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POTENTIAL SIGNIFICANCE FOR NORTH EAST INDIA IN MYANMAR'S REGIONAL TRADE

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Abstract:

Due to its location at the juncture of India and Southeast Asia, Myanmar is strategically significant to India. Myanmar is the only nation In "Southeast Asia" having a land boundary with "north-eastern India," stretching 1,624 kilometers. The neighbors' have a 725-kilometer maritime border in the Bay of Bengal. Myanmar is an essential component of India's "Indo-Pacific" regional geopolitics. It is the only country in the world that is sandwiched between India's "Neighborhood First" strategy and its "Act East" ambition. It also serves as a geographical link between South and Southeast Asia. Consequently, it is in India's geostrategic interest for Myanmar to become a secure and independent nation, allowing for more bilateral engagement in India-Myanmar relations.

Myanmar is critical to India's goal of becoming a "$5 trillion economy by 2024". However, with a total "bilateral trade of $2 billion", India trails behind China in economic involvement, necessitating Modi's administration to expand India-Myanmar commercial relations. With this backdrop, north-eastern India got a prominent position in India-Myanmar bilateral and border trade. The present paper explained the potentialities of Myanmar, such as manufacturing capabilities, export merchandise, nature of border trade between northeast India, mineral resources, the strengths and weakness of Myanmar trade capacities with the realistic approach. "Myanmar" attempts to remain secure and independent while it endures its arduous democratic process, while Modi is selling India to the rest of the globe. India is Myanmar's doorway to Southeast Asia, whereas Myanmar is India's doorstep to "South Asia."

Moving ahead to the 2020s, the acid test for India's and Myanmar's political leaders will be whether they can work together to take their close bilateral relationship seriously enough to increase long-term border commerce participation. Both nations must emphasize imagining the potential of border trade between India and Myanmar. Bilateral commitments must be followed through; otherwise, "India and Myanmar" will become one of few bi - lateral relationships that disappoint or embarrasses to deceive. Finally, the paper concludes that India must decide how just how deeply it wants to cultivate its ties with "Myanmar," understand perfectly that well "Naypyidaw" will be critical to North-East India in the coming couple of years, not least if it wants to strengthen its position as a global force in "the Indo-Pacific."

Keywords; *Border trade; Regional co-operation: Northeast India; Potentialities.*

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Introduction:

In the last two decades, Southeast Asia has shown signs of regional and economic convergence as a regional manufacturing hub. ASEAN member nations evaluated their skills and prospective strength in obtaining significant economic benefits from global and regional partners. Myanmar has performed well in this regard as an ASEAN member. Myanmar is attempting to increase its participation in the global supply chain, and China has made numerous proposals to collaborate in the commercial arena. Geographically, “the China Myanmar Economic Corridor” (part of the BRI) is planned to begin in China’s key Yunnan province, which spans borders with Myanmar, Laos, and Vietnam.[1] The corridor would run from Ruili city on the China-Myanmar border to Mandalay, Myanmar’s old royal capital on the shores of the Irrawaddy River in the country’s northwestern region. From there, it may reach Yangon, New City, and the Kyaukpyu Special Economic Zone in western Rakhine province to the east and west. Two agreements were inked during Chinese President Xi Jinping’s official visit to Myanmar last year, creating the Kyaukpyu Deep Sea Ports (KDSP) and the Special Economic Zone (SEZ) [2]. The Chinese want to reduce their reliance on the Straits of Malacca, China’s major commercial route between the Indian and Pacific seas, by establishing the KDSP. With a new cold war with the US looming, the Chinese are anxious to decrease their dependence on the straits militarily controlled by the US [3].

Northern Myanmar’s Garment Manufacturing Hub:

Northern Myanmar has significant potential for development as a major garment manufacturing hub, and a Chinese textile group has forwarded a proposal to establish a global textile mass production conglomeration in a major city in Sagaing Region, an economic powerhouse for Upper Myanmar, at the cost of more than US$370 million (493.49 billion Kyat’s). The Ministry of Planning, Finance, and Industry (MOPFI) has confirmed that Eastern Development International (Myanmar) Co. Ltd. (Dong Zhang Textile Group — China) of Jiangsu Province, China, submitted an unauthorized proposal for the venture in Sagaing city, which, if approved, would be the country’s first textile-based industrial conglomeration [4]. Eastern Development International (Myanmar) Co. Ltd. was registered as a producer of wearing apparel in 2018 according to the government’s investment agency, the Directorate of Investment and Company Administration (DICA). The company’s directors are both Chinese nationals, yet foreigners entirely control it. Textile production is one of the city’s most influential businesses, and the area is home to many of the country’s largest state-owned textile mills. It’s also worth noting that India borders the Sagaing Region, and its economy is heavily reliant on trade with the nation.

There will be two stages to the planned Chinese project in the Sagaing Region. It will include building 17 garment-related manufacturing plants, a global textile-related marketplace at a Sagaing ginning plant, and other facilities. The building of 12 new apparel factories, knitted fabric manufacturers, dyeing and printing manufacturing facilities, down and feather industries, and staff housing will be included in Phase-1. Building of five garment-related manufacturing facilities, an embroider industry, a carton manufacturing facility, a polyester wadding plant, and a global textile-related market will be included in Phase-2. According to the proposal, the industrial cluster will be connected to other textile companies in the Sagaing Region.

World Bank's estimation on Myanmar's economic propensity:

Myanmar's opening in 2011 and the nation's first representative democracy elections in 2015 were watershed moments for the country, igniting a surge of hope. "Since 2011, vigorous economic development (above 7% per year) and provable advancements in social welfare have resulted from the integration of exchange rates, initial liberalization of product and factor markets, integration into regional markets, and modernization of economic and financial structures and institutions. Poverty almost halved between 2005 and 2017, dropping from 48% to 25%" [5].

After 2016, reform momentum stalled as a newly assigned civilian government struggled to define its economic strategy and manage the public administration to execute policies and programs. The government has established an Aspirational Myanmar Sustainable Development Plan, re-energized its economic reform program, and started tackling the more challenging second-generation reforms required to maintain the economic transformation. Myanmar's economy was expected to expand at 6.3 percent in FY 2019/2020 and 6.4 percent in FY 2020/21 before the COVID-19 epidemic. "Myanmar's economy was anticipated to plummet as a result of the epidemic. The worldwide shock and local attempts to stop the virus from spreading have cost a lot of money. Myanmar's GDP grew by 1.7 percent in FY 9/20, down from 6.8 percent the previous year. Slowdown economic development threatens to undo Myanmar's recent gains in decreasing poverty and lowering the earnings of already impoverished families. As in other nations, exclusion in Myanmar occurs with various categories, notably gender, ethnicity, and citizenship. This, along with extensive underdevelopment and poor service delivery, means Myanmar's human capital is severely restricted" [6].

"Myanmar" will not be capable of optimizing economic development until it invests in all of its citizens, compromising affluence not just for the marginalized but also for everyone. There is a two-way relationship: widely shared financial prospects are required to maintain long-term peace, but progress is also necessary to provide economic opportunities to everyone and optimize development and sharing development in Myanmar. Another significant obstacle to Myanmar's growth is climate change. "It is among the most disaster-prone nations globally, vulnerable to various disasters like floods, cyclones, earthquakes, landslides, and droughts. Myanmar, alongside Puerto Rico and Honduras, was one of the three nations most impacted by climate change from 1999 to 2018, as per the 2020 Global Climate Risk Index, and ranked 19th out of 191 nations on the INFORM Risk Management Index"[7].

International Monetary Fund's estimation on Myanmar's economic propensity [8]:

According to the IMF, Myanmar had fast development as a frontier economy when it opened up in the 2000s, with GDP development levels among the highest in Asia. When the shock struck in early 2020, though, growth had already begun to decline. The IMF identified six issues linked to Myanmar that should be considered while formulating policy.

- Myanmar's COVID-19 epidemic seems to be restricted in comparison to other nations in the area. Despite its 54 million population, the nation reports around 300 confirmed cases, perhaps because of inadequate testing capability. Travel limitations, land border closures, and prohibitions on large public meetings were all enacted by the government long before the case count began to rise, "helping to flatten the infection curve."

- "The COVID-19" shock has harmed the economy's "main engines" of development. Exports, remittances, and tourist arrivals have all dropped dramatically in Myanmar. At the same time, efforts intended to limit the virus's spread have stifled domestic economic activity. Households and companies have been impacted, particularly agriculture, "accounting for a fifth of the economy and employing over half of the workforce. In addition, almost four out of every five employees in Myanmar labor in the informal economy, which has restricted access to social safety nets. There is a lot of uncertainty about growth in the near term, which is due to the severity and length of prevention strategies and the development of external circumstances".

- At the same time, due to a reduction in world oil costs, gas sales have decreased. In the fiscal year 2018/19, natural gas accounted for 40% of exports and 20% of government income, significantly pressuring the current account and fiscal situation.

-In contradiction to regional patterns, the Kyat has strengthened. For nearly a year, the trade imbalance had decreased, putting upward pressure on the exchange rate. This tendency is now beginning to wane. This is likely to continue as imports increase and the economy improves. Myanmar's foreign exchange interference regulation, which was implemented late, last year, has encouraged the building of insufficient foreign currency reserves. In light of the pandemic's unknown duration and severity, lack of market accessibility, and increased external and financial sector risks, IMF emergency funding will help shore up reserves.

- In the long term, social expenditure, especially on health, is projected to rise from a low base relative to other nations. The government plans to use digital payments to increase cash and in-kind disbursements to the country's most disadvantaged and at-risk populations in all areas.

While preserving macroeconomic stability, aggressive macroeconomic and fiscal measures will aim to support the resurgence.

- Despite an increase in critically required expenditure, the risks to debt sustainability remain low. Myanmar's budget deficit would rise due to the spending required to support emergency recovery initiatives and decreased income, putting financial strain on the country. However, since domestic and foreign public debt is significantly tiny, threats to debt sustainability are minimal, allowing for the expansion of low-cost foreign financing to foster more rapid and equitable growth.

Myanmar, the states of North East India, and regional manufacturing and trade:

Myanmar, Bangladesh, Bhutan, China, and Nepal share a land border with North-Eastern India. It has transcontinental trade agreements via Land Custom Stations designated under Section 7 of the Customs Act, 1962. A Free Trade Agreement (SAFTA) allows trade via LCSs on the Bangladesh-Bhutan border, and Border Trade Agreements have been signed with China and Myanmar. Border commerce differs from trade conducted via air, land, or seaports in that trade conducted through ports requires customs clearance and includes a significant number of goods. Boundary commerce, on the other hand, is "over-land trade" involving the "exchange of goods" from a bi-laterally agreed-upon list between individuals residing on both sides of an international border.

Myanmar's border with India's border commerce and its links to North-East Indian states may help Myanmar achieve its ambitions of becoming a regional manufacturing center and a major Asian factor in the international supply chain. An accord between India and Myanmar on border trade was reached on January 21, 1994, and operationalized on April 12, 1995 [9], to allow locally manufactured goods to be exchanged as commodities under existing customary practices on both border countries. According to the accord, border commerce would be conducted via Custom Posts in Moreh, Manipur, and Zokhawthar, Mizoram, corresponding to Tamu and Rhi in Myanmar. For border commerce involving India and Myanmar, 40 goods are allowed with a 5% tax. At the moment, the Moreh Post is the only way to cross the border.

The Indo-Myanmar Border Trade Agreement was reached on January 21, 1994, by the governments of the Republic of India and the Union of Myanmar to formalize border trade practices and establish a friendly model for such commerce. Initially, the agreement allowed cross-border business in twenty-two goods, most of which were "agricultural/primary commodities manufactured in the trading nations (not the third country products that dominate the informal border trade, as discussed later). A few new things were added to a list of tradable goods in 2001". In reality, the accord doesn't accomplish much more than provide legal legitimacy to exchanges that have long taken place between local people in the two nations' border regions. It does, however, have symbolic significance in words of strengthening financial relations among the two nations [10].

The accord stipulated that commerce shall take place at the designated customs stations, namely,

(a) “Moreh (Manipur State) in India and Tamu (Myanmar).

b) Champhai (Mizoram State) in India and Hri (Myanmar)

(c) Additional locations that the two nations may mutually agree to notify”.

“The two land customs stations (LCS) at Moreh and Champhai on Indian soil were designated after signing the agreement.” The “Champhai station,” on the other hand, is still not operational, and all official and formal Indo-Myanmar border commerce take place via the Moreh-Tamu route. According to the India Chamber of Commerce, the fundamental limitations to India’s growth, to benefit from the regional business, Myanmar’s border commerce must be eliminated. The poor infrastructure condition, from road connections and communications to amenities at border transport hubs and banking and other financial networks, is frequently mentioned as one of the apparent impediments to trade development. “The state of infrastructure and connectivity influences transport and transaction costs in trade” [11].

The second problem that may block Myanmar’s regional trade ambitions is the country’s dual currency exchange rate mechanism. Myanmar’s foreign exchange system is similar to, although in a more extreme version, that which existed in India before 1991. “There is a formal exchange rate that is massively inflated and an informal market-determined rate that is a more accurate representation of the currency’s true value. For example, at the end of 2003, the formal exchange rate for US $ 1 was Kt 5.7, while the free trade rate was Kt 850”[12]. This means that the Rupee was formally at Kt 0.09, but it was informally around Kt 19. “The informal exchange rate for the Rupee was determined to be Kt 18 in the Mizoram area in July 2004 and Kt 21 in the Manipur area in July 2005 during the field survey for this research”. According to these figures, the Kyat is 200 times overpriced in comparison to the Indian Rupee. Because of the disparity, commerce has been diverted through illegal channels, where exporters may realize revenue at the unregulated “exchange rate.” The inflated official exchange rate discourages traders from using the official channel to do business and limits banks’ ability to handle foreign exchange operations. **“**The lack of participation of banks and financial institutions is a flaw in the trading market.”

Myanmar’s transit trade is also a problem. Myanmar’s Foreign Commerce Law allows products to be imported into Myanmar for ultimate distribution in a third nation, known as transit trade. A Myanmar citizen or business may be designated as a transit conduit by a foreign buyer or seller. “A small commission to the lines, 2.50/0 customs tax, a transit movement fee, and a processing fee to the relevant authorities are all included in the transit. The pricing in hard currency is translated to Kt at the official exchange rate to calculate the import duty".

As a consequence of the procedure, the price of the products at the final destination is artificially reduced. This issue may be partly blamed for the exceptionally low pricing of third-country goods brought into India through the informal border trade. It's as though the products are being dumped on the ultimate importer. "As a result, the transit trade acts as unfair competition for local manufacturers in the receiving nation. However, the Myanmar government suffers in regards to customs per unit of a product. The losses per unit are expected to offset at least partially by the increased demand volume due to the lower price". As a result, without determining the different elasticities, the revenue impact of the system for the Myanmar government cannot be determined.

Barter Trade Framework: For formal Border Trade:

The current official Indo-Myanmar border trade system is similar to barter commerce. An individual trader's export from one nation must be matched by an individual trader's purchase from another country. Furthermore, for an Indian merchant, exports from India must come first before purchases from Myanmar. The process of balancing exports and imports must be accomplished within six months [13]. The arrangement stifles not only free commerce but also disadvantages Indian traders. According to Customs Officials stationed in Moreh, it is frequently hard for merchants on the "Indian side" to fulfill maintaining responsibilities within the allowed time owing to delays in imports from Myanmar.

Furthermore, such delays put Indian merchants in a more vulnerable position. It's hardly surprising; however, that the surge in official border commerce that followed the 1994 Border Trade Agreement among both the Indian government and Myanmar fizzled out soon. Another issue limiting natural trade inflows is the limited variety of goods designated for official border commerce. Although both countries may have broad prohibited lists for exports and imports, frontier commerce should be broadened to cover all products for which trading is allowed under the countries' existing external trade laws.

Myanmar's Path to Progress:

Myanmar's economic regimen, mainly the element connected "to external trade and foreign exchange rate system, is a barrier to the free flow of trade primarily on comparative socioeconomic advantage under appropriate economic governance," as per the Indian Chamber of Commerce. Several undergo changes, ranging from changing the basic rules for border commerce to devising a proper currency exchange system, will be required to place border trade on a solid foundation and move informal trade into the official channels.

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The best choice would be for Myanmar to transition to an economical liberalization financial framework with a floated convertible currency conversion system. Border commerce is freed from the constraints of the barter system, "allowing it to function as normal international trade. The broad list of goods to be exchanged should be expanded to include all items allowed under bilateral and multilateral trade deals between the two nations, rather than being limited to those covered by current border trade agreements. Formally, trade is permitted at the market-determined exchange rate. Transit of third-country goods is permitted openly, but only under the terms of multilateral trade treaties or the regional trade agreement, which is expected to enter into effect in the future years". Routing current informal import flows via legal channels should never be an issue, given that customs charges in India have already been significantly lowered under WTO requirements and are set to be further decreased amongst member nations of the upcoming regional trade bloc. The issue of transferring current illegal exports from India to Myanmar in a legal manner must be resolved. While legally exporting industrial products such as equipment and pharmaceuticals should not be an issue, things such as kerosene and fertilizers and pesticides, which are heavily reduced for Indian customers but are not meant to be subsidized for exporting, may provide some difficulties.

Myanmar's Export Potential to/Through North-East India:

Even though agriculture still accounts for a more significant proportion of the North-Eastern area's domestic output than it does for the whole nation, the region is short on several agricultural goods. For nearly all of its pulses and a significant portion of its rice needs, the area relies on supply from other regions of India. Rice and lentils, essential foods for the region's inhabitants, have a constant and predictable demand. "The commodities from northwestern India are expensive to convey, but they are also prone to interruption during the monsoon season owing to flooding in the Assam lowlands. Myanmar has a long history of being an excess producer of these two goods". There seems to be no explanation why Myanmar ought not to provide these goods to the people of "North-East India." "North-East India" may offer "markets" for Myanmar's other "agricultural goods." For example, when there is a scarcity of onion in India, onions from Myanmar often surface in Manipur markets. The item may be routinely shipped to North East India and further once border commerce is liberalized. Currently, commodities to North East India originate from places as far away as Maharashtra.

Regular exports of such agricultural goods may help farm productivity in Myanmar and North East India. Peasants in Myanmar will be enticed to embrace better technologies and increase output due to market growth. Peasants in North East India would focus more on cultivating high-value horticulture and other cash agriculture. The area has appropriate agro-climatic conditions, thanks to the neighboring nation's supply of essential food products. On either side of the border, development along these lines may increase agricultural revenue.

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Myanmar's growth prospects in the timber and timber-based sectors:

Myanmar persists in exporting forest goods such as timber and items made from wood. Myanmar is home to the world's biggest captive elephant population, with the overwhelming majority still working as timber elephants. Approximately 3,000 are held by "Myanmar Timber Enterprises (MTE)," the government agency in charge of timber harvesting, while the remaining 2,500 are privately owned contractors who rent them to loggers [13]. All elephants are legally registered, which maintains track of their employment and medical histories in record books. Myanmar established the Myanmar Timber Elephant Project to protect its timber sector.

Despite North East, India is rich in natural forests; irresponsible industrial and commercial extraction has stripped the area of most of its forest coverage over time. The situation had worsened to the point that "the Supreme Court of India" had to issue an injunction in 1998 prohibiting the cutting of trees in the area. In the area, forest-based industrial units, such as plywood mills, have all but disappeared. A new supply route from Myanmar may breathe fresh life into the region's forest-based businesses. However, there are some concerns about Myanmar's capacity to export forest commodities for an extended time in this environment. If informal accounts from academics visiting Myanmar's interiors are accepted, most of Myanmar's teak stocks have already been exhausted, particularly in regions held by rebel groups.

Furthermore, there is an official prohibition on the export of raw wood established in 1994. Thus the commodity may only be exported in the shape of specific value-added goods. The government may not be able to remove the prohibition unless the possibility of wood commerce encourages commercial replanting operations. Importing timber to restart plywood production may not be possible in such a scenario. Value-added wood goods, particularly as inputs in the furniture and building industries, may still find a marketplace in India's North East and other areas.

Myanmar's mineral resources have significant economic potential:

Myanmar is rich in a variety of mineral resources in addition to generating agricultural surpluses. Myanmar granites may find demand in North East India, where home building is a burgeoning industry. Heavy and bulky stones such as marble and granite are now imported from Rajasthan in western India to build in the North East. "In the market in North East India, granites from Myanmar should have a transportation cost advantage." Myanmar is also known for high-value, low-quantity gemstones such as jade and ruby. In any event, some of these stones are smuggled into India daily. With India's per capita income increasing fast, demand for expensive stones used in such jewelry is anticipated to increase. As a result, such stones may be smuggled into "India through the North East," but not necessarily for marketing in the area [15].

Myanmar's natural gas economic potential:

Myanmar's coastal regions are rich in natural gas deposits. A few Indian firms, notably the ONGC, are already exploring and producing in the region. With India's economy expanding rapidly, energy demand is anticipated to increase at a quicker pace as well. In this scenario, Myanmar's gas supply may be very beneficial to India's economy. The Indian state-controlled offshore company ONGC said in mid-2020 that it would spend an additional $121 million to sustain production at "the Shwe gas pipeline venture offshore Myanmar (Burma), which delivers pipeline gas to China" [16]. The company's intentions to "invest in Shwe's A-I and A-3" regions have been authorized by the Indian government. ONGC Videsh, ONGC's foreign upstream subsidiary, has spent $722 million on the project as of March 2019. Shwe is owned by ONGC, which has a 17 percent interest, and Gail, a state-controlled Indian gas distributor, has an 8.5 percent stake. Posco International of South Korea controls 51 percent of the company, while "Kogas and Myanmar's state-owned Moge" hold the remainder.

The "Shwe project consortium" intends to dig "eight developmental wells this year" to maintain production. The additional wells are expected to begin commercialization in 2022. As per Posco and ONGC, the project generates 600 million ft3/d (6.2 billion m3/yr) of "gas and transports an average of 500 million ft3/d to China "[19]. The amount of gas produced by the new wells is unknown. Shwe began producing gas in 2013 and uses the Burma Road pipeline network to transport "gas from the Bay of Bengal to southwest China." Despite repeated attempts, India was unsuccessful in obtaining supplies from Shwe. Delhi uses energy trade to improve relations with its neighbors and fight Chinese hegemony in Nepal, Sri Lanka, Myanmar, and Bangladesh.

In reality, significant efforts have already been made to construct pipelines for obtaining gas from Myanmar. Pipelines should be built via the North East since putting them across "the Bay of Bengal is expected to be far more costly than laying them through the land." A linking pipeline from Tripura will also allow the nation to tap into the state's gas deposits. The North East and the remainder of the nation may utilize imported and local natural gas for thermal power production and other industrial purposes. It's worth noting that the North East now relies mainly on hydel generation to meet its energy needs. Even though the area has a largely unexplored potential for hydel electricity, the planned building of dams to tap into that potential has sparked debate. Furthermore, during the dry winter months, particularly in years with a deficient monsoon, the supply from present hydel power plants becomes inadequate and unstable. Supply from gas-fired thermal power plants may help to stabilize the region's electricity supply.

North-East India's Potential Exports to Myanmar include:

According to recent assessments on the country's economy, "Chinese-produced goods have a large presence in Myanmar's market. The reality that such goods have made their way into the marketplaces of neighboring states Manipur, Mizoram, and Nagaland add credibility to such claims. India has yet to explore the Myanmar market actively. It may now find it difficult to compete with Chinese goods that are already well-established". However, the structure of informal border trade exports from India to Myanmar indicates that "India," and perhaps the "North East," might still have a competitive edge in catering to Myanmar's needs. Despite its general industrial backwardness, the Northeast area has developed considerable crude oil refining capability. "The region's four refineries, all situated in Assam, have a combined refining capacity of approximately "seven million tonnes" of oil per year." The area will have a significant export-oriented surplus of refining products if all four refineries operate near capacity. Export these surpluses to adjacent nations may be a more cost-effective option than delivering them to far-flung areas of the country. Kerosene generated in the area is already being trafficked over the boundary to Myanmar as an illegal export. "Kerosene" and other refining commodities from the "North East" may readily find a market in "Myanmar" in a regulated and liberalized trade climate between the two nations.

Bicycles, motor parts, fertilizers, pharmaceuticals, and food goods such as Moltova and Horlicks are all unofficially shipped from India to Myanmar, as stated in the previous section. Even though Chinese infiltration has decreased India's share in Myanmar's manufactured products markets, India still has a significant market share in some products such as pharmaceuticals and fertilizers. Indian producers would be enabled to examine and explore markets in Myanmar more thoroughly if border commerce in these goods is liberalized. The Indian companies may build up manufacturing bases in the "North East to cater to Myanmar and beyond" markets, similar to how the Chinese have built production centers along the "border and even within Myanmar to access cross-border markets." Furthermore, there are now additional economic incentives since the Government of India's North East Industrial and Investment Promotion Policy 2007 provides an appealing tax package and other advantages for new industrial enterprises in the area. The region's industrialization will benefit as a result of this process.

The Future of Service Trade between North East India and Myanmar:

Another "potential trading between Myanmar and North East India" field that has yet to be fully explored is commerce in services such as health care, hospitality, and tourism, which may create trade-in transportation, communication, and associated services via backward linkage.

In recent years, the area has seen an influx of sophisticated medical care facilities. Most of these amenities are now centered in Guwahati, the region's gateway, although individuals from other states may also use them. If the border is loosened and people can travel freely over it, similar amenities might be made available to Myanmar citizens. "Some border states, such as Manipur, have a large pool of skilled human resources available to provide these services. Once the need from across the border is recognized, the required infrastructure for delivering such services will emerge in these Border States", making these services more accessible to individuals from Myanmar's neighboring regions.

Myanmar, the Industrial Hub - With a Special Focus on SEZs:

Myanmar, the Manufacturers Hub - Focus on Special Economic Zones Trade and investment liberalization, access to a vast local market, and plentiful low-cost labor make Myanmar appealing to manufacturers. Myanmar's government is trying to reduce the trade imbalance by increasing the proportion of industrial companies in the total economy and increasing exports. We all know that Myanmar's infrastructure remains a significant issue, and the government currently relies on the growth of manufacturing and specialized economic zones to meet its needs (SEZ). The road is the most important means of transportation for local commerce, although 79 percent is still unpaved. The bulk of railroads are over 100 years old, and little investment in this sector has resulted in poor speed, quality, and passenger and freight service competitiveness. The exorbitant expense of airline freight and transportation, on the other hand, makes them unpopular. Meanwhile, Yangon has a large port that handles almost 90% of the country's imports and exports.

The SEZs of Kyaukphyu, Dawei, and Thilawa is anticipated to help Myanmar's economy expand even further. These zones provide more tremendous advantages than industrial zones, including the following: There is no tax for the first 57 years. Fifty percent alleviation for the next five years of exemption + five more years of profit reinvested land may be leased for up to 75 years by investors, for example. Thilawa SEZ is expected to enhance Myanmar's status as a manufacturing center by providing access to 2.3 billion customers in the area. Myanmar received USD 1.5 billion in industrial FDI in 2014-2015, with a third coming from Thilawa [18]. A Japanese consortium made up of Mitsubishi, Marubeni, Sumitomo, and the Japanese government owns 49 percent of the investment in Thilawa SEZ, while a Myanmar consortium owns the remainder. Myanmar's cheap labor costs have drawn low-cost manufacturing, which is gradually shifting to medium-value manufactured goods. Investment in Thilawa SEZ and Myanmar as a whole will provide the following benefits to investors:

Demand at domestic: Automobiles, building materials, industrial machinery, and electrical goods all provide opportunities.

Demand in the region: Through commerce with neighboring nations, it has access to a 2.3 billion customer base. Due to a lack of industry, natural gas and agricultural goods have dominated exports.

Conclusion:

Due to its location at the crossroads of "Southeast Asia," Myanmar is strategically significant to India. "Myanmar is the only Southeast Asian" country having a terrestrial border with "north-eastern India," stretching for 1,624 kilometers. Myanmar is crucial to India's aim of reaching a "$5 trillion economy by 2024".However, with a gross "bilateral trade of $2 billion", India trails behind China in economic involvement, necessitating Modi's administration to expand India-Myanmar commercial relations. Following its exit from the "multilateral Regional Comprehensive Economic Partnership," India has emphasized bilateral economic integration with "Southeast Asian countries." If "India and Myanmar's" economic relations are to grow, they must enhance their border security co-operation. More economic activity will be created if the border is secure. Myanmar is trying to maintain stability and independence while undergoing a problematic democratic transition, while Modi is promoting India to the rest of the world. Myanmar's gateway to "Southeast Asia" is India, whereas India's doorway to "South Asia" in Myanmar.

Moving forward to the coming years, the acid test for India's and Myanmar's political leaders will be whether they can work together to take their close bilateral relationship seriously enough to increase long-term border commerce participation. Both nations must emphasize imagining the potential of border trade between India and Myanmar. Bilateral promises must be converted into actual results; only then will "India and Myanmar" become one of those unsatisfactory bilateral relationships that embarrass to deceive. India must decide how far and how deeply it wants to develop its relations with "Myanmar," understanding that "Naypyidaw" will be critical to India in the following decades, not least if it intends to enhance its position as a geopolitical power in "the Indo-Pacific."

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