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Study on the State of Assam





STUDY ON THE STATE OF ASSAM

ABSTRACT

The Study of the State of Assam was conducted with objective to find out the current state of the MSMEs in Assam, what potential is there in Assam and how they can be uplifted to achieve their potential.

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INTRODUCTION

Assam is located in Northeast India. The state shares its borders with Arunachal Pradesh, Nagaland, Manipur, Mizoram, Meghalaya, Tripura and West Bengal. The state shares international borders with Bangladesh, Myanmar, and the Kingdom of Bhutan. The state is a gateway to Northeast India. Guwahati is the largest city of the state. Assam is known for its tea, petroleum resources, Muga silk and bio-diversity. Assam is becoming an increasingly popular destination for wildlife tourism. Kaziranga National Park and Manas National Park are registered as world-heritage sites.

ASSAM STATE ADVANTAGES

Assam is the largest economy in the Northeast region. Owing to its relative proximity to the rest of the country & availability of quality infrastructure, the state offers a favourable environment for industry. At current prices, the gross state domestic product (GSDP) of Assam was Rs. 4.09 lakh crore (US\$ 56.29 billion) in 2020-21. The GSDP of the state grew at a CAGR (in Rs) of 12.38% between 2015-16 and 2020-21.

The state is rich in water resources & has vast tracts of fertile land. Other potential areas of investment include power & energy, mineral-based industries, tourism & crude oil refining. Total FDI inflows for Assam stood at US\$ 14.2 million between October 2019 and March 2021. Indo-Israeli Centre of Excellence for Vegetables Protected Cultivation will provide farmers with the latest Israeli technologies to help maximise their incomes.

Assam is rich in natural resources such as natural oil and gas, rubber, tea, and minerals such as granite, limestone and kaolin. In 2020- 21, tea production in the state stood at 503.46 thousand tonnes, which was 39.12% of the total tea production in India during the same period. The state has a large skilled workforce. A substantial portion of the state's population (which is in the age group of 15-25) is computer literate

(A Snapshot of Assam State Figures)



INDUSTRIAL INFRASTRUCTURE IN ASSAM

The State Industries & Commerce Department has sponsored 3 projects as industrial growth centres at Chariduar, Matia & Chaygaon-Patgaon.

- Chariduar Growth Centre: Cost of US\$ 4.7 million shared by central and state Government.
- Matia Growth Centre: Cost of US\$ 4.0 million shared by central and state Government.
- Chaygaon-Patgaon Growth Centre: Cost of US\$ 3.0 million shared by central and state Government.

Assam's proximity to SAARC countries like Bangladesh, Nepal and Bhutan gives it the investment potential considering the advantage of border trade with these countries. Assam has 11 integrated infrastructure development centres across the state of which 2 are under construction. The Government of India has approved 2 more projects under MSE-CDP at Pathsala (Barpeta) & Moran (Dibrugarh).

As per Budget 2020-21, Rs. 219 crore (US\$ 31.33 million) has been allocated to the Department of Industry and Commerce.

Industrial Parks and Infrastructure

- **Software Technology Park** - A software technology park has been set up at Guwahati, near the Lokpriya Gopinath Bordoloi International Airport, by the Software Technology Parks of India Limited (STPI).
- **Food Processing Park** - India's Government has sanctioned a food processing park with a total project cost of US\$ 1.2 million. The park is being set up near Chaygaon in the district of Kamrup (rural). The implementing agency is Assam Small Industries Development Corporation Limited.
- **Agri-Export Zone for Ginger** - India's Government has sanctioned an agri-export zone for the state for fresh and processed ginger. The nodal agency for implementing this project is Assam Industrial Development Corporation Limited. The zone is located in eight districts: Kamrup, Nalbari, Barpeta, Darrang, Morigaon, Nagaon, Karbi Anglong and North Cachar (NC) hills of Assam.
- **Biotech Park** Considering the importance of biotechnology, an integrated park to provide all infrastructural and other related services has been developed in Guwahati. The Guwahati Biotech Park undertakes research activities in biotechnology. The park was inaugurated on 25 February 2011.
- **Tea Park** - A tea park is being set up at Chaygaon by AIDC in Kamrup District in an area of approximately 100 acres of land. The park would provide facilities for blending, storage and transshipment of Assam tea for the world market.
- **Export Promotion Industrial Park** - Assam Industrial Development Corporation (AIDC) has implemented an Export Promotion Industrial Park (EPIP) at Amingaon, near Guwahati, in the district of Kamrup, at an estimated cost of US\$ 3.0 million. The total area of the park is 68.1 acres. AIDC has constructed 3 industrial sheds and allotted them to 3 industrial units. There are 38 companies in the park, offering direct employment opportunities to 4,000 people & indirect employment opportunities to about 12,000 people.
- **Industrial growth centres** - Industrial growth centres with supporting infrastructure have been set up at Balipara in the Sonitpur district and Matia in Goalpara. The Matia industrial growth centre has been set up with a total project cost of US\$ 4.5 million & spans 700 acres.

The Balipara industrial growth centre has been set up with a total project cost of US\$ 5.3 million and is spread across 400 acres.

- **Integrated Infrastructure Development (IID) Centres** - IID centres have been planned at Parbatpur, Serphangguri, Dalgaon, Demow, Bhomoraguri, Malinibeel, Dahudi, Silapathar, Rangia, Banderdewa & Titabar. The projects at Bhomoraguri, Dalgaon, Malinibeel, Titabar, Demow, Dahudi, Banderdewa, Silapathar and Rangia are already completed & the other projects are also on the verge of completion.
- **Border Trade Centres (BTC)** - BTCs are located at Mankachar (Dhubri), Sutarkandi (Karimganj) & Darranga (Kamrup).

KEY SECTORS

TEA -

- Tea occupies an important place among the agriculture-based industries in Assam. About 17% of the workers of Assam are engaged in the tea industry. There are more than 765 tea gardens in the state of Assam. Between January 2021 and April 2021, production of tea in the state stood at 51.77 million kgs, contributing 29.82% to the total tea production in India

SUPPORT PROVIDED BY THE GOVT -

In September 2020, Assam govt. announced four new schemes for tea gardens. Those schemes are as follows:

- *Tea garden owners who have taken a working capital loan, with an overall limit of Rs. 20 lakh (US\$ 27.05 thousand), will receive a 3% interest subsidy per year.*

The state government will offer a subsidy of Rs. 7 (US\$ 0.095) per kg to owners producing/growing 'orthodox' tea. Currently, the Tea Board of India offers a Rs. 3 (US\$ 0.041) subsidy per kg on 'orthodox tea', making it an overall subsidy of Rs. 10 (US\$ 0.14) per kg.

If a tea garden owner buys new equipment to produce 'orthodox' tea, the state government would support owners by offering a 25% capital subsidy.

Assam's tea gardens will be given an agricultural income tax holiday for three years

KEY PLAYERS

- **Assam Tea Corp Ltd** - Established in 1972, the company is a wholly owned undertaking of the Government of Assam. The company has 14 tea estates that are spread in over 13,000 hectares of land in six districts of Assam. Based in Dispur, the firm provides direct employment to more than 16,000 workers.
- **Assam Company India Ltd** - Formed in 1839, the company operates 15 factories and 15 tea estates and gardens spread over 14,000 hectares. It was the first to have an organic tea estate (Rembeng Estate) in Assam. The firm has over 32,000 employees and produces around 15 million kg of tea annually.
- **Apeejay Tea Ltd.** - The company was established as Assam Frontier Tea Limited in 1889. It has 17 estates spread over 50,000 acres in Assam, which together produce around 25 million kg of tea. Besides domestic auction, the company sells directly to international customers such as Unilever, Tetley, Tazo and Starbucks. The known brands are Typhoo, Mantra and Maha Mantra.

- **Williamson Magor Group** - The company was established in 1949 and produces over 65 million kg of tea every year, of which around 30 million kg is from its 23 tea estates in Assam. Tez, Premium Gold and Jaago are the packet tea brands.

AGRICULTURE AND ALLIED SECTORS - An agrarian economy since time immemorial, agriculture is the major contributor to the state economy. It also provides livelihood to a significant proportion of the population of the state. The agro-climatic conditions support cultivation of a wide range of horticultural crops, including plantation crops and various fruits and vegetables, flowers, spices, medicinal and aromatic plants, nut crops and tuber crops.

- Pineapple, banana, cauliflower, Broccoli, rose, rice, papaya, sugarcane, turmeric, jute, potato and Bougainvillea are among high yielding varieties of horticulture crops in Assam. It also includes traditional fruits like Carambola, Leteku, Paniyal Thekera, Au tenga etc.
- In 2019-20, the total production of horticulture crops in the state was expected to be 6876.40 thousand metric tonnes and area under production was 704.82 thousand hectares.
- In 2019-20, the total production of vegetables and fruits in the state was estimated at 3673.88 thousand metric tonnes and 2562.30 thousand metric tonnes, respectively.
- In November 2020, Assam, in collaboration with Israel, announced plans to set up a Rs. 10 crore (US\$ 1.35 million) project to boost agriculture in the state.
- To revive the agricultural sector and double farmer incomes by 2022, the state government launched the 'Assam Tractor Distribution' scheme, under the Chief Minister's Village Development Scheme (CMGUY) for farmers.

TOURISM - Assam is popularly known for its natural beauty and pristine tea gardens, attracting photographers from all over the world.. Besides the existing national tourism circuit within Assam, the state plans to add several thematic and eco-tourism circuits. The subsidiary and regional circuits would boost domestic tourism.

- Due to the high potential for development of wildlife tourism in the state, the central Government has increased the funds under the centrally sponsored "Integrated Development of Wildlife Habitats" scheme towards the state to US\$ 428 thousand for the year 2017-18.
- In 2019 (as of December 2019), 4.7 million tourists arrived in Assam.
- Under State Budget 2020-21, Government allocated US\$ 18.31 million to the department.
- Under the Swadesh Darshan Scheme, amount sanctioned by the Government as of March 2017, for a heritage circuit was US\$ 15.26 million. Under the Prasad Scheme, for the expansion of Kamakhya temple along with pilgrimage destinations in and around Guwahati, the Government sanctioned US\$ 5.19 million during the same period.

SERICULTURE - The climate & general environment of Assam is well suited for sericulture. Traditional varieties of silk cultured in the state include Eri, Muga & mulberry. Muga silk, known for its fine sheen & golden colour, is used by the local silk-weaving industry, which has contributed to the development of Muga in the state.

- Assam enjoys global monopoly in terms of Muga silk (also known as golden silk) production. The state accounts for around 95% of global Muga production. Moreover, Assam is the country's major Eri silk producer (accounts for 65% of the country's Eri silk production). Silk
- Production in the state* for 2018-19(P) is 5,026 MT.

For the development of Eri and Muga silk industries in the state, the Government has taken up Assam Silk Outreach Mission from 2016 at an estimated cost of US\$ 366.63 million for a

total period of 10 years. By 2025, this mission aims to produce 1 million kg of Muga silk & 10 million kg of Eri silk. Further, in 7 districts of the state, Integrated Sericulture Development Project is being applied, out of which 3 districts are for Eri whereas 4 districts are for Muga

- Under State Budget 2020-21, Government allocated Rs. 289 crore (US\$ 41.35 million) for the Handloom Textiles and Sericulture Department.

Industrial Sector	Major Products of Assam	Output in 2014/15 (\$ million)
Refined petroleum products	-	3,349
Food products	Processed and blended tea	1,756
Chemical products	Pesticides, other agrochemical products, paints, varnishes, soaps, and detergents	598
Nonmetallic mineral products	Cement and limestone	473
Paper and paper products	-	373
Iron and steel	-	365
Basic chemicals, fertilizer and nitrogen compounds, plastics, and synthetic rubber in primary forms	Polymer granules (feedstock for plastic industry)	246
Tobacco products	-	201
Grain mill products, starches, and starch products	-	196
Pharmaceuticals, medicinal, and botanical products	-	137
Plastic products	-	85

Note: Output in 2014/15 provided in the data source in Indian National Rupees has been converted to US Dollars @ \$1 = ₹70.
 Source: Government of India. Ministry of Statistics and Programme Implementation. *Annual Survey of Industries, 2015-16*.

CURRENT SCENARIO OF MSMEs IN ASSAM

Small is beautiful! (Schumacher), the small-scale sector has emerged as an engine of growth all over the world. In India the MSMEs has played a catalytic role in socio-economic transformation of the country. This sector has exhibited tremendous capacity for employment generation, greater resource use efficiency, and technical innovation, promoting inter-sectoral linkages, raising exports and reducing regional imbalances. but still there are many problems faced by entrepreneurs to establish themselves as a part of MSME sector. Small and Medium Enterprises (SMEs) play a vital role for the growth of Indian economy by contributing 45% of industrial output, 40% of exports, employing 60 million people, create 1.3 million jobs every year and produce more than 8000 quality products for the Indian and international markets. Assam, popularly called the Gateway to North-East India has the highest number of MSMEs in NER estimated at 12.14 lakhs. Under the PMEGP scheme Assam state received a Margin Money allocation of Rs. 112 Cr. in the year 2019 - 20 of which 35 Cr. were utilized and 2587 units were assisted and an estimated no of 20696 people were employed. According to NSS 73rd Round there are around 66,665 Female owners of MSMEs in Assam.

CHALLENGES FACED BY SMEs IN ASSAM

The MSMEs are not in a position to play their role effectively due to various constraints. The problems of MSMEs from Assam are not much different from that of the problems of MSMEs in the national level are facing, yet following are some of the specific problems faced by Assam

- I. Regionally concentrated economic development which is concentrated on industrial and urban development in and around Guwahati while ignoring other region, there is economic and urban backwardness in the Barak Valley area. The Inadequate urban development in upper Assam region is leading to industrial dependence on petroleum sector.
- II. Assam faces the problem of having a Small industrial base with low output and low value addition. One of the Key problems of the industries in Assam is have Narrow manufacturing product portfolio which is mainly dependent on locally available raw material. There is no value addition in the Industrial output and no value chain backward linkages with other states of India.
- III. Another problem with the Assam state is that it is highly dependent on tea and petroleum products. It has failed in capitalizing on India's export competitiveness in other products as the state has less than 1% share in India's exports, less than 1% of exports to output ratio of the state and negligible presence in import profile of ASEAN and BBN
- IV. The state faces many Logistical disadvantages like the compulsion of using ports of West Bengal for tea exports and there is a lack of capacity of roads connecting border towns to take heavy-duty trucks and also Inadequate railway siding capacity
- V. Infrastructure aspects adversely affect the functioning of small-scale units. There is inadequate availability of transportation, communication, power and other facilities in the backward areas. Entrepreneurs are faced with the problem of getting power connections and even when they are lucky enough to get these, they are exposed to unscheduled long power cuts.
- VI. Lack of enough awareness among people about government schemes, easy availability of funds are the main deterrents in the growth of MSMEs. While dealing with constraints, lack of power continues to be a major bottleneck. Subsidies and incentives alone cannot drive the growth.
- VII. Policy makers attribute the lack of entrepreneurial spirit among people behind less number of business units in the region.
- VIII. These small-scale units are also exposed to marketing problems. They are not in a position to get first-hand information about the market i.e., about the competition, taste, liking, disliking of the consumers and prevalent fashion. With the result they are not in a position to upgrade their products keeping in mind market requirements. They are producing less of inferior quality and that too at higher costs. Marketing continues to be a challenge for SMEs, since they are unable to sell their products and services.
- IX. Economic development of any region is an outcome of purposeful human activity. Lack of skilled manpower, high unemployment and land prices are other major hurdles in the region. Assam, being the largest state in NER, alone has 2.2 million unemployed youth. Downstream ancillary industries could generate around 1,50,000 jobs, but the

Government of Assam doesn't have huge land bank to set up large industries and cannot acquire land by displacing small farmers.

- X.** Finance is one of the most important problems confronting small scale industries. Finance is the life blood of an organisation and no organisation can function properly in the absence of adequate funds. The scarcity of capital and inadequate availability of credit facilities are the major causes of this problem.
- XI.** Small scale industries normally tap local sources for meeting raw material requirements. These units have to face numerous problems like availability of inadequate quantity, poor quality and even supply of raw material is not on regular basis. All these factors adversely affect the functioning of these units. Small units face severe problems in procuring the raw materials whether they use locally available raw materials or imported raw materials. The problems arise due to faulty and irregular supply of raw materials.
- XII.** There is underutilisation of installed capacity to the extent of 40 to 50 percent in case of small-scale industries. Various causes of this under-utilisation are shortage of raw material problem associated with funds and even availability of power. Small scale units are not fully equipped to overcome all these problems as is the case with the rivals in the large-scale sector.
- XIII.** Small scale entrepreneurs are not fully exposed to the latest technology. The units are striving hard to employ modern machineries and equipment in their process of production in order to compete with large industries. Most of the small units employ outdated and traditional technology and equipment. Lack of appropriate technology and equipment create a major stumbling block for the growth of small-scale industries.
- XIV.** Most of the small-scale units are working below full potentials or there is gross underutilization of capacities. The small-scale units are making only 40 to 50 percent use of their installed capacities. Various reasons attributed to this gross under-utilisation of capacities are problems of finance, raw material, power and underdeveloped markets for their products.
- XV.** Another important problem faced by small scale entrepreneurs is poor project planning. These entrepreneurs do not attach much significance to viability studies i.e., both technical and economical and plunge into entrepreneurial activity out of mere enthusiasm and excitement. They do not bother to study the demand aspect, marketing problems, and sources of raw materials and even availability of proper infrastructure before starting their enterprises.
- XVI.** Managerial inadequacies pose another serious problem for small scale units. Modern business demands vision, knowledge, skill, aptitude and whole hearted devotion. Competence of the entrepreneur is vital for the success of any venture. An entrepreneur is a pivot around whom the entire enterprise revolves.
- XVII.** Small-scale units find it very difficult to compete with the product of large-scale units and imported articles which are comparatively very cheap and of better quality than small units product. Small businesses may have difficulty competing with large businesses that are able to mass produce products inexpensively. It is possible for a large-scale firm to produce mass product at a time and that becomes cost efficiency also.
- XVIII.** Besides the above problems, small-scale units have been constrained by a number of other problems also. They include old and orthodox designs, high degree of obsolescence and huge number of bogus concerns. Due to all these problems the development of small-scale industries could not reach a prestigious stage in the NER.

What can be done to uplift Entrepreneurs from Assam?

- I. The Govt. of Assam need to focus on economic development of all regions than focus on economic development of one region which is Guwahati. If there is a proper economic development of all the regions, it would create synergies for the industry by providing a proper ecosystem which includes transportation, infrastructure and communication facilities for the growth of MSMEs. Transportation cost rise because of the logistical disadvantages for example when the goods leave one region (Guwahati) till it reaches the land port, there are certain regions in between which are underdeveloped with poor transport infrastructure which raises cost of transport. This is one of the reasons that Entrepreneurs in Assam rely on West Bengal ports for exports rather than using the land ports.
- II. Value-added determines why companies are able to sell their goods or services for more than they cost to produce. Adding value to products and services is very important as it provides consumers with an incentive to make purchases, thus increasing a company's revenue and bottom line. Assam has a lot of products that can create their own market after some value addition, for example, the varieties of medicinal herbs available in Assam can help to create a range of Ayurvedic, AYUSH and Wellness, Nutraceuticals with the help of value addition. This is the biggest untapped market in Assam.
- III. Entrepreneurs in Assam are quite unaware about the schemes and incentives for MSMEs, So if the Government holds press conferences, provides press releases, disseminates reports and publications to spread awareness regarding the incentive schemes available for MSMEs, along with that there is a need to hold webinars, seminars and workshops. Information can also be disseminated through a range of different means or tools such as radio, television, video, film, the internet, social media, mobile phones, newspapers, newsletters, leaflets.
- IV. Assam as a state lacks initiatives when it comes to skill enhancement and Entrepreneurship development, there are Entrepreneurs in Assam who lack the knowledge on how to market their product, Government of Assam can provide specific training programs which will involve understanding the competition, taste, liking, disliking of the consumers and prevalent fashion so they can make changes to their product and how to use social media for marketing for their product.
- V. If the Assam State is willing to uplift its MSMEs it needs to create special schemes and incentives to provide access to capital. MSMEs in Assam need schemes that are customized according to their financing needs, it is critical that those financing incentives are user friendly to access, they also need to be time bound.
- VI. MSMEs in Assam need support to move towards digitalization and upgrade their technology, if they need to scale up their business there is a need for modern machineries which will require funding, training and support for repair and maintenance.

POTENTIAL SECTORS:

Food processing and Agro based Industries

The agro-climatic conditions of the state favour growing of a variety of fruits, vegetables/ spices like coconut, banana, pineapple, orange, ginger, turmeric, chillies, pepper, etc. Mechanized and scientific cultivation of Agriculture and Horticultural produces are being adopted in the state. Until recently, horticulture was practiced as a largely non-commercial activity. With better quality planting material, organic farming, adequate research support and better know-how, the state could easily cause a major boom in horticulture and food processing sector.

The sector has the potential to grow at a rapid pace in Assam with the increasing demand for processed food. In the next 5 years the wastage of perishables due to lack of processing infrastructure facilities will be considerably reduced. With the favourable agro climatic conditions that are conducive for a wide range of products, opportunities in the sector abound in processing, sourcing, inclusive farming, logistics and cold chains.

Mineral based and Plastic industries

Major minerals available is crude oil (reserve - over 1.3 billion tonnes) and the state accounts for about 15% of India's crude output. The wells at Digboi, Duliajan, Sivasagar also produce Natural gas (reserve-156 billion cu. mtrs.) accounting to about 50% of India's total onshore production which may be used as feedstock for production of fertilizers, electricity, petrochemicals and also as fuel in the industries.

A gas cracker unit (BCPL), is now functioning for polymerization of HDPE/LLDPE and Polypropylene will supply huge intermediate feedstock for further processing in a host of downstream polymer units.

Limestone with reserves of about 700 million tonnes is another important mineral available in various grades. The China clay from Karbi- Anglong district is a vital input for the ceramics industry. Deposits of decorative stone like granite estimated to be more than a billion cubic meters are available in various shades and colours and has a huge domestic as well as export market. Coal reserves account for more than 320 million tonnes. The coal found in upper Assam and the Central Assam highland has high sulphur content, high volatile matter content, high calorific value and low ash content.

With reserves of around 1.3 billion tonnes of crude oil and 156 billion cubic metres of natural gas, and the same being available at attractive prices, Assam is an ideal destination for energy / oil and gas-based industries. There is ample scope for gas and coal based thermal stations.

With 4 Refineries, Gas Cracker project in operation, Assam presents a new ground for downstream industries specializing in petro, plastic and allied products.

Bamboo based industries

Bamboo, which is the fastest growing plant and generates large bio-mass, holds the potential to replace wood on many grounds. India is 2nd largest in bamboo resources in the world next only to China. The North Eastern region holds about 65% of the country's total estimated stock which is around 90 million tonnes. The Government of India has launched the National Bamboo Mission with focus on North East India. Opportunities abound in the areas of re-inventing bamboo in plywood units and paper mills, micro-propagation & production, shoot processing, industrial products,

machinery & equipment and skill up-gradation & training. A Bamboo Technology Park at Chaygaon is likely to be operational soon with its state of art technology.

Extraction and Value Addition of Herbal Medicinal and Aromatic Plants

With its vast hills and forests, Assam is the home of a variety of medicinal herbs and plants. About 300 types of medicinal herbs and plants are known to exist in abundance in the State. An approximate calculation states that only about 5- 10% of the plants and herbs are commercially cultivated for extraction purposes and hence present a huge resource. These Herbs are getting extinct day by day proper policies are needed for creation of healthy ecosystem for growth of these herbs and creating a commercial purpose out of them. Assam can be known for its medicinal herbs after tea.

Information Technology related activities

Assam has a large manpower base that is highly skilled in Information Technology. As such, opportunities exist for IT enabled services like software development, call centres, back-office operations, data entry and conversion, transcription and translation, content development, animation, engineering and design, market research, consultancy and management.

Hospitality industry and Tourism, etc

To nature lovers all over the world, wildlife enthusiasts, sightseers, ornithologists and photographers, Assam is a dream destination. Its landscape, lush green forests, wild life sanctuaries, pilgrimage spots and tea gardens offer a wide choice to cater to the tastes of tourists from different backgrounds. A few popular tourist destinations in the state are:

- National Park : Kaziranga, Manas, Orang, Sonai, Rupai
- Wildlife Sanctuaries : Laokhowa, Pobitora, Dibru- Chaikhowa, Nameri
- Scenic Beauty : Chandubi, Bhairabkunda, Darranga, Bhalukpong, Haflong
- Pilgrimage : Guwahati, Hajo, Majuli
- Historical sites : Batadrawa, Tezpur, Sivasagar, Barpeta
- Golf courses with air strips: Narengi, Borsola, East Boraoi and 21 others

Projections show that foreign tourist inflow into Assam will grow by around six-fold in the next five years. Add to that a projected increase of 15-20% in domestic tourists in the next five years and the government's thrust on tourism and related activities, the state presents a number of emerging opportunities – in tourism infrastructure like hotels, resorts, amusement parks, river cruises, airstrip development and in joint tourism circuit development like heritage circuits, wildlife tourism, eco-tourism, cultural tourism, pilgrimage and tea-golf circuits.

OPPORTUNITIES & PROSPECTIVE AREAS FOR WOMEN ENTREPRENEURS

North East India is a place of 'sleeping giant'. Assam, an agrarian economy, is abundant with natural resources. The economic uplift of Assam totally depends on the development of its rural areas. The opportunities for development are found everywhere. The main areas that are carrying bounteous prospects for the development of women entrepreneurship are discussed below:

- **Handloom and Handicraft:** Handloom of Assam is a hallmark of Assamese culture. Earlier, in almost all the houses, handloom was being practiced for domestic uses. In present scenario, people, being dependent on cheaper imported products, are neglecting the handloom culture. But, this industry has a big scope for capturing international market. Some enthusiast women have been working hard on it. Like that, handicraft is possessing huge prospects due to abundance of raw materials in Assam required for it.
- **Cutting, Tailoring, embroidering:** Another prospective area of women entrepreneurship is cutting, tailoring and embroidering. These are some works which are much known to village women in a domestic basis. This field can be given a huge scope for opening up 'Cutting, tailoring, embroidery Centre', along with its training to the other willing girls. This will ensure economic independence of the rural women.
- **Livestock and Poultry Farming:** Some livestock and poultry farming are very suiting for rural women entrepreneurship. They are like goat farming, duck-farming, chicken- farming etc. Through cooperative farming systems or with SHGs, village women can supply raw products at a huge amount; or they may themselves also start a micro industry for making finished products.
- **Herbal Cosmetics:** One of the prospective areas for rural women entrepreneurship may be the production of herbal cosmetics. For that, women should be well educated and trained regarding making cosmetics. Assam is a place full of diversified trees and highly medicinal herbs. In villages, still in 21st century, herbs are highly used for cosmetic use. This is a field, full of scope, for future prospects of rural women entrepreneurship.
- **Spice Production:** The soil and climate of Assam is good for production of spice trees, which are carrying scopes for rural women entrepreneurship on their back. Some of them are Red chilli, Black pepper, Capsicum, Indian Bay Leaf ("Tez Pat"), Cloves, Garlic, Ginger, Mustard Seed, Mint, Tulsi, Turmeric, Coriander etc. "The prospect for the development of women entrepreneurs is possible, when the government, social and financial institution collectively takes initiative.

INCUBATIONS

There are many incubation facilities proposed in the state policy but still not implemented -

- **Electronic Systems and Design Manufacturing Innovation Centre** – They are on planning stage to setup 3 centres that will provide complete infrastructure to entrepreneurs and companies who want to design and develop a prototype product concept.
- **Innovation Zone** - Still on proposal phase for higher technology verticals like gaming, robotics, etc. which will provide furnished space, mentoring support, networking opportunity lab facilities and Innovation and development Centres.

SCALE UP PROGRAMS

Scaling a business means setting the stage to enable and support growth in your company. It means having the ability to grow without being hampered. It requires planning, some funding and the right systems, staff, processes, technology and partners.

Scale Up Program does 5 key things –

1. **Evaluate and Plan -**
 - At the Evaluation stage it assesses the current position of the business, so that the Entrepreneur can understand what he needs to do differently. Strategize what you need to do to increase sales. The plan needs to consist detailed sales growth forecast, broken down by number of new customers, orders and revenue need to generate growth.
 - Creation of realistic sales acquisition based on which a similar expense forecast can be created by adding technology, people, infrastructure and systems to handle all those new sales orders.
 - Assess its impact on the Company P&L. Expenses will go up – they will need expense spreadsheet that breaks down expenses needed to meet their sales forecast.
2. **Find the Money**
 - Scaling a business doesn't come free. The growth plan may call for hiring staff, deploying new technology, adding equipment and facilities, and creating reporting systems to measure and manage results.
 - The State of Assam can create business contest which will give the Entrepreneur a stage to present his business growth plan and the funding he needs, the private investors & Govt. can invest in the company through this medium.
 - The State of Assam can also organize loan Mela at different districts where small business can get different types of loans under one roof
3. **Secure the Sales**
 - Scaling your business obviously assumes you will sell more. At this stage the Assam state can help by providing the Entrepreneurs a medium to Sell, spread awareness on how to sell their product online.
 - There are many Export promotion Councils in India if the Govt. of Assam can help connect the Entrepreneurs with the right EPCs they will also get access to export.

There is also a need for a robust system to manage sales orders, Marketing systems to track and a billing system and a receivables function to follow up to ensure invoices are collected timely manage leads.

4. Invest in Technology

- Technology makes it easier and less expensive to scale a business. You can gain huge economies of scale and more throughput, with less labor, if there is wise investment in technology.
- Automation can help you run your business at lower cost and more efficiently by minimizing manual work.
- Systems integration is a prime area for improvement in most businesses. Companies today don't run off of a single system -- they may have a dozen or more systems. If those systems don't work together, they create silos, which in turn multiply communication and management problems as your company grows.
- It's a good time to evaluate new products on the market that save time and money, yet accommodate much higher volumes in every part of your business.
- Possible Technology solutions for CRM, marketing automation, sales management, inventory, manufacturing, accounting, HR, shipping and other technology systems.

5. Find Staff or Strategically Outsource

- MSMEs Entrepreneurs should look at industry benchmarks to determine a rule of thumb for how many customers one service rep can be expected to handle.
- There is a need to have enough people who are responsible for your manufacturing, inventory and delivery of product or services.
- MSMEs need to assess the core areas that are important for them and so they can outsource other areas of the business.

RURAENTREPRENUERSHIP

Mahatma Gandhi had quoted, "The real solution to the problems of this country is production by its masses and not mass level production."

Need for rural entrepreneurship: -

- Reduce the levels of unemployment. The occupation provided by rural entrepreneurs would serve as an antidote to this.
- Reduce income disparities.
- Reduce the number of migrants from rural to urban areas.
- Balanced regional development.
- To build up village republics.
- Preserve the heritage of the country through art and creativity.
- This leads to economic development of the rural areas and country as a whole.

Challenges for rural entrepreneurs: -

There are a number of bottlenecks which create difficulties in efficient working of the rural entrepreneurs. These are: -

- Lack of technical expertise among the rural masses.
- Financial constraints.
- Lack of training modules and support services.
- High cost of production.
- Expensive quality control which if not adhered to lowers down the standards.
- Storage and warehouse issues.
- Lack of marketing and promotional strategies.
- Low levels of education.

How can rural entrepreneurship be promoted to the masses living in the villages: -

- Soft and easy conditions for financing budding entrepreneurs.
- The raw material base should be strengthened in the villages.
- The production centres can be made the marketing end points and thus solve issues faced regarding the same.
- Development of entrepreneurial attitude among the local masses by imparting entrepreneurial education at school and college level.
- Provide and educate them about various benefits and facilities available for rural entrepreneurs.

Rural enterprises are important generators of employment and economic growth both locally and internationally. It is important to stress that rural entrepreneurship in its core essence does not differ from entrepreneurship in urban areas. Entrepreneurship in rural areas is finding a unique blend of resources be it within the boundaries of agriculture or outside.

These are various kind of support Govt. of Assam can provide to create a Entrepreneurial culture in Assam.

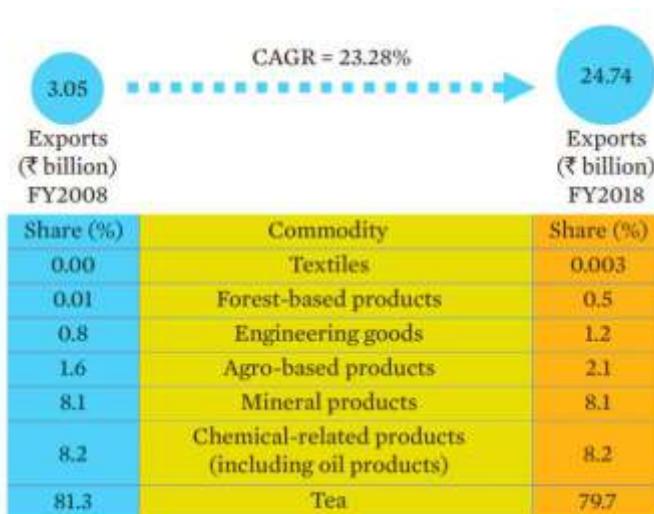
- Rural Entrepreneurship Development Programme
- Regional Rural Development Centres
- Social rural entrepreneurship
- Food for work program
- Rural innovation funding

For Rural Entrepreneurship Development to grow

- Local resources should be used optimally for an entrepreneurial venture and the farm produce distribution should be improved.
- This entrepreneurial occupation would lower down the levels of discrimination and reduce the number of migrants from rural to urban areas.
- 6M viz man, money, material, machinery, management and market must be provided for rural entrepreneurship to be a revenue generator.

EXPORT SCENARIO OF ASSAM

Exports from the state stood at US\$ 415.57 million in FY21. Assam exported key items such as tea, petroleum products, coal, coke and briquettes and other products. In FY21, the total tea exports from Assam accounted for US\$ 217.89 million, which was 64% of the total export. Tea is the major export product from Assam. Apart from tea petroleum products, cosmetics, pharmaceutical products, textiles, food products, and agro and horticulture produces, ornamental fish. Agar oil are also exported from the state.



CAGR = Compound Annual Growth Rate.

Source: Government of India, Ministry of Commerce, Directorate General of Commercial Intelligence and Statistics.

There is a significant growth of exports in exports from the year 2008 but the percentage of export share has remained almost same.

Assam Tea contributing **80% share in its total exports** in FY2018, makes its way to the **United Arab Emirates (UAE)**, the **United States of America (US)**, the **PRC**, **Germany**, the **Russian Federation**, and **Kazakhstan**. However, this export was routed through dealers and auctioneers in **Kolkata (West Bengal)** who purchase **around 50% of the produce**. Besides tea, primary resource-based products such as oil products, raw minerals, and mineral-based

Assam has the unique locational advantage, being the **closest landmass of vibrant economies** of the South East Asian countries. Assam has the potential to facilitate the largest volume of trade between India, China, Myanmar, Bangladesh and other ASEAN countries. But, Assam's share in India's export to ASEAN and BBN (Bangladesh, Bhutan and Nepal) is very low. Present Indian Trade with Bangladesh is \$10 billion approximately in 2018-19 – but hardly 1 – 2 % is through Land Ports of North East. Present Indian Trade with ASEAN Bloc countries is \$ 81 billion approximately in 2017-18 – but negligible percentage is through Land Ports of North East. The NER acts as a transit zone for India's land-based exports to these regions. Given the fact that Assam is the most industrialized state in the region, it can create a space for itself in India's export profile by tapping into specific commodities demanded by ASEAN and Bangladesh, Bhutan, and Nepal (BBN) and moving up the value chain of resource-based industries that it has a natural advantage in.