

**MARKET RESEARCH REPORT
ON
CREATING INFRASTRUCTURE FOR WHOLESALE MARKET
AT TETELIA, KAMRUP DISTRICT, ASSAM**

Prepared for:

**NORTH EASTERN DEVELOPMENT FINANCE
CORPORATION LIMITED.**

Guwahati

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TITLE OF THE STUDY

QUICK MARKET RESEARCH ON CREATING INFRASTRUCTURE FOR SETTING UP A WHOLESALE MARKET AT TETELIA, GUWAHATI, ASSAM

Executive Summary

Guwahati is the nerve centre of commercial activities not only in the state of Assam but also in the entire North Eastern Region. Unplanned growth of trading establishments along with heavy growth of industrial, commercial and many other allied activities has given birth to a number of socio-economic and environmental problems. The most important problem being the lack of space for growing market areas coupled with lack of space for residential accommodations in the business areas. All this has led to a situation which is already choking proper growth and beautification of Guwahati city and in very near future is bound to create serious infrastructural, social, municipal and law and order problems for the administration as well as the citizens of the town.

- One of the areas where haphazard growth of worst form has taken place in the town is wholesale markets for grains and other edibles e.g. potato, onion, edible oil etc. Despite being choke a block condition, this market has been confined to Fancy Bazar, Kedar Road, A.T. Road, Athgaon and Kumarpara localities of the city. This has led to one of the worst kinds of problem related to dilapidated road, choked drains, unhygienic residential premises, lack of drinking water, irresponsible garbage dumping and other sanitation related problems creating inhuman living conditions in adjacent slum areas leading ultimately to bizarre environmental problems.
- Keeping these enormous problems in view, the Government of Assam and the district administration proposes to take a decision to shift the entire wholesale market to an area outside the city limits, namely at Tetelia on the National Highway 37 bypass on way from Dispur to Jalukbari. The Guwahati Metropolitan Development Authority (GMDA) has earmarked 300 bighas of land at Tetelia. The Government envisages to develop this area by providing all infrastructural facilities so that the wholesale traders can be persuaded and motivated to shift their business to the proposed location. The railways also has a proposal to build a

new goods shade in a nearby area. The Central Warehousing Corporation will also construct a warehouse at the proposed location. Besides all this, the GMDA is already in the process of constructing Truck Parking facility for 500 trucks simultaneously at Gotanagar adjacent to the proposed site of the market at Tetelia.

- The Government of Assam after duly examining the benefits of the project decided to approach North Eastern Development Finance Corporation Ltd. (NEDFi), Guwahati for providing funds to develop and implement this project. NEDFi in turn approached North Eastern Industrial & Technical Consultancy Organisation Limited (NEITCO), Guwahati and assigned them to conduct a Quick Market Research on creating infrastructure for a Wholesale Market at Tetelia vide its letter No: TEDF/F- 14/NO-1127, dated 16-11-2001
- The purpose of the survey is to conduct a detail field survey of wholesalers and after duly analyzing the data obtained along with the information and views gathered from the traders to suggest the prima-facie viability of the investment on a general basis. Based on this prima-facie analysis, NEDFi will take a decision to go ahead with the project and commission a suitable agency for preparing a Detailed Project Report (DPR).

NEITCO followed the following methodology for conducting the market research and subsequently prepared this report. The steps taken were as such

- Field survey was conducted through structured questionnaires as well as personal interaction between professionals of NEITCO and individual wholesale merchants
- In the above mentioned manner itself, views from the Chamber of Commerce, Kamrup in general and important members in particular were also asked for.
- Views of State Government/District administration/GMDA/other related Senior Professionals of NEITCO obtained associations/ Railway officials/ Legal experts through personal discussion
- Collection of the information obtained through field survey and desk research were duly collated and analyzed.
- Estimation of prima-facie Project Economics inclusive of cost of the project, means of finance, sales realization etc
- Preparation of final report after taking into account all the aspects mentioned above and accordingly after coming to a set of conclusion, recommendations were included in the Market Research Report.

Project Economics:

The Govt. of Assam /GMDA propose to acquire an area of 300 bighas at Tetelia for the project envisaged. Out of this,276 bighas is proposed to be developed for allocation to the wholesale traders whereas 24 bighas will be earmarked and developed for construction of a warehouse by Central Warehousing Corporation.

The total cost of development of land for allocation to wholesale traders has been estimated to be around Rs. 3120 lakhs. The total cost of development of Central Warehousing Corporation has been estimated to be around Rs. 282 lakhs.

Project Financing:

A set of two tentative alternatives are being suggested herein for financing this project by NEDFi on a prima facie basis. The details as such can be worked out while preparing the detailed Report.

1. BUILD & TRANSFER

NEDFi may sell the project on outright basis to wholesalers who will shift to the new market area. The traders may be partially provided financial support in terms of short term loans to be payable in six installments at a subsidized interest rates. NEDFi may charge from the traders a margin of around 10% over the cost of development of land incurred per bigha, besides the interest on loan.

	Actual cost of Development land (Rs.per bigha)	Suggested Selling Price of (Rs.per bigha)
1.Developed land (A)	11,30,430	12,43,473
2. Developed land (B)	11,75,000	12,92,500
*Registration fee @ Rs.43,320 per bigha extra.		

Pattern of Finance:

Advance from the trader	40% plus registration fee
Loan to the trader from NEDFI	60% to be repaid in six installments

2. BUILD- OWN -OPERATE:

Under this scheme NEDFi after developing the market area may provide the developed land on long term lease and rent basis to the individual traders. A suitable modus operandi will have to be worked out after taking into consideration the cost of the project combined with the fixation of rentals for the same as found suitable.

But it has been observed during the survey that majority of the traders have shown their willingness for outright purchase rather than lease and rent basis. Hence, it is suggested that NEDFi analyse the pros and cons of both the schemes in an appropriate manner prior to allotment of the developed market area to the trader.

Any other mode of allotment besides the two mentioned above may not find many takers among the wholesale traders who decides to shift to Tetelia as directed by the government and the local administration.

RECOMMENDATIONS

The recommendations have been incorporated and arrived at after duly discussing the matter with individual businessmen as well as the Kamrup Chamber of Commerce and other concerned association individuals, authorities of GMDA, N.F.Railway the district administration etc. who will in due course be responsible for shifting of the wholesale market to Tetelia in the district of Kamrup. The recommendations derived for proper implementation of this project are as follows:

- 1 First and foremost adequate and fool proof provisions for security to the maximum extent possible must be provided around the proposed marketing complex at Tetelia by the district administration. A Police station/ outpost with adequate number of policemen alongwith sophisticated arms and communication equipment should be provided.
- 2 A boundary wall protected with barbed wire fencing with separate entry and exit gates for vehicles must be erected. The entry and exit gates must be properly managed and proper arrangement for maintaining necessary records of vehicle movement be made.

- 3 Internal roads and lanes must be of sufficient width for easy movement of heavy vehicles/LCVs/slow moving vehicles etc. with ample provision for people walking on foot.
- 4 Proper arrangement for water supply must be made in the complex.
- 5 Provision for providing proper lighting arrangements alongwith arrangement for stand by generating set be made. ASEB should be asked to construct a power sub-station within the complex. Construction of a railway goods shed in due course must be carried out for facilitating smooth movement. N.F.Railway has already made provisions for constructing a goods shed. It should preferably be around Jalukbari/ Azara.
- 6 Provision for a small fire station with all necessary amenities must be made.
- 7 Provision for Electronic weigh Bridge will be a necessity.
- 8 A primary health centre manned by a medical team for attending emergency cases must be made
- 9 Proper drainage and sewage system be constructed to avoid water logging and unhygienic environment.
- 10 A full fledged office of department of sales tax be established at Tetelia.
- 11 Common communication facilities e.g telephone, fax etc may be provided within the complex.
- 12 Branches of major banks with whom these business establishments are already dealing with must be established within the complex. A few branches must have evening counter for late banking transactions in view of the location of the site.
- 13 General insurance companies may operate their counters within complex
- 14 Separate parking places for private as well as commercial vehicles should be provided.
- 15 Common sanitation facilities for the daily labourers, drivers/helpers etc, will be a necessity.
- 16 Conference hall facility for conducting meeting etc. may be made.
- 17 Arrangement for swift and regular public transport system between city and Tetelia market complex must be provided for by the administration.

- 18 A provision for constructing a cold storage for storing perishable commodities e.g. potato and onion etc. be made in due course by the developers of the complex.
- 19 Besides the warehousing facility, to be provided by Central Warehousing Corporation, a few medium size warehouses may be constructed also in due course
- 20 Provision for a proper garbage dumping and disposal system at a convenient place must be made by the municipal authorities.
- 21 The district administration/Govt. of Assam must promulgate appropriate order for shifting the market within a stipulated time frame so that no dilly delaying actions may be taken by the business establishments.