

**GOVERNMENT OF INDIA
DEVELOPMENT OF NORTH EASTERN REGION
LOK SABHA**

UNSTARRED QUESTION NO:241
ANSWERED ON:06.07.2004
INDUSTRIAL BACKWARDNESS IN N.E. REGION
Chaliha Shri Kirip

Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

- (a) whether the Government are aware of industrial backwardness in the North-Eastern Region including Assam;
- (b) if so, the facts and the reasons therefor; and
- (c) the steps contemplated by the Government for industrial development of North eastern Region including Assam?

Answer

THE MINISTER OF TRIBAL AFFAIRS AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI P.R. KYNDIAH):

(a) Yes, Sir.

(b) The reasons for industrial backwardness of North Eastern region including Assam are lack of adequate infrastructure, poor growth in agriculture sector, lack of industrial investment and high cost of transportation.

(c) The Government announced a New Industrial Policy and other concessions for the North Eastern region including the State of Assam on 24th December, 1997 to accelerate the industrial development in the region. The Industrial Policy for the region aims at attracting investors for industrial development of the region by giving them the following incentives/concessions/subsidies:

(i) Excise and Income Tax exemptions for a period of 10 years.

(ii) Subsidies such as Transport Subsidy, Capital Investment Subsidy, Central Interest Subsidy and Comprehensive Insurance Schemes.

(iii) Promoting infrastructure development through Schemes like Growth Centre Scheme of Department of Industrial Policy and Promotion and Integrated Infrastructure Development Centre (IIDC) of Ministry of Small Scale Industry.

(iv) A financial institution namely, North Eastern Development Finance Corporation (NEDFI) has been established as a Special Purpose Vehicle for development of the North Eastern region which is the nodal agency for disbursement of subsidies in the region.