



Rising Asia-BCC&I Summit 2024

Economy & Politics The North East -- Asia's Fulcrum Ten Years of the Act East Policy

20th December 2024
Kolkata
Concept Note

THE ECONOMIC & BUSINESS RESURGENCE OF INDIA'S EAST AND NORTH EAST

The Rising Asia Foundation and its flagship Rising Asia Journal, a young and dynamic global think-tank and publication with readership in more than sixty countries, specialize in the niche area of the Eastern world, particularly India's Northeast, Southeast Asia, China, the Koreas and Japan. The Rising Asia Journal now has its presence known among its readers in 44 countries in the Indo-Pacific Region which includes, Burma, South Korea, Singapore, Vietnam etc.

The Bengal Chamber of Commerce and Industry (BCC&I), one of the oldest institutions of its kind tracing its origins to 1833, has played a pioneering role as a helmsman, steering the evolution of Commerce and Industry in India by staying relevant close to 200 years. The BCC&I is deeply involved in key sectors like Manufacturing & MSME, Agriculture, Information Technology, Energy and more. In 2023, BCC&I, in collaboration with the Ministry of External Affairs (MEA), established the Association of Indo-Pacific Chambers of Commerce (AIPCC) during the Indo-Pacific Economic Conclave, marking a significant stride in its global outreach. The first AIPCC meeting in September 2023 saw participation from government bodies and businesses across 11 Indo-Pacific nations, with a follow-up meeting in January 2024 in Thailand, further expanding its reach. This initiative, led by BCC&I, has united prestigious organizations from Vietnam, Bangladesh, Nepal, Bhutan, Malaysia, Australia and beyond, alongside trade facilitators like JETRO, KOTRA and TAITRA, aiming to drive sustainable economic growth, foster intra-regional business exchanges and enhance competitiveness in the Indo-Pacific. A major summit covering the economic and political aspects of India's Northeast and Eastern zone is planned by the two collaborators, adding to the enthusiasm and prospects of regional development.

THE NORTHEAST: FRONTRUNNER OF INDIA'S THRUST EASTWARDS

India's Eastern and North Eastern Region (NER) has a geostrategic location—sharing borders with countries such as Bangladesh, Bhutan, China, Myanmar and Nepal—that makes it conducive to regional and international trade. The NER population represents roughly 3.78% of India's total population. As of 2022 report, the NER had an estimated population of 51.67 million people. The region is richly endowed with natural resources, but continues to face challenges that impede its development: among them armed insurgency, cross-Border migration, movements that demand separate federal states and autonomous units, and ethnic conflict. Several initiatives have been introduced by the central government in an attempt to re-align the NER with the mainstream political and economic goals of the country. Most notable of these is the Act East Policy (AEP) that celebrates ten years of existence in 2024.



RISING ASIA-BCC& SUMMIT 2024

Economy & Politics The North East -- Asia's Fulcrum

Commemorating Ten Years of the India's
Act East Policy

20th | December | BCC&I premises
2024



Some recent economic and trade developments in the NER region:

- **Focus on Infrastructure:** The Indian government is prioritizing infrastructure development in the NER. Initiatives like the ambitious Akhaura-Agartala New Rail Line Project with Bangladesh, and the schemes of the North East Council (NEC), and the North East Special Infrastructure Development Scheme (NESIDS) aim to improve connectivity and boost economic activity.
- **Startup Surge:** The entrepreneurial landscape is thriving! The NER boasts over 4,500 registered startups and 25 active incubators, supported by initiatives like the North East Venture Fund (NEVF).
- **Focus on Digitalization:** DoNER (Ministry of Development of North Eastern Region) is collaborating with AMTRON to launch 5G applications in the NER. This focuses on areas like healthcare, agriculture, and edge computing, promoting a more digital economy.
- **Investment Potential:** The NER's natural resources and strategic location hold immense potential for trade and investment. Initiatives are underway to attract Foreign Direct Investment (FDI) and develop trade routes with ASEAN countries.

Thus, it becomes imperative to analyze the impact of policies and initiatives aimed at strengthening ties between the NER and neighbouring countries, particularly those in the Association of Southeast Asian Nations (ASEAN) region. The upcoming Summit will serve as a platform to further accelerate the region's economic growth and foster closer collaboration with ASEAN and other nations. With the NER's pivotal role in India's development trajectory, addressing remaining challenges and harnessing opportunities through regional cooperation becomes paramount for sustained progress and prosperity.

The Eastern and Northeastern states are economically important primarily on two fronts: first, the strategic location of the region that connects India to the robust Southeast Asian markets, and second, the presence of potent market catalysts within the NER, such as social capital (diversity, cultural richness), physical capital (potential energy supply hubs), human capital (inexpensive, skilled labour), and natural resources (minerals, forests). The Summit will be of wide interest to audiences as it will also project the social/cultural capital of the North East through presentations by dignitaries from the North East.

As the business world increasingly acknowledges the importance of economic connectivity for the overall development of this sub-region, it is essential to understand the dynamics of trade and development of the East and North East by looking at the following questions:

- 1. To what extent will the development of trade in the Northeast be compatible with the security imperatives of the region?**
- 2. Will the producers and service providers in the Northeast benefit from a proposed Free Trade Agreement (FTA) and/or a hypothetical Bangladesh-Bhutan-India-Nepal (BBIN) FTA as a potential part of the regional commodity or service-value chains?**
- 3. How can technological enhancements, which are aiding economic processes across the globe, be adapted and streamlined for the benefit of India's East and Northeast?**
- 4. How can the Northeast forge closer links with Southeast Asia in the spheres of business and the economy?**
- 5. How can the cultural capital of the North East be deployed to project the richness of the region's diversity.**