

Guns earlier, now gold smuggled from Myanmar is worrying India

45% Of The Shiny Metal Brought Into Country Illegally From This Passage

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When militant outfits in the north-east started laying down arms five-six years ago, the parallel economy that depended on them took a hit. Arms smuggling had been big across the India-Myanmar border. The routes were in place. So were the networks of carriers. All that was needed was a new product. So a switch was made — from AK-47s to gold.

“Gold is the biggest contraband from Myanmar,” T Bijnando Singh, superintendent of the Imphal division of customs and stationed at Moreh along the Myanmar border, told TOI. Gold enters India as biscuits, each weighing 166g and with no mark of origin, from deposits in Kachin and Kayin states and the four regions of Mandalay, Sagaing, Bago and Tanintharyi. “Gold consignments change hands quickly,” Singh said.

The first stop is Imphal, from where gold is sent out — by road through Dimapur in Nagaland or Silchar in Assam and then by rail or air to Kolkata or New Delhi. From these points, it is distributed to other parts of India. Most gold seizures by the Directorate of Revenue Intelligence (DRI) have been from Kolkata, Mumbai, Chennai and Delhi, which are big consumption centres of smuggled gold. And the gold is of high quality — with a purity of 99.76%.

Customs seized 3,223 kg gold worth Rs 974 crore in 2017-18. A DRI report adds that smuggled gold that ends up being seized accounts for just 5-10% of the total illegal trade — which means that even by conservative estimates the gold smuggling



Photo Credit: AFP

Apart from gold, over 1,000 kg of drugs smuggled from Myanmar were seized in the northeast over the past year



Source: Lok Sabha Questions, DRE

market in India is worth at least Rs 9,000 crore.

Driving this gold rush are three factors. Myanmar's gold is cheaper, at least Rs 400-500 lower per gram than Indian gold. Import duties in India are high — 10% customs duty and 3% GST. And while Myanmar does not allow trade of gold in its native form, the product's demand is the highest in India. Sources say a share of the gold exported by India to the Middle East is from the stash originally smuggled in from Myanmar.

India and Myanmar share a 1,643-km-long border, along four Indian states — Manipur, Mizoram, Nagaland and Arunachal Pradesh. Two routes that cut through this trade — the old Tamu-Moreh-Imphal trajectory in Manipur, which goes through a vast ex-

pense of unguarded but inaccessible area, and the Zokhat-war route in Mizoram — are popular for trade and transit, both legal and illegal. On the route from Tamu in Myanmar to Moreh in Manipur, there is a security check post every 30 km from Moreh to Imphal. Yet, all smuggling cartels prefer the Moreh route.

It's not surprising. For decades, sleepy Moreh has existed on two planes — one of aspiration and another reality. Given its location, along the India-Myanmar border, it has been the springboard for the government's grand plans of cross-border economic diplomacy with southeast Asia. On the ground, however, the only flourishing economic activity remains smuggling.

“Moreh is the favoured entry point for contraband

from Myanmar. It is helped by low-rung officials of the Myanmar army which, in turn, is controlled by the country's ethnic armed groups,” said brigadier (retired) Ranjit Borthakur, an intelligence expert. It's also a source of employment. “Most carriers are locals. The rest are from northern India, most from Rajasthan and nearby areas.”

Myanmar lies at the crossroad between China, India and southeast Asia — right in the middle of the points of supply and demand for objects as innocuous as cheap cigarettes to “exotic” animals and, a surprise entrant, high-end drones. Smuggling trails over the past year have led as far as Chennai, Mumbai, Pune and Ahmedabad — and

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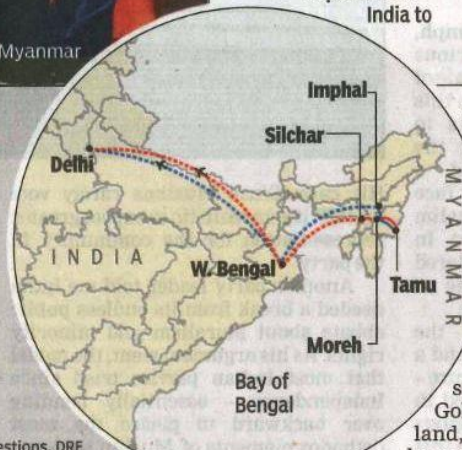
INCOMING: The volume of illegal or informal trade in all goods through Moreh in Manipur is estimated to be more than Rs 3,000 cr annually. Besides gold, which tops the list of illegal imports, other contraband smuggled through the border include drugs, precious stones, plastic and synthetic products, footwear, blankets and electronic items

OUTGOING: Illegal exports from India to

Myanmar through Moreh include bicycles, motor parts, fertilisers, medicines besides kerosene, which is estimated to be about 30% of the illegal trade



BORDER TALKS: India-Myanmar border trade was opened as per a bilateral agreement in 1994 with barter system of trading on produced items like beans and pulses, spices, bamboo, forest products excluding teak, tobacco etc. On December 1, 2015, RBI put an end to the barter system



these are only the points up to which DRI has been able to trace the network.

An enduring contraband has been drugs. From high-grade heroin to low-grade brown sugar, synthetic party drugs like ‘World is Yours’ and ‘Yaba’, the source is the infamous Golden Triangle of Thailand, Myanmar and Laos, known locally as Sop Ruak. A reverse flow is flourishing as well. “We have information that the village of Joupi (close to Myanmar) has turned into a poppy cultivation ground. Heroin from these farms is being smuggled into Myanmar,” a security official associated with counter-insurgency operations said.

What makes smuggling so easy? For starters, the Free Movement Regime between India and Myanmar allows people along the border to travel up to 16 km on either side without visa restrictions. As the two countries are not hostile neighbours, presence of border forces is sporadic along a boundary that's demarcated but unfenced. Finally, there is the difficult terrain — which locals do not find hard to negotiate.