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BCIM ECONOMIC CORRIDOR AND NORTH EAST INDIA

Reimeingam Marchang*

Abstract

This paper examines the potential and scope for regional cooperation and integration for trade, development and others under Bangladesh-China-India-Myanmar (BCIM) economic corridor. The corridor that is primarily for economic cooperation passes through India's remote and underdeveloped North Eastern Region (NER). India is probably reluctant in leading the BCIM economic cooperation as India-China trade deficit has surged and due to security concerns. The region might benefit from the corridor slightly due to its underdeveloped economic and industrial conditions. The region's active participation is crucial for the successful operation of the corridor. Ironically, the region may remain a mere transit point since there are limited industries, no functional special economic zones, political problems, underdeveloped road infrastructure, etc. BCIM is envisaging seeking cooperation in energy sector for hydel and mineral resources from NER. Nevertheless, the region that is considered economically weaker than China's Yunnan province is very keen for active economic cooperation with BCIM economies as there is enormous economic potential to benefit NER considering its geostrategic location. A policy of complementary trade, involving the region, is envisaged among the BCIM economies for the successful implementation of the corridor.

Keywords: North Eastern Region, Economy, Industry, Trade, BCIM, Economic Corridor.

Introduction

North Eastern Region (NER), a service-driven economy, lags behind the rest of India in terms of per capita income as well as several other development indicators; moreover, industrialisation has failed to take off in the region (De and Majumdar, 2014). The region is endowed with abundant natural resources for large-scale industrial production such as petrochemicals, cement, steel, etc.; however, such producing industries do not exist in the region (De and Majumdar, 2014). This indicates that the region has an excellent potential for large-scale industries which necessitates developing Special Economic Zone (SEZ) for specialised production of goods and services. Meanwhile, NER, presently considered as India's gateway to Southeast and East Asia, has gained prominence in India's foreign policy after Look East Policy (LEP), now renamed as Act East Policy, was launched in the early 1990s; however, the region has not engaged with its implementation (Bhattacharjee, 2014).

Bangladesh-China-India-Myanmar (BCIM) economic corridor, initiated in Kunming in China in 1999, is one of India's several bilateral and multilateral initiatives for regional cooperation. Earlier, it was known as the Kunming initiative that was founded in 1999 in Kunming in China (Rahman, Rahman and Shadat, 2007; Rana and Uberoi, 2012; Mishra, 2014; Uberoi, 2014). Uberoi (2013) points out that BCIMEC is often confused with Bay of Bengal Initiative for Multi-Sectoral and Technical Cooperation (BIMSTEC). Concurrently, Anand (2014) opined that India is not very keen on building BCIM due to the overlapping of objectives with other similar existing initiatives. BCIMEC is a process of market expansion mainly by China. Chakraborti (2017: 300) noted that "China's intentions are not merely economic but

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also geostrategic". According to Marchang (2016), India has a huge trade deficit with China and Myanmar in the BCIM region. India's trade deficit with China was to the tune of US$ 45 billion in 2014, i.e. more than double the income (Net State Domestic Product – NSDP) of NER of US$ 20 billion in 2012/13. The present trade scenario creates an unfavourable condition for opening up of economic cooperation, particularly for India in the BCIM region.

Centre for Environment, Social and Policy Research (CESPR) in Guwahati (Assam) studies highlighted that BCIM, a multilateral forum, has the potential to generate enormous economic activities to benefit the economy of NER and to address the chronic insurgency problems better by providing viable livelihoods and human security problems such as drugs and weapons smuggling (Financial Express, 2014). BCIMEC should not be only a corridor but rather be a means to establish markets in terms of labours, professionals and goods besides developing a people-to-people relationship.

This paper, using available secondary information, attempts to analyse the economy of NER in BCIMEC. It begins by highlighting the background and objectives of the corridor that is followed by examining the BCIM trade settings and export drivers of BCIM economies. It is followed by investigating NER's economic structure, economic growth pattern and industrial situation, including SEZ, to explore its potential for regional economic cooperation. Further, the economy of NER is situated with its various social, economic and political conditions within the ambit of the BCIM regional economic corridor. Finally, a conclusion is drawn.

BCIM Economic Corridor

The proposed BCIMEC connects Kunming, the capital of the Yunnan province in China, Mandalay and Lashio in Myanmar, Imphal (Manipur) and Silchar (Assam) in North East India, Sylhet and Dhaka in Bangladesh and finally Kolkata in India (Rana and Uberoi, 2012; Uberoi, 2014). It is an initiative for sub-regional cooperation, promotion and integration for trade, commerce and connectivity to enhance people-to-people relations and establish peace and prosperity as reciprocity in the sub-regions. This makes BCIMEC a win-win arrangement (Sahoo, Bhunia and Dhankar, 2014). Its objectives are for the cooperation of physical connectivity, trade in goods, services and investment, including finance, environmentally-sustainable development and people-to-people contacts (Uberoi, 2013; Bhatia, 2014; Anand, 2014; Sahoo, Bhunia and Dhankar, 2014). The primary objective of this corridor is to promote economic cooperation (Rahman, Rahman and Shadat, 2007). It is "to realise the potential benefits accruing from the abundant natural, human and other resources, based on mutual complementarities, through deeper integration of the constituent economies of the BCIM sub-region" (Rahman, Rahman and Shadat, 2007: 1). With the development of the BCIM corridor, India is shifting its gateway to Southeast Asia foreign policy from NER towards Kolkata and the Bay of Bengal (Juergens, 2014).

India viewed BCIMEC essentially as a Track-II endeavour (Rahman, Rahman and Shadat, 2007; Bhatia, 2014), Track-II platform (Anand, 2014), Track-II engagement (Mishra, 2014) and "an activity that is manifestly consistent with India's Look East Policy and also with the long-term demand of India's North Eastern Region for the opening of trade, connectivity and people-to-people contacts with neighbouring countries" (Uberoi, 2013: 2). Conversely, China, Myanmar, and Bangladesh considered it a work supported by the government (Bhatia, 2014). China's interests in BCIM regional cooperation and

integration are geo-strategic, namely geo-economic and geo-political (Chakraborti, 2017). Rahman, Rahman and Shadat (2007) refer Track-II as an initiative originating from academia and civil society which may be informal; while Track-I refers to a formal initiative at a government level. Track-I forums include BIMSTEC or the Mekong–Ganga Cooperation Initiative (Uberoi, 2013). BCIM forum creates a space for India to engage constructively with China in a regional setting (Uberoi, 2013). Under BCIM, an integration and cooperation of strategically-located sub-regional areas, particularly NER in India, Bangladesh, Myanmar and South West of China, "constituting a natural economic zone, is perceived to have the potential to generate substantive economic benefits in the areas of trade, investment, energy, transport and tourism" (Rahman, Rahman and Shadat, 2007: 1). Bhattacharjee (2014) has also pointed out that BCIMEC has the potential to generate enormous economic benefits in trade, investment, energy, transport and communication.

India is not very keen on building the BCIM economic corridor due to overlapping of objectives with several other similar existing bilateral and multilateral initiatives with neighbouring countries such as BIMSTEC, Mekong-Ganga Cooperation initiative and Trilateral (between India, Myanmar and Thailand) Asian Highway for improving connectivity, India's then Look East Policy (LEP) that requires cooperation with Bangladesh and or Myanmar that encompass BCIMEC objectives (Anand, 2014). India hesitates to build economic cooperation and regional economic integration under BCIMEC partly due to the dominance of China in South and Southeast Asia and partly owing to the development of China–Pakistan Economic Corridor that passes through PoK among other reasons (Karim and Islam, 2018). India should make the NE as an integral part of India's AEP rather than establishing Kolkata as the centre of BCIMEC initiative (Deepak, 2017). Sajjanhar (2016) cautions that India needs to strengthen more in connectivity and integration of the NE with its mainland amidst the development of BCIMEC. It is required because of China's greater economic and strategic potentials wherein the EC may bring NE under the growing influence of China that would further deteriorate NER's physical, economic, social and emotional harmony with India's mainland.

India hesitates to involve in multilateral regional forums with China due to insurgency-affected NER (Karim and Islam, 2018). The NE and its neighbouring areas are embroiled in insurgencies, ethnic issues drug and human trafficking that is creating difficulties to provide security, peace and safety for developing BCIMEC infrastructures (Sajjanhar, 2016). Consideration of BCIMEC is key to alleviate NER from underdevelopment and poverty and thereby reduce unrest (Cuiping, 2017). Recently, India showed some interest in the BCIM initiative. Yhome (2017) noted that after a long hesitation, recently India has been actively pursuing BCIM regional cooperation initiative. It is a strategic move to open up India's landlocked frontier NER to neighbouring countries for peace and stability that may be achieved through economic growth and development. The strategic interest of China too is to open up its landlocked frontier, Yunnan Province, which is relatively underdeveloped than China's coastal areas, to neighbouring countries (Yhome, 2017). Thus, India and China are pursuing BCIM, the sub-regional cooperation, with a similar strategic interest. However, India and China relations are not so cordial due to the territorial disputes over Arunachal Pradesh and Kashmir that has hampered the move to mobilise regional market integration in South Asia (Karim and Islam, 2018).

BCIM economic cooperation "appears to have made little progress towards achieving its objective" (Uberoi, 2013: 2). It is facing practical inefficacy due to the oblivion of its objectives like by India (Uberoi, 2013). The proposed BCIMEC will play a vital role in the Silk Road Economic Belt. It is a modern version of the Silk Road (Sahoo and Bhunia, 2014). It is likely to consider a part of Stilwell Road, Silk Road, and other South Asian corridors initiated for economic cooperation lying in the BCIM countries. Silk Road economic belt attempts to promote integration and build China's relation with neighbouring countries (Yan, 2014). The notion of a Silk Road Economic Belt endures for excellent cooperation around Asia-Pacific and European countries. China wants India to participate and play a vital role in the Silk Road Economic Belt plan (Hindu, 2014). The proposed New Silk Road Economic Belt, according to Justyna (2013), aims to strengthen relations between China, Central Asia, and Europe.

As per Sahoo and Bhunia (2014), upgrading Stilwell Road that connects NER with Yunnan through northern Myanmar, could lower transportation costs and improve Sino–Indian trade. Anand (2014) also opined that Stilwell Road would reduce transportation costs and benefit businesses enormously. But India is not in favour of reviving the Stillwell Road due to security reasons (Anand, 2014). Bhatia (2014) feels BCIM countries need to discuss China's proposed Southern Silk Road and Maritime Silk Road relationship with BCIMEC. BCIMEC aims to revive the ancient Southern Silk Road trade route between China and India (PTI, 2013; Jash, 2015; Sajjanhar, 2016; Sachdeva, 2019). BCIMEC aspires to build the shortest trade route between China and India by reviving the ancient Southern Silk Road trade route (Karim and Islam, 2018). China has advantages and potentials in BCIM economic cooperation owing to its rapid economic prosperity and growth that may further enhance China's economic competence for strategic gains (Jash, 2015).

According to the Government of Arunachal Pradesh (2019), the Stilwell Road is located and stretches from Ledo (Assam, India) to Kunming (Yunnan, China) with a total length of 1,726 km out of which 61 km lies in India (30 km in Assam and 31 km in Arunachal Pradesh), 1,033 km in Burma (Myanmar) and 632 km in China. It had virtually disappeared due to the non-maintenance of the road by India, China and Myanmar. However, Stilwell Road, located in India, is not overlapping much with the BCIMEC route. India wants to reopen this road as an International Highway for trade route to boost commerce that will also increase people-to-people interaction with Myanmar, China and other Southeast Asian countries to achieve the objectives of India's AEP for socio-economic development of NER (Government of Arunachal Pradesh, 2019). Concurrently, Chief Ministers of India's NE states demanded reopening of the Stilwell Road for connecting NER through Myanmar and Kunming of China (Bhattacharjee, 2018) to improve economy and trade activities from NER to South East Asian countries. It indicates the landlocked and underdeveloped NER wants to open up for regional cooperation and integration to achieve economic development.

"India is seemingly suspicious that the BCIM is a mechanism designed simply to facilitate Chinese imports of natural resources and export of processed goods to the region which would result in a massive trade deficit between India and China" (Karim and Islam, 2018: 297). India, along with Bangladesh and Myanmar, suspected that BCIMEC will "only worsen their trade deficits as cheap and low-quality Chinese goods are likely to flood their markets to the detriment of domestic industries"

(Sajjanhar, 2016: 5). "The advantage lies in making the BCIMEC China-India Free Trade Area which holds greater economic prospects and optimal gains for China" (Jash, 2015). China may take advantage of India's growing market potential and India may be vying for the supply of resources to China that have great manufacturing goods export potential. Sajjanhar (2016) pointed out that the intentions of China in establishing BCIMEC are not merely economic but largely geostrategic in nature. BCIMEC is likely to serve China's interests by boosting economic production, particularly Yunnan and adjoining provinces. The corridor will help move Chinese goods over land route to India without crossing Arunachal Pradesh, the territorial disputed border. However, the benefits to India, Bangladesh and Myanmar from the corridor are seemingly negligible. The major strategic interest of China to establish BCIMEC is "to achieve great power status by expanding the global role and influence through multilateral institutions" (Jash, 2015). If "BCIM becomes functional and concretised it will combine the China-India-ASEAN Free Trade Area, thereby, making it the biggest free trade area in the world" (Jash, 2015).

Wu (2017) mentioned that the success of establishment of BCIMEC for regional cooperation depends upon the building of physical connectivity infrastructure in the BCIM sub-regions. However, there are numerous challenges in engagement and construction of BCIM regional connectivity such as shortage of funds, especially in Myanmar and Bangladesh, China-India mutual political distrust, and differences in their priorities, for example, India wants energy cooperation while China wants to construct a comprehensive and diversified physical connectivity network in the BCIM sub-region.

BCIM Trade Setting

China is India's largest trading partner (Devadason, 2012; Arora, 2014; Mohanty, 2014). India has been facing a trade deficit with China due to the latter's striking tariff liberalisation in agriculture since its accession to WTO and in the manufacturing sector (Mohanty, 2014). India and China are the two countries among the largest emerging markets (Johnson and Tellis, 2008). India has a large market, being a populous country and a fast-growing economy, having the potential to import a considerable amount of goods from global exporters like China. However, China's present exports to India are lower than expected (Devadason, 2012) indicating that India and China have limited cooperation in terms of trade relations. India's and China's economic dynamism, potential market, geographical proximity and bilateral trade relations (yet political rivalry) signify enormous trade potential between the two countries. Indo-China bilateral trade volume has increased from less than US$ three billion in the early 21st century to nearly US$ 70 billion (Arora, 2014). China's trade with India is mostly manufacturing goods; similar is the case for India. China's export share of manufactures is 93 per cent; whereas for India it is 75 per cent (Devadason, 2012). China and India are increasingly integrated with the world economy; however, China is taking the lead. India lacks and trails behind China in the competition to become a world manufacturing hub (Srinivasan, 2006). It is envisaged to strengthen and improve bilateral trade between India and China. India's friendly trade relation with China will ultimately benefit the neighbouring countries, especially Myanmar and Bangladesh, which form the BCIM network.

The total trade volume of each country of BCIM with the BCIM region and BCIM countries has increased substantially as presented in Table 1 and Table 2. Table 3 provides the detail of BCIM trade

growth rates (compounded annual growth rate – CAGR). During 2000-2016, Bangladesh trade with CIM was growing annually at 16 per cent; while China's trade with BIM was growing at 22 per cent annually. Similarly, India's trade with BCM was growing at a rate of 22 per cent per annum. Myanmar's trade with the BCI countries annual growth rate was around 18 per cent. China's and India's trade with BIM and BCM respectively recorded the highest trade growth in the BCIM region.

Moreover, export grows at a faster rate than imports for Bangladesh, China, and Myanmar. In the case of India, import grows at a faster rate of 25 per cent annually than export at 15 per cent. Hence, India is facing a large volume of trade deficit. India has a considerable trade deficit only with China to the tune of US$ 51 billion in 2016 (that is more than double the income, i.e., NSDP of about US$ 20 billion of NER in 2012/13). At present, Bangladesh, India, and Myanmar are among BCIM countries that have a trade deficit. The present trade scenario creates an unfavourable condition for opening up of economic cooperation, particularly for India in the BCIM region.

In 2016, China topped in trade partnership in the BCIM region with a total trade of US$ 99 billion. India, Bangladesh, and Myanmar followed it. Moreover, in terms of the proportion of trade within the BCIM region, Bangladesh traded with CIM for about 22 per cent of its total world trade. For Myanmar, about 37 per cent of their world trade is confined to BCI. About 13 per cent of India's total trade flows to BCM. In the case of China, about three per cent of their entire trade flows to BIM. China's import from BIM was very insignificant, constituting less than one per cent of China's total import. On the contrary, Bangladesh, India, and Myanmar's imports from the BCIM region were considerable. It shows that China has a great potential to explore markets for export, particularly in India and Bangladesh.

In 2016, Bangladesh, India, and Myanmar's trade was the largest with China among the BCIM countries as given in Table 4. Importantly, China was the largest trading partner with India among the BIM. India's trade with Bangladesh and Myanmar has declined in terms of proportion to the total trade of BCM. Conversely, India's trade with China has substantially grown over the period from about 65 per cent in 2000 to 89 per cent in 2016.

Export Drivers of BCIM Economies

India's economy is driven by the services sector (Barry and Gupta, 2010; Das, *et al*, 2013; India 2020 Economy Outlook, 2015). The services sector in India is ever-growing (Chakravarty, 2006; EPW, 2005; Barry and Gupta, 2010) especially telecommunications and information technology registering rapid growths (Sharma, *et al*, 2007). The "share of the services sector increased from 30% of GDP in 1950 to 55% in 2007-08, rising at an accelerating pace as the period progressed" (Barry and Gupta, 2010: 3). India has placed itself as a primary services exporter (Sahoo and Bhunia, 2014).

China is the largest manufacturing goods exporter in the world (Sahoo and Bhunia, 2014). China's economy is driven by the manufacturing sector (Mohanty, 2014) through export (Yu and Hamid, 2008). Manufacturing exports dominate Chinese global export such as textiles and clothing, machinery, auto sector, chemicals, plastics, footwear, cinematography products, etc (Mohanty, 2014). "China has simultaneously pursued export-led and domestic demand-led growth policies to place the economy on a high growth trajectory in a sustainable manner. The investment-led domestic demand and the export

sector have been the drivers of growth for the Chinese economy" (Mohanty, 2014: 21). Boillot and Labbouz (2006: 2897) mentioned that "from the beginning of the 1980s, China gave priority to an export-driven growth, strongly integrated into the global chain of production". Additionally, the growth pattern of China is characterised by investment-driven and export-driven (Yu and Hamid, 2008). According to Yin (2004: 330) "China exports more manufactured final goods to the EU and US markets, China imports more technology, machinery and equipment, intermediate inputs, and raw materials from other East Asian economies. The more China exports to the world, the more China imports from this region. So both China and the other economies in the region benefit from this kind of international division of labour." However, China's growth pattern, driven by investment and export, is not sustainable in the long run that necessitates it to generate domestic demand for domestic/Chinese goods by reducing the high savings rate (Yu and Hamid, 2008). The political economy of China is reorienting towards export-oriented growth (Srinivas, 1995-1996).

India continues to have a trade deficit with China due to the huge import of goods from China and low export to China. Moreover, according to Mohanty (2014: 115) an increasing India-China "bilateral trade imbalance may be attributed to the changing composition of India's imports from China during the last decade" towards manufacturing items, mainly, "chemicals, machinery and mechanical appliances and base metals, contributing around 74.9 per cent of bilateral imports in 2012". As much as "75 per cent of India's exports to China are resource-intensive and China's demand still seems insatiable" (Boillot and Labbouz, 2006: 2897). Reduction in import of manufactured goods from China and the increase in export of value-added resource-base items to China may ease India-China trade deficit.

Myanmar is primarily a good exporter and has abundant cheap labour (Sahoo and Bhunia, 2014). In 2005-06, the top-five principal commodities among Myanmar exports include natural gas, timber products, beans and pulses, garments, marine products, rice and rice products, precious and semi-precious stones (Than, 2007). "Myanmar's export basket is heavy in fuels (natural gas), food and other primary commodities (including precious stones and gems), which together constituted nearly 90 per cent of the total exports between 2006 and 2010" (Ferrarini, 2014: 196). Thailand, India and China (PRC) imported goods over three quarters of Myanmar's exports between 2006 and 2010 (Ferrarini, 2014).

Bangladesh, like many other South Asian countries, engages in both services export and low-end manufactured goods (Sahoo and Bhunia, 2014). BCIM will ensure greater market access, integrate into the regional supply chain, attract foreign direct investment, create a commercial hub, increase multilateral trade and improve the flow of goods and people with improved connectivity among other beneficiaries.

Economic Condition of NER

The NER is endowed with a substantial economic base. It has a variety of precious natural resources, minerals and forest wealth apart from a rich human talent, for the exploitation of these resources for social and economic development in 2,62,179 sq km that constitutes 7.98 per cent of India's geographical area. The region is often described as economically underdeveloped in terms of

infrastructure such as industries, roads, power, health services, communication systems, educational infrastructures, irrigation facilities, etc. NER's economic underdevelopment is due to inadequate infrastructural facilities that lead to higher transportation costs than the rest of the country (Bhattacharjee, 2014). Hence, the situation calls for improved infrastructural development through investment promotion. The availability of such infrastructures also varies from state to state depending on the geographical location and conditions of society, economy, and polity. Additionally, there is no uniformity concerning the availability of natural resources, including mineral and forest endowments and the developmental-level of infrastructure, manpower, human resource and industry across the NE states.

The non-agricultural sectors increasingly drive the region's economy. Nonetheless, agriculture continues to occupy a significant share in income contribution and most importantly, in employment. According to Sahu (2012), 64.4 per cent of the region's workforce was engaged in the primary sector, while 8.4 per cent were in the secondary sector and the rest 27.2 per cent employed in the tertiary sector in 2004-05. Whereas, in India 56.5, 18.7 and 24.8 per cent of the workforce were in primary, secondary and tertiary sectors respectively.

Sachdeva (2000: 13) expressed that the region's economies are "underdeveloped agrarian societies with very weak industrial sectors and inflated service sectors". The region has a deficit in food production (Hussain, 2004). Nevertheless, the economy of NER has gradually changed from a predominantly agrarian economy towards industrial and service economy, as shown in Table 5. The decline in the region's agricultural income is more significant than the gradual increase of industrial income in the last three decades. In 2012/13, agriculture, industry and service sectors contributed 22, 23 and 55 per cent respectively to the region's income.

Economic Growth of NER

The estimated economic growth rate (CAGR) based on the Ministry of Statistics and Programme Implementation [MOSPI] (2016) for NER shows a highly-fluctuating trend (Table 6). NER's economy was growing at a modest CAGR of 4.2 per cent during 1981/81-1992/93. During 1993/94-1998/99, it slowed down considerably to 2.5 per cent. The 1991 economic reforms in India created a severe economic contraction in the country and (Sachdeva, 2000) that is also true for NER. Later, it has increased remarkably by two percentage points during 1999/00-2006/07. It further expands to 6.5 per cent during 2007/08-2012/13. A rapid economic growth did not take place in the region as the mean CAGR was only 4.4 per cent. The region's economy was growing faster, than the national economy, at over four per cent during 1980/81-1992/93; however, it grows at a much lower rate, than the country, in the later periods till 2006/07. During 2007/08-2012/13 the economy of NER was growing at over six per cent annually, which was above the national growth rate of close to six per cent.

The economy grows visibly slower in the region with a mean CAGR of 4.4 per cent than the country's economic growth rate of 5.8 per cent in recent decades. The economic growth rate is seemingly determined not only by the economic base, investment perspective and growth potential but also by political stability and social order. For example, during 2007/08-2012/13 the economy of Mizoram, the state that has the highest literacy rate and a relatively peaceful state in the region, grew

relatively faster (7.4 per cent) than the state of Manipur (5.5 per cent) which faced social and political problems; barring private investments as they averted the risk. The economies of the NE states were unstable and inconsistent as its growth fluctuated over the years. Political instability, law and order issues, economic backwardness, volatile investment, inconsistent productivity, and so on, added to the region's economic instability.

The real per capita income (PCI), i.e., the ratio between NSDP at constant prices and population for NER was only US$ 20, against India's US$ 25, in 1980/81 which has almost systematically increased to US$ 447, but lesser than India's US$ 603, in 2012/13 (Table 7). On average, it grows at a slower rate in NER (2.8 per cent) than in India (4.7 per cent) for the entire periods (Table 8).

Most importantly, the region contributes about three per cent in India's net domestic product (NDP) as shown in Table 9, against eight per cent contribution in the total geographical areas of India and against close to four per cent of population contribution in India. NER's contribution to India's NDP declined from 3.3 per cent during 2000/01 to 2.8 during 2010/11, against its population share of 3.8 per cent in 2011. After that, it rose gradually, although very insignificantly. It shows that the region's economy is still backward and the potential resources are not tapped and appropriately exploited simply because of the apathy towards the region on the ground of law and order problems, political instability, insurgencies, business risk, accessibility issues and so on. Despite the improvement in educational level, a large section of the people still depends on traditional agriculture, which slows economic progress. Importantly, industrialisation, apart from other reasons, is also a bottleneck in the region that slows down the economic growth.

Industrial Development in NER

Table 10 shows the underdeveloped level of industrialisation in NER concerning the share of factories, workers, and the output value of NER in the country. There were 1,760 industrial units called factories in NER that constituted only 1.5 per cent of India's factories in 1993/94. It has almost tripled to 4,922 factories in 2014/15 when compared to the early '90s. In 2014/15, 2.1 per cent of the country's factories were in NER, while 3.8 per cent of the country's population in 2011 was in the region. Industrialisation in the region is relatively weak in terms of the existing number of factories as well as output. Economic underdevelopment and transportation problems induce the region's low industrialisation due to geographical isolation and rough topographical settings. In terms of employment, 0.1 million persons were engaged in the industries in 1993/94 that has increased to over 0.2 million in 2014/15 in the region. It constituted 1.5 per cent and 1.9 per cent of India's 8.8 million and 13.9 million persons in the respective years engaging in it. Similarly, the number of factory workers has increased from about 0.1 million persons in 1993/94 to slightly over 0.2 million persons in 2014/15. As much as 2.1 per cent of India's over 10 million factory workers were in NER in 2014/15.

Industrial output has also increased considerably from US$ 0.6 billion in 1993/94 to US$ 12 billion in 2014/15 in the region. In 2014/15, NER contributed one per cent to India's factory output value of US$ 1,059 billion. The share of the output of NER in the country has increased marginally from 0.9 per cent to one per cent during the two periods. Interestingly, the region's number of factories,

workers and output has increased substantially; yet, the increase of its contribution to the country is insignificant.

The density of persons engaged per factory has dropped from 74 in 1993/94 to 55 in 2014/15 in NER following the country's trend where its density has declined from 73 to 60 during the same period. There is an insignificant difference in the density of persons engaged in factory and workers in the factories between NER and the country. The density of workers per factory has declined noticeably in the region, from 61 in 1993/94 to 46 in 2014/15, as in the country, from 55 to 47 during the same period, which is perhaps due to the mechanisation of work where technology is substituting human labour.

The value of output per factory and workers has substantially increased for the region and India over the years, as shown in Table 11. However, output values per factory, per person and per worker were much lower for the region when compared to the county's level. It signifies that the condition of industrialisation and the productivity of industry and industrial workers in NER are underdeveloped, hindering the region for opening up for regional economic cooperation, that is a matter of immediate concern for rigorous policy intervention in the area of industrial establishment and training for both workers and managers to enhance industrial tradable production and productivity.

Special Economic Zones

India's economic reform in the 1990s to accelerate the economy and bring about modernisation has not trickled down to benefit NER as industrialisation remains underdeveloped. The region, being endowed with abundant natural resources, has great potential to establish large-scale industries. This necessitates developing Special Economic Zone for specialised production of goods and services. NER, endowed with vibrant natural resources of energy, oil, natural gas, coal, and limestone, water system (Brahmaputra river and its tributaries), has the potential to develop economic power plant; besides having excellent potential for the development of tourism (MODONER, 2011). It has great potential and economic implications to establish an SEZ utilising the natural economic resources and promote trade. India in general and NER, in particular, is required to lay emphasis on the development of export-oriented goods and services by operating SEZ to boost economic growth.

According to SEZ (2016), as on September 2, 2016, NER has three (one in Manipur and two in Nagaland) approved SEZs out of 408 such SEZs in India. Though 204 SEZs were operational in India, none of the three approved and notified as SEZs in NER are functional till date. The notified SEZs in Manipur was for information technology (IT) or IT-enabled services (ITES), notified on February 26, 2014, and Nagaland was for agro and food processing notified on July 9, 2009, and for a multi-product, notified on October 15, 2012. It shows the apathy of India to invest and develop the region despite NER's rich natural resources. It is also possible that investors/developers are not taking risks, such as, insurgency problems, poor transportation system, narrow market, etc., involved in establishing SEZ in the region. To "facilitate trade from NER, it is essential to modernise and optimise existing trade infrastructure land-customs stations" (MODONER, 2011: 5).

NER and BCIMEC

NER shares more significant structural similarities in terms of economies and geographical proximity with Myanmar and Bangladesh than China's Yunnan province (Juergens, 2014). It provides closer intra-industry trade, particularly complementary goods and technology transfer in the BCIM sub-region. Along with it, the industrial production of complementary goods by creating SEZ for exporting trade would result in economic growth in the NER. According to Uberoi (2014), Yunnan province, located in the South-West of China, is actively proposing BCIM sub-regional cooperation that created a structural anomaly for Indian counterparts with no similar preconceived diplomacy for NER. BCIM drive by India and China is a regional initiative to improve connectivity, promote economic and technical cooperation, enhance people-to-people relations, and establish peace and prosperity in the sub-region (Anand, 2014). Under the BCIM, China is very proactive, while India appears to be the most-reluctant participant due to its security concerns (Mishra, 2014). BCIMEC would lead NER to a higher economic development by opening up the region to Myanmar and Yunnan province of China (Juergens, 2014). It is expected to ensure the development of NER (Bhatia, 2014). The underdeveloped areas of NER are desirably made as a centre of developmental activity through BCIMEC (Bhatia, 2014). Economies of NER have an inadequate economic base or rationale to engage with ASEAN (Mishra, 2014) that is similarly applicable to BCIMEC. Juergens (2014) expressed that the corridor largely bypasses many states of NER. It makes sceptic about the NER's active participation in fulfilling the objectives of BCIMEC. Despite this, the corridor would facilitate India through NER to a significant economic outreach through easy market access to China.

Moreover, MODONER (2011) stated that NER has physical connectivity with India's neighbours in the South and South East Asia. It is historically interconnected with South East Asia by reciprocal ties of trade, culture and ethnicity (Rana and Uberoi, 2012; Uberoi, 2014). According to MODONER (2011: 9), there are "close cultural affinities between the NER States and neighbouring countries and those of South East Asia". It attempts to promote cultural exchanges between NER and the neighbouring countries, though actual interaction is almost nil.

NER, as per MODONER (2011), endowed with vibrant natural resources, has the potential to develop economic power plant and tourism. NER linking, cooperating, and interacting with the neighbouring countries for trade and other aspects were among the foremost aspiration of the region. However, there are problems relating to poor transport infrastructure, limited functioning of Land Custom Stations (LCS), territorial or border disputes, security concerns such as insurgency problem, ethnic conflict, ethnic assertion movements and drugs/arms smuggling (Anand, 2014; Uberoi, 2014) that impedes achieving the objectives of regional cooperation of the BCIM. Poverty, ethnic issues and widespread transnational crimes afflict the border areas of BCIMEC (Anand, 2014), including ethnic movements and insurgency issues.

Concerning territorial disputes, China's claim on Arunachal Pradesh (India) has created sensitivity and insecurity for India (Anand, 2014; Sahoo, Bhunia and Dhankar, 2014) making India a Sinophobia (Juergens, 2014). Juergens (2014) cautioned that this prevents India from a proactive stance in a multilateral BCIM Free Trade Agreement (FTA). China longs for BCIM-FTA that would probably resolve India and China border disputes. Many believe that it is part of Chinese policy to keep

the border issues unresolved; thereby limiting India's influence in its subcontinent. However, India's concern is that any free flow of trade and commerce through BCIMEC would worsen its ever-growing trade imbalance with China (Anand, 2014). The issues of the border, such as China's claim on Arunachal Pradesh, insurgency along the BCIM sub-region, means of financing the infrastructure development and terms of trade, need to be concerted multilaterally for the benefit of all participating economies.

It is crucial to make NER a centre of economic development activity contextualising the BCIMEC. BCIM forum has discussed various social, economic, political and security aspects such as investment, trade, transport, tourism, drug and arms smuggling, handicrafts development, enhancing people-to-people contacts, leveraging ethnic overlaps and historical ties, environmental, climate change and resource-sharing issues, massive infrastructure projects, social, cultural and environmental issues, institutional arrangements, energy, challenges and opportunities, regional social and human development including HIV/AIDS, relevance and potential of BCIM as an instrument of the LEP, and of Kolkata as a major port-city with historical dense trade links with South East Asia (Uberoi, 2013), transportation/inter-regional road network (Sahoo and Bhunia, 2014), NER's participation (Uberoi, 2013; Bhatia, 2014), education, non-conventional energy, environment, urban development, health care, small and medium enterprises, trade, art and culture, and handicrafts (Mishra, 2014). Stakeholders of NER, from their positions of confidence and requirement, must participate in Indo-China engagement, such as in establishing BCIMEC (Mishra, 2014). NER is in danger of being bypassed or may become a mere transit economic corridor for inter-regional or multilateral trade. The region is recognised as an instrument, as well as a beneficiary of BCIMEC. BCIM economic cooperation through expanded fair trade, connectivity and more fabulous people-to-people contact should have positive welfare implications for NER in particular (Juergens, 2014) and local people in general (Anand, 2014).

NER, in particular, could tap the economic potential from BCIM in general, and China, Asia's largest economy, in particular, by creating NER as a centre of development activity rather than transit points. Bhattacharjee (2014) observed that NER in general and Manipur and Barak Valley of Assam, in particular, are projected as the chief beneficiaries as the proposed corridor passes through these two states. CESPR studies, published in Financial Express (2014), concluded that NER does not consider China as a real threat towards the region, and it would not misuse the BCIMEC. Moreover, certain sections of the people overacted concerning fears arising out of the process. Also, BCIM is likely to address human security issues such as drugs and weapons smuggling, insurgency issues, etc., better with multilateral, such as BCIM, than bilateral discussion. It has the potential to generate enormous economic activities, ranging from labour employment, tourism to trade of manufacturing goods thereby improving the weak economy of NER. These activities are envisaged to control insurgency issues by providing viable livelihoods through joint efforts of BCIM countries. NER has the potential and advantage in tourism, service sectors such as IT and health care or non-timber forest produces (Mishra, 2014).

Sahoo and Bhunia (2014) expressed that BCIM sub-regional cooperation may take advantage on hydrocarbons in Bangladesh, hydro-electric and mineral resources in NE India, natural gas reserves in Myanmar, and coal reserves in China's Yunnan province. Energy cooperation among BCIM countries would benefit China being the largest energy consumer among these countries. India's energy security

may be established through Myanmar. Moreover, BCIM is envisaging seeking cooperation in the energy sector for hydel and mineral resources from NER. Sahoo and Bhunia (2014) opined that BCIM economic cooperation could also include the power sector, especially hydro-power, considering the available immense conventional and renewable energy resources in the region. There is a strong potential for NER to export energy to power scarce BCIM countries like Bangladesh. NER, which has an unstable political situation, insurgency problems, poor industrialised economy among others, could mutually benefit from China's Yunnan provinces which have a stable political condition, expertise in manufacturing goods, a larger scale of economy and even controlled wage structure (Mishra, 2014).

Yunnan province has a GDP of US$ 202.6 billion (where 1 US$ = 6.32 RMB) with a per capita income of US$ 4,298 in 2014 (Deutsche Bank Research 2016). In 2007, its income was mainly from secondary industry (Yunnan Statistical Yearbook 2008). Whereas, NER's income (NSDP) was US$ 19.7 billion, and its per capita income was US$ 454 in 2012/13. Its income is mainly derived from tertiary (i.e., service) sector. It shows that Yunnan's economy is ten times stronger than NER. It incites opening up of NER's economy for trade and investment through multilateral infrastructural development for the benefit of NER.

Importantly, there exist several trade barriers, for example, trade between Bangladesh and NER, such as poor infrastructure (such as connectivity, LCS, banking), poor services and tariff issues (Rahman, 2014). Tariff and non-tariff barriers are also prevalent in BCIM countries (Rahman, Rahman and Shadat, 2007). For example, India has the highest average tariff rate of 28.3 per cent (2004) on all commodities and Myanmar imposed the lowest tariff of 4.8 per cent (2003) among the BCIM countries. Moreover, a non-tariff barrier, such as need for certification and standardisation, lack of harmonisation of customs procedures, restrictions on transit, visa difficulties, customs regulations, etc. creates problems, for example, for India-Bangladesh trade, which needs to be removed. Additionally, infrastructure, connectivity, transport, trade facilitation, investment promotion and political issues need to be concerted multilaterally for the successful establishment of BCIMEC.

Concluding Remarks

BCIMEC is still on a multilateral discussion for regional cooperation and integration. India, unlike China, is reluctant in leading the BCIM economic cooperation as Indo-China trade deficit surged, besides India's Sinophobia for territorial disputes and national security concerns. The territorial disputes need to be resolved amicably through political dialogue for regional cooperation and integration of trade and other strategic policies. The corridor passes through NER but limited to Manipur and Assam that necessitates building proper connectivity with the rest of the NE states of India for fuller cooperation of physical connectivity, trade, environmentally-sustainable development and people-to-people contacts between NER and the rest of BCIM region. The economies of NER, although considerably weaker than Yunnan, are very keen to open up with BCIM economies primary due to its potential benefit for NER, unlike several existing multilateral economic policy such as Act East Policy that is hardly implemented and hardly involves the NER. The region is also keen to actively participate in it considering its proximity with the more significant economies like Yunnan. As a policy, a complementary trade, cooperation or interaction is envisaged among the BCIM economies for successful implementation of the economic

corridor. It requires strengthening of the region's underdeveloped industries by establishing SEZs for the production of complimentary exportable goods in the BCIM sub-region.

The success of establishing the corridor requires ensuring effective building and development of infrastructure by each BCIMEC participating country within their respective geographical boundary; ensuring local participation and decision-making power in the establishment, development and operation of the corridor; and securing the corridor by solving the undesirable elements like strike/bandh, road blockage or insurgencies that are common in NER through multilateral cooperation and effort. The establishment of an amicable political relationship through political consensus is critical for enduring economic cooperation. For NER, in particular, it is crucial to ensure a 'binary' infrastructural connectivity and participation as an instrument of all NE states in BCIMEC to benefit the region as a whole. NER should not be a mere transit point in the corridor. It necessitates a liberalised trade policy measures, including both tariff and non-tariff, by establishing a regional, rather than national, FTA. Hence, the agglomeration economies, depending on the nature and extent of inter-regional participation and competition through trade liberalisation, would boost economic growth besides international exposure, peace, and prosperity such as in NER.

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List of Tables

Table 1: Intra-BCIM Trade (US$m)

Countries	Items	Bangladesh			China			India			Myanmar		
		1990	2000	2016	1990	2000	2016	1990	2000	2016	1990	2000	2016
Bangladesh	Export to	--	--	--	25	10	715	22	50	641	0	1	27
	Import from	--	--	--	124	668	10006*	170	945	5518*	0	22	43*
	Total trade	--	--	--	149	678	10721	192	995	6159	0	23	70
	Trade balance	--	--	--	-99	-658	-9291	-148	-895	-4877	0	-21	-16
China	Export to	149	900	14695	--	--	--	173	1561	59435	277	496	8309
	Import from	24	19	858	--	--	--	97	1350	11760	95	125	4220
	Total trade	173	919	15553	--	--	--	270	2911	71195	372	621	12529
	Trade balance	125	881	13837	--	--	--	76	211	47675	182	371	4089
India	Export to	297	860	5712	18	758	8947	--	--	--	1	48	1156
	Import from	15	80	712	31	1449	60540	--	--	--	90	179	1087
	Total trade	312	940	6424	49	2207	69487	--	--	--	91	227	2243
	Trade balance	282	780	5000	-13	-691	-51593	--	--	--	-89	-131	69
Myanmar	Export to	1	20	21*	44	163	4767*	33	113	1038*	--	--	--
	Import from	1	1	19	1	53	5403	138	546	1095	--	--	--
	Total trade	2	21	40	45	216	10170	171	659	2133	--	--	--
	Trade balance	0	19	2	43	110	-636	-105	-433	-57	--	--	--

Notes: Total trade and trade balance (Export less Import) is calculated by the author. China refers to Mainland China. US$m – US dollar in million; and -- not available (hereafter). * Estimated. Exports and imports are not equal as exports are reported on free on board basis and imports are reported on cost, insurance and freight basis.

Sources: Rahman, Rahman and Shadat (2007: 45-47) for up to 2000 and Direction of Trade Statistics (IMF) for 2016 (available at http://data.imf.org).

Table 2: BCIM Trade with BCIM Region

Countries	Items		1990	2000	2016
Bangladesh	Export to	CIM*	47	61	1383
	Import from	CIM*	294	1635	15567
	Total trade	CIM*	341	1696	16950
	Trade balance	CIM*	-247	-1574	-14184
	Export to CIM % total Bangladesh's export		2.8	1.1	3.1
	Import from CIM % total Bangladesh's import		8.1	18.2	45.3
	Total trade with CIM % Bangladesh's total trade with World		6.4	11.6	21.5
China	Export to	BIM*	599	2957	82439
	Import from	BIM*	216	1494	16838
	Total trade	BIM*	815	4451	99277
	Trade balance	BIM*	383	1463	65601
	Export to BIM % total China's export		1.0	1.2	6.0
	Import from BIM % total China's import		0.4	0.7	0.8
	Total trade with BIM % China's total trade with World		0.7	0.9	2.7
India	Export to	BCM*	316	1666	15815
	Import from	BCM*	136	1708	62339
	Total trade	BCM*	452	3374	78154
	Trade balance	BCM*	180	-42	-46524
	Export to BCM % total India's export		1.8	3.9	4.6
	Import from BCM % total India's import		0.6	3.4	24.9
	Total trade with BCM % India's total trade with World		1.1	3.6	13.1
Myanmar	Export to	BCI*	78	296	5826
	Import from	BCI*	140	600	6517
	Total trade	BCI*	218	896	12343
	Trade balance	BCI*	-62	-304	-691
	Export to BCI % total Myanmar's export		19.1	15.0	26.5
	Import from BCI % total Myanmar's import		21.0	19.7	56.4
	Total trade with BCI % Myanmar's total trade with World		20.3	17.9	36.8

Notes: *US$m. % – percentage (hereafter).

Source: Author's calculation based on Table 1.

Table 3: CAGR (per cent) of BCIM Trade during 2000-2016

Countries	Items	Bangladesh	China	India	Myanmar	CIM	BIM	BCM	BCI
Bangladesh	Export to	--	30.9	17.4	26.4	21.7	--	--	--
	Import from	--	18.6	11.8	4.9	15.3	--	--	--
	Total trade	--	19.0	12.2	8.2	15.6	--	--	--
	Trade balance	--	18.2	11.3	-1.9	14.9	--	--	--
China	Export to	19.2	--	25.8	22.2	--	23.3	--	--
	Import from	27.1	--	14.6	28.4	--	16.5	--	--
	Total trade	19.5	--	22.3	23.8	--	21.6	--	--
	Trade balance	18.9	--	40.7	18.6	--	27.1	--	--
India	Export to	12.7	16.8	--	25.3	--	--	15.2	--
	Import from	14.8	26.5	--	13.7	--	--	25.4	--
	Total trade	12.9	24.3	--	17.7	--	--	21.9	--
	Trade balance	12.4	31.2	--	#	--	--	55.5	--
Myanmar	Export to	0.3	23.7	15.0	--	--	--	--	20.6
	Import from	20.4	33.8	4.5	--	--	--	--	16.2
	Total trade	4.1	27.5	7.7	--	--	--	--	18.0
	Trade balance	-13.2	#	-12.0	--	--	--	--	5.3

Notes: CAGR = $[\{(P_t/P_o)^{1/T} -1\}x100]$, where P_t and P_o are current and previous years data respectively and T (=16 years) is the time period. # value of P_t/P_o is negative.

Source: Author's calculation based on Table 1.

Table 4: Trade Share (per cent) of Each BCIM Country in BCIM Region

Countries	Items	Bangladesh		China		India		Myanmar	
		2000	2016	2000	2016	2000	2016	2000	2016
Bangladesh*	Export to	--	--	16.4	51.7	82.0	46.3	1.6	2.0
	Import from	--	--	40.9	64.3	57.8	35.4	1.3	0.3
	Total trade	--	--	40.0	63.3	58.7	36.3	1.4	0.4
China#	Export to	30.4	17.8	--	--	52.8	72.1	16.8	10.1
	Import from	1.3	5.1	--	--	90.4	69.8	8.4	25.1
	Total trade	20.6	15.7	--	--	65.4	71.7	14.0	12.6
India^	Export to	51.6	36.1	45.5	56.6	--	--	2.9	7.3
	Import from	4.7	1.1	84.8	97.1	--	--	10.5	1.7
	Total trade	27.9	8.2	65.4	88.9	--	--	6.7	2.9
Myanmar@	Export to	6.8	0.4	55.1	81.8	38.2	17.8	--	--
	Import from	0.2	0.3	8.8	82.9	91.0	16.8	--	--
	Total trade	2.3	0.3	24.1	82.4	73.5	17.3	--	--

Notes: *Bangladesh % CIM; # China % BIM; ^India % BCM; @Myanmar % BCI.

Source: Author's calculation based on Table 1.

Table 5: Share (per cent) of Real NSDP (at factor cost) by Industry of Origin in NER, India

Sector	1980/81#	1990/91#	2000/01*	2010/11&	2012/13&
Agriculture	43.4	36.3	30.1	18.8	17.7
Forestry & logging	3.1	2.1	1.6	3.7	3.5
Fishing	1.6	1.6	1.4	1.1	1.1
Agriculture and Allied	*48.1*	*40.0*	*33.1*	*23.6*	*22.3*
Mining & quarrying	-0.2	2.8	3.6	3.4	3.3
Manufacturing	5.9	6.0	4.9	6.5	6.5
Manu-Registered	3.2	3.8	3.0	4.3	4.3
Manu-Unregistered	2.7	2.1	1.9	2.2	2.2
Construction	6.0	6.6	7.6	12.0	12.0
Electricity, gas and Water supply	-0.2	-0.6	1.1	1.4	1.3
Industry	*11.5*	*14.9*	*17.1*	*23.2*	*23.0*
Transport, storage & communication	2.4	3.0	5.1	8.2	9.1
Railways	0.4	0.4	0.6	0.8	0.8
Transport by other means	1.5	2.2	3.3	3.3	3.3
Storage	0.1	0.1	0.1	0.0	0.0
Communication	0.4	0.3	1.2	4.1	5.0
Trade, hotels and restaurants	10.4	9.7	11.9	12.3	12.0
Banking & Insurance	1.4	3.9	3.1	4.7	5.6
Real estate, ownership of dwellings and business services	11.1	9.8	4.6	4.6	4.1
Public administration	5.6	7.4	8.9	8.8	9.2
Other services	9.6	11.4	16.3	14.6	14.7
Services	*40.4*	*45.1*	*49.8*	*53.3*	*54.7*
NSDP (US$** billion)	0.5	0.8	7.8	17.9	19.7

Notes: #, * and & at 1980/81, 1999/00 and 2004/05 prices respectively. NER includes all eight NE states. NER excludes Mizoram for up to 1990/91 and 2012/13 since Mizoram's data was not available for these periods. **1US$ = 65 Indian Rupees [INR] (hereafter).

Source: Author's calculation based on MOSPI (2016).

Table 6: CAGR (per cent) of Real NSDP (at factor cost) for NER/India

State/ region/ country	1980/81-1992/93#	1993/94-1998/99*	1999/00-2006/07&	2007/08-2012/13@	Mean CAGR
Ar. Pradesh	8.2	1.9	6.1	5.6	5.5
Assam	3.5	1.3	3.8	6.1	3.7
Manipur	4.6	3.4	3.3	5.5	4.2
Meghalaya	4.0	5.9	5.8	7.3	5.7
Mizoram	--	--	4.7	7.4	6.1
Nagaland	7.9	4.2	7.0	4.6	5.9
Sikkim	8.7	5.2	6.8	16.6	9.3
Tripura	4.6	6.3	6.5	7.6	6.3
NER	4.2	2.5	4.5	6.5	4.4
India**	3.5##	5.0	8.9	6.0	5.8

Notes: CAGR = $[\{(P_t/P_o)^{1/T} -1\}x100]$ where P_t and P_o are current and previous years data respectively and T is the time period. #, *, & and @ at 1980/81, 1993/94, 1999/2000 and 2004/05 prices respectively. The NSDP figure of 1991/92 of Sikkim is considered for 1992/93; similarly, for Mizoram the figure of 2011/12 is used for 2012/13 since it was not available. NER excludes Mizoram up to 1998/99 as data was unavailable. **Summed of NSDP of 32 Indian states and UTs. ##1983/84-1992/93. --data not available.

Sources: Author's calculation based on MOSPI (2016) and RBI (2014).

Table 7: Per Capita Real NSDP (at factor cost) in US$ for NER/India

State/ region/ country	1980/81[#]	1990/91[#]	2000/01*	2010/11[&]	2011/12[&]	2012/13[&]
Ar. Pradesh	24.2	41.7	226.6	528.7	567.3	579.8
Assam	19.8	23.8	191.5	335.3	352.5	372.3
Manipur	21.8	26.8	187.0	351.8	368.5	387.8
Meghalaya	20.9	26.7	229.4	541.4	568.3	613.4
Mizoram	--	--	255.9	565.1	608.4	608.4
Nagaland	20.9	30.4	241.5	654.0	665.6	676.4
Sikkim	24.2	51.8	235.5	1017.5	1084.3	1156.0
Tripura	20.1	25.3	229.7	566.6	608.3	653.6
NER	20.2	25.3	202.2	402.3	424.0	447.0
India**	25.1	34.0	256.7	559.1	585.2	602.6

Notes: PCI is the ratio between NSDP and population. [#], * , and [&] at 1980/81, 1999/2000 and 2004/05 prices respectively. Mizoram's figure of NSDP and population of 2011/12 is used for 2012/13 since it was unavailable. NER excludes Mizoram up to 1990/91 due to data unavailable. **Net National Product. -- not available.

Source: Author's calculation based on MOSPI (2016) and Economic Survey (Various Years).

Table 8: CAGR (per cent) of Per Capita Real NSDP (at factor cost) for NER/India

State/ region/ country	1980/81-1992/93	1993/94-1998/99	1999/00-2006/07	2007/08-2012/13	Mean CAGR
Ar.Pradesh	5.1	0.0	4.9	3.8	3.4
Assam	1.5	-0.2	2.4	5.0	2.2
Manipur	2.2	1.5	1.5	3.8	2.3
Meghalaya	1.3	3.6	4.4	6.2	3.9
Mizoram	--	--	2.4	5.6	4.0
Nagaland	3.9	0.0	2.5	2.8	2.3
Sikkim	6.3	2.8	5.2	15.5	7.4
Tripura	1.9	5.0	5.5	6.6	4.7
NER	1.9	0.8	3.0	5.3	2.8
India*	2.4	3.9	8.1	4.4	4.7

Notes: Same as Table 6. *Net National Product. --data not available.

Sources: Author's calculation based on MOSPI (2016) and Economic Survey (Various Years).

Table 9: Real NSDP and Population Share (per cent) of NER in India

Region/ country	NSDP						Population
	1980/81	1990/91	2000/01	2010/11	2011/12	2012/13	2011
NER*	0.5	0.8	7.8	17.9	19.1	20.4	45.1
NER%India	--	2.9	3.3	2.8	2.8	2.8	3.8
India^	--	27.2	237.4	636.2	676.1	717.1	1.2

Notes: NER includes all eight NE states. *NER's NSDP in US$ billion and population in million. ^India's NDP (summed of NSDP of all states/UTs) in US$ billion and population in billion. Figures for 1980/81 and 1990/91 at 1980/81 prices; 2000/01 at 1999/2000 prices; and 2010/11 onwards at 2004/05 prices. For Mizoram the figure of NSDP and population of 2011/12 is used for 2012/13 since it was unavailable. NER excludes the state of Mizoram up to 1990/91 due to data unavailable. -- not available.

Source: Author's calculation based on MOSPI (2016) and Census of India (2011).

Table 10: Share (per cent) of Factories, Workers and Output Value of NER in India

Region/ country	Factories		Persons engaged		Workers		Value of output	
	1993/94	2014/15	1993/94	2014/15	1993/94	2014/15	1993/94	2014/15
NER % India	1.5	2.1	1.5	1.9	1.6	2.1	0.9	1.1
India (No. million)	0.1	0.2	8.8	13.9	6.6	10.8	62*	1059*

Note: *US$ in billion.

Source: Author's calculation based on ASI (1994 and 2017).

Table 11: Factory Output Value (US$ thousand) Per Factory, Person Engaged and Workers in NER/India

Region/ country	Output value per factory		Output value per person engaged		Output value per worker	
	1993/94	2014/15	1993/94	2014/15	1993/94	2014/15
NER	338.5	2431.5	4.6	44.5	5.5	52.7
India	538.5	4595.9	7.4	76.3	9.8	98.5

Source: Author's calculation based on ASI (1994 and 2017).

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