

**INDUSTRIES BASED ON ANCILLARIES AND
SUPPORT SERVICES OF LARGE/MEDIUM
INDUSTRIES OF THE REGION**

EXECUTIVE SUMMARY

TITLE OF THE STUDY INDUSTRIES BASED ON ANCILLARIES AND SUPPORT SERVICES OF LARGE/MEDIUM INDUSTRIES OF THEREGION

The emerging global economic order, demolishing all trade barriers created politically through administered price mechanism specific to a nation based on the political ideology, demands serious introspection and review. On the other hand, Castell Manuel calls for review of the WTO regime for all economic activities, more specifically to the industrial activities in the developing nations where standardization of the specifications coupled with aggressive market competition, have led many industries to closure. In the context of the large and medium industries and services in NE India, it is quite important to understand the trend for disinvestment from the government sector and transferring the same assets into the hands of the private industries. In short, all industries and services are now to be considered as market commodities and not as essential or support services. The Electricity Act, 2003 is a glaring example of such change of ideology. In conducting the study and making suggestions and recommendations, the above changing economic scenario has been the prime consideration.

Keeping in mind the poor economic status of the region, industrial backwardness, low agricultural productivity, poor population support infrastructure, growing socio-political unrest and other inherent weaknesses and threats to the region, suggestions and recommendation are made taking into account the strengths of the region and opportunities for establishing ancillary manufacturing and service units to cater to the major and medium industries and services of the region. A Delphi survey and analysis of the data collected from various industries of the region reveal that it would be more appropriate to consider a group of industries (Sector wise) rather than to depend on a single unit. Such distributed risk increases the resilience of the unit to sustain itself against failure or poor performance of the principal industries. The system weaknesses of the PSUs such as open tendering on need basis and centralized procurement which defy the fundamental rules for optimum productivity with reduced blocked capital on stores and spares have been taken into account while suggesting the list of industries and services.

Locations of industries have been identified taking into consideration the availability of basic infrastructure, namely- road network, power network and the social, recreational and other facilities required by the employees. Such considerations automatically create industrial clusters around the market centers which invariably are the major urban centres. The places like Digboi, Duliajan, Namrup, Bongaigaon, Byrnihat etc. have developed into urban areas centered around their industrial activities. Hence, the major clusters of industries proposed are to be located at Guwahati, Agartala, Dimapur, Tinisukia, Imphal and Rongpo. A total of 35 type of industries in 215 locations have been identified.

Although, cost economics of these units have been briefly stated in Appendix C, detailed techno-economic feasibility studies are needed to be carried out for each individual unit taking into account the actual location and economic sizing of the unit. Two examples of economic assessments of the proposed units are included in Appendix D.

Two major aspects that deserve special attention include a) The new Electricity Act 2003 and b) The proposed Gas Transmission line with CNG plants for automotive transport sector along the Duliajan-Bongaigaon route by Oil India Ltd. and Assam Gas Co. Ltd. during the next five years. While the new electricity act makes power dearer, it provides opportunity to the new generation entrepreneurs for rural enterprise in power generation (more specifically through non-conventional technology), transmission and revenue generation. The proposed joint endeavours of Oil India Ltd and Assam Gas Col Ltd. promises to provide opportunities for not only in laying of pipelines but also to run CNG Plants, transportation in cascades from plant to filling station, operation of filling stations and in manufacture of the conversion kits for the vehicles. Such a project will generate a large scale entrepreneurship and employment.

The strength of the region lies primarily with the natural assets of non-extractive nature namely the scenic beauty with rare species of flora & fauna. Development of Tourism therefore needs to be considered with renewed perspective taking into account the growing global popularity in Nature Tourism, Rural Tourism, Adventure Tourism etc.

Taking into account of all the strength, weaknesses, threats and opportunities of the region the list of possible ancillary industries and support services has been identified as under.

Although gross schemes have been presented for the units proposed but the variation of costs and economics of scale demand techno-economic evaluation of each investment proposal individually.

SUMMARY OF THE LIST OF PROPOSED PROJECTS/SCHEMES

[ECONOMIC VIABILITY FURNISHED IN APPENDIX –C (I-XXXV)]

SIN o	Name & Type of Industry	Total Project Cost (Value in Lakh)	Location							
			Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura
1	2000 MT Cold Storage Unit	143.69	Naharlagun,	Barpeta, Sarupathar, Mongoldoi, Jorhat, Dhubri,	Imphal,	Tura. Barapani,	-	-	-	Dharmanagar
2	Spice Unit	68.00	-	Guwahati, Silchar, Nagaon, Tinisukia	Imphal,	-	-	Dimapur,	-	Agartala,
3	Bakery Unit	108.31	Itanagar,	Guwahati, Dibrugarh, Silchar	Imphal,	Shillong	Aizawl	Dimapur,	-	Agartala,
4	Starch Plant	164.50	-	Kukrajhar	-	-	-	Mukakchang	-	-
5	Fruit & Vegetables Processing Unit	186.00	-	Guwahati, Goalpara, Silchar, Nagaon, DoomDooma, Karimganj,	Imphal Mao	Jowai	-	Dimapur,	Gangtok / Rongpo	Agartala,

SUMMARY OF THE LIST OF PROPOSED PROJECT SCHEMES (Continued)

SIN o	Name & Type of Industry	Total Project Cost (Value in Lakh)	Location								
			Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	
6	Dairy Products Unit	70.15	-	Guwahati, Tinisukia, Mongoldoi, Dhubri, Jagiroad, Silchar,	Imphal				Dimapur,	Gangtok	Agartala,
7	Livestock Feed Unit	24.80	-	Barpeta, Guwahati, Mongoldoi, Jorhat, Silchar,	-	Shillong,	-	-	-	-	Agartala.
8	Paper Carry Bag Unit	32.30	-	Guwahati, Tinsukia, Silchar,	-	Shillong,	-	Dimapur,	Gangtok	Agartala,	
9	Adhesive Unit	20.30	-	Guwahati,	-	-	-	-	-	Agartala	
10	Ceramic Unit	93.70	-	Sibsagar, Duliajan,	-	-	-	-	-	Agartala ,	
11	Coir - Foam Unit	78.30	-	Guwahati,	-	-	-	-	-	Agartala,	
12	Corrugated Board & Boxes Industry	72.70	-	Guwahati,	-	-	-	-	Gangtok	Agartala,	
13	Engine Coolant Industry	28.45	-	Guwahati, Tinisukia	-	-	-	Dimapur	-	Agartala,	

SUMMARY OF THE LIST OF PROPOSED PROJECT SCHEMES (Continued)

SIN o	Name & Type of Industry	Total Project Cost (Value in Lakh)	Location							
			Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura
14	Hawai Chappal Industry	41.60		Guwahati, Jorhat, Silchar, Tinsukia	-	-	-	Dimapur,	-	Agartala,
15	Ferric Alum Industry	55.20	-	Guwahati, Silchar, Sibsagar, Tinsukia,	-	-	-	-	-	Agartala ,
16	Aluminium Beverage Cans Industry	100.80	-	Guwahati,	Imphal	-	-	-	Gangtok	Agartala ,
17	Shoe & Leather Industry	38.50	-	Guwahati,	-	Shillong,	-	Dimapur	-	-
18	Hosiery Industry	30.80	-	Guwahati, Lakhimpur Tinsukia Bongaigaon	-	Shillong,	-	Dimapur,	-	Agartala ,
19	Wire Netting Industry	27.80	-	Guwahati, Tinsukia	Imphal	Shillong,	-	Dimapur,	-	-
20	LPG Cylinders Making Industry	188.00	-	Golaghat, Silchar	-	-	-	-	-	-
21	Paint Industry	65.25		Guwahati, Bongaigaon Sibsagar	-	-	-	Dimapur,	-	Agartala ,
22	Plastic Bottles Making Industry	20.20	-	Guwahati, Silchar, Jorhat, Bongaigaon	-	-	-	Dimapur,	-	Agartala ,

SUMMARY OF THE LIST OF PROPOSED PROJECT SCHEMES (Continued)

SIN o	Name & Type of Industry	Total Project Cost (Value in Lakh)	Location							
			Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura
23	Semi-mechanized Bricks Making Unit	99.50	Naharlagun,	Guwahati, Silchar, Jorhat, Dibrugarh,	Imphal,	Byarnihat	-	Dimapur,	-	Agartala ,
24	Cast Iron Foundry Industry	53.70	-	Guwahati,	-	Byrnihat	-	-	-	-
25	Bolts , Nuts & Screws	52.20	-	Guwahati,	-	Byrnihat	-	-	-	-
26	Mechanized Laundry	71.50	-	Guwahati,	Imphal,	Shillong	-	Dimapur	Gangtok	Agartala ,
27	Pet Bottle/ Jars Making Unit	27.30	-	Guwahati, Silchar, Tinsukia	Imphal	Shillong	-	Dimapur,	-	-
28	Umbrella	10.00	-	Guwahati, Tinsukia	Imphal	Byrnihat	-	Dimapur	-	Agartala
29	Mild Steel Pipe Fittings & Accessories	30.20	-	Tinsukia, Sibsagar, Tezpur, Guwahati, Silchar, Jagiroad , Namrup	-	-	-	-	Rongpo	-
30	Disposable Syringe Making Unit	87.00	-	Guwahati, Dibrugarh,	-	-	-	-	-	-

SUMMARY OF THE LIST OF PROPOSED PROJECT SCHEMES (Continued)

SIN o	Name & Type of Industry	Total Project Cost (Value in Lakh)	Location							
			Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura
31	Stone Crushing Unit	-	-	Guwahati, Namrup, Tezpur, Diphu, Dibrugarh, Jagirod, Jorhat, Nagaon, Lakhimpur	Imphal	Shillong,	Aizwal,	-	-	-
32	Coal Ash Brick Unit	56.25	-	Jagiroad, Bongaigaon Silchar				-	-	-
33	Building Materials Unit	33.65	-	Guwahati, Jorhat, Bongaigaon, Barpeta, Silchar,	Imphal	Shillong,		-	-	Agartala,
34	Tourist Centres	54.90	Tawang, Pasighat, Nathula	Bagari, Balipara	Moreh, Ukhrul, Imphal, None	Tura, Barapani, Jowai,	Aizwal, Kolasib, Lunglei	Dimapur, Mokakchong	Singtam, Pelling, Gangtok, Chungthang	Annakutti
35	Post Cards & CD Rom	6.70	Itanagar	Guwahati	Imphal	Shillong	Aizwal	Kohima	Gangtok	Agartala