

Prospects for Development of Small Scales Industries (SISs) in North East India: An Evaluative Study

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Abstract: *With almost everything coming as gifts from nature, the North East India is considered to be one of the most potential regions for small scale industries (SISs). The region also produces organically grown products, which have been gaining popularity worldwide and fetching high prices both in the domestic as well as international markets. Like tea, silk production or sericulture is another important employment generator in the region. Every State in the North-East produce a rich tapestry of handloom produce which are today in much demand is fashion houses with a niche for it. The fabrics and colours lend themselves to several applications, with enormous export potential. The handicrafts of the region are also unique and have found acceptability in markets abroad. Cane and Bamboo furniture, as well as jute furnishings are other area, which have been developed tremendously with trendy designs and applications. The present study intends to explore the prospects of SIS in North East India by understanding the potential of each 8 states in the region. It is expected that the present study provides some windows for exploring its potential to the fullest.*

Keywords: Small Scale Industry, SIS, North East

1. Introduction

The eight States of North East India is perhaps the India's best kept secret in terms of its untapped Economic potential. There are few regions in the country, which can equal the treasure house of resources it possesses. The large reserves of oil, gas, coal, minerals, a rich agro base, an extremely beautiful tapestry of tourist destinations and highly literate and skilled people make the North East unique in many ways. Yet, as a region, it is tragically removed from the mindset that spurs economic activity in terms of business and investment. In recent years, the ICC's concerted efforts to highlight the unlimited opportunities have yielded encouraging results with several corporate majors setting up manufacturing facilities in the region.

The opportunities, however, are immense and have been explored only at the surface.¹

One of the lesser-known facts about the North East is that almost 98% of its borders are international. China to the north and east, Bangladesh in the southwest, Myanmar in the east and Bhutan in the northwest, share borders with the North East, share borders with the northeast region. In the proximate region, the growing markets of Vietnam, Cambodia, and Laos combine with the economic tigers of Thailand, Singapore and Malaysia. In an increasingly globalizing world, the importance of this gateway cannot be ignored. This large market, in its proximity, indeed makes the North East a very important international trading hot spot.²

The North East of India is a region full of natural resources and mineral wealth. Limestone and coal are two such resources, found in abundance. The scope of related industries as such is great in the region, lately; the North Eastern Development Finance Corporation (NEDFI) assigned the Holtec Consulting Private Limited (HOLTEC) to prepare a pre-investment Feasibility Study

to ascertain the possibility of manufacturing value added products based on limestone and coal deposits in Meghalaya and Assam. Accordingly, HOLTEC submitted a comprehensive report evaluation the various aspects of establishing the industry in the region. The chief objectives of the study were concerned with identifying the areas or the sources of limestone and coal in the north. These sources would be located and accordingly areas where such industries could be set up would be found out this was done after comparing. The market requirement and other necessary inputs.

The present study intends to explore the potential of SISs in North East India. The study will try to review and analyze state wise potential of SIS in order to understand its productivity and market potential. However, the ultimate purpose of the study is to know how best the potential of SSI in North East be explored to its fullest.

Holtec Consulting Private Limited (HOLTEC):

The HOLTEC study revealed the vast scopes of investment present in this region. The study also includes information such as market attractiveness, raw materials, technology, plant location implementation schedule and financial indicators. North East presents a vast potential and pretty picture for the investors. Entrepreneurs with serious desires to develop new projects would find much to do here.³

The North East is also blessed with boundless scenic beauty, cultural heritage, rare flora and fauna, unique cuisine, a pollution-free environment, and a relatively low land-man ratio, it is rare to find an entire region of contiguous states which can offer every brand of tourism; be it: adventure tourism, tea tourism, pilgrimage and heritage tourism, eco-tourism, or golf tourism, the North East has it all. Another unique characteristic of this region is the large number of airports and airstrips. The eight states of the North East have 12 airports between them

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and a large number of airstrips. The region is an ideal tourism destination for visitors from the South-East Asia and the Far East.⁴

With almost everything coming as gifts from nature here, the North East has the unique distinction of producing a variety of vegetables and fruits. Along with the major food crops of rice and maize, the region is renowned for its oranges, lemons, pineapples, guavas, litchis, bananas, jackfruits and temperate fruits such as plume, pears, and peaches, etc. The important cash crops of the region are potato, ginger, turmeric, black pepper, tezpata, cotton, jute, mustard and rapeseed, etc. The North East is also known for the number of vegetables that it grows particularly cabbages, cauliflowers, radishes, squashes, jackfruits, carrots, beans, etc. The vegetables are grown in abundance and marketed within the different states. Meghalaya, in fact, is one such state of the region in which 80 percent of the population thrives on the vegetables grown within the state. Addition to tea, the North East also has the potential of cultivating natural products, among which are medicinal plants herbs.

The region also produces organically grown products, which have been gaining popularity worldwide and fetching high prices both in the domestic as well as international markets. Owing to the high organic content as well as the favourable soil quality, the production of tea is not a problem in the region and can be grown with minimum synthetic help. This factor puts not only the Assam tea but also the Northeast consumable products high on the list. High-income returns from the plantation crop can be tapped if the plantation crops are managed properly. The cultivation of these crops was traditionally limited to the corporate sector.

The corporate revenues, however, did not trickle down for the benefit of society and in the state of Assam despite being the highest producer of tea in the country, the social gains arising from the cultivation stand limited. There is no doubt that tea being an agricultural plantation crop and a major revenue generator plays a vital role in improving the socio-economic condition of the North-Eastern state of India simple by providing large-scale employment.⁵

Growth trends of Small Scale Industries in North East India:

Table: Growth Trends of SISs

State	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Arunachal Pradesh	4,456 (7.00)	4,546 (2.01)	4,694 (3.26)	4,750 (1.19)	4,797 (1.00)	5,022 (4.7)
Assam	34,258 (6.84)	36,482 (6.49)	38,303 (4.99)	40,419 (5.52)	42,947 (6.52)	45,193 (5.23)
Manipur	5,322 (3.08)	5,447 (2.35)	5,587 (2.57)	5,778 (3.42)	5,868 (1.54)	5,974 (1.81)
Meghalaya	2,982 (8.87)	3,247 (8.87)	3,505 (7.94)	3,778 (7.79)	4,044 (7.04)	4,213 (4.18)
Mizoram	3907 (6.40)	4,313 (10.39)	4,490 (4.10)	4,610 (2.67)	4,970 (7.94)	5,293 (6.49)
Nagaland	712 (15.78)	982 (37.92)	1,276 (29.93)	1,600 (25.39)	1,969 (23.06)	2,513 (27.63)
Sikkim	294 (4.60)	306 (4.06)	322 (5.53)	333 (3.08)	341 (2.39)	351 (2.92)
Tripura	1,798 (3.90)	1,867 (3.83)	1,931 (3.31)	1,967 (1.86)	2,000 (1.67)	2,020 (1.00)

Note: Figures in brackets are the percentage increase over the previous year figure.

Source: Basic Statistics of NER 2006⁸

Like tea, silk production or sericulture is another important employment generator in the region. Sericulture comprises the culture of four varieties of silkworms' viz. Eri, Muga, Oak Tassar and Mulberry. While the third one is a new introduction, the other cultures are traditional ones and have been prevalent from time immemorial. In Arunachal Pradesh, sericulture is practiced in the foothills and plain areas. The Eri cocoons are utilized locally. In Meghalaya, Ericulture is practiced in Ri-Bhoi and the Garo Hills. In Nagaland, the plain areas practice Ericulture. The famous golden silk comes from Muga culture in the Brahmaputra valley of Assam. In Arunachal Pradesh, Muga culture has been newly introduced, although occasionally wild muga seed cocoons are produced in certain foothill areas. Meghalaya is a good source of basic seed cocoons especially from areas bordering Assam. Assam is the fifth-largest producer of mulberry silk in India. The favourable climatic conditions encourage the rearing of all types of silkworms but these are scattered over remote areas thereby making supervision and collection of cocoons difficult.⁶

Every State in the North-East produce a rich tapestry of handloom produce which are today in much demand is fashion houses with a niche for it. The fabrics and colours lend themselves to several applications, with enormous export potential. The handicrafts of the region are also unique and have found acceptability in markets abroad. Cane and Bamboo furniture, as well as jute furnishings are other area, which have been developed tremendously with trendy designs and applications. North East Council is providing support for setting up industries in the region. The support is of diverse nature like: Promotion of Bamboo Based Industries; Food Processing Industry Capacity; Skill Up gradation and Exposure Assistance for Marketing; Assistance for Research and Development; Assistance for Setting up Common facility Centres; Rubber Based Industry in Tripura; Support for Handloom and Handicrafts of North East Region; Support for Developing Leather and Leather Based Industry in NER; Developing mineral Based Industry in Nagaland; Promotion of Trade and Commerce by setting up South East Zone and Exchange of Trade Delegation.⁷

State wise prospects of Small Scale Industries (SIS):**SIS Scenario Arunachal Pradesh:**

Arunachal Pradesh is a land of beautiful handicrafts and this industry forms the backbone of the state economy. About 62% of the total area of the state is under forest. There is no large-scale manufacturing industry, though some coal and lignite are mined. The principal industries are forest based. Forest products, especially bamboo are vital resources. Sawmills plywood and veneering mills, rice mills, fruit preservation units, soap and candles manufacturing, steel fabrication, oil expellers are in medium and small-scale industrial sectors.

The Government has established a number of cottage industries, training cum-production centers, where local boys and girls are trained in various crafts to enable them to earn their livelihood by practicing these crafts. The crafts centres are also helping the people in finding markets for their products. Craftsmanship has been passed from one generation to other. A wide variety of crafts such as weaving painting, pottery, smithy work, basketry and woodcarving are very popular among the tribal folk of Arunachal Pradesh. The people of this region make beautiful masks and periodically perform mask dances. Other special handicrafts of this region are exquisite carpets, cane and bamboo works, Carpet making, Wood Carving, Ornaments and other Crafts are very popular all over the State. In addition to the handloom and handicraft industries, the state has a bright prospect of forest-based industries. A large number of medium and I small-scale industries like saw mills, rice mills, plywood, fruit and preservation units have been established in Arunachal.⁹

Some of the major products in the state are: Food processing, Handicrafts, Handlooms, Saw Mills, Tea, Bamboo products, plywood and veneering mills, Soap, Candles products, Steel fabrication, oil expellers, Bakeries, Brewery, Sericulture, Horticulture, Rubber, Cane, plastics, Mini-sugar mills, Herbal product, Poultry, Cold storage

SIS Scenario in Assam:

The State has some exquisite art and handicrafts to match with its heavenly surroundings. Handloom weaving is a way of life in Assam. Almost every house in the village has a prized possession of a loom. Cotton, Muga, Paat (Silk) and Endi are the raw materials used for such fabrics. The motifs used in the fabrics are of animals, human figures, creepers, flowers, birds, cross borders etc. The traditional garments with beautiful designed borders are Mekhela-chaddar, Riha and Gamosa (Towels). The Laichangphi quilts produced in Cachar district are a speciality of Assam. Sualkuchi being the biggest silk production centre is called as the Manchester of Assam. Jewellery, particularly of gold is a tradition in Assam. Rich with cane and bamboo forests, Assam has not only the raw material but the fine artistic sense of making the cane furniture which are highly appreciated all over the globe and are in great demand. The Chalani (sieve), kula (winnowing pan), Khorahi (small baskets), the Japi (hat)

with colourful design and motif made out of bamboo strips meet the domestic as well as are marketed out of the state. Cachar is famous for Sitalpati (mats) in Assam. Brass and bell metal products of the state are also known for their beauty, strength and utility. The major industries in the state are jute mill, silk mill, Chemical fertilizers, petrochemicals, oil refinery, paper mill, match factory, cement, sugar, yarn, iron pipes, railway repair workshops and chemical plants.

The state is having about 45,193 SSIs, with total strength 18, 8110 of employment provided by SSI.¹⁰

Some of the Major SSIs are: Handloom, Handicrafts, Food Processing, Tea, Jute, Silk, Petrochemical, Oil Refining, Paper, Bakeries, Medicinal Herbs, Steel Fabrication, Garments, Shoe Production, Carpets, Stone Sculpture, Brewery, Handmade paper, Candle, Plastic Products, Mills (Jute, Silk, Paper, Sugar), Fertilizer

SIS Scenario in Manipur:

The Manipuri handloom and handicraft are world famous for their craftsmanship as well as ingenuity, colourfulness and usefulness. The creativity of the Manipuris find expression in their designing of handloom and handicraft products such as bed sheets and covers, colourful tribal shawls, curtains and screens, saris and gowns of Manipur find markets throughout India and abroad. Their handloom and handicraft products sold by women in Khwairamband Bazaar of Manipur, the largest women's market in the country, are favorite pieces of souvenirs for the visiting tourists. One of the special features of this industry is that women are the only weavers. According to the National Handloom Census Reports, of 1988 there were about 2,710,000 looms in Manipur. Most of the weavers who are famous for their skill and intricate designing fine silk items are from Wangkhei, Bamon Kampu, Kongba and Khongman. Today, major handloom production activities are undertaken by three Government organizations namely the Manipur Development Society (MDS) Manipur Handloom and Handicrafts Development Corporation (MHHDC) and the Manipur State Handloom Weavers Cooperative Society (MSHWCS). Since cane and bamboo are abundantly available, basketry has been a popular occupation of the people of Manipur. Baskets of different shapes colours and designs are manufactured for domestic and ritualistic usage in this colourful state. There is also fishing equipment made of cane and bamboo.¹¹

Some of the major SSIs are: Food Processing, Handicrafts, Handlooms, Saw Mills, Tea, Bamboo Products, Plywood, Soap, Candles products, Steel Fabrication, Oil Expellers, Bakeries, Stone Sculpture, Tea, Sericulture, Horticulture, Plastic Products, Stone Crushing, Aluminum Utensils, Spinning Mills, Blacksmith, bee keeping and Honey processing.

SIS Scenario in Meghalaya:

The number of SSIs units covering service industry, bakeries, furniture making, iron and steel fabrication, tyre retreating etc., are increasing and the Government is

giving great thrust on entrepreneurship motivation and development.

The Meghalaya Industrial Development Corporation (MIDC) is also assisting private entrepreneurs to set up industries in SSIs by way of financing and equity participation. There are about 2000 registered SSIs units, with the number increasing gradually rising, providing employment opportunities especially to the educated unemployed youths in the state.

Garos women of Meghalaya are expert in weaving. Dakmandes, a kind of women's wear, are well decorated with depictions of beautiful flowers and butterflies, in various colour combines. Baskets, sleeping mats, winnowing fans, rain shields manufactured out of plaited bamboo and cane are found in the rural areas. Jaintia fishing traps made of bamboo sticks are also noted for their beauty. The cane bridges hanging over quick-flowing streams also testify to the superb craftsmanship of the Khasis and Jaintias.

Meghalaya is an agricultural State with about 81% of its total population depending entirely on Agriculture for their livelihood. Besides the major crops of Rice, Maize, the state is also renowned for its Horticultural crops like orange, Guava, Litchi, Banana, and temperate fruits such as Plum, Pear, Peach etc.

Apart from the above mentioned food crops, the State has achieved signal success in the cultivation of non-traditional crops like Tea, Cashew nut, Oilseeds, Tomato, Mushroom, Wheat etc.¹²

Some of the major SSIs are: Food processing, Handicrafts, Handlooms, Saw Mills, Tea, Bamboo products, Plywood and Veneering Mills, Soap, Candles Products, Steel Fabrication, Oil Expellers, Bakeries, Beekeeping and Honey processing, Tea, sericulture, stone crushing, Dairy products.

SIS Scenario in Mizoram:

Agriculture is the mainstay for about 60% of the population of Mizoram. Only 5% of the total area is under cultivation. About 7% of the total cultivated area is under irrigation. Maize and paddy are cultivated in the hill slopes. Pulses, Sugarcane, Chilly, Ginger, Tobacco, Vegetables, Turmeric, Potato, Banana and Pineapple are the other crops grown in the state.

Forest account for nearly 21% of the area. Mizoram has no major industry. It has remained backward industrially, which can be attributed to physical alienation, lack of mineral resources in the state, distance from the heart of the country coupled with communication, etc.

The cottage industries comprise of handloom and handicrafts. In the small-scale sector are the rice-milling, oil and flour milling, mechanized bamboo workshops, saw milling, brick making and furniture workshops.¹³

The handicrafts industry in Mizoram is built on cane, bamboo, and textile crafts. Cane and bamboo are remarkable natural materials found abundantly in the state. Its popularity is due to special features such as pliability and leaner strength, which have been used to advantage by artisans in many creative ways. The skills, developed over the years have been passed on, like other crafts without the assistance of formal instructions of training.

Some of the major SSI are: Bamboo Ply, Handloom, Handicrafts, Food Processing, Steel Fabrication, Mechanical Service, Medicinal Herbs, Toys, Tea, Bricks, Marble Stone, Milk Production, Saw Mills, Rice Mills, Floriculture, Horticulture, Honey processing.

SIS Scenario in Nagaland:

In 1981-82, Nagaland had only 305 small-scale industries. This increased to 1360 in 2000-2001. The distribution of the small-scale unit is however, very uneven. Among the various districts of the state, Dimapur has the largest number of small-scale industries. Weaving is the traditional art handed down through generations in Nagaland. Each of the major tribes has its own unique designs and colours. Warm and colourful Naga shawls, hand-woven shoulder bags, decorative spears, tablemats, woodcarvings and bamboo works make magnificent souvenirs for a visitor to this state.

Lack of raw materials, financial resources, and power, as well as poor transport and communications, all hindered the industrial growth of the state during its initial years. Dimapur, the state's leading industrial centre, now has a sugar mill and distillery, a brick factory, and a television assembly plant.

Other industries in the state include a khandasari (molasses) mill, rice mills, fruit-canning plants, a paper and pulp factory, a plywood factory, and a cabinet and furniture factories. Chromium, nickel, cobalt, iron ore, and limestone are found in Nagaland but only low-grade coal deposits are mined at present. Boreholes drilled in the western district of Wokha have yielded oil, and seepages in the Dikhu valley, near Assam, suggest the presence of exploitable oil reserves. Power generation depends mainly on diesel plants, though hydroelectric output has increased considerably in the recent times.¹⁴

Some of the Major SSIs are: Handicrafts, Handlooms, Milk Production, Steel Fabrication, Furniture, Mechanical Service, Bakery, Food Processing, Garments, Timber, Plywood, Cane and Bamboo, Tea, Aluminum, sericulture, stone crushing, Bee keeping and Honey Processing, Horticulture, Floriculture, Rubber, Bamboo, Plastic products, Bricks, Mills.

SIKKIM: Sikkim is famous for its woven woolen carpets, tables called choktse, hand made paper, woolen blankets, and traditional motifs with unique designs.

The traditional Sikkimese weaves woolen blankets which can be designed into bags, shawls, jackets, opulent

Sikkimese thankas (traditional tapestry), leather works, dolls, variegated applique work, batiks, an exquisite selection of dolls and a variety of fashionable garments are the other specialties of the state.

The growth of industry is a recent phenomenon in Sikkim. Today industrial units have been set up which produce items such as the famous fruit jams and juices of Sikkim (popular all over the country), biscuits, other bakery products, beer, matches, washing soap, plastics, electric cables, barbed wires, watches, leather goods and industrial jewels.

The tax free status of the state in terms of income tax and other inducements offered have become good attractions for investors from within the state and other parts of the country to set up industrial units¹⁵

Some of the major SSIs are: Food Processing, Handicraft, Handloom, Tea, Timber, Garment, Carpet, Brewery Products, Soap, Steel Fabrication, Engineering Service, Saw Mills, Rice Mills, Bakery, Stone Crafting, Milk Products, Food Storage, Live Stock, Poultry, Floriculture, Horticulture, Plastic Products, Electronic goods.

SIS Scenario in Tripura:

Tripura lacks an industrial base save some cottage industries (handicrafts and handloom) and small scale-manufacturing units. In the last 10 years, the Indian government has encouraged small-scale industries

especially dealing with weaving, carpentry, pottery and basket making. Rice is the main crop. It is well suited to the marshy conditions of the northern basin. Jute, cotton, tea, and fruit are important cash crops. Sugar cane, mustard and potatoes are also grown.

The state imports large quantities of rice, wheat, maize, pulses, sugar, etc. Exports from the state include plywood pulp, articles manufactured out of bamboo, timber and canned fruit. Tripura is a landlocked state endowed with vast green forests and abundant natural resources. The state is located in the Bio-geographic zone of 9B-North-East Hills and possesses an extremely rich bio-diversity.

The handlooms and handicrafts of Tripura reflect the inherent quality of the workmanship and individuality of the people. Simple materials such as bamboo, cane, palm leaves and ordinary yarn, are used to create a fascinating variety of handicrafts. Elaborately designed handlooms, and silk, cane and bamboo works are the main industries. Furniture, toys, objects of daily utility such as lampshades, baskets, calendars, ivory work and Tripura is famous for its exclusive hand-woven cotton fabrics with tribal motifs, woodcarvings, and decorative articles created from bamboo roots as well as bamboo and cane furniture.¹⁶

Some of the major SSIs are: Handicrafts, Handlooms, Tea, Sugar Mills, Carpet, Medicinal Herbs, Mechanical Service, Steel Fabrication, Food Processing, Timber, Plywood, Furniture, Handmade paper, Breweries, Sugar Mills, Biogas, Floriculture, Plastic Items, Bamboo Clippings, Mushrooms, Rubber.

Product Wise Distribution among the States:

Table: Product Wise Distribution

S.No	Product Category	Major Products	States Producing	Major Concentration of the Product
1	Tea	Tea	Assam, Sikkim, Tripura, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Assam & Sikkim
2	Handicrafts & Handlooms, Sericulture, Horticulture	Shawls, Wood carving, Bags, garments, jute & silk garments, Chairs, Tables, Basket, Carpets etc...	Assam, Sikkim, Tripura, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Nagaland, Manipur, Assam
3	Food Processing & Bakery	Jam, Juice, Honey, Fruit Beer, Chilli Bickle, Bamboo Shoot Bickle, Milk Products, Fresh Fruits & Vegetables, Cake, Biscuits, Bread etc.	Assam, Sikkim, Tripura, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Assam, Meghalaya, Nagaland
4	Engineering Products & Tools	Steel Fabrication, Iron Sheet Moulding, Screws, Nails, Handmade tools	Assam, Sikkim, Tripura, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Assam, Tripura
5	Medicinal	Ayurvedic and Herbal Products	Assam, Sikkim, Tripura, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Assam, Manipur
6	Timber & Plywood	Plywood, Handmade Paper, Saw Mills	Assam, Sikkim, Tripura, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Arunachal Pradesh, Tripura
7	Stone & Marble,	Stone, marble product	Assam, Sikkim, Tripura, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Meghalaya, Mizoram.
8	Others	Poultry, Plastic Products, Soap, Candles, Oil Expeller, Bricks, Breweries, Food Storage, Live Stock, Sericulture, Rice Mills,	Assam, Sikkim, Tripura, Nagaland, Meghalaya, Manipur, Arunachal Pradesh	Sikkim, Assam

Product wise distribution among states.

Source: Directorate of Industries & Commerce, Govt of all the 8 States.

Government Assistance for setting up of New Industries in North East:**Under Industrial Policy of Assam 2003**¹⁷

- **State Capital Investment Subsidy:** @30% on investment in Plant & Machinery subject to a ceiling of Rs.20.0 lakhs. For Import Oriented Units, the ceiling is Rs.25.0 lakhs.
- **Interest Subsidy on Working Capital Loan:** @30% of the amount of interest on working Capital Loan/cash credit for a period of 5 years, subject to a maximum of Rs.5.00 lakhs per unit or 20% of the turn over which is less.
- **Power Subsidy:** For a period of 5 years subject to a ceiling show below:

*Up to 1.00 MW @ 50% Maximum Rs. 10.00 lakhs

*Above 1.00 MW @ 30% Maximum Rs.20.00 Lakhs

- **Subsidy on Capital Power Generation :** @ 50% of cost of generation Set, maximum of Rs.10.00 lakhs
- **Subsidy on Feasibility Study Cost:** 100% maximum Rs.1.00 lakhs per scheme.
- **Subsidy on Quality Certification/Technical Know-how:** 75% maximum of Rs. 1.00 lakhs per unit
- **Subsidy on Marketing Assistance:** a) 50% of the rent/fee payable in participating in Trade Fair/Exhibition sponsored. (b) 50% of the cost of advertisement through Cinema Hall/Any Electronic Media. (c) 50% of the Transportation cost on exhibits
- **Subsidy on Drawal of Power Line:** 20% of the cost payable to ASEB for drawal of power-line including cost of Transformer, maximum to Rs.1.00 lakh
- **Special Incentives of Additional 10% on SCIS subject to Ceiling of Rs.5 lakhs for food processing/Electronic/ Agro based/ Biotech Industries:**
- **Special Incentive to Women/Physically handicapped Entrepreneurs:** Additional SCIS to industrial units set up by women or Physically Handicapped entrepreneurs @ 10% subject to a maximum of Rs.5.00 lakhs

Sales Tax Exemption:¹⁸**New Unit:**

- ➔ 7 years subject to a maximum of 150% of fixed capital investment for SSI
- ➔ 7 Years subject to a maximum of 100% of fixed capital investment for Medium and Large Units.
- ➔ Expansion/Diversification/Modernization :
- ➔ 7 years subject to a maximum of 100% of fixed capital investment for SSI
- ➔ 7 Years subject to a maximum of 90% of fixed capital investment for Medium & Large Industries.

Under North East Industrial Policy of Government of India "1997":¹⁹

- **Central Capital Investment Subsidy :** 15% of investment in Plant & Machinery, Maximum Rs.30.00 Lakhs
- **Transport Subsidy Schemes:** 90% of the transportation cost on import of the raw materials from Siliguri to factory site and export of finished products from factory up to Siluguri computed on the basis of railway freight certificate.
- 90% of transportation cost of raw materials from any place of North-Eastern States (Outside Assam) and 50% of transportation cost on finished products from Assam computed on the basis of Railway Freight certificate and on the basis of approved road rate wherein no rail head is available
- **Interest Subsidy :** 3% on the working Capital loan for a period of 10 years
- **Exemption of Exercise Duty :** 100% for 10 years
- **Comprehensive Insurance:** 100% reimbursement on insurance premium for 10 years
- **Exemption of Income tax :** 100% for 10 years

Scheme under North East Council, Shillong:²⁰Activities supported under the Scheme:

- Food products
- Agro-Forest based products
- Paper & Stationary
- Rubber & Polymer Products
- Chemical & Medical Products
- Machinery & Medal Tools
- Misc. Like-She Polish, tooth Paste, Water Filter, Leather-based Products & Mineral based Industries etc.

Subsidy Available: 25% of total project cost including cost of land, building, plant & machinery and miscellaneous fixed assets subject to a ceiling of Rs.50.00 lakhs.

Eligibility Criteria: Any industrial unit with maximum investment of Rs.5.00 Crore in Plant & Machinery.

Whom to apply: Project Report along with dully-filled application may be submitted in the office of General Manager, District Industries & Commerce Centre or in the Directorate of Industries & Commerce, Assam, Bamunimaidan, and Guwahati-21.

(D) Under 10th Plan Scheme of Government of India (food Processing Industries):

Technology up-gradation / Establishment / Modernization of Food Processing Industries²¹

Grants subject to 25% of the plant & Machinery and Technical civil works subject to a maximum of Rs.50.00 lakhs in General Areas and 33.33% up to Rs.75.00 lakhs

in different areas for setting up/ expansion/modernization of Food Processing Industries in all segments.

- (1) Grants of 50% on the cost Drier up to Rs.2.50 lakhs & Dust control system up to Rs.0.25 lakhs on all pulse milling units
- (2) Grants of 50% maximum of Rs.35.000/ of the total cost of equipment for setting up Mini Pulse Processing Unit

Human Resource Development:

For one group of processing activity- Fixed Capital- Rs.2.00 lakhs. Revolving Seed Capital – Rs.1.00 lakhs. For more than one group of processing activities- fixed Capital – Rs.7.50 LAKHS, Revolving Seed Capital – Rs.2.00 lakhs.

Backward & Forward Integration & Other Promotional activities²³

- Grants @ 10% up to Rs.10.00 lakhs/ year for maximum of 3 years of the total purchase made by processor to ensure regular supply of quality Raw Materials through contract farming in agriculture/ Poultry/Milk line.
- Grants @ 50% UP TO Rs.50.00 lakhs of the cost of campaign made by Industry Association and Representative Body to increase capacity utilization of food Processing Units by ensuring regular market by establishing linkages
- For conducting Seminars/ Workshops assistance @ 50% of the cost up to Rs.1.00 lakhs for survey/ studies/ Feasibility Report assistance @ Rs.3.00 lakhs
- Assistance subject to maximum of Rs.2.00 lakhs is provided for infrastructure to collect and update information, publication at regular intervals for food processing industry to all Indian Levels Industry Association of various sectors of food processing.
- For fortifying essential foods with nutrients Grants @50% up to Rs.3.00 lakhs of the cost of dosing machine including installation charges will be provided.

Discussion and way forward:

It revealed that SSI professionals had received very little support from the existing libraries. Moreover, non-availability of right information had been an obstacle for the development of their potentiality. The study also revealed that most of their information needs are related to marketing, manufacturing, new technologies and financial supporting channels.

The various economic reforms in India today are of liberalization, globalization and privatization. The SSI sector has suffered some neglect in the past and still needs a facelift to become the backbone of rural economy which a lot of potential and contributes hugely to the national economy. The most important challenges faced by the sector are that of growing competition both globally and domestically. At the same time it also has been facing some problems relating to credit, infrastructure,

technology, marketing, delayed payment hassles on account of many rules and regulations etc. In order to enable this sector to avail the opportunities and plays its role as an engine growth, it is essential to address to these problems effectively and urgently.

With the abundance of natural resources, there is no question why SSIs of NER cannot turn out to be an asset for the country's economy. With proper information support, it has immense potential to compete in the International market.

The North East India, by virtue of its diverse agro-climatic conditions, varied soil type and abundant rainfall has the promises of becoming an excellent sourcing point for high value horticultural produce and value added products unique to the region, for onward marketing both within the country and abroad.

The tea industry of NER is the world's largest tea growing region having 16 % shares, and is the largest producer and exporter of tea in India (share 55 %). Like tea, silk production or sericulture is another important employment generator in the region. Sericulture comprises the culture of four varieties of silkworm viz., Eri, Muga, Oak Tassar and Mulberry. While the third one is a new introduction, the other cultures are traditional ones and have been prevalent from time immemorial. Sericulture, though not an organized commercial activity as in the case of mulberry, is prevalent among the tribals in the hill districts of Assam and areas of Meghalaya. In Arunachal Pradesh, sericulture is practiced in Ri-Bhoi and the Garo Hills. In Nagaland, the plain areas practice sericulture. The famous golden silk comes from Muga culture in the Brahmaputra valley of Assam. In Arunachal Pradesh, Muga Culture has been newly introduced, although occasionally wild muga seed cocoons are produced in certain foothill areas. Meghalaya is a good source of basic seed cocoons especially from areas bordering Assam.

The power of IT needs no further explanation. IT compels the industries and other organizations to revolutionize the way they do business, seek information, communicate and share ideas and opinions. However, if the SSIs of NER deprive such revolution or change, it is definitely a great concern to the entire country. The market potentiality of NER needs no further elaboration. It is perhaps the nation's best kept secret in terms of its untapped economic potential.

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