



India, China and Sub-regional Connectivities in South Asia

Edited by

D. Suba Chandran
Bhavna Singh



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First published in 2015 by



SAGE Publications India Pvt Ltd

B1/I-1 Mohan Cooperative Industrial Area

Mathura Road, New Delhi 110 044, India

www.sagepub.in

SAGE Publications Inc

2455 Teller Road

Thousand Oaks, California 91320, USA

SAGE Publications Ltd

1 Oliver's Yard, 55 City Road

London EC1Y 1SP, United Kingdom

SAGE Publications Asia-Pacific Pte Ltd

3 Church Street

#10-04 Samsung Hub

Singapore 049483

Published by Vivek Mehra for SAGE Publications India Pvt. Ltd, typeset in 10/12pt Book Antiqua by Diligent Typesetter, Delhi and printed at Sai Print-o-Pack, New Delhi.

Library of Congress Cataloging-in-Publication Data

India, China and sub-regional connectivities in South Asia/edited by D. Suba Chandran, Bhavna Singh.

pages cm

Includes bibliographical references and index.

1. South Asia – Commerce. 2. South Asia – Foreign economic relations – China. 3. China – Foreign economic relations – South Asia. 4. South Asia – Foreign economic relations – India. 5. India – Foreign economic relations – South Asia. 6. Regional economics – South Asia. I. Suba Chandran, D., editor. II. Singh, Bhavna, editor.

HF1586.5.I53

337.1'54 – dc23

2015

2015027855

ISBN: 978-93-515-0327-9 (HB)

The SAGE Team: N. Unni Nair, Alekha Chandra Jena, Anju Saxena and Vinitha Nair

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List of Abbreviations

AAI	Airports Authority of India
ACIS	Advanced Cargo Information System
ADB	Asian Development Bank
ADC	Autonomous District Council
AH	Asian Highway
AJK	Azad Jammu and Kashmir
ALTID	Asian Land Transport Infrastructure Development
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated Systems for Customs Data
ATM	Automatic Teller Machine
BADP	Border Area Development Programme
BBIMN	Bangladesh-Bhutan-India-Myanmar-Nepal
BCIM	Bangladesh-China-India-Myanmar Forum for Regional Cooperation
BIMSTEC	Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
BIS	Bureau of Indian Standards
BLO	Border Line Officer
BNP	Bangladesh Nationalist Party
BOT	Build-Operate-Transfer
BRO	Border Roads Organisation
BRTF	Border Roads Task Force
BSNL	Bharat Sanchar Nigam Limited
BSTI	Bangladesh Standards Testing Institute
C&F	Clearing and Forwarding Agents
CBM	Confidence-building Measures

CCEA	Cabinet Committee on Economic Affairs
CCTV	Closed Circuit Television
CFL	Central Food Laboratory
CII	Confederation of Indian Industry
CKD	Completely Knocked Down
CNPO	Chandel Naga People's Organization
CPA	Commonwealth Parliamentary Association
CPAPD	Chinese People's Association for Peace and Disarmament
CPC	Communist Party of China
CPD	Centre for Policy Dialogue
CTMS	Container Terminal Management System
DBO	Daulat Beg Oldi
DC	District Collector
DGFT	Directorate General of Foreign Trade
DIG	Deputy Inspector General of Police
ESCWA	Economic and Social Commission for Western Asia
EU	European Union
FDI	Foreign Direct Investment
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GMS	Greater Mekong Sub-region
GOI	Government of India
GSDP	Gross State Domestic Product
HTC	Hill Tribe Council
ICD	Inland Clearance Depot
ICP	Integrated Check Post
ICT	Information and Communication Technology
ILP	Inner Line Permit
IMF	International Monetary Fund
IMU	Islamic Movement of Uzbekistan
INCB	International Narcotics Control Board
IPCS	Institute of Peace and Conflict Studies
ISAS	Institute of South Asian Studies
IT	Information Technology
ITBP	Indo-Tibetan Border Police
J&K	Jammu and Kashmir
KKH	Karakoram Highway
KNA	Kuki National Army
KRI	Key Research Institute

LAC	Line of Actual Control
LCS	Land Customs Station
LDC	Least Developed Countries
LEP	Look East Policy
LoC	Line of Control
LTK	Ladakh-Tibet-Kashgar
MCM	Meitei Council Moreh
MoU	Memorandum of Understanding
MPA	Maritime and Port Authority
MRP	Maximum Retail Price
NCT	New Mooring Container Terminal
NEC	Northeastern Council
NEFA	Northeast Frontier Agency
NFR	Northeast Frontier Railways
NGO	Non-governmental Organization
NH	National Highway
NHAI	National Highways Authority of India
NHPC	National Hydroelectric Power Corporation
NICCI	Nepal-India Chamber of Commerce and Industry
NLCPR	Non-lapsable Central Pool of Resource Scheme
NRB	Non-resident Bangladeshi
NSUC	Naga Students Union Chandel
NWUC	Naga Women Union Chandel
PGCB	Power Grid Company of Bangladesh
PGCI	Power Grid Company of India
PLA	People's Liberation Army
PMGSY	Prime Minister's Gram Sadak Yojana
PRC	People's Republic of China
PWD	Public Works Department
QPR	Quarterly Progress Report
RAP	Restricted Area Permission
RMB	Renminbi
RMG	Ready-made Garment
RoO	Rules of Origin
SAARC	South Asian Association for Regional Cooperation
SAFTA	South Asian Free Trade Area
SAGQ	South Asian Growth Quadrangle
SAPTA	SAARC Preferential Trade Arrangement
SARDP-NE	Special Accelerated Road Development Programme in Northeast

SASEC	South Asia Sub-regional Economic Cooperation
SD	Subdivision
SDMO	Subdivisional Magistrate Office
SKD	Semi-knocked Down
SLEPC	State-level Export Promotion Committee
SLOC	Sea Lines of Communications
SRMTS	SAARC Regional Multimodal Transport Study
TAR	Tibet Autonomous Region
TSP	Triple Superphosphate
UC	Utilization Certificate
UN	United Nations
UNDCP	United Nations Drug Control Program
UNESCAP	United Nations Economic and Social Commission for Asia and Pacific
UNLF	United National Liberation Front
VAT	Value-added Tax
VDC	Village Development Committee
WTCM	World Trade Centre Mumbai
WTO	World Trade Organization
WY	World's Yours

Preface

This volume by the Institute of Peace and Conflict Studies (IPCS) is a part of a project under the Asian Security Initiative of the John D. and Catherine T. MacArthur Foundation. Since its inception in 2009, the project has aimed at developing a framework for regional cooperation in Southern Asia by which India and China and other South Asian countries could cooperate on key challenges in the military, economic and infrastructure realms.

The first volume focusing on 'Military Confidence-building and India-China Relations: Fighting Distrust' edited by Maj. Gen. Dipankar Banerjee and Dr Jabin T. Jacob was released in 2013. This book remarkably shaped the foci of the project and set the prelude for the current volume which looks at the remaining two core areas identified under the project: expanding economic activity along the Sino-Indian border areas and developing infrastructure for connectivity between India and China.

Based on field research in Jammu and Kashmir, Himachal Pradesh, Nepal, Sikkim, Arunachal Pradesh, Manipur and Bangladesh along with similar studies across China, scholars prepared their first drafts that were discussed at a conference in Chengdu, China. These essays were subsequently revised after another round of discussion amongst the Indian scholars held in Gangtok, Sikkim.

Though the project was conceived and implemented based on extensive field trips all over South Asia, especially along border regions, there have been recent developments which are likely to shape the future course in this region. China's 'One Belt One Road' strategy along with its push for the Maritime Silk Road (MSR) was outlined at a time when the drafts of this volume were

at an advanced stage. While these are significant developments, the essays in this volume predate this new Chinese push.

While most chapters outline political exigencies, economic hurdles, topographical advantages and disadvantages, the findings and recommendations are substantiated by extensive field trip inferences. The larger attempt has been to formulate recommendations and implementation strategies for respective decision-makers to take advantage of the window of opportunity that exists in South Asia today. Timely initiatives from these participating countries can immensely help to capitalize and consolidate the economic growth of the South Asian region.

It has been attempted to identify innovative ways of how bordering regions in South Asia can engage with each other for effective coordination in transport infrastructure and enhancement of trade activities. While there are obvious comparisons on the national level, there is also an attempt to look for regional solutions and enhanced engagement of the smaller administrative units of these countries in a more autonomous manner, for instance, envisaging a particular 'Sichuan model'.

It is most opportune to express our sincere gratitude to Maj. Gen. Dipankar Banerjee, Former Director of the Institute, along with Dr Jabin T. Jacob, who conceived this project. We are tremendously thankful to both of them for their support. We are also grateful to the John D. and Catherine T. MacArthur Foundation for entrusting this study to the IPCS. We express our sincere gratitude to all the Indian, Chinese, Nepalese and Bangladeshi participants at the Chengdu conference and to the Chinese People's Association for Peace and Disarmament (CPAPD) which helped with organizing and hosting the conference in China. Thanks are also due to Dr Mallika Joseph who helped at several stages of the project and IPCS researchers for helping with the editing and proofreading, especially Nayantara Shaunik, and Teshu Singh for her support in facilitating the book during the final stages.

We are also grateful to the Central University of Sikkim in Gangtok for helping us with facilitating a dialogue at the national level. As an extended part of this study, the Institute also constituted a Task Force led by Amb TCA Rangachari, Mr Jayadeva Ranada and Professor Madhu Bhalla, which held meetings in New Delhi and Gangtok, including a field trip to Nathu La.

The Task Force came out with a report titled 'Trans-Himalayan Trade 2020: Looking beyond Nathu La' besides which a series of essays titled *Nathu La Papers* were published by the Institute separately.

The editors are also immensely grateful to the publisher and his team for their patience and support in making this work possible.

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PART I

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