

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2412
ANSWERED ON:09.08.2005
INDUSTRIAL DEVELOPMENT IN NORTH EASTERN STATES
Bangaru Smt. Susheela Laxman;Sarma Dr. Arun Kumar

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether new industries have been set up in the North-Eastern region to speed up the pace of development in the Eastern States;
- (b) if so, the details thereof alongwith the areas identified for the purpose and the source of their funding;
- (c) whether any assessment has been made on the negative trend of investment in the region after announcement of incentives envisaged only for NER under NE industrial policy;
- (d) if so, the details thereof;
- (e) if not, the details of investment status thereof;
- (f) the steps taken by the Government to modify the NE Industrial Policy to make it investment friendly; and
- (g) action contemplated to streamline the border trade to substitute the economic disadvantages of the region?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGO VAN)

(a) to (g) : Government announced the North-East Industrial Policy (NEIP) on 24th December, 1997, to attract the investors and for promoting industrialization in the North-Eastern Region. Under this Policy, various concessions have been allowed to industrial units in the North Eastern Region, which include development of industrial infrastructure, excise and income-tax exemption and various subsidies like Central Capital Investment Subsidy, Central Interest Subsidy and Central Comprehensive Insurance Scheme. A policy with similar concessions was announced for the State of Sikkim also on 23rd December, 2002. Subsequently, a package of fiscal incentives for the State of Jammu & Kashmir was announced on 14th June, 2002 and for the State of Himachal Pradesh and Uttaranchal on 7th January, 2003. The details of investment intentions for setting up of industries in the States of North Eastern Region before and after grant of similar incentives to other parts of the country are given in the Annexure. Based on the impact study conducted by the Ministry and the discussions with various stakeholders, it is proposed to revise the North East industrial package of 1997 to make it more investor friendly.

An agreement on Border Trade with Myanmar envisages that Border Trade will take place initially through custom posts at Moreh in Manipur and Champai in Mizoram. A Memorandum has been signed for Indo-China border trade through Nathula Pass.

ANNEXURE

Annexure referred to in reply to Lok Sabha Unstarred Question No. 2412 for answer on 9.8.2005.

PROPOSED PRIVATE INVESTMENT IN NORTH EASTERN REGIONS

December 1997 to June 2002 July 2002 to March 2005

Name of the State IEMs LOIs/DILs IEMs LOIs/DILs

Nos Proposed Nos Proposed Nos Proposed
Inv (Rs.Cr) Inv (Rs.Cr) Inv (Rs.Cr)

1. Assam	130	1764	0	0	140	721	1	2
2. Arunachal Pradesh	4	37	0	0	17	200	0	0
3. Manipur	0	0	0	0	2	3	0	0
4. Meghalaya	88	1209	0	0	85	495	0	0
5. Mizoram	0	0	0	0	0	0	0	0
6. Nagaland	2	66	0	0	5#	27#	0	0
7. Tripura	16	839	0	0	10	254	0	0
Total	240	3915	0	0	259	1700	1	2

Note: Under Private Sector, IEMs /LOIs/DILs of applicants of Jt.Sector, Pvt.Sector, Individual, Assisted Sector and Cooperative Sector have been included. IEM: Industrial Entrepreneur Memorandum; LOI: Letter of Intent; DIL: Direct Industrial Licence

#In addition, two IEMs were filed by M/s Renaissance Paper Mills Pvt. Ltd., Dimapur for

(i) manufacture of Pulp and Paper with proposed investment of Rs.12,000 crore and (ii) generation of Captive power with proposed investments of Rs.4,010 crore, in December, 2003.