

## North-East India

### Industrial Development

The economy of the North East India has got its definite identity due to its unique physical, economic and socio cultural characteristics. In spite of having huge development potential, the economy of the region remains underdeveloped as it is characterized by the poverty, underutilized manpower and untapped natural resources. There are differences among the seven states in North-Eastern Region (NER) with respect to their resources endowments, level of industrialization as well as infrastructural facilities. Industrially, the NER continues to be the most backward region in the country. The pace of industrialization in the region had not been satisfactory. The industrial sector in the region had been centralized around some particular sectors like tea, petroleum, coal, jute and forests.

The tea, coal, petroleum, paper and cement are the only large scale industries presently functioning in the region and tea industry employs a large labour force. The base for industrial development of the region on the modern line was started more than a century ago, i.e., during the nineteenth century with the establishment of tea plantation and oil industry in the upper Assam area. Unfortunately, despite having such historical background as well as plenty of natural resources, the region could hardly achieve the desired industrial development during the subsequent periods. As a result, NER continued to lag behind many other states of the country in the sphere of development of this sector even after completion of so many decades of planning. Moreover, due to geographical isolation of the region and an absence of large investment of industries during the preceding plans are main reasons behind the industrial backwardness in this region. The volume of private industrial investment in the entire region NER is very low due to risk involved in investment. These risks include both natural risks; arising through natural calamities like flood, drought, land-slides, earthquake, and political risk as the region itself is a border region and market risk. Geographical isolation of the entire region inhibits private investment from other regions of the country, which is again aggravated by transport bottlenecks. Industrial development is directly linked with the development of infrastructure and the region also depicts poor picture in respect of infrastructural development. However, of late, efforts are being made for gearing up of all industrial activities with a view to create a strong industrial base and employment opportunities through provision of various growth including factors besides taking steps for removal of existing infrastructure inadequacies. These are expected to provide necessary filling for pushing up industrial growth of the region to a considerable extent in near future.

The NER is plenty of various resources. On the basis of availability of resources in NER the industries of the NE can be broadly classified under

(a) Agro based industries: It includes tea industry, textile industry, grain mill products industry (rice, oil and flour industry) and food processing industry.

(b) Mineral based industries: Mineral industries of NER include aluminium utensils industry, railway workshops, steel work etc. Moreover, the non- metal based industries include petroleum oil industry and natural gas based industry.

(c) Forest based industries: It includes plywood industry, sawmill industry, paper industry and hard board industry.

(d) Other industries: It includes power generation industry, fertilizer industry and chemical industry.

Despite the backwardness of the NER, some large and medium scale industries have been developed in this region particularly in Assam and Meghalaya, however, their numbers are very less. In respect of small, cottage and village industries, the condition of this region is not so satisfactory. There are nearly 178 large and medium industrial units and about 41,309 small industrial units in this region. The industries which are mostly developed in this region include tea, petroleum, fertilizer, paper and cement etc. Most of the large scale industries of this region are set up in Assam.

Table: Large and medium scale industrial units in NE India, 2000

State	No. of Units	Percentage
Arunachal Pradesh	17	9.6
Assam	129	72.4
Manipur	12	6.7
Meghalaya	10	5.6
Mizoram	1	0.6
Nagaland	7	4.0
Tripura	2	1.1
Total	178	100.00