



## Prospering Thailand-India Economic Partnership

The resurgence of Thailand-India economic relationship is one of the most significant events in the contemporary period between the two nations. It is a renaissance that is not only taking place with the transformation in Asia, but also throwing open new opportunities for millions of people on both countries in this vast region to build a safer, more prosperous and freer world.

Despite an ongoing global financial crisis, the biggest ever probably in living memory, both Thailand and India, like many, are actually hurting, but seem to be able to confront with the impact and to adjust accordingly their economies in order to remain active in a reshaping post-crisis world. Thailand and India could collaborate more and become partners in several new initiatives to help the unfolding of prospects and uncertainties in Asia and the world.

Today, both Thailand and India share common interests that extend far beyond day-to-day business. The best way to address this partnership is to take a long term view and a new shape of things to come. A long term view in the sense that bilateral ties have long been intertwined in the context of history, culture, religion, as well as language, where Thailand has much inherited from India, directly or indirectly. Any attempts to building future bilateral ties should not miss the point of this importance. As for a new shape of things to come, it is true that these days, almost all countries, without any exception, including Thailand and India, are subject to forces of globalization, both positive and negative ones. But globalization without a proper regionalization is just an empty slogan. For this reason, Thailand and India share major long term regional and bilateral policy challenges posed by their historical contact up to the present, especially the economic dimension set by market-driven trade, investment,

technology spillovers and increasingly mobile human populations. Over the years, the friendship between the two nations has led to close collaboration in many areas.

### Fast Growing Economic Ties

More recently, the relationship has gotten even closer economically. It is here that major bilateral changes have occurred as both sides start to see and explore more economic opportunities offered by each other. India has rapidly changed to become Thailand's major trading partner, and India ranks high being the most important South Asian investor in Thailand. In 2008, bilateral trade between the two reached more than US\$ 6 billion, a six times' increase from 2000. Indian FDI approvals in Thailand had also substantially changed in the last few years, with the presence of not only existing Thai-Indian companies, but also the new Indian multinationals like Aditya Birla, Indorama, Tata and many others. Thai investors, the third among ASEAN, after Singapore and Malaysia, have also made more their presence with a rising India and tremendous opportunities offered for their business inside the country. They are doing business in food processing, hotels and tourism, construction and electrical equipment manufacturing.

The openness gap with regard to trade in goods, services, capital and people flows between the two countries has consistently reduced and contributed substantially in improving their relationships in recent years, with Thailand, generally, more open, as an economy, but India also fast growing and liberalizing its protective regimes. Precisely, this could also be illustrated by the large numbers of Indian tourists visited Thailand. In 2008, more than 600,000 Indian visitors came here to visit the capital city Bangkok and various parts of

the country, and they were from major cities like Delhi, Mumbai, Kolkata, Bangalore and Chennai. At the same time, the number of Thai citizens visiting India increases each year - more than 50,000 tourists visited India in 2008, spreading more beyond the Buddhist sanctuaries, to other emerging and interesting cities. This illustrates the potential of people-to-people contact, especially the young generation and great scope for collaboration on education and training. Thailand's hospitality and agro-business industry are well known in India and Indian genuine knowledge in science and technology is also well advanced compared to Thailand's endowments in this field. These represent some of the areas that require bold initiatives and expressions of their willingness to come closer together.

Thailand's recent embrace with India rests largely on an increasing integration with the ASEAN+6 countries. With the recent trade and investment trends, Thailand has been able to reverse for the first time its trade deficit with India to a position of a trade surplus since 2005. The formation of preferential and bilateral trade and investment arrangements like an Early-Harvest Scheme (EHS) of Thailand-India FTA seems to serve as a catalyst for furthering growing interests in Thailand-India trade and investment. India's economic policy changes since the beginning of the 1990s, in line with the liberalization process of the WTO, also contribute to make Thailand-India economic ties an interesting new landscape to be followed more closely. One should also recognize the role played by multinationals from Japan, South Korea, the EU, the US, Taiwan, Australia, for instance, that are still active to build their regional production and service networks and use the potentials of Thailand and India in securing their business outlook through FDI combining with trade.

## Links Moving to the Next Level

Seizing new arising opportunities of Thailand and India, however, will require strong leadership and commitment of both sides. It requires regionalism rather than isolationism, and free trade rather than protectionism. When both think of their future, they should expect more – not less – attention, trade, investment, innovation, people flows and other major areas of cooperation from different levels of their partnerships. Fortunately, both Thailand and India have made interesting ground works and moved a long way before they become closer in recent years. This is especially true at the time of global financial and economic crisis when both the economies are likely to be contracted by several percentage points or so. Thus, they would require promising partnerships to be forged in several new areas.

Indeed, both Thailand and India have been playing a more active role in enhancing regional economic partnerships. Thailand is a founding member of ASEAN and remains prominent player all along in regional affairs whether it is the ASEAN Regional Forum (ARF), the Greater Mekong Subregion (GMS), or recent initiatives like the ASEAN+3 or the East Asia Summit (EAS). India is a major power of the world and also in South Asia. So any interesting cooperation schemes have often to do with the key role of India. Certainly, domestic and regional changes have helped these two countries to become closer. India's "Look East Policy" and Thailand's "Look West Policy" have been instrumental to bridge mutual understanding and further contact. Thailand's support of India to be an ASEAN Dialogue Partner, now more than a decade, has contributed to India fostering its linkages with the region, through the ASEAN+6 and the ASEAN-India cooperation, which also extends to other cooperative efforts at the subregional level, like Bay of Bengal Initiative for Multi-Sectoral and Technical Cooperation (BIMSTEC), Mekong-Ganga Cooperation (MGC), and the bilateral level, like Thailand-India FTA.

Precisely, Thailand-India FTA, with an EHS, has already been implemented since September 2004, covering 82 major traded items with the trade value of more than US\$ 500 million in 2008. The progress and success in such partnerships have produced positive efforts in extending liberalization attempts to cover new modalities, almost all manufacturing traded goods, services, and investments. However, it seems to be that India's desire is likely to see ASEAN-India FTA implementing soon before re-negotiating for a further deepening of Thailand-India

FTA. In the meantime, Thailand expects rules of origin, standard inspections and other non-tariff barriers in India, to be more relaxed, in order to help Thai exporters meet the Indian requirements. To both, bilateral trade is complementary to each other with Thailand's exports to India in the areas of processed food and automotive components and parts and Indian exports to Thailand in areas where Thailand lacks expertise such as pharmaceuticals and chemicals. In any case, it seems to be that both sides are still upbeat with the results of on-going negotiations at the regional level like ASEAN and BIMSTEC, which should also contribute to a deepening bilateral economic relationship, but should not fall of short sight to their own bilateral partnership.

Among other things, there is a growing interest in connectivity linking the two regions. The two countries are well connected by air transport with more airlines, over hundred flights per week, to meet the demand. However, still more needs to be done in terms of road and rail links. As often noted, Thailand continues to play an active role in helping economic and infrastructure development especially in Cambodia, Myanmar, Lao PDR, and Viet Nam. The country strategy has already started to work for land transport improvement with the neighbours and is even extending this same approach beyond the region to reach parts of Southwest China and Northeast India. In connection with India and South Asia, Thailand sees 1,400 km of road link, which once completed, would strongly benefit all countries including Myanmar, the country in the middle between the two, in the long run. For India, it would mean road connectivity with ASEAN.

## Challenges for Future Partnership

Both Thailand and India economic relations with Asia and the world will continue to be growing despite an uncertain economic environment worldwide. The crisis is and will continue to weaken the Western economies, so the pendulum has swung, and to many, the economic prowess might move back to the Asian region. There is still much hope from a reasonable growth of China and India among the Asian nations in a post-crisis world. Thailand and India require close ties and commitment to working hard in solving all upcoming problems and finding new opportunities. The EAS, in which both countries are working together with others, will have to enhance the region's purposes and vitality. There will be more pro-active regional response to an on-going crisis with specificities to

address needs in bridging gaps in income, human resources development and infrastructure apart from continuing trade and finance cooperation and liberalization.

As partners in progress, prospects for deepening a bilateral economic relationship should not be limited to a strict sense of give-and-take exercise like in the scope for further FTA and Economic Partnership Agreement (EPA). Liberalization is often seen among trading partners who will get the fair share and if possible what would be the government role and measures to mitigate such an impact. Such a view should not limit in further developing FTA and EPA between the two. On the other hand, both could not forget a long term view of such liberalization will also create more cooperation in resource pooling rather than market sharing according to the good use of their comparative advantage. Beside, they could gain more in well structured global and regional production networks in which they would work for more efficiency and better resource allocations in the longer run. Thailand-India FTA and EPA in this sense will be closely linked to the progress for an ASEAN-India FTA and EPA and BIMSTEC FTA and EPA, and other cooperation schemes like MGC. There is no doubt that leadership and commitment needed from both sides will be more than ever. Joint business groups to organize in priority sectors are important to lay the ground work for inter-governmental organizations. There should be ways and means to improve issues of common concerns like the lack of information among their followed citizens and also the misconceptions with each other. Also, interaction among them and with countries around the region has to grow day-by-day and from strength to strength. Its new nature of relationships requires them not to be strict only to bilateral ties but rather to become more wide-ranging and comprehensive in their future bilateral approach. There are wide ranging areas of cooperation, Thailand believes, that they could foster together starting from bridging development gaps, poverty reduction, skilled development down to energy saving and technology dealing with the environmental improvement. Thailand relies on India's good spirit to join ASEAN constructively with the belief that India will join the East Asian region in developing prosperity and peace for the benefits of people in Asia and the world in the years to come.

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# India–ASEAN Transport Network: Fostering East Asian Partnership

Over the last decade of globalization, India and East Asia have become much closer than ever before.<sup>1</sup> Trade between India and East Asia increased from a meagre US\$ 20 billion in 1991 to over US\$ 110 billion in 2007.<sup>2</sup> Such spectacular growth continued in investment and production networks between the two. Yet, a large part of India–East Asia's economic potentials, particularly in trade and investment, is unrealized. According to some commentators, infrastructure bottlenecks within countries and lack of cross-border infrastructure network are the important ones that holding back deeper integration between India and East Asia.<sup>3</sup>

Cross-border (regional) infrastructure is typically seen as one of the major determinants of economic integration process (Atalik and Fischer, 2002; Kuroda et al, 2008). It enhances regional (and international) connectivity through free flow of goods and factors across border allowing countries to benefit from a better relocation of resources. An efficient and integrated transport and logistics network between India and East Asia is utmost important to enhance the flow of goods and services, particularly when increased trade and investment between them are seen as the outcomes of trade liberalisation initiatives, those are already undertaken (e.g. India–Thailand FTA or India–Singapore CEPA), or are underway (e.g. India–ASEAN FTA). This article briefly discusses the emerging land transportation network between India and East Asia, and presents some important challenges that need to be addressed in order to enhance the regional connectivity.

## Land Transportation Networks: Steady but Slow Progress

Merchandise trade between India and East Asia is primarily transported by sea. While India has overland links with East Asian countries through Myanmar, the land-bridge between South and Southeast Asia and cross-border land transportation between India and East Asia is yet to witness any major breakthrough. There is no formal arrangement of cross-border trade and transportation between India and Myanmar, except trade in few goods for the need of local people living both

sides of the border. In general, free movement of goods between India and East Asia through India–Myanmar border is not only restricted but also risky for political and security reasons. The land transportation network between India and East Asia is very weak and fragmented.

To help remove the physical and non-physical barriers to trade and transportation between India and East Asia, several land transportation projects are being planned, of which BIMSTEC Trilateral Highway (BTH), a subregional project connecting India with Thailand through Myanmar, and Asian Land Transport Infrastructure Development (ALTID) programme, a pan-Asian project initiated by the United Nations Economic and Social Commission of Asia and the Pacific (UNESCAP), are the important ones.

### **Pan-Asia Land Transport Network**

UNESCAP initiated the ALTID project in 1992 with the aim of improving and expanding transport and communications links within Asia, as well as with other regions. The ALTID project comprises the Asian Highway (AH), the Trans-Asian Railway (TAR), and the facilitation of land transport. ALTID project's main objective is to establish pan-Asian connectivity through uniform standards across the region.

**Asian Highway:** With participation of 32 countries as of 31 March 2009, AH network presently covers a total length of 141,000 km of highways in Asia. The Intergovernmental Agreement on the Asian Highway entered into force on 4th July 2005, and as of 31<sup>st</sup> March 2009, the Agreement has been signed by 28 countries, of which 22 countries have enforced the Agreement, including India and most of the East Asian countries. However, Indonesia, Lao PDR, Malaysia, and Singapore have signed the Intergovernmental Agreement, but they are yet to enforce it. Since the entry into force of the AH Agreement in 2004, a significant progress has been achieved in developing and upgrading the AH network. During 2005 and 2006, about 10,000 kilometres of the AH in member countries have been upgraded to meet minimum standards and other sections

have been improved to higher class standards. Still, about 12,000 km or 9 percent of the total AH network still remains below minimum standards (UNESCAP, 2008a). About US\$ 26 billion has already been being invested or committed for the development of various sections of AH routes in member countries, while about US\$ 18 billion is needed to upgrade and improve about 26,000 km of AH routes (UNESCAP, 2008a).

**Trans-Asian Railway:** The Trans-Asian Railway was originally conceived in the 1960s. Its medium- to long-term objective is to provide a continuous rail link between Singapore and Istanbul with possible onward connections to Europe. The progress of TAR has been very similar to AH. Current network of TAR covers 114,000 km of railways in 22 member countries. TAR network has also been formalized through an Intergovernmental Agreement, which has now been signed by 22 countries, of which six have ratified or accepted it including India. However, East Asian countries like Malaysia and Japan are yet to sign the Intergovernmental Agreement, and Indonesia and Viet Nam have signed but not yet ratified. The Intergovernmental Agreement on TAR will come into force on 11 June 2009 with China becoming the eighth country ratifying the Agreement (UNESCAP, 2009). Around 6,500 km or 8 percent of 81,000 km of the TAR network is missing link, mostly in the Southeast Asia. An estimated investment of US\$ 15 billion is required to build single-track lines on the missing links to complete the TAR network (UNESCAP, 2008b).

### **Subregional Land Transport Networks**

In addition to pan-Asian projects such as AH and TAR, there are several subregional initiatives to connect countries within the subregion in South and East Asia. These subregional programmes have undertaken several road and railway projects, some of which can facilitate land transportation between India and East Asia.

ASEAN (Association of Southeast Asian Nations) has several cross-border transport projects, of which ASEAN Highway and the Singapore–Kunming

Railway project are the important ones. GMS (Greater Mekong Subregion) programme has undertaken three major economic corridors such as (i) the East-West Economic Corridor, running from Da Nang, Viet Nam, through Lao PDR and Thailand to Myanmar; (ii) the North-South Economic Corridor, which covers the major routes running from Kunming through Chiang Rai to Bangkok or Nanning through Hanoi to Haiphong; and (iii) the Southern Economic Corridor, running through the southern parts of Thailand, Cambodia, and Viet Nam. The countries in GMS have also signed a Cross-Border Transport Agreement (CBTA) for facilitation of movement of goods and vehicles across border. Brunei Darussalam-Indonesia-Malaysia-Philippines-East ASEAN Growth Area (BIMP-EAGA) has undertaken projects on air and maritime services, as well as software aspects of regional infrastructure. Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) has been pursuing five economic corridors. SAARC (South Asian Association for Regional Cooperation) has planned ten road corridors, five rail corridors, ten inland or maritime gateways and seven aviation gateways for implementation in the subregion. Likewise in BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation), implementation of BIMSTEC Trilateral Highway (BTH) linking India-Myanmar-Thailand has also been taken up by the member countries in 2005 for improving physical connectivity in the subregion.

## Challenges and Policy Options

The demand of regional connectivity in East Asia increased during 1990s to support the export-led growth strategy and fragmented production network, which later was fuelled by successful implementation of some transport corridors in the GMS and elsewhere in Asia. Cross-border transport networks envisaged by UNESCAP and Asian subregions are well thought projects for the countries to get their goods to market more efficiently, quickly and cheaply. But, except GMS, where the progress is remarkable, implementation of similar projects in other subregions is relatively slow.

India and East Asia have been witnessing sharp rise in merchandise trade and showing greater trade interdependence on a large variety of goods. At the same time, lack of regional connectivity continues to pose higher

trade costs, thus impeding trade growth and eroding the benefits of trade liberalisation. There is potential for improving regional transport network to reinforce regional production and trade. Any attempt, therefore, towards deeper integration of the economies of the region thus holds high promise, if accompanied by initiatives that help integrate the region through improved cross-border transportation network.

Although several benefits are apparent from completed subregional projects such as in GMS, three main issues hamper the full delivery of India – East Asia benefits— first, the subregional transport corridors (“Hardware”) in Asia are not always supported by “software” except perhaps the GMS; second, missing infrastructure links in many parts have reduced the effectiveness of the completed projects in subregions; and third, the lack of synergy between national and subregional transport corridors between India and East Asia is very common. As a result of the road improvement, national traffic has increased across the corridors, indicating that national level benefits have been high.<sup>4</sup> At the same time, the international land traffic has been slow to grow, partly due to the absence of an agreement to facilitate cross-border movement of vehicles and absence of a strong and stable pan-Asian transport networks. So far, the overall attitude toward AH and TAR projects is apparently tilted toward addressing national constraints rather than developing regional arrangements.

A scrutiny of subregional programmes clearly shows that most of them have now undertaken exclusive projects to improve subregional connectivity. To realise the potentials of these subregional networks, we may have to integrate them with the pan-Asian arteries such as AH and TAR. The new upcoming cross-border projects like Mekong-India Economic Corridor (MIEC)<sup>5</sup> also need to be integrated with pan-Asian networks to maximize welfare. In parallel, the initiatives for building the supply capabilities and trade liberalization in Asian countries have to be complemented by a new approach towards intermodal transport and transit for making the entire continent interconnected that existed in the past. Asia should have either its own regional transit arrangement or through accession to the existing international conventions. In order to hardware infrastructure of an Asia-wide transport network to work effectively, we have to strengthen the

rules, regulations and standards relating to the network to a regional standard, preferably to an international standard. There is also need for an appropriate financing mechanism to mobilize Asia's huge savings for infrastructure development, particularly financing and managing missing links and bridges. We also have to mobilize private sector participation in regional infrastructure projects. Effective coordination is, therefore, necessary to generate willingness of countries to participate in the regional connectivity projects.

Regional cooperation among Asian countries is essential for establishing Asia-wide transport network towards an integrated Asia. An integrated connectivity between India and East Asia would provide substantial benefits to landlocked and island countries as well as poor small countries by giving them access to world market at lower costs. Therefore, high-level policy direction is important in the successful development of mutually beneficial regional transport infrastructure and services between India and East Asia. Finally, the need for integrated transport and logistics network is quite pressing at a time when ongoing global financial turmoil makes it necessary for Asian countries to strengthen their regional infrastructure networks in order to enhance the regional demand.

Thailand and India are in the centre stage of the subregional programmes, contracting parties to AH and TAR, having bilateral FTA in operation, members of pan-Asian cooperation initiative like East Asia Summit (EAS) Group (ASEAN+6), and members of G20, besides partners in some other subregional initiatives like Mekong-Ganga Cooperation (MGC). India-Thailand combination is thus very unique. Improved connectivity between them, land transport or otherwise, have every potential to strengthen the India-East Asia cooperation.

## Endnotes

<sup>1</sup> In this article, East Asia is defined as Northeast (China, Japan and Korea) and Southeast (10 ASEAN members) Asian countries.

<sup>2</sup> Calculated based on *Direction of Trade Statistics Yearbook 2008*, IMF.

<sup>3</sup> Refer, for example, Brooks and Menon (2008), Brooks and Hummles (2009), and Francois, et al (2009).

<sup>4</sup> See, for example, Kumagai et al (2008).

<sup>5</sup> MIEC is new corridor being envisaged by the Economic Research Institute of ASEAN and East Asia (ERIA).

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# ASEAN-India Relationship Grown from Sectoral Dialogue to Summit Level Partnership

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Secretary-General, ASEAN

India has been an important partner of ASEAN that has attached great importance to the relationship and partnership with India. We follow with great interest and welcome India's "Look East" policy and its efforts to strengthen relations with ASEAN as a group.

It is only natural that the ASEAN-India relationship had grown from a sectoral dialogue in 1992 to a full dialogue partnership in 1995, and then it was further elevated to a Summit-level partnership. Working together, ASEAN and India have achieved great synergies. Both cherish and value peace, security and stability for national development and prosperity. Within the broader political and security framework, India has been an active participant in the ASEAN Regional Forum (ARF). ASEAN and India are close in terms of land route connectivity.

Civil aviation cooperation between ASEAN and India has been given a long-awaited boost with the adoption of the ASEAN-India Aviation Cooperation Framework. The Framework, which took shape from Prime Minister Manmohan Singh's proposal for dialogue on an Open Skies Agreement, will lay the foundation for closer aviation cooperation between ASEAN and India and result in a more liberalized environment which will be beneficial to all. Under the Framework, ASEAN and India agreed to work towards concluding an agreement based on the 'Open Skies' principles, covering both airfreight and passenger services as well as cooperation in other aviation fields including airline cooperation, airports and air navigation, aviation safety, aviation security, human resources development and information exchange.

The good news is that ASEAN and India concluded the ASEAN-India Trade-in-Goods Agreement in August 2008 under which both sides agreed on the modality for tariff reduction and/or elimination, which is among the key elements that will facilitate the creation of an open ASEAN-India market. The two sides would also commence negotiations

on trade in services and investment as a single undertaking, and to work towards the conclusion of substantial discussions on these two agreements in order to complete the ASEAN-India CECA.

ASEAN together with its East Asia Summit (EAS) partners formally brought into being the Economic Research Institute for ASEAN and East Asia (ERIA) in June 2008, which is designed to be a think-tank, similar to the OECD. It assumes an important role in building the intellectual foundation for East Asia integration and in contributing to the establishment of the ASEAN Economic Community by 2015 in terms of policy-oriented and strategic economic research and capacity building. ERIA will focus its work on the three pillars of deepening integration, narrowing the development gap and sustainable development in East Asia. This would certainly help to create the world's largest business space in a vibrant and more integrated East Asia.

ERIA has come up with important research activities and practical policy recommendations. Among others is the East Asia Industrial Corridor (EAIC) Project, is a region-wide cross-border comprehensive development plan which aims to facilitate and enhance economic growth in the region through industrial development of the Mekong Region and linking it with the economies of India and China. The EAIC is envisaged to be realised including through development of wider-regional industrial belts, e.g. the Delhi-Mumbai Industrial Corridor (DMIC) and the East-West Economic Corridor.

Integration of the DMIC and the EAIC is expected to enhance ASEAN-India trade as well as to provide new opportunities for "trade creation." The DMIC and EAIC will facilitate optimization of logistic costs through multi-modal integration; reduce logistic cost by improving transport infrastructure, boost industrial development by integrating with transport infrastructure.

One projected benefit under the proposed EAIC is reduced travel time of

cargo from Dawei Port in Myanmar and road/rail link between India and Thailand-Cambodia-Viet Nam going through the Straits of Malacca. For example, while the current travel distance from India to Thailand is more than 4,500 km, it is expected to be less than 2,500 km. Similarly, while the current travel distance from India to Cambodia is more than 4,200 km, it is expected to be less than 3,000 km; likewise the current travel distance from India to Viet Nam is currently more than 4,200 km, but is expected to be less than 3,000 km.

ASEAN is working to upgrade its regional infrastructure including on its mainland Southeast Asia railway for which a feasibility study has been completed. The goal is to link the missing rail sections in some ASEAN Member States to make it trans-ASEAN and to link it with Kunming in South China. The rail link will be covering 33,480 km of roads.

The work in upgrading ASEAN regional infrastructure combined with enabling policy framework to facilitate and promote goods in transit, multi-nodal transport and inter-state transport would eventually contribute to a bigger EAS trade zone in due course.

India's "Look East" policy has focused on economic engagement with ASEAN Member States and in the East Asian region. Given our buoyant trade and economic relations, India has key roles to play to shape the emerging East Asia architecture. Specifically, India has talented pool of human resources and tremendous research capabilities. Bringing together researchers from India and other East Asian countries under ERIA would enable the region to tap the full potential in the area of policy-oriented and strategic economic research. Through ERIA, close links with the policy-making processes in ASEAN and East Asia could be forged which could in turn enhance the internal linkages of East Asian economies.

(Excerpted from the Secretary-General's Address Delivered at the Regional Security and Cooperation Dialogue Organized by FICCI on 21 January 2009 in New Delhi).

# India-Mekong Cooperation Activities

## India Signs Economic Cooperation Agreements with Myanmar

India and Myanmar signed four economic cooperation agreements demonstrating the expanding partnership between the two countries. The agreements were signed in the presence of the Union Minister of State for Commerce and Power, Mr. Jairam Ramesh and the Myanmar Minister for National Planning and Economic Development, Mr. U Soe Tha.

The first agreement is the Bilateral Investment Promotion Agreement (BIPA) between the two governments designed to facilitate greater Indian investment in Myanmar and vice versa. It provides a framework for the resolution of disputes, promotion and protection of investment, extending national treatment and MFN treatment, repatriation of investment and returns and entry and sojourn of technical and managerial personnel.

The second agreement is a credit line

agreement between the EXIM Bank of India and the Myanmar Foreign Trade Bank for \$ 64 million for financing three 230 kv transmission lines in Myanmar to be executed by the Power Grid Corporation of India.

The third agreement is a credit line agreement between the Exim Bank of India and the Myanmar Trade Bank for \$20 million for financing the establishment of an aluminium conductor steel reinforced (ACSR) wire manufacturing facility to be used for expansion of the power distribution network in Myanmar. The fourth agreement is between the United Bank of India and the Myanmar Economic Bank for providing the banking arrangement for the implementation of the border trade agreement between the two governments that takes place at Moreh (in Manipur) at present.

(Source: commerce.nic.in, 24 June 2008). ■

## India-Myanmar Centre for Enhancement of IT Skills

The Prime Minister of Myanmar, H.E. General Thein Sein, and the Minister of State for Commerce and Power, Mr. Jairam Ramesh inaugurated the India-Myanmar Centre for Enhancement of IT Skills (IMCEITS) in Yangon. The IMCEITS, set up by the Centre for Advancement of Computing (C-DAC) with Indian assistance, will be connected to ten regional centres and train nearly 1000 IT professionals per year.

In a significant development, India and Myanmar have announced the conversion of border trade to regular trade. Both countries agreed to convert the present border trade at Moreh-Tamu and Zokhawthar-Rhi border points to normal trade. The Joint Trade Committee also decided to open border trade at a new border point Avakhung (Nagaland) - Leshi (Myanmar), expand the current list of items for barter trade under the India-Myanmar Border Trade Agreement to 40 and operationalise the new banking arrangement for trade.

(Source: commerce.nic.in, 16 October 2008). ■

## Trade and Economic Ties Set to Increase with India

The Indian President, Ms Prathiba Patil, while addressing a business forum in Viet Nam, said that India and Viet Nam will continue to be superb trading partners and opportunities between the two countries could be explored in areas of technology transfer, R&D and private-public investment in infrastructure development.

At the Viet Nam-India business forum held in HCM city, she said close bilateral cooperation would go a long way in opening up new opportunities and strengthening the relationship between the business communities of the two countries.

India has emerged as the biggest trading partner for Vietnamese exports to South Asia. Bilateral trade has increased from US \$490 million in 2003 to touch \$1 billion in 2006 and \$1.5 billion in 2007. In the period January-September 2008, the two way trade crossed \$2 billion with exports by Viet Nam reached \$1.7 billion and imports from India achieved \$308 million.

(Excerpted from the fibre2fashion.com, 27 November 2008).

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## Optical Fibre Link between India and Myanmar

India and Myanmar operationalised their first optical fibre telephone link, a \$7 million state-of-the-art network that will bring the two countries closer and give a boost to bilateral economic cooperation. This project funded by India and executed by Telecommunications Consultants India Limited (TCIL) provides the high-speed broadband link for voice and data transmission and connects Mandalay, Myanmar's second most important commercial hub after Yangon, and the border town of Moreh in Manipur.

According to the TCIL, the call rates between India and Myanmar are bound to fall sharply with the installation of the optical fibre link between Mandalay and Moreh.

Myanmar announced that it was planning to construct optical fibre network in the entire area along its border with India which could then have another direct link also with China, Laos and Thailand.

On the occasion, the Myanmar's Communication Minister, said it would greatly help the country's IT, telecom sector, business industries, schools and universities in their utilisation of broadband internet access.

(Excerpted from the TMCnet.com, 9 February 2009).

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## Tourism Identified as Trade Link

Mr. Jarnail Singh, Secretary of the Ministry of Development of Northeastern Region (DoNER) said at the ASEAN North East India Business and Trade Opportunities Summit in Viet Nam on February 14, 2009 that tourism is the most effective way to increase the still negligible trade between India's northeastern region and Viet Nam.

The Summit focused on tourism as the key to increasing Indian-Viet Name trade. Mr. Rajeev Singh, Secretary General, Indian Chamber of Commerce (ICC), said that a key challenge to tourism and trade is the northeastern region's lack of "proper road connectivity" to Myanmar and the rest of Southeast Asia. He also said that with good roads, transportation time and cost would be reduced by half and trade would go on.

(Excerpted from *The Sangai Express*, 18 February 2009).

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## Thai-Indian FTA Marks Export Expansion

Speaking at a seminar on "Thailand-India FTA: The Voice of the People," former Commerce Minister, Narongchai Akarasaeni, said the continued implementation of the Thailand-India FTA bodes well for the country's exports. He said tariffs on 82 products had been cut under the FTA agreement since late 2006. Since then, Thailand has been in surplus in regard to trade with India. Last year, the

surplus reached US\$ 596 million, a three-fold increase from 2006.

The Minister said that, since Thailand is exporting a rising number and volume of products to the Indian market, Thai entrepreneurs should learn more about how to penetrate and benefit from its potential.

(Excerpted from the *Business News*, 19 December 2008).

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## Indo-Thai Cultural and Historical Linkages

The Royal Thai Embassy, New Delhi, in collaboration with the Indian Council for Cultural Relations (ICCR) and Thammasat University, organized the seminar on 'Indo-Thai Historical and Cultural Linkages' under the theme of "Reflections on Indo-Thai Historical and Contemporary Cultural Relations," at Thammasat University in Bangkok during 7-8 July 2008. The seminar aimed at fostering a better understanding of the long-standing Indo-Thai historical and cultural relations and enhancing people-to-people contact

between the peoples of Thailand and India, which is an integral component of Thailand's cultural diplomacy.

The seminar called for more in-depth studies and further research on the subject. It created awareness regarding the age-old Indo-Thai historical and cultural linkages, which can play an important role in shaping modern societies and influence the contemporary lifestyles, both in Thailand and India.

(Source: Royal Thai Embassy, New Delhi).

## Khon Kaen to be Bangalore of Thailand

In an interaction with the India-Thai Business Association (ITBA) on 28 May 2008, organised by the India-Thai Chamber of Commerce (ITCC) in Bangkok, Hon'ble Mr. Suwit Khunkitti, Deputy Prime Minister and Industry Minister of Thailand spoke about business collaboration between India and Thailand. The talk was attended by many prominent businessmen of Indian origin and Thailand. Inspired from Bangalore, Mr. Khunkitti wants to promote ICT services in Thailand. Hon'ble Minister expressed his interest in making "Khon Kaen the Bangalore of Thailand". He also said that studies have shown that most certified ICT personnel is from North-East of Thailand, not only Thais but also foreigners who have married Thais and are living in North-East Thailand.

(Source: India-Thai Chamber of Commerce, Bangkok).

## Northeast India Gateway to ASEAN

The 4th North East Business Summit was organised in Guwahati, India on 15-16 September 2008 in an effort to promote business relations the northeastern region shares with India's neighbouring countries like Thailand, Myanmar, Bangladesh, Nepal, Bhutan, Cambodia and Lao PDR.

Organised by the Ministry of Development of the North Eastern Region (DoNER), Government of India and Indian Chamber of Commerce (ICC), the Summit explored various facets through which the economic and business relations could be improved with ASEAN countries. Special focus in the Summit was on sectors like IT, Infrastructure, Power, Agro & Food Processing and Tourism. The Summit also stressed on building international partnerships and issues pertaining to connectivity, power and telecom with neighbouring countries. A total of 115 foreign delegates and 12 countries participated in the Summit.

(Excerpted from the *India News Online*, 29 September, 2008).

© *India News Online*.

## RIS Organizes ERIA Capacity Building Programme on Global and Regional Economic Cooperation Issues

Under the Economic Research Institute for ASEAN and East Asia (ERIA) framework, RIS in collaboration with IDE/JETRO, Tokyo organized the second Capacity Building Programme on Global and Regional Economic Cooperation Issues (GRECI) in order to strengthen analytical capacity building among the developing country professionals, including diplomats, researchers, journalists and others from the Asian developing countries during 6 February to 6 March 2009 in New Delhi.

The GRECI Programme is designed to expose the participants to the growing complexities of global economic governance, including regional economic cooperation and negotiations and provide opportunities for meaningful peer interactions among the fellow participants from the East Asian countries especially from the CLMV (Cambodia, Laos, Myanmar and Viet Nam) countries. Like previous year, the participation in 2009 batch was fairly representative of the ERIA region and diverse in terms of specializations of the participants from countries like Australia, Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, New Zealand, Philippines, Thailand and Viet Nam respectively.

The programme included lectures by RIS faculty and renowned experts and participants presentations on three main issues such as Global Economic Governance, Regional Economic Integration, and Trends in Indian Economy. Besides course inputs, more emphasis was given on debate and interactions on key economic issues of global importance.

On successful completion of the programme, the participants expressed their deep satisfaction regarding the course contents and the usefulness of such training programmes for capacity building programmes in developing countries. They also opined that in view of the renewed emphasis on South-South cooperation, more thrust should be given to such capacity building programmes.

## Despite FTA, Indo-Thai Economic Ties Need a Boost

Thailand's "Look West Policy" and India's "Look East Policy" have been supplementing each other in enlarging market size and business opportunities. Bilateral trade between the two countries has grown from less than \$300 million in 1991 to over \$4 billion in 2007. India's trade with Thailand is relatively diversified, and carried mostly intermediate and industrial products feeding domestic production. India's exports to Thailand which have grown over time are chemical, medicinal and pharmaceutical products, iron and steel products, machinery and parts, yarn and fibres, vehicle parts and

accessories, whereas India's imports from Thailand are sourced for industries in sectors like electronics and electrical, polymers, automobile, telecom and office equipment and home appliances, among others. The present trade pattern between the two countries shows some sort of complementarities and provides opportunities for trade creation, provided barriers are eliminated.

At present, both the countries are engaged in elevating the FTA into a comprehensive agreement by covering services and investments. Discussions are going on to make it as a perfect FTA by

solving some critical issues like rules of origin, safeguard measures and dispute settlement mechanism, among others. If the rising pace of bilateral trade between the two countries has any indication to offer, Indo-Thai FTA is nonetheless helping the trade and investment to grow further and has also been cementing the India-ASEAN partnership. Due to the location of Thailand and its bilateral and regional FTAs, Indian enterprises enjoy relatively a bigger market in Southeast Asia in general and Mekong region in particular.

(Excerpted from *The Financial Express*, 18 June 2008).

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### Software Base Promoted

Industry Minister of Thailand, Suwit Khunkitti, said that Indian software companies should start to look at Thailand as the base to cater to ASEAN and the Greater Mekong Subregion (GMS), as a planned free trade zone in Khon Kaen which would offer attractive incentives. He also commented that recently, there has been a trend by Indian companies coming to invest in Thailand, but we should invite more companies to look at Thailand as a base for not just Thailand but also the region as a whole, especially the GMS countries. There is also planning to make Khon Kaen more attractive than the (investment incentives) that IT companies are seeing in countries such as Malaysia and Singapore.

Mr. Suwit said, once the entire spectrum of FTAs is in place, then Thailand would stand to gain exponentially. With India's economy growing at a pace, that is turning it into a major economic powerhouse, the timing of increased trade is highly opportune.

Plenty of investment opportunities exist in Thailand apart from IT, as India has strengths in other areas such as manufacturing and pharmaceuticals, he added. To make things easier, Mr Suwit said, that the industrial zone being developed in Khon Kaen would allow easier access for companies to hire expatriate workers and the work permit process would be expedited.

(Excerpted from the *Bangkok Post.com*, 26 July 2008).

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### Indo-Thai Bilateral Relations

Diplomatic relations between India and Thailand were established in 1947, soon after India gained independence. India's 'Look East Policy' from 1993 and Thailand's 'Look West Policy' since 1996 set the stage for a substantive consolidation of bilateral relations. The past few years since 2001, have witnessed growing warmth, increasing economic and commercial links, exchange of high-level visits on both sides, and the signing of a large number of Agreements leading to a further intensification of relations. Thailand and India are cooperating in various multilateral fora like India's dialogue partnership with ASEAN, the ASEAN Regional Forum (ARF), and the EAS, the sub-regional grouping BIMSTEC involving Bangladesh, India, Sri Lanka, Thailand, Myanmar, Nepal and Bhutan, and trilateral transport linkages with Thailand, Myanmar and India. India is a member of the Asia Cooperation Dialogue (ACD) initiated by Thailand in 2002 and of the MGC, a group of six countries.

(Source: Royal Thai Embassy, New Delhi, India).

### Thailand Proposes to Promote Halal Cooperation Project

A delegation of Thai experts visited New Delhi to promote cooperation on halal food under the BIMSTEC framework on March 18-19 2009. The delegation was headed by H.E. Ms. Krisana Chandraprabha, Ambassador, attached to the Ministry of Foreign Affairs, with the participation of Dr. Winai Dahlan, Director, The Halal Science Center, Chulalongkorn University, Mr. Poldej Worachat, Charge d'Affaires, Royal Thai Embassy, as well as representatives from the Ministry of Agriculture, Ministry of Commerce, Ministry of Foreign Affairs, and the Royal Thai Embassy.

Thailand proposed cooperation in the field of halal products, services and standardisation in BIMSTEC, as they believe that there is a great potential in the halal industry amongst BIMSTEC

member countries. In this connection, Thailand has developed considerable and widely accepted expertise in halal science and technology and is willing to share their knowledge and expertise with BIMSTEC member countries in order to enhance the quality and potential of the industry in the BIMSTEC.

The Thai delegation also visited Hind Agro Industries, Ltd., at the company's production facilities in Aligarh, Uttar Pradesh. They also met with officials from India's Ministry of External Affairs, the Agricultural and Processing Foods Products Export Development Authority, and the Food Safety and Standard Authority.

(Source: Royal Thai Embassy, New Delhi, India). ■



## **Integration of Landlocked Countries into the Global Economy and Domestic Economic Reforms: The Case of Lao People's Democratic Republic**

Donald J. Lewis, 2008

In this report, Laos' challenges encountered as part of the WTO accession process are surveyed. Subsequently, the linkages between Laos' domestic reform processes and WTO accession are analyzed, with a particular focus on certain key sectors and institutional arrangements. Based upon foregoing, policy recommendations for the Lao PDR government and regional and international organizations, particularly, UNESCAP presented in the conclusion to this report. Throughout this report, the status of Laos as a landlocked country and a least developed country (LDC) are stressed as giving rise to special considerations and policy responses.

(ARTNeT Working Paper Series No. 58, UNESCAP).

## **Economic Cooperation and Regional Integration in the Greater Mekong Subregion**

Yann Duval, 2008

Following a brief survey of the various economic cooperation programs and initiatives in which countries of the GMS, particularly CLMV, are engaged, this paper examines the extent to which GMS economies have converged and become integrated, not only among themselves but also with other ASEAN countries. Preliminary evidence of stakeholders' involvement in selected subregional cooperation initiatives is also presented.

(UNESCAP Trade and Investment Division, Staff Working 02/08).

## **Promoting South-South Trade: Recent Developments and Options**

Rajan Sudesh Ratna, 2009

Over the years, developing countries, commonly referred to as "the South," have emerged as an important player in the world economy as manifested in terms of global GDP, investment, savings, trade, foreign exchange or manufacturing capability. With the increase in the overall growth of the South and its decreasing dependence on trade with developed

countries, also referred to as "the North," trade among countries of the South, also known as "South-South trade," can provide resources for meeting the developmental goals of the South.

(ARTNeT Policy Brief No. 17, UNESCAP).

## **Transport and Trade Facilitation in the Greater Mekong Subregion—Time to Shift Gears**

N. Singru

ADB, December 2008

GMS Program has focused on transport and trade facilitation initiatives in its endeavor to enhance connectivity and improve competitiveness across international borders. The objective of this evaluation is to provide an independent assessment of ADB's assistance to the transport and trade facilitation sectors within the GMS program and the regional cooperation strategy and program for the GMS, and to identify issues and areas where ADB and the GMS countries could work together more effectively to improve the development effectiveness of their partnership. More specifically, the SAPE assesses the effectiveness of ADB-funded projects in terms of national and subregional benefits and costs. It seeks to identify lessons from past experience for further development of the GMS strategy and program and also for other regional cooperation initiatives.

## **Greater Mekong Subregion: Maturing and Moving Forward**

Hemamala Hettige

ADB, December 2008

The study concludes that there is a need to take stock of the achievements so far and that the time has come to review GMS strategy and organizational arrangements going forward. Any consideration of future institutional arrangements needs to be predicated on a clear understanding of the future purpose of the GMS program and the role of ADB within it.

## **Energy Sector in the Greater Mekong Subregion**

ADB, 2008

This report presents the findings, lessons, and recommendations of an independent assessment of the ADB's assistance to the energy sector in the GMS, comprising, Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam, and Guangxi Zhuang Autonomous Region and Yunnan Province

in the People's Republic of China. It evaluates the performance of ADB assistance during 1992–2007, but accords relatively more emphasis to activities and developments since 1999. While the evaluation attempts to cover all the GMS countries, the difficulties in obtaining energy sector data and related information have limited the coverage of Myanmar and, in some cases, Guangxi Zhuang Autonomous Region and Yunnan Province. In terms of energy sector content, it focuses mainly on the hydropower and power transmission sub-sectors, which are the sub-sectors related to ADB lending operations.

## **Greater Mekong Subregion, 2009–2011**

ADB, 2008

The regional cooperation strategy and program (RCSP) for the Greater Mekong Subregion (GMS) aims to help achieve the GMS vision of an integrated, harmonious, and prosperous subregion. It has four strategic pillars: (i) strengthening connectivity and facilitating cross-border movement and tourism; (ii) integrating national markets to promote economic efficiency and private sector development; (iii) addressing health and other social, economic and capacity-building issues associated with subregional links; and (iv) managing the environment and shared natural resources to help ensure sustainable development and conservation of natural resources. The regional cooperation operations business plan (RCOBP) for the GMS for 2009–2011 is consistent with the strategic pillars of the current RCSP.

## **On the Borders of State Power: Frontiers in the Greater Mekong Sub-Region**

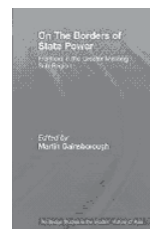
Martin Gainsbor

Routledge, 2008

ISBN-10: 0415414652

ISBN-13: 978-0415414654

Covering the main themes of globalization, state power and culture from the fifteenth to the twenty-first century, this book explores the changing nature, meaning and significance of the Greater Mekong Sub-region.



## Transport Infrastructure and Trade Facilitation in the Greater Mekong Subregion

Susan Stone and Anna Strutt  
ADB Institute, 2009

As trade is an important driver of growth and infrastructure is a necessity for trade, infrastructure development has a key role to play in economic development. This paper aims to quantify the potential benefits of the development of the economic transport corridors, along with the implementation of the Cross-Border Transport Agreement (CBTA) in the Greater Mekong Subregion (GMS). Some of the key linkages between upgraded infrastructure, economic growth, and sectoral responses are explored using a computable general equilibrium (CGE) framework.

The paper provides a static view of one-off gains from a conservative estimate in a reduction in transport costs and improvements in trade facilitation. The findings show clear gains from improvements in physical land transport and the more substantial gains from improved trade facilitation. The results also provide a glimpse into the potential gains from intra-regional trade, highlighting the potential markets within the GMS.

(Working Paper Series No. 130, ADBI).

## Reshaping Economic Geography in East Asia

Editors : Yukon Huang and Alessandro Magnoli Bocchi  
World Bank Publications, 2008  
ISBN-10: 0821376411  
ISBN-13: 978-0821376416



This book reveals how the new economic geography is reshaping development objectives from initiatives to foster growth via enhanced agglomeration and connectivity to the world economy, to programs that channel resources to lagging regions. Key themes include how East Asian governments have dealt with agglomeration economies; urbanization, and regional disparities; improving connectivity with infrastructure investments; and eliminating barriers both inside and outside borders to favour the movement of labour, goods, and services.

## Pro-Poor Tourism in the Greater Mekong Sub-Region

CDRI - Development Analysis Network (DAN), 2007

This report of pro-poor tourism in five countries of the Greater Mekong Sub-region, emphasizes that tourism has become, or continues to be, a significant driver of economic growth and development in all the participating countries like Cambodia, Laos, Thailand, Viet Nam and Yunnan province of China. At the same time, the governments of the less developed of these countries, in partnership with their international development partners, the private sector and other development stakeholders, are working together to achieve more effective poverty reduction outcomes.

## Performance of Export-Oriented Small and Medium-Sized Manufacturing Enterprises in Viet Nam

Tran Quoc Trung, Nguyen Thanh Tung, Tran Duy Dong and Phan Hoai Duong, 2008

This paper recommends the formulation of policies that support the development of business linkages and networking, and which promote subcontracting arrangements between small and large enterprises or between domestic firms and foreign investment enterprises. It is also necessary to support and facilitate the direct involvement of SMMEs in exporting or indirectly through large manufacturing enterprises.

(ARTNeT Working Paper, No. 54, UNESCAP).

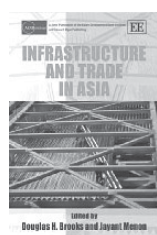
## Infrastructure and Trade in Asia

Editors: Douglas H. Brooks and Jayant Menon

Edward Elgar Publishers, 2008

ISBN-10: 1847209416

ISBN-13: 978-1847209412



This book explores the virtuous cycle of infrastructure investment, trade expansion and economic growth in developing Asia. Issues relating infrastructure, both hard and soft, to trade facilitation and trade costs are defined and examined, and the role of infrastructure in regional

cooperation to enhance intra-regional trade is also analysed. Empirical estimates of trade costs in Asia suggest that there is significant room for infrastructure to lower those costs further. By approaching the infrastructure-trade nexus at the regional level through cooperative activities, this book shows it is possible to increase the range of policy options and risk management opportunities.

## Tourism Sector in the Greater Mekong Subregion

ADB, 2008

This report presents the findings, lessons, and recommendations of an independent assessment of ADB's assistance to the tourism sector during 1992–2007 in the GMS. The study identified a number of lessons, including (i) need to further simplify visa and border - crossing arrangements; (ii) importance of developing community-based tourism; (iii) need to improve cross-sector coordination to build synergies; and (iv) critical role of demand analysis for tourism to help inform project design.

## India's Role in East Asia: Lessons from Cultural and Historical Linkages

Ellen L. Frost, 2009

India's presence in the East Asia Summit signals not only a victory for New Delhi's "Look East" policy but also an implicit "Look West" policy on the part of India's neighbours to the east. This convergence represents not only a major economic opportunity for India but also a long-term strategic shift in regional order. The purpose of this essay is to demonstrate that for historical, cultural, political as well as for substantial economic reasons India belongs to the East Asian table. It is time to "re-center" our notions of Asia so that maps and other geographic concepts reflect India's resurgent links with eastern neighbors. India's political role in the Asian integration movement underscores this need. One of the key opportunities for policy makers is to revive and build on India's historical and cultural legacy in Asia without appearing to be seeking hegemony or trumpeting a chauvinist vision.

(RIS Discussion Paper No. 147, January 2009).

# Resources

## Further Readings

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- ❖ Prime Minister Nguyen Tan Dung's Interview Granted To *The Bangkok Post*, *mofa.gov.vn*, 3 March 2009.
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Continued from page 4 (India-East Asia Transport Network: Fostering East Asian Partnership)

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**Prabir De**, Fellow, RIS, New Delhi. Views are his personal.

## Bilateral Merchandise Trade between India and Thailand in 2007-08

### (a) India's Top 10 Exports to Thailand

HS Code	Commodity groups	Value (US\$ million)	Share* (%)
71	Natural or Cultured Pearls, Precious or Semiprecious Stones, Pre.Metals, Clad with Pre.Metal and Artcls thereof Imit.Jewelry; Coin.	390.86	21.61
74	Copper and Articles thereof.	201.65	11.15
27	Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes.	171.93	9.51
72	Iron and Steel	169.36	9.36
23	Residues and Waste from the Food Industries; Prepared Animal Foder.	154.28	8.53
29	Organic Chemicals	120.74	6.68
84	Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts thereof.	105.89	5.85
87	Vehicles other than Railway or Tramway Rolling Stock, and Parts and Accessories thereof.	55.37	3.06
52	Cotton.	55.33	3.06
38	Miscellaneous Chemical Products.	44.40	2.45
<b>India's Total Exports to Thailand</b>		<b>1808.79</b>	

### (b) India's Top 10 Imports from Thailand

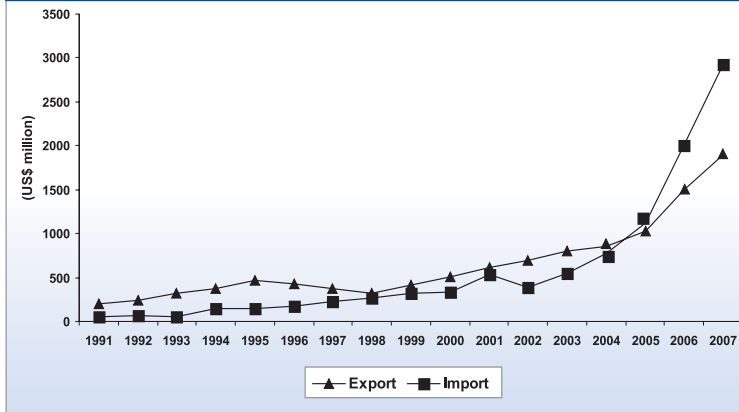
HS Code	Commodity groups	Value (US\$ million)	Share** (%)
84	Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts thereof.	504.68	21.92
85	Electrical Machinery and Equipment and Parts thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts.	326.79	14.20
72	Iron and Steel	292.04	12.69
39	Plastic and Articles thereof.	252.47	10.97
40	Rubber and Articles thereof.	123.08	5.35
76	Aluminium and Articles thereof.	94.50	4.10
29	Organic Chemicals	60.69	2.64
87	Vehicles other than Railway or Tramway Rolling Stock, and Parts and Accessories thereof.	59.95	2.60
71	Natural or Cultured Pearls, Precious or Semiprecious Stones, Pre.Metals, Clad with Pre.Metal and Artcls thereof; Imit.Jewelry; Coin.	57.32	2.49
59	Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a kind suitable for Industrial Use.	37.97	1.65
<b>India's Total Imports from Thailand</b>		<b>2302.13</b>	<b>100.00</b>

Notes: \* Share in total exports to Thailand, \*\*Share in total imports from Thailand

Source: Export Import Data Bank, Ministry of Commerce and Industry, Government of India, New Delhi.

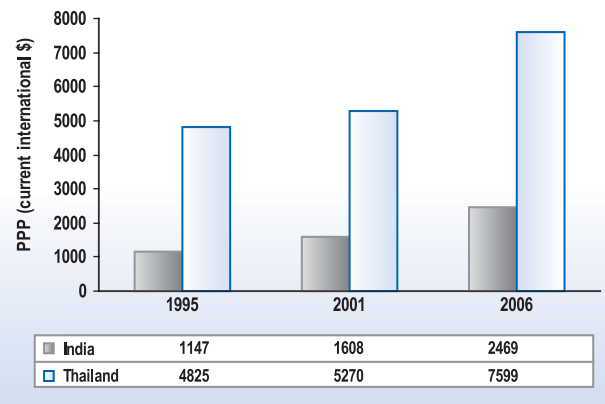
# Trade and Integration Indicators

## India's Trade with Thailand



Source: Direction of Trade Statistics Yearbook CD-ROM, December 2008, IMF

## India and Thailand : Per Capita Income



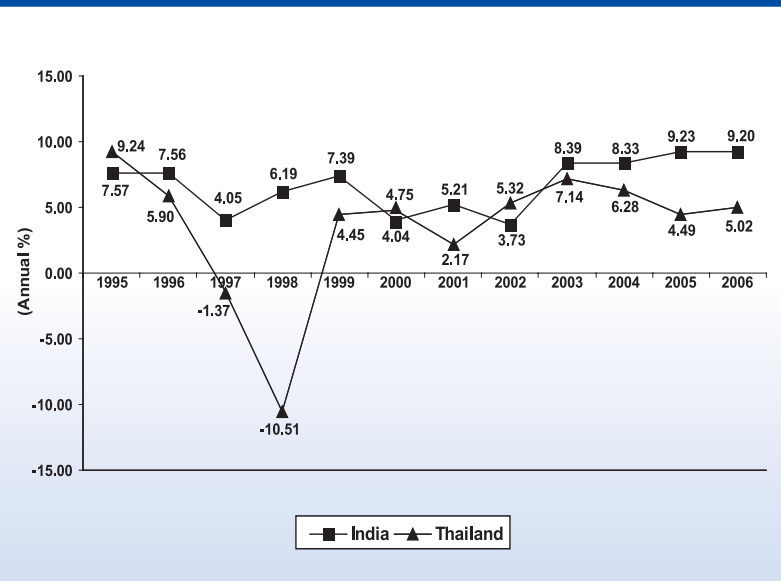
Source: World Development Indicators CD-ROM, 2008, World Bank

## India and Thailand: Changes in Sectoral Composition

	(% in GDP)			
	1995		2006	
	India	Thailand	India	Thailand
Agriculture	26.49	9.51	17.53	10.70
Industry	27.83	40.75	27.89	44.62
Services	45.68	49.75	54.58	44.68
Total	100.00	100.00	100.00	100.00

Source: World Development Indicators CD-ROM, 2008, World Bank

## India and Thailand : Annual GDP Growth



Source: World Development Indicators CD-ROM, 2008, World Bank

## India and Thailand: Integration Indicators

	(% of GDP)			
	1995		2006	
	India	Thailand	India	Thailand
Trade	23.13	90.43	48.78	143.53
Trade in goods	18.34	75.78	32.36	125.73
Trade in services	4.78	20.06	15.23	27.40
FDI, net inflows (US\$ billion)	2.14	2.07	17.45	9.01
FDI, net inflows	0.60	1.23	1.91	4.37
FDI, net outflows	0.03	0.53	1.06	0.50

Source: World Development Indicators CD-ROM, 2008, World Bank

## Mekong-Ganga Policy Brief

An RIS Publication on India-Mekong Economic Cooperation

RIS has been supporting the process of regional economic integration in Asia with its studies and research. Besides its pioneering contribution to the process of economic integration in South Asia and on broader regional cooperation in Asia, RIS has been supporting the ASEAN-India economic partnership with special emphasis on India-Mekong cooperation. As its most recent initiative to enhance deeper cooperation between India and Mekong countries, RIS has undertaken a project entitled "Building Capacity through South-South Cooperation: Case of Mekong-India Cooperation", supported by the Swiss Agency for Development and Cooperation (SDC). Overall objective of this project is to strengthen trade and investment related capacity of Mekong countries through information sharing, dissemination of knowledge and experiences, networking and transfer of skills. RIS has launched *Mekong-Ganga Policy Brief* within the framework of this project. This publication seeks to disseminate the policy-related research, news, viewpoints, and information about resources among the policy circles and think-tanks to promote the cause of deeper cooperation between India and Mekong countries. Views expressed by the authors in this policy brief are their personal, and do not represent the views of RIS or SDC. The information contained has been compiled from various sources, as cited, purely for education and dissemination, and not for commercial purposes. The copyrights of the material included remain with the original sources. *Mekong-Ganga Policy Brief* is freely available from RIS or can be downloaded from [www.ris.org.in](http://www.ris.org.in) or [www.newasiaforum.org](http://www.newasiaforum.org).

### RIS

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