

## **Cross Border Trade between Myanmar and North East India (1995-2010)**

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### **Abstract**

Myanmar shares 1643 km border with North East India. Accordingly, since time immemorial, the people in the border regions of both countries have been meeting their daily needs by the exchange of head loads of locally produced goods. However, because of the improvement of transportation and development of border regions, commercial trade also took place in addition to the traditional head load exchanges at the border points. After India's independence in 1947, the illegal trade developed along the Myanmar and North East India borders. But, India transformed its economic system and adopted liberal trade policy in the early 1990s. India also opened its eastern borders for trade and tried to generate its market access to Southeast Asia and East Asia. On the other hand, after the SLORC's assuming power in September 1988, Myanmar adopted free trade policy and legalized border trade with neighboring countries. Based on their cordial relations, the two countries signed border trade agreement in 1994. Nevertheless, cross border trade between Myanmar and North East India for the past sixteen years (1995-2010) was insignificant as a result of the major reasons of instability in India's Manipur State and transportation difficulties on Myanmar side. It was only about 2.6 percent of total bilateral foreign trade between Myanmar and India. But, it had contributed to the development of bilateral foreign trade as well as economic development of border regions of both sides. So, the research questions brought up for this paper are: how the relations between Myanmar and India changed and how these relations effected cross border relations as well as cross border cooperation between the two countries, how legal border trade between Myanmar and North East India started under the trade liberalization measures in both Myanmar and India, and what the basic causes and effects for development of border trade are.

Key Words: Border Trade, export, import, Myanmar, North East India

### **Introduction**

The State Law and Order Restoration Council (SLORC), which assumed power in September 1988, adopted market-oriented economy in 1989 and initiated a series of economic reforms. Accordingly, it has looked forward to having closer trade relationship with all the countries in general and with neighboring countries in particular. In this respect, the government performed liberalization of the trade sector and legalized Myanmar's border trade with neighboring countries. Among them, Myanmar signed border trade agreement with India in 1994 to conduct border trade transactions between Myanmar and North East India. So, the central focus of this research paper is to present Beyond Peripheries: Cross Border Trade between Myanmar and North East India (1995-2010).

### **Bilateral Relations**

Myanmar shares 1,643 kilometers border with India and this border touches the states of Mizoram, Manipur, Nagaland and Arunachal Pradesh in North East India. Due to geographical proximity, Myanmar and India had a very long period of mutual contact with each other. There was large scale migration of Indians to Myanmar which improved the trade relations between the two nations in addition to the age old social and cultural links. Myanmar and India established formal diplomatic relations on 4 January 1948 when Myanmar became an independent nation. Since that time, the successive Myanmar governments tried to cultivate friendly relations with India while resolving outstanding problems between the two countries. However, there were ups and downs relations between the two countries.

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## Map of Myanmar and India



Source: <http://www.horizonmapping.net/projects/farmers-voice/fv-gallery/altas-maps/natl-brds.jpg>

After the military coup of 1962, due to the problem of Indian origins in Myanmar, the demarcation of the maritime boundary between the two countries, and the problem of Naga rebels in the border areas, there was not too much economic, political or technological cooperation in bilateral relations during this period. Being desirous of further developing trade and economic relations between the two countries, Myanmar and India signed a bilateral trade agreement in May 1970. But, as India followed a policy which committed itself openly to support the forces of democracy during 1988 to 1990, contact with SLORC was reduced to the lowest level without termination of diplomatic relations.

However, Myanmar's relations with India began to strengthen after India adopted its "Look East" policy in 1991. In fact, India's policy towards Myanmar was driven by four motivations: access to natural resources, desire to expand Indian influence in Southeast Asia, combat insurgencies in northeast India, and balance against growing Chinese influence. In March 1993, Myanmar and India signed an agreement to cooperate on the suppression of narcotics trafficking across their common frontier.

In 1998, under Prime Minister A.B. Vajpayee, bilateral relations were given a renewed push. During the Vice-Senior General Maung Aye, Vice-Chairman of the SPDC visit to India in January 2000, the two sides discussed economic cooperation, trade, cross border projects and activities, drug trafficking, etc. Then, the two sides also agreed to take steps to ensure peace and tranquility along their common border and to give content to cross border cooperation, which would directly benefit people living on both sides of the border. The

growing friendship between the two countries reached a high point with the visit of Senior General Than Shwe, the Chairman of the SPDC to India in October 2004 at the invitation of President Dr. A.P.J Abdul Kalam. During the visit, the two sides discussed construction of Rhi-Tiddim and Rhi-Falam roads, development of Kaladan River, construction of the road linking India-Myanmar and Thailand, matters on Dawi deep sea port project, border trade and security. Reciprocally, President Dr. A.P.J Abdul Kalam paid a State visit to Myanmar in March 2006. During the visit, the two sides signed three important documents, including cooperation in petroleum sector between the two countries. During the visit of Vice-Senior General Maung Aye to India in April 2008, the two neighbors signed significant agreements for the Kaladan Multi-Modal Transit Transport Project and for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income. In fact, these visits were landmarks for significant improvement of Myanmar-India bilateral relations as well as bilateral cooperation in important fields including cross border development projects which would be beneficial for both sides.

Relations between Myanmar and India continued to develop their multi-dimensional character. The Tamu-Kyigone-Kalemyo stretch of the Tamu- Kalay-Kalaywa Road, built with Indian assistance, was handed over to the Government of Myanmar in October 2009. The close and friendly bonds with India were further strengthened by Senior General Than Shwe's visit to India in July 2010. During the visit, six MoUs and agreements were signed.

Actually, India's "Look East" policy is the main driving force for improvement of bilateral relations with Myanmar. With India becoming a summit level partner of ASEAN and a member of the East Asia Summit, improved relations with Myanmar is very essential. In addition, Myanmar and India are partners in BIMSTEC and the Mekong-Ganga Cooperation (MGC). Thus, India sees Myanmar as an important "land bridge" on its path to the consolidation of ties with Southeast and East Asia. In return, Myanmar welcomed India's "Look East" policy and has maintained good neighborliness relations with India both bilaterally and in the framework of regional groupings. Being so, the cordial relations between the two countries have surely intensified the opportunities for promoting economic cooperation including bilateral trade especially cross border trade between Myanmar and North East India.

### **Trade Policy Reforms in Myanmar and India**

In Myanmar, the SLORC abolished the 1965 law on the establishment of a socialist economic system and moved towards a more opened, market-oriented economy in March 1989. Since then, a series of economic reform measures have been introduced to open up and integrate the economy with the world economy. In particular, the trade liberalization measures have been instituted since Myanmar adopted the market-oriented economy. The government lowered the technical barriers to trade and simplified the export/import procedures geared towards trade facilitations and promotion. In line with the independent and active foreign policy of the country, the foreign trade policy of Myanmar is also an independent one. Myanmar is the signatory member of the World Trade Organization (WTO). Hence, Myanmar's external trade policies are generally governed by WTO trading principles. Moreover, the policy of the Government of Myanmar is to further develop and strengthen trade relations with its five neighboring countries. Thus, according to the free trade policy of Myanmar, cross border trade with neighboring countries was legalized.

Up until the 1980s, India was one of the most closed economies in the world. Nevertheless, a wide ranging programme of economic reforms was initiated in India in 1991. The main implications of reform measures were intended to boost exports as well as to facilitate developmental imports which were vital for increasing industrial production. An outward looking and liberal trade policy is one of the main features of India's economic

reforms. After becoming WTO members in 1995, India's trade policy was liberalized in line with its commitment to the WTO. Along with the implementation of economic reform measures in the 1990s, the Government of India tried to develop its economic and trade links with Southeast Asia and East Asia. As the North East India region is the starting point of Southeast Asia, India's "Look East" policy holds potential for the region to break out of its landlocked borders and engage in cultural, economic and tourism related interactions with its international neighbors.

From time immemorial, trade between the people of Manipur and Myanmar has been taking place through traditional trade routes. However, after independence, the North East India's border trade virtually officially closed with Myanmar and Bangladesh. But, the changing scenarios of liberalization of Indian Economy and landlocked nature of the North East India proximity to foreign countries have been added advantage to flourish border trade through the region.

### **Development of Cross Border Trade between Myanmar and North East India**

Myanmar touches four out of seven North East India's States -Arunachal Pradesh, Manipur, Mizoram, and Nagaland. Accordingly, since time immemorial, the people in the border regions of both countries have been meeting their daily needs by the exchange of head loads of locally produced goods. However, because of the improvement of transportation and development of border regions, commercial trade also took place in addition to the traditional head load exchanges at the border points. But, this was not a systematic and legal border trade. After India's independence in 1947, the illegal trade between India and Myanmar became the international border trade between the two countries. In Myanmar, since the late 1988, however, the SLORC has successfully utilized the economic synergies across the border through opening them for trade and cross border development projects.

To conduct border trade, the Myanmar Export Import Service (MEIS) opened Tamu border trade post on 21 November 1991 and regulated and supervised a new system of border trade comprising border trade method and normal trade method with Import First Practice. But, Myanmar side suffered unfavorable conditions for border trade such as extreme trade deficit and currency devaluation. To control border trade activities more effectively and to facilitate formal establishment of border trade, the Agreement between the Government of the Union of Myanmar and the Government of the Republic of India on Border Trade was signed on 21 January 1994. Under this agreement, the two parties agree to conduct the border trade through the designated customs posts: (a) Moreh in India and Tamu in Myanmar (b) Champai in India and Rhi in Myanmar (c) Other places that may be notified by mutual agreement between the two countries. Furthermore, the two sides agree to permit buyer of either country to inspect and take delivery of goods at the customs posts in the country of the seller.

On 10 April 1995, the Ministry of Commerce of the Government of India issued twenty-two tradable items for the Indo-Myanmar border trade and trade in items not on the list was prohibited. As a follow-up measure of the Border Trade Agreement, on the Myanmar side, a border trade post headed by a director under the Directorate of Trade was opened at Tamu on 12 April 1995. To facilitate export/import works at the single venue, One Stop Services (OSS), comprising personnel from Customs Department, Internal Revenue Department, Immigration and Manpower Department (later Immigration and National Registration Department), Myanmar Economic Bank and Myanmar Police Force, headed by Border Trade Department, was composed at the Tamu border trade post. For the settlement of border trade transactions, Myanmar Investment and Commercial Bank (MICB) opened its Agency Office at Myanmar Economic Bank (MEB) (Tamu Branch) in 1995. As a result, the volume of border trade evidently rose to US\$ 17.837 million in the year 1995/1996 as compared with US\$ 6.267

million in the previous year. Nonetheless, due to the Import First Practice, Myanmar suffered trade deficit with India up till 1996/1997 financial year. (See Table I)

Besides, in conducting border trade, the flow of commodities has been hindered by unsecured conditions of Moreh-Imphal road, in which ethnic insurgent groups often blockade the border trade route. Among the North East India's States, the incidence of terrorism is the highest in Manipur and the lowest in Mizoram. Manipur, Assam and Nagaland are the most terrorist affected States in the region. Thus, after signing of a Memorandum of Understanding on Cooperation between Civilian Border Authorities of Myanmar and India in 1994, the National/Sectoral Level and Border Liaison Meetings between the Indian Army and the Myanmar Army have been held alternately and annually in two countries to take necessary steps to prevent cross border crimes, to fight against drug trafficking and arms smuggling along the Indo-Myanmar border. Nevertheless, insurgent activities still exist on the Indian side.

With the implementation of legal border trade, border crossing between the two countries has become an important matter to be systematically controlled from both sides. For visit up to Kalaywa/Kalaymyo in Myanmar and up to Imphal on Indian side, each Travel Pass entitles a person entry to both sides for a maximum period of seven days allowing the holder to carry foreign exchange of US\$ fifty per day. Under the Dawn to Dusk Entry Pass system, the Indians have to pay ten Rupees or sixty Kyats for entry fee to the Myanmar authorities. But for entry on Indian side, no entry fee has been charged by the State Government considering for easy movement of the Myanmar residents along the border.

Since 28 August 1996, the Department of Border Trade (DOBT) has effectively controlled export/import transactions of Tamu border trade post. Since 21 July 1997, the Export First Practice has been adopted by the Myanmar side with the aim to remove trade imbalances with India. Moreover, in order to prevent Myanmar currency devaluation and to promote border trade, normal trade method based on payment in US Dollar was practised for the Myanmar-North East India border trade on 25 November 1997 instead of using local currencies under border trade method. But, due to the restrictions imposed by the Myanmar side, border trade was in downward trend. (See Table I) This was because, traders from both sides used to practice border trade method with local currencies for their daily transactions. In normal trade method, all payments have to be made in US Dollar through Letter of Credit (LC). Thus, this system made the trade activities difficult and some traders, especially small traders avoided the legal trade channel and neglected prescribed rules and regulations.

To take the market on Myanmar side, the Nan Phalon market at Tamu was upgraded as export market on 20 August 1999 and export items from Myanmar as well as third countries have been sold at the market. After opening the Nan Phalon export market, the Indian merchants have to come to Myanmar and look for the necessary goods and then contract to order goods. Thus, Myanmar traders could take the market on Myanmar side and could sell their commodities at reasonable prices.

To facilitate payments for border trade, a Memorandum of Understanding for Banking Arrangement between United Bank of India (UBI), Calcutta and Myanmar Economic Bank (MEB), Yangon was signed in Tamu on 11 April 2000. But, due to the security condition of Moreh, both sides could not use the bank draft up until 2010/ 2011. In order to remove barriers on cross border trade, on 13 November 2000, the Ministry of Commerce issued the Notification No.5/2000 which allows trading activities as of 15 November 2000 to be carried out with the use of Kyat or Rupee as well as US Dollar at the Myanmar-India border areas.

In Myanmar-North East India border trade, the principal problem is security issue. Moreh is connected to the rest of the Manipur by the National Highway (NH)-39. The Imphal-

Moreh section (110 km) of NH-39 is widely used by the trading community to shop at Moreh. But, this road is under the control of various insurgent groups. Therefore, Moreh is undeveloped and due to the security conditions, there is scarcity of traders. They are living at Imphal and conducting border trade businesses via brokers from Moreh without directly connected with main exporters/importers from Myanmar. Moreover, because of often blockades by abundant insurgent groups along Moreh-Imphal trade route, Indian traders could not carry out trading activities regularly thereby lowering development in cross border trade. Thus, the Government of India should put improvement of law and order as top priority.

Another major impediment for development of border trade is transportation difficulties on Myanmar side. In doing so, with the aim to promote cross border trade between Myanmar and India as well as overall socio-economic development of the region, the Tamu-Kalay-Kalaywa Road was constructed at a sanctioned cost of Rupees 121.35 crores (US\$ 27.36 million) by the Government of India and successfully opened on 13 February 2001. With the opening of this road, export/import transactions through Tamu-Moreh border trade post have been carried out much faster and there have emerged opportunities for development of border trade as well as economic development of border areas.

To promote border trade, India also offered assistance to construct Rhi-Tiddim and Rhi-Falam roads along the Chin-Mizoram border. At the 143 km long Rhi-Kalay road, Tiddim-Kalay section is ninety-two km long metaled road. But, fifty-one km long Rhi-Tiddim section is an earthen road as well as a narrow valley. Also the 109 km long Rhi-Falam road is not in good condition. Thus, these roads are difficult to travel especially during the rainy season. On the other hand, though Tamu-Kalay-Kalaywa Road is in good condition, the main transportation road for Myanmar-India border trade, Monywa-Yargyi-Kalaywa section is not in good condition during the rainy season. In doing so, large vehicles could not travel in the rainy season and the goods have been transported by Kalaywa-Monywa water way. As a result, the flow of commodities was very slow and consequently, border trade did not develop too much. Under these circumstances, India planned a new link through western Myanmar that would allow cargo vessels to travel the Kaladan River from landlocked Mizoram State to Sittway in Rakhine State. India also planned to spend more than US\$ 100 million to develop Sittway port so it can accommodate larger vessels. In fact, through the Kaladan project, India would give the North East India's access to the sea routes via the Sittway port.

Dual exchange rate system was another problem for the Myanmar-India border trade until 2010. The exchange rate was arrived at by mutual agreement between the traders every day. This was done through the recognized local money changers. The official rate for a hundred Indian Rupees was ninety-five Kyats. However, in the black market, the same amount of Rupees could be traded against as much as 2700-3000 Kyats on the border. Besides, ten thousand Indian Rupees could easily be changed against US\$ 240-250 on the black market and that could be converted into Kyats at a rate fluctuating around 1200-1400 Kyats per Dollar (very far from the official 490 Kyats to a Dollar). This dual exchange rate system dissuaded traders from employing official channels.

Restricted rules and regulations also hindered development of border trade. The Myanmar side prohibited thirty-two commodities for export and sixteen commodities for import. In addition, though fertilizer is the major import item for Myanmar, it is also restricted item for the Indian side. On the other hand, despite India wants to export flour to Myanmar, it is regarded as restricted item for the Myanmar side. Therefore, in conducting border trade, illegal trade has also been carried out. The illegal trading with Myanmar has been mainly carried out through Manipur and Mizoram. In this context, to combat illegal trade, the two

sides should relax their restrictions on export/import goods. Besides, the Indian side should consider permitting third country's goods via Myanmar as legal import items.

To bring much of the existing exchanges into legal fold, Rhi border trade post, opposite Zokhawthar in Mizoram, was opened on 10 December 2003 in Tiddim Township, Chin State. Moreover, in 2008, the Government of India agreed to add eighteen commodities to the existing list of twenty-two commodities for the promotion of border trade. But, on the other hand, until 2010/2011, the bases for trade between Myanmar and North East India such as warehousing facilities, drinking water, electricity, telecommunication system, etc. were very weak. Until 2010, border trading with Myanmar had been done only through Mizoram and Manipur. To conduct border trade transactions, the two border trade posts that have been opened along the Indo-Myanmar border are Tamu-Moreh (12.4.1995) and Rhi-Zokhawthar (10.12.2003). To promote border trade, the two designated border trade posts to be opened in Myanmar are Paletwa and Pansaung. The major export items for Myanmar are betel nut, Mier blanket, dry ginger, frozen fish, pig (live), etc. The major import items from India are fertilizer, artificial meat, raw material for milk powder, textile, etc. Table (1) shows the volume and balance of Cross Border Trade between Myanmar and North East India from 1995/1996 to 2010/2011.

**Table (1) Volume and Balance of Cross Border Trade between Myanmar and North East India (1995/1996-2010/2011)**  
(US\$ Million)

Year	Export	Import	Volume	Balance
1995 – 1996	4.257	13.580	17.837	- 9.323
1996 – 1997	5.938	14.253	20.191	- 8.315
1997 – 1998	11.746	10.495	22.241	+ 1.251
1998 – 1999	2.275	1.812	4.087	+ 0.463
1999 – 2000	6.333	3.055	9.388	+ 3.278
2000 – 2001	10.406	5.598	16.004	+ 4.808
2001 – 2002	10.857	8.540	19.397	+ 2.317
2002 – 2003	7.324	4.474	11.798	+ 2.850
2003 – 2004	7.539	2.740	10.279	+ 4.799
2004 – 2005	12.001	3.194	15.195	+ 8.807
2005 – 2006	11.325	4.443	15.768	+ 6.882
2006 – 2007	11.176	5.533	16.709	+ 5.643
2007 – 2008	10.909	3.922	14.831	+ 6.987
2008 – 2009	5.485	4.396	9.881	+ 1.089
2009 – 2010	7.788	5.946	13.734	+ 1.842
2010 – 2011	8.281	4.520	12.801	+ 3.761
Total	133.640	96.501	230.141	+ 37.139

Source: Department of Border Trade

According to Table (1), it can be seen that due to the Import First Practice, Myanmar suffered US\$ 17.638 million trade deficit with North East India during 1995/1996-1996/1997. After adoption of the Export First Practice in July 1997, however, Myanmar had enjoyed persistent trade surplus with North East India for every year since 1997/1998 financial year. Within two years, from 1998/1999 to 1999/2000, the volume of border trade fell sharply because of the imposition of normal trade method with US Dollar instead of using local currencies (Kyat & Rupee). The relaxation of restrictions on border trade under normal trade

method and border trade method with using US Dollar and local currencies in November 2000 led to an increase in border trading with India during 2000/2001 and 2001/2002. Starting from 2004/2005, the trade volume with India increased steadily due to the opening of Rhi border trade post in December 2003. Nevertheless, ups and downs trade conditions mostly depend on frequent blockades on Moreh-Imphal trade route by insurgent groups. Therefore, Myanmar-North East India border trade did not develop too much for the past sixteen years. It was only about 2.6 percent of total bilateral foreign trade between Myanmar and India. But, it had partly contributed to boosting foreign trade between Myanmar and India as shown in the following Table.

**Table (2) The Share of Border Trade in Foreign Trade between Myanmar and India  
(1995/1996-2010//2011)**

(US\$ Million)

Year	Volume of Border Trade	Volume of Foreign Trade	Share %
1995 – 1996	17.837	245.697	7.259
1996 – 1997	20.191	259.152	7.791
1997 – 1998	22.241	332.766	6.684
1998 – 1999	4.087	236.116	1.731
1999 – 2000	9.388	288.532	3.254
2000 – 2001	16.004	345.152	4.637
2001 – 2002	19.397	428.006	4.532
2002 – 2003	11.798	431.455	2.734
2003 – 2004	10.279	470.337	2.185
2004 – 2005	15.195	425.326	3.573
2005 – 2006	15.768	569.173	2.770
2006 – 2007	16.709	892.992	1.871
2007 – 2008`	14.831	885.930	1.674
2008 – 2009	9.881	940.320	1.051
2009 – 2010	13.734	1192.918	1.151
2010 – 2011	12.801	1055.050	1.213
Total	230.141	8998.922	2.557

\*The data shown are based on the official exchange rate.

Source: *Statistical Yearbook 2001, 2007, 2011* CSO, Yangon & Nay Pyi Taw

### **Consequences of Cross Border Trade between Myanmar and North East India**

Because of the opening of legal border trade, Moreh was turned into an important commercial hub in Manipur. The development of border trade at Moreh partly effected the growth of Manipur economy. Improved infrastructure and promotion could make it a thriving tourist destination with possibility of Indian tourists being permitted to travel up to Mandalay in Myanmar. But, due to the ethnic insurgent groups, Moreh has not yet developed as Tamu on Myanmar side. However, as a result of better security condition than Moreh, Indian migrants can be seen in Tamu. Tamu has become a bustling trade centre. At Namphalon, there are a number of Myanmar shops as well as Indian shops selling various kinds of Myanmar products, Indian products and Thai and Chinese consumer goods. Monywa, linked to the Indian border trade, is also thriving on trade with India. Zokhawthar has become a bustling little town shaped by border trade. Unlike Manipur, Mizoram is the most peaceful state in the entire North East

India. Political and social stability has turned business environment conducive for economic ventures. In this regard, Myanmar labour migrants are entering to Mizoram in search of a job.

On the other hand, the Indo-Myanmar border is especially sensitive to the smuggling of narcotic drugs due to its proximity to the Golden Triangle. Since the resumption of Myanmar-North East India border trade under barter mechanism, smuggling has reduced considerably. But, there still exists smuggling of arms and drugs along with other more consumer durables, electronics and spare parts. The drug from Myanmar and the arms from Thailand have been smuggled to the Indian insurgent groups from Tamu and a few other places on the Indo-Myanmar border. On the Myanmar side, there is no security presence for about thirty to forty km of the border. So it is an open border and easy for Indian militants to cross into Myanmar. Thus, anti-government organizations active in the northeastern states of Tripura and Manipur also operate bases in Myanmar. But, Myanmar has cooperated in recent years in helping to wipe out such havens. As stated above, doing border trade between Myanmar and India has brought about both positive and negative consequences.

To sum up, despite border trade is important for both the landlocked North East India and Myanmar, the volume of trade did not develop as both sides expected up till 2010/2011. Transportation difficulty and cross border insurgency were major hurdles in development of border trade. In spite of attempting to legalize border trade, illegal trade had been going on along the Indo-Myanmar border. Because of currency exchange problem, bilateral border trade had been in poor condition. Infrastructure deficiency remained a major concern for both countries. Therefore, to provide uninterrupted transport service, the Indian side should put much more binding force of law and order at Moreh and along the Moreh-Imphal trade route. It is also needed to increase the number of tradable commodities for border trade in addition to forty items. Besides, the Indian side should recognize third country's goods via Myanmar as permitted import items. In addition, the two sides should promote transport connectivity and infrastructural facilities including warehouses, cold storage rooms, weighing bridges, telecommunication, electricity etc. Furthermore, to facilitate payment mechanism for both border trade method and normal trade method, bank transactions through MEB (Tamu Branch) and UBI (Moreh Branch) should be implemented successfully. In order to prevent illegal trade activities, the two sides should relax their restrictions on border trade. Frequent interactions among private businessmen and government officials are also required for further expansion of bilateral border trade.

Nevertheless, legal border trade between the two sides developed to some extent and contributed to the development of bilateral foreign trade as well as economic development of both sides. Moreover, people from both sides of the border enjoyed progress and prosperity. So, this is imperative for people from both sides for generating income, employment and friendly relations. Although some negative consequences like arms smuggling and drug trafficking existed along with the development of border trade, the two sides got 'win-win results' through conducting legal border trade during 1995-2010. Moreover, according to liberal theory, the liberalists see international economic relations as free trade, interdependence and cooperation. Being so, in analyzing "Beyond Peripheries: Cross Border Trade between Myanmar and North East India (1995-2010)" within the framework of liberalism, we can see that promoting stability along the border areas, increasing people to people contact, improving infrastructure development and legalizing border trade between the two sides were conducted through interdependence, cooperation and free trade.

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