NORTH EAST INDIA

Land of Rising Opportunities

Ankita Sharma & Karishma Sharma
Strategic Investment Research Unit,
Invest India

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Foreword

Dr Guruprasad Mohapatra
Secretary
Department for Promotion
of Industry and Internal Trade,
Ministry of Commerce and Industry

The NER spans accounts for 7.9 per cent of India’s total geographical area. With a total population of 39 million (as per the Census for 2001), it accounts for 3.8 per cent of the country’s total population. While regarded highly for their scenic beauty, the states in the North East have the potential to drive India’s growth.

Each of the eight states in the region represent a variety of geographies, resource endowments, climatic conditions, populations and other factors that enhance each state’s capabilities in a distinctive manner. These include hydropower, renewable energy resources, food processing, horticulture, and a wide variety of agricultural capabilities. As a result, it is important to recognise those industries that are unique to each state and promote their growth and evolution.

A number of initiatives by the Government of India have been formulated to support industries in the region. The Ministry of Development of North Eastern Region was established in 2001 as a ministry under the Government of India to focus specifically on the socio-economic development of the region. Additionally, the North East Industrial Development Scheme (NEIDS), aims to catalyse industrial development in the region. Efforts are aimed towards enhancing ease of doing business, which is imperative in states as strategically located as those of the North East. Sharing borders with important trade partners such as Bangladesh, Myanmar, Bhutan and Nepal, these states present a highly lucrative position to India for trade and diplomacy. As part of Multi Modal Connectivity in North East region, impetus is being given to improving existing and providing better connectivity. By 2024, North Eastern Region would have 17,990 kms of National Highways where all the state capitals will be connected either via four lane national highway or two alternate alignments of two lane configuration each.

As part of Inland Waterways as well, major boost is expected by round the year movement of vessels between Varanasi on NW 1 & Sadiya on NW 2 and Badarpur & Karimgang on NW 16 through the Indo-Bangladesh protocol route. A multi modal terminal at Jogighopa on NW 2 is also under progress. Further, connectivity is also proposed via Inland Waterways on Gumti River in Bangladesh on IBP-9&10 from Narayanganj (Bangladesh) to Sonamura (in Tripura) which will also provide connectivity to Agartala once developed. Rail connectivity is also being upgraded via Agartala (India) to Akhuara (Bangladesh) which is under implementation by India and Bangladesh. By 2024, it is proposed to have additional five airports, fourteen heliports and two water aerodromes as part of North East connectivity.

This opportunity paper by Invest India maps the areas of growth in each of the eight states that are rapidly emerging and form highly fruitful industries for further investment promotion. I look forward to this paper forming the basis for enhancing our focus towards making the North East an engine of growth for the nation.
Prime Minister Narendra Modi, in a speech this year, mentions his vision for the North East as the ‘engine for India’s growth’. Located strategically, bordering a number of other countries such as Myanmar, Bangladesh, Nepal and Bhutan, the NER holds great opportunities for trade. It also has the potential to be a pivot for the projection of the soft power of India to its neighbouring countries.

A range of policy initiatives have been launched and implemented as part of the recognition that the North East region could be the growth engine of the country. A key policy guideline was encapsulated in the Northeast ‘Vision 2020’, which put infrastructure at the forefront of the development agenda. Additionally, nine cities from the region have been selected to be developed into Smart Cities, which would be highly beneficial to the overall growth in the NER. Each of the eight states in the North East region present themselves as unique areas of investment, focussing on the production and manufacturing of a specialised basket of products. In an effort to highlight these areas of possibilities, Invest India has formulated an opportunity paper that delves into the diverse industrial specializations of each state.

We hope this paper allows a greater understanding of the unique potential of each state in the North East region, bringing to light the emerging spaces of lucrative investment which will be a catalyst towards making the region the engine of growth that it can be.
North East India: Land of Rising Opportunities
Introduction

The North East (NE) of India comprising of the eight states of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim, is a reservoir of rich natural resources and a beautiful amalgamation of different people and cultures. It surely is a region waiting to happen. Blessed with biodiversity, huge hydro-energy potential, oil and gas, coal, limestone, forest wealth, fruits and vegetables, flowers, herbs and aromatic plants, rare and rich flora and fauna, NE India has all the potential to transform into a commercial hub and tourist paradise. The region shares borders with China in the north, Bangladesh in the South-West, Bhutan in the North-West and Myanmar in the East. This makes it a prospective hub of international trade and commerce. Unlike the rest of India, the region has an added demographic advantage, in the sense that it occupies 7.8 per cent of the country’s total land space but has a population of 3.8 crore, which makes it approximately 3.73 per cent of the country’s population. This is also a huge untapped, emerging market, which should prove to be of interest to large domestic and international investors.

Under the ‘Look East Policy’ of Government of India, the Ministry of Development of North-Eastern Region (DoNER) has been showcasing the strengths of NE to the neighbouring countries so as to set up new industries, attract foreign investments, boost tourism and enhance business and trade. DoNER has been showcasing its strengths to the neighbouring countries so as to set up new industries, attract foreign investments, boost tourism and enhance business and trade.

Presently, the Government of Japan has decided to invest an amount INR 13, 000 Cr in several ongoing as well as new projects in different states of India’s North- Eastern Region (NER). Some of the important projects in which Japan will collaborate include Guwahati Water Supply Project and Guwahati Sewage Project in Assam, Northeast Road Network Connectivity Improvement Project spread over Assam and Meghalaya, Northeast Network Connectivity Improvement Project in Meghalaya, Bio-diversity Conservation and Forest Management Project in Sikkim, Sustainable Forest Management Project in Tripura, Technical Cooperation Project for Sustainable Agriculture & Irrigation in Mizoram, Forest Management Project in Nagaland, etc. In the times to come, new areas of collaboration will also be sought to be worked out, which could possibly include bamboo, tourism and pharmaceutical related collaboration.
With an area of about 8.4 mn ha, Arunachal Pradesh shares its international border with Bhutan to the west (217 km), China to the North and North-East (1,080 km) and Myanmar to the East (520 km). The geographic location of the state provides immense opportunities for international trade with South Asian countries. Major industries of the state include agriculture, art and crafts, weaving, cane and bamboo, horticulture, power and mineral-based industry. The state has one of the highest potentials for generating hydro-power in India. The state is endowed with an evergreen forest cover of over 82 per cent.

Rich flora and fauna of the state are characterised by 601 species of orchids and over 500 species of medicinal plants. Arunachal Pradesh is the largest among the seven states located in the NE India with an area of 83,743 sq kms. The state's economy is largely agrarian, based on the terrace farming of rice and the cultivation of crops such as maize, millet, wheat, pulses, sugarcane, ginger, oilseeds, cereals, potato, and pineapple. The state has considerable mineral reserves that offer huge potential. The state's hydropower generation potential is estimated at 50,328 megawatt (MW). The state's diverse topography offers ample of opportunities for non-timber-based industries such as bamboo, cane, and medicinal plants. Horticulture has a vast potential, owing to good agro-climatic conditions and topography, for the development of varied varieties of fruits and vegetables.

At current prices, the Gross State Domestic Product (GSDP) of Arunachal Pradesh is estimated to reach INR 299.74 L Cr (USD 4.25 Bn) in 2020-21. The state's GSDP (INR) will increase at a compound annual growth rate (CAGR) of 7.96 per cent between 2015-16 & 2020-21.

The resources, policy incentives and climate in the state support investments in mining and mineral products (including cement), tissue culture and floriculture, plantation crops (tea, rubber, etc.) and agro-based industries. The state's location provides opportunities for international trade with Asian countries such as Myanmar, Bhutan, and China. Textiles and handicrafts from the state are in demand in neighbouring countries. According to Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflow in Arunachal Pradesh stood at USD 122 Mn between April 2000 and September 2019. The state attracted FDI worth USD 0.61 Mn between October 2019 and March 2020.

Arunachal Pradesh is the land of mountains, forests and rivers inhabited by tribal people and the mountainous topography of the state presents an ideal condition for the development of hydro-electric projects. There are five major river basins in the state namely Kameng River Basin, Subansiri River Basin, Siang River Basin, Dibang River Basin and Lohit River Basin. All the major rivers of the State flow in the North-Easterly direction and finally drain into the Brahmaputra River. There are many tributaries and distributaries of the said major rivers which also offer suitable sites for the development of hydro-electric power projects.

As per the study carried out by the Central Electricity Authority (CEA) and individual power developers, the total hydro power potential of the State is estimated at over 57,000 MW. Besides this, the estimated potential for development of micro/mini/small hydel projects is around 1600 MW. Thus, Arunachal Pradesh has emerged as the front runner state of the Union of India as far as hydropower potential is concerned.

Over 82 per cent area of Arunachal Pradesh is covered under forests and therefore,
development of the huge hydropower potential of the State will entail diversion of forest area for the purpose. Nevertheless, once the hydropower projects are developed, they would contribute towards conservation of scarce fossils fuels and also in significantly reducing carbon emissions. The environmental impact due to diversion of forest land is negligible compared to ecological gains on account of reduction of carbon emissions by development of hydro-electric projects.

Under the Prime Minister’s 50,000 MW hydro power initiatives, the Ministry of Power, Government of India have identified 89 projects in Arunachal Pradesh. Out of these, the Preliminary Feasibility Reports (PFRs) in respect of 42 projects having installed capacity totaling 27,293 MW (approx.) have already been prepared. Thus, Arunachal Pradesh is privileged to share more than 50 per cent of the PM’s 50,000 MW hydro initiative.

The Department of Hydro Power Development, Government of Arunachal Pradesh, has been declared as the State Nodal Agency in order to oversee, coordinate and monitor the activities of hydropower development. Further, in order to accelerate development of hydro power under State sector, the State Government has set up its own public sector undertaking namely the Hydro Power Development Corporation of Arunachal Pradesh Ltd. with the mandate to develop hydro power potential of the State independently as well as in joint venture with private power developers and CPSUs.

The economy of the region is mainly based on agriculture and different regions have different styles of farming. Arunachal Pradesh, in particular, is known for using the traditional system of cultivation i.e. primitive subsistence farming. The subsistence system is an indigenous practice which uses the ‘cut and burn’ technique. Because no fertilizers are used for cultivation, the primitive subsistence method yields good quality crops and also retains the properties of the soil. It would be relatively easy for farmers to shift to organic farming or improve their already known organic ways of farming from intensive or jhum farming. The topography and agro-climatic condition of the state are virtuous for the cultivation of Rice, Millet, Wheat, Pulses, Sugar cane and Potatoes. The State also produces tropical and sub-tropical fruits such as Apple, Pineapple, Orange, Pear, Plums, and Chestnut etc. Aromatic and medicinal plants like ginger, cardamom, bamboo, spices and mushroom etc. are also produced in ample amount thus, also promoting Horticulture. Kiwi from Arunachal Pradesh is known to be of better quality and organic. Arunachal Pradesh has become the second largest producer state of large or black cardamom in India with the help of organic farming. Also, Tage Rita’s "Naara Aaba", the first ever pure and organic kiwi wine produced in India is manufactured at Ziro, which has graciously plotted Ziro on the World Winery map.

Large scale cultivation of Organic apple may be taken up for export purpose. Conversion of substantial area from Conventional Farming to Organic Farming is likely to usher in an era of regional self-reliance in food production. Certification of organic produce would add value for export purpose. The agro-climatic condition of the NE is favorable for organic farming and the cultivators and players of the region must be given proper and adequate training for producing organic products.
Assam is the sentinel of NE India and gateway to the North-Eastern states. The State is close to India's international borders with Bangladesh and Bhutan. Assam is surrounded by Bhutan and Arunachal Pradesh on the north, Manipur, Nagaland and Arunachal Pradesh on the east and Meghalaya, Tripura and Mizoram on the south. Assam is an agricultural State. Agriculture occupies an important place in the economy of the State. The principal food crop is rice. The cash crops are jute, tea, cotton, oilseeds, sugarcane, potato, etc. Noteworthy horticulture items are orange, banana, pineapple, arecanut, coconut, guava, mango, jackfruit and citrus fruits. The State has an estimated 39.83 lakh hectares gross cropped area, of which net area sown is about 27.24 lakh hectare.

Six airports, two inland waterways and one inland container depot connect Assam with major cities of the country and with nearby international cities. There is also a proposal to connect Assam with the neighboring country Bhutan by road. Assam has more than 600 ha of land dedicated to industrial use. To capitalise on its pool of natural resources (tea, oil and natural gas to name a few), the State also has a dedicated tea park, food processing park, agri-export zones, and four oil refineries. The state has India's longest road bridge, the Bhupen Hazarika Bridge and India's longest railroad bridge, Bogibeel Bridge. It houses 300 medical plants and herbs and is also the third largest producer of petroleum and natural gas with a capacity of 150,000 barrels per day.

Tea industry occupies an important place. There are six industrial growth centers in the State and two such centers are being set up at Balipara and Matia. Presently four oil refineries have been working in the state including the one at Digboi. Construction of the Export Promotion Industrial Park (EPIP) at Amingaon near Guwahati is nearing completion. A Software Technology Park will be constructed at Borjhar near Guwahati. A Central Institute for Plastic Engineering Technology (CIPET) has been established at Amingaon near Guwahati. Assam has always enjoyed the highest reputation for her arts and crafts associated with her cottage industries. Cottage industries include handloom, sericulture, cane and bamboo articles, carpentry, brass and bell-metal crafts. Assam produces various varieties of silk like Endi, Muga, Tassar, etc. Assam is the only producer of Muga silk in the world!

The tea industry in Assam is about 172 years old. It occupies an important place and plays a very useful part in the national economy. Assam tea has its international reputation and commands significant share in the world tea market. The total area under tea cultivation in Assam is accounting for more than half of the country's total area under tea. Assam alone is responsible for more than half of India's tea production. The estimated annual average production of tea in Assam is about 630-700 Mn kg.

Tea plantation in Assam has covered a full circle as hundreds of small farmers have taken to growing the crop. The profession has now shifted from the rich to the common man, especially unemployed youths who have taken up tea cultivation as a business venture. Some even cultivate it in their backyards. The small tea growers sell the leaves to the nearby big plantations and Bought Leaf Factories where it is processed.

Across this tea-growing belt in eastern Assam, people in large numbers have started growing the crop in 3 to 5 acres of land. They have been provided with technical support and advice by experts at the Assam Agriculture University in Jorhat and also help from the Tocklai Tea Research Station for better yield and quality.
overheads and consequently the production cost of green tea leaves for small growers is much lower than those of the big gardens. Spurred by the mushrooming growth of small tea growers, the Ministry of Commerce, Government of India recently took a team of young tea farmers from Assam to Kenya and Sri Lanka to help them get firsthand knowledge about the success of small tea cultivation in these two countries.

A sizable number of small farmers especially in upper Assam have taken up tea cultivation during last 15 years. Their relative contribution vis-à-vis the big gardens is more than 20 per cent and the big gardens purchase a major part of their green leaf production. Using clone varieties of tea seedlings on small holdings, these small and marginal farmers are dependent on their crop as the main source of income.

Silk Industry

Sericulture has been practiced in the State from time immemorial, and the State is proud of traditionally producing Muga, Eri, and Mulberry silks. Though Assam produces all the four varieties of silk, yet major emphasis have been given to the production of Muga and Eri Silk which are popular as Vanya Silk. Assam contributes 95 per cent and 65 per cent of country’s total Muga and Eri production respectively.

One of the rarest silk producers, Assam introduces three natural wild silks- golden muga, white pat and warm eri silk. It is not only considered as a tradition but also a living culture of Assam. Many cottage and small scale textile industries engage in such farm-based, labour intensive commercial economic activity providing employment to the rural farmers and attracts profit seeking entrepreneurs as it requires low investment with relatively higher returns.

Assam is famous for its scenic beauty, embedded with nature’s gift of flora and fauna. Especially the tea gardens in Assam are one remarkable sight to behold. Similarly, muga silk is endemic to Assam which adds to its royalty and uniqueness. The golden silk or muga silk has been a tradition since the beginning of ancient times in Assam and now it surfaces as trend in the fashion world. The main center of silk handloom and textile industry is Sualkuchi, a town in Kamrup district of Assam. Anciently, it was famous as a craft village, practicing pottery, weaving, goldsmith, oil processing etc. but with time the artisans have taken up silk production and weaving as main profession. Sualkuchi is often known as the Manchester of East.

Women play a significant role in these kinds of textile industries as such silk producing activities are mostly home-based. These practices originated from rural families where weaving and silk production was a tradition. More than 53 per cent of women are involved in various activities of sericulture. They along with men have been actively participating in all the sectors of sericulture from on-farm activities to fabric creation, marketing and consumption. Many schemes like Self Help Group, NIFT participation, Cluster Plantation, etc. have been implemented by the North-Eastern Council and several government bodies.

In Assam, sericulture is an agro-based industrial as well as commercial activity which plays a significant part in the cultural heritage of the Assamese people. Silkworm rearing and production of silk not only enact as a tradition but it also uplifts the rural economy and employment. Sericulture and ericulture are two rare techniques followed in Assam since ancient times and carried further by the weaving practices in the handlooms producing rich Assam silk fabric. Later these fabrics are dyed, embellished with beautiful floral artistic motifs resulting in unique work piece.

At the Sericulture Technological Center, Sericulture demonstrators and assistant managers are the grassroots level officers to extend the modern scientific technology and supervision of rearing and marketing of cocoons to the farmers’ level for enhancing silk production.
One horned Rhinoceros, Kaziranga National Park, Assam
The word Manipur means “a jeweled land” and the state was described as the “Jewel of India” by the late Prime Minister Pandit Jawaharlal Nehru. It nestles deep within a lush green corner of North East India and is a land of multi-ethnic community, akin to a mini India. The economy of the State is primarily agrarian (70 per cent), but characterised by relatively high contribution of services, trade and business to the total income of the State. The State is bordered by Nagaland on the north, Assam on the west and Mizoram on the south. Along the east it shares a 398 km long international boundary with Myanmar. The state has a literacy rate of 76.94 per cent which gives it a huge human capital potential. Its traditional social system lets women play vital roles in all socio-economic activities creating a healthy environment for investments in many micro and home-based industries like handlooms which have traditionally employed women folk.

Manipur can well be called the gate way to the international trade route connecting Indian sub-continent including Nepal, Bhutan and Bangladesh to South Asia and beyond. The existing Indo-Myanmar Border Trade in the border towns of Moreh and Tamu has paved the way for a full scale trade between India and Myanmar which would further extend to other adjacent countries, like Thailand, Laos, South West China along the old Burma Road and the proposed Trans-Asia Highway and railway.

The state adopted its first industrial policy in 1996 and the government offers incentives over and above those provided by the Government of India to create an integrated investor friendly environment. The Government of Manipur is prepared to update the existing Industrial Policy to meet the requirements of private investors in the State. The government also implemented Industrial and Investment Policy of Manipur in 2017 which accords top priority to inviting private sector investment in ongoing and new industrial activities in specific and thrust areas outlined above. To this end, The Government will adopt an integrated approach to providing infrastructural support for development of industry in the State including establishment of industrial estate in every district. Manipur is well set to welcome investors as a major player in industrial development.

Handloom Industry

Handloom industry is the largest cottage industry in the State. The industry has been flourishing in the State for decades and is run primarily by women. Most of the skilled weavers belong to Wangkhei, Bamon Kampu, Kongba, Khongman, Utlou regions of Manipur. Manipur stands in the fourth position and constitutes 6.43 per cent of the total handloom worker households in India. 84 per cent of the handloom worker households in Manipur are located in the rural areas and nearly 16 per cent are in the urban areas. Thus, the handloom sector in the state is predominantly a rural activity.

The state has got the third highest number of looms with nearly 8 per cent of the total number of looms in India. Thus, Manipur is a significant contributor to the handloom sector in India. With 97 per cent of the total adult handloom workers being independent workers, there is a huge potential for organising the handloom industry in the state through private investments. The industry still produces relatively less for commercial purposes even though the state produces surplus fabric every year, possibly due to lack of entrepreneurship in the sector. Most weavers work under a master craftsman and produce for traditional, in-state use. While number of women entrepreneurs is rising, with the youngest entrepreneur being 18 years old and the oldest being 76 years old, the number is still miniscule as compared to other sectors and other states. The primary obstacle is lack of required capital especially in the

5 vvgnli.gov.in/sites/default/files/2016-116.pdf
6 vvgnli.gov.in/sites/default/files/2016-116.pdf
Food Processing

Food Processing Industries sector is fast developing in Manipur. Since 1991, the Department of Commerce & Industries, Manipur became the State Nodal Agency of the Ministry of Food Processing Industries, Govt. of India. A number of Projects/Schemes were taken up with the assistance of the Ministry. The food processing industry is a major thrust area in the state of Manipur as it plays a significant role in diversification and commercialisation of agriculture, horticulture, fisheries, poultry, animal husbandry and forest resources. The state government supports the development of food processing sector by taking up projects under central sector schemes.

Gifted with suitable agro-climatic conditions, Manipur is home to various food and cash crops, fruits and vegetables. The soil is fertile and suited more particularly in the hills for growing of different fruits and vegetables. Many agri-horticultural crops of the State, when processed, have promise of export. On this count, various preparations of pineapple, passion fruit, bamboo shoot, mushroom and ginger have attracted wide markets outside the State. Processing for extracts of spices, medicinal and herbal plants are another area of focus for agro-based industry. The state is the largest producer of export oriented agro-products such as black rice, kiwi, and passion fruit etc. Food processing industries in the State can benefit from easy availability of such wide range of raw material.

The necessary preparations are on for the setting up of the first ever Mega Food Park in Manipur which will provide 1800 MT cold storage facility and ripening chambers for locally produced fruits and vegetables. Eight Primary Processing Centers will also be located in selected districts as part of the park. The park will also have dehydration facilities to make Ginger/Turmeric/Chilli powder and paste making, fruit juice making facilities, etc. The park will have 40 plots for entrepreneurs and 50 per cent subsidy will be provided by the Central Government for Food Processing units installed inside the park. The industry is already flourishing in the state and with increased government attention to the sector the time is ripe for investing in food processing in Manipur.
Meghalaya is richly endowed with natural beauty. Everywhere you go, you will never cease to be mystified by the spectacular charm the state offers; from cascading waterfalls, lush green forests, deep caves, amazing and mesmerising culture and tradition to hospitable and friendly people. Shillong is Meghalaya’s state capital and also the main cultural hub. It is a microcosm of the entire NER because of its status as a regional academic nerve center – home to a young, creative and aspiring population. The charm of the old hill town still resonates in many corners here and its culture and landscape provide a perfect blend of modern and traditional. Bustling cafes and restaurants dot its commercial centers and the town is also a wonderful stop for avid shoppers. The town’s nightlife attracts revelers from everywhere and its live music venues have provided the stage for famous local and international musicians.

The best time to observe traditional practices and imagery is during the main festivals. Shad Suk Mynsiem is a major event in the Khasi calendar, celebrated in the month of April as a showing of gratitude to nature and to celebrate
the harvest and the sowing of new seeds. Highlights include a dance where the participants are dressed in the rich traditional attire, laden with silk, gold, coral, and more. Wangala is a harvest festival celebrated in the months between September and December across the Garo Hills. It is a great time to experience the old traditions of Meghalaya’s western-most tribe and indulge in the unique cuisine of the place. Behdienkhlam is the biggest festival of the Pnars who practice the indigenous Niamtre religion. It is celebrated across the Jaintia Hill districts and the largest celebrations happen in Jowai town. One of the defining images of this festival happens during the Dad-iawakor ceremony, in which the local men play a game with a wooden ball, remotely similar to football.

Meghalaya is also known for its population of birds. The Siju Bird Sanctuary, located close to the mighty Simsang River is home to peacock pheasants and grey hornbills amongst many other species. Nongkhyllem Sanctuary, in the Ri Bhoi district, is home to a large number of bird species (more than 400 recorded). The best bird watching experiences happen in more remote and pristine wilderness areas, but Meghalaya has plenty of accessible reserve forests close to the main towns where one can get a teaser of the rich birdlife. The Upper Shillong forest and the woods around Umiam Lake (at the entrance of Shillong) are favoured haunts for birders armed with their binoculars.

In 2019 Meghalaya recorded 1.2 Mn tourist footfalls and the tourism sector has played a pivotal role in providing direct and indirect employment to the local people. Meghalaya is one of the fastest-growing and travel destinations in Northeast.

To ensure overall industrial development in the state and a synergistic working between the state and investors, the Department of Commerce and Industries plays an important role to attract investments. One such move is the Meghalaya Industrial & Investment Promotion Policy which lists out agro & horticulture processing unit, processing of plantation crops, spices oleoresin and other essential oils units, animal husbandry and meat processing industries as potential areas that are related to food processing.

The agro-climatic zones of Meghalaya facilitate production of a large number of diverse fruits and vegetables. Most of our agricultural commodities are amenable for further processing into various intermediary and finished products that can fetch better value to the farmers and processors. There are at least four major crops that are grown in about 10000 ha each, in the state, namely: – Potato, Mandarin Orange, Pineapple, and Ginger. There is also an exclusive niche market for Lakadong Turmeric. This is where the proposal for creating the Directorate of Food Processing came into being and the Government of Meghalaya had created a new Directorate of Food Processing under the Department of Agriculture in May 2018. It aims at bridging the gap between agricultural value-chain. This is essential to help farmers getting remunerative prices to their produce and also become entrepreneurs in the process and thereby leading to employment generation in this sector. The Directorate makes all possible efforts to expand the market for the processed products, by way of organising festivals, and participating in exhibitions and expositions in and outside the state periodically. It will adopt a geographical crop cluster approach for creating sufficient scale in the processing opportunities and develop common facilities in the cluster hubs.

The Directorate offers the following schemes for development of food processing in the state - provision for financial assistance to the entrepreneur for purchase of packaging materials with 50 per cent subsidy, Providing for financial assistance for purchase of machinery and equipment related to food processing in fruits, vegetables and spices etc with at least 25 per cent contribution from the farmers and conduct of trainings, workshop, seminars providing platform to entrepreneurs for marketing through expo, trade fair, exposure trips.
Mawmluh Cave, Cherrapunji, Meghalaya
Sandwiched between Myanmar in the east and the south and Bangladesh in the west, Mizoram occupies an area of great strategic importance in the north-eastern corner of India. Mizoram is among the four high growth states with its economy continuously growing at a high rate of more than 8 per cent during 2013 to 2016. Mizoram lies in the North-Eastern part of India and shares 722 km of the international border with Myanmar and Bangladesh. Major rivers flowing through the state, such as Tlawng and Tiau, provide hydroelectric power potential of 4,500 MW that is sufficient to meet the energy requirements of the State. The state is well connected to the rest of the country with an airport in Lengpui and has an 8,500 km long road network.

About 60 per cent of the people of Mizoram are engaged in agricultural and its allied activities. With the opening up of border trade with Myanmar and Bangladesh, the Look East Policy of the Government of India and with the peaceful condition of the State, industrialisation in the State will substantially gain momentum in the near future. Small industries dominate the industrial scenario acquiring prominent place in the socio-economic development of the State. With the objective of promoting industries in rural areas, the State Government is presently running two numbers of common facility centres and one RIDC with intake capacity of 35 trainers. Infrastructural development like Industrial Growth Centre (IGI) at Luangmual, Aizawl, Export Promotion Industrial Park (EPIP) at Lengte, Integrated Infrastructural Development Centre (IIDC) at Pukpui, Lunglei and Food Park at Chhingchhip are nearing completion, apart from upgradation of the existing industrial estates.

Scientific cultivation of tea has also been taken up. Establishment of Apparel Training and Design Centre, Gems cutting and polishing are in the pipeline to encourage setting up of Export Oriented Units (EOUs). Of the cottage industries, handloom and handicrafts are given high priority and the two sectors are flourishing to meet consumers’ demand in the State and in neighboring states of Meghalaya, Nagaland, etc.

Food Processing

The total production of fruits, vegetables and spices will be increasing year by year as the number of farmers are weaning away from jhum cultivation and are taking up diversification towards cash-crops. Food processing industry would help in diversification and commercialisation of agriculture and horticulture and lead to value addition. It would result in employment generation in rural areas thereby providing income revenue and potential export prospects. Above all it would help in harnessing and exploiting local resources.

Apart from Paddy Being the Primary Crop and Maize the Secondary Crop, the State also grows a wide range of fruits, vegetables, spices, oil seeds and pulses. The State has been Sanctioned one Mega Food Park, two Cold Chain Projects and one Abattoir Project. Zoram Mega Food Park is an integrated project which provides infrastructure and services for food processing across the value chain to maximise value addition and minimise wastage. The project is being executed under the Mega Food Park Scheme of the Ministry of Food Processing. ZMFP has 17 plots available for lease at its Central Processing Center in Khamrang (Kolasib District). The plots are available on 25 years lease and early applicants will be given a payment holiday from the first five years of lease. Lease payments can be done in negotiable equal installments.

The facilities created by the developer at Central Processing Centre (CPC) of this Mega Food Park include Cold Storage-1000MT, Drywarehouse-3000 MT, Aseptic pulp line with canning, aseptic and tetra packing-2 MT/Hr, Ripening Chambers-40MT/Hr, Spices drying
Handloom Industry

Loin loom or backstrap loom is the main source of income for the people of Mizoram, especially women. ‘Puan’ which means cloth, is the traditional clothing of the native people of Mizoram and plays a special role in their life. The town Thenzawl located 90 km away from Aizawl is an important centre for traditional Mizo handloom industry. The weaving products by the Thenzawl town are gaining worldwide popularity. Women are the sole weavers of Mizoram and through this; they have found a niche in the international markets of handloom and handicraft.

With the help of Textile Ministry, Mizoram has chalked out a three-year vision plan for the global recognition of the elegant and ethnic Mizo ‘paun’ skirts, shawls, backpacks, wall hangings and various other items skillfully inter-woven with intricate designs since time immemorial. According to the three year plan by the handicrafts office, National Institute of Fashion Technology (NIFT) would also act as the model agency for providing the copyright and for creating a brand image for the handloom and handicrafts products of the artisans, who were registered with the office of the Development Commissioner.

As many as seven Block Level Handloom clusters are being implemented in Mizoram state. The first two batches of weaving training were completed successfully in all clusters. The training on dyeing and designing conducted by WSC was started from October, 2016. 17 Cluster Development Project under NERTPS is being implemented throughout the state. The state government directly implemented 11 clusters and the rest of six remaining clusters are implemented by Autonomous District councils. The first installment of INR 3.575 Cr was fully utilized and the second installment of INR 5.49 Cr is being utilised.
Nagaland is bounded by Myanmar on the east, Arunachal Pradesh on the north, Assam on the west, and Manipur on the south. The State is connected with rest of the nation through road network of around 1,150 km and an airport in Dimapur and National Highway 19 which passes through the State from Dimapur via Kohima to Manipur. This NH 39 is soon to be an international route under the Look East Policy of the Government of India.

Nagaland is a land of agriculture, 70 per cent of the population depends on agriculture. The process of industrialisation in the state is in its infancy, but the need to have more industries has been well recognised. Nagaland Mechanised Bricks Co. Ltd., in Dimapur with one lakh capacity of bricks per day has been commissioned. Handloom and handicrafts are important cottage capacity industries, which are mainly being managed by cooperative societies. The Nagaland Industrial Development Corporation is the premier promotional organisation in providing guidance and capital assistance to entrepreneurs. The fruits and vegetables processing and cold storage plant at Dimapur has an installed capacity of processing 5 MT of fruits and vegetables per day and 300 MT cold storage facility. With the opening of the state to the international tourist by relaxation of Restricted Area Permit (RAP), a good number of foreign tourists, as well as domestic tourists visit Nagaland every year.

Nagaland today is in a situation where many famous tourist destinations were some decades back. However, the potential and diversity it holds are perhaps far more than a lot of existing popular destinations. Over the years, the state has been through a lot of ups and downs; but this has been a blessing in disguise for it has preserved the beauty, natural wealth and the overall sanity of the place. Nagaland offers unending exploration possibilities from heritage villages to wildlife sanctuaries.

Tourism Industry

With the opening of the State to the international tourist by relaxation of Restricted Area Permit (RAP), a good number of foreign tourists, as well as domestic tourists visit Nagaland every year. The climate of Nagaland is nothing but perfect. With pleasant summers when temperatures do not average above 31°C and winters when they don’t average below 40°C, the place is a ‘perpetual holiday destination’.

The Hornbill festival, a yearly feature taking place on the first week of December is a modern day cultural extravaganza of all Naga tribes. The festival was conceptualised to showcase Naga culture, traditional and contemporary, in the spirit of unity in diversity. This festival is held at the heritage village of Kisama, about 12 km from Kohima. The goal of creating this heritage village is the protection and preservation of the ethnic cultural heritage through a common management approach and comprehensive data base for the perpetuation of tourism promotion – since its inception in the year 2000, it has brought about radical changes in the tourism scenario of the state. A visitor gets the opportunity to catch a ring side view of all the Naga tribes, their culture and distinctiveness at one place. The Heritage complex consists of a cluster of seventeen indigenously designed houses, each representative of a different tribe.

Nagaland is also rich in bio resources, especially of floral origin, medicinal plants and other rare species of wild life. Nagaland also has the distinction of having three plants in the Guinness Book of Records, namely – the hottest chilly, the tallest rice and the tallest rhododendron. Countless medicinal and aromatic plants are found in abundance. Patchouli, Lemon Grass, Aloe Vera, Geranium, Citronella etc. are being successfully cultivated. Ginseng, a valuable medicinal herb, is also indigenous to Nagaland. A Bio-Research Mission has been launched to survey, identify, document, inventorise and develop such rare and exotic medicinal and aromatic plants and herbs.
Beautifully nestled amidst the lush and verdant sub-tropical and sub-alpine climate, Nagaland treasures an overabundance of wild flora and fauna and even some medicinal plants.

Mining Industry

Nagaland is rich in mineral resources. The exploration carried out by the State Geology and Mining Department as well as by other Central Agencies such as Geological Survey of India, Oil and Natural Gas Corporation Ltd., etc. have established several mineral reserves. There is urgent need for enhancing the pace of exploration especially for untapped potential for hydro-carbon deposits and metallic deposits, by infusing both the latest technology and required funds from domestic and foreign investors. The huge reserves of more than 1000 million tonnes of high chemical grade limestone in the eastern Nagaland is a major prospect for setting up of mineral resource based industries.

Nagaland has her biggest limestone deposit at Nimi in Tuensang district. The thickness of limestone varies from 9 m to 120m. The geology and mining department of Nagaland has established a reserve of 111.07 million tones, the document said. The limestone here is suitable for cement / paper / pulp industry. Likewise, there is a fairly large deposit of magnetite near Pokphur village in Tuensang district. It has gained more significance because of its high content of Ni and (0.63 per cent and 0.09 per cent respectively). Coal is one of the biggest mineral resources Nagaland has. Tertiary coal has been found in Borjan in Mon district, according to the board. The Geological Survey of India and the state's department has established a reserve of 59 million tonnes of coal in total. The state has 600 million MT of crude oil and more than 20 million tonnes of hydrocarbon reserves underneath seven oil belts, spread across five districts of Nagaland.
The creation of a new Department of Information Technology in the year 2000 was a landmark event at a time when most of the states in the country did not have Department of Information Technology. This showed the State government’s commitment to leverage information technology to benefit the citizens. However, the department has made rapid strides in the sphere of information technology since its creation.

The Government of Sikkim places Information Technology and its enabled services and electronics and telecommunications sector high on its agenda. It has implemented the Information Technology, Electronics and Telecommunication Policy 2020 to establish brand Sikkim as IT/ITeS electronics and telecommunications hub and preferred destination for IT/ITeS/Electronics and Telecommunications Industry. The policy envisages a strong e-Governance infrastructure to increase efficiency of business to government and people to government interactions, as well as to enhance the transparency of governance. The Government will also encourage all

Sikkim is one of the fastest growing, multiethnic and multilingual Indian states. It is bordered by the Tibet to the north and northeast, by Bhutan to the southeast, by the Indian state of West Bengal to the south, and by Nepal to the west. It is also located close to India’s Siliguri corridor near Bangladesh. Sikkim is least populous and the second smallest among the Indian states and is notable for its biodiversity, including alpine and subtropical climates. Sikkim’s capital and largest city is Gangtok. The State has a literacy rate of 82.6 per cent and has the highest per capita income amongst north-eastern states.

Sikkim exhibits diverse climatic conditions from tropical moist to temperate and alpine zones. The State is richly endowed with rare and exotic flora and fauna, which includes 5,000 species of flowering plants, 515 rare orchids, 60 primula species and 36 rhododendron species. This makes it one of the leading states in the Northeast region in terms of production and supply of cut flowers to mainland consumer markets. It is also the top producer and exporter of large cardamoms in the country. Sikkim enjoys a strategic locational advantage and is home to 315 glacier lakes and the world’s third highest mountain peak Mount Kanchenjunga that attracts a large number of tourists from across the world.

The State has attracted FDI equity inflows worth USD 5.59 Bn during the period April 2000 to June 2019, according to data released by the Department for Promotion of Industry and Internal Trade (DPIIT). As of November 2019, Sikkim had a total installed power generation capacity of 965.51 MW, of which 154.33 MW was under central utilities, 399.07 MW was under private utilities & 412.11 MW was under state utilities.

Sikkim had long been an agro-based society, but the situation has changed thoroughly in the recent years. With the acceleration in the socio-political aspect of the society of Sikkim, the growth of industry in Sikkim has been tremendous. The industries that are expected to expand soon in Sikkim belong to different fields such as IT, healthcare, education and adventure tourism. The State is also promoting its eco-friendly industries including floriculture. Such developments will certainly give a boost to real estate market here by increasing the demand for commercial spaces and residential segments.

As for the IT sector, the State has developed a multitude of community information centers, out of which, around 40 have been established. With its sound law and order and peace Sikkim could be an ideal state for investment.

Information Technology

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Tourists visiting the northeastern state of Sikkim shot up by nearly 77 per cent to 14.25 lakh during 2017, according to the state’s tourism department. Sikkim, known as the rock capital of India, attracts many tourists from India and abroad to take part in its music festivals. The state is also a haven for admirers of nature and adventure sports. The Ministry of Tourism, Government of India has awarded the capital of Sikkim, Gangtok, with the title of ‘Safest Tourist Destination in the country’. The state has also featured and ranked 17th in the New York Times ‘52 best places to go in 2017’. Sikkim’s tourism mission 2015 aims to promote tourism in the state and create employment opportunities for 75,000 people. The Central government in 2016 approved Swadesh Darshan projects under which Sikkim was allotted USD 14.6 Mn for tourism development.

The Himalayan wonderland, Sikkim is nestled in the foothills of the eastern Himalayas and nature has gifted this state with unique beauty. It is bestowed with a greater variety of vegetation and undisturbed valleys, five climatic zones, total sanitation, peaceful environment, hospitable and humble people and a rich cultural heritage – which is unmatched and would be hard to find anywhere else. Among its mountains is the fabulous Kanchenjunga which is the third highest mountain in the world. Sikkim is also the least populous state in the Indian union.

Educational institutes in the State to introduce digital learning as one of the primary medium of education in the institutes.

Sikkim is the first State in the country to have the Sikkim Open Government Data portal. The Government of Sikkim has formulated a policy on open data dissemination system known as “Sikkim Open Date Acquisition & Dissemination Policy” (SODAAP). The state has become a pioneer in the country by successfully implementing the project “Cyber Village” which aims at providing support to the basic administrative unit i.e. “Village Administrative” to enable content development of G2C services, Gram Panchayat Unit (GPU) as the primary front ends for service delivery to deliver services to the citizens at their doorstep. e-DISTRICT is also a mission mode project of the National e-Governance Plan under the state category. The project aims at delivering high volume of citizen services (income, employment, domicile etc.), ration card services, revenue court services etc. electronically which would be web enabled and will be made accessible to the citizens thereby resulting in substantial cost savings and reduction of time required to access these services.

Tourism Industry

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Kangchenjunga close up view from Pelling, Sikkim
Tripura is a state in NE India which borders Bangladesh, Mizoram and Assam. Tripura is primarily an agrarian State, with about 42 per cent of the population depending on agriculture and allied activities. The State is the largest producer of True Potato Seed (TPS). The State has become a surplus producer of certified HYV paddy, mustard seed. Rubber and tea-based industries form the prime share of the industrial base in the state, while cement and steel-based industries have recently witnessed developments. It has established rubber, food and bamboo parks to support existing and potential investors. Moreover, Tripura also has five industrial estates, a dedicated industrial area, two growth centers and an export promotion industrial park.

Tripura shares 84 per cent of its border with the neighboring country of Bangladesh (length of 856 kms). Tripura is a power surplus state and hence the power tariffs are much lower compared to other states. The Agartala airport is the second busiest airport in North East. India’s third international internet gateway (after Mumbai and Chennai) is operational in Agartala. Tripura ranks second in Export Preparedness Index 2020 under Himalayan states category and is the largest producer of bamboo in north-east India.

From the distant past, agriculture in various forms has been the mainstay in the lives of people in Tripura. The primary sector (Agricultural) contributes about 64 per cent of total employment in the State and about 48 per cent of the State Domestic Product (SDP). A variety of Horticultural/ Plantation Crops are produced in Tripura like Pineapple, Orange, Cashew nut, Jackfruit, Coconut, Tea, Rubber, Forest Plantations etc. At present both conventional settled agriculture in the plains and Jhum system of cultivation in the hills are practiced, although earlier many tribal people depended more on Jhum system of cultivation, perhaps due to their life-pattern i.e. predominately living in the hill areas. Of late various industries have begun to come up with the possible encouragement from the state government, although industrial development as such, is yet to fall in place in true sense in the absence of big industries. In the industrial sector, rubber and tea-based industries form the prime share with cement, steel etc. industries following suit.

Tripura has already emerged as a major tourist destination with concomitant and positive effect on its economy as the number of domestic as well as foreign tourists pouring in to the state has been steadily growing.

Rubber Industry

Production of natural rubber plays the most important role in the economic development of Tripura. The State is the second-largest contributor to the total production of natural rubber in India. Over the last two decades, there is a shift in cropping pattern towards the production of natural rubber in the state from food crops and from other commercial crops. The natural rubber is the second-largest crop in Tripura after rice and area under natural rubber has registered a phenomenal increase during this period.

Rubber-based industrial units for products like rubber thread, tread rubber, rubber compound, rubber band etc. have already come up in the State. Presently, about 12,000 TPA rubber is being utilised within the State which is about 24 per cent of total rubber production. In order to further accelerate the process of setting up of rubber-based industries in the State, a Rubber Park with a project cost of INR 23.00 Cr has been established at Bodhjungnagar over an area of about 60 acres of land with technical support from Rubber Board. All common facilities including Centralised Quality Control Laboratory,
Training Centre, Tool Room, Centralised Latex & Carbon Black Master batch Unit, Warehouse for Raw Material Storage, Common Effluent Treatment Plant etc. have been created for rubber-based industries.

In a bid to boost production of ‘white gold’ in the nation’s second-largest rubber producing state, a ‘rubber clone’ or engineered variety of rubber, specifically suited for agro-climatic conditions of Tripura is set to be introduced soon. According to the plans, latest harvest technicians would get new suits, knee long boots, helmets fitted with lights to facilitate rubber tapping in the wee hours of dawn and after nightfall. Officials hope this, along with a higher pay, would encourage tappers, who used to consider tapping a glamour-deprived profession, to invest more time and energy.

The Natural Rubber plantation in the State, initiated as soil conservation strategy, is presently the most commercially viable crop. The status of widely accepted industrial crop (NR) is an outcome of systematic institutional interventions for the past five decades. There is a vast scope of investment in sectors like tyres/tubes, auto parts, footwear, tread rubber, vulcanized rubber, rubber band, rubber cushion and mattress, latex thread, surgical gloves, hoses etc.

Tripura Bamboo Mission (TBM) has been launched in 2007, under PPP framework for integrated development of Bamboo Sector and to facilitate setting up of bamboo-based industries. This is India’s only Bamboo Industrial Park. One bamboo floor tiles unit and one Bamboo round stick making unit are already operational at the Bamboo Park.

To encourage the investors to invest in the State of Tripura, State Government has introduced State incentive scheme, namely, Tripura Industrial Investment Promotion Incentive Scheme (TIIPIS), 2017 for five years w.e.f. 1 April 2017. The Government of Tripura has declared priority sector industrial enterprises as “Thrust Sector Industries” in the State to promote new industrial enterprises bases on local resources. "Thrust Sector Industries" means the industrial units which are using Bamboo, Rubber, Agri and Horticultural produce as their major raw materials during production. Tea manufacturing shall also be considered under thrust sector industries.

Bamboo Industry

Tripura is endowed with rich and diverse resources of bamboo with tradition usage. Tripura is home to 21 species of bamboo out of 130 species available in India. Tripura Cane and Bamboo handicrafts are considered to be among the best in the country for their exquisite designs, wide range of products and artistic appeal. The industry has a great export potential as well. Not only that, industrial products like bamboo tiles, laminated products, ply boards, corrugated sheets etc can be produced and used as building materials for furniture manufacturing etc. Studies have shown that Bamboo is a very effective substitute for timber and is, in fact, better in many respects.
Conclusion

India is actively pushing for greater investments in its north-eastern states: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura. The region shares international borders with China, Tibet, Myanmar, Bangladesh, Nepal, and Bhutan, and is considered to be of vital geopolitical and economic importance. Bolstering the economic development and investment potential of the region is thus a key aspect of India’s Act East policy, which focuses on improved socio-economic, trade, and business engagement with East Asia and the ASEAN states.

Since taking office, the Modi government has been keen to link the development of the north-eastern states with a more proactive Act East policy, for instance, building cross-border infrastructure to enable stronger international business and trade ties, eastwards. This includes the construction of roads and international highways and providing seaport and rail access to the benefit of firms doing business and trading across India, Bangladesh, China, and ASEAN.

Foreign investors looking to tap into long-term opportunities may find it rewarding to explore the north-eastern states. To attract greater private investment, both federal and state governments offer various sector-linked and location-specific incentives and tax benefits for businesses across the region. Moreover, the north-eastern states also boast of highly educated populations with strong English proficiency, creating ideal conditions for talent procurement.