

About making NE a thriving industrial region

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India's north-eastern region (NER) is one of the richest bioreserve zones and is among the 34 biodiversity hotspots of the world. With about 5,483 kilometres of international border, the region is strategically important and has rightfully earned the title of 'Expressway to ASEAN and beyond' under the country's 'Act East Policy'. However, despite its rich diversity, in terms of topography and landscapes, ethnicity and culture, biodiversity and natural resources, socio-economic development in the region has been held back, owing to factors such as remoteness with limited infrastructure and connectivity, both within the region as well as with the rest of the country, and broader geopolitical factors.

The economy of the north-eastern states is largely driven by agriculture which provides livelihood to 70 per cent of the population. Even though the region constitutes only 7.8 per cent of India's geographical area and 3.78 per cent of its population, the region produces about 53 per cent of India's tea, 22 per cent of India's silk and has 34.5 per cent of the country's bamboo bearing area. There are over 20 GI-tagged agri products in the region.

Agriculture provides a strong foundation for opportunities in value addition and establishment of new industries in the region, with

higher employment generation potential and higher wages. For instance, states like Tripura, Mizoram and Assam are known for their production of rubber. In fact, Tripura has been declared the 'Second Rubber Capital of India' after Kerala by the Indian Rubber Board. Given that globally India ranks third in production and fourth in consumption of rubber, the NER has a lot to gain if these states invest in the production of rubber-based products. In terms of bamboo production, the NER produces 65 per cent of India's production value and 20 per cent of the global production value. Mizoram alone contributes to around 40 per cent of India's bamboo production. The region's abundant output of fruit, vegetables and other horticulture products also provides an impetus to nurture small-scale food processing.

Examples of such high-potential industries are many. These priority industries are backed by strategic policy support from the Centre and the respective state governments. The Government of Mizoram has established a food park at Nilakuthi with a project cost of USD 6.6 million, comprising common facilities like cold storage, warehouse, quality control laboratories, packaging, tool room, power and water supply. The Nagaland Food Private Limited (NFPL) es-

tablished in the Dimapur Industrial Estate specialises in the processing of bamboo shoot, pineapple, passion fruit and orange juice.

Thus, there is immense potential in the NER for industrial investment. These industries require active initiatives by the private sector in terms of setting up of manufacturing entities and also by impact-focused investors who recognise the potential, supported by abundant incentives from the government.

Invest India is the national investment promotion and facilitation agency of India under the aegis of the Union Ministry of Commerce and Industry, mandated to facilitate investments in India. It serves as the preferred point of reference for investors for the entire life-cycle of investment. It is also the execution arm for national-level initiatives under 'Make in India' such as 'Start Up India,' 'India Industrial Land Bank', 'National Single Window System', 'AGNI (National Technology Commercialisation Initiative)', 'One District One Product' to move the nation towards the goal of 'Atmanirbhar Bharat'. Invest India set up the Northeast Desk in March 2021 for bringing in a transformation in the investment ecosystem in the North East.

The United Nations Industrial Development Organisation (UNIDO) is the specialised agency of the

United Nations that promotes industrial development for poverty reduction, inclusive globalisation and environmental sustainability. UNIDO works to promote inclusive and sustainable industrial development (ISID) in its member states. ISID refers to the establishment of a thriving manufacturing sector that works for markets, the environment and climate as well as for people and communities. Evidently, the adoption of ISID is critical for the NE region.

In India, UNIDO's programmatic focus has been on building productive and resilient micro, small and medium enterprises (MSMEs); solutions for climate, resources and environment; inclusive and responsible value chains and business; and strategic policy for industrial transformation. In NER, UNIDO has worked to support the development of the cane and bamboo sector and as a facilitator for training, technology sourcing and market linkage.

Similarly, the Northeast Desk of Invest India has been working closely with each of the north-eastern states for facilitating investment, providing policy inputs, promoting the potential of the region as well as enabling the 'Make In India' initiatives in the eight states.

Invest India and UNIDO recognise the unique challenges of the North East and posit that a successful model for industrial development in the region would factor in

the uniqueness and specific resources present in the region in terms of its biodiversity, landscapes, cultures and traditions, and transform these regional 'assets' into products and services that are sought after in local, national and/or international markets. To realise the full potential of the region, it would be important to adopt a multi-pronged approach.

Firstly, locally available resources could be leveraged to create new products and services and strengthen the value chains. Food-based industries (including spices, fruit, fish, honey), bamboo-based products, textiles as well as eco-tourism present important opportunities. Secondly, manufacturers or local communities require strengthening of their entrepreneurship capabilities, manufacturing skills and craftsmanship in customising products for global consumers. Thirdly, concerted efforts are required to bring communities, local entrepreneurs, investors and other market partners together.

The NE region can become a thriving industrial region through the development and nurturing of manufacturing capabilities that produce sustainable products and services unique to the region, generate livelihoods for a broader range of communities; combined with mobilisation of investments for the industries to achieve the economies of scale.