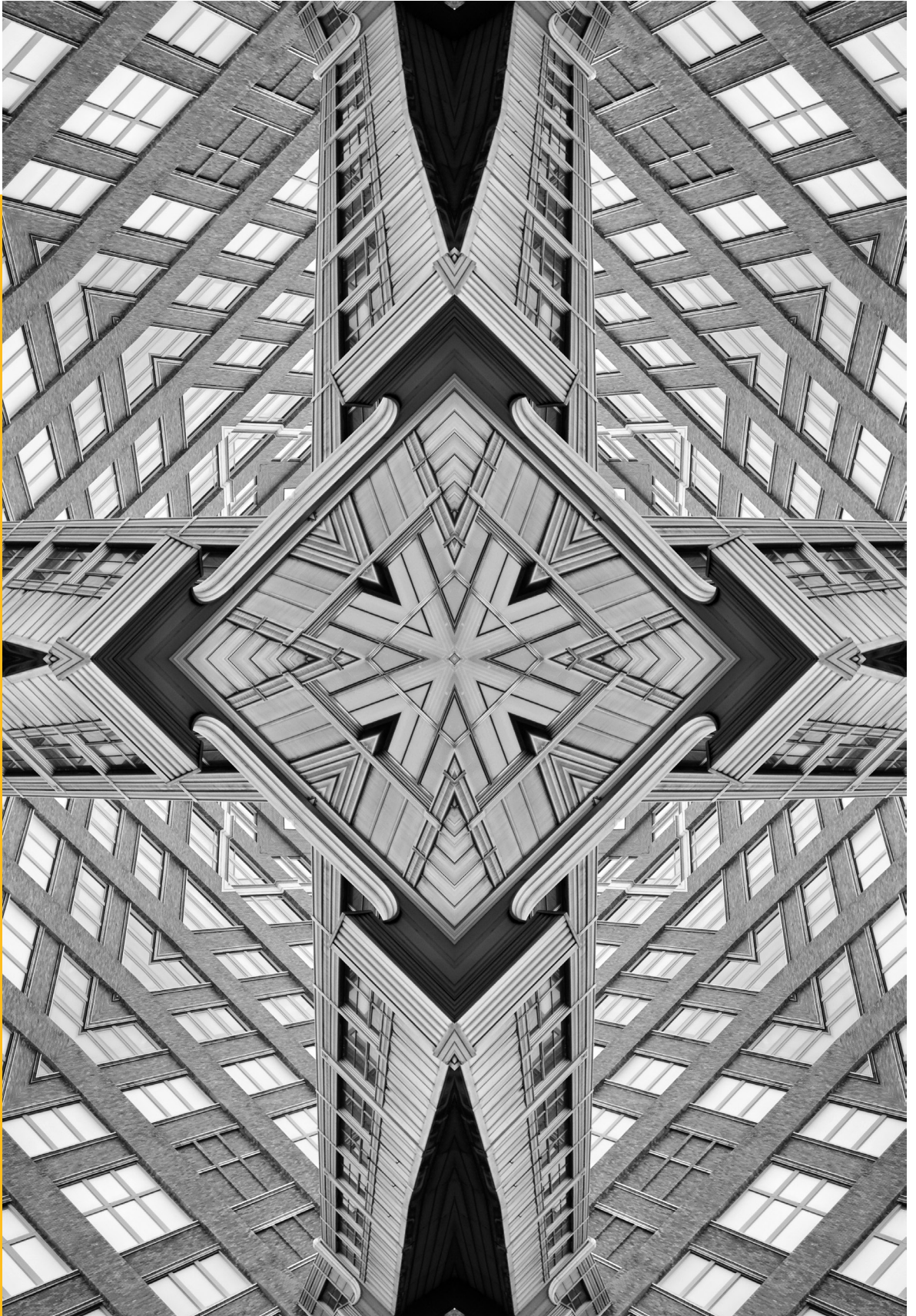
Dieses Dokument darf zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden. Sie dürfen dieses Dokument nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, aufführen, vertreiben oder anderweitig nutzen. Sofern für das Dokument eine Open-Content-Lizenz verwendet wurde, so gelten abweichend von diesen Nutzungsbedingungen die in der Lizenz gewährten Nutzungsrechte.

<https://zbw.eu/econis-archiv/termsfuse>

Terms of use:

This document may be saved and copied for your personal and scholarly purposes. You are not to copy it for public or commercial purposes, to exhibit the document in public, to perform, distribute or otherwise use the document in public. If the document is made available under a Creative Commons Licence you may exercise further usage rights as specified in the licence.

Occasional Paper



ISSUE NO. 395 MARCH 2023

© 2023 Observer Research Foundation. All rights reserved. No part of this publication may be reproduced, copied, archived, retained or transmitted through print, speech or electronic media without prior written approval from ORF.

India's Northeast: Gateway to Connectivity with Eastern Neighbours

**Sreeparna Banerjee and
Ambar Kumar Ghosh**

Abstract

India's Northeast Region (NER) can serve as a pivotal connecting space between India and its neighbours to the east in South Asia, as well as to East and Southeast Asia and beyond, enhancing the country's diplomatic, infrastructural, and commercial engagements. This paper makes an assessment of NER's cross-border land connectivity initiatives with Bangladesh, Myanmar, Nepal, and Bhutan—all members of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). It looks specifically at Japan's role in developing infrastructural connectivity in the region, and offers recommendations to speed up these initiatives. One way is by finding these projects' resonance with the northeast's own developmental priorities and security concerns.

The growing strategic importance of the Indo-Pacific calls for India to play a bigger role, to explore all dimensions of collaboration with the countries of the region. Creating strong and multi-dimensional connectivity networks—infrastructural, commercial, digital, and socio-cultural—lies at the heart of these engagements.

Connectivity matters the most in the immediate neighbourhood. India's Northeast Region (NER), sharing international borders in the east, has massive potential to become a vibrant link to the country's eastern neighbours within South Asia as well as in East and Southeast Asia. BIMSTEC can play an important role too, in facilitating these connections, particularly Bangladesh, Myanmar, Nepal, and Bhutan—countries that share borders with India's northeast. India's foreign policy priorities, reflected in its 'Act East' and 'Neighbourhood First' policies, also bring the northeast into focus as a connectivity gateway to the wider Indo-Pacific. Japan, with its long-standing expertise in the infrastructure sector, continues to play a significant role in developing physical connectivity projects within and across the northeast.¹

This paper explores the dynamics of cross-border connectivity for countries like India in a socio-culturally unique and geo-strategically crucial region like Northeast, and the challenges in the post-globalisation era. It discusses India's regional connectivity endeavours with its eastern neighbours and the importance of the NER in fulfilling them; examines the nature and progress of India's territorial connectivity initiatives with Bangladesh, Nepal, Bhutan, and Myanmar; and outlines the challenges for India.

The Dynamics of Connectivity

In a globalised world, connectivity is central to development. The task is, however, replete with structural challenges. First, the premise of connectivity is *physical* connectivity—road, railway, air, water, commercial and resource-sharing initiatives such as cross-border power-transmission and gas pipeline networks, as well as digital connectivity. Yet, connectivity is not an end in itself. Rather, it facilitates greater political, diplomatic, commercial, and socio-cultural interactions at the local, national, regional, and international levels.

Second, the primacy of territorial sovereignty often makes cross-border connectivity prospects difficult, especially when there is mistrust among the concerned states. In an era of globalisation, as seamless cross-border and transnational interactions become crucial, steps taken to preserve territorial sovereignty and national security can sometimes enfeeble connectivity initiatives. Third, such initiatives are traditionally viewed as statist, driven by the political and economic elite of the concerned countries largely in a top-down manner. As these initiatives directly impact lives in the grassroots, a bottom-up approach to their planning and implementation is vital. The question therefore is: Connectivity for whom?

Lastly, threats of conflicts and violence also vitiate the prospects of connectivity-driven developmental initiatives in many parts of the world.² The increasing needs of development have made connectivity crucial. Globalisation and the need to counter global threats such as economic slowdown, climate change, healthcare gaps, human displacement, and environmental disasters makes regional and transnational connections vital.

India's Connectivity Imperative

India is crucially positioned within South Asia and in the broader Bay of Bengal region. It needs to play a more vibrant role in the region, and to do so, must engage more strongly with its East and Southeast Asian neighbours.

Connectivity is a key instrument for encouraging and facilitating such engagement. One institution that can help India is BIMSTEC.³ The Bay of Bengal region, given its location and importance, is widely perceived as India's gateway to the Indo-Pacific, globally seen as hosting "a vast array of global opportunities and challenges."⁴

Over the years, India has demonstrated a coherent vision for the Indo-Pacific—that it remains free, open, inclusive, and subject to a rules-based order.⁵ This is in consonance with the view of the Association of South East Asian Nations (ASEAN), which accords value to respect for sovereignty and territorial integrity of all nations, adherence to an international legal regime, and the peaceful resolution of disputes.⁶

India has also launched the Indo-Pacific Oceans' Initiative to focus on seven central areas—i.e., maritime security; maritime ecology; maritime resources; capacity building and resource sharing; disaster risk reduction and management; science, technology and academic cooperation; and trade connectivity and maritime transport.⁷ Its success will be inextricably linked to India's capacity to bolster its physical, economic, and digital connectivity channels. The geographical location of India's northeast, its historical and socio-cultural dynamics, make it a pivot for India's connectivity plans and commercial interests in the Bay of Bengal region. In this domain, Japan has considerable experience, especially in India's northeast. Japan's idea of a 'Free and Open Indo Pacific' and India's 'Act East' and 'Neighbourhood First' policies, in which the northeast has a crucial role, find strategic convergence.⁸

An Overview of NER

India's northeast consists of eight states—Arunachal Pradesh, Assam, Manipur, Tripura, Sikkim, Mizoram, Meghalaya, and Nagaland. It shares 5,812 km of international boundaries with the neighbouring countries of Myanmar, China, Bangladesh, Nepal, and Bhutan. It is landlocked; seven of the eight states are linked to the rest of India only through the Siliguri Corridor in North Bengal—a narrow strip of land (22-km wide) that is also called the 'Chicken's Neck'. The corridor is flanked by Nepal in the north and Bangladesh in the south.⁹

Apart from its strategic location, the northeast is marked by socio-cultural diversity. The eight states have multi-layered ethnic diversity and mixed socio-cultural dynamics, making their demographic structure unique. The states are home to many tribal groups with distinctive cultural, socio-political, and economic complexities, speaking around 220 different languages.¹⁰ Historically, the northeast has been an isolated and peripheral unit, and India's national political establishment has long been accused of neglect. It has long remained in the margins of India's mainstream political imagination of growth, development, and welfare. Development has also been impeded by political violence in the region, ethnic conflicts, insurgency movements, and the consequences of illegal cross-border migration. Being surrounded by international borders further adds to the NER's security concerns.¹¹

Historically, some of these states were also deliberately kept isolated, as the British rulers sought to safeguard their culture from 'outsiders'. They demarcated much of the region as 'backward tracts', 'excluded areas', and 'partially excluded areas,' in which the indigenous people were allowed to control and manage their own affairs to varying degrees.¹² Under the 1873 Bengal Eastern Frontier Regulation Act, an 'inner line' was drawn through the NER, and people from outside the region, especially those with commercial interests, were prohibited from entering it without governmental approval.¹³ The policy has continued in the post-independence period; the inner line system is seen as protecting the cultural and demographic identity of this diverse region.

An Overview of NER

Moreover, the Sixth Schedule of the Indian Constitution “mandated the formation of Autonomous District Councils in which, among others, tribal customary laws were given legitimacy.”¹⁴ However, such protectionist legislation, along with the difficult terrain and mainstream political apathy towards the northeast, have hampered efforts in the region towards industrialisation, infrastructure and communication development, employment generation, and adequate representation in governance.

To mitigate the region’s longstanding challenges to development, improving road and rail infrastructure in the northeast is among the most crucial developmental imperatives. Such land connectivity initiatives can be better pursued by working together with some of the BIMSTEC and South Asia Sub-Regional Economic Cooperation (SASEC) countries. The following sections discuss the accomplishments and challenges of such connectivity endeavours in the NER region.

The Infrastructure Imperative

There is greater awareness today of the importance of connectivity corridors to enhance trade, commerce, and people-to-people connectivity. It is a difficult task, and for India's NER, the first challenge would be topography.

Border roads are seldom designed to accommodate the needs of large-scale transnational commercial endeavours. Often, heavy transport vehicles cannot ply these roads, and road development has been devoted for internal connectivity between domestic centres of economic activity. Changes are visible in the northeast. As a previous ORF paper noted, India's efforts in the region are focused on "economically consolidating these areas with overall economic benefits flowing to local populations, while integrating them in a more robust manner with the national economy" by "developing and improving road connectivity, including the international trade corridor in the North East and roads in the North Bengal and North Eastern regions of India."¹⁵

In 2021, the Border Road Organisation (BRO), which specialises in building roads in difficult and remote terrain, completed a total of 102 projects, many of them in the northeast. These included India's first indigenously built Class 70^a double-lane modular bridge at a height of 11,000 feet (3,353 metres) at Flag Hill, Dokala, Sikkim, and the 578-metre Theng Tunnel on the Chungthang-Mangan highway, also in Sikkim. Ongoing projects include the strategic twin-tube Sela Tunnel at 13,800 feet (4,200 metres), and the Nechiphu tunnels at 10,000 feet (3,048 metres), both in Arunachal Pradesh, which will provide connectivity to West Kameng and areas beyond Tawang.¹⁶ Even the Sonapur Tunnel in Meghalaya, built in 2008, has enhanced connectivity with NH6.

In recent times, funding for road projects has considerably increased. Till 2016, the maximum allocation for improving and building roads was INR 4,500 crore annually. However, in FY 2022-23, it stands at INR 13,500 crore.¹⁷

a Class 70 bridge is one which can bear a load of up to 70 tonnes.

To make BIMSTEC a more integrated development and trading community, it is critical that its member states are effectively interconnected. Table 1 lists the ongoing road projects that will link them better.

**Table 1:
Border Road Connectivity Projects*
between India, Bangladesh, Nepal,
Bhutan, and Myanmar**

	Description	Funding Organisation (tentative)	Amount (in US\$ million)	Estimated completion year
India and Bhutan				
1	Road from Gelephu (Bhutan) to Samthaibari (near Hapachara in Assam)	National Highways & Infrastructure Development Corporation	117	2021 (ongoing)
2	Construction of the Samrang Jomotsangkha section (58 km) of Bhutan's East-West Highway. Will improve accessibility along Bhutan's southern border with India	Government of India under its Project tied assistance	21	2023
3	Construction of the Lhamoizhingkha-Sarpang section of the Southern East West Highway (75 km, including 14 bridges)	Yet to be finalised		2028

The Infrastructure Imperative

	Description	Funding Organisation (tentative)	Amount (in US\$ million)	Estimated completion year
India and Bangladesh				
4	Upgrade of NH 8 Silchar–Agartala–Sabroom (connecting Assam and Tripura) and NH 37 along with the Karimganj–Sutrakhandispur section up to the India-Bangladesh border	National Highways & Infrastructure Development Corporation, along with Japan International Cooperation Agency (JICA)	610	2023
5	Four-laning of the Rangpur to Burimari Highway (128 km) in Bangladesh which connects it with Changrabandha (India) and Bhutan	Asian Development Bank (ADB)	960	2023
6	Two-laning of the road from Dudhanai on the Assam–Meghalaya border to Dalu on the Meghalaya-Bangladesh border, via Bagmara, NH 217	JICA	227	2022 (ongoing)
7	Improving NH 208 between Teliamura and Harina (158 km) in Tripura	JICA	285	2022 (ongoing)
8	Upgrade of road between Kolkata and Bongaon near Petrapole on the India-Bangladesh border	Government of India and JICA	130	2022 (ongoing)
9	Two-laning of the alternative route between Silchar and Guwahati via Harangajao Thuruk in Assam	National Highways & Infrastructure Development Corporation	452	2022 (ongoing)
10	Developing link roads between Srirampu–Dhubri and Phulbari in Assam with Tura in Meghalaya with a new bridge across the Brahmaputra River on NH 127B	JICA	530	2023

The Infrastructure Imperative

	Description	Funding Organisation (tentative)	Amount (in US\$ million)	Estimated completion year
11	Improving the Manu Simlung section of NH 108 in Tripura	JICA	170	2022 (ongoing)
12	Improving NH 217 between Tura and Dalu and extending it to the India-Bangladesh border	JICA	79	2020 (ongoing)
13	Improving the Shillong-Dawki road in Meghalaya, including the Dawki bridge on the India-Bangladesh border	JICA	31	2023
14	Building a new bridge over the Feni River at Sabroom in southern Tripura, connecting India and Bangladesh	JICA	13	2020 (ongoing)
15	Building the Khowai-Agartala link road	National Highways & Infrastructure Development Corporation Government of India	85	2023
16	Improving sections of NH 512 between the 82.4 km and 99.5 km mark, and between 104.2 km and 106.6 km mark in Dakshin Dinajpur, West Bengal	National Highways & Infrastructure Development Corporation	21	2022 (ongoing)
17	Four-laning of the Bhanga- Bhatiapara-Kalna-Lohagora- Narail-Jashore- Benapole Highway (135 km) in Bangladesh	India's Lines of Credit	1,100	2024

The Infrastructure Imperative

	Description	Funding Organisation (tentative)	Amount (in US\$ million)	Estimated completion year
India and Myanmar				
18	Upgrade of the road from Dimapur (Nagaland) to Maram (northern Manipur) via Peren	National Highways & Infrastructure Development Corporation	360	2023
19	Four-laning of the Imphal-Moirang highway, in Manipur	ADB	180	2022 (ongoing)
20	Four-laning of the stretches from Kohima to Kedima (Nagaland), and Kromg to Imphal (Manipur) of NH 39	ADB	280	2023
21	Upgrading Ukhrul-Tolloi-Tadubi road in Manipur	ADB and National Highways & Infrastructure Development Corporation	230	2023
22	Ukhrul-Jessami, NH 202 in Manipur	ADB	230	2023
23	Upgrading Jiribam-Tipaimukh road in Manipur	ADB	210	2023
24	Aizawl-Tuipang road, connecting with the Kaladan Multimodal Transport Corridor	JICA	946	2023
25	Improvement of the Imphal Kangchup-Tamenglong Tousem (all in Manipur) to Haflong (Assam) road	National Highways & Infrastructure Development Corporation and ADB	184	2023
26	Construction of an alternative highway to Gangtok (Sikkim) from Bagrakot and Kafer (West Bengal)	National Highways & Infrastructure Development Corporation	48	2020 (ongoing)

The Infrastructure Imperative

	Description	Funding Organisation (tentative)	Amount (in US\$ million)	Estimated completion year
27	Improvement of roads from Paletwa to Kaletwa and from Kaletwa to Zorinpui on the border between Chin State, Myanmar and Mizoram, as part of the Kaladan Multimodal Transit Transport project	Government of India (under its development assistance)	484 ¹⁸	2023 (ongoing)
28	India- Myanmar- Thailand Trilateral Highway: Improvement of the 120.74 km stretch from Kalewa-Yagyi in the Sagain region Construction of 69 bridges along the approach road to the highway on the 149.70 km Tamu-Kyigone- Kalewa (TKK) stretch	Government of India (under its development assistance)	1700 ¹⁹	2023 (ongoing)
India and Nepal				
29	Development of the Siliguri–Mirik–Darjeeling link road	ADB	150	2023
30	Construction of Mechi Bridge, which connects Nepal's Jhapa district to Darjeeling in West Bengal	ADB and National Highways & Infrastructure Development Corporation	25	2019

Source: ADB and BIMSTEC Reports 2022²⁰

* All of the border roads mentioned in the table are drawn from the planned connectivity flagship projects as mentioned in the BIMSTEC Connectivity Master Plan which cites these roads as access roads for inter-country connectivity. While some of these roads are intra-country routes, their upgrade will enhance regional connectivity since they are border roads.

Railway Connectivity

Connectivity corridors through the northeast, both road and rail, are crucial to establishing a common market with neighbouring countries such as Bangladesh, Bhutan, and Nepal, on the one hand, and the ASEAN countries on the other. However, building a railway network in the northeast is a massive challenge due to the mountainous topography. Even so, some railway tracks have touched all the northeastern states except Sikkim, where too, work on a railway line has been ongoing for more than a decade.²¹

As of 2021, Indian Railways was engaged in 19 projects in the northeast, of a total length of 2,008 km and estimated cost of INR 75,795 crore. These are at different stages of planning, sanction, and execution.²² Since 2014, average funding for the projects has increased by 161 percent. Many earlier railway projects in these states took longer than expected and cost far more, due to difficulties in land acquisition, delays in forest and other clearances, and the overall geological and topographic conditions.²³

India's emphasis on improved rail connectivity in the northeast is consistent with several other regional connectivity initiatives, such as SASEC; the Bangladesh, Bhutan, India, Nepal (BBIN) grouping; BIMSTEC; and the South Asia Association for Regional Cooperation (SAARC) railways corridor development plan. There are already train services running between India and Bangladesh: (a) from Gede (India) to Darshana (Bangladesh); (b) Petrapole (India) to Benapole (Bangladesh); (c) the Maitri Express from Kolkata to Dhaka, which runs five days a week; (d) the bi-weekly Bandhan Express, from Kolkata to Khulna; and (e) the bi-weekly Mitali Express, between New Jalpaiguri and Dhaka Cantonment.²⁴ There are also plans to open another link from Dhaka to Kolkata via Darshana in Bangladesh.²⁵

These services are expected to boost bilateral trade and tourism. The newly launched Mitali Express, for instance, facilitates travel for Bangladeshi tourists to Darjeeling, Dooars, and Sikkim in India's Northeast, and North Bengal. It also helps strengthen domestic railway communication, as passing through Bangladeshi territory reduces travel time between Kolkata, and Siliguri or New Jalpaiguri, by four hours.

Two more rail links for freight trains—from Singhabad in West Bengal to Rohanpur in Bangladesh, and from Radhikapur in West Bengal to Birol in Bangladesh—are expected to be operational soon.

**Table 2:
Railway Connectivity Work in
Progress**

Description	Funding Organisation (tentative)	Amount (in US\$ million)	Estimated completion year
Construction of the Bangabandhu Sheikh Mujib Railway Bridge (parallel to the Jamuna Bridge) across the Jamuna River from Sirajganj to Tangail in Bangladesh with twin dual-gauge lines	JICA	1,173	2023
Construction of the Padma Bridge Rail Link from Dacca to Jashore in Bangladesh	People's Republic of China (PRC)	4,216	2022
Construction of a dual gauge railway line between Bogura and Shahid M. Monsur Ali Station, Sirajgunj in Bangladesh	ILOC and Bangladesh Government	796	2022
Building of the line connecting New Belonia (in South Tripura) to Feni (in Bangladesh)			Planning Survey completed
Construction of the Radhikapur–Birol rail link in Bangladesh			Survey ongoing

Railway Connectivity

Description	Funding Organisation (tentative)	Amount (in US\$ million)	Estimated completion year
Construction of a new 12 km rail link from Akhaura (Bangladesh) to Agartala (Tripura)	India	144	2023
Construction of a new 3 km line linking Haldibari (West Bengal) to Chilahati (Bangladesh)	India		2021
Construction of new lines which link Jiribam to Imphal (125 km) in Manipur and Imphal to Moreh (111 km) on the India– Myanmar border; another line linking Moreh to Tamu and KaIay (128 km) in Myanmar, and onward to Mandalay, also being built.	North East Frontier Railways, India	Yet to be finalised	2028
Development of (i) the Kokrajhar (Assam)–Gelephu (Bhutan) (57 km) line; (ii) the Pathsala (Assam)–Nanglam (Bhutan) (51 km) line; (iii) the Rangiya (Assam)–Samdrupjongkhar (Bhutan) (48 km) line; (iv) the Banarhat (West Bengal)–Samtse (Bhutan) (23 km) line, and (v) the Hasimara (West Bengal)–Phuentsholing (Bhutan) (18 km) line	India	130	Not available
Development of (i) the Jaynagar–Bardibas line (69 km, including 3 km in India and 66 km in Nepal), (ii) the Jogbani–Biratnagar (19 km) line in Nepal, (iii) the Nepalganj to Nepalganj Road (12 km) line, (iv) the Nautanwa– Bhairahawa (15 km) in Nepal, and (v) the line from New Jalpaiguri in North Bengal to Kakarbhitta in Nepal (46 km)	India	900	2025

Source: ADB and BIMSTEC Report 2022²⁶

Railway Connectivity

Bangladesh is aiming to build a link to Bhutan using the rail link from Chilahati on the Bangladesh border to Haldibari in West Bengal, on which the Mitali Express currently runs, to transport construction material directly to Bhutan by road from Haldibari. The 35-km Jaynagar–Kurta section of the proposed 68.7-km rail link from Jaynagar in India to Bardibas in Nepal through Bijalpura was inaugurated in April 2022.²⁷ The first eight-km section of another railway line, from Jogbani in India to Biratnagar in Nepal (total length 18.6 km), has been completed, and contracts awarded for the remaining portion.

To provide connectivity in the region, India is also funding cross-border power transmission lines with Bangladesh and Nepal. It is setting up South Asia’s first cross-border petroleum products pipeline between Motihari in Bihar and Amlekhgunj in Nepal, and another high-speed diesel pipeline into Bangladesh, which will reduce the cost of oil transportation and minimise road congestion. Also significant is the Kaladan Multi-Modal Transit Transport Project—sea route from Kolkata to Sittwe port in Myanmar, river route up the Kaladan River from Sittwe to Paletwa, and surface route from Paletwa to Zorinpui on the Mizoram border—being undertaken by Myanmar, but partly funded by India.

Making these projects operational depends heavily on political will and the internal situation in the concerned countries. As Bangladesh-India and Bhutan-India relations are largely vibrant, their bilateral projects are proceeding apace, albeit sometimes lagging in meeting deadlines. Land-locked Nepal too, is dependent on India for transport of goods and services, and thus, despite its territorial disputes with India over Kalapani^b and Susta,^c is keen to develop cross-border connectivity with India.

In the case of Myanmar, connectivity collaboration poses different challenges. While India maintains formal relations with the current military regime in Myanmar, it can do little about the fact that two of its most important bilateral projects—the Kaladan Multimodal Transport Transit Project and the India-Myanmar-Thailand Trilateral Highway—pass

b The dispute centres around the origin of the Kali River, which marks the India-Nepal border along Pithoragarh district in Uttar Pradesh, and after which Kalapani is named. The countries differ on its origin, and accordingly, on the areas that should be part of either country. In 2020, the dispute deepened, with both countries providing contending maps.

c The dispute over the Susta region, currently part of West Champaran district in Bihar, has arisen following a change in the course of the Gandak River which marked the boundary of the two countries.

Railway Connectivity

through Myanmar's conflict areas, specifically Chin state. With insurgent groups active in the region, road construction on the 110-km stretch from Paletwa to Zorinpui is proceeding slowly; 25 bridges that have to be built are also getting delayed. Also stalled is work on the Trilateral Highway, which would facilitate trade with Thailand, providing both countries a more efficient and cost-effective transport route through the northeast.

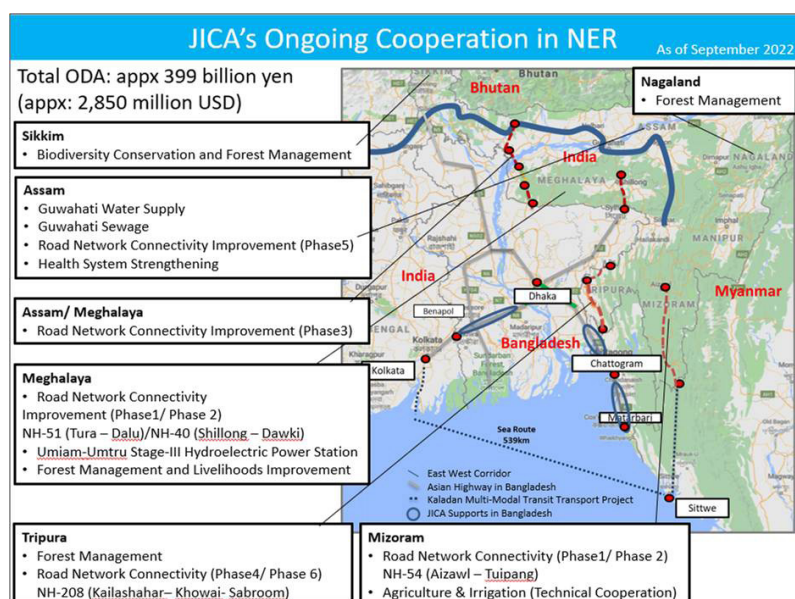
Between February 2021, when the military coup occurred, and June 2022, there have been 35 arson attacks in Chin state, which damaged 1,300 structures and displaced more than 30,000 people.²⁸ Groups like the Arakan Army, which had disrupted work even earlier in 2019 with activities such as abducting Indian workers, have become even more active. Overall, since the coup, Myanmar has been in political turmoil, with a growing resistance movement, which the military junta is trying hard to control.²⁹

Once the projects are completed, a motor vehicles agreement (MVA)—which would allow vehicles of signatory countries to move freely in one another's territory—will also be crucial for cross-border movement of goods and people. Such agreements have been drafted, one between Bangladesh, Bhutan, India and Nepal (BBIN) and another between India, Myanmar and Thailand, but their signing is held up, as both Bhutan and Thailand have remaining concerns. Bhutan has backed out of the BBIN MVA, citing environmental concerns over the likely increase in road traffic. (A BIMSTEC MVA is also planned, but Bhutan may object to that too, for similar reasons.) Thailand is concerned that the MVA could put local players at a disadvantage. Bangladesh, India, and Nepal are expected to implement their MVA soon.^{30,31}

Japan's connection to India's northeast dates back to the Second World War, when it fought crucial battles around Kohima and Imphal. In recent times, Japan has made investments in the northeast through its overseas development assistance (ODA) programme.³²

The India-Japan Act East Forum—the platform for bilateral cooperation between the two countries that draws upon India's Act East Policy and Japan's Free and Open Indo-Pacific Policy—was set up in September 2017. It is mandated to identify and facilitate developmental infrastructure and cultural connectivity projects in India's northeast.³³ Businesses in Japan are keen to supplement India's efforts towards greater participation in global supply chains, especially after the fallout of the COVID-19 pandemic.³⁴ Cooperation between the two countries also has the broader objective of promoting their shared interests and amalgamating core strengths.

Figure 1:
Key ODA Projects in India's Northeast

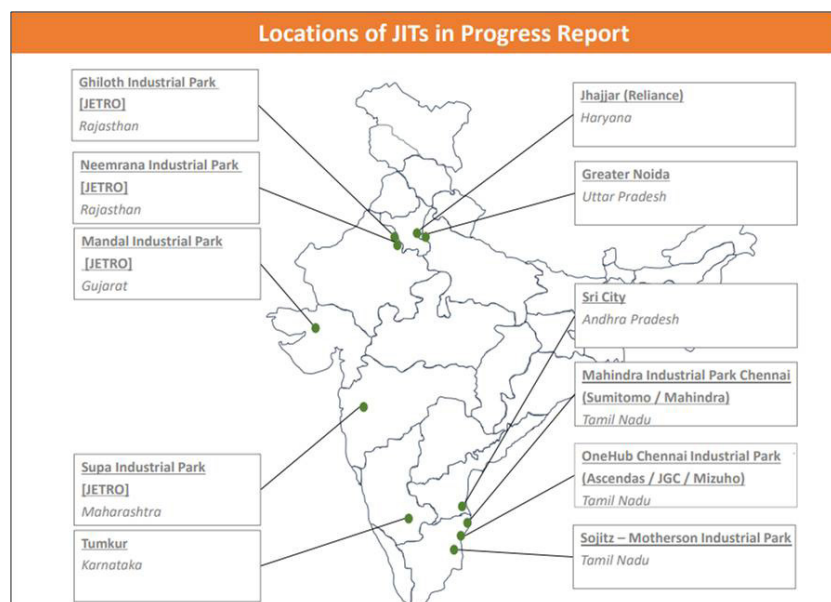


Source: JICA³⁵

Through its Japan International Cooperation Agency (JICA), Japan assists India on a number of connectivity projects listed in Tables 1 and 2. It also provides technical and capacity know-how to develop highways in mountainous regions, particularly in the northeast.

In April 2015, India and Japan signed the 'Action Agenda for India-Japan Investment and Trade Promotion and Asia Pacific Economic Integration', under which Japan would develop Japanese Industrial Townships (JITs)^d in India, where Japanese companies operating in India would be located. So far 12 JITs, housing 114 Japanese companies, have been set up in eight Indian states. Land for yet another JIT has been acquired at Nagarbera, 100 km west of Guwahati in Assam, but construction work has yet to begin.³

**Figure 2:
Location of JIT Projects**




Source: Ministry of Commerce and Industry in India³⁷

^d JITs provide special facilities for Japanese companies such as translation services and facilitation support, infrastructural support, residential clusters, and other incentives.

Northeast India, though historically neglected, has gained increased significance in the past few decades. Partly owing to India prioritising its 'Act East' policy, and also due to the political dynamics of the Indo-Pacific, the northeast has emerged as a vital connecting space for India's regional connectivity ambitions. Infrastructural and economic initiatives in the region have grown, with particular partners like Japan catalysing them.

However, India still needs a more responsive ecosystem in the northeast. A bottom-up approach to developmental planning will make endeavours more sustainable, meaningful, and efficient. For instance, while the region has welcomed the recent emphasis on connectivity projects, there is concern that intra-Northeast connectivity is not getting the priority it should, and that complicated internal security issues persist.

Capacity-building for the ongoing rail and road projects, and improved border infrastructure with adequate storage facilities, are also needed. India has ratified the Convention on International Transport of Goods Under Cover of TIR Carnets (called the TIR Convention)^e which facilitates global trade, but Bangladesh and Myanmar have not. India should urge them to do so. The digital connectivity infrastructure of the region should also be strengthened.

Both the BIMSTEC and BBIN MVAs need to be finalised at the earliest to facilitate the seamless movement of goods and people, especially through the NER. To encourage tourism, policymakers should prioritise easing visa requirements and consider visa-free or visa-on-arrival schemes for certain destinations. The aim should be to harness multi-dimensional endeavours to build on the regional connectivity potential of India's northeast. 

^e The TIR Convention, adopted under the aegis of the UN in March 1978, aims to facilitate international transit by simplifying Customs procedures and providing an international guarantee system. So far 68 of the 193 UN member countries have ratified it.

Sreeparna Banerjee is a Junior Fellow at ORF, Kolkata.

Ambar Kumar Ghosh is a Junior Fellow at ORF, Kolkata.

- 1 Ambar Kumar Ghosh and Anasuya Basu Ray Chaudhury, “The Role of India’s Northeast in the Regional Cooperation Architecture”, *Observer Research Foundation Special Report*, June 30, 2021, <https://www.orfonline.org/research/the-role-of-indias-northeast-in-the-regional-cooperation-architecture/>
- 2 Anasua Basu Ray Chaudhury and Ambar Kumar Ghosh, “Situating India’s Northeast in the Bay of Bengal Regional Architecture”, *Observer Research Foundation GP Series*, September 27, 2022, <https://www.orfonline.org/research/situating-indias-northeast-in-the-bay-of-bengal-regional-architecture/>
- 3 Rakhahari Chatterji & Anasua Basu Ray Chaudhury, Reimagining BIMSTEC: Strengthening Regional Solidarity Across the Bay of Bengal, *Observer Research Foundation*, February 22, 2021, <https://www.orfonline.org/research/reimagining-bimstec-strengthening-regional-solidarity-across-the-bay-of-bengal/>
- 4 Udayan Das, “What is the Indo-Pacific”, *The Diplomat*, July 13, 2019, <https://thediplomat.com/2019/07/what-is-the-indo-pacific/>
- 5 Darshana M Barua, “India in the Indo-Pacific: New Delhi’s Theater of Opportunity”, *Carnegie Endowment for International Peace*, June 30, 2020, <https://carnegieendowment.org/2020/06/30/india-in-indo-pacific-new-delhi-s-theater-of-opportunity-pub-82205>
- 6 “India supports ASEAN’s unity, centrality in free and open Indo-Pacific”, *The Print*, August 5, 2022, <https://theprint.in/india/india-supports-aseans-unity-centrality-in-free-and-open-indo-pacific/1070931/>
- 7 Premesha Saha and Abhishek Mishra, “The Indo-Pacific Oceans Initiative: Towards a Coherent Indo-Pacific Policy for India”, *Observer Research Foundation Occasional Paper 292*, December 23, 2020, <https://www.orfonline.org/research/indo-pacific-oceans-initiative-towards-coherent-indo-pacific-policy-india/>
- 8 Rupakjyoti Borah, “Japan’s Infrastructure Investment in Northeast India”, *The Diplomat*, February 8, 2022, <https://thediplomat.com/2022/02/japans-infrastructure-investment-in-northeast-india/>
- 9 Pratim Ranjan Bose, “Connectivity is No Panacea for an Unprepared Northeast India”, *Strategic Analysis*, 43, No. 4, (2019) 335–341
- 10 Raile Rocky Ziipao, “Roads, tribes, and identity in Northeast India”, *Asian Ethnicity*, 2020, VOL. 21, NO. 1, 1–21
- 11 Sanjib Baruah, *Durable Disorder: Understanding the Politics of Northeast India*, Oxford University Press, 2007
- 12 “Explained: What is the Inner Line Permit System, and northeast states’ concerns over it?”, *The Indian Express*, December 5, 2019, <https://indianexpress.com/article/explained/what-is-inner-line-permit-and-will-it-address-north-east-states-concerns-over-cab-6145508/>

- 13 “Explained: What is the Inner Line Permit System, and northeast states’ concerns over it?”,
- 14 Pradip Phanjoubam, “India at 75: The fragility of the Northeast’s integration”, *The Hindu*, August 16, 2022, <https://www.thehindu.com/opinion/lead/india-at-75-the-fragility-of-the-northeasts-integration/article65772603.ece>
- 15 Ambar Kumar Ghosh and Anasua Basu Ray Chaudhury, “Situating India’s Northeast in the Bay of Bengal Regional Architecture”,
- 16 Sandip Dighe, “Border Roads Organisation blazes a trail in most testing conditions”, *The Times of India*, November 18, 2022, <https://timesofindia.indiatimes.com/city/pune/border-roads-organisation-blazes-a-trail-in-most-testing-conditions/articleshow/95608878.cms>
- 17 Sandip Dighe, “Border Roads Organisation blazes a trail in most testing conditions”,
- 18 Ministry of External Affairs, Government of India, <https://pib.gov.in/newsite/printrelease.aspx?relid=128699>; “Indian firm appointed for road building under the Kaladan project in Myanmar”, *Mizzima*, February 28, 2022, <https://mizzima.com/article/indian-firm-appointed-road-building-under-kaladan-project-myanmar#:~:text=The%20Kaladan%20Road%20Project%20is,Mizoram%20state%20in%20Northeast%20India>
- 19 Ministry of External Affairs, Government of India, <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1558475>
- 20 “BIMSTEC Master Plan for Transport Connectivity”, *ADB*, April 2022, <https://www.adb.org/sites/default/files/institutional-document/740916/bimstec-master-plan-transport-connectivity.pdf>
- 21 Myithili Hazarika, “Sikkim could finally be added to India’s rail map by 2022, 13 years after project began”, *The Print*, August 8, 2020, <https://theprint.in/neye/sikkim-could-finally-be-added-to-indias-rail-map-by-2022-13-years-after-project-began/477619/>
- 22 “Ongoing Railway Projects in Hilly Regions”, Ministry of Transport, Government of India, New Delhi, February 3, 2021, <https://pib.gov.in/PressReleasePage.aspx?PRID=1694860>
- 23 Ministry of Transport, Government of India, New Delhi, February 3, 2021, <https://pib.gov.in/PressReleasePage.aspx?PRID=1694860>
- 24 Sohini Bose and Prathana Sen, “Mitali Express: Implications for India–Bangladesh and sub-regional connectivity”, *Observer Research Foundation*, August 5, 2022, <https://www.orfonline.org/expert-speak/mitali-express/>
- 25 “Bangladesh keen to import high-quality train coaches from India”, *Newsonair*, July 18, 2022, <https://newsonair.gov.in/News?title=Bangladesh-keen-to-import-high-quality-train-coaches-from-India&id=444425>

- 26 “BIMSTEC Master Plan for Transport Connectivity”, *ADB*,
- 27 “Commencement of Train Operations on Jaynagar (Bihar - India) - Kurtha (Nepal) Section.”, *Konkan Railway Corporation Ltd.*, April 2, 2022, <https://konkanrailway.com/press/details/1448>
- 28 “POWs Reveal Names of Junta Captains Who Reduced Chin Town of 10,000 to Ashes”, *The Irrawaddy*, February 13, 2023, <https://www.irrawaddy.com/news/burma/pows-reveal-names-of-junta-captains-who-reduced-chin-town-of-10000-to-ashes.html>
- 29 Sreeparna Banerjee, “India’s Connectivity Projects with Myanmar, Post-Coup: A Stocktaking”, *Observer Research Foundation*, February 22, 2023, <https://www.orfonline.org/research/indias-connectivity-projects-with-myanmar-post-coup/>
- 30 Suhasini Haider, “Bangladesh, India, Nepal move ahead on motor vehicle agreement project”, *The Hindu*, March 9, 2022, <https://www.thehindu.com/news/national/bangladesh-india-nepal-move-ahead-on-motor-vehicle-agreement-project/article65205145.ece>
- 31 “Thailand expresses concern over BIMSTEC motor vehicle pact”, *Business Standard*, April 11, 2018, https://www.business-standard.com/article/pti-stories/thailand-expresses-concern-over-bimstec-motor-vehicle-pact-118041100722_1.html
- 32 Titli Basu, “Japan in India’s Northeast: The Indo-Pacific Connect”, *IDSa*, April, 2022, <https://idsa.in/idsacomments/japan-in-indias-northeast-the-indo-pacific-tbasu-190422>
- 33 Ministry of External Affairs, Government of India, https://www.mea.gov.in/press-releases.htm?dtl/29154/Launch_of_IndiaJapan_Act_East_Forum
- 34 “India, Japan looking at working together in Bangladesh and Myanmar: Jaishankar”, *Hindustan Times*, 18 September 2020, <https://www.hindustantimes.com/india-news/india-japan-looking-at-working-together-in-bangladesh-and-myanmar-jaishankar/story-oMBX03xb696RNvZDtsoXiP.html>
- 35 Presentation of Watanabe Jun, JICA, Building Connectivity in Northeast India, November 3, 2022, for Conference held on 3 November.
- 36 Rahul Chanda, “No Progress in Japanese Township project work in Assam”, *G Plus*, October 12, 2022, <https://guwahatipius.com/exclusive-news/no-progress-in-japanese-industrial-township-project-work-in-assam>
- 37 “Update on Japan Industrial Townships in India”, Department for Promotion of Industry & Internal Trade Ministry of Commerce and Industry India, December 2021, <https://www.meti.go.jp/press/2021/02/20220228004/20220228004-b.pdf>

Images used in this paper are from Getty Images/Busà Photography (cover and page 2) and Getty Images/Otto Stadler (back page).



Ideas . Forums . Leadership . Impact

20, Rouse Avenue Institutional Area,
New Delhi - 110 002, INDIA
Ph. : +91-11-35332000. Fax : +91-11-35332005
E-mail: contactus@orfonline.org
Website: www.orfonline.org