

A STUDY ON CURRENT SCENARIO OF ASSAM'S INDUSTRY SECTOR AND FUTURE ANTICIPATION

Ankita Dutta

M.A in Economics, Dibrugarh University, Assam, India

Abstract

Industry sector plays a very pivotal role for the development of a country. Without the development of industry sector it is not possible for the country to achieve highest growth path. Assam is a state of India and a part of north East India is heavily endowed with natural resources has great potentiality for industrial development, but despite of those advantage Assam industrial development scenario is not so favorable .there are many reasons behind this problem. The purpose of this paper is to analyze the trend of industrial development in Assam, share of industry sector to Assam gross state domestic product. This paper helps us to know the problems face by industry sector in Assam and also some possible solution in order to solve those issues.

Keywords: Assam, Industry, Economy, Development

Introduction

Role of industry sector is very essential for the development of a country. A country will attain the phase of development when dependency on agriculture shifted to industry sector. Because when industry sector improves a country able to provide more employment opportunities to the job seekers. It helps us to increase production and also increase exports of the country, so that country able to improve their international trade also. But in India as well as Assam, role of industry sector is not so satisfactory. There are many reason behind this like lack of capital, geographical isolation, lack of skilled labour, lack of entrepreneurs and shortage of credit facilities etc. Also the industry sector of Assam mainly focuses upon some specific sector like tea, coal, petroleum, jute, forest etc. In Assam small scale industry plays a very crucial role. They provide huge amount of employment opportunities. State Government of Assam as well as Central Government takes so many policies in order to improve industry sector. In this paper we will also try to analyze the relevance of those policies.

Review of Literature

Regon, A. (2021) reported a study on “Industrialization in the North Eastern Region through Regional Planning” which aimed to show the extent of industrial development in the North East India, impact of industrial policy and also the causes of industrial backwardness. The result of the study found that compare to other north east state situation of Assam is quite good. In Assam small scale industry plays very important role. Study also found some industry in north east region that has huge potentialities is tea industry, tourism industry and sericulture industry etc.

Gaonkhowa, J. (2020) reported a study on “Growth of Tourism Industry in Assam: It's Prospects and Challenges” which aimed to show prospects and challenges face by tourism sector in Assam and also try to analyze contribution in income and employment generation. The result of the study found that Assam has huge potentiality in tourism industry. Assam's tourism sector contributes 5.5% to the GDP of the state and provides approximately 10.5% of the total employment. But study also found that infrastructure is not satisfactory.

Objective of the study

1. To study characteristics of industry sector in Assam
2. To study the share of industry sector to the Gross State Domestic Product (GSDP) of Assam
3. To study the problem face by industry sector in Assam
4. To study the government initiatives to solve the problem face by industry sector in Assam
5. To study the future prospects of industry sector in Assam

Methodology

This paper is mainly descriptive and analytical in nature. Methodology adopted writing this paper is based on secondary sources consisting of journals, Articles, Websites and E-resources.

Analysis:

Share of Industry Sector to the gross State Domestic Product of Assam:

In order to know the trend of industrial development in Assam we must have to know the share of industry sector to the GSDP of Assam. As per data of Directorate of Economics and Statistics, Assam industry sector contribute 31% to GSDP in 2021-22(quick estimate) at constant price. Industry sector in Assam mainly include manufacturing, mining quarrying, electricity, water supply, utility services, and other construction sub sectors. According to Ministry of Statistics and Programme Implementation, Government of India and Directorate of Economics and Statistics, Assam index of industrial production for manufacturing sector increases steadily.

Below we discuss the contribution of industry sector to GSDP in PC at current prices (in percentage)

Table: 1

YEAR	2011-12	2020-21	2021-22(Provisional Estimate)	2022-23(Quick Estimate)	2023-24(Advanced Estimate)
Contribution of industry sector (in percentage)	30.6	27.23	33.81	29.55	27.63

SOURCE: DIRECTORATE OF ECONOMICS AND STATISTICS, GUWAHATI

From this table we able to conclude that contribution of industry sector to the GSDP of Assam at current prices decreases over the years. In the year 2011-12 share of industry sector to GSDP is 30% but in the year 2023-24(advanced estimate) it is 27.63%. But these rates are different if we consider 2011-12 as a base period and calculate GSDP at constant prices. Below we discuss the contribution of industry sector to GSDP in per capita at constant prices (2011-12)

Table: 2 Contribution of Industry Sector to GSDP in per capita at constant price (2011-12)

YEAR	2020-21	2021-22(Provisional Estimate)	2022-23(Quick Estimate)	2023-24(Advanced Estimate)	2024-25(Projected)
Contribution of Industry sector to GSDP (in percentage)	32.89	36.63	37.81	38.55	39.38

SOURCE: DIRECTORATE OF ECONOMICS AND STATISTICS, GUWAHATI

From this table it can be noticed that contribution of Industry sector to GSDP in Per Capita at constant price (2011-12) increases over the years which is a good sign for Assam economy.

FUTURE PROSPECTS OF INDUSTRY SECTOR IN ASSAM:

Assam is a part of North East India richly endowed with natural and mineral Resources. So Assam has huge potentiality to develop some particular industries. Let's discuss about those industries below:

1. **Tourism industry**: Assam has great potentiality in tourism industry. Tourism sector in Assam is basically based on its biodiversity; beautiful landscape, pleasant climate, tea gardens, historical places and unique festivals. There are 7 National parks and 17 wildlife sanctuaries in Assam. The unique beauty of Assam attract large no of domestic as well as foreign visitors in Assam. As per Economic Survey ,Assam 2023-24 no of Foreign tourist in the year 2022-23 was 18974 and domestic tourist was 96,86,109 which shows the great potentiality of Assam's industry sector.
2. **Tea industry**: Assam tea Industry has immense potentiality to develop. Assam's tea has also gained huge popularity in the international market. It also provides employment opportunities, around 6 lakh people in Assam employed in a tea industry. As per tea board India tea production up to 2023 august was 391.91 million and average yield was 916kg/hector.
3. **Mineral oil industry**: Before independence in 1825 British military discovered oil and found coal for the very first time .In the year 1901 the first oil refinery of Asia and third one in the world was set up in Assam Digboi. The state produces around 15% of India's crude oil. Coal and other mineral reserves are also available in various regions of Assam.
4. **Small scale cottage industries**: Assam has huge potential in small scale industries like cane and bamboo industry, food processing industry, handloom and handicrafts, bell metal industries, plywood industries etc. These industries have potential to provide huge employment opportunities in Assam.

Obstacles face by industry sector of Assam

1. **Lack of capital**: In order to improve industry sector we need capital. But due to lack of capital industry sector of Assam not able achieve their milestone. In Assam most of the people depends upon Agriculture sector so their income is very low, which leads to low savings and low capital formation.
 2. **Lack of skill manpower**: Education system of India as well as Assam less focuses on skill based education. So Assam not able to provide skilled laborer to the industry sector. They need to hire from other state or country which cost is very high. So industrialist not wants to start industry in Assam.
 3. **Lack of entrepreneurs**: In order to develop industry sector country need entrepreneurs, but in Assam people rarely want to become entrepreneurs. Due to lack of entrepreneurs new business rarely started.
 4. **Geographical isolation**: Due to geographical isolation investors of other state not want to invest in Assam. Also natural disasters also negatively hamper the industry sector of Assam.
 5. **Lack of credit facility**: Credit facility in Assam is very poor. For aspiring entrepreneurs and startup founders in Assam, accessing credits for their business is very difficult.
- So these are some obstacles face by industry sector in Assam. There are some measures that help us to get rid of from this problem.

SUGGESTIONS

1. Assam need to focuses on skill development so that they able to provide skilled labours to the industry sector.
2. In order to motivate investors in Assam Credit facilities have to be improved so that investors don't face any problem in order to start a new business.
3. Assam need to focuses upon the improvement of infrastructure facilities. Because when infrastructure facilities like transport, communication etc will improve it will definitely encourage investors to start business in Assam.
4. Awareness among the people of the society is essential so that they know the importance of industry sector.
5. Need more central government interventions in order to develop industry sector.
6. Assam has great potential in Tourism industry, so government need to focus more on the improvement of tourism industry.
7. Small scale cottage industries need more attention from the government because those industries can provide employment in rural and semi – urban areas.

CONCLUSION

Industry sector is very crucial for the development of the country. In Assam we noticed industry sector has great potentialities. Over the years share of industry sector to the Gross state domestic product of Assam at constant price also improved but not so satisfactory. But there are some obstacles that create problems and hamper the development of the state. State government takes many policies schemes like Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana (2017), Sarothi (2016-17), Biponi, Boneej, Mukhya Mantrir Karmajyoti Achan et al. in order to provide financial assistance and to develop small scale industries in Assam. These policies definitely help many youth. But we need more intervention of the government as well as people of the society. If we focus upon the potentialities of Assam's different industries and take appropriate measures then definitely Assam able to achieve their goals.

REFERNECES

1. Economic Survey of Assam 2023-24, Transformation and Development Department, Directorate of Economics & Statistics, Assam, Guwahati -28
2. Gaonkhwa, J. (2023). 'Growth of Tourism Industry in Assam : It's Prospects and Challenges', International Journal of Scientific Engineering and Research, 11(11):17-21
3. <https://industries.assam.gov.in>
4. Regon, R. (2021). 'Industrialization in the North East Region Through Regional Planning', Journal of Emerging Technologies and Innovative Research, 8(9): 656-663
5. www.des.assam.gov.in
6. www.aidcltd.assam.gov.in