

Galvanising trade via the North-East

What is the issue?

- “Act East Policy” promises to be a harbinger of economic transformation for the north-eastern states in India.
- For this to materialise, the region requires a mix of infrastructure investments and trade facilitation measures.

What is the history of trade in the region?

- The north-eastern region used to be a hub of thriving mercantile activity in the colonial period, but the dynamics of trade was purely driven by colonialists.
- Expansionist imperial ambition and quest for commercial gains saw the people of the region getting completely bypassed in terms of economic opportunity.
- Notably, back then a diverse portfolio marked trade with the north-east, where British woollens and Indian cottons were traded for Chinese tea and silk.
- In the regions, “Cotton, jade, teak, tamarind and jiggery” were imported from Burma, while “cars, whisky, soaps, cigarettes” were imported from Europe.
- Dhaka was a flourishing centre of muslin exports and discovery of tea and oil in Assam significantly enhanced commercial prospects.
- The region dominated global tea trade for close to eight decades and the British even established a rail link between Digboi and Chittagong.
- Nonetheless, steam navigation Companies pressured the government and prevented the development of any major land route across the region.

What is the current situation there?

- There was a disruption in trade in the post-Independence period as boundaries of sovereign nations were redrawn.
- Subsequent government policies have helped in overcoming some of these constraints, but a lot more remains to be done.