



drishti

Global Investors to Develop Islands

 [drishtias.com/printpdf/global-investors-to-develop-islands](https://www.drishtias.com/printpdf/global-investors-to-develop-islands)

India is set to invite global investors to develop strategically important islands of Andaman & Nicobar and Lakshadweep.

The Government will focus on wide ranging social and infrastructure development programmes including transshipment terminal at **Campbell Bay (Great Nicobar, the largest of the Nicobar islands)**, air connectivity, sea- connectivity, boosting satellite bandwidth, etc. according to the **Island Development Plan prepared by the NITI Aayog**.

Island Development Plan by NITI Aayog

- The projects covered under it are in the areas of:
 - Road, sea and air connectivity,
 - Clean energy,
 - Development of resorts,
 - Digital connectivity,
 - Healthcare and education.
- The plan also proposes to extend benefits available to businesses in the north-eastern region, such as subsidy on capital investment and interest on working capital loans, reimbursement of the central government's share of GST, etc

Significance

- Andaman and Nicobar Islands are of maritime importance to India with its potential for trade and surveillance.
- A large port facility at Campbell Bay could offer better opportunity for India to trade with the Association of Southeast Asian Nations (ASEAN), given that it lies on an international trade route.

- Given the strategic location of Andaman & Nicobar (A&N Islands) and the Lakshadweep Islands and China's belligerent expansionist policy in the Indian Ocean Region (IOR), there is a need to develop critical infrastructure and upgrade the military base in these regions. For instance, China pushing for infrastructure projects, like the **Kra Canal**, will likely influence the new emerging security architecture in the Indo-Pacific.
- India's only tri-service command is established at the A&N Islands at the entrance of the Malacca Strait, the 2.8 km long -world's most congested choke point, and the primary route for Chinese oil supply.
- The region gains importance in the light of emerging Sino-Indian competition in the region which can be seen through the routine deployment of submarines by China, development of underwater surveillance networks, expansion of Chinese naval bases with the establishment of a military base in Djibouti and extending the reach of the One Belt One Road (OBOR).
- The Doklam standoff and the recent Chinese policy of forming strategic/ critical commercial alliances with India's neighbouring countries as the United States displays a clear proclivity towards India, makes fast-paced Island development all the more imperative. This sentiment is mirrored in the recent formation of the 'Quad' coalition group by India, Japan, Australia and the US , apart from the Malabar Naval Exercises by the same nations.
- The A&N Islands alone account for 30% of India's Exclusive Economic Zone (EEZ)-revenue - given their unrealized potential, bridging the infrastructure gap becomes crucial.
- Developing the islands as prime Tourist Hotspots can help create many forward and backward linkages and help boost the economy of the regions to a large extent.

Other Initiatives

- In 2016, the government identified 26 Islands for promoting and implementing development based on sustainable approach to building a thriving economy of the project islands.
- The government has also announced laying of submarine optical fiber cable between Chennai and A&N Islands so as to increase telephone and internet connectivity in the region by December 2018.
- In 2017, the **Island Development Agency (IDA)** was established for the holistic development of the islands, focusing on community-based tourism.

Island Development Agency (IDA)

- Island Development agency (IDA) was constituted for the holistic development of islands. It will undertake holistic development in the project islands after giving due consideration to unique maritime and territorial biodiversity of the islands.

- IDA is **chaired by Union Home Minister**.
 - Other members are the Cabinet secretary, home secretary, secretary (environment, forests and climate change), secretary (tourism) and secretary (tribal welfare).
- Key Infrastructure projects such as creation of jetties/berthing facilities, Roll-on/Roll-off ships; Bridges on Andaman Trunk Road; Upgradation of Diglipur Airport; Construction of Minicoy Airport; Augmentation of Satellite Bandwidth in Andaman & Nicobar; augmentation of helicopter services for Islanders and tourists etc. are being accorded priority accordingly.
 - The 2016 Indo-Japan Joint Statement on Bilateral Cooperation envisioned to develop “Smart Islands” on the line of the ‘Smart Cities’ project.
 - Development of water de-salination plants and waste management are also part of the development scheme.
 - NITI Aayog is also working on a revenue model to build sea connectivity projects in the public-private partnership mode, especially for ships carrying automobiles.

Way Forward

- Although, the need for civil infrastructure development in Island regions is unquestionable, in the wake of existing geo-strategic position of these islands, upgradation of defense facilities is equally important. This will constructively channelize the positive externalities of such assets to enhance the living conditions of entire populace.
- However, due attention needs to be paid so as to not disturb the ecological balance, disrupt local livelihood-activities, and engage all stakeholders in the decision making process while ensuring that sufficient institutions and mechanisms exist for grievance redressal, compensation and rehabilitation.