



OCTOBER 2023

STRATEGIC INVESTMENT PLAN (SIP) FOR THE STATE OF ASSAM

**Under Raising and Accelerating
MSME Performance (RAMP)**



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Abbreviations

APEDA	Agricultural & Processed Food Products Export Development Authority
ASHA	Assistance Scheme for Handicrafts Artisans
ASIDC	Assam Small Industries Corporation Limited
AIDC	Assam Industrial Development Corporation Limited
AIIDC	Assam Industrial Infrastructure Development Corporation Limited
ASPIRE	Scheme for Promotion of Innovation, Rural Industry, and Entrepreneurship
BRAP	Business Reform Action Plan
CD Ratio	Credit-Deposit Ratio
CETP	Common Effluent Treatment Plant
CFC	Common Facility Centre
CFS	Container Freight Stations
CFSC	Common Facility Service Centre
CGTMSE	Credit Guarantee Funds Trust for Micro and Small Enterprises
CIPET-IPT	Central Institute of Petrochemicals Engineering & Technology
DGFT	Directorate General of Foreign Trade
DICC	District Industries and Commerce Centre
EDE	Enterprise Development Executives
EoDB	Ease of Doing Business
EPI	Export Preparedness Index
ESS	Entrepreneur Support Scheme
ETP	Effluent Treatment Plant
EXIM	Export Import
FY	Financial Year
GDP	Gross Domestic Product
GI	Geographical Indication
GSVA	Gross State Value Added
GVA	Gross Value Added
GVC	Global Value Chain
HT	High Tension
HW	Hazardous Waste
ICD	Inland Container Depots
IPO	Initial Public Offering
ITeS	IT-enabled Services
ITR	Income Tax Return
LT	Low Tension
M&E	Monitoring & Evaluation
MPEDA	Marine Products Export Development Authority
MSE- CDP	Micro and Small Enterprises – Cluster Development Programme
MSEFC	Micro & Small Enterprises Facilitation Councils
MSME	Micro, Small and Medium Enterprises
NBFC	Non-Banking Financial Companies
NEEDS	New Entrepreneur cum Enterprise Development Scheme
NTC	New to Credit
OFOE	One Family One Enterprise
PMEGP	Prime Minister's Employment Generation Programme
PMFME	PM Formalisation of Micro Food Processing Enterprises Scheme
R&D	Research and Development
RAMP	Raising and Accelerating MSME Performance
RCEP	Resource Efficiency and Cleaner Production
RBI	Reserve Bank of India

SCB	Scheduled Commercial Banks
SECI	State Energy and Climate Index
SFURTI	Scheme of Fund for Regeneration of Traditional Industries
SGDP	State Gross Domestic Product
SIP	Strategic Investment Plan
SME	Small and Medium-sized Enterprises
SPV	Special Purpose Vehicle
STP	Secondary Treatment Plant
TEE	Towns of Export Excellence
TReDS	Trade Receivables Discounting System
YoE	Year of Enterprises
ZED	Zero Effect Zero Defect

Assam's Positioning on RAMP Parameters

The state of Assam boasts substantial potential for the growth and establishment of Micro, Small and Medium Enterprises (MSMEs). This potential stems from a variety of factors, including a skilled workforce, a rich raw material base, and, crucially, supportive Government policies and initiatives. Recent state government drives like the Mission Muga, Bamboo and Cane Policy, Focus Agar, Jyotisman Asom Scheme etc. underscore the government's dedication to fostering, advancing, and maintaining the growth trajectory seen in the MSME sector in the state.

Under the RAMP program, states are assessed based on a mix of quantitative and qualitative evaluation criteria. The assessment of Assam, in line with these parameters, is detailed in the subsequent table.

Table 1: Quantitative Metrics-Based Assessment of Assam on Specified Parameters.

A	Quantitative Metrics	Current Status
a)	Count of MSMEs listed on UDYAM platform in relation to the overall MSMEs as documented in Assam's 73rd Round of National Sample Survey (NSS)	<p>As of Oct 30, 2023, Assam has recorded 3.35 lakh MSMEs with Udyam Registration.¹</p> <p>This constitutes 17.38% of the aggregate 12.14 lakh MSMEs (12.10 Lakhs Micro MSMEs and 0.04 Lakhs Small MSMEs) in Assam, as referenced in the 73rd NSS and MSME Annual Report 2022-23²</p> <p>As of Oct 30, 2023, among the states in India, Assam occupies the 18th position in terms of the absolute count (1.65%) of MSMEs registered on the Udyam portal in comparison to the overall number of MSMEs.³</p>
b)	Ranking of Assam in the most recent EoDB standings.	<p>As per the latest Business Reform Action Plan (BRAP-2020) of the Department for Promotion of Industry and Internal Trade (DPIIT), Government of India, Assam is positioned 20th among all states and falls under the 'Aspirers' category.</p> <p>To enhance the EoDB rankings, Assam, through the Assam State Industrial Development Corporation (ASIDC), has executed 301 out of 352 reform suggestions given in the SBRAP 2022 by DPIIT⁴</p> <p>Moreover, Assam has launched a Single Window Clearance System portal to bolster and simplify the business environment in the state. In addition, the ASIDC has established a dedicated call centre to promptly address the concerns and grievances of entrepreneurs.</p>
c)	Allocation for MSMEs in Assam's latest budget.	<p>In the 2023-24 fiscal year, the Assam government's total budget amounted to Rs 1,35,348 cr. Within this⁵, a sum of Rs 1700 Cr, was earmarked for the MSME industries sector.⁶</p> <p>As per Budget 2021-22, Rs. 222.55 crore (US\$ 30.46 million) has been allocated to the Department of Industry and Commerce⁷</p>
d)	Assam's GDP	<p>• At current prices, the Gross State Domestic Product (GSDP) of Assam is projected to be at Rs. 5.67 lakh crore (US\$ 69.25 billion) in 2023-24.</p>

¹ https://dashboard.msme.gov.in/Udyam_Statewise.aspx

² <https://msme.gov.in/sites/default/files/MSMEANNUALREPORT2022-23ENGLISH.pdf>

³ https://dashboard.msme.gov.in/Udyam_Statewise.aspx

⁴ <https://eodb.dpiit.gov.in/>

⁵ <https://prsindia.org/budgets/states/assam-budget-analysis-2023-24>

⁶ Consultation with govt. officers and <https://www.guwahatipius.com/assam/assam-budget-2023-24-state-to-receive-major-boost-in-msme-sector>

⁷ <https://www.ibef.org/states/assam>

A	Quantitative Metrics	Current Status
		<p>• The state's GSDP increased at 15% over 2022-23⁸</p>
e)	Proportion of Assam's Public Sector Enterprises registered on TReDS	One State Public Sector Enterprise from Assam has registered across the TReDS platforms.
f)	Individuals employed in Assam's MSMEs that are registered on the Udyam Portal for the year 2021-22 (as a percentage of the workforce in MSMEs based on the 73rd Round of National Sample Survey (NSS)).	<p>In Assam, as of December 2022, 18.15 lakh (1.78 women and 16.37 Men) individuals, with 9.8% of these MSMEs led by women. are employed in MSMEs registered under the Udyam Portal.⁹</p> <p>As per the 73rd NSS, Assam's, this accounts for 13.96% of the total employment generation in Assam by the MSME sector.</p> <p>In the national ranking, Assam stands at the 18th position in terms of the percentage of individuals employed in Udyam-registered MSMEs relative to the total MSME employment within the state.</p> <p>Across various states, on average, only 9% of employees engaged in MSMEs are linked with MSMEs that have Udyam registration. In the context of Assam, this figure reflects a specific trend in the state's MSME sector.</p>
g)	Share of Women-led MSMEs in Total Registrations on Udyam Portal in Assam	<p>Assam has 58,712 women led MSMEs ((58065 Micro, 621 Small and 26 Medium MSMEs) registered on the Udyam Portal since its launch.¹⁰</p> <p>As of Oct 30, 2023, 3.35 lakh MSMEs have registered under Udyam. This implies that 17.45% of Udyam registered enterprises are women owned MSMEs.¹¹</p>
h)	Citizen Charter for DI&CCs is notified in the State	Yes. The charter outlines the functions of the DI&CCs, the schemes implemented, and the contact details of the General Managers of each DI&CC.
i)	Resolution rate of cases registered in MSEFCs	<p>As per the information from the Samadhaan Portal dated October 20, 2023, Assam has seen about 53 applications transition into official cases out of 488 applications filed by MSE 192¹².</p> <p>Out of these, 39.34% have reached a resolution, which translates to 192 successfully resolved cases.</p> <p>In terms of the percentage of cases resolved and registered in MSEFCs, Assam stands at the 19th position among all the states.</p> <p>Every relevant case from the state is uploaded directly to the Samadhaan Portal, ensuring complete digitization of entries.</p> <p>To accelerate the resolution of grievances with MSEFCs, Govt. will be establishing MSME Regional Facilitation Councils in Assam.</p>
j)	Increase in the total volume of digital transactions year-over-year.	According to the RAMP survey, 80.36% of MSMEs in Assam accept digital payments from their customers.

⁸ <https://www.ibef.org/states/assam>

⁹ <https://msme.gov.in/sites/default/files/MSMEANNUALREPORT2022-23ENGLISH.pdf>

¹⁰ https://dashboard.msme.gov.in/Udyam_Statewise.aspx

¹¹ https://dashboard.msme.gov.in/Udyam_Statewise.aspx and

<https://pib.gov.in/Pressreleaseshare.aspx?PRID=1909928>

¹² https://samadhaan.msme.gov.in/MyMsme/MSEFC/MSEFC_Welcome.aspx

Table 2: Qualitative Metrics-Based Assessment of Assam on Specified Parameters.

B	Qualitative Metrics	Current Status
a)	Highlighting the discrepancies in accessibility to Finance, Market, and Technology within the MSME Sector of the State/UT.	<p>In Assam, during the preparations for an upcoming development plan, a dedicated working group was constituted. This group delved deeply into the nuances of the MSME sector, pinpointing challenges and charting out potential solutions for future growth.</p> <p>The significance of MSMEs has been underscored in multiple annual Economic Review (s) spearheaded by Assam's Planning Board, given the crucial role they play in the state's economy.</p> <p>Under the RAMP initiative, a comprehensive survey was conducted involving 3,000 MSMEs from diverse sectors like manufacturing, service, and trading. This aimed to shed light on the multifaceted challenges these entities face. Furthermore, in line with the 'Year of Enterprises' initiative, a sustainability survey is underway to evaluate the accessibility challenges faced by 1 lakh enterprises that were set up under this program.</p>
b)	State/ UT Policy on MSMEs: Vision / Roadmap for improvement in business environment for MSMEs in the State with requisite interventions and availability of Outcome – Output Framework for the schemes supported by the RAMP Programme: (Specific Schemes TReDS, MSME Champions Scheme, CGTMSE, etc) <ul style="list-style-type: none"> • Short Term (0-1) years • Medium Term (2-3) years • Long Term (4th year onwards) 	<p>Recent initiatives from the Government of Assam such as Mission Muga Silk, Assam Industrial and Investment Policy 2019; Assam Industrial and Investment Policy (Amendment) 2023, Electric Vehicle Policy of Assam 2021, Vehicle Scrappage Policy of Assam 2022, Assam Agarwood Promotion Policy 2020, Assam Bamboo and Cane policy 2019, Handicraft Policy of Assam 2022, Assam Tourism Policy 2022, Assam Renewable Energy Policy 2022 signal the government's commitment to stimulate, support, and sustain growth in the MSME sector. In coordination with RAMP's aims, Assam has identified strategic interventions and is devoted to monitoring the results projected through the RAMP program</p>
c)	Level of involvement in various Central MSME programs	<p>In Assam, there's been a notable uptick in leveraging the Central Government's MSME-centric schemes.</p> <p>The beneficiaries under the Prime Minister's Employment Generation Programme (PMEGP) have seen a decrease in its growth trajectory. From 3855 projects in FY21-22, the count dive down to 1182 in FY22-23, with employment figures decrease from 30,840 to 9456¹³.</p> <p>Furthermore, initiatives like SFURTI and MSE-CDP have been strategically employed to bolster clusters, emphasizing agro, handicraft, and coir sectors' growth. Also, under the ASPIRE scheme, Assam boasts 3 approved LBIs and stands prominent with the most micro-enterprises established (72) nationally.</p>

¹³ <https://pib.gov.in/PressReleaselframePage.aspx?PRID=1884737>

d)	Overview of initiatives undertaken by District Industries & Commerce Centres (DI&CCs) / Sub District Industries Centres within the State, coupled with a blueprint for enhancing their ecosystem.	The DI&CCs function as catalysts, propelling the expansion of the MSME and conventional industrial sectors by deploying a range of schemes and guidelines from both the State and Central Government.
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Table 3: Distinguishing Factor-Based Assessment of Assam on Specified Parameters.

C	Distinguishing Factor	
1	Distinguishing Factor 1:	<p>Driven by the CMAAA campaign in FY23, Assam witnessed a rapid surge in the establishment and registration of MSMEs. Through this initiative, the state streamlined legal and administrative procedures, permitting new enterprises to commence operations without the need for a license for an initial span of three years.</p> <p>This year's emphasis is on pinpointing 100,000 educated unemployed youth become self-employed entrepreneurs within the next few years.</p> <p>Throughout the CMAAA campaign, a range of institutions and structures will be set up to assist and mentor MSMEs. This involved the creation of common facility center and the placement of skilled field personnel termed 'Udyam Saathi' and 'Udyam Veer' in every block of a district. Survey results indicate that this grassroots support has been a major success factor of the initiative. It underscores the state's capability to leverage its decentralized operational framework, mobilizing and allocating resources for MSMEs as needed.</p>
2	Distinguishing Factor 2:	<p>To bolster the market outreach of MSMEs, Assam is in the process of formulating an e-Commerce Strategy. Moreover, the vision is to introduce a collection of products under the 'Make in Assam' label. This branding endeavour aims to enable MSMEs to expand beyond their current local markets and tap into national and global avenues.</p>

1. Grasping the MSME Landscape in Assam

1.1 The Growth and Evolution of the MSME Sector: A Historical Overview

The Micro, Small, and Medium Enterprises (MSME) sector has been instrumental in the socio-economic transformation of Assam, a state nestled in the north-eastern part of India. Assam's distinctive socio-economic backdrop has given its MSME sector unique trajectories and hurdles, influenced by its rich history, cultural legacy, and geographical setting. This narrative explores the historical progression and foundation of the MSME sector in Assam, charting its journey from its inception to contemporary times.

► Initial Phases of Industrialization in Assam

The commencement of industrialization in Assam was pivotal in establishing the groundwork for the Micro, Small, and Medium Enterprises (MSME) sector. This era set the stage for the varied and robust industrial ecosystem that Assam proudly presents today.

Assam's geographical position by the Brahmaputra River made it a significant center for trade and commerce. As the Gateway to Northeast India, it attracted various traders and cultures over time. Introduction of crops like **tea, rice, and oil seeds** not only bolstered exports but also spurred the development of agro-processing industries. Particularly, the tea industry in Assam initiated a wave of downstream processing, aiding the budding MSME sector. Beyond the agriculture-based industries, cottage industries were pivotal during Assam's early industrial phase. **The state's rich natural resources, such as bamboo, silk, and timber, facilitated industries like bamboo crafts, sericulture, and traditional Assamese textiles. Assamese artisans crafted exquisite textiles, especially the Muga silk,** which drew attention from both domestic and global markets. The growth of traditional craft villages, where artisans honed their skills, further supported these sectors.

The expertise of local artisans was instrumental in driving the MSME sector's growth. **Their proficiency in weaving, bamboo crafting, pottery, and traditional jewellery-making produced items of outstanding quality and uniqueness.** Assam's creations, especially the Assamese silk and traditional handicrafts, garnered appreciation both nationally and internationally. The convergence of indigenous practices and external influences introduced innovative techniques and patterns, enriching Assam's MSME landscape. With strong matriarchal traditions in some communities, women in Assam took an active role in the economic sphere, adding further depth and diversity to the sector.

The initial phase of industrialization has profoundly influenced Assam's MSME sector. Industries that sprouted during these formative years, such as tea processing and handloom weaving, persist and flourish today, infused with contemporary technological advancements. The artisanal talents, handed down across generations in Assam, still hold significance and are in demand, enriching both the state's cultural legacy and its economic progression.

► **Emphasis on MSMEs in Assam's Industrial Policy Over the Last two Decades**

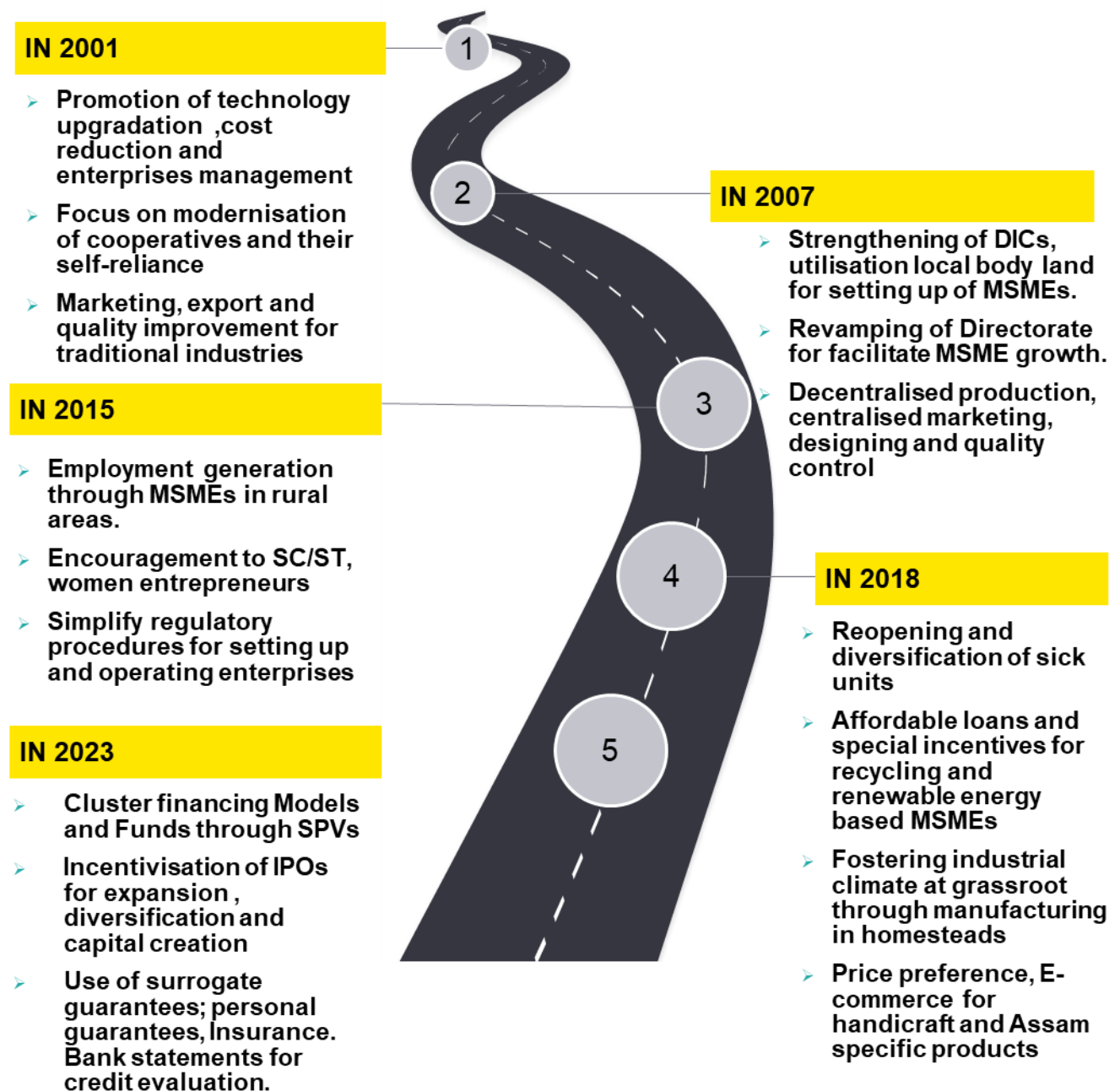


Figure 1: Emphasis on MSMEs in Assam's Industrial Policy

► **Assam's Distinctive Development Approach and Its Influence on MSMEs**

Assam's development strategy, often termed the "Assam Development Model," is marked by its emphasis on human development metrics, societal welfare, and broad-based progress. This distinctive method has profoundly influenced the Micro, Small, and Medium Enterprises (MSME) sector, directing its growth in specific directions.

- **Human Empowerment Approach:** Assam's commitment to education, health, and community well-being has fostered a capable and educated workforce. This human capital advantage has been vital for the MSME sector in Assam. The presence of an enlightened and proficient workforce allows

MSMEs to leverage local expertise for diverse roles, spanning from technical tasks to leadership roles.

- ▶ **Social Capital and Cooperative Initiatives:** Assam's strong sense of community, rooted in its history of collective endeavours, has shaped the MSME landscape. Collaborative initiatives, like cooperatives and self-help groups, have been pivotal in areas such as tea, muga silk, cane and bamboo craft, handicrafts, and agro processing. These community-based initiatives have been instrumental in both job creation and the preservation of Assam's traditional crafts and industries.
- ▶ **Empowerment and Women in Business:** Assam's commitment to fostering gender balance has led to the increased involvement of women in economic sectors. Women have notably marked their presence in the MSME domain, with numerous programs endorsing female entrepreneurship. The proliferation of businesses led by women, from agro-based industries to contemporary fashion outlets, signifies the inclusive nature of Assam's growth strategy.
- ▶ **Harmonizing Heritage and Innovation:** Assam's distinctive approach underscores the importance of both safeguarding age-old industries, integral to the state's cultural legacy, and promoting modern technological advancements. MSMEs in areas like handloom, artisan crafts, and traditional textiles have been championed by integrating contemporary methods, yet preserving their intrinsic character
- ▶ **Digital Advancements and International Connectivity:** Assam's entry into the global arena, especially via information technology and tourism sectors, has indirectly propelled MSMEs forward. The rise of the IT sector has spurred demand for IT-based services and software solutions, paving the way for tech-centric MSMEs to flourish.

1.2 Overview of MSMEs in Assam

Micro, Small, and Medium Enterprises (MSMEs) serve as a vital pillar of Assam's economic structure, propelling development, creating job opportunities, and spurring innovation. Recognizing its significant capacity for job creation and its contribution to economic expansion, the Government of Assam gives prime importance to this sector. Furthermore, the sector holds promise for boosting export growth. The MSME sector in Assam is instrumental in fostering innovation, endorsing sustainable growth, ensuring equitable progress, and harnessing natural resources effectively.

The GSDP for Assam at current prices for the FY 2021-22 is estimated to be attained at **Rs. 4.13 lakh crore showing annual growth of 16.7 percent Over the previous year.** As per the provisional estimates of Govt. of India, the GDP of the nation at current prices for the FY 2021-22 is estimated to be attained a level of Rs. 236.65 lakh crore showing an **annual growth of 19.5 per cent over the previous year.** The Contribution of the GSDP of Assam to the nation's GDP at current prices for the FY 2021-22 is **estimated to be attained at 1.75 per cent.**¹⁴

The GSDP of Assam and its annual growth rate at current prices are presented in Table.¹⁵

Table 4: Annual Growth Rate and GSDP of Assam at Current Prices.

Year	GSDP of Assam	Growth Rate (in %)
2016-17	2,54,382	11.6
2017-18	2,83,165	11.3
2018-19	3,09,336	9.2
2019-20	3,46,851	12.1
2020-21	3,53,605	1.95
2021-22 (QE)	4.12.612	16.7

¹⁴ <https://des.assam.gov.in/information-services/economic-survey-assam>

¹⁵ [Assam Skill University Project: Economic Analysis \(adb.org\)](#)

2022-23 (AE)	4,93,167	19.52
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In 2021-22, Agriculture, Manufacturing, and Services sectors estimated contribution was **25%, 30%, and 45%** respectively of the Assam State economy. The manufacturing sector growth estimation was 10.7% while agriculture and services sectors are estimated to grow by 5.9% and 7.2% respectively¹⁶.

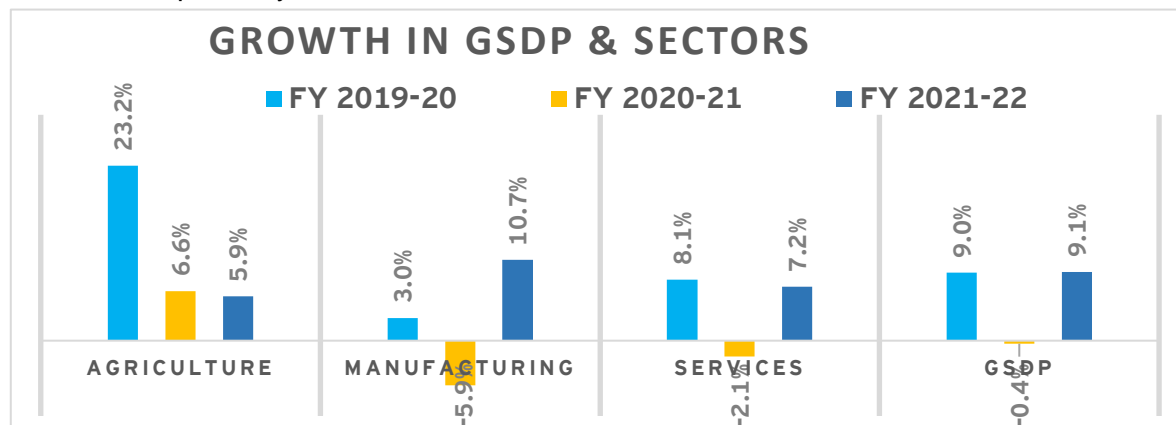
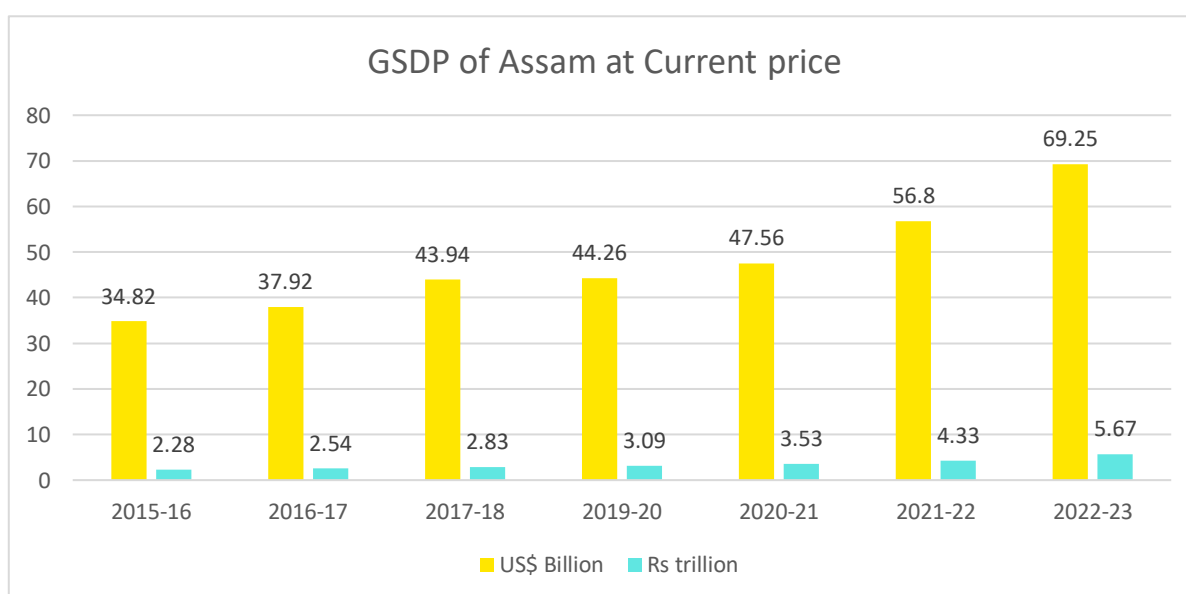


Figure 2: Growth in GSDP and Sectors in Assam

Assam is the largest economy in the northeast region. Owing to its relative proximity to the rest of the country and availability of quality infrastructure, the state offers a favourable environment for industry.

Assam has the largest tea growing area in the world, constituting around one-seventh of the global tea production. In March 2023, **tea production in the state stood at 33.49 million kgs**, while in March 2022 it stood at 24.50 million kgs. It also has **20 industrial estates, three industrial growth centres, 11 Integrated Infrastructure Development Depots, 17 industrial areas, 12 growth centres, eight mini-industrial estates, one export promotion park and one food processing industrial park**. Assam is also the most popular tourist destination among the northeast states.

At current prices, the Gross State Domestic Product (GSDP) of **Assam is estimated to be at Rs. 5.67 lakh crore (US\$ 69.25 billion) in 2022-23**. The **GSDP increased at a CAGR of**



¹⁶ <https://prsindia.org/budgets/states/assam-budget-analysis-2022-23>

13.90% between 2016-17 to 2022-23. According to the Department for Promotion of Industry and Internal Trade (DPIIT), the cumulative FDI inflows in Assam were valued at US\$ 20.62 million from October 2019-March 2023. Exports from the state stood at US\$ 415.62 million in FY21.¹⁷

Assam exported key items such as tea, petroleum products, coal, coke and briquettes and other products. In FY21, the total tea exports from Assam accounted for US\$ 281.42 million, which was 68% of the total export.¹⁸

There are a total of 35 Clusters of traditional industries in sectors such as Agro, Handicraft, Coir, Bamboo, and Textile having 18,753 registered artisans¹⁹. However, these include 11 clusters that are still under the Implementation process. Assam is way behind in terms of formalization of MSMEs from other leading states such as Maharashtra, Gujarat, Rajasthan, Uttar Pradesh, Tamil Nadu etc. It indicates the need for a major push towards the formalization of MSMEs, so that they can leverage central & state government initiatives.

Assam leads among the North-Eastern Region (NER) states with a commendable presence of 12.14 lakh MSMEs²⁰, contributing significantly to the region's share at 65.1%. **On the national scale, Assam holds the 18th position with a 1.9% share of the total MSMEs in the country.** This thriving MSME sector in Assam serves as a key employment generator, offering livelihoods to over **18.15 lakh individuals, of which 17.45% are women-led MSMEs.** It's worth noting that despite the substantial MSME presence, only **3.35 lakh MSMEs in Assam have been formally registered on the Udyam Registration portal, representing 27.63% of the state's total MSME in the state** (As per the National Sample Survey (NSS) 73rd round conducted during the period 2015-16)²¹

MSME Overview

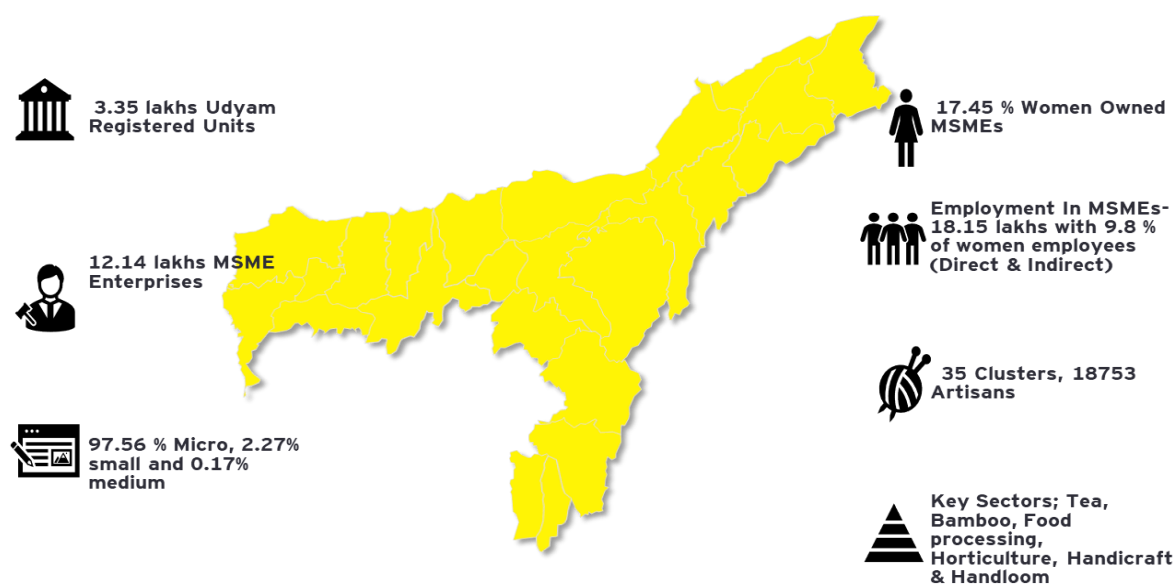


Figure 4: MSME Overview

¹⁷ [Assam State Presentation and Economic Growth Report | IBEF](https://www.ibef.org/states/assam-presentation)

¹⁸ [A https://www.ibef.org/states/assam-presentation](https://www.ibef.org/states/assam-presentation)

¹⁹ <https://sfurti.msme.gov.in/SFURTI/Reports/DPR.aspx>

²⁰ <https://msme.gov.in/sites/default/files/MSMEANNUALREPORT2022-23ENGLISH.pdf>

²¹ https://dashboard.msme.gov.in/Udyam_Statewise.aspx, https://dashboard.msme.gov.in/Udyam_Statewise.aspx and <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1909928>

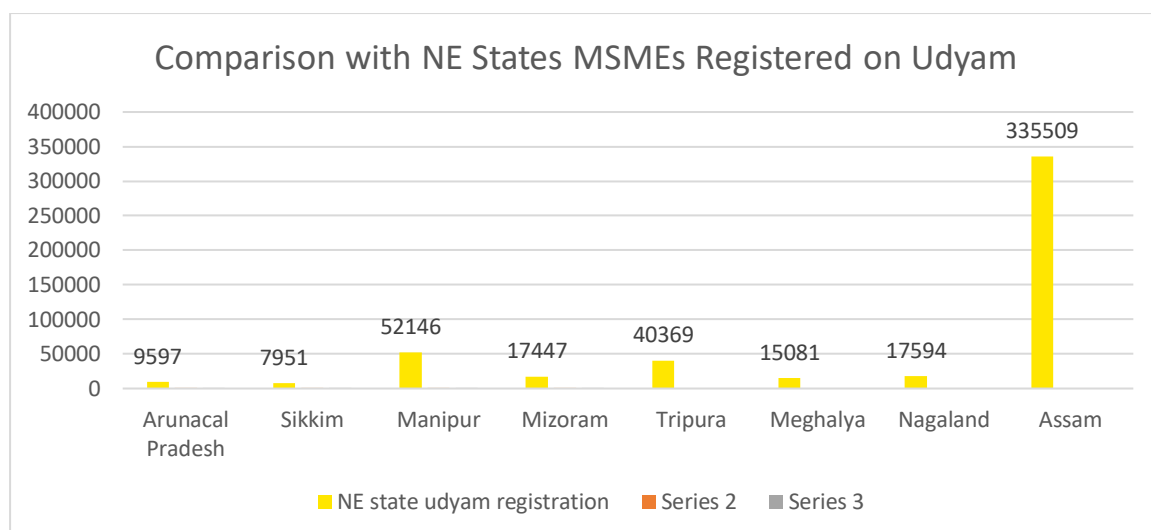


Figure 5: Comparison with NE States MSMEs Registered on Udyam

- In the North-Eastern states' Udyam-registered MSMEs tally, Assam proudly claims the top spot, highlighting its robust MSME ecosystem.
- It's important to highlight that Assam stands at 18th position among all states in terms of Udyam registration based on sheer numbers. This ranking is lower than similar states like Punjab, Haryana, Delhi, and Telangana. This underscores the pressing need for dedicated initiatives to further formalize MSMEs in Assam, aiding them in accessing benefits such as financial aid, market prospects, and governmental support. Amplifying awareness drives, simplifying registration processes, and proffering added incentives for MSMEs can significantly elevate the registration rate in the state. A consistent focus on enhancing these onboarding methods will be essential in spurring higher MSME registration figures, ultimately fuelling the growth and development of the MSME landscape in Assam.

► Breakdown of MSMEs in Assam by Social Category and Gender

According to the information sourced from MoMSME, 25.1% of the Udyam Registered MSMEs in Assam are led by women. This percentage in Assam surpasses figures from states like Maharashtra (19%), Tamil Nadu (24.3%), Karnataka (9%), Madhya Pradesh (3.5%) and **Assam (17.45%)**.²²

1.2.1 MSME contribution to SGDP and GVA in Assam

Annual State Gross Domestic Product (SGDP) for Assam along with the Gross Value Added (GVA) is detailed below at prevailing rates. MSMEs in Assam contribute approximately 37.5% to the SGDP and about 30% to the GVA.²³

Table 5: MSME Contribution to SGDP and GVA

FY	SGDP (In cr)	Contribution of Manufacturing to SGDP (In cr)	of to	GVA (In cr)	Contribution of Manufacturing to GVA (In cr)	of to
2018-19	2,76,724.76	0.301		2,76,432.76	0.010	

²² https://dashboard.msme.gov.in/Udyam_Statewise.aspx, https://dashboard.msme.gov.in/Udyam_Statewise.aspx and <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1909928>

²³ [Economic Survey | Directorate of Economics and Statistics | Government Of Assam, India](#)

2019-20	3,11,031.49	0.312	2,83,15192	0.010
2020-21	3,15,663.28	0.346	2,84,05456	0.009
2021-22	3,63,160.86	0.401	3,25,58297	0.012
2022-23	4,27,147.19	0.466	3,80,30503	0.013

The data presented is derived from Assam's Economic Review for the years 2021 and 2022 at prevailing rates.

Between 2018-19 and 2019-20, Assam witnessed a surge in its SGDP. The SGDP escalated from Rs 78,82,85,858 lakhs to Rs 81,29,34,630 lakhs, marking an approximate growth rate of 3.13%. This indicates a favourable economic environment where the overall output of the state saw an upward trend. However, the following fiscal year, 2020-21, revealed a contraction in Assam's SGDP. It diminished from Rs 81,29,34,630 lakhs to Rs 77,10,08,660 lakhs, reflecting a decline of roughly -5.15%, while the national GDP shrank by 8.2% due to disruptions caused by COVID-19 and related lockdowns.

The fiscal year 2021-22 brought a resurgence in Assam's economic metrics. The SGDP swelled to Rs 90,69,20,930 lakhs, marking a promising growth trajectory with an approximate rate of 17.53%. This revival can be linked to various dynamics such as effective economic rejuvenation measures, strategic policy implementations, and the gradual relaxation of pandemic-induced curbs. Assam's agility in bouncing back from the prior year's challenges is evident in this progression.

In 2022-23, Assam's economic momentum maintained its forward motion. The SGDP rose further to Rs 99,96,43,000 lakhs, posting a growth rate of around 10.25%. Such consistent expansion underscores Assam's resilience and ability to adeptly tackle multifaceted economic challenges. It indicates that Assam's economy not only recuperated but also broadened its base, powered by initiatives to bolster economic endeavours, draw investments, and amplify diverse sectors.

The MSME sector has been instrumental in Assam's economic resurgence in the wake of the challenges brought about by the COVID-19 crisis. Its durability, flexibility, and pivotal role have made it a central figure in the state's bounce-back initiatives. As the pandemic resulted in job displacements in various domains, MSMEs in Assam played a vital role in accommodating a significant part of the workforce, thereby addressing unemployment and ensuring livelihood avenues. The MSME sector in Assam has stood as a cornerstone in the state's post-COVID-19 economic rejuvenation. Its capacity to adapt, pioneer changes, generate employment, and bolster local communities underscores its crucial role in ensuring resilience and steering a long-lasting recovery.

1.2.2 MSME Productivity

Based on the Annual Survey of Industries Report for 2019-20, Assam's industrial sector produced an admirable gross output of roughly Rs. 2,14,84,484 lakh. This noteworthy contribution accounted for about 2.4% of the country's gross output for that timeframe. Additionally, the value added by Assam's industrial sector came to around Rs. 22,52,678 lakhs, which made up 1.5% of the national total value added.

When this information is cross-referenced with findings from the Prime Minister's Task on MSMEs in 2010, which highlighted that Micro, Small, and Medium Enterprises (MSMEs) contribute a significant 45% to the manufacturing output, a revealing picture emerges. From this, one can infer that the total impact of MSMEs on Assam's gross output was roughly Rs. 96,68,017.8 lakh. These data points together emphasize the pivotal role the industrial sector plays, with MSMEs standing out as a central pillar of economic development in Assam.

Table 6: Sectoral analysis of GVA for FY 2021-22 sourced from Assam Economic Review 2022²⁴

Sectors	Shares in Gross Value Added (Rs. in Cr)	
	India (GVA)	Assam (GSVA)
Agriculture, livestock, forestry and fishing	18.64	24.13
Mining and quarrying	2.4	10.1
Manufacturing	15.491	12.54
Electricity, gas, water supply and other utility services	2.75	2.11
Construction	8.05	6.1
Trade, repair, hotels and restaurants	16.53	19.78
Transport, storage, communication and services related to broadcasting		
Financial, real estate and professional services	21.28	8.56
Public Administration and other services	14.86	16.68
Total	100	100

- ▶ Assam's primary sector, encompassing agriculture, livestock, forestry, and fishing, contributes roughly 24.13% to its Gross State Value Added (GSVA). Although this sector holds considerable importance in the state's economic structure, its contribution is slightly below the national average of 18.64%.
- ▶ The secondary sector in Assam, which includes manufacturing, utility services, and construction, accounts for about 26.8% of the GSVA. This is marginally below the national average of 27.81%.
- ▶ The tertiary sector is the predominant contributor to Assam's GSVA, making up a considerable 58.15%. This sector includes trade, repair, hotels, restaurants, transportation, communication, financial services, real estate, professional services, and public administration. Its contribution is notably above the national average of 53.58%. Assam's pronounced involvement in these service-driven activities underlines its significance as a center for services and governance.²⁵

1.2.3 Geographical Spread of MSMEs

MSMEs in Assam are distributed across diverse regions, industries, and sectors. In Assam, these enterprises are found not just in urban settings but also span across the rural landscape. Major cities and towns like Guwahati, Dibrugarh, and Silchar are home to a significant number of MSMEs, especially those involved in technology, services, and manufacturing domains. Conversely, rural areas of Assam are marked by traditional industries like tea production, handicrafts, and agriculture-oriented businesses.

Certain parts of Assam see a denser concentration of MSMEs, influenced by factors such as infrastructure, market reach, and past industrial growth. Districts like Kamrup, Tinsukia, and Cachar have evolved as key MSME centers due to their transportation links, commercial activities, and strategic

²⁴ [Economic Survey | Directorate of Economics and Statistics | Government Of Assam, India](#)

²⁵ [Economic Survey | Directorate of Economics and Statistics | Government Of Assam, India](#)

locations. Assam's traditional sectors, embedded within its rich culture, are scattered across the state. For instance, the tea industry is prominent in areas like Jorhat and Dibrugarh, given the vast stretches of tea gardens. Similarly, handloom clusters can be found in places like Sualkuchi. With the state's push towards technology and modernization, tech oriented MSMEs are taking root in cities like Guwahati and Tezpur, which house IT parks, start-up hubs, and research institutions, creating a conducive environment for innovation and business growth.

District wise Udyam registration data shows the geographical spread of MSMEs in the state. 51.17% of all registered MSMEs are in the top 8 districts out of total 31 districts.

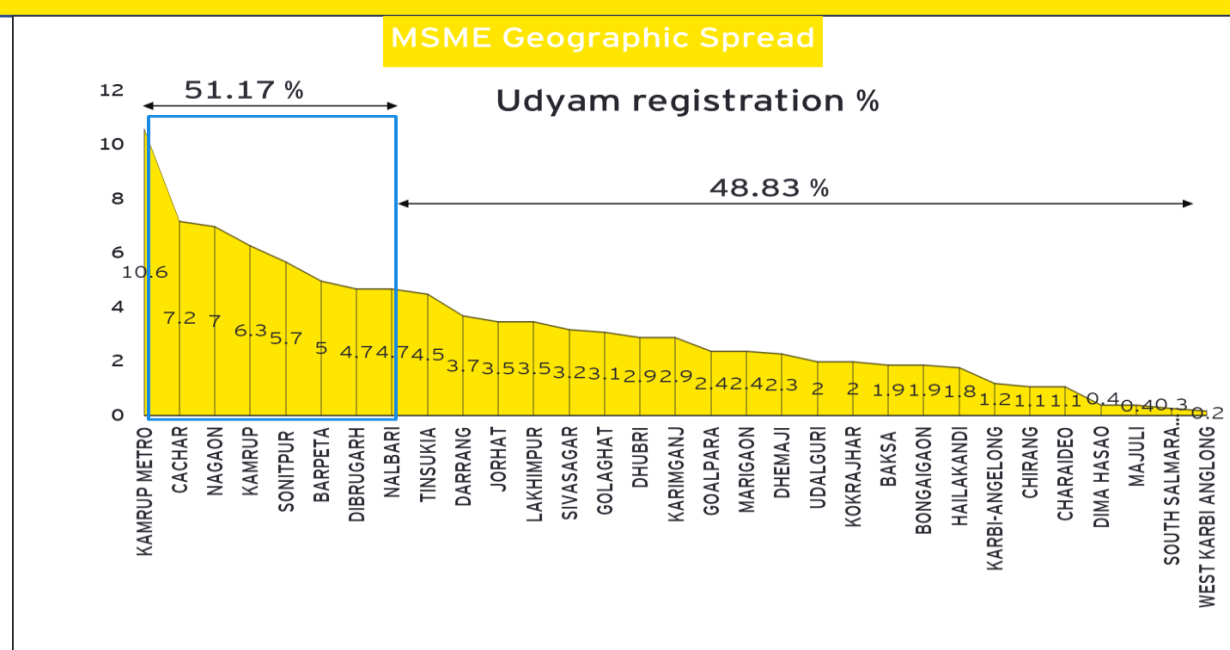


Figure 6: District-wise Spread of MSMEs (%)

Table 7: District-wise Number of Udyam Registered MSMEs (as on 30.10.2023)

S. No.	District Name	Micro	Small	Medium	Total Udyam
1	Kamrup Metro	32876	2314	288	35478
2	Cachar	23733	349	23	24105
3	Nagaon (Including Hojai)	23064	436	19	23519
4	Kamrup	20797	446	42	21285
5	Sonitpur (Including Biswanath)	18941	310	21	19272
6	Barpeta (Including Bajali)	16653	207	8	16868
7	Dibrugarh	15257	402	16	15675
8	Nalbari	15548	104	4	15656
9	Tinsukia	14844	423	12	15279
10	Darrang	12196	167	5	12368
11	Jorhat	11333	345	23	11701
12	Lakhimpur	11483	170	13	11666
13	Sivasagar	10643	228	10	10881
14	Golaghat	10336	209	6	10551

S. No.	District Name	Micro	Small	Medium	Total Udyam
15	Dhubri	9679	147	7	9833
16	Karimganj	9426	162	3	9591
17	Goalpara	7961	123	5	8089
18	Marigaon	7850	86	2	7938
19	Dhemaji	7785	89	1	7875
20	Udalguri	6784	78	0	6862
21	Kokrajhar	6684	82	6	6772
22	Baksa (Including Tamulpur)	6443	37	3	6483
23	Bongaigaon	6078	136	9	6223
24	Hailakandi	6019	52	3	6074
25	Karbi-Angelung	3893	63	2	3958
26	Chirang	3567	66	5	3638
27	Charaideo	3565	48	1	3614
28	Dima Hasao	1450	16	1	1467
29	Majuli	1427	7	0	1434
30	South Salmara Mancachar	987	14	0	1001
31	West Karbi Anglong	678	1	0	679
Total		327980	7317	538	335835

Formalization is the process of bringing an MSME under a 'registration' process of the Government to enable access to formal support services. Currently the Udyam registration of the Government of India is the key formalization avenue for the MSMEs of India. The map below shows the status of MSME formalization in Assam vis-à-vis the best performing states of India.

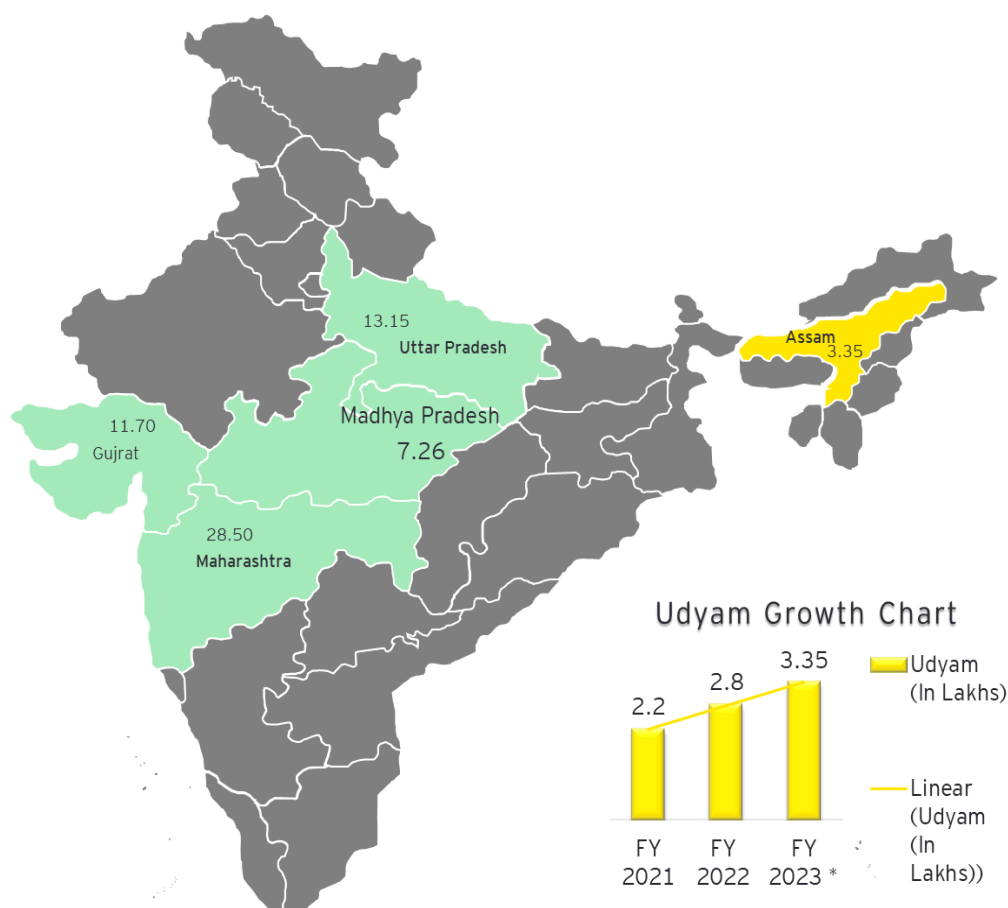


Figure 7: UAM Comparison map of states (figures in lakhs)

However post-COVID the Government of Assam has launched a massive drive in the formalization of the MSMEs of the State.

1.2.4 Sectoral Overview

Assam is home to a diverse range of industries, spanning from traditional artistry and handlooms to cutting-edge IT and biotechnology sectors. The state is renowned for its traditional crafts, cottage industries, and textiles, which not only represent the unique craftsmanship of its local artisans but also offer job opportunities for its communities. Moreover, Assam stands out in domains such as agro-based industries, tea processing, oil and natural gas, tourism, sericulture, and local healthcare practices. The Assam Government has introduced the Industrial Policy to bolster entrepreneurship, enhance infrastructure, prepare for upcoming industrial advancements, and refine the skills of the youth for future-oriented occupations. To bolster the growth and scalability of enterprises that align with the

state's potential, this policy has spotlighted several key sectors as areas of focus. Thus, the SIP report categorizes these industries into traditional, mature, and emerging sectors.

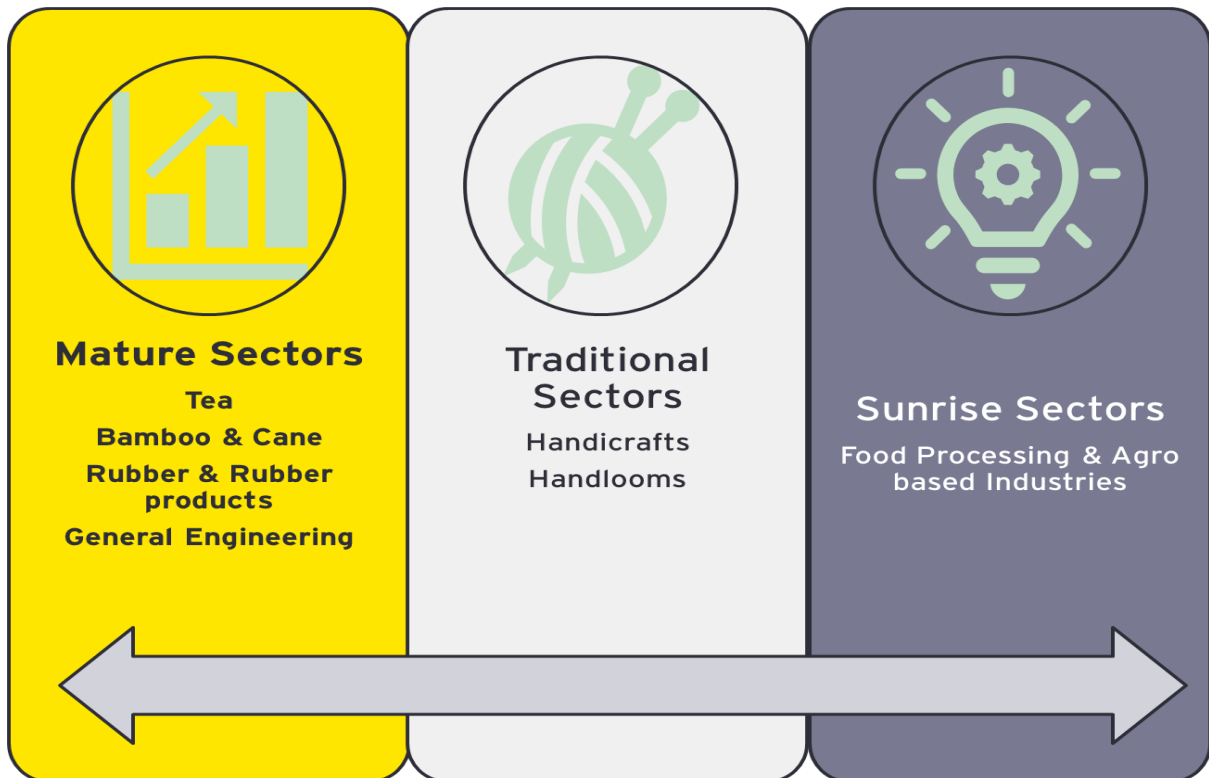


Figure 8: Sector Classification based on Stages of Industry Development

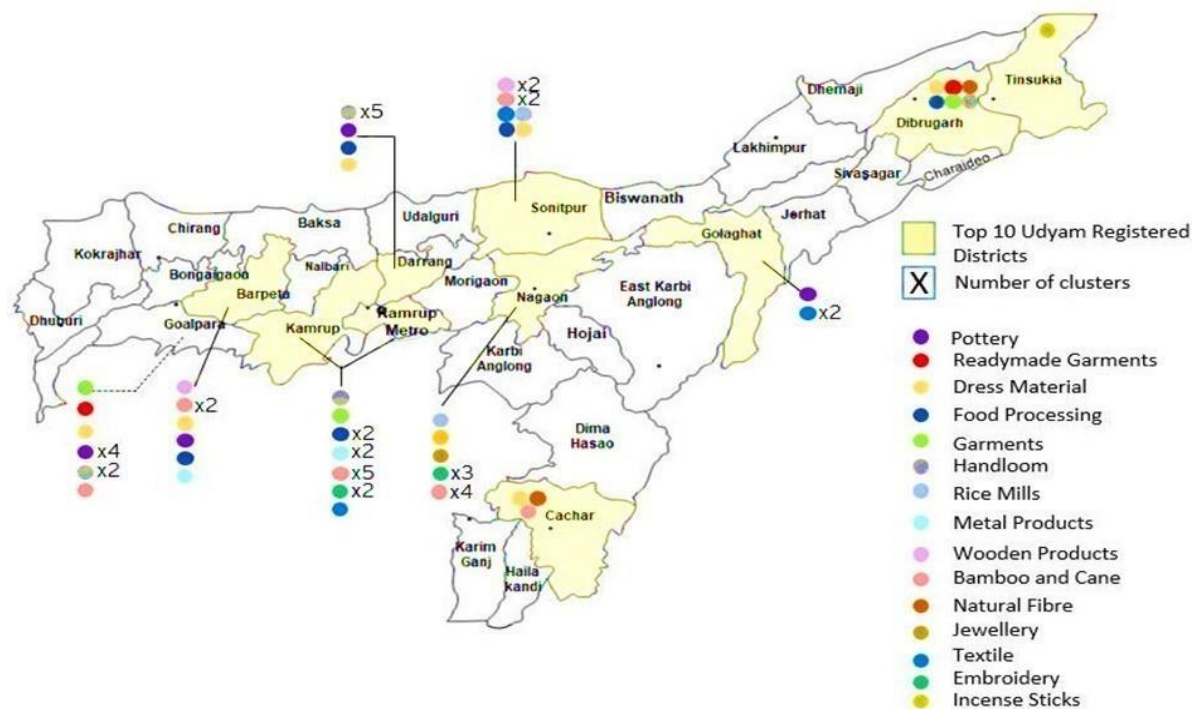


Figure 9: Key MSME Clusters of Assam

- **Handicrafts:** Assam takes pride in its vibrant bamboo and cane handicraft traditions, which are deeply rooted in the region's socio-economic and cultural milieu. Signature products from the state, like "jaapi hats," table accessories, room dividers, furniture, and ornamental pieces, are primarily derived from bamboo and cane. Beyond these primary materials, artisans in Assam also harness the potential of terracotta and bell metal to craft diverse items.

Specific regions in Assam are known for distinct handicrafts. For instance, Kamrup, Sivasagar, and Nagaon are hubs for basketry and mat weaving, while Cachar stands out for its intricate bamboo and cane creations. Bell metal craft, a tradition dating back to the 7th century, finds its epicenter in areas like Sarthebari, Titabor, Hajo, and Kamrup. The state's portfolio includes a spectrum of 14 cane varieties, with artisans transforming these into practical and aesthetic items such as containers, trays, furniture, and more.

Sarthebari's bell metal industry is an iconic element of Assam's cultural tapestry. The array of products crafted here spans from everyday utensils to religious artifacts and decorative items, engaging a community of 1,507 dedicated artisans.²⁶

Jute, another quintessential material of Assam, plays a pivotal role in the handicraft domain. Ranking as India's 3rd largest jute producer, the state's production epicenters include districts like Darrang, Barpeta, Goalpara, Dhubri, Nagaon, and Morigaon.

Over the years, artisans have leveraged local retail outlets and participated in regional and national fairs to showcase their creations. However, only a handful have broken through to mainstream markets in metropolitan cities or ventured into international territories. A segment of entrepreneurs has taken strides in product innovation, but a sizable portion of rural craftsmen still grapple with aligning their designs to evolving consumer tastes. To elevate the stature of Assam's handicrafts and amplify its market reach, it's crucial to explore avenues beyond the state and tap into broader consumer bases.

Table 8: Assam crafts scenario

Craft Name	No. of Units	No. of Artisans	Locations	Products Name
Brass Metal	10	300	Goalpara	Copper and brass cups
Firework Craft	5	100	Barpeta,	Fireworks
Jute Craft	25	1000	Darrang, Barpeta, Goalpara, Dhubri, Nagaon & Morigaon	Jute bags, Jute Decorative items
Bamboo and Cane Craft	480	2212	In 26 districts	Bamboo related crafts-boxes, cradles, cane-stool (murrha), office trays, tiffin baskets, bottle carriers, bicycle baskets, waste paper baskets, cane chairs, Sofa, etc.

²⁶ <https://industriescom.assam.gov.in/portlet-innerpage/present-handicrafts-industries-in-assam>

Craft Name	No. of Units	No. of Artisans	Locations	Products Name
Sitalpati	250	2000	Cahar, Karimganj and Goalpara	Shitalpari
Decorative Candles	25	200	Across Assam	Decorative Candles
Jewellery Craft	48000	2.5 Lakhs	Barpeta, Jorhat & Nagaon	Jewellery
Dry Tea Bushes	-	300	Upper Assam	
Wood Carving	80	-	Sonitpur	wooden Rhino, Elephants, decorated pieces of wall hanging etc

- **Bamboo crafts:** The bamboo industry in Assam, particularly concentrated in districts like Kamrup, Goalpara, and Dhubri, plays a vital role in the state's economy. These regions are known for their bamboo-related manufacturing, including the production of diverse bamboo products. The industry not only caters to local demand but also has the potential to tap into national and international markets. With a focus on sustainability and the utilization of locally available resources, the bamboo sector holds promise for both economic growth and environmental conservation in Assam.
- **Terracotta:** A traditional craft in Assam, involves the art of crafting clay into various objects, including pottery, figurines, and sculptures. This craft has a long history and is rooted in Assam's cultural heritage. Terracotta artisans in the state showcase their creativity and craftsmanship by hand-sculpting intricate and artistic pieces from clay. Terracotta products often depict elements of Assamese culture, folklore, and nature, making them not just functional but also ornamental. The terracotta craft provides livelihood opportunities to skilled artisans, particularly in regions like Dhubri, Goalpara, and Nalbari. The beautiful terracotta items created by these artisans are widely sought after, both locally and beyond Assam. These products include decorative items, kitchenware, and even larger sculptures used for various purposes, such as in temples and households. The terracotta craft in Assam represents the state's artistic heritage and is a valuable contributor to the state's cultural and economic landscape. Efforts to promote and preserve this craft are essential to ensure the continuity of this traditional art form.
- **Jute crafts:** Jute product-related MSMEs in Assam form a vital sector within the state's industrial landscape. These enterprises are engaged in the production and manufacturing of various jute-based goods, including bags, sacks, textiles, and handicraft items. They often collaborate with local artisans and skilled workers, contributing to the preservation of traditional craftsmanship and generating employment. With a focus on eco-friendliness and sustainability, these MSMEs cater to both domestic and international markets, and their operations are closely tied to local jute cultivation, supporting the agricultural sector. The Assam government may extend support and incentives to promote the growth of these eco-conscious enterprises, further enhancing the state's jute industry.
- ▶ **Handloom, Textiles and Garments:** The Handloom & Textile sector stands as a pivotal entity in Assam's socio-economic landscape, especially within its rural territories. Next only to agriculture, it serves as a primary income source for the state's residents. Recognizing its significance, the Assam government has prioritized the elevation of this sector by launching multiple schemes tailored for the benefit of weavers and associated workers. In the fiscal year of 2021-22, the sector boasted 9,80,612 part-time weavers and 1,59,577 full-time weavers.²⁷ Impressively, this sector accounts for 77% of India's production of items like shawls, mekhla chadar, stoles, scarves, and mufflers.

²⁷ <https://des.assam.gov.in/information-services/economic-survey-assam>

Table 9: Handloom Statics

Handloom Statics	
No. of Handloom Training Centres	102
No. Trainee in Handloom Training centre	1,645
Production of Weavers Extension Service Unit	46,370
Production in Handloom Production Centre	4,832
No. Handloom Demonstration Circle	221
Villages Covered	14,373
No. Of Weavers engaged part time	15,30,073
No. of Weavers engaged full time	41,876

A unique feature of Assam is the ubiquity of weaving in its cultural fabric. Historically, Assamese women were expected to master the art of weaving before marriage. Today, a significant number of rural households still practice weaving, predominantly using bamboo-made looms. Notably, the 4th Handloom Census (2019–20) indicated a shift in the industry's dynamic: while only 5% of households wove for personal use (a steep decline from the 65% reported in the 3rd Handloom Census of 2010–11), the total number of weavers saw a surge, hinting at a transition towards commercial weaving.

In an effort to boost the sector's commercial aspect, the government has rolled out incentives for weavers and introduced schemes like the Integrated Handloom Development Scheme (IHDS) and the Marketing and Export Promotion Scheme (MEPS). Furthermore, the establishment of handloom clusters in 23 districts, formation of 4,000 Primary Weavers Cooperative Societies, and the inception of the Handloom Research Centre underscore the government's commitment to the sector. Entities like the Assam Apex Weavers and Artisans Cooperative Federation Ltd. play a crucial role in scheme implementation, yarn distribution, and product sales.

The National Handloom Development Corporation (NHDC) has laid out 10 yarn banks across districts such as Dhemaji, Dhubri, and Guwahati, among others. Additionally, 27 yarn banks, managed by the Directorate of Handloom & Textiles, have been set up in district capitals to ensure weavers have seamless access to quality yarn. The challenge, however, remains to consistently supply affordable, quality yarn.

A concerning trend within the sector is the shift of weavers towards alternative livelihoods due to inadequate returns. Predominantly producing traditional attire, their market was majorly restricted to the North-Eastern Region (NER).

- **Bamboo and Cane-based Industries:** The verdant North-Eastern region of India is home to about 65% of the nation's total bamboo stock, estimated to be around 90 million tonnes. This rich resource has not only transformed the ecological landscape but has also influenced the socio-economic fabric of the region. To harness its full potential, the Government of India initiated the National Bamboo Mission, with a special focus on the North-East.

North-eastern states consist of a total of 55,991 sq. km bamboo bearing area in recorded forest area, i.e. 33% of the total country's bamboo bearing area. Maximum occurrence of the pure bamboo area was observed in Arunachal Pradesh followed by Manipur and Assam with 9.36%, 6.58% and 6.19% of the country's total bamboo bearing area respectively. Arunachal Pradesh also has the thickest bamboo coverage in the country followed by Madhya Pradesh and Maharashtra.

With the ever-increasing demand for eco-friendly products, bamboo presents a vast array of opportunities. This encompasses re-inventing its use in plywood units and paper mills, diving into areas of micro-propagation and production, exploring the processing of shoots, and developing various industrial products. Beyond raw materials, the scope extends to machinery, equipment, and avenues for skill development and training.



Figure 10: Highlights of bamboo processing sector

The total market size of the bamboo industry in India is estimated at INR 62.5 billion.²⁸ Currently, there is minimal value addition done to bamboo products. Majority of the bamboo is used in the construction industry as scaffoldings followed by traditional handicraft products.

Bamboo Bearing Area in NER²⁹

Table 10: Bamboo Bearing Area in NER

Sr. No	State	Area (Sq. Km.)	% of NER	% of India
1	Arunachal Pradesh	14,981	27	9
2	Assam	10,525	19	7
3	Manipur	9,903	18	6
4	Meghalaya	5,410	10	3
5	Mizoram	3,476	6	2
6	Nagaland	4,284	8	3
7	Sikkim	1,176	2	1

²⁸ Industrial and Global Market Potential of Northeast India Bamboo, INBAR; https://worldbamboo.net/wbw_india2019/Subramony,%20TP%20Industrial%20and%20Global%20Market%20Potential%20of%20NE%20India.pdf

²⁹ <https://fsi.nic.in/isfr19/vol1/chapter8.pdf>

8	Tripura	3,783	7	2
Total NER		55,961	100	33 %

Chaygaon, Kamrup houses the Bamboo Technology Park Ltd, an initiative promoted by Assam Industrial Development Corporation Ltd. (AIDC).³⁰ As a hub for innovation, it steers the state's bamboo vision. Assam is already on the fast track with 480 units spread across 26 districts, delving into cane and bamboo crafts. This venture, representing an investment of Rs.371.34 lakh, is a beacon of employment, engaging 2212 individuals.³¹

In 2020, the Agro-Economic Research Centre for North-East India, under Assam Agricultural University, embarked on a study to gauge the bamboo market in Assam. Focusing on Jorhat and Sivasagar districts, the survey encompassed the views of 160 bamboo artisans and 20 wholesalers. The findings underscored Assam's latent potential in augmenting bamboo plantations and diversifying product ranges. The study also highlighted the necessity for robust policy reforms, emphasizing market intelligence, enhanced support structures, and a more transparent pricing mechanism.

The Cane and Bamboo Technology Park (C&BTP) in Chaygaon epitomizes the merger of traditional crafts with modern infrastructure. Established under the Infrastructure Upgradation Scheme, its core objective revolves around cluster development and offering robust infrastructure support to MSMEs. Covering an expansive 19,450 square kilometres, the park aims to serve as a fulcrum for bamboo enterprises. With plans afoot for a research and design centre, the park promises to be a melting pot of innovation.

Delving deeper into Assam's bamboo sector, districts like Karbi Anglong, Dibrugarh, and Sonitpur emerge as prominent players. The state's bamboo, catering predominantly to pulp and handicraft sectors, gives birth to a myriad of products, from intricate furniture to exquisite home decor items. With bamboo deeply intertwined in Assam's cultural tapestry, it is no surprise that about one lakh of its residents derive their livelihood from it. The study comprised of 160 bamboo artisans and 20 wholesalers of bamboo items of Jorhat and Sivasagar districts in Assam.

In a national comparison, 2021 saw Assam securing the 5th position in bamboo cultivation, with a significant 10.6 Lakh hectares under its belt. The state's bamboo stock stood at an impressive 386 Lakh tonnes, contributing 9.6% to the nation's total stock.

The key statistics of bamboo growing stock in Assam is given in the below table and charts:

Table 11: Bamboo production in Assam - key statistics

Indicator	Growing stock	Share of India
Bamboo bearing area within the forest (sq.km.)	10,659	7.1%
Total number of culms (million)	5656	10.6
Total green weight equivalent of culms ('000 tonnes)	38,600	9.6%

- **Agriculture, Horticulture Sector:** Assam has a huge untapped potential for agro and food processing industries. Total production of horticulture crops in 2015-16 stood at 77 lakh metric tonnes (MT). In 2015-16, the total production of rice was recorded to be 5,123 thousand MT. Similarly, the production of pulses and oilseeds reached 195 thousand MT and 13 thousand MT during 2015-16, respectively. Pineapple, Banana, Cauliflower, Broccoli, Rose and Bougainvillea are among high yielding varieties of horticulture crops in Assam, besides traditional fruits like Carambola, Leteku, Paniyal Thekera, Au Tenga etc. The juicy Tezpur Litchi and Karbi-Anglong's

³⁰ <https://www.bambootechnologypark.com>

³¹ assam.gov.in

ginger of Assam have received geographical indication (GI) tags, making these items incontrovertible proof of their origins in the state.



Agriculture & Horticulture Sector

- Largest tea producer in India.
- 2nd in pineapple production.
- 3rd in jute and mesta production.
- Industrial Policy 2019 supports tea and exports.
- Diverse commodities: indigenous rice, arecanut, black pepper, ginger, turmeric.
- 39,74,812 hectares of cropped area.

Figure 11: Highlights of Agriculture & Horticulture

Table 12: Major horticulture commodities from Assam and their country level position³²

Major Horticulture Commodities	% Share in total NER horticulture production	% Share in total national NER horticulture production	% Change in national production (2015-18)	Leading Assam state and its national ranking	Leading state
Fruits					
Pineapple	20	1	11	2 nd	West Bengal
Mandarin/Orange	11	1	24	5 th	Madhya Pradesh
Lemon	6	0.2	29	10 th	Gujrat
Banana	34	2	6	11 th	Andhra Pradesh
Vegetables					
Tomato	10	0.15	5	15 th	Andhra Pradesh
Spice					
Ginger	63	6	1	1 st	Assam

³² National Horticulture Board

Major Horticulture Commodities	% Share in total NER horticulture category production	% Share in total national NER horticulture category production	% Change in national production (2015-18)	Leading Assam state and its national ranking	Leading state
Other Cash Crops					
Areca nut	-	16	17	3 rd	Karnataka

- **Tea:** Assam is the single largest tea-producing region globally and contributes over 50 per cent (6,52,950 MT in 2015-16) of India's total tea production (1.23 Million MT Jan in 2015-16). The state houses over 765 tea gardens across Tinsukia, Dibrugarh, Sivasagar, Jorhat, Golaghat, Nagaon and Sonitpur. The Guwahati Tea Auction Centre (GTAC) is among the largest CTC tea auction centres in the world. The government has secured a Geographical Indication (GI) for the tea produced in the state. As a result 'Assam Tea' is known as 'Assam Orthodox Tea'.
- **Jute:** Assam is the 3rd largest jute producing state in the country. Jute production in Assam has grown at CAGR of 5% between period 2010-11 and 2015-16. The State produced 148.14 Million Ton of Jute in 2015-16. Major jute producing districts of the State include Darrang, Goalpara, Dhubri, Nagaon & Morigaon. Currently, there are 7 operational jute mills in the State of various capacities. These mills have a cumulative average requirement of 72 Metric Ton raw jute per day. Annual requirement is about 26280 Metric Ton. The availability of adequate raw material, local demand and the proximity of the State to the markets of North-East and the ASEAN region, makes Assam a suitable location for setting up jute processing industries in the State.

► Forestry sector

- **Rubber:** Assam is the second largest rubber producer next to Tripura in North-East. Assam recorded rubber production of 16,418.43 tonne in 2015-16. The state comes under the non-traditional area for rubber cultivation. Major rubber-producing districts of the state are Goalpara, Karbi-Anglong, and Karimganj. The state accounts for around 40 percent of rubber planted area in the NE and the area for rubber cultivation stood at 55,989.68 hectares in the 2015-16. The state being a gateway to the sister States provides strategic location advantage in terms of connectivity and proximity to the rubber-producing districts within and neighbouring states.
- **Bamboo:** Bamboo Since the NER has the highest concentration of bamboo, which accounts for around 60.0% of the total bamboo of the country, Assam has ample scope for bamboo-based industries such as paper manufacturing. The objective of the Government of Assam is to promote bamboo as a substitute for wood and make it the timber of the 21st century. Assam has rich forests covering nearly a third of its land area. The forests in the state act as a reserve for commercially useful products such as timber, bamboo, stone, and cane. 3.11 Other Resources Assam has suitable climatic condition for Jute, Sugarcane, Spices, Coconut etc and these accelerating industrialization within the state. Assam has highest concentration of bamboo in the country and promises big scope of bamboo wood and other industrial products.

- **Fisheries and Aquaculture:** Fisheries and Aquaculture: Assam, blessed with extensive river systems like Brahmaputra and Barak, and abundant water resources in districts like Dibrugarh, Nagaon, and Barpeta, holds a significant position in the fisheries and aquaculture industry. Major fish markets, processing units, and freshwater fish export zones are located in regions such as Guwahati, Dibrugarh, and Jorhat. The industry encompasses activities like fishing, fish processing, value addition, and exports. Assam's aquatic products, including fresh and processed fish, meet the demands of both domestic and international markets. This industry plays a vital role in providing employment opportunities and spurring economic growth in riverside communities of districts like Tinsukia and Kamrup. The state boasts over 70,000 MSMEs, a good portion of which are actively involved in the fisheries and aquaculture sector, reflecting its importance and vast potential in Assam.

The state of Assam is suitable for both capture fishery, and culture fishery due to the rich physiographic characteristics. The fishery sector contributes fairly to 2 per cent of Gross State Domestic Product (GSDP) to the state economy of Assam. It plays a major role in providing livelihood population of the state. Besides agriculture, fish farming is one of the most common occupations within the North-Eastern state of Assam. 10.5 per cent of the geographical region is occupied by surface water bodies, during which 6503 sq km is held by the river systems including the mighty Brahmaputra, and 1748 sq km by natural wetlands including seasonal and permanent waterlogged, marshy areas, and both natural and man-made reservoirs, ponds and tanks of a size quite 2.5 ha. (Chutia et al, 2018). The state of Assam has a superb sub-tropical climate for the event of seafood culture in 3.91 lakh hectares of water area in addition to 1.58 lakh hectares of a paddy field area. The two major river systems (Brahmaputra and Barak), several beels, lakes, ponds, and swamps are endowed with valuable fishery resources.

The number of registered beel fisheries is 1197 in Assam (Directorate of Economics and Statistics Report 2021). There is 100815 hectares area under registered beel Fisheries. The number of the Ponds and Tanks 373501 and the area under it is 61430. Again, area under river fisheries is just about 4820 KM. The area under Forest Fisheries is 5017 hectares. abandoned water bodies/ swamps occupy 116444 hectares of land whereas Reservoir Fisheries occupies 2553 hectares. Nos. of hatcheries including both government and private are 391. The total water stretch area for fishery development is about 5.49 lakh hectares. The state has 3.44 lakh hectares of static water resources in the sort of beels, ponds, and tanks, community tanks, swamps/ low lying areas, reservoirs: moreover riverine resources of about 2.05 lakh hectares. The state of Assam has 216 finfish species belonging to 104 genera under 37 families and 10 orders. Out of 216 species reported so far, 210 species have food value, 12 species have significance as sport fish and around 150 species have ornamental value.

WorldFish, in collaboration with DoF, organised community level fish nutrition awareness campaign and conducted 12 numbers of small fish nutrition promotion programmes in the APART project districts (Morigaon, Kamrup, Nalbari, Sonitpur, Lakhimpur, Sivasagar, Jorhat, Majuli, Darrang). WorldFish, in collaboration with DoF and College of fisheries, Assam Agricultural University Organised Focus Group Discussions on Better Management Practices for the Farmer Producer Groups under APART. Two focus group discussions (FGDs) were held during the reporting period, with the participation of 103 farmers, including women and youth. For the benefit of DoF officials, APART Project staff, and CoF faculty, one virtual meeting, one training programme and one workshop were organised. WorldFish conducted field visits to different fisheries interventions sites (Kamrup, Drrang, Barpeta, Goalpara, Nagaon, Morigaon, Sonitpur, Lakhimpur, Jorhat, Majuli and Cachar districts) where different demonstration activities were conducted during 2018 to 2021 to better understand the farmers practices, production, technical issues, adoption of Better Management practices and record maintenance by the farmers.

WorldFish provides technical support to the Directorate of Fisheries in the implementation of the project's fisheries sub-component. The technical support aims to accomplish the following five broad objectives:

- ▶ Enable sustainable increases in aquaculture production without creating adverse socio-economic or environmental impacts (sustainable intensification of aquaculture);
- ▶ Secure and enhance the contribution of small-scale fisheries to food security in Assam (increasing the diversity and productivity of beels);
- ▶ Increase the availability, access, and consumption of nutrient-rich, safe fish, especially for women of reproductive age, infants, and young children (improving fish value chains and human nutrition);
- ▶ Develop and promote climate-resilient technologies in support of sustainable aquaculture and small-scale fisheries (climate-resilient/climate-smart aquaculture technologies);
- ▶ Promote gender-transformative approaches in support of sustainable aquaculture and beel fisheries in Assam (gender-transformative approaches in aquaculture)

Food Processing and Beverages Industries: The NER states consist of a total of 1,530 food product factories which is 4.71% of the total food products sector in India. Out of this, 47 factories are dedicated to processing and preserving of fruits and vegetables. The number of unincorporated enterprises manufacturing Food and beverages as per 73rd round Survey of NSSO, 2015–16, there are 94,727 enterprises operating in NER. So, the combined number of units in food processing in the region is 96,257. This shows that over 98% of the units are part of the unorganised sector. These units are majorly micro units, low capital intensive and operate primarily from home and small work sheds. The total GVA of food products sector in NER stands at INR 3,07,929 lakhs with Assam contributing almost 95% of the GVA.³³

Food Processing and Beverages Industries: Assam's burgeoning food processing industry is diverse, encompassing products such as Assam tea, rice delicacies like 'pitha' and 'laddu', processed bamboo shoots, traditional fish pickles, 'jaalpan' (rice-based breakfast items), and 'aam panna' (raw mango beverage). Districts such as Jorhat and Dibrugarh are renowned for their tea processing units, while Guwahati is emerging as a hub for innovative processed food products. Given the fertile lands nourished by the Brahmaputra's alluvial plains, Assam presents a plethora of opportunities for value-added food processing. The state is home to approximately 3,500 MSMEs in the food processing sector. Prominent Food Processing Parks can be found in Nalbari and Tinsukia, and an upcoming Organic Produce Park is being developed in Karbi Anglong.



Agriculture & Food Processing

- **Diverse niche commodities like indigenous rice, arecanut, black pepper, ginger, and turmeric.**
- **Mega Food Park in Tihu and Food Processing Park in Chaygaon to boost the industry.**
- **8 G-tagged food products, including Judima Rice-Wine and Karbi Anglong Ginger.**
- **Major spices produced: ginger, garlic, black pepper, turmeric, coriander, chili, and Bhut Jolokia (Ghost Chili).**

Figure 12: Highlights of Agriculture & Food Processing

Within the MoFPI scheme, a Mega Food Park has been successfully established. The park exhibits excellent infrastructure, including well-constructed roads both leading to and within the facility. Among the noteworthy infrastructure features are a 1,500 MT capacity cold storage, a common effluent treatment plant, and food testing laboratories, all of which were communicated by the stakeholders.

However, a significant challenge voiced by stakeholders pertains to the irregular and unreliable power supply, which has hindered production activities. To mitigate this issue, MSMEs have had to invest in power backup solutions, thereby increasing their operational costs.

Another example of a dedicated food park established in the State is at the Industrial Growth Centre in Chaygaon. It is home to several food processing brands such as Asian Thai Foods Pvt Ltd, Maruti

³³ 2 Annual Survey of Industries 2017-18

Quality Products Pvt Ltd, Sigma Spices and CG Foods. These units manufacture noodles, salty snacks, catering to whole of NER and some in neighbouring countries.

Micro units, Farmer Producer Organizations (FPOs), Farmer Producer Companies (FPCs), and Self-Help Groups (SHGs) involved in food product manufacturing using locally sourced raw materials have conveyed a range of additional challenges. Many of these production sites are situated in extremely remote or border areas with limited connectivity and low population density. Furthermore, there's a notable absence of primary processing facilities and packaging units in these regions.

To stimulate food processing within the state, it is imperative for the government to undertake initiatives that encompass awareness campaigns, the development of robust supply chains, and the provision of incentives to encourage entrepreneurs.

Nevertheless, these industries encounter numerous obstacles in Assam. These challenges encompass insufficient infrastructure provisions, including power supply, road connectivity, and cold storage. Moreover, there is a deficiency in skilled personnel and technical expertise. In addition, a lack of market intelligence and assistance, absence of quality control and standardization measures, and limited access to credit facilities and incentives further compound the issues.

To foster the growth of local food processing enterprises and assist them in establishing strong brand identities within the food processing sector in the North-eastern Region (NER), it is imperative to tackle the challenges articulated by MSMEs. Moreover, the valuable strengths and insights gained from the experiences of these ventures can serve as models for replication by other MSMEs in the region.

- ▶ **Printing and Packaging:** Assam's printing sector is proficient in various services, including offset printing, digital printing, flexography, and screen printing. The packaging arena in the state specializes in delivering materials such as cartons, labels, flexible packaging, and corrugated boxes. With prominent industrial hubs located in districts like Kamrup (M), Silchar, and Dibrugarh, Assam's printing and packaging industry bolsters various domains, ranging from FMCG and pharmaceuticals to publishing and advertising. Currently, the state boasts over 6,500 MSMEs in this sector, contributing significantly to Assam's economic growth.
- ▶ **Plastic and Plastic Products:** Assam's plastic industry is involved in the manufacturing of various plastic products such as pipes, containers, packaging materials, and household items. Industrial clusters for plastic production can be found in districts like Guwahati, Tezpur, and Dibrugarh. The sector adheres to strict quality norms and constantly pushes for product innovation and customization tailored to customer needs. Assam's plastic products find applications in diverse sectors, including construction, agriculture, packaging, and consumer goods. The state's industry is also proactive in championing responsible plastic usage, endorsing recycling drives, and encouraging eco-friendly alternatives, which align with Assam's vision of sustainable industrial practices. Presently, there are over 4,200 MSMEs operating within this sector in Assam.

Some of the initiatives taken by the department are:

- Setting up of a Plastic Park at Tihu in Nalbari district with an area of 150 acres. The park will have common facilities such as testing labs, power substations, effluent treatment plants, etc. The park will also provide land to entrepreneurs at subsidized rates.
- Organizing training programs and workshops for skill development and awareness generation among the stakeholders of the sector.
- Facilitating linkages between the plastic manufacturers and the end-users such as agriculture, horticulture, food processing, handicrafts, etc.

Some of the major plastic manufacturers in Assam are:

- Assam Roofing Ltd., which produces corrugated sheets, pipes, tanks, etc.
- Brahmaputra Udyog Pvt. Ltd., which manufactures PVC pipes, fittings, conduits, etc.

- Dugar Polymers Ltd., which produces woven sacks, fabrics, bags, etc.
- Gita Plastic Industries Pvt. Ltd., which makes injection moulded products such as crates, buckets, containers, etc.
- Jyoti Plastic Works Pvt. Ltd., which manufactures blow moulded products such as bottles, jars, cans, etc.

The plastic and plastic products industry in Assam has a lot of potential for growth and expansion due to the availability of raw materials, favourable policies, and increasing demand from various sectors. The industry can also contribute to the socio-economic development of the state by creating employment opportunities, enhancing exports, and reducing environmental pollution.

- **Engineering Goods and Components:** Assam's engineering sector is on the rise, encompassing the production of machinery, electrical equipment, and precision components. Key industrial hubs like Guwahati, Tezpur, and Dibrugarh are notable for their engineering enterprises. This sector serves a plethora of industries, including automotive, electronics, construction, and renewable energy. Assam's engineering industry stands out for its emphasis on quality and precision, bolstered by the state's adept workforce. This sector is instrumental in advancing infrastructure projects and fulfilling the requirements for engineering goods both within the country and abroad. Currently, Assam boasts around 4,200 MSMEs in this sector.

- **Ayurveda and Herbal Products:** Assam, with its rich biodiversity, is steadily emerging as a hub for Ayurveda and herbal products. The Brahmaputra Ayurvedic Cluster (BAC) initiative is a testament to Assam's commitment to bridging the ancient healing practices with modern approaches. The vision is to align the BAC with renowned Traditional Medicine Centres globally and position it as a Comprehensive Centre of Excellence in Ayurveda. The core objective is to address present challenges facing Ayurvedic practices and to broaden horizons through value-added services, blending seamlessly with other medicinal paradigms. Presently, districts like Guwahati, Nagaon, and Dibrugarh are pivotal to Assam's Ayurvedic landscape, with the state boasting of approximately 1,500 MSMEs dedicated to Ayurveda and herbal products, thereby enhancing its stature in holistic healthcare.

With its vast hills and forests, Assam is the home of a variety of medicinal herbs and plants. About 300 types of medicinal herbs and plants are known to exist in abundance in the State. An approximate calculation states that only about 5-10% of the plants and herbs are commercially cultivated for extraction purposes and hence present a huge resource.

Illustrative instances of extracting and enhancing the value of Medicinal and Aromatic Plants in Assam encompass:

- **Rose:** The fragrant rose flower serves as a source of high-grade perfumery oil. A particular variety, Noorjahan, bred by the Central Institute of Medicinal and Aromatic Plants (CIMAP), yields 25-30 quintals of flowers per hectare with an oil content of 0.02-0.03%. This oil is extracted through either steam distillation or solvent extraction methods.
- **Citronella:** Citronella, a grass variety, contributes to the production of citronellol and citronellal, utilized in perfumery and repellent applications. CIMAP has developed Bio-13 and CIM-Jeeva strains, yielding 250-300 kg of oil per hectare. Extraction occurs via steam distillation.
- **Vetiver:** The vetiver grass generates fundamental oil for perfumery. CIMAP's KS-1, Dharani, and CIM-Vridhi strains yield 20-25 kg of oil per hectare, acquired through steam distillation or solvent extraction.
- **Andrographis:** This herb yields andrographolide, employed for treating various ailments. CIMAP's CIM-Arogya variety produces 10.6 tonnes of fresh biomass per hectare, containing 1.906% andrographolide. Extraction methods encompass solvent extraction or supercritical fluid extraction.

These instances exemplify the extraction and value augmentation processes for Medicinal and Aromatic Plants in Assam. The region harbours numerous other plants with cultivation and utilization potential, such as Amlaki, Ashok, Brahmi, Chandan, Giloe, Kalmegh, Pippali, Sarpagandha, Shatavari, Tulsi, among others. These plants have the capacity to offer manifold

advantages encompassing health, income generation, environmental preservation, and cultural enrichment for the people of Assam.

1.2.5 Global Value Chain Linkages

Assam, strategically situated as the bridge to South East Asia, holds the promise to elevate India's export growth. Its location near the international borders provides easy access to neighboring countries, creating a platform for trade and commerce. Combined with the state's rich natural resources and the talent pool of skilled workers, Assam can carve a niche for itself in the export sector.

As of 2022-23, while Assam's exact standing in the realm of India's merchandise exports needs further analysis, its capacity is undeniable. The state is endowed with a variety of products that have immense export potential. Notable among these are Assam Tea, Assamese Silk (especially Muga and Eri), bamboo and cane products, aromatic rice varieties like Joha and Bora, handcrafted textiles, and organic horticultural produce.



Figure 13: Export Preparedness Index of Assam

Key districts leading in the realm of exports and MSME establishment include:

- ▶ **Guwahati:** Majorly known for its service industries, but also a hub for trade and commerce given its infrastructural connectivity.
- ▶ **Dibrugarh:** Renowned for its tea estates, it's a major contributor to Assam's tea exports.
- ▶ **Silchar:** Famous for handicrafts, especially cane and bamboo products.
- ▶ **Tezpur:** Another major player in the tea industry and also contributes to horticultural exports, especially oranges and pineapples.
- ▶ **Sivasagar:** Known for traditional handlooms and textiles, especially Eri silk.
- ▶ **Jorhat:** An emerging hub for agro-based industries and also known for its tea estates.

To ascertain the state's growth trajectory, a comprehensive understanding of its exports and the number of MSMEs dedicated to exports will be essential. The government's initiatives aim to nurture these sectors, ensuring Assam's products secure a prominent place in the global market.

Table 13: Breakdown of Item-wise Export Details from Assam³⁴

Item Description	Export in Million USD		
	2018-19	2019-20	2020-21 (till august)
Ceramic Products And Glassware	0.5308	0.2769	0.212
Cereal Preparations And Miscellaneous Processed Item	0.8289	1.5113	0.7958
Coffee	0.0017	0.0074	0.0171
Cotton Yarn/Fabric/Madeups, Handloom Products Etc.	0.0234	0.0244	0.0192
Drugs And Pharmaceuticals	2.9465	3.303	0.8348
Electronic Goods	0.4824	0.8815	1.3491
Engineering Goods	11.909	14.8878	5.0647
Fruits And Vegetables	0.2403	0.1893	0.1216
Gems And Jewellery	0.2964	0.1288	
Handicrafts Excl. Hand Made Carpet	0.1191	0.141	0.0573
Jute Mfg. Including Floor Covering	0.0678	0.0002	0.0014
Leather And Leather Manufactures	0.0035	0.0189	0.004
Marine Products	0.3604	0.0063	
Meat, Dairy And Poultry Products	0.049	0.2575	
Mica, Coal And Other Ores, Minerals Including Process	31.7231	38.8087	7.388
Oil Meals	0.016		
Oil Seeds	2.6046	3.1409	0.5738
Organic And Inorganic Chemicals	6.8466	8.6436	1.8005
Other Cereals	0.0163	0.1495	0.08
Others	8.5634	13.9752	4.4907
Petroleum Products	14.8175	34.0815	6.8691
Plastic And Linoleum	1.5011	2.9026	1.0541
Rice	0.7654	0.1361	0.1465
Readymade garments	0.019	0.1796	0.0829

³⁴ DGCSI

Item Description	Export in Million USD		
	2018-19	2019-20	2020-21 (till august)
Spices	0.3497	0.4905	0.179A
Tea	284.7354	312.4562	107.1113
Tobacco		0.0718	

To further harness Assam's export potential, the state's Export Promotion Policy 2019 aims to amplify its standing on the global market map. This well-structured policy document serves as a strategic framework, outlining actionable guidelines to boost exports. Simultaneously, it ensures robust institutional, infrastructural, financial, and facilitation support to all state-level entities emphasizing export-centric operations.

Delving into the policy's content, a myriad of products and services are spotlighted, poised for international market penetration. This array spans:

Assam Tea: Predominantly from districts like Dibrugarh, Tinsukia, and Jorhat, contributing a significant portion of India's tea exports.

Assamese Silk: Particularly, Muga and Eri silk, which are predominant in districts like Sivasagar and Lakhimpur.

Handicrafts: Bamboo and cane products, especially from districts like Barpeta and Silchar.

Agricultural Products: Aromatic rice variants like Joha and Bora rice, primarily cultivated in Nalbari, and Kamrup districts.

To ensure a holistic realization of the policy's visions, active collaboration between government agencies, industry stakeholders, and local communities will be pivotal.

Table 14 Thrust Areas Identified in Export Promotion Policy 2023

Sl.No.	Thrust Sectors
1	Spices, Horticulture and Agriculture produce
2	Shrimp and other Marine products
3	Processed food products
4	Engineering goods
5	Petrochemical Products
6	Organic and Inorganic Chemicals
7	Textiles and Garments
8	Defence and Aerospace
9	Electronics and allied manufacturing
10	Ancillary engineering and technology
11	Ayurveda and Pharmaceuticals
12	Services including IT, Healthcare etc.

► Exports Overview

The northeast region (NER³⁵) of India has a wealth of natural resources, dense forests, plentiful rainfall and a landscape crisscrossed by large and small river systems. It is also home to many social, ethnic and linguistic groups with diverse customs, cultures, traditions, and languages. With 265,000 square kilometer (km²) area, the NER is bigger than the United Kingdom and four times the size of Austria. As a land bridge between South Asia and Southeast Asia, it is the only region in India to share borders with five countries: Bangladesh, the People's Republic of China (PRC), Myanmar, Bhutan, and Nepal. It has entry points into all these countries that connect it onward to the Association of Southeast Asian Nations (ASEAN³⁶) both by land and sea.³⁷

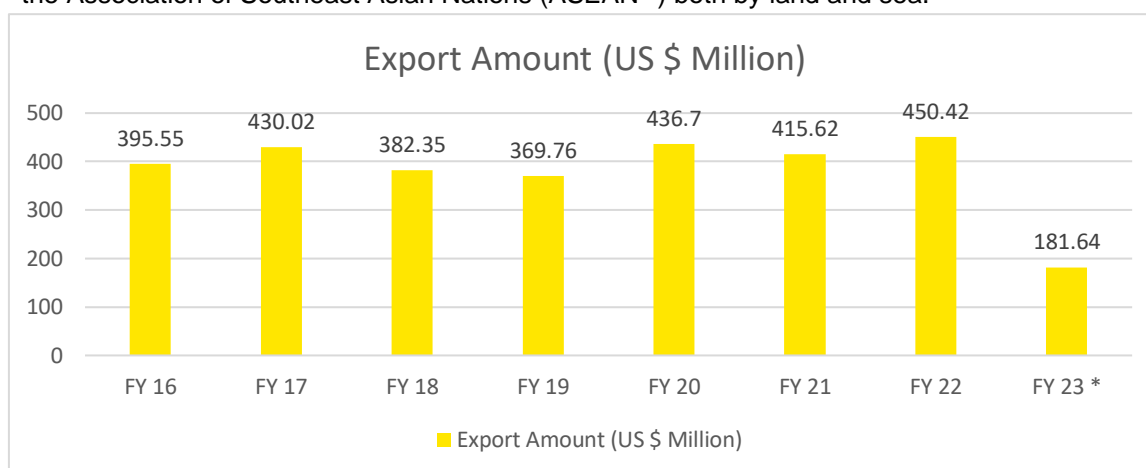


Figure 14: Export trend of Assam

Given Assam's geostrategic location, it is well-suited to meet the import demand of neighbours, provided it develops appropriate manufacturing capabilities, human resources, and infrastructure including logistics. To get integrated with global and regional value chains, Assam could leverage the strategic regional corridors passing through it such as the East–West Corridor, Asian Highway 1, South Asian Association for Regional Cooperation (SAARC) Rail Corridor 1, and SAARC Rail Corridor 5.

Table 15: Assam's export profile and growth between 2008 and 2021³⁸

Commodity	FY 2008 Share (%)	FY 2021 Share (%)
Textiles	0.00	0.003
Forest-based products	0.01	0.5
Engineering products	0.8	1.2
Agro-based products	1.6	2.1
Mineral products	8.1	8.1
Chemical related products (including oil products)	8.2	8.2
Tea	81.3	79.7
Rs. 3.05 bn	CAGR – 23.28%	Rs. 45.04 bn

³⁵ For the purpose of this report the NER of India refers to the states of Sikkim, Assam, Meghalaya, Arunachal Pradesh, Manipur, Mizoram, Nagaland and Tripura.

³⁶ Members include Indonesia, Thailand, Malaysia, Singapore, Philippines, Vietnam, Brunei Darussalam, Lao PDR, Myanmar and Cambodia

³⁷ [Assam State Presentation and Economic Growth Report | IBEF](#)

³⁸ Source: MoSPI, GoI

Assam's export landscape is distinguished by the dominance of several pivotal sectors and specific commodities. These primary exporting sectors encompass tea, petroleum products, handicrafts, agricultural produce, and silks. When considering individual products, the top 10 export items together account for nearly 30% of the state's total merchandise exports in the specified timeframe. It's noteworthy that these exports predominantly center on a few low value-added products.³⁹

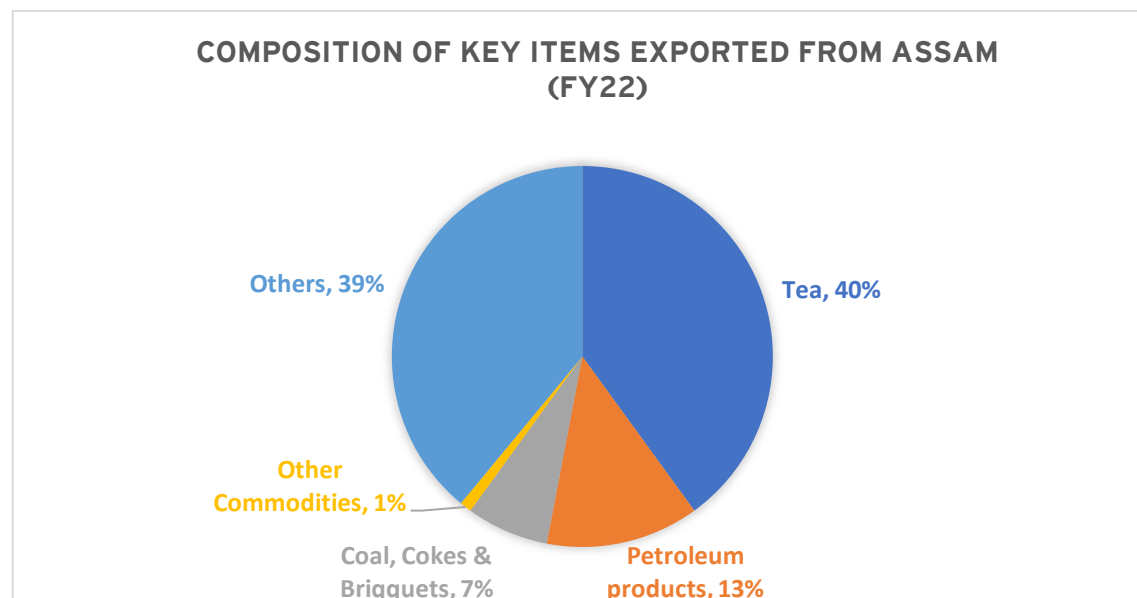


Figure 15: Composition of Key items Exported from Assam

Table 16: Top Ten Export Items from Assam 2022-23⁴⁰

SI	ITCHS Code	Item	Sector	Sum of value in Rs. From April 2021 to March 2022 (In lakhs)
1	090240	Other black tea (fermented) and other partly fermented tea	Plantation products	162495
2	271019	Other petroleum oils and oils obtained from bituminous mineral	Petroleum Products	453723
3	270400	Coke and semi/coke of coal/lignite/peat win agglomerated	Mining	29509
4	271220	Paraffin wax CNTNG by WT<0.75% OIL	Chemical	12092
5	300490	Other medicine put up for retail sale	Pharmaceutical	8763
6	270119	Other coal	Mining	5384

³⁹ [Assam State Presentation and Economic Growth Report | IBEF](#)

⁴⁰ Export Preparedness Index 2022, DPIIT

SI	ITCHS Code	Item	Sector	Sum of value in Rs. From April 2021 to March 2022 (In lakhs)
7	090230	Black tea (fermented) and partly fermented tea in immediate packing of	Plantation products	4772
8	530310	Other bast fibers	Miscellaneous	3556
9	330590	Other: Mint oil	Chemical	3134
10	330499	Other beauty/ make up preparations	Chemicals	2995

When examining exports across Assam's districts, Guwahati stands out as the main contributor, accounting for a substantial 56% of the state's total export value. This significant share mirrors both the intense production activities in the district and the existence of a sturdy export-import infrastructure. Other districts significantly trail Guwahati in export contributions. Guwahati, Dibrugarh, and Tinsukia districts together represent approximately 79% of Assam's merchandise exports. The districts at the lower end, such as Karbi Anglong (0.1%), Dima Hasao (0.26%), Goalpara (1.08%), Kokrajhar (1.37%), and Hailakandi (1.47%) collectively contribute less than 4% to the overall state merchandise exports portfolio

As per Export Preparedness Index 2022 Report published by Niti Aayog, Assam has secured an overall 21st rank with a score of 43.19

- ▶ Assam has increased its share under Merchandise Exports category despite being a landlocked state.
- ▶ Number of exporters has increased from 84 to +22.



- ▶ Under 'landlocked' category Assam is at 8th position.
- ▶ Under Pillar 1-Policy state is at 15th Position.
- ▶ Under Pillar 2-Business Ecosystem state is at 20th position.
- ▶ Under Pillar 3-Export ecosystem, it is at 26th Position.
- ▶ Under Pillar 4-Export performance, it is at 24th Position.
- ▶ Only 37% of the districts have an approved export action plan.



- Guwahati, Dibrugarh, and Sivasagar have been designated as Towns of Export Excellence (TEE) for Handlooms, Tea products, and Agro-based products respectively.
- Assam boasts of key transportation nodes, with major railways and highways connecting it to other parts of India. While Assam doesn't have ports, it has a strategic advantage due to its proximity to international borders and the potential for trade with neighboring countries. The majority of exports are channelized through roadways and railways, ensuring efficient cargo movement throughout the state.
- In the 2020 Export Preparedness Index (EPI) ranking by NITI Aayog, Assam secured a notable position among the northeastern states in India, reflecting its growing emphasis on export-oriented growth.

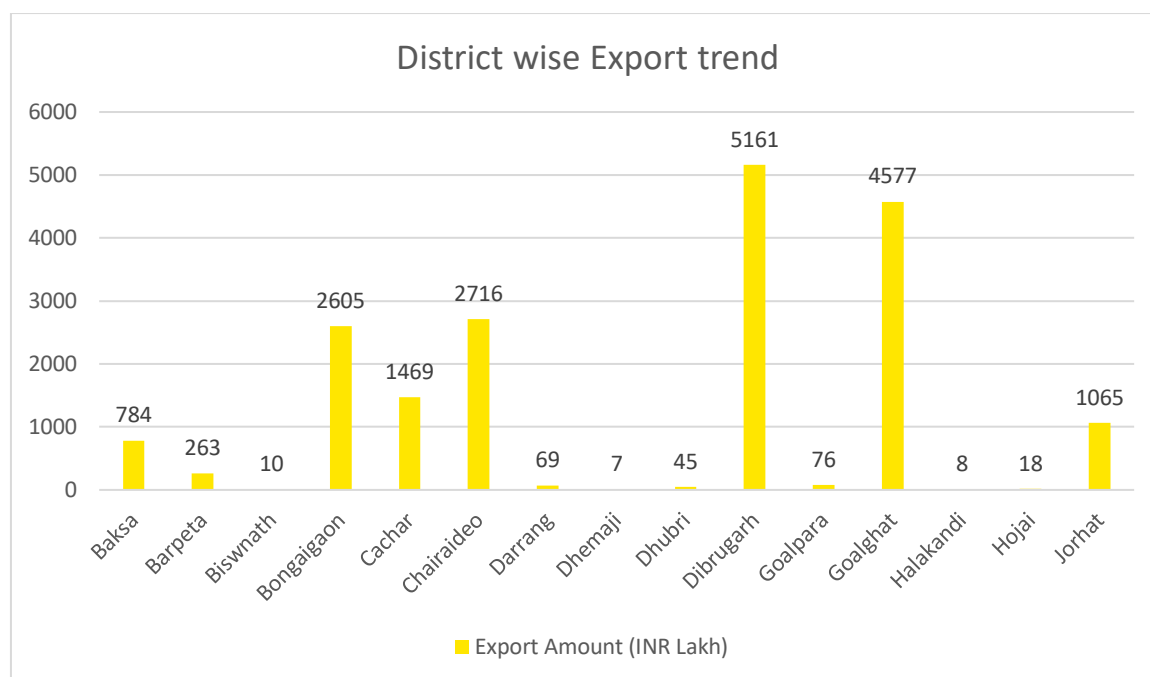


Figure 16: District wise export trend

Role of MSMEs in Assam's Export Value-Chain

(i) Tea, Agri-products, & Bamboo Products

Assam, renowned for its tea, accounts for a significant proportion of India's tea exports. MSMEs, while crucial, don't dominate the primary production sector for tea and agricultural products. Instead, their real potential lies in adding value to these products. For instance, the production and export of specialty and boutique teas are opportunities that MSMEs can tap into. The processing and sale of bamboo products also offer an untapped avenue. Notably, the growth rates from 2021-22 to 2022-23 suggest that specific tea variants and bamboo products have seen a surge in exports, emphasizing their potential for further growth. Realizing these opportunities will require technological enhancement and consistent high-quality raw material supply.

(ii) Adherence to Quality Standards

Consistent quality standards, which outline specifications, guidelines, or product characteristics, are vital in ensuring that commodities, products, and services are fit for their purpose. A crucial aspect of international trade is mandatory quality control and inspection, with non-compliance possibly leading to consignment rejection. The Government of India, recognizing this, established the Export Inspection Council, defining minimum standards for exports based on international norms. These standards include BIS, NABL, FSSAI, AGMARK, ISO 9000, and others.⁴¹

(iii) Infrastructure

Trade infrastructure in Assam encompasses the vital physical and logistical assets, setups, and systems pivotal for streamlining exports and imports. This expansive framework takes into its fold airports, transportation corridors, roadways, and rail networks, supplemented by container freight hubs and inland trade stations, as well as logistics and storage facilities.

A cursory glance at Assam's logistics structure reveals its extensive connectivity. Assam boasts of multiple river ports leveraging the Brahmaputra River and several airstrips that handle cargo. Further, Assam has established numerous container freight stations (CFS) and several inland trade depots to aid its bustling trade activities. The state's warehousing body oversees a range of depots, consistently operating at high efficiency, and providing substantial frozen storage capacity.

⁴¹ https://www.niti.gov.in/sites/default/files/2023-07/Export-Preparedness-Index-2022_0.pdf

With the central government's 'Trade Infrastructure for Export Scheme' at its disposal, Assam stands poised to further augment its inland trade hubs, CFSs, storage provisions, and cold storage capacities. Such bolstering is imperative for ensuring seamless storage, swift transportation, and efficient market outreach, which in turn minimizes wastage and refines the supply logistics.

(III) Warehousing and Cold Storage Facilities

NER States have a total warehousing capacity of 1,09,963 MT provided by 11 CWC warehouses across 3 states– 7 in Assam, 3 in Tripura and one in Nagaland. State Warehousing Corporations (SWC) operates only in two states– Assam and Meghalaya⁴². Since 2011, only 5 warehouses have been registered through Warehousing Development and Regulatory Authority (WDRA) in all of NER, Assam, out of a total of 1,692 warehouse registered in other states of the country. As seen from the table below the total number of warehouses in NER are only 11 with a total capacity of 3,58,097 MT.⁴³

Table 17: Total number of warehouses in NER with total capacity

Sr. No	State	CWC		SWC		Occupancy (%)	Total	
		Nos	Capacity (MT)	Nos	Capacity (MT)		Nos	Capacity (MT)
1	Arunachal Pradesh	-	-	-	-	-	-	-
2	Assam	7	78,983	41	203,987*	72	47	282,970
3	Manipur	-	-	-	-	-	-	-
4	Meghalaya	-	-	6	17,700	94	6	17,700
5	Mizoram	-	-	-	-	-	-	-
6	Nagaland	1	13,000	-	-	-	1	13,000
7	Sikkim	-	-	-	-	-	-	-
8	Tripura	3	44,427	-	-	-	3	44,427

Besides the storage facilities offered by entities like FCI, CWC, and SWC, there are also strategically positioned facilities near rail and airport terminals that significantly facilitate rapid transportation. Within the North-East Region (NER), the Central Railside Warehouse Company Limited boasts a warehouse at Pandu Port, Guwahati, Assam. Operational since March 2017, this state-of-the-art facility spans 3,556 sq. mtr. and has a 3,500 MT capacity, divided among four compartments. It is supplemented with amenities such as a weigh bridge and vendor rooms, primarily dealing with cement storage.

Furthermore, the Airports Authority of India (AAI) manages several warehousing facilities across various airports in the nation. Notably, in the NER, the Guwahati Airport stands out by offering warehousing and a temperature-controlled multi-chamber cold storage. With a robust infrastructure, the airport can manage approximately 1,000 MT of cargo daily. In 2017-18, it successfully handled a total volume of 22,000 MT, primarily consisting of perishables like pineapples, kiwi, oranges, ginger, and more.

In a comparison of other top-performing airports in NER by cargo volume, Imphal processed 6,180 MT, Agartala 5,600 MT, and Silchar 720 MT.⁴⁴

⁴² http://cewacor.nic.in/index.php?option=com_content&view=article&id=223&Itemid=240&lang=en

⁴³ CWC Warehouse Portal; Assam State Warehousing Corporation; CWC Annual report 2018-19

⁴⁴ NEDFI- NES Study Report

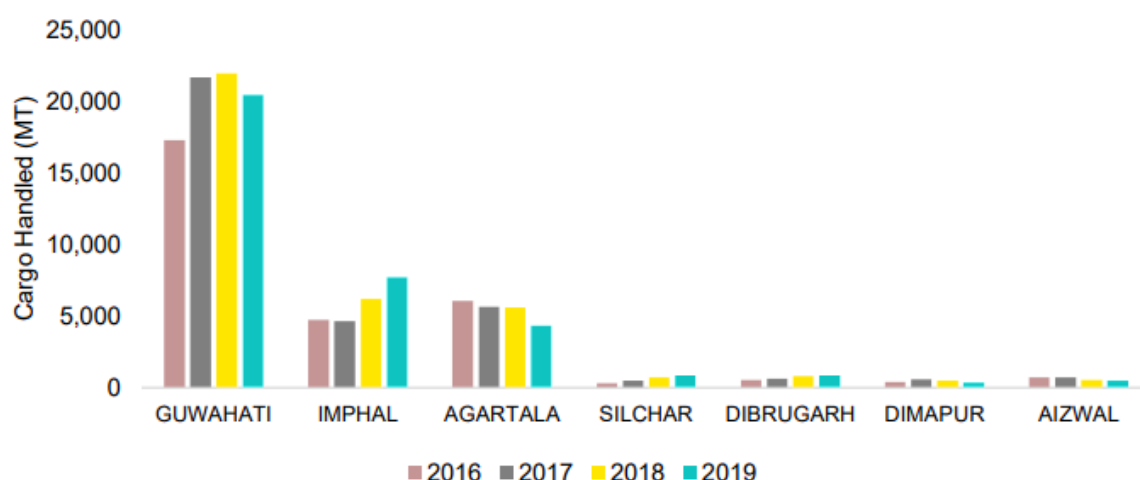


Figure 17: Domestic Freight Volume handled by NER Airports

The above figure shows the trend of freight handled by Airport facilities across NER. The combined freight volume saw a 6% growth has been observed in the last three years indicating optimal utilisation and demand for more such facilities in other parts of NER.

In the intricate web of logistics, storage stands as a cornerstone. As alluded to earlier, Assam's export profile prominently features agri-products like tea, bamboo, and various crops. The strategies delineated in the Assam Export Promotion Policy underscore the pressing requirement for state-of-the-art cold storage and warehousing solutions in the state.

Beyond mere warehousing, the cold storage infrastructure is vital, especially when considering the nature of export commodities originating from Assam. These facilities play an instrumental role in upholding the quality and longevity of products. Data from relevant agricultural and trade bodies indicate that Assam hosts about 28 cold storage facilities with total capacity of approximately 77000 MT. A significant portion, roughly 95%, is dedicated to agri-products, ensuring they remain in prime condition prior to export. While districts like Kamrup (M) and Nagaon are well-equipped with these facilities, efforts should be channelled to improve infrastructure in other regions, such as Barpeta, Nalbari, Golaghat to bridge existing gaps.

Table 18: Distribution of Cold Storage Facilities across Districts⁴⁵

SI	Districts	Number of Cold Storage Facilities
1	Barpeta	1
2	North Cachar	2
3	Dhubri	3
4	Golaghat	1
5	Kamrup	12
6	Nalbari	1
7	Tinsukia	2
8	Halaikundi	2
9	Sonitpur	1
10	Karimganj	2
11	Nogaon	3

⁴⁵ [District Wise Cold Storages in Assam \(apeda.gov.in\)](http://District Wise Cold Storages in Assam (apeda.gov.in))

Table 19: District Wise Cold Storages in Assam⁴⁶

#	District	Name and address	Capacity (MT)	Sector
1	Barpeta	Co-op Cold Storage, Barpeta	3000	Cooperative
2	North Cachar	Kay Dee Cold Storage, Ltd., Ramnagar, Silchar	5000	Private
3		Sri Lalit Cold storage (P) Ltd, Silchar	5000	Private
4	Dhubri	Gouripur Cold Storage, Gouripur	60	Public
5		Hat Singhmari Cold Storage, Man Kashar	60	Public
6		Gokhani Cold Storage, Dhubri	2000	Private
7	Golaghat	Balajee Cold Storage, Dergaon	3600	Private
8	kamrup	Reliable Cold storage (P) Ltd, Changsarai, Guwahati	5000	Private
9		Citra Cold storage, Changsarai, Guwahati	2666	Private
10		Krisna Assets Cold storage, Khanapara, Guwahati	2500	Private
11		Eden Cold storage(P) Ltd, Khanapara, Guwahati	2400	Private
12		WAMUL Cold Storage, Khanapara, Guwahati - 22	180	Private
13		Town Milk Supply Scheme, Khanapara, Guwahati - 22	1250	Private
14		Asst. Director, Sericulture, Khanapara, Guwahati	60	Private
15		Govt. Cold Storage, Zoo Rd., Guwahati-5	100	Public
16		Kamrup Cold Storage Co., Zoo Road, Guwahati - 5	1800	Private
17		Warehouse Cum Cold Storage, Burnihat	500	Public
18		Singhimari Cold Storage, Singhimari	500	Public
19		North-East Cold Storage, Lokhra, Guwahati	5000	Private
20	Nalbari	Co-op Cold Storage, Nalbari	4000	Cooperative

⁴⁶ Agmarknet

#	District	Name and address	Capacity (MT)	Sector
21	Tinsukia	Tinsukia Cold Storage, M/s. Assam Cold Storage	2200	Private
22		Mahabir Cold storage, Tinsukia	7000	Private
23	Hailakandi	Indraprastha Cold storage(P) Ltd, Bhairabpad, Tejpur	4000	Private
24	Karimganj	Barak Cold storage, Badarpur	5000	Private
25		Co-op Cold Storage, Golak Ganj	2400	Cooperative
26	Nagaon	North East Central Cold storage, Kaliabore	4500	Private
27		Dep Jyoti Ice & Cold storage (P) Ltd., Dimru Guri	4000	Private
28		Co-op Cold Storage, Raui	3000	Cooperative

1.2.6 Access to Formal Financing Channels

The Expert Committee on MSMEs, as per an RBI report, highlights a credit deficit of approximately Rs. 20-25 lakh crores across India. Catering to the financial needs of MSMEs often presents heightened risks and increased expenses in comparison to larger enterprises. The challenge intensifies when dealing with clients who possess minimal or no credit history, often referred to as “thin file” customers.

One of the primary hurdles faced by MSMEs is the timely and sufficient availability of credit. The extent of credit needs varies based on the enterprise's size, operational sector, target customer group, and its developmental phase. MSMEs frequently confront irregular cash flows, particularly during seasonal shifts or economic downturns. Ensuring access to credit assists them in handling working capital demands, guaranteeing uninterrupted daily operations. Moreover, from an expansion standpoint, financing enables MSMEs to channel investments into vital sectors like infrastructure, technology, machinery, and human resources.

► Financial Institutions in Banking

Financial institutions within the banking sector are pivotal in funding entrepreneurial ventures. Consequently, the geographical spread of these banks plays a significant role in ensuring credit accessibility to MSMEs. In Assam, public sector commercial banks maintain a substantial presence. They operate through an extensive branch network of 1442, underlining their dominant role in offering banking services, and make up 43% of the state's entire banking infrastructure. On their heels are the private sector commercial banks, which constitute 28 % of the overall banking network. Assam also benefits from regional banks, like the Regional rural Bank, with 481 branches, which cater to the unique financial needs of local communities. Additionally, co-operative banks enrich Assam's banking landscape, boasting a total of 2962 branches across the state.⁴⁷

Table 20: Distribution of Banking Groups in Assam as of March 2022

Bank groups	No. of reporting offices	
	2021	2022

⁴⁷ Economic_survey_assam_2022-2023

Private Sector Banks including payment banks	778	842
Public Sector Banks	1469	1442
Regional Rural Banks	481	481
Small Finance Banks/Co-operative Banks	196	196
Foreign Bank	1	1
All SCBs	2925	2962

In understanding the operations of a financial institution, the credit-deposit (CD) ratio emerges as a pivotal metric in gauging credit accessibility within an economy. Essentially, this ratio serves as an indicator, shedding light on how much financial institutions lend in relation to the deposits they possess. Drawing from the RBI's data on deposits and credit for Scheduled Commercial Banks (SCBs), Assam's SCBs recorded a credit-deposit (CD) ratio of 48.62% as of March 2022. When considering all banks in Assam, inclusive of co-operative banks, the CD ratio stood at 64.59%. Notably, this is beneath the national average, which is pegged at 71.87%. Furthermore, it trails behind states like Andhra Pradesh, with a CD ratio of 138.78%, and Tamil Nadu, which boasts a ratio of 101.58%.⁴⁸

► Non-banking Financial Institutions

In India's dynamic financial domain, Non-Banking Financial Companies (NBFCs) have risen as vital contributors. They supplement the conventional banking framework, addressing a range of financial demands and propelling economic progress. This segment delves into the diverse roles NBFCs undertake within the Indian economic context. Primarily, NBFCs have facilitated financial accessibility to segments that were earlier marginalized or overlooked by standard banking channels. By providing loans, credit facilities, and investment avenues, they cater to individuals and enterprises that might not align with the rigorous standards set by mainstream banks.

Financing for MSMEs through NBFCs

- NBFCs have carved out a significant role in offering specialized financial solutions to Small and Medium-sized Enterprises (SMEs) as well as Micro, Small, and Medium Enterprises (MSMEs). These entities often confront financial challenges that aren't always addressed by mainstream banking systems. Through a suite of tailored products and services, NBFCs address these specialized needs.
- For SMEs and MSMEs that thrive on agility, NBFCs stand out with their rapid loan processing. Bypassing the often-protracted approval mechanisms of conventional banks, these financial institutions ensure swift fund accessibility, enabling businesses to capitalize on emerging prospects or navigate pressing financial hurdles.
- Traditional banking often demands robust collateral, a challenge for many SMEs and MSMEs. In contrast, NBFCs frequently provide loans that are either free of collateral requirements or demand minimal collateral, simplifying the financing process based on the credit standing and feasibility of the enterprise.
- Ensuring a steady working capital is paramount for SMEs and MSMEs to run their daily operations. To this end, NBFCs extend working capital loans, aiding enterprises in regulating their cash reserves, handling routine expenditures, and adapting to market demand variations.
- A subset of NBFCs focuses primarily on microfinance, addressing the monetary necessities of budding entrepreneurs and community-driven initiatives in marginalized and rural regions. Through this, they champion economic upliftment from the ground up.

⁴⁸

dbie.rbi.org.in/BOE/OpenDocument/1608101729/OpenDocument/opendoc/openDocument.faces?logonSuccessful=true&shareId=0

1.2.7 Elements of Production in Assam

Production in Assam is an intricate affair, shaped by a myriad of interlinked elements. Collectively, these elements determine which products and services are generated, the methods employed, and the scale of production. Assam's productive capabilities are deeply rooted in its elements such as land, water sources, finance, labour, technological advancements, energy availability, environmental awareness, market accessibility, shared infrastructure, and more.

Elements like land, minerals, water, and energy dictate the viability of diverse industries – ranging from agriculture and mining to manufacturing and power generation. Innovations and technological leaps boost efficiencies, empowering Assam to maximize its inherent resources. The workforce's skill set, and adaptability play a pivotal role. A proficient and versatile labour pool amplifies production capabilities by boosting productivity and spurring ingenuity. Infrastructure facets like transportation, utilities, and communication systems fortify the logistics of production and enhance market connectivity. Concurrently, market demands, both local and global, guide production directions, nudging businesses towards sectors with promising growth trajectories. Ready access to financing gears up entrepreneurial endeavours, supports infrastructure build-out, and enhances the resilience of businesses in dynamic environments. Environmental factors weave into this rich tapestry, impacting production decisions. Grasping this multifaceted interrelation is crucial for refining production techniques and bolstering Assam's economic ascent.

(i) Land

Assam's landscape offers both unique challenges and potential for production. Given the state's expansive geographical stretch intertwined with its demographic layout, land is a valuable asset. The total geographical expanse of Assam covers 78438 sq.km, of which a significant portion is dedicated to agriculture, while a smaller section is designated for non-agricultural ventures. The allotment of industrial land in Assam is chiefly overseen by the Assam Industrial Infrastructure Development Corporation (AIIDC) and the Assam State Industrial Development Corporation (ASIDC). These governmental bodies hold the mantle of pinpointing, procuring, and cultivating apt land chunks to cater to Assam's industrial aspirations.

To counteract the challenge of constrained industrial land, the state government has rolled out various initiatives. A prime strategy is the conceptualization and execution of industrial parks and development zones spanning various districts in Assam. These demarcated zones bestow industries with a gamut of amenities like a plug-and-play infrastructure, streamlined utility access, proficient waste handling systems, R&D hubs, testing labs, and more vital services. These zones also germinate a collaborative ambiance, propelling businesses to synergize and maximize collective prowess. Another tactic deployed by the administration is the revamp and rejuvenation of pre-existing industrial locales to ensure optimal land utilization and house a broader industrial spectrum.

AIIDC has pioneered the establishment of multiple industrial parks, enveloping a vast area suitable for diverse industries. These parks are delineated based on industry needs, assuring sectors like food processing, textiles, electronics, and high-tech industries find their tailored spaces to burgeon. Beyond these parks, numerous development pockets under the Department of Industries span Assam, designed to host a multitude of industrial entities. The current industrial occupancy in these zones underscores the soaring industrial land demand and the government's forward-thinking endeavours to cater to such needs.

ASIDC, too, plays a pivotal role in crafting industrial landscapes in Assam. They presently helm a significant chunk of industrial parks under their ambit. The thriving industrial units within these parks bear testimony to Assam's robust infrastructural backbone and industry-friendly policies.



Industrial Parks and Estates



(ii) Energy:

Assam's state government has been diligently working towards amplifying its energy efficiency and endorsing alternative energy sources such as solar and hydro power. As of March 2022, the total installed power capacity in Assam reaches 422.355 MU (Million Unit).

Assam has earned considerable accolades for its endeavours in the energy and environmental spheres, clinching a commendable rank in NITI Aayog's State Energy and Climate Index (SECI) for 2022. This index evaluates the efforts of states in rejuvenating their energy landscapes. A distinct aspect of Assam's energy consumption trend is the heightened electricity utilization in domestic realms and public sectors. This contrasts with several states where a vast chunk of energy gets channeled towards industrial and agricultural operations. Boasting an impressive industrial energy savings rate, Assam stands as a testament to its unwavering commitment to energy optimization. The state also excels in metrics like accessibility, cost-effectiveness, and dependability in energy supply, outstripping numerous counterparts.

A striking facet of Assam's energy framework is the emphasis on regulating High Tension power directed to industries, signifying a conscious strategy for sustainable energy consumption. For the MSME sector, electricity expenditures substantially influence operational budgets. A juxtaposition of electricity tariffs under High Tension power supply in Assam with other industrially prominent regions provides insights into the economic dimensions. Grasping any disparities becomes instrumental to pinpoint prospects for financial efficiency and tailor requisite support to MSMEs when deemed necessary.⁴⁹

Table 21: Requirement and shortage of electricity In Assam

ITEM	2019-20	2020-21	2021-22
Energy Requirement (MU)	11472	11463	12132.17
Energy Availability (MU)	10941	11004	11952
Shortage (MU)	531	459	180.27

⁴⁹ economics_Survey_assam_2022-23

Peak Demand (MW)	2051	2051	2165
Peak Demand Met (MW)	1956	1990	2120
Shortage (MW)	95	84	45
Shortage (In %)	5%	4%	2%

(iii) Labour:

Assam is renowned for its hardworking and adept workforce. The state has a history of strong workers' associations and a forward-looking labour perspective, which often results in competitive wages. While this can influence production costs, it also guarantees a dedicated and proficient workforce. In Assam, the wage rates for male and female unskilled labourers surpass both the national average wage and the state's prescribed minimum wage. For instance, Assam had a daily wage rate according to category of labours like Highly Skilled (INR 648.44), Skilled (INR 521.56), Semi-skilled (INR 408.73) & Unskilled workman (INR 352.40) in 2022-23.⁵⁰

According to the India Skills Report 2022, Assam, with a 64.2% employability rate, ranks 3rd among states with the most employable talent, following closely behind Maharashtra (66.1%) and Uttar Pradesh (65.2%). Guwahati, Assam's capital, stands in the 3rd position in terms of cities with the highest employable talent. Assam ranks third in states boasting the highest youth employability, with 64.2% of its candidates being highly employable. While the state ranks high for English language proficiency, it doesn't feature in the top 10 for computer literacy, numerical aptitude, or analytical thinking. However, several cities in Assam are listed among the top cities for available talent in age brackets of 18-21, 22-26, and 26-30, respectively.

(iv) Entrepreneurship:

The Entrepreneurship Guidance Mission (EGM), in collaboration with the Confederation of Indian Industry (CII) and The Bharatiya Yuva Shakti Trust (BYST), initiated a youth entrepreneurship development program in April 2012.⁵¹ This program, fully funded by the Mission, aims to address the acute unemployment issue in Assam by encouraging unemployed youth to establish viable enterprises and transition from job seekers to job creators, particularly focusing on disadvantaged youth.

The EGM-CII-BYST youth entrepreneurship development program takes a comprehensive approach to entrepreneurship development. It starts by identifying prospective entrepreneurs and includes awareness generation, counseling, and training. The program assists participants in obtaining the necessary licenses and permits, prepares their business projects with the guidance of BYST mentors, facilitates loan approvals through partner banks, and provides mentoring support for two years through dedicated BYST mentors on a voluntary basis.

In essence, the program seeks to empower and guide unemployed youth in Assam towards entrepreneurship, thereby addressing the unemployment challenge and promoting self-employment and economic development in the region.⁵²

(v) Infrastructure

Assam prides itself on its comprehensive transportation network, comprising a total road span of 2,30,934.18 km, which encompasses both major and minor roads. The road density in Assam is 548 km per 100 sq. km, nearly tripling the national average. Further, the state holds a commendable position in the Indian Railways grid with an overall route length of 1,745 km, segmented between the Guwahati and Silchar divisions.

Assam is also venturing into eco-friendly transit solutions, exemplified by the Guwahati Water Metro project. With a revised project budget of Rs 1,064.83 crore, the plan involves the introduction of 78 electric hybrid vessels, slated for operation by the end of 2022. Moreover, Assam, with its lush

⁵⁰ [Latest Assam Minimum Wages in 2023 - Labour Law Gyan](#)

⁵¹ <https://asdm.assam.gov.in/portlet-sub-innerpage/about-entrepreneurship-development-programme>

⁵² <https://asdm.assam.gov.in/portlet-sub-innerpage/about-entrepreneurship-development-programme>

landscapes and mighty Brahmaputra, has a vast network of inland waterways, encompassing rivers and tributaries. These waterways not only enrich Assam's biodiversity but are pivotal for transportation, sustenance, and environmental balance. There are ongoing discussions to expand waterways from Dibrugarh to Silchar, aiming to promote extensive cargo movement via these channels.

Several more infrastructure projects are in the pipeline, underscoring Assam's dedication to propelling economic advancement in the region (Please refer to Annexure A3 for an exhaustive list of major infrastructure initiatives in the state). With ambitious ventures like the Brahmaputra riverfront development, port projects, and highway connectivity drives in the offing, there are boundless prospects for MSMEs to flourish, broaden their reach, and substantially boost Assam's economic trajectory.

The Barauni – Guwahati pipeline is a 726-km⁵³ long natural gas pipeline that will connect Barauni in Bihar to Guwahati in Assam via West Bengal. It is an extension of the Pradhan Mantri Urja Ganga project, which aims to provide piped natural gas (PNG) and compressed natural gas (CNG) to households, industries, and vehicles in eastern India. This has far-reaching benefits for the region, ranging from economic growth and reduced environmental impact to improved energy security and enhanced mobility through cleaner transportation options.

The Commercial & Business Hub, which is a project to develop a modern commercial complex with office spaces, retail outlets, hotels, convention centres, and other facilities in Guwahati.

The Logistic Hub, which is a project to establish two logistic hubs in Assam, one at Jogighopa near the Brahmaputra river and another at Silchar near the Bangladesh border. The hubs will provide warehousing, cold storage, container handling, and multimodal transport facilities for the movement of goods and commodities.

The Jute Park, which is a project to set up a jute processing and manufacturing park in Kamrup district. The park will have units for jute yarn, fabric, bags, carpets, handicrafts, and other products. It will also have common facilities such as effluent treatment plant, power substation, testing laboratory, and training centre.

The Agro Hub, which is a project to develop an integrated agro-processing and marketing hub in Nalbari district. The hub will have facilities for processing, packaging, storage, and distribution of various agro products such as fruits, vegetables, spices, dairy, poultry, fishery, etc. It will also have a food park, a cold chain network, a farmers' market, and a skill development centre.

(vi) Technology:

The technology sector of Assam is one of the emerging sectors in the state, which aims to leverage information and communication technology (ICT) for socio-economic development⁵⁴.

The state has a separate Information Technology Department, which was created in 2003 to focus on the development of ICT in the state. The department has formulated various policies and schemes to promote ICT infrastructure, e-governance, skill development, innovation, and entrepreneurship in the state.

The state also has an IT policy, which was launched in 2017 to provide various incentives and support measures for the growth of the IT industry in the state⁵⁵. The policy aims to attract investment, create employment, foster innovation, and enhance skill development in the IT sector.

Some of the salient features of the policy are:

- Exemption from stamp duty, registration fee, land conversion fee, and land premium for IT units.
- Subsidy on power tariff, internet bandwidth charges, lease rental, and interest on term loan for IT units.
- Reimbursement of patent filing cost, quality certification cost, and exhibition participation cost for IT units.

⁵³ <https://industries.assam.gov.in/portlet-innerpage/micro-small-and-medium-industries-msme>

⁵⁴ <https://it.assam.gov.in/>

⁵⁵ <https://www.ibef.org/states/assam-presentation>

- Establishment of IT parks, incubation centres, innovation labs, and centres of excellence for IT units.
- Creation of an IT talent pool through skill development programmes, scholarships, internships, and hackathons for IT professionals and students.

Assam hosts several IT-related initiatives, including:

- The Department of Information Technology under the Assam Government is entrusted with policy formulation and the implementation of IT-related projects and schemes within the state.
 - Operating under the Department of Information Technology, Electronics & Communication, the Directorate of Information Technology coordinates and bolsters IT operations and e-governance endeavours in the state.
 - The state administration has also devised multiple policies and directives to foster IT sector growth and investment. Examples include the IT Policy, IT Act, ESD Rules, ROW Guidelines, and Cyber Security Policy.
 - The Assam Government has introduced numerous schemes and projects to fortify IT infrastructure and services, featuring initiatives like the State-wide Area Network (SWAN), State Data Centre (SDC), Common Service Centre (CSC), and e-District
 - The Assam Electronics Development Corporation Ltd. (AMTRON) stands as the state's central agency, overseeing various IT activities, encompassing IT infrastructure, services, solutions, training, and consultancy.
 - Assam's government is committed to enhancing IT awareness and adoption among its populace and stakeholders. Programs like the Digital Literacy Programme, e-Governance Awareness Programme, and e-Governance Awards are evidence of this commitment.
- **Technology Workshops:** Assam has introduced Technology Workshops, spanning two days, dedicated to serving the entrepreneurs from established units. Renowned academicians from eminent institutions and seasoned technocrats helm these workshops, aiming to familiarize entrepreneurs with the latest advancements, enabling them to modernize and address technical challenges. These sessions primarily focus on Assam's priority sectors. Some of the workshops are mentioned below⁵⁶:
- **ISWCPC-2023:** This is an international seminar and workshop on CRISPR/Cas-based plant functional genomics and computational modelling. It will be organized by CSIR-North East Institute of Science and Technology (NEIST) during January, 2023 at CSIR-NEIST, Jorhat, Assam.
 - **Udyam-2023:** This is a series of events organized by the Department of Industries, Commerce and Public Enterprises of Assam to promote entrepreneurship and address the challenges faced by the MSME sector. The events include workshops, seminars, exhibitions, B2B meetings, etc. on various themes such as innovation, technology, finance, marketing, etc. The events will be held across various places in the state from February to March, 2023.
 - **Technology Centres Conclave:** This is a two-day event that will be held in March 2023 at Jyoti Chitaban, Guwahati. The event will showcase the achievements and potential of the MSME technology centres in India and explore the opportunities for collaboration and partnership with various stakeholders. The event will also feature keynote addresses, panel discussions, success stories, etc. on topics such as technology adoption, innovation ecosystem, skill development, etc.
 - **CoFin 2023:** This is a one-day seminar on computational finance that will be held in January 2023 by the Department of Computer Science and Engineering of Assam University.
- **Tool Room Cum Training Center (TTRC), Guwahati:** Tool Room & Training Centre, Guwahati has been established by Government of India to cater tooling and training need of Industries of North Eastern Region. The State Government of Assam has provided the land as well as initial building to the Tool Room. TRTC has been registered as Government of India Society on 24th February 2000. The training department provides quality training in the field of Design with CAD/CAM/CNC Machining with latest high-tech software's, Machine Tool Operation, Precision

⁵⁶ <https://astec.assam.gov.in/portlet-innerpage/innovationtechnology-generation-and-awareness>

Machining, Welding Technology, IT, PLC etc. The production wing manufactures press tools, moulds, jigs & fixtures, gauges and other precision components as per the needs of the industries.

The aim and objective are as follows:

- To impart Long Term, Mid Term and Short Term Training to youngsters with the latest technologies (and other allied engineering trades) both for fresher's and personnel already engaged in this field.
- To provide qualitative service in the area of Development & Manufacturing of Quality Tools & Components, Design, Project Consultancy & Skill Development Programme.
- To develop production facilities of moulds, jigs, fixtures, gauges & other sophisticated tools preferable for Small Scale Industries.
- To Train manpower in the field of industrial engineering & other allied engineering trades both for the fresher's and for personal already engaged in the field.
- To provide common facilities in precision machining.
- To provide consultancy facilities primarily for MSMEs units in the field of tool engineering aimed at improvement in productivity.
- The aim of the Centre is to promote growth and development of Micro, Small & Medium Enterprises through Technological and Skilled Manpower Support.

(vii) R&D/Testing Facilities:

Assam is progressively emphasizing research and development initiatives. Higher educational institutions, dedicated research centers, and private enterprises frequently join hands for R&D projects spanning a myriad of domains, including agritech, renewable energy, and digital technology. This concerted effort propels Assam's stature as a hub for innovative solutions and advanced product development.

- ▶ **Advanced Testing and Instrumentation Centre:** This establishment, jointly sponsored by Assam Science Technology and Environment Council (ASTEC) and Assam University, primarily assists industries, R&D entities, and higher educational institutions by offering top-tier testing and calibration services, intricate material analysis, R&D backing, consultancy services, and educative training programs. The Calibration Labs within this center boast state-of-the-art calibration apparatus and standards, all adhering to national benchmarks.
- ▶ **Central Institute of Petrochemicals Engineering & Technology, Guwahati (CIPET - IPT):** This institute comes outfitted with avant-garde infrastructure, designed to offer paramount technical services to the plastics and associated sectors. Moreover, it serves as an educational bedrock, crafting a technologically proficient workforce to cater to the varied needs of the industrial domain.
- ▶ The **Electron Microscopy Unit at CSIR-Central Drug Research Institute (CDRI) at Jorhat**, which houses two major microscopy facilities: a transmission electron microscope (TEM) and a scanning electron microscope (SEM). It offers expertise in electron microscopy for various biological samples and applications.

1.2.8 Skill Enhancement and Capacity Development Eco-system in Assam

The realm of skill training and capacity augmentation in Assam has witnessed significant transformation, particularly in the recent decades. A multitude of avenues are available for both emerging and established professionals to gain new skills, refine existing ones, or branch out into new areas through various initiatives spearheaded by the Central Government and the State Government of Assam. The following are key entities actively promoting skill development in the region:

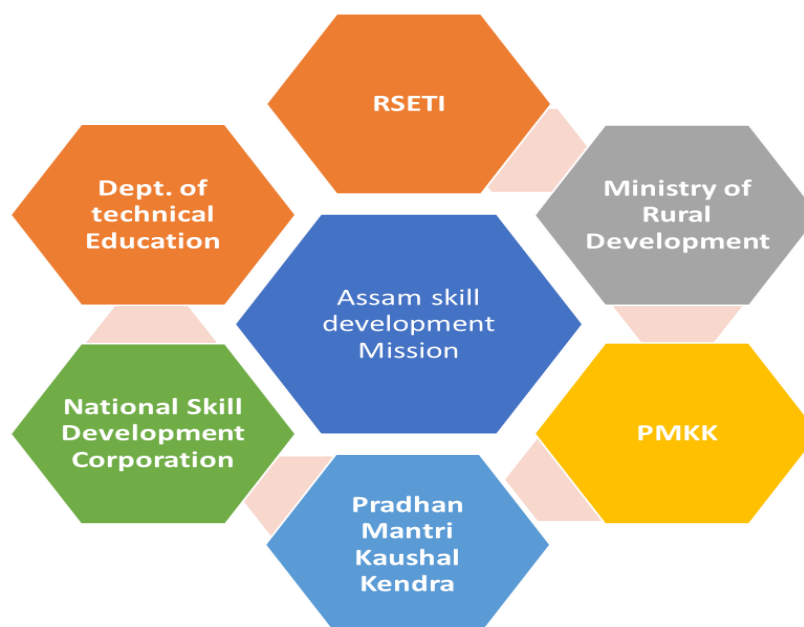


Figure 18: Key contributors to Assam's skill development framework include

► Industrial Training Institutes

In Assam, the Industrial training Department Training plays a pivotal role as the primary agency at the state level, facilitating various skill development initiatives under the guidance of the Director General of Training (DGT), Ministry of Skill Development and Entrepreneurship, Govt. Their endeavours majorly focus on uplifting trainees from marginalized backgrounds, bringing them into the mainstream technological arena by providing training to enhance employability, all at no cost.

The Directorate of Employment & Craftsmen Training in Assam, a part of the Skill Employment and Entrepreneurship Department, Govt. of Assam, operates under three main wings:

- **Craftsmen Training Scheme:** This scheme provides training through government ITI's in Assam with the objectives of producing skilled workers for industries and reducing unemployment among educated youths by equipping them with skills for both industrial employment and self-employment.
- **Employment Service Scheme:** This scheme focuses on employment-related services.
- **Apprenticeship Training:** Apprenticeship programs are aimed at providing practical training and experience to individuals.

The Directorate works under the guidance of the Director General of Training, a body at the national level responsible for coordinating vocational training development in India. It issues certificates to trainees who complete National Council for Vocational Training (NCVT) and State Council for Vocational Training (SCVT) programs.

Additionally, the Ministry of Electronics and Information Technology, a government organization, is entrusted with tasks related to software development and online counselling for admissions to courses offered in Industrial Training Institutes (ITI's) across the state. This initiative aims to leverage ICT-based solutions to facilitate ITI admissions and educational processes in Assam.

The state boasts there are 32 Industrial Training Institutes (ITIs) in Assam. Out of these, 17 are government ITIs and 15 are private ITIs⁵⁷. The government ITIs are under the Directorate of

⁵⁷<https://skill.assam.gov.in/frontimpotentdata/industrial-training-institutes-in-assam>

Employment and Craftsmen Training (DECT) of the Skill, Employment and Entrepreneurship Department of the Government of Assam. The private ITIs are affiliated to the National Council for Vocational Training (NCVT) or the State Council for Vocational Training (SCVT).

According to apprenticeship India, in contract type – optional, 49% apprentices engaged are male and 51% are female.

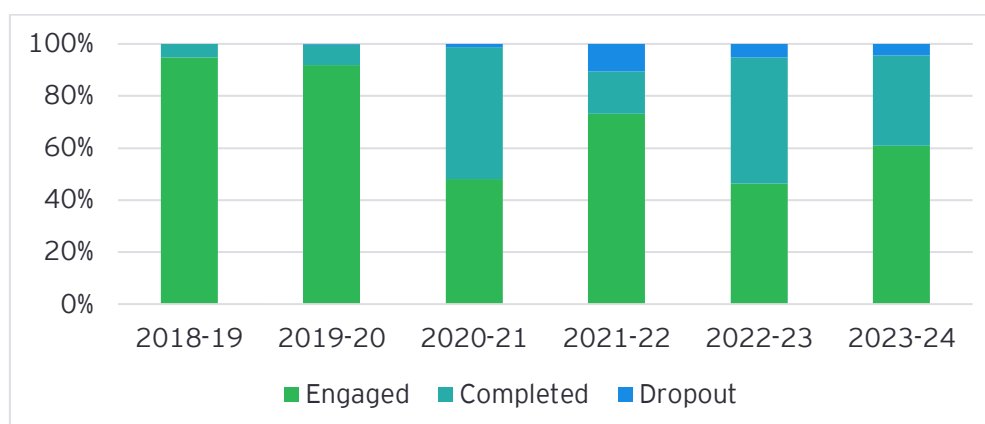


Figure 19 Trend in Engaging Apprentices (via the National Apprenticeship Promotion Scheme⁵⁸)

► Assam Skill Development Mission (ASDM)

Under the Department of Labour and Employment, ASDM is recognized as the State's primary body for harmonizing all skill development endeavours in the region. ASDM emphasizes industry collaborations and ensures job linkages to train the young populace of Assam, enhancing their skills to match international criteria.

Assam Skill Development Mission was set up under the aegis of Skill Employment and Entrepreneurship Department. The vision of the mission is capacity building of the unemployed youth and to deliver quality skill training leading to meaningful employment.

ASDM has initiated a State Sponsored Skill Development Training Program primarily aiming at training the youth of the state and offering them placements. The program is run on a Public Private Partnership (PPP) Model. Training Partners are empanelled by ASDM after evaluation of their credentials and proposal. Sanction order is issued to the training partners with target of candidates to be trained against the respective trades.

Pradhan Mantri Kaushal Vikas Yojana 2.0 is one of the flagship program run by the Ministry of Skill Development & Entrepreneurship which was launched under the scheme of 'Skill India'. In the state of Assam the program is implemented by Assam Skill Development Mission. The objective of this program is to enable the youths to take up various industry relevant skill training which will help them secure a sustainable livelihood.

► Indian Institute of Entrepreneurship (IIE)

IIE, an autonomous body under the Ministry of Skill Development & Entrepreneurship, is dedicated to fostering training, research, and consultancy activities in Small and Micro Enterprises (SME) with an emphasis on entrepreneurship development. Established in 1993 in Guwahati by the then Ministry of Industry (now the Ministry of Micro, Small and Medium Enterprises), Government of India, the institute became operational in April 1994. The Indian Institute of Entrepreneurship is registered under the Societies Registration Act, 1860. Its foundation was laid with collaboration from the North East Council (NEC), Governments of Assam, Arunachal Pradesh, and Nagaland, along with support from SIDBI. Over the years, IIE has been pivotal in nurturing entrepreneurial spirit and enhancing SME capacities in the region.

► Pradhan Mantri Kaushal Kendras

The Ministry of Skill Development and Entrepreneurship (MSDE) has launched the initiative to set up top-notch Model Training Centres (MTCs) named Pradhan Mantri Kaushal Kendra (PMKK) across every district in India. The National Skill Development Corporation (NSDC) spearheads the

⁵⁸ <https://dashboard.apprenticeshipindia.org/landingSummary.do>

implementation of this initiative. The primary objective is to establish benchmark institutions that exemplify excellence in competency-based skill development training. These centers emphasize quality, sustainability, and robust engagement with all stakeholders in the skill development process. They aim to transition from a mandate-driven model to a lasting institutional one. Assam is home to several 29 PMKKs, contributing to the overall 738 PMKKs set up across the country.⁵⁹

► Sector Skill Councils

Sector Skill Councils (SSCs) serve as pivotal entities within the NSDC framework, ensuring a seamless connection between industry requirements and vocational training. Operating autonomously, SSCs can be recognized either as a Section 8 Company or a Society. The NSDC spearheads the establishment and nurturing of these SSCs, offering initial financial support to foster their growth towards self-reliance. The inception of the Skill India Mission, highlighted in the National Policy on Skill Development and Entrepreneurship 2015, further underscored the creation of SSCs through NSDC. As of now, there are approximately 38 SSCs affiliated with the National Skill Development Corporation (NSDC) in India.⁶⁰

Major Initiatives and Schemes in Assam for Skill Development

Assam has embarked on numerous pioneering measures to amplify the competencies of its emerging young workforce. A glimpse into some of these initiatives are:

- Placement Link Skill Development Training Program (PLSDTP): This is a scheme that aims to provide short-term skill training to the unemployed youth of Assam and link them with suitable employment opportunities. The scheme covers various sectors such as hospitality, retail, beauty and wellness, healthcare, etc. The training is provided by registered training providers and the candidates are assessed and certified by sector skill councils. The scheme also provides post-placement support and tracking for six months.
- Pradhan Mantri Kaushal Vikas Yojana 2.0 & 3.0 (PMKVY): This is a flagship scheme of the Ministry of Skill Development and Entrepreneurship (MSDE) that aims to enable a large number of Indian youth to take up industry-relevant skill training and become employable. The scheme covers various job roles across 40 sectors and provides recognition of prior learning, short-term training, special projects, and placement assistance. The scheme is implemented through state skill development missions, district skill committees, and training partners.
- National Urban Livelihood Mission (DAY-NULM): This is a scheme of the Ministry of Housing and Urban Affairs (MoHUA) that aims to reduce poverty and vulnerability of the urban poor by enhancing their access to livelihood opportunities, social security, and self-employment. The scheme covers various components such as social mobilization, employment through skills training and placement, self-employment through individual and group enterprises, shelter for urban homeless, etc. The scheme is implemented through urban local bodies, community organizations, resource organizations, and training agencies.
- North East Skill Centre (NESC): This is a joint initiative of the Government of Assam and ITE Education Services (ITEES), Singapore that aims to establish a state-of-the-art skill development centre in Guwahati. The centre offers courses in various domains such as hospitality, retail, beauty and wellness, healthcare, etc. The centre follows the Singapore model of vocational education and training and provides international exposure, industry linkages, and career guidance to the trainees.
- Skills Acquisition and Knowledge Awareness for Livelihoods Promotion (SANKALP): This is a project of the MSDE that aims to implement the district skill development plans and strengthen the institutional mechanisms for skill development at the national, state, and district levels. The project covers various components such as setting up model skill centres, enhancing quality assurance systems, creating convergence platforms, promoting innovation and entrepreneurship, etc. The project is supported by the World Bank and is aligned with the National Skill Development Mission.⁶¹

⁵⁹ <https://www.msde.gov.in/en/schemes-initiatives/schemes-initiatives-through-nsdc/pradhan-mantri-kaushal-kendras-PMKK> and <https://nsdcindia.org/find-nsdc-training-centre-pmkk>

⁶⁰ https://sportsskills.in/national_ssc.php#:~:text=Connect%20with%20Sector%20Skill%20Councils,Governing%20Councils%20of%20these%20SSCs.

⁶¹ [ASDM MIS \(google.com\)](https://asdmis.gov.in/)

Table 22: Comparative Performance of Central Schemes (PMKVY and DDAY-NULM) in Assam

Year of Training	Scheme	Enrolled	Passed	Failed	Assessed	Certified	Placed
2018	PMKVY	10985	8889	2096	10985	8889	5661
2019	PMKVY	9392	7506	1886	9392	9392	2627
2019-20	DDAY-NULM	4986	-	-	3023	2127	402
2019-23	PLSDTP	116308	-	-	93185	84690	50582

1.2.9 Assam's Performance on Centrally Sponsored Schemes

1. Khadi and Village Industries Commission (KVIC)

The Khadi and Village Industries Commission (KVIC) is an official entity established by the Indian government with the objective of fostering the growth and advancement of khadi and village industries within rural regions. Khadi signifies a type of cloth produced through manual spinning and weaving — a material that gained significance as a representation of self-sufficiency and autonomy during the freedom movement under the leadership of Mahatma Gandhi. On the other hand, village industries encompass modest-scale industrial ventures that furnish employment opportunities and income to artisans and laborers residing in rural areas.

The Assam Khadi & Village Industries Board (AKVIB) oversees the execution of various Khadi initiatives through its network of **47 Khadi Production Centers situated in the state's** rural regions.⁶²

Some of the main schemes and programmes of KVIC are:

- ▶ **Khadi Vikas Yojana (KVY):** This scheme provides financial assistance for the production, marketing and development of khadi products.
- ▶ **Gramodyog Vikas Yojana (GVY):** This scheme provides financial assistance for the production, marketing and development of village industries products.
- ▶ **Prime Minister's Employment Generation Programme (PMEGP):** This scheme provides credit-linked subsidy for setting up micro enterprises in rural areas.
- ▶ **Scheme of Fund for Regeneration of Traditional Industries (SFURTI):** This scheme provides financial assistance for setting up common facility centres and other interventions for cluster development of traditional industries.
- ▶ **Interest Subsidy Eligibility Certificate (ISEC) Scheme:** This scheme provides concessional rate of interest for bank loans availed by khadi and village industries institutions.
- ▶ **Market Promotion Development Assistance (MPDA) Scheme:** This scheme provides cash benefit to khadi artisans, workers and institutions based on their production and sales performance.

Number of registered Khadi Institutions during last three years in Assam is displayed below⁶³:

⁶² <https://akvib.assam.gov.in/portlets/khadi-production>

⁶³ <https://dashboard.msme.gov.in/khadi>

Table 23: Number of registered Khadi Institutions in Assam

FY	Registered Khadi Institutions in Assam
FY 2020 - 2021	22
FY 2021 - 2022 (P)	23
FY 2022 - 2023 (P) (upto 31.08.22)	23

In India, during FY 2022 - 2023 (P) (upto 31.08.22) total number of Khadi institutions 2933, Total Khadi production is Rs. 523.47 Cr and Khadi sales is recorded as 800.35 Cr.

2. Prime Minister's Employment Generation Programme (PMEGP)

The Prime Minister's Employment Generation Programme (PMEGP) was introduced by the Ministry of Micro, Small and Medium Enterprises (MSME) in 2008 with the aim of fostering self-employment through the establishment of micro-enterprises within the non-farm sector. This initiative offers subsidies of up to 35% of the project cost, disbursed by the Khadi and Village Industries Commission (KVIC) through banking channels. The core objective is to generate employment prospects in both rural and urban regions, with a specific focus on unemployed youth and traditional artisans.

The maximum cost of the project/ unit admissible under manufacturing sector is Rs.50 lakh and under business/service sector is Rs.20 Lakh. Any individual above 18 years of age can apply for the scheme. The minimum educational qualification is VIII standard pass for projects costing above ₹ 10 lakhs in the manufacturing sector and above ₹ 5 lakhs in the service sector. Only new projects are eligible for the scheme.

Under this scheme, the beneficiary is only required to invest 5-10% of the project cost, while the government provides a subsidy of 15-35 % of the project cost based on various criteria. The remaining funds are provided to the entrepreneur as term loans by the participating banks.

The PMEGP scheme receives funds every year from the nodal agency, KVIC, which then sets the targets for each state and informs the SLBCs accordingly. The borrowers have the option to either apply online through the KVIC PMEGP Portal or approach the banks directly for loans under the PMEGP scheme.

Assam State year-wise PMEGP performance during last 3 years is highlighted in table below:

Table 24: Assam State year-wise PMEGP performance

Period	Achievement ⁶⁴		
	No. of Projects	Margin Money Disbursed (INR) (Lakhs)	Estimated Employment Generated
2021-22	3855	66,59.71	30840
2022-23	1182	24,38.55	9456
2023-24 (Till 10/09/2023)	630	17,04.38	5040

3. Credit Guarantee Funds Trust for Micro and Small Enterprises (CGTMSE)

The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) is an initiative introduced by the Indian Government and SIDBI to offer credit assurance to micro and small enterprises (MSEs) even in the absence of collateral security or third-party guarantees. This scheme encompasses both term loans and working capital facilities, extending up to Rs. 500 lakh per

⁶⁴ <https://pib.gov.in/PressReleaseSelfFramePage.aspx?PRID=1884737>

borrower. The degree of guaranteed coverage varies from 75% to 85%, contingent upon the borrower's classification and the credit amount. A distinctive feature of this scheme is a hybrid security product that provides guarantee coverage for the unsecured portion of the credit facility that is supported by collateral security.

The overarching objective of the scheme is to fortify the credit distribution system and facilitate the smooth inflow of credit to the MSE sector. It has been operational since August 1, 2000, encompassing eligible credit facilities extended by lending institutions to qualifying borrowers, effective from June 1, 2000. Over time, the scheme has undergone modifications to align with the evolving needs of both MSEs and lending institutions.

Below table (10) shows last 5 years data till FY 2022-23 for the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)⁶⁵ in Assam where, figures represent the number of claims that were settled successfully under the CGTMSE scheme within each year and shows a decline in decline in the amount of Credit Guarantee extended for the State in FY 2022-23.

Table 25: Assam State year-wise CGTMSE performance

Year	No. of cases	Credit guarantee extended amount (Rs. in Crore)	No. of claims settled	Claims settled amount (Rs. In Crore)
2022-23	10,184	991.06	848	11.47
2021-22	14,813	1,243.27	893	13.36
2020-21	10,575	588.92	948	13.03
2019-20	13,904	679.42	1512	25.2
2018-19	12,978	792.69	1746	21.36

During the preparation of the SIP, certain areas of investigation will encompass the identification of declining patterns, the analysis of an increased rate of claim settlements in Assam, the enhancement of coverage for female beneficiaries, and the exploration of opportunities to leverage funds for environmentally friendly investments.

4. SFURTI (Scheme of Fund for Regeneration of Traditional Industries)

The main objective of the SFURTI scheme is to organize the traditional industry clusters and make them more competitive and sustainable. The scheme also aims to provide employment opportunities for the rural artisans and workers and enhance the market value of their products. The scheme covers various sectors such as bamboo, honey, khadi, pottery, coir, etc.

The SFURTI scheme provides financial assistance for setting up Common Facility Centres (CFCs) near the clusters, which provide shared infrastructure and services such as raw material procurement, product design, quality control, packaging, marketing, etc. The scheme also provides training and capacity building for the cluster members, and facilitates linkages with banks, markets, and other stakeholders.

The SFURTI scheme provides a subsidy of up to 90% of the project cost for setting up the CFCs and other interventions. The remaining 10% is contributed by the cluster members or the nodal agency. The maximum project cost per cluster is Rs. 5 crores for soft interventions (such as training, marketing, etc) and Rs. 10 crores for hard interventions (such as CFCs, machinery, etc). The project duration is usually 3 years.

Below table lists district wise clusters in Assam showing fund allocated under SFURTI⁶⁶:

⁶⁵ <https://dashboard.msme.gov.in/>

⁶⁶ <https://sfurti.msme.gov.in/>

Table 26: District wise clusters in Assam under SFURTI

SI No.	Cluster Name	Product Category	District Name	No. of Artisans	Fund Under SFURTI (Rs.in Lakh)
1	Barpeta Brass Metal Traditional Mini Cluster	Handicraft	Barpeta	544	143.99
2	Mirza Diversified Mini Cluster	Textile	Kamrup	544	143.99
3	Majuli Handicraft Endi Silk Diversified Handloom Cluster	Textile	Jorhat	252	137.3
4	Manas Endi Silk Diversified Mini Cluster	Textile	Baksa	550	140.5
5	The Moran Weaving & RMG Cluster	Textile	Dibrugarh	695	211.76
6	PSK Silk Khadi Cluster	Khadi	Kamrup	261	175.13
7	Chapar Terracota Cluster	Handicraft	Dhubi	432	108.17
8	Sitalpati Cluster	Handicraft	Goalpara	550	94.38
9	Balijana Dress Making & Handicraft Cluster	Textile	Goalpara	250	162.59
10	Bechimari Bamboo Cluster	Handicraft	Darrang	550	92.34
11	Lakhimpur Silk Cluster	Khadi	Lakhimpur	400	182.64
12	Traditional Dress Making & Embroidery Cluster	Textile	Darrang	350	121.4
13	Kokrajhar Textiles Cluster	Textile	Kokrajhar	350	122.52
14	Morigaon Textiles Cluster	Textile	Morigaon	350	210.69
15	Udalgiri Textiles Cluster	Textile	Udalguri	300	133.08
16	Artistic Textiles Cluster	Textile	Kamrup	300	131.02
17	Kaliabor Silk Cluster	Textile	Nagaon	300	258.8
18	Dhemechi Organic Green Tea Cluster	Agro	Dibrugarh	700	245.99
19	Naharbari Tea Cluster	Agro	Sonitpur	1981	330.56
20	Demoria Cluster	Textile	Kamrup	550	398.91
21	Brass Metal Cluster	Handicraft	Kamrup	500	249.79
22	Bosa Kumar Gaon Pottery Cluster	Handicraft	Golaghat	128	99.69
23	Chenga Traditional Dress Making and Weaving Cluster	Textile	Barpeta	672	298.83

SI No.	Cluster Name	Product Category	District Name	No. of Artisans	Fund Under SFURTI (Rs.in Lakh)
24	Gorchiga Traditional Handloom Cluster	Textile	Lakhimpur	409	250.39
25	Chaygaon Agro Cluster	Agro	Kamrup	641	167.73
26	Lumbajong Ginger and Turmeric Cluster	Agro	Karbi Anglong	614	358.82
27	Kuchdhuwa Turmeric Cluster	Agro	Goalpara	700	117.84
28	Birangana Agro Processing Cluster	Agro	Bongaigaon	500	256.83
29	Rampur Tea Cluster	Agro	Tinsukia	530	424.89
30	Tapang Shitalpati Cluster	Handicraft	Cachar	615	355.16
31	Dhemaji Traditional Embroidery Cluster	Textile	Dhemaji	250	163.88
32	Chaiduar Artistic Textile Craft Cluster	Textile	Biswanath	615	326.14
33	Jerenga Meteka Craft Cluster	Handicraft	Sivasagar	715	312.33
34	Machkhowa Red Rice and Allied Agro Cluster	Agro	Dhemaji	800	470.13
35	Chayani Barduar Spices Cluster, Kamrup, Assam	Agro	Kamrup	641	247.46
36	Rengam Hand Woven Readymade Cluster, Majuli, Assam	Textile	Majuli	764	269.76

Table 27: Sector wise clusters in Assam under SFURTI

Sector	Number of Clusters	Total Funds Given (Rs. in Lakh)
Handicraft	8	1455.85
Textile	17	3481.56
Khadi	2	357.77
Agro	9	2620.25
Total	36	7915.43

The total grant extended from the government for these clusters is 7915.43 Lakhs. The total number of artisans benefited from these clusters is 19303 out of which women artisans comes to around more than 13585.

The total number of clusters in Assam state is 36, which is about 7% of the total number of approved clusters in India (513) as of 2023. The total funds given by the SFURTI scheme for Assam state is Rs. 7915.43 lakh, which is about 4.5% of the total funds allocated by the MSME for SFURTI scheme

(Rs. 175000 lakh) in 2023. The average amount of funds given per cluster in Assam state is Rs. 219.87 lakh, which is slightly lower than the national average of Rs. 223.67 lakh⁶⁷.

5. MSE-CDP Scheme

The Micro and Small Enterprises Cluster Development Programme (MSE CDP Scheme) is a central sector initiative aimed at bolstering the advancement and competitiveness of micro and small enterprises (MSEs). Its primary focus is to tackle shared challenges such as technological advancements, skill development, quality enhancement, and improved market access. The scheme also extends support for the establishment or enhancement of infrastructure and Common Facility Centres (CFCs) within both existing and emerging MSE clusters. A cluster, in this context, refers to a collective of MSEs engaged in producing analogous or complementary products or services, thus benefiting from shared infrastructure and facilities.

The operational framework of the scheme involves the formation of Special Purpose Vehicles (SPVs) composed of MSEs within the given cluster. These SPVs are entrusted with the implementation of the scheme's objectives. Online application submission for the scheme can be done through the MSME portal. Notably, the scheme has undergone recent revisions, introducing fresh guidelines for the 15th Finance Commission Cycle spanning from 2021-22 to 2025-26.

The latest revamped MSE-CDP scheme provides assistance for hard interventions, i.e., setting up of CFCs with maximum eligible project cost of Rs 15.00 Cr. with GoI contribution of 70% (90% for special category States and for clusters with more than 50% women/micro/village/ SC/ST units). Infrastructure development in the new / existing industrial estates/areas in which the maximum eligible project cost is Rs 10.00 Cr. with GoI contribution amounting to 60% of project cost (80% for special category States and for clusters with more than 50% women/micro/SC/ST units).

A total of 222 CFCs and 335 Infrastructure Development Projects have been approved across India. Below table shows number of projects status in Assam:

Table 28: Common Facility Centres and Infrastructure Development Project details of Assam

Common Facility Centres (CFCs) ⁶⁸			Infrastructure Development (ID) Projects			Grand Total Approved (CFC+ID)
Approved CFCs	In Progress	Completed	Approved ID Centres	In Progress	Completed	
2	1	1	16	2	14	18

Some of the clusters in which interventions are in progress are

- ▶ Brass and Bell Metal Industry Cluster, Hajo
- ▶ Handloom Cluster
- ▶ Jewellery Cluster
- ▶ Terracota cluster
- ▶ Pottery cluster
- ▶ Bamboo Incense Stick Cluster
- ▶ Eri Spinning cluster
- ▶ Japi Cluster

6. Pradhan Mantri Formalisation of Micro food processing Enterprises

⁶⁷ <https://www.consultantsf.com/sfuti/all-about-sfuti-scheme/>

⁶⁸ <https://dashboard.msme.gov.in/>

The unorganized food processing sector in the country comprises nearly 25 lakh food processing enterprises that are unregistered and informal. With only 7% of investment in plant & machinery and 3% of outstanding credit, the unorganized enterprises contribute to 74% of employment (a third of which are women), 12% of output, and 27% of the value addition in the food processing sector. Nearly 66% of these units are located in rural areas and about 80% of them are family-based enterprises. Most of these units fall under the category of micro-manufacturing units in terms of their investment in plant & machinery and turnover.

The Prime Minister's Formalisation of Micro Food Processing Enterprises (PMFME) is an initiative introduced by the Ministry of Food Processing Industries (MoFPI) as part of the Aatmanirbhar Bharat Abhiyan. This scheme has been crafted with the objective of bolstering the competitiveness and formalization of the micro food processing domain within India. The scheme also strives to extend support to entities such as Farmer Producer Organizations, Self Help Groups, and Producers Cooperatives throughout their entire value chain. The scheme supports individual micro-enterprises with credit-linked capital subsidy up to ₹ 10,00,000 per unit. The scheme covers 713 districts in 35 States/UTs with 137 unique products under the One District One Product (ODOP) approach. The scheme envisages an outlay of ₹ 10,000 crores over a period of five years from 2020-21 to 2024-25.

The objectives under the scheme, inter alia, include:

- ▶ Capacity building of entrepreneurs through technical knowledge, skill training and hand holding support services.
- ▶ Increased access to credit to existing micro food processing entrepreneurs for technology upgradation.
- ▶ Support to Farmer Producer Organizations (FPOs), Self Help Groups (SHGs), Producers Cooperatives & Cooperative Societies along their entire value chain to enable microenterprises to avail common services.
- ▶ Support for transition of existing enterprises into formal framework for registration under regulatory framework and compliance.
- ▶ Integration with organized supply chain by strengthening branding & marketing.

In Assam the status on PMFME as of August 2023 is mentioned below⁶⁹:

Table 29: Status on PMFME

Application details	No. of Application
Total Applications Submitted	9056
New Individual Enterprise	8680
Existing Individual Enterprise	376
Total ODOP Applications Submitted	2118
Total Non-ODOP Applications Submitted	6938

Table 30: Assam ODOP product details district wise under PMFME

District	Product
Barpeta	Milk Based Products
Bongaigaon	Turmeric
Darrang	Mustard Products
Dhemaji	Mustard Products

⁶⁹ <https://pmfme.mofpi.gov.in/sitesubsite/##/state/assam>

Dibrugarh	Mustard Products
Golaghat	Black rice
Hailakandi	Arecanut/ Betelnut
Karimganj	Arecanut/ Betelnut
Kokrajhar	Mushroom
Lakhimpur	Piggery
Marigaon	Groundnut Products
Nagaon	Pickle Products
Nalbari	Paddy & Rice Products
Sonitpur	Jackfruit
Baksa	Honey
Udalguri	Potato
Kamrup Metro	Pickle Products
Biswanath	Potato
Charaideo	Paddy & Rice Products
West Karbi Anglong	Ginger
Cachar	Pineapple
Dhubri	Chilly
Goalpara	Banana
Jorhat	Chilly
Dima Hasao	Ginger
Tinsukia	Lemon
Chirang	Lemon
Hojai	Sugarcane Products
Sivasagar	Paddy & Rice Products
Majuli	Mustard Products

7. MSME Samadhaan

The MSME Samadhaan portal, initiated by the Ministry of Micro, Small and Medium Enterprises (MSME), serves as a platform to aid MSMEs in lodging their grievances concerning overdue payments from purchasers. This portal offers a structured avenue for MSMEs to formally register their concerns and pursue resolutions through the Micro and Small Enterprises Facilitation Council (MSEFC) within their corresponding state or union territory. Additionally, the portal actively tracks the progress of applications and cases presented by MSMEs, presenting an array of reports and statistical insights on the issue of deferred payments.

Key features of the MSME Samadhaan portal include:

- ▶ **Complaint Registration:** MSMEs can register their delayed payment complaints on the portal, facilitating a formal channel for addressing the issue.
- ▶ **Resolution Tracking:** The portal allows MSMEs to track the status of their complaints, ensuring transparency and accountability in the resolution process.
- ▶ **MSEFC Involvement:** The portal connects MSME complaints directly with the Micro and Small Enterprises Facilitation Council (MSEFC), which plays a role in mediating and resolving disputes.

- **Reports and Statistics:** The portal offers insights into various reports and statistics related to delayed payment issues, enabling better understanding and analysis of the prevailing situation

In India cases filed in MSE Facilitation Council (MSEFC) till date is shown in table below:

Table 31: In India cases filed in MSE Facilitation Council (MSEFC)

► 69784 ► Cases Filed	► 22897.22 Cr. ► Amount Payable	► 35042 ► Cases Disposed	► 6733.06 Cr. ► Amount involved in Disposed cases
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Applications filed by Micro and Small Units (MSEs) till date is shown in table below:

Table 32: Applications filed by Micro and Small Units (MSEs)

► 158363 ► Applications filed by MSEs	► 37703 Cr. ► Amount involved in applications	► 14785 ► Mutual settlements with buyer	► 1883.79 Cr. ► Amount involved in mutually settled cases
► 30879 ► Applications disposed by MSEFC Council	► 5400.39 Cr. ► Amount involved in disposed cases by MSEFC Council	► 33699 ► Applications converted into cases	► 40579 ► Applications rejected by MSEFC Council

In the state of Assam, total applications filed by MSEs are 480 out of which total pending cases are 169 which includes applications and cases pending. Below table shows the current MSEFC report on few major districts of Assam⁷⁰:

Table 33: MSEFC report on few major districts of Assam

#	District	Applications filed by MSEs	Applications Disposed by MSEFC Council	Action Taken by MSEFC Council	Pending as Now
		Amount Payable as per applications Filed (Rs. Crore)	Amount Payable in Disposed Application (Rs. Crore)	Amount Payable in Action Taken by MSEFC Council Applications (Rs. Crore)	Amount Payable in Pending as Now (Rs. Crore)
			Amount Settled by MSEFC Council (Rs. Crore)		
1	KAMRU P METRO	322	82	199	41
		71.09	22.72	36.52	11.85
			12.04		
2	KAMRU P	48	17	21	10
		4.43	1.9	2.19	0.35
			0.12		
3	NAGAO N	28	7	18	3
		4.34	1.73	2.44	0.17
			0		
4		15	6	8	1

⁷⁰ <https://samadhaan.msme.gov.in/MyMsme/MSEFC>

#	District	Applications filed by MSEs	Applications Disposed by MSEFC Council	Action Taken by MSEFC Council	Pending as Now
		Amount Payable as per applications Filed (Rs. Crore)	Amount Payable in Disposed Application (Rs. Crore)	Amount Payable in Action Taken by MSEFC Council Applications (Rs. Crore)	Amount Payable in Pending as Now (Rs. Crore)
			Amount Settled by MSEFC Council (Rs. Crore)		
	GOLAGHAT	2.96	0.09	1.11	1.75
			0.05		
5	TINSUKIA	14	5	6	3
		51.24	0.36	1.85	49.04
			0.34		
6	DIBRUGARH	11	5	5	1
		9.7	9.55	0.13	0.02
			0		
7	SONITPUR	9	5	3	1
		0.65	0.24	0.04	0.37
			0		
8	CACHAR	6	5	1	0
		2.34	0.57	1.77	0
			0.07		
9	JORHAT	5	1	2	2
		0.11	0.01	0.03	0.07
			0.01		
10	KARBI ANGLONG	5	3	1	1
		0.61	0.51	0.1	0
			0		
11	DHUBRI	4	4	0	0
		0.04	0.04	0	0
12	MARIGAOIN	3	0	2	1
		0.53	0	0.48	0.06
			0		
13	SIVASAGAR	3	2	1	0
		1.37	0.51	0.86	0
			0		
14	KARIMGANJ	2	1	1	0
		0.03	0.02	0.01	0
			0		
15	CHIRANG	1	0	1	0
		0.89	0	0.89	0
			0		
16	DHEMAJI	1	0	1	0
		1	0	1	0

#	District	Applications filed by MSEs	Applications Disposed by MSEFC Council	Action Taken by MSEFC Council	Pending as Now
		Amount Payable as per applications Filed (Rs. Crore)	Amount Payable in Disposed Application (Rs. Crore)	Amount Payable in Action Taken by MSEFC Council Applications (Rs. Crore)	Amount Payable in Pending as Now (Rs. Crore)
			Amount Settled by MSEFC Council (Rs. Crore)		
			0		
17	DARRA NG	1	0	1	0
		0.44	0	0.44	0
			0		
18	KOKRA JHAR	1	1	0	0
		0.21	0.21	0	0
19	BARPE TA	1	1	0	0
		0.17	0.17	0	0
Grand Total		480	145	271	64
		152.15	38.63	49.86	63.68

The MSME Samadhaan portal contributes to promoting a more equitable business environment by addressing the concerns of delayed payments, which can significantly impact the financial health of MSMEs. It aligns with the government's efforts to support and uplift the MSME sector, which plays a vital role in the economic growth of the country.

During the SIP preparation, the evaluation of MSEFCs' digital readiness, analysis of the market viability for Online Dispute Resolution (ODR) within the state, anticipation of ODR demand, and assessment of the factors limiting this demand will be investigated.

8. TReDS Platform

TReDS stands for Trade Receivables Discounting System, which serves as an electronic platform designed to streamline the financing and discounting process of trade receivables for Micro, Small, and Medium Enterprises (MSMEs) by engaging multiple financiers. This system enables the discounting of trade receivables owed by various entities such as corporations, buyers, government departments, and Public Sector Undertakings (PSUs). In other words, TReDS is an online platform set up to facilitate MSMEs to unlock working capital by converting their receivables into cash. TReDS gives capital access to the credit-starved small businesses in India.

TReDS is a payment system authorised under the Payment and Settlement Systems (PSS) Act, 2007. It is a platform for uploading, accepting, discounting, trading and settling invoices / bills of MSMEs and facilitating both receivables as well as payables factoring (reverse factoring). MSME sellers, corporate and other buyers, including Government Departments and PSUs, and financiers (banks, NBFC-Factors and other financial institutions, as permitted) are direct participants in the TReDS, and all transactions processed under this system are "without recourse" to MSMEs.

The primary objective of TReDS is to offer prompt and sufficient financial support to MSMEs, thereby diminishing their working capital cycle and bolstering their cash flow. Additionally, it contributes to ameliorating their credit rating and diminishing the expenses associated with funds. Not only does TReDS provide advantages to MSMEs, but it also has positive implications for buyers, cultivating improved supplier relations and ensuring a continuous flow of goods or services. On the financier

side, TReDS affords the benefit of accessing a diversified assortment of trade receivables characterized by low risk and substantial returns.

There are currently three platforms that are registered with the Reserve Bank of India to operate as TReDS (Trade Receivables Discounting System) platforms:

- ▶ Receivables Exchange of India Ltd (RXIL),
- ▶ TReDS Ltd (known as Invoicemart),
- ▶ Mynd Solutions (known as M1 Xchange)

A settlement file provides information as to how much amount has to be debited from and credited to the accounts of participants (sellers, buyers and financiers), due on a particular date / time. In other words, it indicates how much a financier has to pay to an MSME seller, and how much a buyer owes to the financier on a particular date / time. The TReDS entities generate the settlement file and send the same to existing payment systems (for instance, National Automated Clearing House) for actual payment of funds.

TReDS operates by utilizing a Factoring Unit, which is a term used to refer to invoices or bills of exchange on the TReDS platform. These invoices or bills of exchange validate the sale of goods or services from MSME (Micro, Small, and Medium Enterprises) sellers to buyers.

The process in TReDS can be initiated by either the MSME seller (in the case of factoring) or the buyer (in the case of reverse factoring). The first step involves creating a Factoring Unit that contains the relevant details of the invoices or bills of exchange. This unit is then submitted to the TReDS platform.

Once the Factoring Unit is submitted, the counterpart (buyer or seller) needs to accept it. For example, if the MSME seller initiates the process, the buyer needs to accept the Factoring Unit. On the other hand, if the buyer initiates the process, the MSME seller needs to accept it. After the acceptance, financiers on the TReDS platform can submit their bids for the Factoring Unit. The bids may include different financing or discounting rates. The seller or buyer can review these bids and select the most favourable one based on their requirements.

Once the most favourable bid is selected, the chosen financier disburses payment to the MSME seller at the agreed financing or discounting rate. This payment helps the MSME seller to address their working capital needs while waiting for the buyer to make the full payment for the goods or services.

In summary, TReDS facilitates the discounting or financing of invoices or bills of exchange between MSME sellers and buyers through the creation of Factoring Units. The process involves acceptance by the counterpart and selection of the most favorable bid from financiers on the TReDS platform, resulting in timely payment disbursement to the MSME seller. Finally, the buyer fulfils their payment obligation to the financier on the stipulated due date. Below diagram / figure 5 displays the ecosystem for the TReDS:

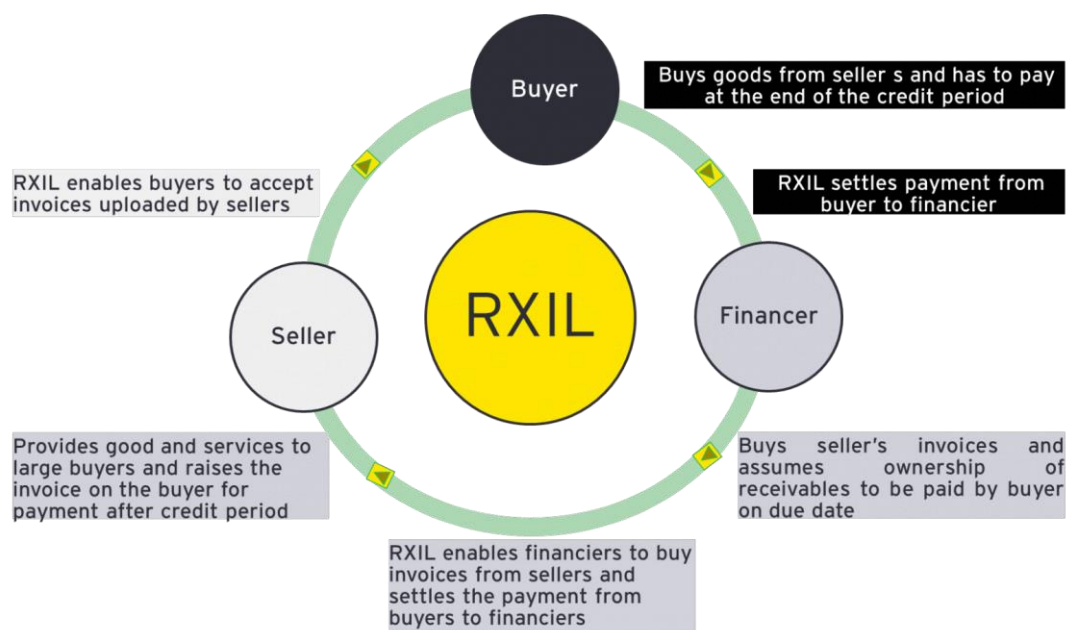


Figure 20: TReDS ecosystem

The SIP will investigate the feasibility of establishing a potential Memorandum of Understanding (MoU) with the TReDS platform and formulate an effective strategy for integrating prominent state Public Sector Undertakings (PSUs) and government entities onto the platform.

9. ASPIRE Scheme

The ASPIRE Scheme is a government initiative aimed at fostering innovation, rural industries, and entrepreneurship within India. Initiated in 2015 by the Ministry of Micro, Small and Medium Enterprises (MSME), its goal is to establish a network of technology and incubation centres to promote entrepreneurship throughout the nation. This endeavour seeks to generate fresh employment opportunities, alleviate unemployment, establish market connections, and support start-ups to drive innovation within the agro industry.

The ASPIRE Scheme encompasses three core elements: Livelihood Business Incubator (LBI), Technology Business Incubator (TBI), and the Small Industries Development Bank of India (SIDBI). The LBI endeavours to create employment opportunities and cultivate an entrepreneurial spirit at the local level by engaging in commercial activities. Meanwhile, the TBI focuses on expanding technology networks and furnishing support to inventive entrepreneurs. Additionally, SIDBI administers the scheme's funds and extends financial aid to both LBIs and TBIs.

Eligibility for the ASPIRE Scheme extends to entrepreneurs embarking on start-up ventures, technical/university/research institutions, MSMEs registered under Entrepreneurs Memorandum, government institutes/agencies at the national or state level in fields related to technology, business management, rural development, and entrepreneurial development, or any corporate entity functioning under a Public-Private Partnership (PPP) model.

The overarching objective of the ASPIRE Scheme is to equip aspiring entrepreneurs with the necessary skill set required for initiating business enterprises while providing crucial assistance during their formative phases to ensure self-sustainability. Additionally, the scheme facilitates access to existing market linkages for entrepreneurs. Launched in alignment with the 'Make in India' initiative, the scheme seeks to foster a conducive environment for promoting start-ups, stimulating manufacturing units, and sustaining employment opportunities.

Assam has 3 Livelihood Business Incubators (LBIs) under the ASPIRE Scheme. These are:

- **Indian Institute of Entrepreneurship, Guwahati (IIEG)** received Rs. 67 lakhs from the Ministry of MSME to establish an incubation centre for agro and food processing. It offers training and assistance to entrepreneurs in areas like product development, quality control, packaging, and

marketing. The centre provides common facilities such as laboratories, cold storage, and testing equipment to incubatee.

- ▶ **Indian Institute of Entrepreneurship, Kamrup (IIEG)** was allocated Rs. 56 lakhs by the Ministry of MSME for creating an incubation centre focused on bamboo and cane processing. It provides training and support in product design, fabrication, finishing, and marketing. The centre offers common facilities like machinery, tools, and raw materials to incubatee.
- ▶ **Indian Institute of Entrepreneurship, Sibsagar (IIEG)** was granted Rs. 67 lakhs by the Ministry of MSME to establish an incubation centre for pottery and ceramic products. It imparts training and support in pottery and ceramic product aspects such as design, moulding, firing, glazing, and marketing. The centre provides common facilities like kilns, furnaces, and clay mixers to incubatee.

The operations of these LBI and possibilities for expansion will be investigated during the SIP preparation.

10. CHAMPIONS Scheme

The CHAMPIONS Scheme is a government initiative designed to boost and foster the micro, small, and medium enterprises (MSMEs) sector in India. The acronym stands for Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength. Launched by the Ministry of MSME in 2020, the scheme aims to achieve the following objectives:

- ▶ **Assist** MSMEs in resolving issues concerning finance, raw materials, labour, permissions, etc.
- ▶ **Support** MSMEs in exploring new opportunities, including the manufacturing of medical accessories like personal protective equipment (PPEs), masks, etc.
- ▶ **Identify and nurture** potential MSMEs with the capability to become national and global champions in their respective fields.

The scheme is executed through a technology-driven platform known as the CHAMPIONS portal. This portal serves as a control room and management information system, leveraging modern information and communication technology (ICT) tools such as artificial intelligence, data analytics, and machine learning. Integrated with the government's primary grievance redressal portal (CPGRAMS) and other web-based mechanisms of the ministry, the CHAMPIONS portal also provides information and guidance on various ministry schemes and policies in 11 regional languages by using the facilitation from 69 state control rooms across the nation.

The scheme also has various components such as MSME Competitive (LEAN) Scheme, MSME Innovative Scheme (Incubation, Design and IPR), MSME Sustainable ZED Guidelines, etc. to provide holistic support to the MSMEs. They are discussed below:

○ MSME Competitive (LEAN) Scheme:

As domestic & global competitiveness becomes intensive, there is a need for MSMEs to transition to a new business environment especially with the disruption in the global supply chains and convergence of multiple sourcing as a methodology in vendor development. MSMEs form an integral part of almost every value chain and there is a symbiotic relationship between the large corporations and relatively small sized suppliers. Recognizing the importance of overall economic growth of a country and the need for enhancing its productivity, competitiveness and employment generation besides resource optimization, many countries have initiated institutional mechanism for a national approach on improving the quality of manufacturing & services. Ministry of Micro, Small & Medium Enterprises, Government of India, aims to implement the MSME Competitive (Lean) Scheme for MSMEs with an objective to enhance their productivity, efficiency, and competitiveness by reduction of wastages in processes, inventory management, space management, energy consumption, etc.

The Scheme aimed to help small and medium-sized businesses in selected clusters to reduce their manufacturing costs with the assistance of Lean Manufacturing Consultants (LMC), who

will be financially supported by the government. The LMC will work with the MSMEs to implement various Lean Manufacturing techniques, such as optimizing personnel management, improving space utilization, managing inventory scientifically, streamlining processes, reducing engineering time, and so on, to reduce waste in manufacturing. The Scheme also encourages the promotion of Zero Defect Zero Effect manufacturing.

The objective of the scheme is to enhance the Domestic and Global Competitiveness of MSMEs through the application of various Lean Techniques that inter-alia includes:

- ▶ **Reduction** In Rejected Rates, Product & Raw Material Movements and Product Cost
- ▶ **Optimization** Of Space Utilization and resources like Water, Energy, Natural Resources etc.
- ▶ **Enhancement** Of Quality in Process and Product, Production & Export Capabilities, Workplace Safety, Knowledge & Skills Sets, Innovative Work Culture, Social & Environmental accountability, Profitability, Introduction & Awareness to Industry 4.0 and Digital Empowerment.

The scheme components are stated as follows:

- ▶ **Industry Awareness Programmes/Workshop:** MSMEs will be made aware of the Scheme through Nation-wide awareness programmes (online and/or face-to-face, as appropriate) with the assistance of stakeholders like Industry Associations, Implementing Agencies, MSME-DFOs, District Industries Centres (DICs), Large Enterprises/OEMs.
- ▶ **Training Programmes:** Stakeholders like the MSME Officers, Assessors and Consultants will be trained on the MSME Competitiveness (Lean) Scheme to enable an effective implementation by Implementing Agencies like QCI, NPC.
- ▶ **Handholding:** MSMEs will be provided handholding towards the implementation of Lean Tools and Techniques at three different levels – Basic, Intermediate, and Advanced. Completion of each stage is verifiable end term assessment or assessment by Implementation Agency along MSME -DFOs.
- ▶ **Benefits/Incentives:** Graded incentives will be announced by the Ministry of MSME for MSMEs for encouraging MSME units' participation under the scheme. Implementation of Lean (Generation of Lean ID) Lean Pledge & Undertaking (Generation of Lean Pledge Level) Implementation of Lean (Basic, Intermediate, Advanced)
- ▶ **PR campaign, Advertising & Brand Promotion:** For popularizing the Lean Scheme, a Nation-wide publicity will be done.
- ▶ **Digital Platform:** Lean Scheme process will be e-enabled through a single window digital platform which will be utilized for the implementation of the scheme

According to the latest record in official website of the Ministry of MSME, in India, 1352 MSMEs have registered for the scheme in the country with 193 MSMEs obtaining basic certification. The scheme has three levels of certification: Basic, Intermediate and Advanced. The Basic level is free and self-paced, while the Intermediate and Advanced levels require the formation of a Group of Enterprises (GoE) and the engagement of a designated consultant. The scheme provides financial assistance to the MSMEs for implementing lean techniques, with:

- 90% subsidy of the total cost of implementation up to Rs. 2.16 Lakh (excluding taxes) per unit.
- Additional 5% GoI contribution shall be given to the MSMEs registering through Industry Association/ OEM after completion of all levels.
- ₹5000/per MSME shall be given to OEM/ Association after completing all stages of lean intervention.

○ ZED Scheme:

MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate and incentivise them for ZED Certification while also encouraging them to become MSME Champions.

The announcement of Make in India and Zero Defect Zero Effect put in perspective the governments' intent to change the course of economy by focusing on manufacturing as an engine to sustained growth. In order to build the ecosystem to implement the idea, three important components emerged as the vehicle for this new transformation:

- ▶ The Ease of Doing Business in India.
- ▶ The confidence in quality of source material, components and services.
- ▶ Making available competent human resource to drive the change

MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate & incentivise them for ZED Certification while also encouraging them to become MSME Champions. Through the journey of ZED Certification, MSMEs can reduce wastage substantially, increase productivity, enhance environmental consciousness, save energy, optimally use natural resources, expand their markets, etc. MSMEs will also be motivated to adopt best practices in work culture, standardisation of products, processes, systems etc. to enhance their global competitiveness and sustainability. The ZED Certification aims at enhancing the competitiveness of an MSME through assessment, handholding, managerial and technological intervention etc.

There are 3 levels of certification. The process of certification in ZED scheme is provided in Figure.



Figure 21: ZED Certification Process

The assessors are associated with an Assessment Agency (AA) that are empanelled with QCI (IA). They conduct assessment (or simply audit). They are not supposed to provide any service to the MSME when they are involved in audit activities. The assigning of audits to an AA is done by the IA; this may be based on the geographical location(s) of the AA (along with their branches) and relatively to cover the spread in terms of no. of audits other AAs are allocated.

The implementation of this Scheme is planned in two distinct phases:

- ▶ **Phase 1:** Targeting Manufacturing MSMEs with UDYAM Registration. This initial phase will primarily concentrate on extensively including manufacturing MSMEs and guiding them through the ZED journey.
- ▶ **Phase 2:** Incorporating Service Sector MSMEs. This subsequent phase will also strive to incorporate MSMEs (both from manufacturing and service sectors) who are registered under a State Government protocol or system but not yet registered on UDYAM. Starting from this phase onward, additional details related to MSME operations and performance may be collected to establish a National MSME Competitiveness Index.

During Phase 2, there is also a vision to allocate funding for ZED Certified MSMEs to attain international certifications as required for global markets. Additionally, provisions will be made to align the ZED Certification with international standards, ensuring its global recognition.

The ZED Certification aims to foster the adoption of Zero Defect Zero Effect (ZED) practices within MSMEs to:

- ▶ Inspire and empower MSMEs to manufacture top-quality products using advanced technology and tools, continuously enhancing their processes to achieve high productivity with minimal environmental impact.
- ▶ Establish an ecosystem conducive to ZED Manufacturing in MSMEs, thus enhancing their competitiveness and enabling smoother exports.
- ▶ Encourage the adoption of ZED practices and acknowledge the accomplishments of successful MSMEs.
- ▶ Motivate MSMEs to attain higher ZED Certification levels through graded incentives.
- ▶ Raise public awareness about the demand for products adhering to Zero Defect and Zero Effect principles through the MSME Sustainable (ZED) Certification.
- ▶ Identify areas that require improvement, thus aiding the government in making informed policy decisions and prioritizing investments.

The Ministry will subsidize the handholding support and technology upgradation financial support for moving towards zero effect solutions, as follows:

- ▶ Micro Enterprises: 80%
- ▶ Small Enterprises: 60%
- ▶ Medium Enterprises: 50%

MSMEs with minimum bronze certification are eligible to apply for handholding support. A provision of upto Rs. 5 Lakhs (per MSME) has been made available for handholding and consultancy support for MSMEs under ZED Certification for assisting them to move towards Zero Defect Zero Effect solutions. Out of this, an amount upto Rs. 2 Lakhs to be utilized for handholding support (as needed) through consulting organizations and up to Rs. 3 Lakhs may be utilized towards technology upgradation for moving towards zero effect solutions/pollution control measures/cleaner technology. Utilization of Financial Support of upto Rs. 3,00,000/- for moving towards zero effect solutions will be subject to Consultant's recommendations,

verification by respective MSME-DI and approval by Precision Machine & Auto Components (PMAC).

According to the official website⁷¹ of the ZED scheme in India, there are 72,962 MSMEs registered for the ZED certification as of August 2023. Out of these, 23,266 MSMEs have achieved the bronze level certification, 182 MSMEs have achieved the silver level certification, and 188 MSMEs have achieved the gold level certification.

There are 72 MSMEs⁷² in Assam as of August 2023 who have obtained ZED certifications, the details of which are provided in the table below:

Table 34: ZED certifications of Assam

Certification Level	Number of MSMEs	Micro	Small	Medium
Bronze	72	69	3	0
Silver	0	0	0	0
Gold	0	0	0	0
Total	72	69	3	0

From the above table we can observe that 69 micro MSMEs and 3 small MSMEs have achieved the Bronze certification level, indicating their commitment to adopting Zero Defect Zero Effect practices. However, no MSMEs in the dataset have attained the Silver or Gold certification levels. This data suggests that a significant number of MSMEs have initiated efforts to incorporate ZED practices, but none have yet reached the higher certification tiers of Silver or Gold.

Here are potential actions that can be undertaken in Assam to promote ZED certifications within the MSME sector:

- **Raising Awareness:** Disseminating information to MSMEs regarding the advantages of ZED certification and its potential to enhance their quality, productivity, and export capabilities. This outreach effort can be executed through a combination of online and offline initiatives such as campaigns, workshops, seminars, and webinars.
- **Financial and Technical Support:** Offering financial and technical aid to MSMEs to facilitate their ZED certification application and acquisition process. This support may encompass subsidies to offset certification costs, guidance and mentoring, consultancy services, testing facilities, and technology upgrades.
- **Promoting Best Practices:** Encouraging MSMEs to embrace industry best practices that align with ZED criteria and standards. This entails implementing quality management systems, adopting energy-efficient measures, employing waste reduction techniques, complying with environmental regulations, and demonstrating social responsibility.
- **Recognizing and Celebrating Achievement:** Acknowledging and rewarding MSMEs that have successfully obtained ZED certification. Highlighting their success stories can serve as inspiration for others. Incentives might include preference in government procurement, facilitated access to credit and markets, and tax benefits or rebates.

During the SIP process, sectors with potential for enhancing ZED scheme adoption within the State will be pinpointed. Additionally, stakeholders in the state capable of offering advantages linked to ZED certification and the presence of ZED certified assessors will also be investigated.

○ Innovate (Incubation, Design and IPR):

⁷¹ <https://zed.msme.gov.in/>

⁷² <https://zed.msme.gov.in/>

The Innovate (Incubation, Design and IPR) scheme is a governmental effort designed to foster and bolster innovation, design, and intellectual property rights within India's Micro, Small, and Medium Enterprises (MSMEs). This comprehensive scheme encompasses three main facets: Incubation, Design, and IPR. Its core objectives are to amplify the competitive edge and sustainability of MSMEs by offering incentives, training, consultation, and certification. By nurturing an environment of innovation and resourceful problem-solving among MSMEs, the scheme intends to facilitate the transformation of ideas into viable business propositions that bring value to both society and the economy.

Introduced in 2022 as part of the MSME Champions Scheme, the Innovate (Incubation, Design and IPR) initiative is overseen by the Office of Development Commissioner (MSME) under the Ministry of MSME. A variety of stakeholders, including Business Incubators, Host Institutes, Implementing Agencies, Technology Centres, Intellectual Property Facilitation Centres, industry associations, banks, consultants, auditors, etc., contribute to the scheme's implementation. The initiative also incorporates a digital platform to furnish online services and information to MSMEs conveniently.

The scheme has 4 sub-components: A. Incubation; B. Design; C. IPR; D. Digital

The Innovate (Incubation, Design and IPR) scheme has the following features:

- ▶ **Incubation Component:** This component supports MSMEs and individuals who have innovative ideas that can be converted into prototypes and further into business activities. The component provides financial assistance up to 75% of the project cost for developing and testing the prototypes. The component also provides seed capital support up to Rs. 1 crore for setting up new enterprises based on the incubated ideas.
- ▶ **Design Component:** This component supports MSMEs who want to improve their design competitiveness and quality standards. The component provides financial assistance up to 60% of the project cost for design intervention in products, processes, packaging, branding, etc. The component also provides design consultancy and training services to the MSMEs.
- ▶ **IPR Component:** This component supports MSMEs who want to protect and commercialize their intellectual creations. The component provides financial assistance up to 80% of the project cost for filing and obtaining domestic and international patents, trademarks, geographical indications, etc. The component also provides IPR awareness and consultancy services to the MSMEs.
- ▶ **Digital Component:** The objective of the “Digital MSME” Scheme is to bring in digitization and digitalization. The scheme strives to make MSMEs digitally empowered and motivate them to adopt digital tools, applications and technologies in their production & business processes with a view to improve their competitiveness in domestic and global markets.

The maximum financial assistance to the eligible applicants under the IPR component is as follows:

- ▶ Foreign Patent: up-to Rs. 5.00 lakh
- ▶ Domestic Patent: up-to Rs. 1.00 lakh
- ▶ GI Registration: up-to Rs. 2.00 lakh
- ▶ Design Registration: up-to Rs. 0.15 lakh
- ▶ Trademark: up-to Rs. 0.10 lakh

ZED certification serves as a benchmark for both quality and environmental standards and is a pivotal criterion for accessing the scheme's benefits. In addition, Assam has established two Business Incubators (BIs) under the program, one located at Assam Engineering College and the other at the Indian Institute of Technology Guwahati. Business Incubators are institutions

geared towards offering facilities and support to both MSMEs and individuals with innovative concepts that can evolve into prototypes and eventually into viable business endeavours.

Furthermore, Assam has instituted an Intellectual Property Facilitation Centre (IPFC) in Guwahati within the framework of the scheme. These IPFCs serve as hubs providing financial assistance and advisory services to MSMEs for the process of filing and acquiring domestic and international patents, trademarks, geographical indications, and more.

A Geographical Indication (GI) tag is a valuable tool for product authentication and protection. It serves as an indicator that verifies a product's origin from a specific region or locality, which is known for its unique qualities, reputation, or features that are influenced by natural or human factors.

The purpose of the GI tag is to prevent imitation or misrepresentation of the product and to give consumers assurance about the authenticity and quality of the product. When a product receives a GI tag, it signifies that it possesses certain characteristics or attributes that are closely associated with the geographical region it originates from.

For example, certain foods, beverages, handicrafts, textiles, or natural products may have distinct qualities or flavours that are attributable to the specific geography, climate, soil, or traditional practices of a particular region. By obtaining a GI tag, these products are protected from being produced or marketed under the same name or from a different geographical area, ensuring that consumers can trust the origin and quality of the product they are purchasing.

The GI tag also plays a crucial role in enhancing the perceived value and market presence of a product. It helps differentiate the product from similar items in the market and highlights its unique characteristics, making it more appealing and desirable to consumers. This recognition and reputation associated with a GI tag can contribute to increased market demand, higher prices, and improved market access for producers from the specific region.

Furthermore, the GI tag can also promote traditional knowledge, culture, and sustainable practices associated with the production of the product. It encourages the preservation and promotion of traditional methods and supports the livelihoods of communities engaged in the production of GI-tagged products.

In summary, a Geographical Indication (GI) tag is an authentication tool that certifies a product's origin from a specific region, known for its distinct qualities and features influenced by natural or human factors. It safeguards the product against imitation, enhances its perceived value, and contributes to the reputation and market presence of the product.

Assam, located in north-eastern India, is renowned for its abundant biodiversity, cultural diversity, and natural resources. The state has been granted 9 GI tags for its distinct products, which include:

- ▶ **Muga Silk of Assam:** This refers to the golden-yellow silk produced by the semi-domesticated silkworm *Antheraea Assamensis*, exclusive to Assam. Muga silk is esteemed for its durability, sheen, and natural dye properties.
- ▶ **Muga Silk of Assam (Logo):** This emblem embodies Assam's Muga silk and features a stylized letter "M" with a silkworm motif, accompanied by the words "Muga Silk of Assam".
- ▶ **Assam (Orthodox) Logo:** Representing the orthodox tea of Assam, known for its robust, malty, and brisk flavor, this logo features a stylized letter "A" with a tea leaf motif and the words "Assam (Orthodox)".
- ▶ **Karbi Anglong Ginger:** This ginger variety, cultivated in Assam's Karbi Anglong district, boasts high oleoresin and gingerol content, finding utility in culinary, medicinal, and industrial applications.

- ▶ **Tezpur Litchi:** Grown in Tezpur, Assam, this litchi variant distinguishes itself with a unique aroma, flavor, and hue, enriched with vitamin C and antioxidants.
- ▶ **Joha Rice or Boka Saul:** An aromatic rice cultivar within Assam, recognized for its tender texture, sweet taste, and pleasing aroma, frequently enjoyed as a delicacy or breakfast staple.
- ▶ **Boka Chaul:** Another aromatic rice variety from Assam, notable for its ability to cook without fire or electricity. Boka Chaul is soaked before consumption, often paired with milk, jaggery, or curd.
- ▶ **Kaji Nemu:** An Assamese lemon variant characterized by its large size, seedless segments, and high acidity, utilized in culinary, medicinal, and industrial domains.
- ▶ **Chokuwa Rice of Assam:** This glutinous rice variation from Assam, featuring a sticky texture, nutty flavour, and substantial nutritional value, finds application in traditional dishes like Pitha and Payash.

Assam's performance in centrally sponsored schemes underscores a steadfast dedication to MSME growth and job creation. Nevertheless, the state's progression can benefit from augmented credit facilities, initiatives aimed at boosting quality standards, and a persistent emphasis on developing varied industry clusters to drive well-rounded economic expansion.

1.3 Survey Blueprint and Execution

The survey's architecture was heavily influenced by the MSME scenario in Assam. Preliminary desk research played a pivotal role in comprehending the state's landscape and guiding the sampling process across its districts. Approximately 3000 surveys were administered to MSMEs throughout various districts, utilizing the stratified random sampling approach.

The on-ground survey was designed to provide an in-depth examination of the challenges and prospects for MSMEs, centering on the main components highlighted by the RAMP initiative. Accordingly, the survey questionnaire delved into areas such as foundational data about the entrepreneur and the business, avenues to credit, market accessibility and growth potential, operational facets like sourcing raw materials, confronting infrastructure bottlenecks, navigating technological impediments, and attaining quality standards; needs for enhancing capacity; green initiatives; and most crucially, interactions with the beneficiaries of the 'CMAAA' drive."

The approach and methodology adopted for the Diagnostic Study in Assam can be summarized as follows:

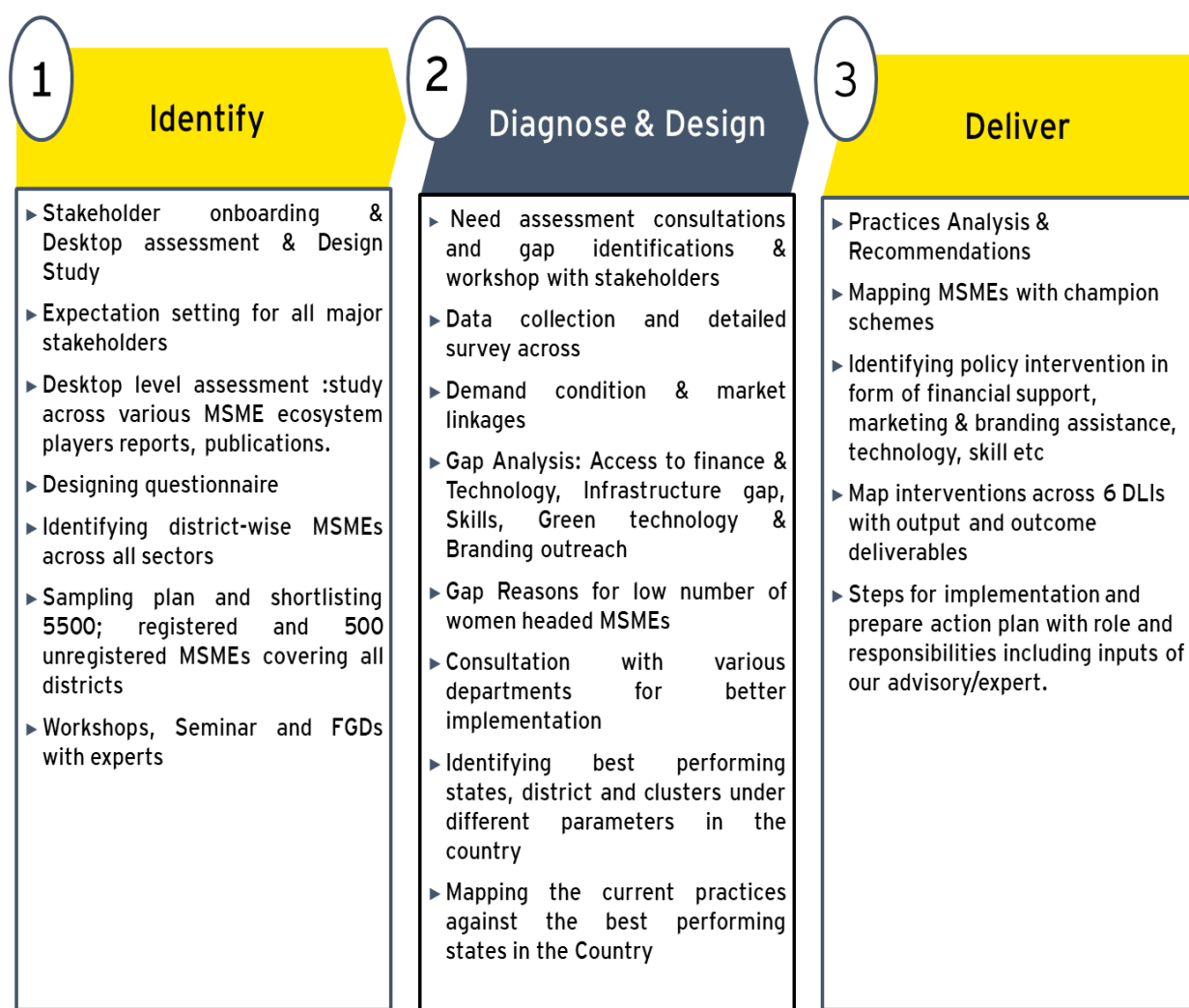


Figure 22: Approach and methodology adopted for the Diagnostic study

- ▶ **MSME Surveys:**
 - ✓ Approximately 3,000 surveys were carried out using a stratified random sampling technique.
 - ✓ These surveys spanned all 31 districts listed on the Udyam portal, with 2,700 surveys focusing on UDYAM-registered units and 300 surveys targeting unregistered units.
- ▶ **Cluster Development Program:**
 - ✓ Cluster mapping was undertaken in three phases: Sunrise, Growth, and Maturity.
 - ✓ This process identified clusters with a high critical mass, which could benefit from interventions under the MSE-CDP (Government of India).
- ▶ **Stakeholder Discussions:**
 - ✓ Engagements and discussions were held with various stakeholders, aimed at gaining insights into the requirements for drafting the State Implementation Plan (SIP).
 - ✓ Stakeholder suggestions and viewpoints were taken into consideration during the preparation of the report.

1.3.1 Overview and Insights from Assam's MSME Survey

For SIP Assam encompasses various critical aspects of the state's MSME sector, providing essential insights into its composition, size distribution, sector representation, gender diversity among entrepreneurs, and social categories of business owners.

For SIP Assam, the key components covered in the survey encompass:

- ▶ The survey encompassed 3000 businesses distributed across various districts of Assam.

- ▶ From the 3000 businesses that responded, 22% were led by women, while 78% were managed by men. In terms of social categories, 61.21% of business owners fall into the general category, with OBC, SC, and ST categories making up 26.72%, 5.58%, and 6.21%, respectively.



Figure 23: Details of MSMEs in the SIP Survey: Categorized by Women Ownership and Social Group

- ▶ When analysing the MSME sector, 60.52% are in the services sector while manufacturing and trading are the primary activity of 22.59% and 16.90% of the MSMEs in the state.
- ▶ Post-COVID response by the MSMEs has given significant insights – 39% of the MSMEs has increased their usage of digital platforms, 7% invested in digital solutions, and a remarkable 23% modified their product/service delivery.

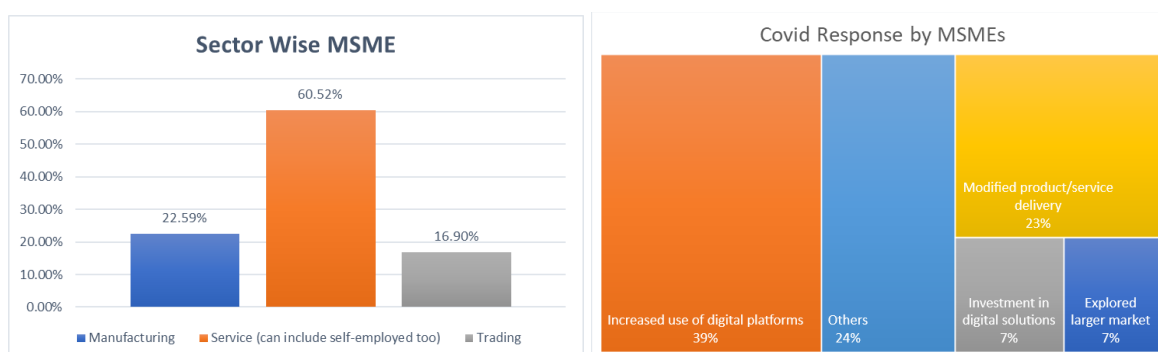


Figure 24: Breakdown of MSMEs by Sector and Their Response to COVID-19 in the SIP Survey

- ▶ More than 95% of the surveyed MSMEs were in the Micro sector. The Small and Medium sector comprised of approx. 4.48% and 0.34% respectively.
- ▶ From the total surveyed enterprises, majority of the MSMEs are proprietorship based at 84%.

Formalisation and Documentation Trails

In Assam, approximately 84% of the enterprises comprised of proprietorships. Out of the total surveyed enterprises, 24.7% are GST registered

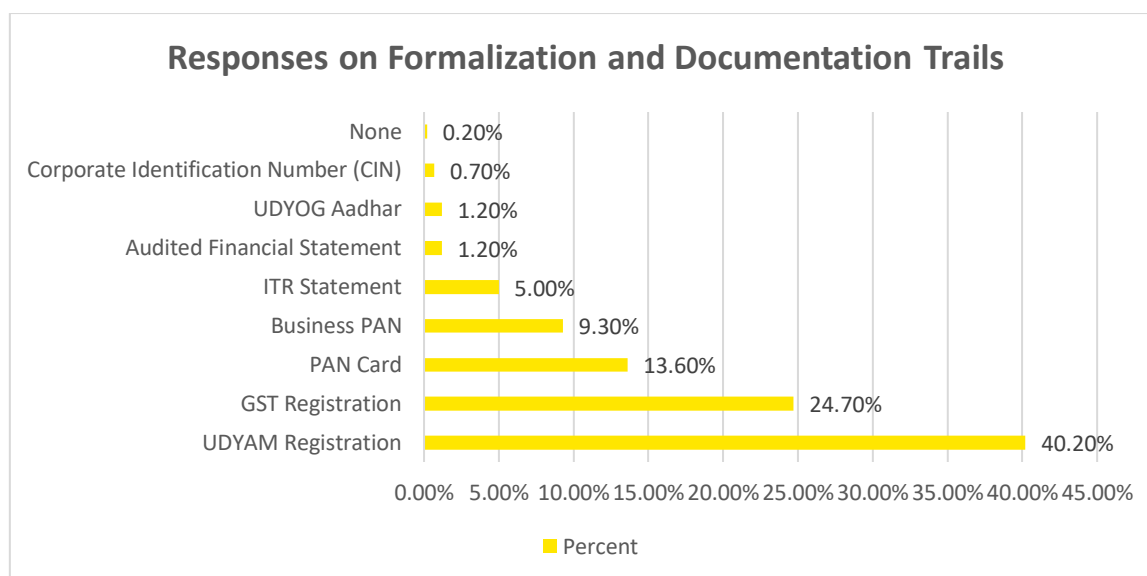


Figure 25: Responses on Formalization and Documentation Trails in the SIP Survey

However, in Assam, only a few enterprises have audited financial statements from the past three financial years or have filed an Income Tax Return (ITR) for the same duration. Enterprises can only file an ITR if they possess supporting documents like a balance sheet. This balance sheet is a financial record detailing an enterprise's assets, liabilities, and equity for a given year. The fact that many don't have an audited balance sheet, and consequently, haven't filed an ITR, suggests a potential oversight in adhering to income tax regulations, which is worrisome.

2. Main Challenges to MSMEs Across Sectors

The state of Assam possesses a blend of traditional industries and sectors that have matured over time, contributing significantly to its economic prosperity. Previously discussed sectors signified the state's enduring strengths, areas that have achieved consistent stability, and sectors that promise sustained growth. While traditional sectors encompass handicrafts, handlooms, and bamboo crafts, the mature sectors encapsulate wood processing, IT & ITES, general engineering, textiles, and plastics. In response to these developments, the Assam government unveiled its Industrial and Investment Policy of Assam, 2023, which took effect from 17th February 2023. This progressive policy revolves around pivotal elements like promoting entrepreneurship, developing robust infrastructure, preparing for the Fourth Industrial Revolution, and enhancing the skills of the youth for upcoming job opportunities. To nurture and expand businesses suited for the state's unique needs, the policy has pinpointed 22 priority sectors.

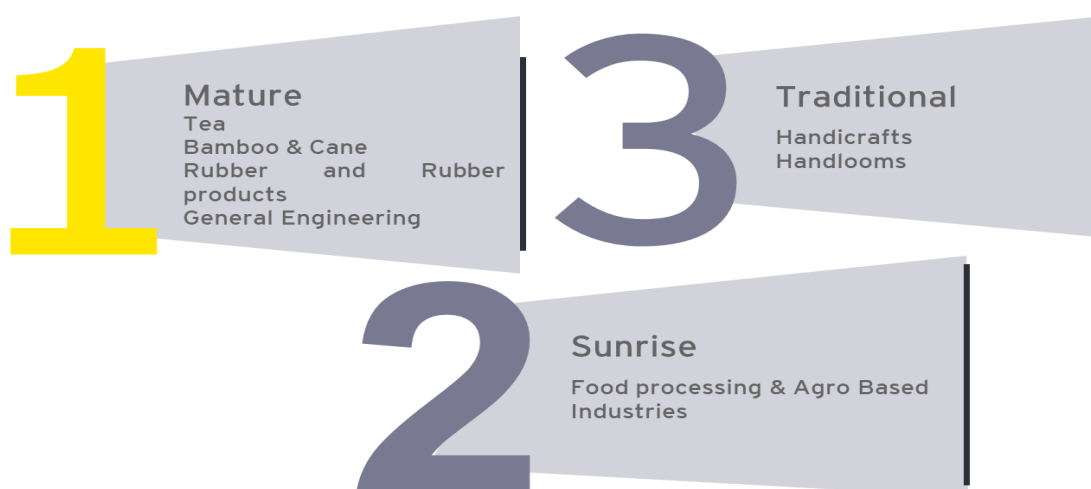


Figure 26 Priority Sectors Identified in Industrial and Investment Policy of Assam, 2023

In this perspective, the diagnostic evaluation emphasizes sectors that cover traditional, mature, and emerging domains. Consequently, the obstacles faced by MSMEs in relation to individual RAMP pillars will be scrutinized within the framework of sectoral analysis, rather than isolated pillars.

2.1. Assam's Key Development Sectors

Assam is diversifying its economic portfolio with a range of sectors that tap into its rich cultural, agricultural, and industrial heritage. The Textile and Handloom sector of Assam, renowned for its traditional Assamese sarees and Mekhela chadors, continues to thrive. Its vast tea gardens have made Assam a global brand, while the state is also making strides in Rubber production. The Food Processing sector is booming, given the state's agricultural bounty, and the Tourism & Hospitality Services sector is leveraging Assam's diverse culture and scenic beauty. Herbal and Medicinal Plant Processing finds its roots deep in Assam's indigenous practices. As the gateway to the Northeast, Assam is strengthening its Logistics capabilities. The state's ventures into Printing & Packaging, Wood, Bamboo, and Cane Crafts, and the Plastic sector resonate with its commitment to modern industrial practices. Assam's General Engineering Sector is gaining momentum, while Fishery and Aquaculture reflect the state's rich riverine ecosystem. Agro-Based Industries, especially Rice, spices, and fruit processing, are booming. Traditional Handicrafts, such as Bell Metal Crafts, Assamese Jewelry Crafting, and iconic crafts like Japi and Gamkharu, amplify Assam's artistic legacy.

Industrial policy refers to the set of actions and interventions that governments take to influence the development and performance of specific sectors or industries in the economy. Industrial policy can have various objectives, such as enhancing competitiveness, promoting innovation, creating jobs,

achieving social or environmental goals, or fostering national security. Industrial policy can target different types of sectors, such as mature, traditional, or sunrise sectors.

2.2. Mature sectors:

Mature sectors are those that have passed both the emerging and growth phases of industry life cycle. They tend to have low growth rates, high competition, and declining profit margins. Industrial policy for mature sectors may aim to sustain their performance and competitiveness by providing financial incentives or subsidies for innovation, R&D, or technology upgradation; promoting exports or domestic demand through trade policies or public procurement; supporting skill development or retraining of workers; regulating environmental, social, or ethical standards; or facilitating collaboration or coordination among firms, suppliers, customers, and other stakeholders.

Textiles and Readymade Garments, Textiles and Readymade Garments, Tea, Wood Processing/Furniture, Rubber and Rubber Products, Petroleum and Natural Gas, and General Engineering are some of the mature sectors in Assam. The state continues to invest in these sectors while exploring new opportunities for growth and development in other sunrise sectors identified earlier.

(i) Tea

The tea sector, historically rooted in India, especially in the state of Assam, is renowned for its rich aromatic brews and has been a symbol of Indian hospitality for ages. Assam tea is not just a beverage; it's an emotion that resonates with millions across the globe. The lush green tea gardens spread across the Brahmaputra Valley contribute a significant portion to the country's total tea production. However, while the sector remains a vital component of Assam's identity and economy, it confronts an array of challenges that hinder its full potential.⁷³

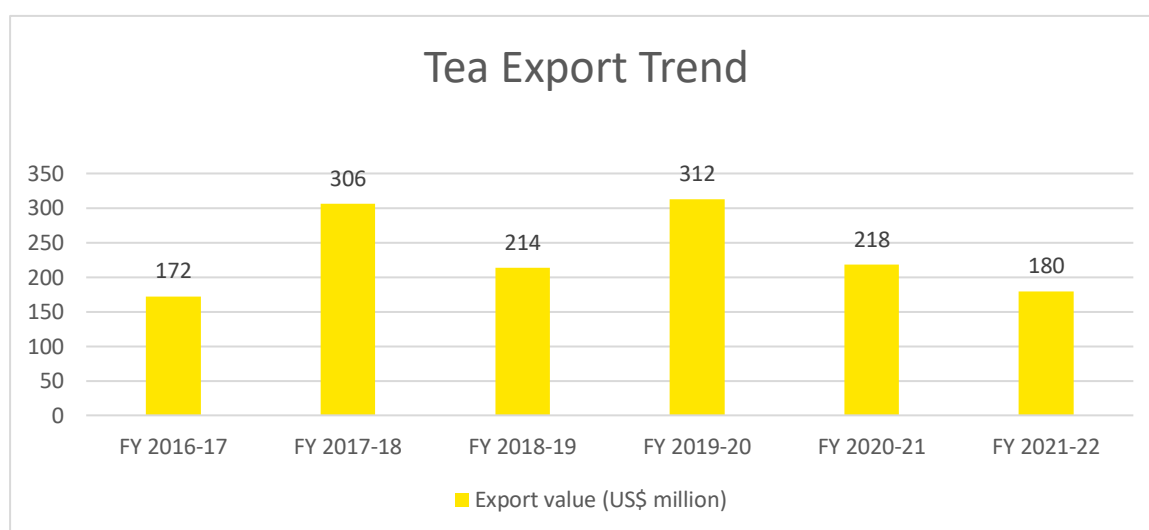


Figure 27: Trend of Tea export from Assam

Table 35: Sectoral Snapshot of Tea Processing in Assam

Category	Description
Clusters	<ul style="list-style-type: none"> ▶ Upper Assam Tea Cluster ▶ Central Assam Tea Cluster ▶ Lower Assam Tea Cluster ▶ Barak Valley Tea Cluster

⁷³ [Assam State Presentation and Economic Growth Report | IBEF](#)

MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Raw Material Cultivation: Local small-scale tea growers contributing to a significant portion of tea leaves. ▶ Processing: Numerous small tea processing units (STPUs) functioning alongside large estates. ▶ Packaging: Local MSMEs involved in innovative and traditional packaging solutions. ▶ Marketing and Sales: Local entrepreneurs promoting Assam tea both online and offline.
Products	<ul style="list-style-type: none"> ▶ Assam CTC (Crush, Tear, Curl) Tea ▶ Orthodox Tea ▶ Green Tea
Supporting Institutions	<ul style="list-style-type: none"> ▶ Assam Tea Board ▶ Tocklai Tea Research Institute ▶ Assam Tea Corporation Limited (ATCL)
Exports	<ul style="list-style-type: none"> ▶ In FY 2022-23, tea and its related products contributed around Rs. 1958 crores approximately to export from Assam state. Black tea (leaf in bulk, packaged) constituted a major chunk of the export.⁷⁴ - ▶ Assam tea is exported to all major countries of the world. USA, UAE, UK, Iran, Russia, Germany, Japan, constitutes some of the major destinations for Assam Tea.⁷⁵ ▶ Assam's CTC tea is in high demand globally, especially in the Middle East. ▶ Assam Orthodox Tea has carved its niche in the premium tea segment in international markets.

Challenges

Key Challenges Confronting the Tea Processing Sector in Assam

Table 36: Key Challenges Confronting the Tea Processing Sector in Assam

Challenges Category	Description
Raw materials	<ul style="list-style-type: none"> ▶ Variability of Tea Leaf Quality: Assam, known for its bold tea flavors, sometimes faces variability in tea leaf quality due to changing climatic conditions and pest attacks. This can affect the final flavor and aroma of the tea. ▶ Dependency on In-season Harvests: Assam tea is primarily harvested during specific seasons, which can lead to supply challenges during off-seasons.
Labour	<ul style="list-style-type: none"> ▶ Skilled Workforce Deficiency: Modern tea processing requires specialized skills which many laborers may lack due to insufficient training initiatives. ▶ Labour Strikes and Agitations: Assam's tea sector has witnessed labor unrest in the past, which can disrupt the regular operations of the tea estates.
Technological Requirements	<ul style="list-style-type: none"> ▶ Obsolete Machinery: Some tea factories still employ outdated machinery, which can impact the efficiency and quality of tea processing. ▶ Inadequate Research & Development: Despite Assam being a major tea producer, there's a gap in adopting innovative processing techniques and research-backed initiatives.
Energy Sources	<ul style="list-style-type: none"> ▶ Dependence on Non-renewable Energy: Many tea factories still rely on non-renewable energy sources, increasing their operational costs and carbon footprint. ▶ Erratic Power Supply: Power interruptions can hinder the processing of tea, especially during critical stages like withering and rolling and also packaging.

⁷⁴ District Wise Export Data FY 2022-23 | Ministry of Commerce & Industry

⁷⁵ Tea Board of India

Challenges Category	Description
Access to Finance	<ul style="list-style-type: none"> ▶ High Capital Requirement: Modernizing tea units demands significant funds, which many small and medium tea producers find hard to secure. ▶ Delayed Payments: Producers often experience payment lags from wholesalers and exporters, affecting their cash flow. ▶ Working Capital Crunch: High operational costs can make producers rely heavily on overdraft facilities. ▶ Government Support Dependency: While government financial schemes help, they also make producers vulnerable to policy changes and delays. ▶ Rigidity in Payment Terms: Upfront payment demands can deter potential business deals. ▶ Lack of Financial Knowledge: Many tea producers are unaware of available financial schemes. ▶ Manpower Deficit in Banks: Limited bank staff can delay loan approvals and disbursements. ▶ Insufficient Proposal Analysis Skills: Banking personnel might lack the expertise to assess tea-related loan proposals effectively.
Access to Markets	<ul style="list-style-type: none"> ▶ Stiff Competition: Assam tea faces competition from other tea-producing regions, both domestically and internationally. ▶ Stringent Quality Standards for Exports: Meeting international quality standards can be challenging, especially for smaller producers. ▶ Branding and Promotion: Assam tea, despite its rich flavor and heritage, lacks aggressive branding and promotional strategies in the global market. ▶ Limited Digital Presence: Many Assam tea producers are yet to fully leverage digital marketing platforms, thereby missing out on a wider, tech-savvy audience. ▶ Market Segmentation: Understanding and catering to diverse consumer segments across different markets often prove challenging, leading to missed opportunities. ▶ Lack of Global Market Insights: Many producers may not be fully aware of global market trends, preferences, and potential opportunities, leading to less-informed marketing decisions. ▶ Budget Constraints: Limited marketing budgets can hinder MSMEs from launching extensive marketing campaigns, thus reducing their market reach. ▶ Inadequate Storytelling: Assam tea has a rich cultural and geographical backstory which, if not properly conveyed, can lead to lost branding opportunities. ▶ Dependence on Traditional Channels: Over-reliance on traditional marketing channels might not yield results in modern, dynamic markets. ▶ Feedback Mechanisms: The lack of structured mechanisms to gather feedback on marketing strategies might prevent continuous improvement and adaptation to market needs.

(ii) Bamboo and cane:

Assam, positioned in the north east corridor of India, is endowed with a diverse forest ecosystem, brimming with myriad tree species, establishing its pivotal role in wood processing and furniture crafting. Historically abundant in timber wealth, the evolution of Assam's wood industry now encompasses an array of activities spanning from logging, sawmilling, veneer production to advanced furniture creation. Even though the state has consistently been a significant timber source, there has been a recent intensified emphasis on eco-conscious forestry practices, safeguarding its vast environmental riches. The rise in certifications and eco-labels is testament to Assam's dedication towards a sustainable wood production path.

This sector not only contributes substantially to Assam's economy but also offers employment to a large segment of its populace. Assam takes pride in its vast array of products, most notably its exquisitely crafted wooden furniture, resilient plywood, and unique wooden artifacts—each echoing the profound cultural narratives of the region. There's an artful fusion of age-old traditions with contemporary designs, lending a unique character to Assam's wooden creations. Furthermore, its strategic geographical position, near the Southeast Asian markets, enhances its potential in the global wood processing and furniture arena. As Assam embarks on a journey of eco-friendly wood utilization, the sector is on the verge of setting unprecedented industry benchmarks.

Shifting focus to another of Assam's strengths, the North-Eastern belt of India accounts for approximately 65% of the nation's estimated bamboo reserve, quantified at around 90 million tonnes. Recognizing this potential, the Government of India has initiated the National Bamboo Mission, chiefly emphasizing North-East India. This mission paves the way for revolutionary opportunities in areas like bamboo's integration in plywood units and paper mills, micro-propagation & production, bamboo shoot processing, and much more. The Bamboo Technology Park Ltd, situated in Chaygaon, Kamrup, is a testament to these efforts, backed by the Assam Industrial Development Corporation Ltd. (AIDC). As it stands, there are **480 bamboo-focused units spread across 26 Assamese districts, representing an investment of Rs. 371.34 lakh and providing employment to over 2212 individuals.**⁷⁶

In 2020, a pivotal study on the market dynamics of bamboo products in Assam was undertaken by the Agro-Economic Research Centre for North-East India at the Assam Agricultural University. With a focus group of **160 bamboo artisans and 20 wholesalers from Jorhat and Sivasagar districts**, the study unearthed the immense potential Assam holds in bamboo cultivation and product development. It also highlighted essential policy recommendations to counter challenges faced by bamboo craftsmen, particularly in areas like market intelligence and pricing.

Chaygaon's Cane and Bamboo Technology Park (C&BTP) stands as a symbol of the region's commitment to this sector. Designed to be a hub for Micro, Small, and Medium Enterprises (MSMEs) and budding entrepreneurs, the park spans a whopping 19,450 square kilometres, brimming with state-of-the-art facilities. The blueprint for the park also includes the inception of a dedicated research and design centre, emphasizing its pivotal role in Assam's bamboo ecosystem.

Table 37: Sectoral Snapshot of Bamboo and Cane industries in Assam

Category	Description
Clusters	<ul style="list-style-type: none"> ▶ Barpeta Woodwork & Lacquerware ▶ Kuriha Cane and Bamboo ▶ Manikpur Cane & Bamboo ▶ Silchar Cane and Bamboo ▶ Silpajhar Cane and Bamboo ▶ Khoiraberi Cane and Bamboo ▶ Bornagaon and Chotonagaon Cane ▶ Bardoloni Cane and Bamboo ▶ Dubapara Cane and Bamboo ▶ Majuli Cane & Bamboo ▶ Bongora Cane and Bamboo ▶ Rangia Cane and Bamboo ▶ Dimoria Cane and Bamboo ▶ Balisatra Cane and Bamboo ▶ Kahikuchi Cane and Bamboo ▶ Bargaon Cane and Bamboo ▶ Khatkhathi Cane and Bamboo ▶ Howraghat Cane and Bamboo ▶ Sitapara Cane and Bamboo ▶ Jarabari Cane and Bamboo ▶ Amsoi Bazar Cane and Bamboo ▶ Bajiagaon Cane and Bamboo

⁷⁶ <https://assam.gov.in/citizen/428>

Category	Description
	<ul style="list-style-type: none"> ▶ Raha Cane and Bamboo ▶ Borbaly Cane and Bamboo ▶ Rangloo Kathiatoli Cane and Bamboo ▶ Tamulpur Cane and Bamboo ▶ Bhadra Cane and Bamboo ▶ Sahpur Cane and Bamboo ▶ Nalbari Cane and Bamboo ▶ Haflong Cane and Bamboo ▶ Nazira Cane and Bamboo
MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Raw Material Production: <ul style="list-style-type: none"> • Bamboo cultivation, given Assam's rich bamboo reserves. • Timber cultivation in specific regions known for afforestation efforts. ▶ Timber Harvesting and Processing: <ul style="list-style-type: none"> • Small-scale sawmills spread across various districts. • Bamboo processing units for producing bamboo-based products. ▶ Furniture Manufacturing: <ul style="list-style-type: none"> • Numerous MSMEs involved in crafting traditional Assamese furniture. • Workshops that specialize in bamboo furniture, given the region's expertise in bamboo craftsmanship. ▶ Design and Product Development: <ul style="list-style-type: none"> • Local artisans and craftsmen developing traditional as well as modern furniture designs. • Innovation centers promoting design enhancements, blending Assamese culture with contemporary trends. ▶ Finishing and Polishing: <ul style="list-style-type: none"> • Units specialized in giving final touches, polishing, and adding protective layers to furniture. ▶ Marketing and Sales: <ul style="list-style-type: none"> • Local markets where artisans and craftsmen directly sell their products. • Emerging online presence with some MSMEs showcasing their products on e-commerce platforms and leveraging digital channels for wider market access.
Products	<ul style="list-style-type: none"> ▶ Bamboo Chairs and Tables ▶ Traditional Assamese Wooden Stools (Moras) ▶ Bamboo Storage Baskets and Racks ▶ Wooden Almirahs and Wardrobes ▶ Teakwood Beds and Coffee Tables ▶ Bamboo Floor Mats and Curtains ▶ Hand-carved Wooden Decorative Panels ▶ Wooden Bookshelves and Study Desks ▶ Bamboo Light Fixtures and Lamps ▶ Wooden Side Tables and Dressing Units ▶ Bamboo Wall Hangings and Art Pieces ▶ Wooden Dining Tables and Chairs ▶ Bamboo Benches and Loungers ▶ Wooden Cabinets and Chests of Drawers ▶ Bamboo Musical Instruments (like Bamboo Flutes) ▶ Wooden Jewellery Boxes and Organizers ▶ Bamboo Coasters and Trays ▶ Wooden Clock Frames and Mirror Frames ▶ Bamboo Plant Stands and Holders ▶ Wooden Kitchen Accessories, like Spice Racks and Cutlery Organizers
Supporting Institutions	<ul style="list-style-type: none"> ▶ Assam Bamboo Development Agency (ABDA) - Guwahati ▶ Assam Industrial Development Corporation (AIDC) - Guwahati ▶ Assam Timber and Plywood Manufacturing Association - Guwahati ▶ Assam Forest Department - Dispur ▶ North East Development Finance Corporation Ltd (NEDFi) - Guwahati ▶ Tool Room & Training Centre (TRTC) - Guwahati ▶ Assam Skill Development Mission (ASDM) - Guwahati

Category	Description
	<ul style="list-style-type: none"> ▶ Assam Rural Infrastructure and Agricultural Services (ARIAS) - Guwahati ▶ Bamboo Technology Park - Chaygaon, Kamrup district ▶ Central Institute of Technology (CIT) - Kokrajhar (For training programs related to bamboo and wood processing)
Exports	<ul style="list-style-type: none"> ▶ Exports value – INR 4.09 Lakhs under ITCHS -44189100 ⁷⁷ ▶ Assam's wooden handicrafts and bamboo furniture have gained recognition in these regions for their unique designs and sustainable materials. Bamboo-based products, in particular, are gaining traction due to their eco-friendly nature.

Challenges

Table 38: Key Challenges Confronting the Bamboo and Cane industries in Assam

Challenges Category	Description
Raw materials	<ul style="list-style-type: none"> ▶ Assam's forest regulations and conservation efforts lead to restricted timber extraction, causing a dependency on imported wood. ▶ Traditional woods like Sal and Gamari are facing decreasing availability due to over-exploitation and insufficient reforestation. ▶ The increased use of bamboo as an alternative has presented challenges in terms of processing techniques and durability. ▶ Illicit logging activities in certain regions of Assam provide an unfair competitive advantage to non-compliant units, undercutting genuine businesses. ▶ Limited local wood processing units push businesses to source processed wood from other states, increasing costs.
Labour	<ul style="list-style-type: none"> ▶ The industry in Assam faces periodic shortages of skilled labor due to the seasonal nature of the timber harvesting season. ▶ Migrant laborers, predominantly from neighboring states, form a significant portion of the workforce in sawmills and furniture units, leading to challenges in consistent workforce availability. ▶ Lack of proper training facilities and vocational institutes specializing in wood processing results in a skills gap in the local labor market. ▶ The informal nature of many wood processing units in Assam means labor rights, insurance, and safety protocols often remain unaddressed. ▶ The migration of skilled artisans to other states in search of better opportunities has left a void in the traditional craftsmanship of Assam.
Technological Requirements	<ul style="list-style-type: none"> ▶ Most units, especially at the micro-level, continue to rely on outdated machinery and traditional techniques, which impact the quality and scalability of production. ▶ The adoption of advanced technologies such as CNC machining, automated joinery systems, and computer-aided design (CAD) tools remains limited within the sector. ▶ Limited awareness and training on contemporary wood processing technologies mean that many units are not equipped to produce goods that meet global standards. ▶ The lack of state-sponsored initiatives to promote technology upgradation has hindered the sector's growth and competitiveness. ▶ Due to limited exposure to global trends, the majority of the units in Assam are unaware of sustainable and efficient technological advancements that can revolutionize their production methods.

⁷⁷ <https://dashboard.commerce.gov.in/commercedashboard.aspx>

Challenges Category	Description
Sustainability concerns	<ul style="list-style-type: none"> ▶ Many units in Assam lack a comprehensive approach towards the sustainable processing of wood, leading to environmental degradation and potential health hazards. ▶ Improper and inadequate treatment facilities result in untreated wood waste, which can pose serious environmental threats. ▶ The lack of waste management systems leads to the indiscriminate dumping of wood residues, contributing to soil and water pollution. ▶ Unmonitored use and disposal of chemicals used in wood treatment can contaminate local water sources, endangering both human and aquatic life. ▶ The absence of stringent regulations and monitoring has allowed some units to operate without adequate safety and environmental standards, jeopardizing the local ecosystem.
Access to Finance	<ul style="list-style-type: none"> ▶ High Capital Requirements: Upgrading and modernizing wood processing and furniture units necessitate substantial investments, which many small and medium entrepreneurs struggle to gather. ▶ Delayed Payments: Many furniture entrepreneurs often grapple with delayed payments from large dealers and retailers, thereby hindering their operational cash flow. ▶ Working Capital Constraints: The escalating costs of raw materials and operations compel many producers to excessively depend on overdraft facilities. ▶ Dependency on Government Aids: While there are government financial schemes for the sector, reliance on them makes units susceptible to sudden policy shifts and administrative delays. ▶ Unyielding Payment Protocols: The insistence on immediate payments can sometimes discourage prospective collaborations and contracts. ▶ Limited Financial Acumen: A significant portion of wood processors and furniture makers in Assam lack awareness of the financial support systems available to them.
Access to Markets	<ul style="list-style-type: none"> ▶ Geographical Limitations: The relative isolation of Assam from prime Bamboo and Cane trading centers in India can escalate transportation expenses and prolong delivery durations, reducing the competitive edge of its products. ▶ Limited Brand Awareness: Bamboo and Cane artifacts from Assam might not enjoy the same brand recall as counterparts from more renowned regions, thereby constraining their market reach. ▶ Absence of Digital Presence: A considerable number of Bamboo and Cane traders in Assam may not have ventured into the digital realm, thus missing out on the burgeoning e-commerce segment and global audiences. ▶ Reliance on Traditional Markets: A pronounced tilt towards conventional markets may restrict the Bamboo and Cane industries from tapping into a more diversified, pan-India or global customer base. ▶ Lack of Participation in Trade Fairs: Not having a consistent presence in key domestic and global trade showcases can limit visibility and engagement opportunities for Assam's Bamboo and Cane sectors. ▶ Competitive Pressure: The influx of more affordable Bamboo and Cane items from other territories or nations can challenge the price point and market stance of Assamese products. ▶ Stringent Market Standards: Assam's Bamboo and Cane industries might occasionally find it daunting to comply with certain market mandates or certifications, possibly due to constrained resources or expertise.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Limited Export Channels: In the absence of a fortified export ecosystem and insights, Bamboo and Cane units in Assam may find it challenging to penetrate profitable international markets.

(iii) Rubber and Rubber Products

Assam, a state renowned for its diverse ecosystems and agricultural strengths, has been progressively making its mark in the rubber industry. The state's climatic conditions, marked by ample rainfall and suitable terrains, make it a promising region for rubber cultivation.

As rubber plantations expand across the state, Assam has seen a rise in rubber-based manufacturing units. These units have been instrumental in producing a range of products, from essential daily-use items like footwear to specialized goods such as rubber mats and bands. The versatility of rubber as a material has enabled the region to delve into varied product lines, catering to both domestic and international markets.

Beyond its economic contributions, the rubber industry in Assam plays a pivotal role in the socio-economic fabric of the state. It provides livelihoods to many, especially those in rural areas, offering them stable income sources and skill development opportunities. This, in turn, contributes to the overall economic upliftment of these communities.

Assam's emphasis on sustainable rubber cultivation also deserves mention. The state's approach focuses on harnessing its rubber resources without compromising on environmental integrity. By promoting eco-friendly cultivation practices, Assam ensures that its rubber plantations contribute positively to the region's ecology.

Table 39: Sectoral Snapshot of Rubber and Rubber Products in Assam

Category	Description
Clusters	<ul style="list-style-type: none"> ▶ Guwahati Rubber and Latex Cluster ▶ Barpeta Rubber Processing Cluster ▶ Karimganj Natural Rubber Cluster ▶ Dibrugarh Rubber Goods Manufacturing Cluster ▶ Nagaon Latex Products Cluster ▶ Silchar Rubberized Coir Cluster ▶ Tezpur Rubber Footwear Cluster ▶ Jorhat Rubber Automotive Parts Cluster ▶ Bongaigaon Rubber Mats Production Cluster ▶ Tinsukia Molded Rubber Goods Cluster
MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Raw Material Collection, ▶ Primary Processing (Rubber processing tasks like coagulation and sheet formation), ▶ Secondary Processing (processed rubber sheets into various products, such as rubber mats, gloves, and footwear.) ▶ Product Manufacturing:
Products	<ul style="list-style-type: none"> ▶ Natural rubber sheets ▶ Latex products ▶ Rubber footwear and soles ▶ Rubber mats and floorings ▶ Rubberized coir products ▶ Rubber bands ▶ Rubber gloves ▶ Rubber tires and tubes ▶ Rubber gaskets and seals ▶ Rubber hoses and belts

Category	Description
	<ul style="list-style-type: none"> ▶ Molded rubber goods ▶ Rubber automotive parts ▶ Rubber toys ▶ Medical-grade rubber products, such as catheters and rubber bulbs ▶ Rubber-based adhesives and sealants.
Supporting Institutions	<ul style="list-style-type: none"> ▶ Assam Rubber Board, Guwahati ▶ Assam Industrial Development Corporation (AIDC), Guwahati ▶ Rubber Research Institute of India, Regional Station, Guwahati
Exports	<ul style="list-style-type: none"> ▶ Exports value – INR 0.21 Lakhs under ITCHS 64041110 ⁷⁸ ▶ Assam's rubber products, including mats, footwear, and automotive components, are appreciated for their durability and quality in these regions. The rubber plantations in Assam also contribute to the production of natural rubber, which is exported in various forms to these countries.

Challenges

Table 40: Key Challenges Confronting the Rubber and Rubber Products Sector in Assam

Challenges Category	Description
Raw materials	<ul style="list-style-type: none"> ▶ Limited large-scale rubber plantations, leading to dependence on small and medium-sized growers for raw material supply. ▶ Weather unpredictability, especially during monsoon, affects the rubber tapping processes. ▶ Increased competition with other cash crops, leading to shifts in cultivation preferences among farmers. ▶ Regional pests and diseases, like the white root disease, affect the rubber yield and quality. ▶ Lack of advanced agricultural practices, leading to suboptimal rubber latex output. ▶ The rubber industry is susceptible to fluctuations in the prices of raw materials. In Assam, where the majority of rubber producers are smallholders, this volatility can significantly impact their profitability and sustainability. The lack of proper storage facilities and the need for immediate sale can force these producers to sell their product at lower prices, further exacerbating the issue.
Labour	<ul style="list-style-type: none"> ▶ Training facilities for upskilling the local workforce in rubber processing are limited, leading to a skill gap in the industry. ▶ Migration trends, with locals seeking better opportunities outside the state, have led to a diminished local workforce. ▶ High dependence on seasonal labourers, making consistent production challenging. ▶ Lack of awareness about safety standards in rubber processing units, leading to higher risk of accidents. ▶ Inadequate wage structures make it challenging to retain skilled workers in the long term.
Technological Requirements	<ul style="list-style-type: none"> ▶ The costs associated with technological upgrades are prohibitive for many small-scale producers in the state. ▶ Limited access to state-of-the-art machinery and equipment impedes the ability to produce high-quality rubber products. ▶ A dearth of technical training institutions focused on rubber technology means a gap in knowledge transfer. ▶ With a rapidly changing global rubber industry, staying abreast of technological advancements becomes a challenge. ▶ The lack of integrated quality testing facilities in the region puts local producers at a disadvantage when competing in international markets.

⁷⁸ <https://dashboard.commerce.gov.in/commercedashboard.aspx>

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ While there are efforts to digitize certain aspects of the industry, many parts of the production chain remain manually intensive.
Product Innovation	<ul style="list-style-type: none"> ▶ The scale of many rubber enterprises in Assam restricts their ability to invest in research and development initiatives. ▶ Despite having rich biodiversity and unique rubber varieties, there's a lack of focus on developing proprietary rubber blends or products. ▶ There is a limited presence of specialized research centers or institutions to support innovation within the rubber sector in the region. ▶ Exploring niche rubber markets or specialty rubber products requires a deeper understanding of global trends, which many local producers may lack. ▶ Though there are traditional rubber products indigenous to Assam, modernizing them to suit contemporary market demands remains a challenge. ▶ Lack of collaborations with international rubber institutions hampers the introduction of global best practices in product innovation.
Access to Finance	<ul style="list-style-type: none"> ▶ High Capital Needs: Small and medium entrepreneurs often struggle to gather the substantial investments required for machinery and technology in the rubber industry. ▶ Extended Credit Periods: Dealing with prolonged credit periods from buyers is a common challenge, impacting the liquidity and working capital of rubber producers and manufacturers in Assam. ▶ Fluctuating Rubber Prices: The unpredictable prices of natural rubber can strain the financial planning of units, leading to a greater reliance on credit facilities. ▶ Over-reliance on Government Subsidies: While government schemes support the rubber sector in Assam, excessive dependence can make units vulnerable to policy changes and bureaucratic delays. ▶ Stringent Loan Conditions: Banks and financial institutions often impose strict collateral requirements and repayment terms, which can be cumbersome for small producers. ▶ Lack of Financial Literacy: Many in the rubber sector in Assam are unaware of the variety of financial instruments and aids available to them, resulting in missed opportunities for growth and expansion.
Access to Markets	<ul style="list-style-type: none"> ▶ Geographical Barriers: Assam, being in the northeastern part of India, often faces geographical barriers that can limit access to major domestic markets. The state's distance from the main industrial and manufacturing hubs can pose a significant challenge for small and medium-sized enterprises (SMEs) in the rubber industry. ▶ Infrastructure Challenges: The infrastructure in Assam may not be as developed as in other states, which can hinder the efficient transportation and distribution of rubber products to different markets. ▶ Limited Exposure to Export Opportunities: While export is a vital avenue for sales, SMEs in Assam may not have the same level of exposure to international markets as their counterparts in other states. Limited participation in export exhibitions and a lack of direct access to foreign buyers can restrict their ability to tap into global markets. ▶ Marketing and Branding: The rubber products from Assam may not have the same brand recognition as those from more established markets. This can make it challenging to attract customers and build a market presence. ▶ Competition from Imported Goods: The influx of cheap rubber products from countries like China poses a significant challenge to the local rubber industry in Assam. These imported goods often undercut the prices of locally made products, making it difficult for Assam's SMEs to compete.

Challenges Category	Description
Environmental Issues	<ul style="list-style-type: none"> ▶ Deforestation linked to rubber plantation expansion has raised ecological concerns in Assam, affecting the region's biodiversity. ▶ Water pollution due to untreated effluents from rubber processing units poses threats to the local water bodies. ▶ Awareness about sustainable and eco-friendly rubber cultivation and processing practices is still in its nascent stages among many growers. ▶ Inefficient use of resources in rubber processing units often leads to higher energy consumption and wastage. ▶ Disposal of non-biodegradable waste from rubber products, like tires, remains a significant challenge in the state. ▶ While there's potential for harnessing renewable energy sources, the adoption rate in the rubber sector is still low. ▶ Lack of stringent environmental regulations or oversight makes it challenging to enforce sustainable practices consistently across the sector.

(iv) General Engineering

The general engineering sector in Assam plays a crucial role in the state's industrial fabric, contributing significantly to its economic development and employment generation. It is characterized by a diverse range of activities, from manufacturing to various engineering services, and has a symbiotic relationship with several other industries, providing them with essential support and services.

One of the main strengths of Assam's general engineering sector lies in its rich natural resources, which provide a significant advantage in terms of raw materials. Additionally, the presence of a number of technical institutions in the state ensures a steady supply of skilled manpower, contributing to the sector's growth and development.

Furthermore, Assam's general engineering sector benefits from its strategic location, with its proximity to the Southeast Asian markets. This geographical advantage opens up numerous opportunities for export and international collaboration, thereby enhancing the sector's potential for growth and diversification.

However, despite its strengths, the general engineering sector in Assam also faces several challenges that need to be addressed to unlock its full potential. These include the need for better infrastructure, more significant investment in research and development, and the establishment of clusters to facilitate collaboration and knowledge sharing among businesses.

Table 41: Sectoral Snapshot of General Engineering in Assam

Category	Description
Clusters	<ul style="list-style-type: none"> ▶ Guwahati ▶ Tinsukia ▶ Dibrugarh ▶ Sivasagar ▶ Nagaon
MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Manufacturing ▶ Fabrication ▶ Services ▶ Supply Chain Management
Products	<ul style="list-style-type: none"> ▶ Machine parts and components ▶ Fabricated metal products ▶ Structural frames and supports ▶ Hand tools and equipment ▶ Fasteners and hardware ▶ Electrical machinery and apparatus ▶ Gears and drivetrains

Category	Description
	<ul style="list-style-type: none"> ▶ Hydraulic and pneumatic components ▶ Bearings and bushings ▶ Industrial valves and fittings
Supporting Institutions	<ul style="list-style-type: none"> ▶ Assam Industrial Development Corporation (AIDC) - Guwahati ▶ District Industries & Commerce Centre (DICC) - Various locations across Assam ▶ Micro, Small, and Medium Enterprises Development Institute (MSME-DI) - Guwahati ▶ Assam Science and Technology University (ASTU) - Guwahati ▶ Indian Institute of Technology, Guwahati (IIT-G) - Guwahati ▶ North-eastern Development Finance Corporation Ltd (NEDFi) - Guwahati ▶ Assam Energy Development Agency (AEDA) - Guwahati ▶ Assam Skill Development Mission (ASDM) - Guwahati ▶ Tool Room and Training Centre (TRTC) - Guwahati ▶ Central Institute of Plastics Engineering & Technology (CIPET) - Guwahati
Exports	<ul style="list-style-type: none"> ▶ In FY 2022-23, around Rs. 100 Crores worth of Engineering goods/ machineries/works were exported from Assam.⁷⁹ ▶ Majorly exported to neighbouring countries like Bhutan, Nepal, and Bangladesh. ▶ General Engineering products from Assam, including machinery, tools, and other components, are known for their quality and reliability in these regions. The state's rich industrial base and the presence of various engineering units contribute to the production of a wide range of products that meet the demands of international markets. These products are then exported to meet the needs of various industries in neighbouring countries and Southeast Asian nations.

Challenges

Table 42: Key Challenges Confronting the General Engineering Sector in Assam

Challenges Category	Description
Raw materials	<ul style="list-style-type: none"> ▶ Availability: There is an evident shortage of readily available raw materials in Assam for the general engineering sector, leading to a dependency on imports from other states or countries. ▶ Quality Concerns: Ensuring the quality of raw materials can be a significant challenge. Inconsistent quality can affect the final product's quality and the overall manufacturing process. ▶ Price Volatility: Fluctuations in the prices of raw materials, often influenced by global market trends, can significantly impact the production costs and profitability of engineering units. ▶ Transportation and Logistics: Assam's geographic location and the associated transportation and logistical challenges can lead to delays in procuring raw materials, thereby affecting the production timelines. ▶ Supply Chain Disruptions: The sector is vulnerable to disruptions in the supply chain, which can be caused by various factors such as natural calamities, political instability, and other unforeseen events. ▶ Environmental Regulations: Complying with environmental regulations and obtaining the necessary permits for raw material extraction can be a time-consuming and complex process. ▶ Lack of Standardization: The absence of standardized norms and regulations for raw materials in the general engineering sector can lead to inconsistencies and challenges in the procurement process.

⁷⁹ District Wise Export Data FY 2022-23 | Ministry of Commerce & Industry

Challenges Category	Description
Labour	<ul style="list-style-type: none"> ▶ Skill Gap: There is often a mismatch between the skills required by the industry and those possessed by the available workforce, leading to a skill gap that hinders productivity and growth. ▶ Training and Development: There is a lack of adequate training and development opportunities for workers, which is essential for upgrading their skills and keeping them abreast of the latest industry trends and technologies. ▶ Attrition Rate: The sector faces a high attrition rate, with skilled workers often migrating to other states or countries in search of better employment opportunities. ▶ Labor Regulations: Navigating the complex labor regulations and ensuring compliance can be a significant challenge for businesses in the General Engineering sector. ▶ Worker Safety: Ensuring worker safety, especially in an industry that often involves hazardous materials and machinery, is a significant concern. ▶ Informal Labor: The prevalence of informal labor, with workers often lacking proper contracts and social security benefits, is a major challenge that needs to be addressed. ▶ Industrial Relations: Managing industrial relations and resolving disputes between employers and employees can be time-consuming and affect business operations.
Technological Requirements	<ul style="list-style-type: none"> ▶ Access to Latest Technology: Many enterprises in Assam lack access to state-of-the-art technologies such as Artificial Intelligence (AI), Internet of Things (IoT), robotics, and automation systems, which are pivotal for improving efficiency, reducing costs, and enhancing product quality. ▶ Cost of Technology Upgradation: Upgrading to the latest technologies requires significant investment, which can be a major hindrance for small and medium-sized enterprises with limited financial resources. ▶ Lack of Technical Expertise: The sector faces a shortage of skilled personnel who are adept at handling and operating modern technology and machinery. ▶ Research and Development: There is an absence of a strong research and development ecosystem in the state, which is essential for innovation and developing new products and processes that meet market demands. ▶ Cybersecurity: With the increasing reliance on digital technologies, cybersecurity has become a paramount concern that needs to be addressed to safeguard sensitive data and information. ▶ Integration with Global Value Chains: Integrating with global value chains is challenging yet essential for accessing international markets and adopting global best practices. ▶ Environmental Compliance: Adhering to environmental regulations and adopting eco-friendly technologies is a complex challenge but crucial for sustainable growth and development.
Product Innovation	<ul style="list-style-type: none"> ▶ Limited Research and Development: A lack of dedicated research and development (R&D) facilities and insufficient investment in R&D activities hampers the ability to innovate and develop new products. ▶ Access to Skilled Personnel: There is a scarcity of skilled researchers and designers who can contribute to the innovation process. ▶ Funding Constraints: Small and medium enterprises (SMEs) often struggle to secure funding for innovative projects, as financial institutions may be reluctant to invest in untested ideas. ▶ Regulatory Hurdles: Navigating through the various regulatory requirements and obtaining necessary certifications can be a time-consuming and complex process.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Market Competition: The sector faces stiff competition from both domestic and international players, making it challenging to introduce new products that can capture market share. ▶ Adoption of New Technologies: Incorporating the latest technologies such as artificial intelligence, machine learning, and the Internet of Things (IoT) in product development can be a daunting task due to the cost and complexity involved. ▶ Collaboration with Academia and Industry: Limited opportunities for collaboration with academic institutions and other industry players restrict the flow of ideas and resources necessary for product innovation.
Access to Finance	<ul style="list-style-type: none"> ▶ High Interest Rates: Small and medium-sized enterprises often struggle with the high-interest rates charged by financial institutions, which can be a significant burden on their finances. ▶ Lack of Collateral: Many enterprises in this sector lack the necessary collateral to secure loans, making it difficult for them to access credit. ▶ Complex Loan Application Process: The loan application process can be complicated and time-consuming, with a lot of paperwork and compliance requirements. ▶ Limited Availability of Customized Financial Products: There is a lack of financial products that are tailored to the specific needs of the General Engineering sector, such as loans for technology upgradation or innovation. ▶ Stringent Eligibility Criteria: Financial institutions often have stringent eligibility criteria, such as a minimum turnover or profitability, which can be difficult for small and emerging enterprises to meet. ▶ Delayed Disbursement of Funds: Even after approval, the disbursement of funds can often be delayed, affecting the timely execution of projects. ▶ Inadequate Financial Literacy: Many entrepreneurs in this sector lack the necessary financial literacy to make informed decisions regarding the various financing options available to them. ▶ Dependency on Traditional Sources of Financing: There is a reliance on traditional sources of financing such as banks and financial institutions, with limited exploration of alternative financing options such as venture capital, angel investors, or government grants.
Access to Markets	<ul style="list-style-type: none"> ▶ Limited Market Reach: Many enterprises in Assam have a limited market reach, confined mainly to the local or regional markets, with minimal presence in national or international markets. ▶ Logistical Constraints: The state's geographical location and infrastructural limitations pose logistical challenges in transporting goods to far-flung markets, thereby increasing costs and reducing competitiveness. ▶ Inadequate Marketing Strategies: A lack of effective marketing strategies and tools hampers the ability of these enterprises to showcase their products and reach potential customers. ▶ Competition from Larger Players: The sector is characterized by the presence of several small and medium-sized enterprises that often struggle to compete with larger, more established players in the market. ▶ Non-Tariff Barriers: Non-tariff barriers, such as stringent quality standards and certifications, can act as impediments to accessing international markets. ▶ Limited Access to E-commerce Platforms: While e-commerce has emerged as a significant market channel, many enterprises in Assam are yet to fully leverage these platforms to reach wider audiences. ▶ Inadequate Market Intelligence: Many enterprises lack access to market intelligence, which is crucial for making informed decisions regarding product development, pricing, and market entry strategies.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Difficulty in Building Brand Image: Building a strong brand image that resonates with customers is often a challenge, especially for small and emerging players.
Environmental Issues	<ul style="list-style-type: none"> ▶ Compliance with Environmental Regulations: Adhering to the stringent environmental regulations and obtaining the necessary certifications can be a complex and time-consuming process. ▶ Waste Management: Efficient management and disposal of industrial waste, including hazardous waste, is a significant challenge for many enterprises in this sector. ▶ Air and Water Pollution: Controlling air and water pollution caused by industrial processes and ensuring that they meet the prescribed norms is a major concern. ▶ Resource Utilization: Optimizing the use of natural resources such as water and energy while minimizing wastage is crucial for sustainable operations. ▶ Emission Control: Reducing emissions of greenhouse gases and other pollutants to comply with national and international standards is an ongoing challenge. ▶ Impact on Biodiversity: Some industrial activities may have an adverse impact on local biodiversity, which needs to be mitigated through proper planning and conservation measures. ▶ Health and Safety Concerns: Ensuring the health and safety of workers and communities living in proximity to industrial facilities is a key responsibility of enterprises in this sector. ▶ Adoption of Clean Technologies: Incorporating clean and eco-friendly technologies in the production processes can be a daunting task due to the cost and complexity involved.

2.3. Traditional sectors

Traditional sectors are those that are based on the use of natural resources, local skills, or cultural heritage. They tend to have low productivity, low value addition, and low innovation. Industrial policy for traditional sectors may aim to enhance their productivity and value addition by providing credit, subsidy, infrastructure, or quality certification; improving technology adoption or diffusion; strengthening linkages with modern sectors or global value chains; or preserving and promoting their cultural or ecological significance.

Handlooms, Handicrafts, Fisheries and Aquaculture, and Coir are some of the Traditional sectors in Assam. The state continues to invest in these sectors while exploring new opportunities for growth and development in other sunrise sectors identified earlier.

i. Handicrafts

Assam's rich cultural tapestry is intricately woven with the threads of its diverse and vibrant handicraft sector. The state is particularly renowned for its exquisite bamboo and cane handicrafts, which are a testament to the craftsmanship of the local artisans and an integral aspect of the social and economic fabric of the region.

The state's handicraft portfolio is diverse, featuring a variety of products such as "jaapi hats," table mats, room dividers, chairs, and jewelry, all meticulously crafted from bamboo and cane. Moreover, materials like terracotta and bell metal are skillfully employed to create an array of unique and intricate crafts.

Basketry and mats are predominant in the regions of Kamrup, Sivasagar, and Nagaon, with Cachar gaining prominence for its exceptional cane and bamboo works. The ancient art of bell metal craftsmanship finds its home in locations such as Sarthebari, Titabor, Hajo, and Kamrup, contributing to the rich cultural heritage of Assam. The bell metal industry of Sarthebari, which has thrived since the 7th century, boasts a wide range of products, including bowls, utility items like bota and sorai, as well as religious and decorative ornaments such as idols, cymbals, and clocks.

Jute is another significant material employed in the creation of handicrafts in Assam, with the state ranking as the third-largest jute producer in the country. The districts of Darrang, Barpeta, Goalpara, Dhubri, Nagaon, and Morigaon are the primary regions where jute production is concentrated.

Despite the prevalence of local handicraft items throughout the state, expanding their reach beyond Assam's borders is crucial for gaining recognition and value on a larger scale. Traditionally, artisans and craftsmen have marketed their products through local stores and fairs, both within and beyond the Northeastern Region (NER). However, only a handful have successfully ventured into metropolitan cities like Delhi, Mumbai, and Bangalore, with an even smaller number managing to export their products internationally.

Table 43: Sectoral Snapshot of Handicrafts sector in Assam

Category	Description
Clusters	<ul style="list-style-type: none"> ▶ Kamrup Cluster: Bamboo and Cane Handicrafts ▶ Sivasagar Cluster: Basketry and Mats ▶ Nagaon Cluster: Bamboo Mats ▶ Cachar Cluster: Cane and Bamboo Works ▶ Sarthebari Cluster: Bell Metal Handicrafts ▶ Titabor Cluster: Bell Metal Handicrafts ▶ Hajo Cluster: Bell Metal Handicrafts ▶ Darrang Cluster: Jute Handicrafts ▶ Barpeta Cluster: Jute Handicrafts ▶ Goalpara Cluster: Jute Handicrafts ▶ Dhubri Cluster: Jute Handicrafts ▶ Morigaon Cluster: Jute Handicrafts
MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Raw Material Sourcing ▶ Design and Production ▶ Quality Control ▶ Marketing and Sales ▶ Distribution
Products	<ul style="list-style-type: none"> ▶ Bamboo and Cane Products ▶ Bell Metal Craft ▶ Terracotta Items ▶ Jute Handicrafts ▶ Wood Carvings ▶ Hand-Woven Textiles ▶ Beadwork Jewellery ▶ Pottery Items ▶ Brass and Copper Crafts ▶ Paper Crafts
Supporting Institutions	<ul style="list-style-type: none"> ▶ Directorate of Handloom & Textiles, Assam - Guwahati ▶ Assam Khadi & Village Industries Board - Guwahati ▶ Indian Institute of Entrepreneurship (IIE) - Guwahati ▶ National Institute of Design (NID) - Jorhat ▶ North-Eastern Development Finance Corporation Ltd. (NEDFi) - Guwahati ▶ North-Eastern Handicrafts and Handlooms Development Corporation Ltd. (NEHHDC) - Guwahati ▶ Assam Apex Weavers & Artisans Cooperative Federation Ltd. - Guwahati ▶ Craft Development Institute - Sualkuchi ▶ Centre for Bamboo Initiatives - Guwahati ▶ Assam Craft Development Society - Guwahati

Category	Description
Exports	<ul style="list-style-type: none"> ▶ INR 2.93 Crores worth of handicrafts exports⁸⁰ ▶ The bamboo and cane products, and other handicraft items are appreciated for their quality and authenticity in these regions. The rich cultural heritage of Assam, along with the skilled craftsmanship of the artisans, contributes to the production of unique and attractive handicraft items that cater to the demands of international markets. These products are then exported to meet the needs of various industries and consumers in neighbouring countries and Southeast Asian nations.

Challenges

Table 44: Key Challenges Confronting the Handicrafts Sector in Assam

Challenges Category	Description
Raw materials	<ul style="list-style-type: none"> ▶ Scarcity and Seasonal Availability: Certain crafts such as bamboo and cane work face challenges due to the seasonal availability of bamboo and cane, leading to shortages and affecting production schedules. ▶ Quality of Raw Materials: Variations in the quality of raw materials such as clay for pottery, bamboo for weaving, and metal for bell metal crafts can affect the final product's quality. ▶ Rising Costs: The rising cost of raw materials like jute, bamboo, and bell metal affects the overall cost of production and impacts the profitability of handicraft businesses. ▶ Sustainability: Over-exploitation of natural resources like bamboo and cane for crafts can lead to environmental concerns, and there is a need to ensure sustainable harvesting practices. ▶ Transportation and Logistics: Transportation and logistical challenges can affect the timely procurement of raw materials like terracotta for pottery and bell metal for utensil-making, especially in remote areas where most of the handicraft units are located. ▶ Dependence on Traditional Methods: Many artisans in crafts like basketry and mat weaving still rely on traditional methods for processing raw materials, which can be time-consuming and less efficient compared to modern techniques. ▶ Access to Improved Varieties: Lack of access to improved varieties of raw materials such as high-quality jute for handicraft products, which could enhance the quality and appeal of the products.
Labour	<ul style="list-style-type: none"> ▶ Skill Shortage: There is a shortage of skilled artisans and craftsmen for specific crafts like bell metal work, which requires specialized skills. ▶ Aging Artisan Population: The traditional handicraft sector often relies on older generations, with fewer young people taking up these crafts as a profession. ▶ Inadequate Training and Upgradation of Skills: Lack of proper training facilities and opportunities for upgrading the skills of artisans in line with modern market requirements. ▶ Seasonal Migration of Labour: Seasonal migration of laborers for better job opportunities affects the handicraft sector, particularly during peak production times. ▶ Health and Safety Concerns: Many artisans work in unsafe and unhealthy conditions, with inadequate safety measures and lack of access to healthcare facilities. ▶ Informal Work Structure: A significant portion of labour in the handicraft sector is informal, with artisans working from their homes or small

⁸⁰ based on the new ITCHS Code outlined by the Export Promotion Council for Handicraft) were exported from Assam in FY 2022-23

Challenges Category	Description
	<p>workshops. This often results in exploitation, lack of social security, and absence of fair wage practices.</p> <ul style="list-style-type: none"> ▶ Gender Disparities: Women play a crucial role in the handicraft sector, but often face disparities in terms of wages and access to opportunities compared to their male counterparts. ▶ Limited Access to Social Welfare Schemes: Artisans and craftsmen often lack awareness and access to government social welfare schemes designed to support them.
Technological Requirements	<ul style="list-style-type: none"> ▶ Limited Access to Modern Technology: The handicraft sector in Assam is often constrained by a lack of access to modern technology that could significantly enhance craft production processes. ▶ Lack of Digital Skills: Many artisans in the region do not possess the necessary digital skills required for effective online marketing of their products. This limits their ability to reach a wider audience and expand their customer base. ▶ Insufficient Training Programs: There is a notable lack of training programs that are designed to integrate modern technology with traditional handicraft processes. This is a significant challenge as it prevents artisans from improving their skills and adapting to new and efficient methods of production. ▶ Dependency on Traditional Methods: A large number of artisans still rely on traditional methods and tools, which can be less efficient and more time-consuming than modern alternatives. ▶ Cost of Technology Upgradation: Upgrading to modern machinery and technology can be expensive, which can be a significant barrier for small-scale artisans and MSMEs operating in the handicraft sector. ▶ Challenges in Maintaining Authenticity: As artisans adopt modern technology, there is a risk that the traditional essence and authenticity of the handicrafts could be lost. Protecting the intellectual property rights of traditional designs and crafts becomes a crucial concern. ▶ Difficulty in Adaptation: The shift from traditional methods to modern technology requires a significant change in mindset and a willingness to adapt to new ways of working. This can be particularly challenging for older generations of artisans who may be resistant to change. ▶ Dependence on External Support: Many small-scale artisans and MSMEs in the handicraft sector depend on external support from government and non-governmental organizations to access technology and training. However, this support can often be insufficient and unreliable.
Customer Preference	<ul style="list-style-type: none"> ▶ Adaptation to Modern Trends: Artisans need to adapt their traditional crafts to meet modern design preferences, ensuring that their products appeal to contemporary consumers. ▶ Diversification of Product Range: With changing consumer demands, artisans must diversify their range of products to cater to a wider audience. ▶ Preserving Tradition: While adapting to modern trends, it is also essential to preserve the rich cultural heritage and traditional craftsmanship that defines Assamese handicrafts. ▶ Accessibility to Market Trends: Many artisans lack access to information on market trends and consumer insights, which can help them align their products with customer preferences. ▶ Training and Skill Upgradation: There is a need for training programs that can help artisans upgrade their skills and learn new techniques to create products that are in tune with modern design sensibilities. ▶ Standardization of Quality: Ensuring consistent quality and standardization in products is a challenge, especially when dealing with a large number of small-scale artisans.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Competition with Mass-Produced Goods: Handicrafts in Assam face competition from cheaper, mass-produced items, which may be more readily available in the market. ▶ Geographical and Cultural Diversity: Assam's geographical and cultural diversity is reflected in its handicrafts. However, this diversity can also pose a challenge in creating products that cater to the tastes of customers from different regions and cultures.
	<ul style="list-style-type: none"> ▶ Inadequate Research Centers: Assam has a limited number of research facilities specifically dedicated to the development and innovation in the handicraft sector. ▶ Insufficient Financial Support: Artisans often find it challenging to secure funding for research and development activities due to limited access to financial resources. ▶ Reliance on Traditional Methods: Many artisans in Assam continue to rely on age-old techniques and may not be aware of or have access to more modern and sustainable practices that could improve efficiency and product quality. ▶ Lack of Knowledge on Market Trends: There is a gap in understanding the latest market trends and consumer preferences, which is essential for product innovation and meeting customer demands. ▶ Need for Skill Development: Artisans require training and skill development programs to integrate innovative techniques and ideas into their traditional crafts.
Access to Finance	<ul style="list-style-type: none"> ▶ Limited Financial Resources: Many artisans in Assam operate on a small scale and have limited financial resources, making it difficult for them to invest in improving their craft or expanding their business. ▶ Lack of Collateral: Small-scale artisans often lack the necessary collateral to secure loans from traditional financial institutions. ▶ Limited Access to Credit: The handicraft sector in Assam is mostly made up of small-scale and informal units that may not have access to formal credit channels. ▶ High Interest Rates: Artisans who are able to access credit often face high-interest rates, which can be a significant burden. ▶ Inadequate Financial Literacy: Many artisans lack the financial literacy to effectively manage loans and understand the terms and conditions associated with them. ▶ Lack of Government Support: While there are government schemes and subsidies available, many artisans are not aware of these opportunities or find it difficult to access them due to complex procedures and lack of information.
Access to Markets	<ul style="list-style-type: none"> ▶ Limited Market Exposure: Many handicraft artisans in Assam have limited exposure to markets outside their local communities, restricting their customer base. ▶ Competition with Mass-Produced Goods: Handicraft products from Assam face stiff competition from cheaper, mass-produced goods that often replicate traditional designs. ▶ Inadequate Marketing Skills: Artisans often lack the necessary skills and resources to effectively market their products to a wider audience. ▶ Poor Infrastructure: Inadequate transportation and logistics infrastructure can hinder the ability of artisans to access markets beyond their immediate locality. ▶ Lack of Branding: Many handicraft products from Assam lack proper branding, making it difficult for them to establish a distinct identity in the market. ▶ Limited Access to E-commerce Platforms: While online platforms have the potential to provide artisans with access to global markets, many are not aware of or do not have the means to leverage these platforms.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Issues with Quality Control: Inconsistent quality of products can be a barrier to accessing premium markets that demand high-quality, standardized products. ▶ Limited Support from Government and NGOs: While there are various schemes and initiatives aimed at supporting the handicraft sector, many artisans find it difficult to access these due to bureaucratic hurdles and lack of information.

ii. Handlooms

The handloom sector in Assam holds a significant place in the socio-cultural fabric of the state, thriving in its rural expanse. This traditional craft is more than just a means of livelihood; it is an integral part of the identity and heritage of Assam. Handloom weaving is predominantly a household activity in rural Assam, with almost every household boasting a weaver, often seen working on bamboo looms.

The handloom sector is a substantial contributor to the state's economy, providing employment to a considerable portion of the population. As of 2021-22, **the sector accounted for a total of 9,80,612 part-time weavers and 1,59,577 full-time weavers.** The sector's prowess is evident in its contribution to the production of shawls, mekhla chadar, stoles, scarves, and mufflers, accounting for 77% of India's total production in these categories. Furthermore, it represents 42% of Angavastram production, 72% of napkins, towels, dusters, gamcha, and 23% of dress material production in the country.

Despite the evolution and commercialization of the sector, the essence of traditional weaving is still preserved in Assam, with a majority of rural households continuing to weave on bamboo looms. The 4th Handloom Census (2019-20) revealed that only 5% of households undertake weaving for domestic purposes, a significant decrease from the 65% reported during the 3rd Handloom Census (2010-11). This shift indicates a transition from domestic weaving to commercial weaving, propelling the sector's growth.

To bolster the sector, the government has introduced various schemes such as the Integrated Handloom Development Scheme (IHDS) and the Marketing and Export Promotion Scheme (MEPS). Additionally, the government has established **handloom clusters in 23 districts, including significant ones in Sualkuchi and Vijay Nagar in Kamrup district, Kokoya and Chotlar par in Nalbari district, and Kochua in Nagaon district. Moreover, 4,000 Primary Weavers Cooperative Societies have been created, each housing approximately 400 weavers.**

The National Handloom Development Corporation (NHDC) has **set up 10 yarn banks across 10 districts, and the Directorate of Handloom & Textiles has established 27 yarn banks in District Headquarters.** These yarn banks play a crucial role in providing quality yarn at affordable rates, addressing one of the major challenges faced by the sector.

Table 45: Sectoral Snapshot of Handloom sector in Assam

Category	Description
Clusters	<ul style="list-style-type: none"> ▶ Sualkuchi Cluster - Mekhela Chadar, Gamocha ▶ Vijay Nagar Cluster - Mekhela Chadar, Shawls ▶ Kokoya Cluster - Stole, Scarves ▶ Chotlar Par Cluster - Mekhela Chadar, Towels ▶ Kochua Cluster - Mekhela Chadar, Napkins
MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Raw Material Production: <ul style="list-style-type: none"> • Muga and Eri silk cultivation. • Cotton cultivation with traditional varieties. ▶ Spinning and Yarn Production: <ul style="list-style-type: none"> • Local charkha operations for silk. ▶ Weaving: <ul style="list-style-type: none"> • Household-based handloom units. • Limited powerloom units. ▶ 4. Dyeing and Printing: <ul style="list-style-type: none"> • Natural dyeing using local herbs and minerals.

	<ul style="list-style-type: none"> ▶ 5. Design and Product Development: <ul style="list-style-type: none"> • Workshops blending traditional and modern designs. • Innovation centers for product diversification. ▶ 6. Marketing and Sales: <ul style="list-style-type: none"> • Direct sales at local markets and fairs. • Some Online presence on e-commerce platforms.
Products	<ul style="list-style-type: none"> ▶ Muga Silk: A rare and exclusive type of silk produced only in Assam, used primarily in making traditional Assamese attire. ▶ Eri Silk: Also known as "Ahimsa Silk" or "Peace Silk" as it is extracted without harming the silkworm. ▶ Pat Silk: A bright white, lustrous silk which is finer than Muga silk. ▶ Assam Cotton: Known for its softness and durability, used in making traditional gamucha (towels) and mekhela chadors. ▶ Mekhela Chador: The traditional attire of Assamese women, often made of Muga or Pat silk. ▶ Gamusa: A traditional white rectangular piece of cloth with primarily a red border on three sides and intricate motifs woven on the fourth. ▶ Phulam Japi: Traditional bamboo hats adorned with colorful designs and cloth pieces. ▶ Bodo Weaves: Handloom products crafted by the Bodo tribe, showcasing intricate patterns and designs. ▶ Riha and Tongali: Traditional attire pieces that are part of the Bihu dance dress. ▶ Sador: A long piece of cloth, draped as a shawl or a stole. ▶ Tribal Shawls: Different tribes in Assam have their unique hand-woven shawls, often representing their identity. ▶ Kantha Embroidery: A type of embroidery popular in Assam where old clothes are layered and stitched together for a quilted texture.
Supporting Institutions	<ul style="list-style-type: none"> ▶ Assam Handloom Development Corporation Ltd. (AHDC), Guwahati, ▶ Directorate of Handloom and Textiles, Assam, Guwahati, ▶ Assam Sericulture Department, Guwahati, ▶ Assam Khadi and Village Industries Board, Guwahati, ▶ Handloom Export Promotion Council (HEPC), Guwahati, ▶ Craft Development Centres, Sivasagar & Nalbari, ▶ Weavers' Service Centres (WSC), Guwahati & Dibrugarh, ▶ Assam Skill Development Mission (ASDM), Guwahati,
Exports	<ul style="list-style-type: none"> ▶ Export Value – USD 0.140995 Million⁸¹ ▶ Handloom products from Assam are exported across the world- Europe, Russia, Vietnam, Egypt, Thailand, US etc.⁸²

Challenges

Table 46: Key Challenges Confronting the Handloom Sector in Assam

Challenges Category	Description
Raw materials	<ul style="list-style-type: none"> ▶ Silk Quality Variations: Assam's unique Muga and Eri silks sometimes face quality inconsistencies due to varied sericulture techniques across regions. ▶ Insufficient Local Cotton Production: The local cotton yield in Assam isn't enough to meet the industry's demands, leading to reliance on imports from other states. ▶ Dependence on Cotton and Silk Imports: Assam largely depends on importing cotton and silk from other states like West Bengal, Maharashtra, and Telangana, leading to additional transportation costs.

⁸¹ DGCSI

⁸² <https://artfed.assam.gov.in/portlets/export>

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Over-reliance on External Dye Sources: The handloom sector often relies on chemical dyes procured from neighbouring states, which can lead to supply chain disruptions during peak seasons. ▶ Traditional Techniques vs. Modern Demand: Traditional weaving practices in Assam may not align with contemporary market demands for bulk production. ▶ Storage Challenges: Humid conditions in Assam pose a threat to raw materials like cotton and silk, with inadequate storage infrastructure resulting in material degradation. ▶ Price Volatility: Fluctuations in raw material prices, especially for unique silks, can affect the profitability of small-scale producers. ▶ Seasonal Dependency on Natural Dyes: The availability of natural dyes, often used in the handloom sector, can be constrained by seasonal factors, leading to production delays. ▶ Transportation Limitations: Assam's unique topography and infrastructural gaps can result in transportation bottlenecks, especially during the monsoon season.
Labour	<ul style="list-style-type: none"> ▶ Scarcity of Skilled Weavers: There is a significant shortage of skilled weavers in Assam who are proficient in both traditional and modern weaving techniques. ▶ Aging Artisan Population: The majority of weavers and artisans in Assam's handloom sector are elderly. There is a lack of interest among the younger generation to take up weaving as a profession, leading to concerns about the sustainability of the craft. ▶ Low Wages and Exploitation: Weavers in Assam often work for meager wages and are sometimes exploited by middlemen who take a substantial cut of the profits. ▶ Seasonal Migration: Many weavers migrate seasonally in search of alternative employment opportunities, affecting the continuity and productivity of the handloom sector. ▶ Poor Working Conditions: The working conditions in many handloom units are substandard, with lack of proper lighting, ventilation, and safety measures. ▶ Lack of Formal Training: There is a lack of formal training institutions in Assam that can provide weavers with the skills needed to adapt to modern market demands and improve the quality of their products. ▶ Gender Disparities: Women weavers often face gender-based discrimination, including lower wages and lack of recognition for their work. ▶ Absence of Social Security Benefits: Most weavers and artisans in Assam's handloom sector lack access to social security benefits, health insurance, and other safety nets. ▶ Limited Access to Credit: Weavers often have limited access to credit facilities, which restricts their ability to invest in better equipment and raw materials. ▶ Migration for Better Opportunities: The lack of opportunities and low wages in Assam's handloom sector drives many skilled weavers to migrate to other states in search of better employment prospects.
Technological Requirements	<ul style="list-style-type: none"> ▶ Outdated Equipment: Many handloom units in Assam still rely on old and traditional equipment which is not compatible with modern production methods. ▶ Insufficient Training for Artisans: Artisans often lack the necessary training to operate modern machinery and incorporate new techniques into their weaving. ▶ Limited Access to Advanced Technology: The handloom sector in Assam does not have adequate access to advanced technology and tools that can aid in improving production processes and product quality.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Dependence on Manual Labour: There is a high reliance on manual labour, which limits the production capacity and efficiency of handloom units. ▶ Lack of Research and Development: There is a lack of research and development initiatives to innovate and improve traditional weaving techniques and designs. ▶ Poor Infrastructure: The infrastructure in many handloom units is not conducive to the incorporation of modern technology. ▶ Limited Market Access due to Technological Gaps: The technological gaps in production processes often result in products that do not meet market standards, limiting access to broader markets. ▶ Difficulty in Adapting to Changing Market Demands: The lack of technological advancements makes it difficult for artisans to adapt to changing market demands and trends. ▶ Lack of Standardization: There is a lack of standardization in the products due to variations in technology and techniques used by different weavers. ▶ Environmental Concerns: The use of outdated technology and manual processes can have negative impacts on the environment, as they are often less efficient and more resource-intensive than modern methods.
Energy Sources	<ul style="list-style-type: none"> ▶ Inconsistent Electricity Supply: Frequent power cuts and an unreliable electricity supply can disrupt the production process, leading to increased costs and decreased efficiency. ▶ High Energy Costs: The cost of electricity and other energy sources can be high, which impacts the profitability of handloom units. ▶ Lack of Access to Renewable Energy: There is a lack of access to renewable energy sources, such as solar or wind energy, which can provide a more sustainable and cost-effective alternative to traditional energy sources. ▶ Limited Knowledge and Awareness: Many handloom units in Assam may not be aware of the benefits of using renewable energy sources or may lack the knowledge on how to transition to these alternatives. ▶ Financial Constraints: The initial investment required to switch to renewable energy sources can be high, which may be a barrier for many small and medium-sized handloom units. ▶ Lack of Government Support and Incentives: There may be limited government support or incentives available for handloom units in Assam to adopt renewable energy sources. ▶ Poor Infrastructure for Energy Storage: There may be inadequate infrastructure in place to store excess energy generated from renewable sources, leading to wastage. ▶ Environmental Concerns: The use of traditional energy sources can contribute to environmental pollution and degradation, which is a growing concern. ▶ Limited Access to Energy Efficiency Programs: There may be limited access to programs or initiatives that promote energy efficiency in the handloom sector in Assam.
Access to Finance	<ul style="list-style-type: none"> ▶ Limited Access to Credit: Many handloom weavers and artisans have difficulty accessing credit and loans from formal financial institutions due to lack of collateral and proper documentation. ▶ High Interest Rates: The interest rates on loans available to handloom weavers are often high, making it difficult for them to afford the credit. ▶ Lack of Financial Literacy: Many handloom weavers lack financial literacy and are unaware of the various government schemes and financial products available to them. ▶ Dependence on Middlemen: Handloom weavers often have to rely on middlemen who provide them with raw materials and market access. These middlemen sometimes also provide finance, but at very high interest rates.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Stringent Loan Conditions: The conditions attached to loans from formal financial institutions are often stringent and not suited to the needs and realities of handloom weavers. ▶ Inadequate Government Support: While there are various government schemes aimed at providing financial support to the handloom sector, the implementation of these schemes is often inadequate and does not reach the intended beneficiaries. ▶ Lack of Market Linkages: Handloom weavers often struggle to find markets for their products, which affects their income and ability to repay loans. ▶ Seasonal Nature of Business: The handloom business is often seasonal, with demand fluctuating throughout the year. This makes it difficult for weavers to maintain a steady income and repay loans on time. ▶ Impact of Natural Disasters: Natural disasters such as floods can damage the looms and raw materials of handloom weavers, leading to financial losses. ▶ Lack of Support for Modernization: The handloom sector needs to modernize in order to compete with power looms. However, there is a lack of financial support for weavers to upgrade their looms and adopt new technologies. ▶ Lack of Financial Knowledge: A significant portion of units remain unaware of the myriad of financial schemes available to them. ▶ Manpower Deficit in Banks: The state's banks often grapple with a shortage of staff, slowing down the loan approval and disbursement process. ▶ Insufficient Proposal Analysis Skills: Bank and DI&CC personnel frequently lack the skills needed to accurately assess proposals, leading to undue delays or flawed decision-making in granting financial support.
Access to Markets	<ul style="list-style-type: none"> ▶ Limited Market Exposure: Handloom weavers in Assam often lack the necessary exposure and access to national and international markets. ▶ Competition with Machine-made Products: Handloom products from Assam face stiff competition from machine-made products that are often cheaper and more easily available. ▶ Lack of Branding and Marketing: Handloom products often lack proper branding and marketing, making it difficult for them to establish a presence in the market. ▶ Quality Consistency: There can be inconsistencies in the quality of handloom products due to the use of traditional methods of production. ▶ Inadequate Infrastructure: There is often a lack of necessary infrastructure such as roads and transportation facilities, which hampers the ability of weavers to access markets. ▶ Dependency on Middlemen: Many handloom weavers are dependent on middlemen to sell their products, leading to exploitation and reduced earnings. ▶ Lack of Awareness About Market Trends: Handloom weavers often lack awareness about market trends and consumer preferences, making it difficult for them to produce products that meet the demands of the market. ▶ High Transportation Costs: Due to the geographical location of Assam, transportation costs can be high, affecting the competitiveness of handloom products in the market. ▶ Limited Access to E-commerce Platforms: Many handloom weavers in Assam have limited access to e-commerce platforms, which can be an important channel for reaching a wider audience. ▶ Lack of Government Support: While there are various government schemes aimed at promoting the handloom sector, their implementation is often lacking, and weavers do not receive the necessary support to access markets.

2.4. Sunrise sectors

Sunrise sectors are those that are new or emerging and show potential for substantial and rapid growth. They tend to have high growth rates, high innovation, and high value creation. Industrial policy for sunrise sectors may aim to foster their development and growth by providing supportive policies, light-

touch regulations, facilitative actions to build domestic capacities; promoting research and development; providing venture capital funding or tax incentives; or creating demand through public procurement or standards.

Food Processing sector, Tourism and Hospitality, IT/ITeS, Renewable Energy Sector, Biotechnology & Life Sciences, Petrochemicals and fertilizers, Medical Equipment, Nano Technology, Electric Vehicles, and Electronics System Design and Manufacturing (ESDM), are some of the Sunrise sectors in Assam. The state continues to invest in these sectors while exploring new opportunities for growth and development in other sunrise sectors identified earlier.

i. Food processing and agro-based industries

Assam, a lush green gem of India, is renowned for its diverse agricultural prowess. The state's agrarian canvas is painted with vibrant strokes of rice, sugarcane, oilseeds, pulses, and a rich palette of fruits and vegetables. Further deepening its **agricultural imprint are the aromatic spices like ginger, turmeric, and the fiery Bhut Jolokia**. Assam's prominence in the **agrarian domain is reflected in its crowning glory as India's primary tea producer, its commendable second position in pineapple cultivation, and its bronze medal in Jute & Mesta production.**⁸³

Assam ranks first in terms of production of fruits and vegetables in the Northeast. The agriculture and horticulture sector continue to support more than 75% of the state directly or indirectly providing employment of more than 53% of the total workforce.⁸⁴

In a bid to capitalize on this agrarian abundance, Assam has ventured deep into the realm of food processing. This strategic move amplifies the state's economic footprint by generating jobs and uplifting farmer's income levels. Beyond the economic metrics, it's also about preserving and promoting Assam's rich culinary heritage. By enhancing the shelf life and expanding the market horizon for its products, the state also ensures minimal wastage of perishable items.

Assam's devotion to fortifying its food processing sector is evidenced by the **Mega Food Park, realized under the MOFPI scheme. This beacon of progress houses a cold storage with a capacity of 1,500 MT, an advanced effluent treatment facility, and cutting-edge food testing labs.** The Industrial Growth Centre at Chaygaon further showcases the state's commitment, emerging as a hub for several food processing giants.⁸⁵

But every ascent is met with challenges. The food processing sector faces hurdles like inconsistent power supply, nascent infrastructure, and a scarcity of primary processing and packaging facilities, especially in the more remote areas. These bottlenecks are exacerbated by a shortage of trained workforce, limited market analytics, stringent quality assurance protocols, and restricted financial access routes.

Assam's resilience and ambition are undeniable. The roll-out of the 2019 Industrial and Investment Policy, championing the cause of tea parks and endorsing freight subsidies, is a testament to the state's proactive approach. Furthermore, Assam's culinary canvas is dotted with **8 unique G-tagged products, including the likes of Judima Rice-Wine, Joha Rice, and Tezpur Litchi.**⁸⁶

Diving deeper into the state's food processing narrative, we find **1,409 registered units, flanked by an impressive 65,997 unregistered food and beverage entities.** Household names such as Dabur, HUL, and Patanjali have set up camp in Assam's industrial territories. Alongside these giants, myriad micro and home-based units, complemented by FPOs, FPCs, SHGs, and Cooperatives, churn out a plethora of products like fruit juices, candies, jams, jellies, pickles, and spices. Drawing from the local **cornucopia, they use pineapples, oranges, bananas, ginger, turmeric, chillies, and mushrooms, to name a few. Certain regional clusters, highlighted in figure 32, specialize in ready-to-eat foods, fruit and vegetable processing, and spice refining.** Overseeing this vibrant sector is the Directorate of Horticulture & Food Processing, having anchored landmarks like the Mega Food Park in Tihu, Nalbari, and the Food Processing Industrial Park in Chaygaon. While the bulk of MSMEs primarily target the NE and Assam markets, a minority have branched out to West Bengal. However, international exports remain minimal. One challenge encountered frequently by these MSMEs is the procurement of

⁸³ https://northeastgis.in/wp-content/uploads/2023/05/Assam-_State-Profile.pdf

⁸⁴ <https://asrlms.assam.gov.in/as/node/90627>

⁸⁵ NEDFI- NES study report

⁸⁶ https://northeastgis.in/wp-content/uploads/2023/05/Assam-_State-Profile.pdf

raw materials from regions outside the North-East, driven by quantity constraints and supply-chain inefficiencies. This, in turn, escalates production costs and challenges their market competitiveness.⁸⁷

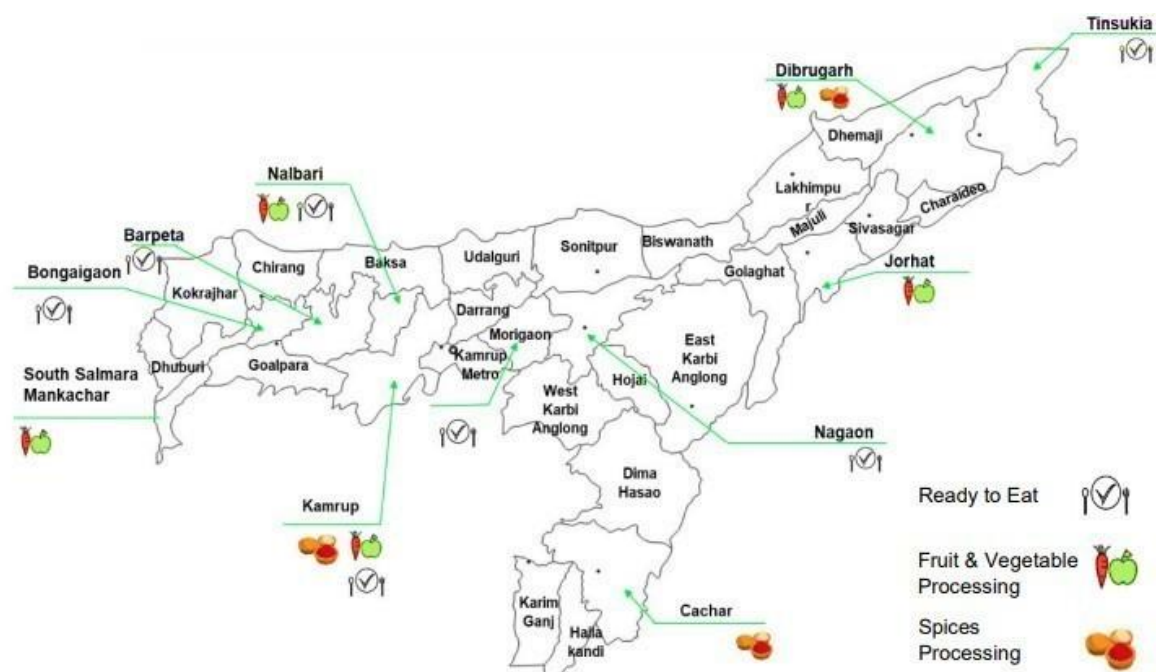


Figure 28: Food Processing Clusters in Assam

For Assam to truly harness its potential in the food processing and agro-based sectors, it must navigate and overcome these challenges. Enlightening public campaigns, robust supply chain frameworks, and entrepreneur-friendly incentives can bridge this gap. By capitalizing on its assets and addressing its constraints, Assam aspires to not just thrive within its borders but also to etch its mark across the broader North-eastern landscape.

Table 47: Sectoral Snapshot of Food Processing and Agro-Based Industries in Assam

Category	Description
Clusters	<ul style="list-style-type: none"> ▶ Agro Processing Clusters under APC Scheme of PMKSY: Kamrup (Rural), Kamrup, Tinsukia, Sonitpur, Darrang, Morigaon, Nagaon. All the approved APCs are in the implementation stage with a total project cost of Rs. 156.43 Crores.⁸⁸ ▶ Agro-Production Clusters: There are a total number of 33 production clusters identified under ODOP for state of Assam. Honey, Milk, Rice, pineapple, turmeric, ginger, banana, potato, lemon, mustard, chilli, arecanut, betelnut, sugarcane, pickles, mushroom, piggery, groundnuts, jackfruit, cashew-nut, and citrus based products are some of the clusters identified.
MSME Presence in Value Chain	<ul style="list-style-type: none"> ▶ Raw material procurement, ▶ Processing, ▶ Packaging, ▶ marketing of final products.
Products	<ul style="list-style-type: none"> ▶ Tea: Black tea, green tea, and specialty blends. ▶ Spices: Black pepper, ginger, turmeric, cardamom, and cinnamon. ▶ Dairy Products: Milk, yogurt, ghee, and indigenous cheese like "soru". ▶ Oils: Mustard oil and sesame oil ▶ Traditional Ethnic Foods: Assam's food processing industry features traditional ethnic foods like "pitha" (rice cakes), "tenga" (sour fish curry), "khar" (alkaline dishes), and "kumol saul" (a fragrant variety of rice), Joha Rice, Chokuwa Rice, Boka Chalu, Tezpur Litchi, Kaji Nemu, Karbi Anglong Ginger

⁸⁷ NEDFI- NES study report

⁸⁸ Ministry of Food Processing Industries, Gol

Supporting Institutions	<ul style="list-style-type: none"> ▶ Assam Agricultural University (AAU) - Jorhat, Assam ▶ Small Industries Development Bank of India (SIDBI) - Guwahati, Assam ▶ Assam Industrial Development Corporation (AIDC) - Guwahati, Assam ▶ Food Processing and Preservation Training Institute (FPPTI) - Guwahati, Assam ▶ Assam Small Farmers' Agri-Business Consortium (ASFAC) - Guwahati, Assam ▶ Agricultural and Processed Food Products Export Development Authority (APEDA) - Guwahati, Assam ▶ North-Eastern Regional Agricultural Marketing Corporation (NERAMAC) - Guwahati, Assam ▶ National Bank for Agriculture and Rural Development (NABARD) - Guwahati, Assam
Exports	<ul style="list-style-type: none"> ▶ In FY 2022-23, Rs. 6.82 crores worth of fresh Ginger, Rs.28 lakhs worth of chilly powder, Rs.6.41 crores worth of milk-based products, Rs.11.24 crores worth of Sesame seeds were exported from Assam.⁸⁹ ▶ In the fiscal year 2019-20, Assam's export figures were as follows⁹⁰: <ul style="list-style-type: none"> ▪ Coffee: 0.0074 million USD ▪ Fruits and Vegetables: 0.1893 million USD ▪ Meat, Dairy, and Poultry Products: 0.2575 million USD ▪ Oil Seeds: 3.1409 million USD ▪ Rice: 0.1361 million USD ▪ Spices: 0.4905 million USD ▪ Tobacco: 0.0718 million USD ▶ Assam's strategically advantageous location has facilitated easy access to neighbouring countries like Bhutan, Nepal, and Bangladesh, allowing for seamless trade and export of food products.

Challenges

Table 48: Key Challenges Confronting the Food Processing and Agro-Based Industries in Assam

Challenges Category	Description
Raw materials	<ul style="list-style-type: none"> ▶ Variability in Crop Yield: The availability and quality of raw materials for food processing in Assam can be affected by fluctuations in crop yield due to weather conditions, pests, and diseases. Unpredictable factors can lead to shortages and inconsistent quality of crops. ▶ Limited Processing Infrastructure: Assam faces challenges in setting up and maintaining processing infrastructure, which can impact the efficient utilization of raw materials. Insufficient processing units and storage facilities can lead to wastage and spoilage of agricultural produce. ▶ Transportation Constraints: The state's hilly terrain and inadequate transportation infrastructure can hinder the timely and cost-effective transportation of raw materials from farms to processing units. This can result in delays, higher transportation costs, and potential spoilage of perishable crops. ▶ Seasonal Availability: Many agricultural raw materials in Assam are seasonal, making it challenging to maintain a consistent supply throughout the year. This seasonality can create production gaps and affect the year-round operation of food processing units. ▶ Quality Control: Ensuring consistent quality of raw materials is a challenge. Variability in crop cultivation practices and quality standards among farmers can lead to inconsistencies in the raw materials' quality, affecting the final product's quality.

⁸⁹ District Wise Export Data 2022-23 | Ministry of Commerce & Industry, GoI

⁹⁰ DGCSI

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Dependency on Traditional Farming Practices: A significant portion of agriculture in Assam relies on traditional farming practices, which may not always meet modern quality and yield standards. Upgrading agricultural practices to meet industry requirements can be a gradual process. ▶ Access to High-Yield Varieties: Limited access to high-yield crop varieties and modern agricultural techniques can restrict the productivity of raw materials. The adoption of improved crop varieties and practices is essential for enhancing raw material availability. ▶ Climate Change Impact: Climate change can disrupt agricultural patterns, affecting the availability and quality of raw materials. Unpredictable weather events and shifting climatic conditions pose challenges for consistent crop production. ▶ Price Volatility: Fluctuations in raw material prices can impact the cost-effectiveness of food processing operations. Sudden price spikes or drops can affect the profitability of food processing units. ▶ Inadequate Market Linkages: Farmers and producers in Assam may face challenges in connecting with food processing units, resulting in a lack of direct market linkages. This can lead to intermediaries taking a significant share of the profits.
Labour	<ul style="list-style-type: none"> ▶ Seasonal Labour Availability: The agriculture and food processing sectors in Assam often rely on seasonal labour, which can be scarce during off-seasons. This reliance on seasonal workers can lead to labour shortages during peak harvest times. ▶ Migrant Labour Dependence: The food processing industry in Assam frequently depends on migrant laborers, especially during peak agricultural seasons. Managing and retaining a transient labour force can be challenging for agro-based industries. ▶ Skilled Labour Shortage: Skilled labour with expertise in food processing techniques, quality control, and modern machinery operation may be limited in the region. This shortage can affect the efficiency and quality of food processing operations. ▶ Lack of Training and Skill Development: There is a need for continuous training and skill development programs for the labour force in food processing. Enhancing the skills of workers can improve productivity and product quality. ▶ Working Conditions: Ensuring safe and hygienic working conditions in food processing units is crucial. Compliance with labour safety standards and regulations can be a challenge for some facilities. ▶ Labour Mobility: Laborers in the food processing and agro-based industries may seek higher-paying job opportunities in other sectors, leading to labour turnover. This can disrupt production schedules and require frequent hiring and training. ▶ Wage Disparities: Ensuring fair wages for laborers, particularly in small-scale food processing units, can be a challenge. Wage disparities and delayed payments can lead to labour unrest. ▶ Informal Labour Practices: In some cases, informal labour practices may prevail, making it difficult to regulate working hours, wages, and labour rights. This can affect the overall well-being of the labour force. ▶ Gender Disparities: The food processing sector may have gender disparities in labour participation, with women often involved in manual tasks. Addressing gender equity and providing equal opportunities for women in the workforce is important. ▶ Language and Cultural Diversity: Assam's diverse cultural landscape can lead to language and cultural differences among laborers. Effective communication and harmonious working relationships can be challenging to maintain.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ Labour Welfare: Ensuring labour welfare measures, such as access to healthcare and social security benefits, is a concern for some food processing units, particularly in the informal sector. ▶ Compliance with Labour Laws: Adhering to labour laws and regulations, including minimum wage requirements and working hour limits, can be demanding for some food processing businesses.
Access to Technology	<ul style="list-style-type: none"> ▶ Initial Investment: Integrating the latest machines and technology necessitates a significant initial investment, which can be particularly burdensome for small-scale farmers and new industry entrants. ▶ Climate Change and Water Management: Seasonal variations in rainfall, intensified by climate change, make water management a crucial challenge. Ensuring a consistent water supply is vital for the success of agro-based industries. ▶ Specialized Skills: Adopting the latest food technology and machinery requires specialized skills and knowledge. There is a pressing need to train and equip the local workforce with the necessary skills to effectively utilize modern farming techniques and machinery. ▶ Infrastructure: The lack of adequate infrastructure, including storage and processing facilities, hinders the industry's ability to maximize the benefits of the latest technology. This limitation often results in post-harvest losses and reduced product quality. ▶ Adaptability and Integration: Adapting to and integrating the latest technology can be a complex process. Farmers and industry players may face challenges in understanding and incorporating new machinery and technology into their existing systems and practices. ▶ Maintenance and Upgradation: Once the latest machines and technology are adopted, there is the challenge of regular maintenance and timely upgradation. This requires additional financial resources and technical know-how. ▶ Sustainability: Balancing technological advancements with sustainability is a crucial challenge. It is important to ensure that the latest technology does not deplete the region's natural resources or harm the environment.
Product innovation and insufficient research and development (R&D)	<ul style="list-style-type: none"> ▶ Lack of Research and Development: There is a significant lack of R&D initiatives in the state, which hampers the development of new and innovative products, processes, and technologies. This deficiency stalls progress and prevents the industry from keeping pace with global trends. ▶ Difficulty in Attracting Skilled Professionals: The limited R&D ecosystem in Assam makes it challenging to attract and retain skilled researchers and professionals. These individuals often prefer to work in regions with a more robust R&D infrastructure and opportunities. ▶ Insufficient Funding: Another major obstacle is the lack of funding for R&D activities. With insufficient financial support, it becomes difficult to conduct research and develop innovative products that can elevate the industry to new heights. ▶ Lack of Collaboration: There is also a lack of collaboration between academic institutions, research centers, and the industry. This collaboration is crucial for exchanging knowledge, leveraging resources, and driving innovation. ▶ Traditional Practices: Many farmers and industry players in Assam still rely on traditional methods and are resistant to adopting new technologies and practices. This resistance can be a significant barrier to innovation. ▶ Market Research: The industry also faces challenges in conducting market research to understand consumer needs and preferences, which is a crucial step in product development and innovation.
Access to Finance	<ul style="list-style-type: none"> ▶ Limited Access to Credit: Many small-scale farmers and businesses in the sector struggle to access credit from formal financial institutions. This is often due to a lack of collateral, insufficient financial literacy, and the perception of high risk by the lenders.

Challenges Category	Description
	<ul style="list-style-type: none"> ▶ High Interest Rates: For those who do manage to secure loans, the interest rates are often prohibitively high. This can put a strain on the financial health of the business and reduce their competitiveness. ▶ Inadequate Financial Support: The lack of tailored financial products and services that cater to the specific needs of the food processing and agro-based industries is a major challenge. This includes grants, subsidies, and other forms of government support. ▶ Unfavourable Loan Terms: The terms and conditions attached to loans can often be unfavourable for small businesses and farmers. This includes short repayment periods, high processing fees, and stringent requirements. ▶ Dependency on Informal Lenders: Due to the challenges in accessing formal credit, many in the industry are forced to rely on informal lenders who often charge exorbitant interest rates. ▶ Lack of Financial Literacy: There is also a lack of financial literacy among small-scale farmers and businesses in the sector. This can hinder their ability to make informed financial decisions and manage their finances effectively. ▶ Manpower Deficit in Banks: The state's banks often grapple with a shortage of staff, slowing down the loan approval and disbursement process. ▶ Insufficient Proposal Analysis Skills: Bank and DI&CC personnel frequently lack the skills needed to accurately assess proposals, leading to undue delays or flawed decision-making in granting financial support.
Access to Markets	<ul style="list-style-type: none"> ▶ Balancing Quality with Scale: As consumers increasingly seek out artisanal and locally produced food products, businesses in the sector face the challenge of balancing scale and production capacity while maintaining the artisanal quality and authenticity that consumers value. ▶ Distribution Network Constraints: Smaller food processing units often struggle to reach wider markets due to constraints in distribution networks. This limitation prevents them from expanding their customer base and increasing their revenue. ▶ Marketing and Branding: Some businesses may lack the resources or expertise necessary for effective marketing and branding. This can hinder their visibility and appeal in the market, making it difficult to attract customers. ▶ Limited Market Information: Access to accurate and timely market information, including consumer trends and preferences, is often limited. This lack of information can make it difficult for businesses to tailor their products to meet market demands. ▶ E-commerce Capabilities: With the growing trend of online food sales, businesses that lack an online presence and e-commerce capabilities are at a disadvantage. They miss out on the opportunity to tap into platforms like Flipkart and Amazon, which can significantly increase their market reach. ▶ Knowledge of Online Platforms: Knowledge of platforms like the Government e-Marketplace (GeM) and the Open Network for Digital Commerce (ONDC) is relatively low among the units in Assam. These platforms can be instrumental in helping businesses reach new markets and customers.

2.5. As-is assessment of Cluster Development initiatives

The Assam Government, similar to other states, has been proactively adopting various schemes and initiatives launched by the Government of India to bolster the development of Micro, Small and Medium Enterprises (MSMEs) and fortify their competitiveness in the market. Prominent among these are the Cluster Development Program (CDP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), and Scheme for Promotion of Innovation, Rural Industry, and Entrepreneurship (ASPIRE).

These clusters, which are generally concentrated in specific geographies, consist of interconnected firms that operate in similar or related industries. These clusters are integral in addressing the unique needs of each sector by providing a platform for units to engage in knowledge sharing and access vital information that is pertinent to their operation. The clusters also facilitate technological upgrades, skill

training, and capacity building, thereby resolving some of the financial and non-financial constraints faced by MSMEs.

Moreover, the government's allocation of resources, funding, and support to these clusters is pivotal in ensuring that the critical needs of MSMEs are met, thereby contributing to their long-term sustainability and competitiveness. This, in turn, enhances the resilience of MSMEs, enabling them to thrive in a competitive market.

In Assam, the assessment of various clusters will encompass an evaluation of several aspects including infrastructure, availability of skilled labour, innovation, relevance of existing technology, and the need for technological upgrades. This holistic approach will ensure that the clusters are well-equipped to tackle the challenges faced by MSMEs and propel them towards growth and development.

Key Takeaways from Cluster Visits

Assam, with its diverse range of industries, has seen significant development in terms of infrastructure, availability of skilled labour, and technological advancements. Here are some key takeaways from the consultations held with clusters across the state of Assam:

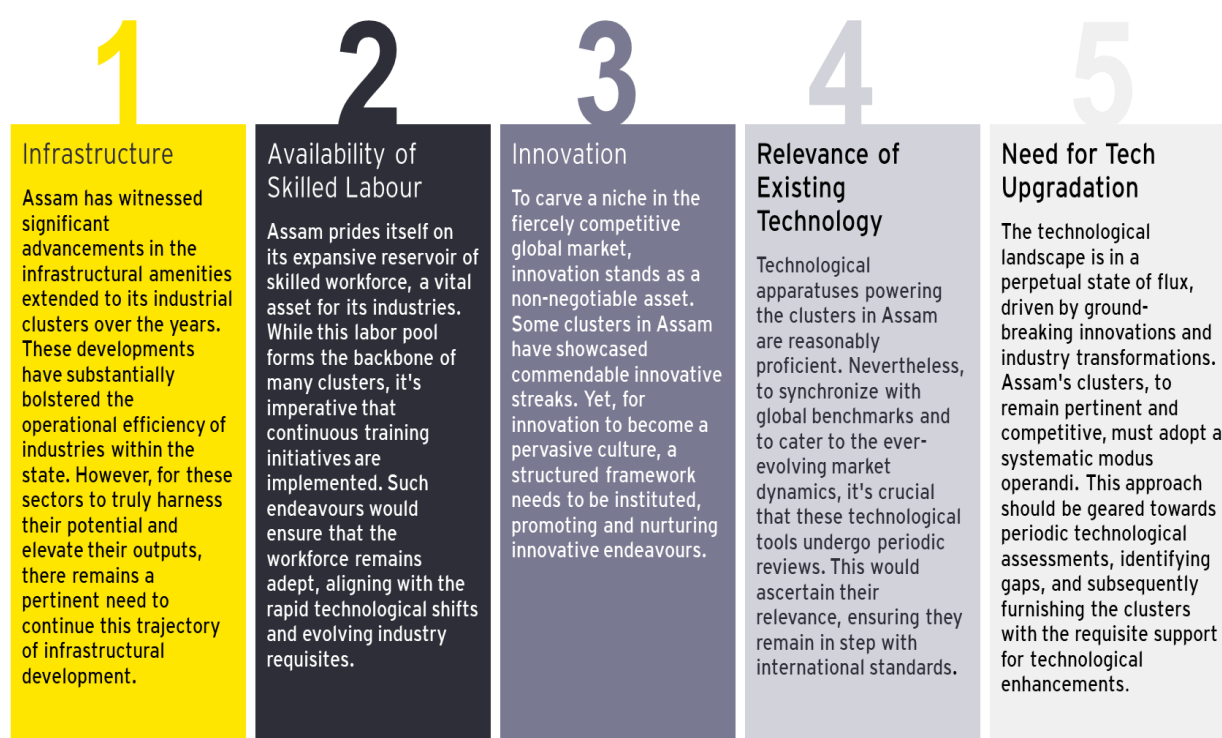


Figure 29: Prevalent Challenges Encountered by Clusters within the MSE CDP Framework

2.6. Overview of Challenges

After conducting the SIP survey, a clearer understanding of the prevailing challenges has emerged. The survey provides a comprehensive overview, shedding light on the pressing issues faced by participants. This data-driven insight is crucial for formulating strategies to overcome these challenges and enhance overall performance.

2.6.1 Business Landscape

After an in-depth analysis through the SIP survey, we've garnered a deeper insight into the business landscape. The survey delineated the intricacies of the current market dynamics and trends. Such valuable insights are pivotal for businesses to navigate the evolving commercial terrain successfully.

As-is Assessment

In the heart of Northeast India, Assam unfurls a panorama of opportunities, diverse resources, and pioneering innovations. As the state progressively reshapes its commercial landscape, it emerges as a beacon for both national and international stakeholders. Delving into Assam's intricate and vibrant business ecosystem, one can discover a plethora of opportunities that cater to a range of investors and entrepreneurs. From its abundant natural resources to its rich cultural heritage, Assam presents a promising platform for sustainable and inclusive growth in the Indian subcontinent.

Assam's Forward-Looking Pathway

Based on the information provided regarding the "Industrial and Investment Policy of Assam 2019" and its 2023 amendment, Assam's forward-looking pathway can be summarized under the following fundamental pillars:

Fundamental pillars:

- ▶ **Sustainable Economic Growth:** The policy's design caters to sustainable development by promoting eco-friendly practices and balanced economic growth. Assam's aim is to be a global investment hotspot, as reflected by the subsidies and incentives offered.
- ▶ **Mega Investments:** Assam is keen on ushering in large-scale projects. This is evident from its focus on mega projects with tailor-made incentives to cater to such high-value investments.
- ▶ **Employment Generation:** A core element of the policy is the creation of employment opportunities, particularly for the local populace. Incentives for non-skilled/Grade II and IV positions underscore this commitment.
- ▶ **Infrastructure Development:** Assam's focus on power tariff subsidies and power line drawl indicates the importance placed on robust infrastructure to support industrial growth.
- ▶ **Support for MSMEs:** While not explicitly mentioned in the image, the essence of the policy suggests that Assam recognizes the role of MSMEs in economic development and might provide support accordingly.
- ▶ **Customized Incentive Structures:** The policy's provisions for customized incentives, especially for mega projects, highlight Assam's flexible approach in catering to varied industrial needs.
- ▶ **Transparent Governance:** By clearly defining investment and employment benchmarks for availing incentives, Assam ensures transparency and clarity for potential investors.
- ▶ **Ease of Doing Business:** The provision for government assistance in utilities signifies Assam's intent to streamline operational challenges and promote an investor-friendly environment.
- ▶ **Skill Development and Labour Welfare:** The emphasis on generating local employment, especially in non-skilled categories, reflects Assam's dedication to uplifting the skill sets of its workforce.
- ▶ **Incentives for Production:** The mention of Capital Investment/Production Linked Subsidy underscores Assam's push for enhancing production capabilities within the state.
- ▶ **Energy Efficiency and Conservation:** The state's commitment to sustainable energy practices is evident in its provisions for power-related subsidies and infrastructure development.
- ▶ **Holistic Development Approach:** Assam's policy showcases a balanced development strategy, aiming to benefit both large-scale projects and other enterprises, underpinning a comprehensive growth vision.

Proactive Investment Initiatives:

Assam is proactively shaping its investment landscape with efficient, user-friendly procedures for industrial facilitation. Through innovative platforms, the state ensures a transparent and swift mechanism for industrial approvals. These initiatives have been specifically designed to cater to the unique requirements of entrepreneurs, making Assam an attractive destination for investments and business operations.

Assam Single Window Clearance System:

The Single Window Clearance System was formed as a consequence to 'Assam Ease of doing Business Act 2016' to provide necessary time bound license, permissions and sanctions for the establishment of industry in the State of Assam.

The Single Window Clearance System Portal is a single window facilitation mechanism for investors. The portal is a medium of information for investors on Government policies, incentive schemes and the availability of infrastructure. It provides manuals to help investors understand the application process for proposed investment projects. The portal will also facilitate different stakeholder departments to process applications by investors and approve them online. It also aims to build a centralized repository of sector-wise investments in the State and Government policies, and ultimately to deliver to investors a high-quality and responsive service.

Key Benefits of Single Window Clearance System Portal:

- Centralized system to monitor applications with the minimum paperwork
- Single window for interaction between investors and Government departments
- Accessibility of the portal from across the globe
- Simplified application process for investors to make it user-friendly, cutting the time for processing the application
- Increased departmental ownership through file-tracking
- System to check the status of applications by State authorities and investors
- Handholding support to the investor fraternity across all districts in the State

The Single window clearance system is a single window facilitation mechanism for investors that aims to simplify and streamline the various formalities necessary to establish and operate any business or trade in Assam. The Single window clearance system is supported by various relevant government departments, such as industries and commerce, revenue, power, environment and forest, urban development, etc. The Single window clearance system is aligned with the national and state policies and initiatives for skill development, innovation, entrepreneurship, and ease of doing business. The Single window clearance system is a key step towards making Assam a preferred destination for industrial growth and development.

The application status as on date⁹¹:

- **Application received:** 1713662;
- **Under Process:**
 - With Office - 2417 (0.14%)
 - With Applicant - 3563 (0.21%);
- **Disposed:**
 - Total - 1699904 (99.2%);

⁹¹ <https://eodbmis.assam.gov.in/index.php>

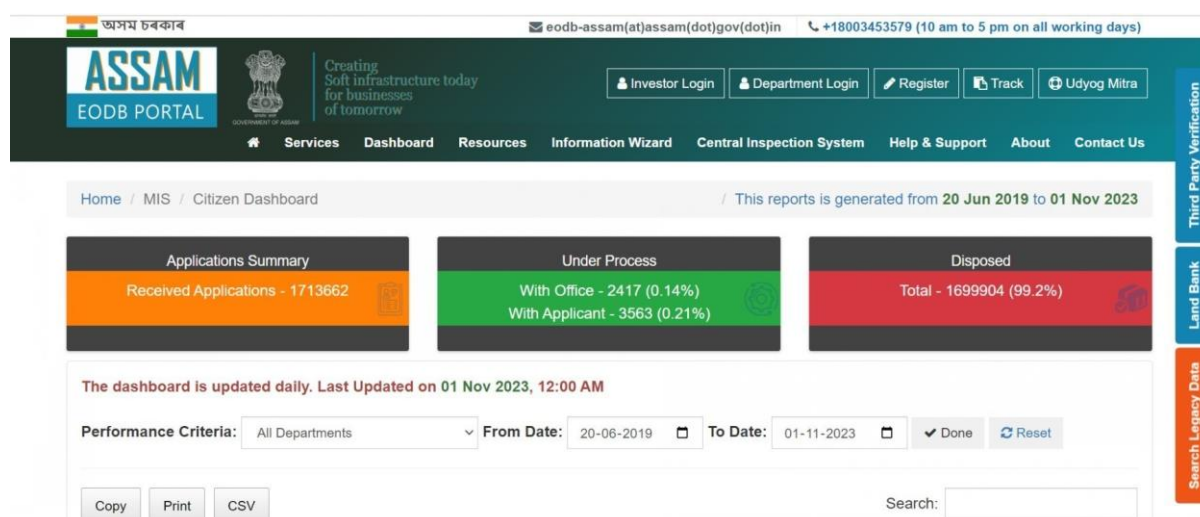


Figure 30 Screenshot of the Dashboard of Assam Single window clearance system

Industrial Infrastructure:

Assam's industrial landscape is steadily carving its niche as a key player in the nation's economic progression. Central to this advancement is the Industrial and Investment Policy of Assam, with its 2023 amendment, showcasing the state's commitment to sustainable and inclusive growth. By emphasizing the significance of mega projects through tailored incentives, Assam envisages attracting significant investment, fostering its journey towards becoming a hub for large-scale initiatives. In addition to this, the state is diligently working to bolster employment opportunities, especially for the local populace, ensuring a balanced socioeconomic evolution. With provisions like subsidies on power tariffs and a push for infrastructure development, Assam is strategically positioning itself to cater to modern industrial needs. The state's holistic approach is apparent in its endeavours to balance both mega projects and the intricate needs of smaller units. Through its forward-looking policies, Assam is emerging as a dynamic destination for investors, both national and global, who are keen on tapping into its burgeoning industrial ecosystem.

Assam's Investment Horizon:

Assam is unfolding as an expansive tapestry of investment opportunities, spanning a diverse array of sectors, each enriched with state-driven support, strategic initiatives, and lucrative incentives. From sustainable industrialization to skill development, Assam is harnessing state-of-the-art industrial parks, advanced infrastructure, and dynamic policy directives to magnetize investment. The state's endeavours are further amplified by its rich resource pool, robust connectivity, and its strategic position as the gateway to Northeast India. Whether it's the eco-friendly industries benefiting from sustainable economic growth policies or the emphasis on MSMEs aiming to penetrate global markets, each sector in Assam is meticulously moulded to resonate with international standards and future prognostics.

Furthermore, Assam is nurturing a conducive ambiance for industries prioritizing environmental compliance and energy efficiency. With infrastructure plans like private sector infrastructure incentives and policies that accentuate the importance of quality certification and technology transfer, Assam is steering towards technological advancement and eco-conscious industrial growth. Enriched with transparent governance and a visionary approach to holistic development, Assam stands as an emerging powerhouse, beckoning both national and global investors to explore its vast investment horizon.

The investment opportunities are outlined as follows:

Table 49: showcasing the diverse investment opportunities available

Sector	Government Support	Opportunities	Incentives	Additional Details
Tea	Assam Tea Promotion Board	Expansion of Organic Tea Plantations	Subsidies for Organic Tea Production	Assam contributes significantly to India's tea production
Rubber	Assam Rubber Development Council	Introduction of New Rubber Plantation Zones	Grants for Rubber Processing Units	Favourable climate in Assam for rubber cultivation
General Engineering	Assam Engineering Innovation Centre	Setting up of Engineering Hubs & Clusters	Tax Breaks for Engineering Companies	Collaboration with Technical Institutes for R&D
Food Processing	Assam Food Processing Initiative	Development of Cold Chains and Warehousing	Subsidies for Food Processing Units	Emphasis on Local Produce like Fruits & Vegetables
Handloom	Assam Handloom Development Board	Promotion of Traditional Assamese Weaves	Grants for Weaving Units & Training Programs	Rich tradition of Assamese handloom products like Muga silk
Handicraft	Assam Craftsmanship Enhancement Program	Workshops to Promote Traditional Assamese Crafts	Financial Assistance for Artisans	Famous for crafts like bell metalwork and cane & bamboo craft
Bamboo	Assam Bamboo Revitalization Commission	Establishment of Bamboo Processing and Craft Centers	Incentives for Bamboo-based Enterprises	Assam has abundant bamboo forests and is known for bamboo crafts

Strategic Investment policy Incentives of Assam

Assam, often heralded as the gateway to the Northeast of India, has been actively working to reshape and fortify its industrial and investment landscape. To achieve this, the state government introduced the Industrial and Investment Policy of Assam 2019, which, buoyed by the amendments in 2023, aims to promote sustainable industrial growth, attract national and international investors, and generate ample employment opportunities for the local populace. Leveraging its rich natural resources, strategic location, and cultural heritage, the policy focuses on creating a robust infrastructure, offering favourable policy incentives, and ensuring a conducive environment for businesses to thrive. The subsequent sections delve into the specifics of the policy incentives that make Assam a promising destination for diverse industrial sectors.

- **SGST Refund:** In line with the Industrial and Investment Policy of Assam 2019, the state offers SGST refunds to investors to ease their initial tax burdens and enhance the investment climate. This policy aims to make Assam a more competitive and appealing destination for investors.
- **Capital Investment Subsidy:** The policy provides a capital investment subsidy to various sectors, facilitating ease in initial capital expenditure and promoting the state as a viable investment destination.
- **Land Lease and Concessions:** Recognizing the importance of affordable land for industrial growth, the 2019 policy and its 2023 amendment offer land at concessional rates, with further benefits for industries providing significant employment opportunities to the local population.
- **Employment Incentive:** The state underscores the importance of local employment. Special incentives are available for units that hire a substantial percentage of their workforce from within Assam, promoting local skill development and economic upliftment.
- **Power Incentives:** The 2023 amendment emphasizes the importance of consistent power supply for industries. Assam offers power at subsidized rates to selected sectors, ensuring seamless operations and growth.
- **Quality and Productivity Enhancement:** The state encourages industries to maintain international standards. There are incentives for industries undergoing modernization and technological upgrades, especially those obtaining quality certifications.
- **Eco-friendly and Sustainable Practices:** Assam, blessed with rich biodiversity, emphasizes sustainable industrial practices. Industries adopting eco-friendly technologies and processes are eligible for special benefits.
- **Tailored Incentives for Major Projects:** With a vision to attract mega projects that can transform the state's industrial landscape, Assam offers customized incentive packages. Such projects are meticulously assessed and provided with benefits that align with their scale and strategic importance.
- **Skill Development and Training:** The 2019 policy promotes skill development initiatives. Industries that invest in training centers and skill development programs in Assam are eligible for special incentives.

Assam, with its unique geographical and cultural positioning, offers a plethora of investment opportunities, enriched by strategic incentives tailored for the region. These incentives have been meticulously designed to cater to varied investor concerns, be it financial feasibility, adherence to global quality benchmarks, societal contributions, or the potential for transformative impact. From its thriving tea gardens to a rich cultural tapestry, Assam, bolstered by these incentives, stands as an attractive destination for a wide array of investment prospects.

Investment Frameworks in Assam: Tailored Opportunities for Business Growth

Assam presents a diverse range of investment models tailored to accommodate varying business requisites. Investors have the option of collaborating as co-developers, contributing specialized services or facets to larger ventures. Special Purpose Vehicles (SPVs) facilitate a concentrated, project-centric methodology. Direct Investment ensures unmitigated operational authority, while Long-term Leases extend the advantage of asset utilization sans substantial upfront costs. Joint Ventures in Assam promote collaborative endeavours, allowing resource amalgamation and risk distribution with regional stakeholders. For those looking at ready-to-operate setups, the state introduces Private Industrial Park Schemes, equipped with state-of-the-art infrastructure. Special Economic Zones (SEZs) in Assam are

poised to offer fiscal and administrative incentives. Furthermore, the concept of Industrial Township Development in Assam envisions holistic industrial hubs equipped with all-encompassing facilities. Each model is conceptualized to grant adaptability, risk containment, and streamlined operations for investors.

Investment Hurdles in Assam: Overcoming Barriers for Robust Growth

- (i) Assam, despite its rich natural resources and strategic location, has often been overshadowed by concerns regarding its geographic isolation and infrastructural constraints. To change this narrative, the Assam government has been aggressively promoting the state's potential, focusing on bridging infrastructural gaps and improving connectivity to draw in potential investors.
- (ii) Over the years, Assam has witnessed investment inflow across a range of sectors, thanks to various state-sponsored incentives. Yet, a more focused approach towards sectors that harness the state's inherent strengths is required. By prioritizing industries that align with Assam's unique attributes, there's potential for even more significant economic growth and employment generation.
- (iii) Assam, with its diverse topography consisting of plains, hills, and riverine areas, presents unique challenges when it comes to land acquisition for industrial purposes. Flood-prone regions and areas with ethnic sensitivities further complicate the situation. While the state boasts ample land, strategic allocation ensuring minimal environmental and socio-cultural impact is crucial. Unlike some of its counterparts, Assam's challenge isn't the cost of land but ensuring its optimal and sustainable utilization.

2.6.2 Access to Finance: Navigating the Complexities of Credit Access

Assam's economic tapestry, particularly within sectors confronting significant challenges such as credit procurement, market augmentation, and enterprise competency, offers a multi-faceted narrative. The state has undertaken laudable strides in refining credit mechanisms and broadening its outreach across diverse sectors. Assam's achievements in circumventing financial impediments can be credited to an amalgamation of well-structured monetary incentives, strategic initiatives, and the resilient presence of financial institutions dispersed throughout the state. Yet, amidst these achievements, it remains crucial to recognize the persisting financial constraints encumbering micro-enterprises, a vital segment of Assam's MSME ecosystem.

Outlined below is a comprehensive assessment from a survey focusing on access to finance dynamics and nuances. This data provides insight into the prevailing financial accessibility conditions and fiscal strategies.

Credit Preferences for Immediate Liquidity Needs: Financial accessibility is pivotal for businesses, especially when addressing urgent liquidity needs. A survey revealed interesting preferences among enterprises seeking immediate credit. Notably, "Peer lending" emerged as the top choice for 31.13% of respondents, emphasizing the value of community-driven financial solutions and the inherent trust within business networks. Commercial and Cooperative Banks both appeals to 41.18% of the respondents. Meanwhile, NBFCs and Small Finance Banks were preferred by 15.38% and 10.14% of the respondents.

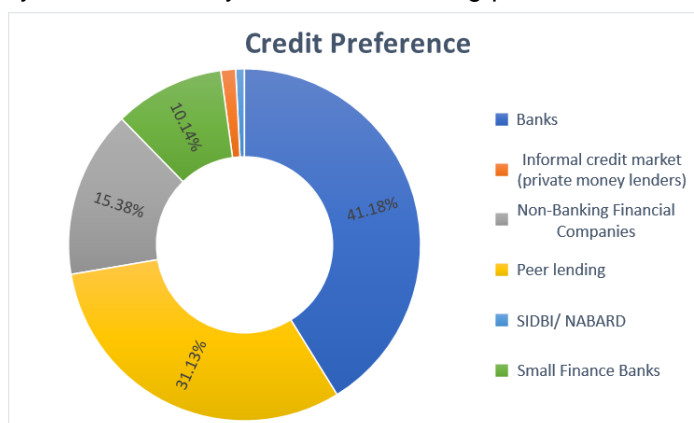


Figure 31: Preference to Avail Credit for Immediate Needs and Liquidity

Challenges in Accessing Bank Loans for MSMEs: Navigating the banking system for securing loans is a critical endeavour for Micro, Small, and Medium Enterprises (MSMEs), as they look towards growth and ensuring continuous operations. A recent analysis has, however, highlighted a multitude of challenges these enterprises face in this journey. The primary concern for a significant 20% of these businesses was the inadequacy of collateral, which subsequently affected their loan eligibility. This concern was echoed by another set of businesses, 20% to be precise, who felt that the loan amounts provided by banks didn't comprehensively match their financial needs. The interest rates, perceived to be high by 18% of the survey respondents, further complicated matters, pointing towards a pressing need for banking institutions to craft more bespoke loan offerings. The bureaucratic intricacies of the loan application process also emerged as a hindrance. About 20% of businesses found themselves daunted by the sheer volume of required paperwork, while an equal percentage expressed dissatisfaction over the extended duration banks took to sanction these loans. Yet, amidst these prevalent challenges, it's noteworthy that 1% of businesses found the process smooth, and an equal percentage didn't find the need for such financing, reflecting diverse experiences and needs within the MSME sector.

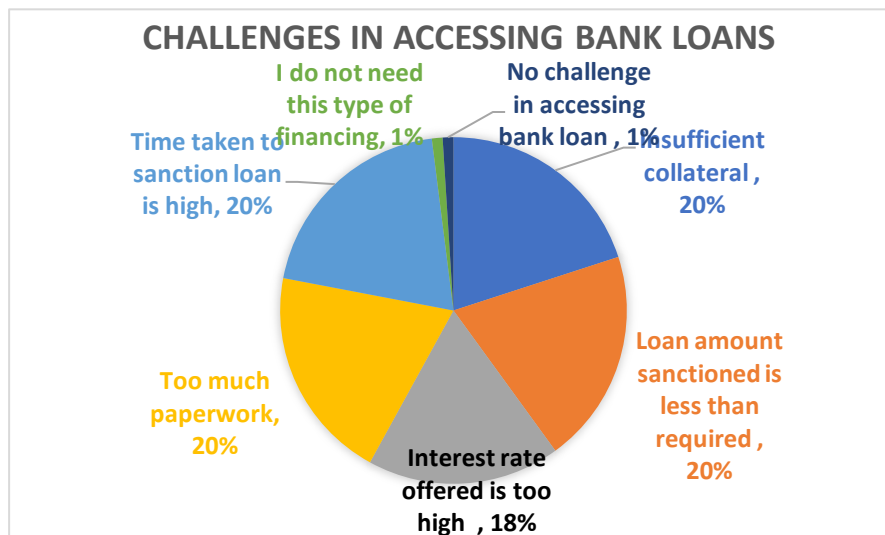


Figure 32: Challenges in Accessing Bank Loans

Enterprise Credit Rating Awareness Among Businesses:

A recent survey delves into the understanding and awareness businesses have about enterprise credit ratings. The findings are telling: a staggering 93.76% of respondents admitted to having no awareness about it, reflecting a significant information gap in this crucial financial domain. Additionally, 5.16% of the participants said they had heard of it but lacked detailed knowledge about how to avail it, indicating potential missed opportunities due to lack of guidance. On a positive note, a small fraction, 1.09%, confirmed they had already availed such ratings, showcasing a proactive segment in the business community. The data underscores the pressing need for comprehensive financial literacy programs to bridge this knowledge gap and empower businesses with tools that can enhance their creditworthiness and financial standing.

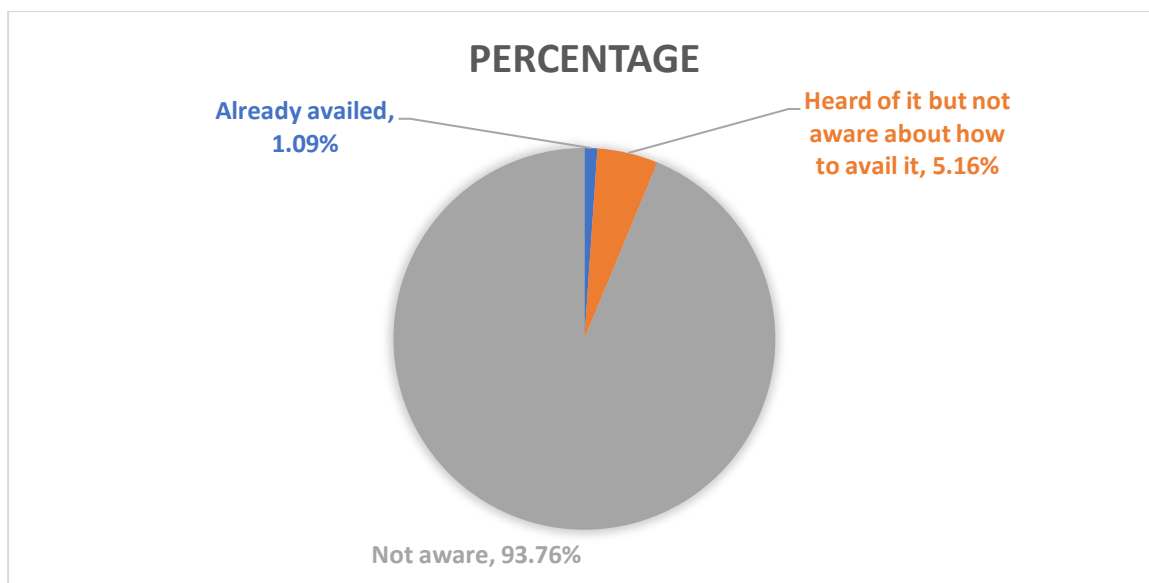


Figure 33: Awareness of Enterprise Credit Rating

Driving Factors for Loan Requirement: Financial loans for MSMEs reflect their business goals, challenges, and operational demands. A recent survey shed light on their primary reasons for seeking credit. A quarter of MSMEs (25%) applied for loans to manage their working capital. Meanwhile, 20% sought funds for equipment purchases and another 20% for marketing and promotion, emphasizing the dual focus on production enhancement and market outreach. Inventory procurement motivated 15%, while business expansion or premises renovation accounted for 10%. A smaller 5% aimed to upgrade technology, and only 4% sought emergency funds. The "Other" category had a minimal 1% response, indicating that the majority of MSME loan motivations were encompassed within the given categories.

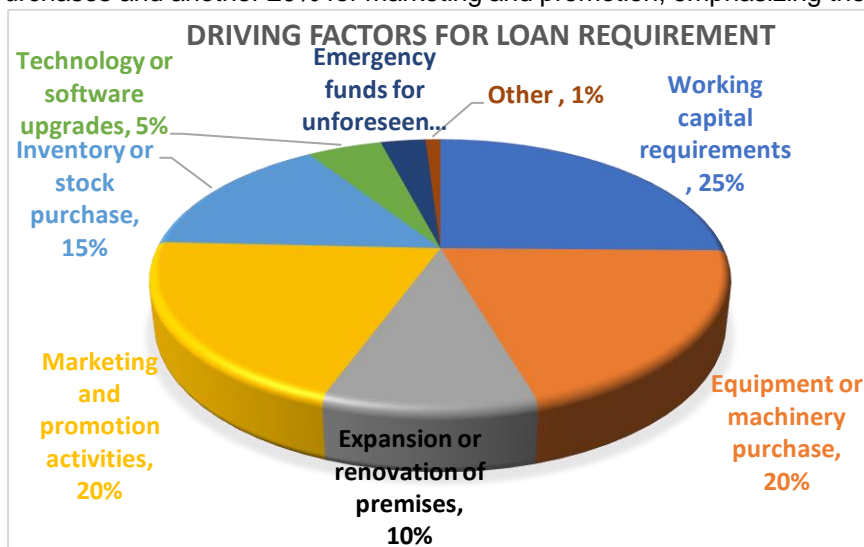


Figure 34: Driving Factors for Loan Requirement

Barriers to Loan Approval for MSMEs: Securing financing is often a formidable hurdle for many MSMEs. Recent data illustrates that 19.82% of MSMEs find the excessive paperwork required to be a major deterrent. A significant 15.38% feel handicapped by the lack of sufficient collateral, while 13.76% consider the offered interest rates to be prohibitively high. Delays in loan sanctioning deter 2.53% of businesses, with the prolonged time frame becoming a challenge. On the brighter side, 3.10% state they have no challenges in accessing bank loans, and 6.06% indicate they do not require this type of financing. Interestingly, 4.34% express their disappointment with the sanctioned loan amount, finding it inadequate for their business needs.

MSMEs' Awareness of Financial Assistance Schemes: 20% of MSMEs are well-informed about financial assistance schemes and have benefited from them. However, 15% have some awareness but haven't engaged with the schemes directly, representing a potential target group for further guidance. A significant 40% are keen to learn, emphasizing the need for increased educational outreach. Conversely, 10% have cursory knowledge, and another 10% are both unaware and uninterested, which may be due to perceived complexities or doubts about the schemes' effectiveness. The remaining 5% under 'Other' hint at varied reasons not covered in the main survey options.

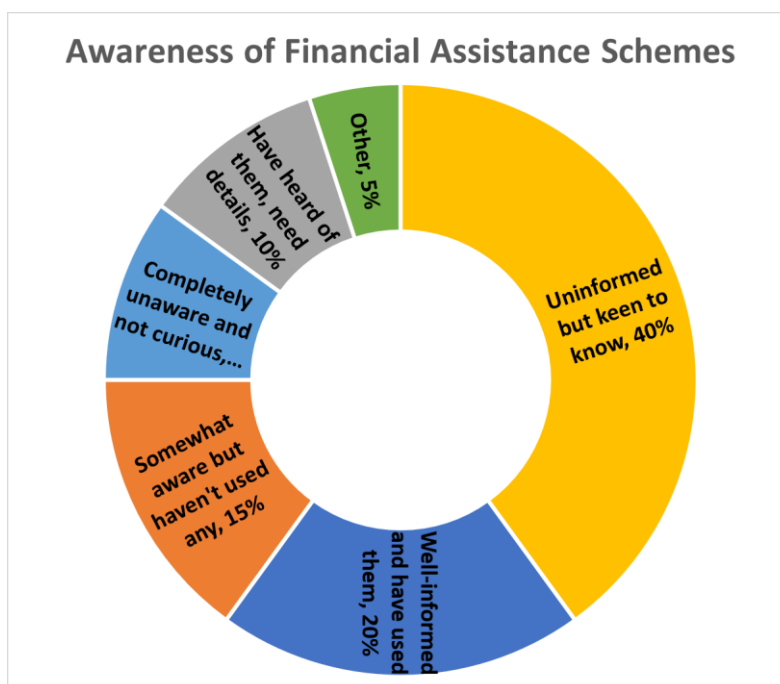


Figure 35: Awareness of Financial Assistance Schemes

Assam has been actively working towards enhancing the financial inclusion of its Micro, Small, and Medium Enterprises (MSMEs). Through in-depth consultations with local financial institutions, the state aimed to understand the challenges these enterprises face in the loan procurement process. These discussions were integral in pinpointing the barriers that hinder a seamless credit acquisition for MSMEs.

The outcomes of these consultations were illuminating. They unveiled that the obstacles MSMEs face in Assam span across various domains, including administrative hurdles, financial constraints, and strategic planning challenges. These complexities underscore the fact that addressing the credit needs of MSMEs in Assam is no simple endeavour.

Given these insights, it is evident that a multifaceted approach is essential to overcome the existing challenges. Assam's initial consultation serves as a cornerstone for framing further policy measures. By shedding light on these concerns, the state aspires to initiate financial literacy initiatives, introduce tailored financial products, and expand the variety of loans accessible to MSMEs. Through such concerted efforts, Assam hopes to strengthen its MSME sector by ensuring they can reliably secure the necessary credit to flourish. The details are as below:

Observations from the Banks Stakeholder Consultation:

SI	Key Difficulties in Loan Approval	Observations from Regional and National Banks in Assam
1	Documentation Challenges	<ul style="list-style-type: none"> • Difficulties in procuring region-specific documents unique to Assam's business landscape. • Variability in documentation requirements across different districts of Assam. • Hesitation in adopting digital modes for documentation due to a mix of tech-literacy levels. • MSMEs in Assam often have outdated or incomplete KYC details. • There's a noticeable lack of audited financial statements among MSMEs. • Challenges related to obtaining and updating business registration certificates. • Instances of missing crucial documents, such as MoA and AoA, particularly in smaller businesses. • Need for awareness programs to inform businesses about mandatory document requirements.
2	Repayment Concerns	<ul style="list-style-type: none"> • Inconsistencies in revenue streams owing to regional market factors. • Seasonal industries in Assam face heightened income variations, impacting loan repayments. • Notable income fluctuations observed especially in the Micro and Small enterprises. • Specific sectors in Assam show more vulnerability to revenue instabilities leading to potential defaults. • Observations suggest businesses sometimes take on excessive debt relative to their revenue streams. • Cyclical revenue patterns prevalent among MSMEs in Assam, influenced by both market and environmental factors.
3	Assam-specific Regulatory Issues	<ul style="list-style-type: none"> • Challenges associated with understanding and navigating Assam-centric regulations and compliance standards. • Inconsistencies in acquiring permissions from local councils across different regions within Assam, leading to delays. • A noticeable trend of businesses not adhering to updated regulatory guidelines crucial for loan applications. • Difficulties faced by enterprises in obtaining necessary licenses from local Panchayath authorities. • Lack of awareness and slow adoption rate of recent tax amendments and other regulatory changes in Assam.
4	Credit Background Considerations	<ul style="list-style-type: none"> • Predominant trust on local informal lending mechanisms, deeply rooted in Assam's traditional financial landscape. • Assam's unique socio-economic fabric contributing to varied credit histories of individuals and enterprises. • A considerable segment of the borrowing population having little to no formal credit history recorded with national credit agencies. • Significant occurrences of existing debts tied to non-institutionalized, informal lenders, adding complexity to credit evaluations. • A pattern of prior loan defaults highlighting the challenges in financial discipline and loan management among borrowers. • Overdependence on informal lending channels, often sidelining the benefits and structures of formalized bank lending.

SI	Key Difficulties in Loan Approval	Observations from Regional and National Banks in Assam
5	Business Instability	<ul style="list-style-type: none"> • Swift market shifts inherent to Assam's economic landscape leading to erratic business outcomes. • Continuous transformation in local consumer behavior and demands, necessitating businesses to adapt rapidly. • A pronounced inclination of businesses in Assam towards a restricted product portfolio, hindering diversification and increasing vulnerability to market shifts. • Pronounced income variations, often dictated by regional festivals, agricultural seasons, and other local factors. • Enterprises, particularly newer ones, presenting a scant track record, making credit evaluation a challenge for banks. • Inherent unpredictability in numerous sectors, causing apprehension about the long-term viability and resilience of businesses.
6	Business Objective Uncertainties	<ul style="list-style-type: none"> • A noticeable void in forward-looking strategies among several Assam-based MSMEs, making their future prospects ambiguous. • Tendencies among local businesses to frequently pivot their objectives, often as a reaction to immediate regional developments or trends. • A discernible lack in comprehensive strategy formulation and its consequent implementation, undermining potential growth trajectories. • Limited avenues for MSMEs to seek expert consultation and guidance, leading to decisions based on insufficient information or expertise. • Propensity to draft business blueprints that are grand in vision but lack practical grounding, making them unrealistic for the given market. • A recurring theme of businesses in Assam presenting generic business models, neglecting the creation of unique selling propositions tailored for the local market. • A mismatch between drafted business strategies and the actual demands and nuances of the Assam market.
7	Market Scope and Outreach	<ul style="list-style-type: none"> • Limited exploration beyond local markets. • Reluctance in leveraging pan-India market opportunities.
8	Appropriation of Loaned Funds	<ul style="list-style-type: none"> • Difficulties in clearly separating business expenditures from personal ones leading to financial discrepancies. • Tendency among borrowers to prioritize immediate financial needs over sustainable long-term business growth. • Some borrowers do not specify a clear purpose or provide ambiguous reasons for the loan, creating uncertainty in its appropriate usage. • Instances where funds borrowed for business purposes are used for personal needs, such as using a term loan for non-business related expenses. • A significant portion of borrowed funds is consumed by elevated operational costs rather than productive business investments. • Inadequate financial planning leading to mismanagement and inefficient utilization of borrowed resources. • Sub-optimal use of the loaned capital often results in low returns on investment, indicating a lack of strategic investment or financial mismanagement.
9	Local Business Environment Dynamics	<ul style="list-style-type: none"> • Interactions with local stakeholders affecting business choices. • Navigating the socio-cultural fabric of Assam in business.
10	Access to Business Resources	<ul style="list-style-type: none"> • Limited access to state-of-the-art tools and services in Assam. • Reliance on traditional business practices.

SI	Key Difficulties in Loan Approval	Observations from Regional and National Banks in Assam
11	Market Potential Realization	<ul style="list-style-type: none"> • MSMEs in Assam face hurdles in venturing into untapped sectors. • There's a constant challenge of aligning local tastes with wider market expectations. • A prevalent issue is an over-reliance on already saturated markets. • Businesses often lack comprehensive market studies. • The demand for certain products is noticeably low. • Firms struggle to branch out into novel markets. • A notable concentration is observed in sectors with minimal growth potential.
12	Lack of Financial Knowledge	<ul style="list-style-type: none"> • A significant portion of units remain unaware of the myriad of financial schemes available to them.
13	Manpower Deficit in Banks	<ul style="list-style-type: none"> • The state's banks often grapple with a shortage of staff, slowing down the loan approval and disbursement process.

Digital Lending

The lending landscape is undergoing rapid changes, with the emergence of digital lending set to disrupt the conventional brick and mortar frameworks of traditional financial institutions. This opportunity is driven by growing formalisation and digitisation observed within the MSME sector, as well as advent of India Stack – a comprehensive set of digital infrastructure, emergence of alternate approaches to sourcing, underwriting and servicing credit.

Digital Lending in Assam

In recent years, Assam's financial landscape has been evolving with the advent of digital lending. The state, known for its rich cultural heritage and agricultural prowess, is now witnessing a digital revolution in its financial sector. With the MSME sector in Assam becoming increasingly digitized, there's an evident shift from the conventional banking approaches to more agile digital lending platforms.

Historically, one of the primary concerns for MSMEs in Assam has been access to credit. The inherent challenges such as information gaps and 'thin' credit profiles have often led to rigorous documentation, prolonged processing times, and a disconnect between the loan amount sought and what gets approved. Digital lending platforms, now emerging in Assam, are tailored to tackle these very challenges. By digitalizing the entire loan application procedure, they harness the power of the available digital trails, enabling quicker turnaround times and optimizing operational costs. This, in turn, facilitates easier credit access, especially beneficial for those new to the credit ecosystem, aiding local enterprises to bolster their financial standing.

The burgeoning FinTech landscape in Assam is introducing alternative credit scoring mechanisms. Instead of the conventional emphasis on collateral or past financial histories, these innovative models concentrate on an individual's or business's cash flow potential and their commitment to financial obligations. This paradigm shift is expected to aid lenders in Assam to make more precise creditworthiness assessments. For borrowers, this could mean more flexible financing solutions and easier access to affordable credit.

Despite the potential, there's a noticeable absence of major digital lending players establishing a strong foothold in Assam. This void presents a unique opportunity. Established financial entities in the state could venture into digital lending, either by leveraging alternative credit scoring methods or by partnering with existing digital platforms. Given their extensive access to MSME data, local banks could gain invaluable insights into borrower behaviour, further refined by integrating newer data streams such as transactional records or other surrogate data.

While the future of digital lending in Assam seems promising, it's also rife with challenges. The rise of digital platforms must be monitored to ensure it doesn't inadvertently lead to issues like fake loan applications or other potential malpractices. Ensuring the sanctity of data privacy and addressing security concerns will be paramount as Assam journeys into this new digital lending era.

2.6.3 Access to Market

Market access stands as the linchpin for the success and growth of enterprises in today's globalized economy. It not only denotes the ability of businesses to enter and operate in various markets but also encapsulates the myriad challenges and opportunities they encounter. The ease with which a product or service can penetrate a market, gain acceptance, and generate sales can dramatically influence an enterprise's profitability and long-term sustainability. Whether it's navigating regulatory landscapes, understanding consumer behaviour, or leveraging technological advancements, market access requires a multifaceted strategy that evolves with changing global dynamics. As we delve into the intricacies of market access through our subsequent analysis, it becomes evident how pivotal it is in shaping the trajectories of businesses in both domestic and international arenas.

Presented below is an analytical breakdown from a survey concentrating on access to market trends and patterns. This information illuminates the prevailing market accessibility scenarios and business strategies.

Primary/Target Market of Enterprises: The recent survey unveiled the predominant market regions targeted by various enterprises. A remarkable 82.26% cater to consumers within their state, showcasing the dominant role local businesses play in meeting state-wide needs. Moving to a more localized lens, 8.51% serve the local areas within their respective districts, indicating a niche or specialized service or product offering. Another 3.98% have broadened their horizon, targeting customers in nearby districts, while an equal percentage of 3.98% have a national reach, catering to consumers across the country. Only a small fraction of 1.18% have successfully branched out into exports, underscoring the challenges or limited scope of international markets for these enterprises. Interestingly, 0.09% have labeled their primary market as "Others," which could indicate unique or unconventional markets not listed in the survey.

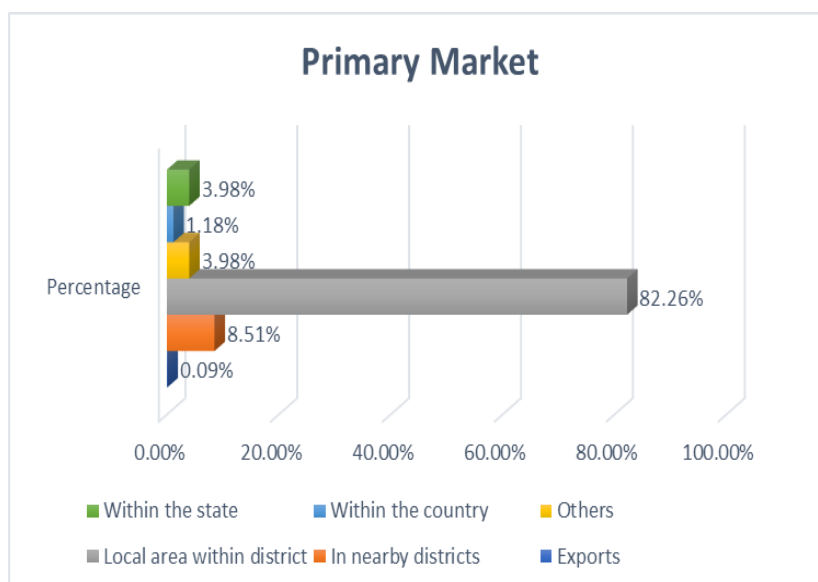


Figure 36: Primary/Target Market of Enterprises

Digital/social media/ Ecommerce Platforms Utilization

A survey on digital adoption by MSMEs in Assam reveals varied levels of awareness and usage. While 65% are familiar with WhatsApp's marketing potential, only 20% use it. Instagram's appeal has reached 45% of businesses, but just 30% actively engage with it. Facebook's vast global presence is recognized by 75%, yet a scant 10% exploit it for business. Surprisingly, 70% understand the value of having their own website but don't utilize it, with a mere 15% leveraging its benefits.

The B2B platform, India-Mart, sees equal awareness and active use, both at 50%. E-commerce platforms like Flipkart and Amazon reveal contrasting trends: 60% are aware of Flipkart but only 20% use it, while Amazon boasts an 80% awareness rate with just 10% engagement. Government e-marketplaces show mixed results; ONDC has 35% awareness and 40% utilization, whereas GeM sees 45% awareness with 35% utilization.

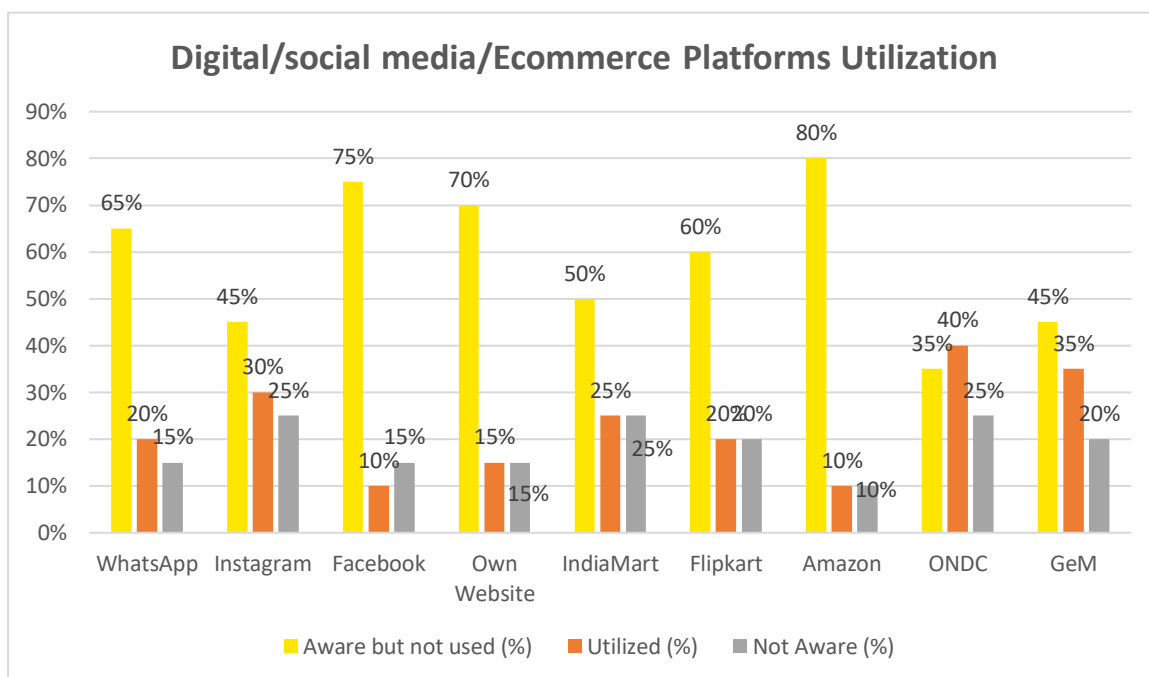


Figure 37: Digital/social media/Ecommerce Platforms Utilization

Difficulties Faced in Digital Marketing/Digital Access: A detailed survey highlighted the main impediments businesses face in the digital realm. The foremost challenge for 35.6% of participants was difficulty in accessing high-speed internet, impacting both their daily operations and online marketing effectiveness. A substantial 26.9% of respondents noted the lack of financial resources as a major obstacle, suggesting that while digital marketing can be cost-efficient, it does require a certain financial outlay. Meanwhile, 22.8% felt the shortage of staff with the necessary skills and knowledge to implement digital strategies. Time constraints bothered 4.3%, indicating the urgency for more streamlined digital tools and resources. Additionally, 10.4% marked "Other", hinting at diverse challenges, from navigating specific platforms to addressing vendor-related complexities.

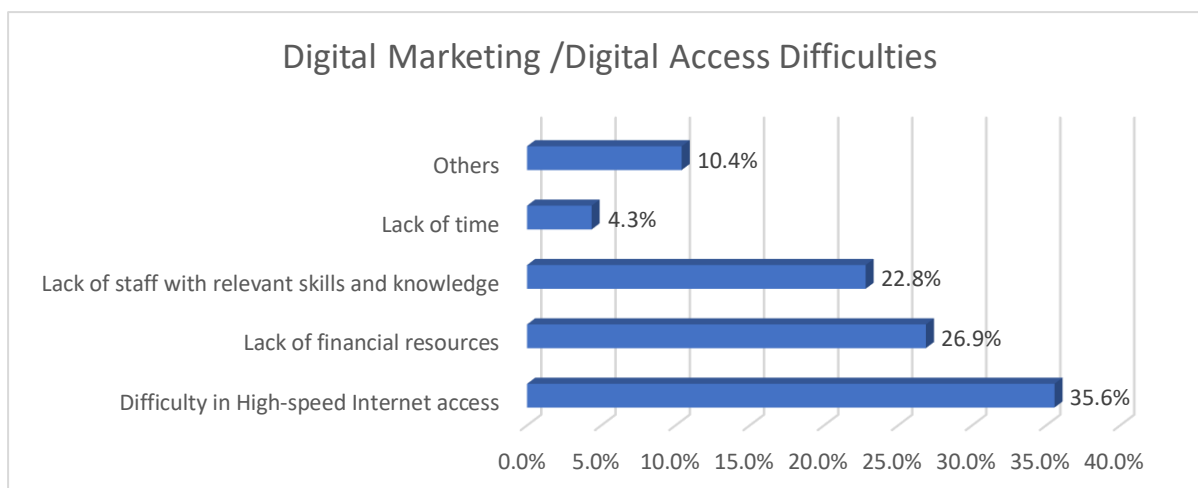


Figure 38: Difficulties Faced in Digital Marketing/Digital Access

Major Challenges Faced in Marketing/Sales of Products: A comprehensive survey outlined the primary challenges encountered by businesses in the realm of marketing and sales. A significant 26.79% grapple with the difficulty in promoting their products, making it arduous for many, particularly smaller entities. Nearly 24.89% face a lack of proper awareness about new marketing avenues, emphasizing a potential digital literacy gap. The challenge of realizing very low margins is felt by 13.48%, affecting profit margins and growth prospects. Moreover, 12.40% mentioned various "Other" challenges not explicitly listed. Late payments remain a hurdle for 11.58%, impacting cash flow. The need for better value addition is a concern for 6.52%, while 3.35% cited limited opportunities or platforms for showcasing their products. Lastly, 3.35% have reservations regarding the adoption of quality control measures and certifications.

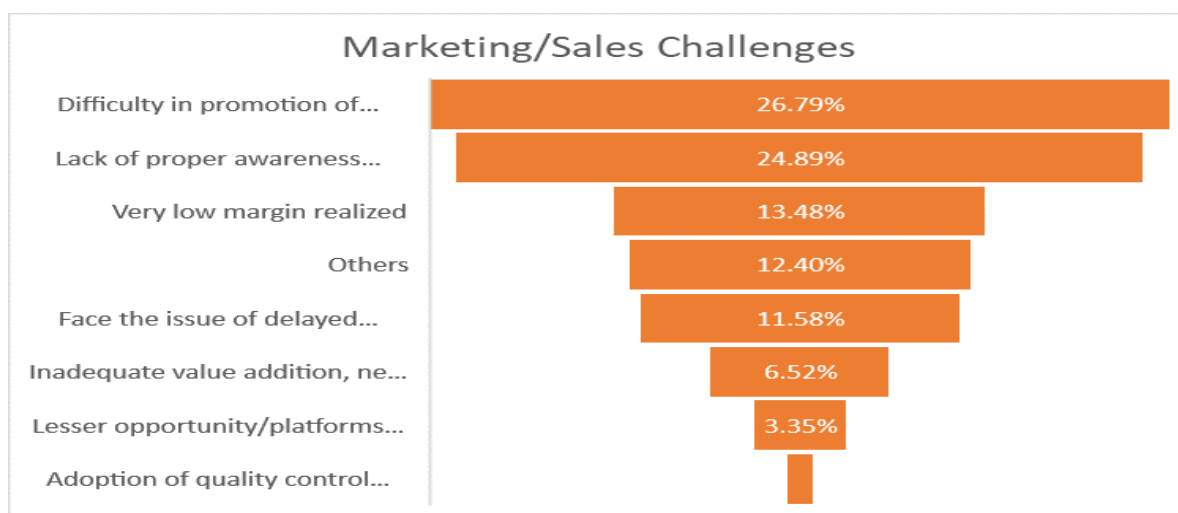


Figure 39: Major Challenges Faced in Marketing/Sales of Products

Issues Faced by Enterprises Related to Export: A survey on export challenges indicated that 55.93% of enterprises marked "Not Applicable," suggesting many are not involved in exports or do not experience the provided challenges. Among active exporters, 1.90% reported difficulties in accessing "Export Market Information," emphasizing the importance of comprehensive data on overseas markets. A concern for 0.27% is the detention of consignments, affecting supply chain flow. Additional issues include "Duties/Indirect tax" at 0.63%, "Incentives" at 0.54%, and "Port congestion" at 0.18%. The "Cost of credit," "Foreign currency credit," and "Labour law modifications" are challenges faced by 34.48%, 0.72%, and 0.90% respectively. Meanwhile, 4.43% identified "Other" concerns, hinting at problems not specifically listed.

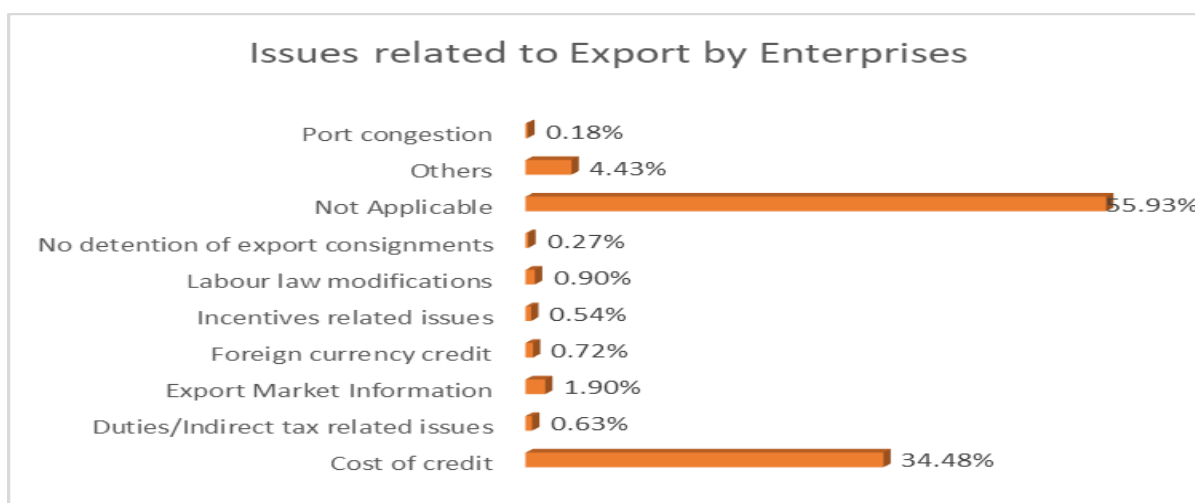


Figure 40: Issues Faced by Enterprises Related to Export

Challenges in Obtaining Certifications for Export: A survey on export certifications revealed 28% of enterprises were unaware of certification processes, pointing to an evident knowledge gap. "Lengthy process" and "High Cost" were major concerns for 20% each, indicating a need to streamline certification procedures and consider financial support. Another 20% struggled to find relevant consultants for guidance. Meeting the certification criteria was a challenge for 10%. A minor 2% selected "Other," suggesting other unspecified issues.

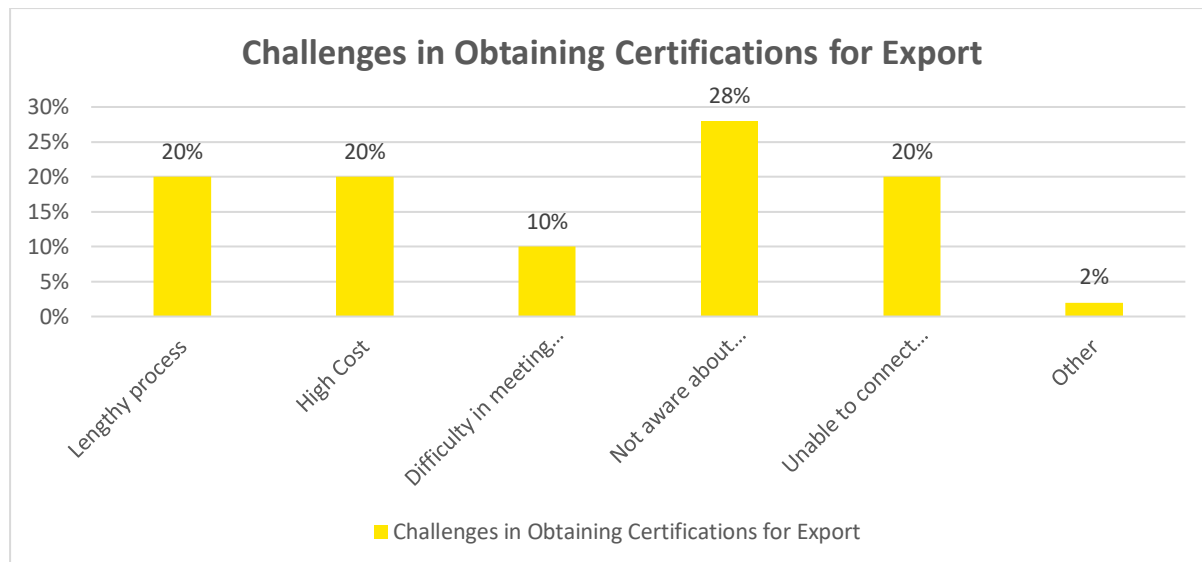


Figure 41: Challenges in Obtaining Certifications for Export

To analyse access to market related challenges for MSMEs in Assam, following studies have been conducted.

- Key Market Access Related Issues for Major Sectors
- Export Oriented Sectors and Associated Challenges
- Adoption of GeM (Government e-Marketplace)
- Adoption of ONDC (Open Network for Digital Commerce)
- Linkages with Anchor OEMs, State PSUs, and CPSEs
- 'Made in Assam' Initiative
- Intellectual Property Rights (IPR)
- Products with Geographical Indication in Assam

(i) Key market access related issues for major sectors

Table 50: Key market access related issues for major sectors

Sl. No.	Sector	Access to Market Related Issues
1	Tea	<ul style="list-style-type: none"> • Stiff Competition: The Assam tea industry grapples with rivals from various tea-growing zones, both within India and beyond. • Stringent Quality Standards for Exports: Navigating the rigorous international quality criteria poses a significant hurdle, particularly for the smaller tea cultivators. • Branding and Promotion: Despite its unique taste and storied legacy, Assam tea hasn't been as proactive in its branding and global marketing endeavors. • Limited Digital Presence: A sizable portion of Assam tea stakeholders are yet to fully embrace and exploit the potential of online marketing channels. • Market Segmentation: Identifying and tailoring offerings to varied consumer demographics across several markets often becomes a complex task. • Lack of Global Market Insights: A significant number of tea entrepreneurs may lack comprehensive knowledge about international market dynamics and evolving consumer tastes. • Budget Constraints: Restrictive marketing budgets can stymie the efforts of MSMEs, curbing their promotional reach. • Inadequate Storytelling: The intricate tales of Assam tea's origins and cultural significance, if not effectively narrated, can miss resonating with potential consumers. • Dependence on Traditional Channels: A heavy tilt towards age-old marketing avenues might not resonate with the rapidly changing market landscapes. • Feedback Mechanisms: An absence of well-defined processes to obtain and analyze feedback on promotional strategies can impede refining and aligning with the market pulse.
2	Rubber	<ul style="list-style-type: none"> • Geographical Limitations: Assam's north-eastern location constrains easy access to India's primary industrial zones, particularly affecting SMEs. • Infrastructure Issues: Less developed infrastructure impedes effective transport and distribution of rubber goods. • Restricted Export Access: SMEs in Assam often miss global market opportunities due to limited involvement in export events and direct interactions with foreign buyers. • Branding Hurdles: Rubber products from Assam lack strong brand recognition, hindering market penetration. • Foreign Competition: Cheap imports, especially from nations like China, intensify competition, challenging local producers on price fronts.
3	General Engineering	<ul style="list-style-type: none"> • Restricted Market Access: Most enterprises primarily serve local or regional markets, with scant national or global presence. • Logistics Hurdles: Assam's geography and infrastructure lead to transport challenges, raising costs and hampering competitiveness. • Marketing Shortfalls: Ineffective marketing techniques limit product visibility and customer reach. • Dominance of Big Players: Small and medium enterprises face intense competition from established market giants. • Regulatory Obstacles: Non-tariff barriers, like strict quality norms, hinder international market entry. • E-commerce Gaps: Despite its potential, many enterprises haven't fully embraced online marketplaces. • Limited Market Insight: A lack of vital market data affects decision-making in product strategy and pricing. • Brand Building Issues: Crafting a compelling brand identity is challenging, particularly for newer players.

Sl. No.	Sector	Access to Market Related Issues
4	Food Processing and Agro-Based Industries	<ul style="list-style-type: none"> • Quality vs. Scale: While consumers prefer artisanal and local foods, businesses grapple with maintaining quality while scaling up. • Distribution Limitations: Smaller units face difficulties accessing broader markets due to distribution challenges. • Branding Issues: Some lack the know-how or resources for impactful marketing, affecting their market presence. • Market Intel Shortage: Businesses often miss up-to-date market trends, affecting product alignment with consumer demands. • E-commerce Gaps: Without online presence, many can't leverage platforms like Flipkart and Amazon, limiting their reach. • Platform Awareness: Familiarity with platforms like GeM and ONDC is low, though they offer significant market expansion opportunities.
5	Handloom	<ul style="list-style-type: none"> • Market Access: Weavers have limited exposure to both domestic and global markets. • Machine Competition: Handloom items compete with cheaper, widely available machine-made products. • Branding Gap: Absence of effective branding and marketing diminishes market presence. • Quality Variance: Traditional production methods sometimes lead to inconsistent quality. • Infrastructure Deficit: Lack of roads and transport facilities restrict market access. • Middlemen Reliance: Weavers often rely on intermediaries, reducing their profits. • Trend Blindness: Many weavers are unaware of current market trends and preferences. • High Transit Costs: Assam's location increases transportation costs, affecting product competitiveness. • E-commerce Barrier: Limited access to online platforms restricts their market reach. • Inadequate State Support: Government schemes exist but are often poorly implemented, leaving weavers unsupported.
6	Handicraft	<ul style="list-style-type: none"> • Market Reach: Artisans often operate within local markets, limiting their audience. • Mass Production Rivalry: Handicrafts compete with cheaper, factory-made items that mimic traditional patterns. • Marketing Deficit: Many artisans lack expertise or resources for wider product marketing. • Infrastructure Concerns: Transport and logistic barriers constrain market expansion. • Branding Gap: Assam's handicrafts frequently miss distinct branding, affecting their market stance. • E-commerce Hurdles: Many artisans are unaware or unable to utilize online marketplaces. • Quality Inconsistencies: Variable product quality can deter access to high-end markets. • Insufficient Support: Despite existing support schemes, artisans struggle with red tape and awareness issues.

Sl. No.	Sector	Access to Market Related Issues
7	Bamboo and Cane	<ul style="list-style-type: none"> • Geographical Limitations: Being distanced from India's major Bamboo and Cane trading hubs, Assam grapples with higher transportation costs and extended delivery schedules, diminishing the appeal of its products. • Limited Brand Awareness: Assam's Bamboo and Cane crafts, though unique, may not have the widespread brand resonance enjoyed by products from more famous regions, affecting market presence. • Absence of Digital Presence: Not all Bamboo and Cane businesses in Assam have embraced the digital wave, leaving them behind in capturing a rapidly growing online market. • Reliance on Traditional Markets: A pronounced focus on age-old, local markets could be preventing Assam's Bamboo and Cane sectors from reaching a more extensive and diverse clientele. • Lack of Participation in Trade Fairs: By not consistently marking their presence in leading trade events, both domestically and globally, Assam's Bamboo and Cane industries might be missing out on key visibility and networking prospects. • Competitive Pressure: With the market getting flooded with cheaper Bamboo and Cane products from elsewhere, Assam's offerings face a daunting task in maintaining their pricing and positioning. • Stringent Market Standards: The intricate demands or certifications some markets require might pose a hurdle for Assam's Bamboo and Cane sectors, especially if they're short on resources or know-how. • Limited Export Channels: Lacking a robust mechanism and understanding of international exports, Assam's Bamboo and Cane ventures might be struggling to tap into overseas markets effectively.

(ii) Sectors with potential export opportunities and associated challenges

In the fiscal year 2021-22, Assam's merchandise exports amounted to ₹450.04 million, constituting approximately 6% of the state's GDP at constant prices and contributing <1% to India's overall merchandise exports during the same period.

(iii) Assam's Performance on Export Preparedness Index

Assam's performance in the Export Preparedness Index (EPI) reflects a mixed picture of strengths and areas for improvement. Despite being the best of all the 7 sister states, Assam has an overall score of 43.19 and is placed 21st in the country. Dominant exports from the state include petroleum and petroleum products, tea and agro-products which along with other exports have led the state to an export value of Rs. 25.4 billion. Assam's export preparedness is underscored by its robust policy framework, securing a rank of 15 in this category with a score of 91.69. However, it falls short in other pillars of the index. The state's business ecosystem ranks 20th with a score of 37.93, while its export ecosystem's rank of 26 and score of 30.62 demonstrate room for growth. Export performance also presents a challenge, with a rank of 24 and a score of 21.45.

Assam is the largest state in the northeast region (NER) of India and is rich in natural resources. Given its geographic position, extensive international borders, and proximity to the Association of Southeast Asian Nations (ASEAN), the NER is at the center of India's Act East policy. Assam has the potential to become the hub of economic activity in the NER as well as trade with neighbouring Bangladesh, Bhutan, and Nepal (BBN).

With 265,000 square kilometer (km²) area, the NER is bigger than the United Kingdom and four times the size of Austria. As a land bridge between South Asia and Southeast Asia, it is the only region in India to share borders with five countries: Bangladesh, the People's Republic of China (PRC), Myanmar, Bhutan, and Nepal. It has entry points into all these countries that connect it onward to the Association of Southeast Asian Nations (ASEAN) both by land and sea. As a result, the geopolitical advantage of being located at the crossroads of three major economies — East Asia, South Asia, and Southeast Asia—could not translate to NER's economic development in the new world. Its role and contribution in India's rapidly expanding trade with Southeast Asia and the PRC in recent decades, has therefore been marginal at best. The NER has also not been able to integrate into and benefit from the various regional and subregional initiatives that neighbouring countries have created. The NER lies at the confluence of various subregional programs for economic cooperation in Asia such as the South Asia Subregional

Economic Cooperation (SASEC), Bay of Bengal Initiative for Multi Sectoral Economic Cooperation (BIMSTEC), and Bangladesh–China–India–Myanmar (BCIM). The region is thus significant for India's participation in these programs. India's "Look East" Policy (launched in 1991) for relationship with ASEAN has today transformed into the "Act East" Policy (AEP) that focuses on the extended neighbourhood in the Asia and Pacific region. The NER is a physical and strategic component of India's AEP, enhancing connectivity by land, air, and sea to transform corridors of connectivity into corridors of economic cooperation. India's use of soft power while implementing the AEP involves building upon common cultural ties, state visits, focusing on tourism, and increasing connectivity and people-to-people contact with the "East" through the NER. Some of the major infrastructure projects under the AEP developing extensive economic and strategic located in the NER include the Kaladan Multimodal Transit Transport Project, the India–Myanmar–Thailand Trilateral Highway Project, Rhi-Tiddim Road Project, and Border Haats.

The combined gross domestic product (GDP) of ASEAN was \$2.73 trillion in 2017, putting the group ahead of the United Kingdom's \$2.63 trillion and India's \$2.61 trillion. Between 1995 and 2016, trade between India and ASEAN grew at a compound annual growth rate (CAGR) of about 11.9%. Of the total trade of nearly \$64.3 billion in 2016, India was the destination for a substantive 59% of ASEAN exports while only 0.17% of ASEAN's imports were from India. The Bangladesh–Bhutan–Nepal (BBN) triad is a priority for India both in the economic and strategic sense. Besides being immediate neighbours, they are also intricately integrated with the Indian economy. India's share in BBN's total imports was 22.6% in 2016. For Bhutan or Nepal it was more than 80%. As of 2017, ASEAN and BBN together represented an export opportunity of more than \$1,000 billion for India.

The Government of Assam has established industrial infrastructure that is currently supporting 800 industrial units including an export processing industrial park at Amingaon in Kamrup district, 3 industrial growth centers, 11 industrial infrastructure development centers, a food park at Chaygaon and a North-East Mega Food Park at Nalbari District, along with 21 industrial estates, 8 mini industrial estates, 17 industrial areas, and 18 growth centers. Despite these endeavours, Assam has limited participation in regional trade and 95% of India's exports to its eastern neighbours Bangladesh, Bhutan, and Myanmar come from states outside the NER. All the successful industries in Assam are based on local (NER-based) value chains. Raw materials are either procured from within Assam or from neighbouring states like Meghalaya and Tripura. Industrial manufacturing output from Assam in FY2016 was about `597.88 billion, which was about 0.87% of India's industrial manufacturing output.⁹²

⁹² [Home | MSME GAIN \(billmart.com\)](#)

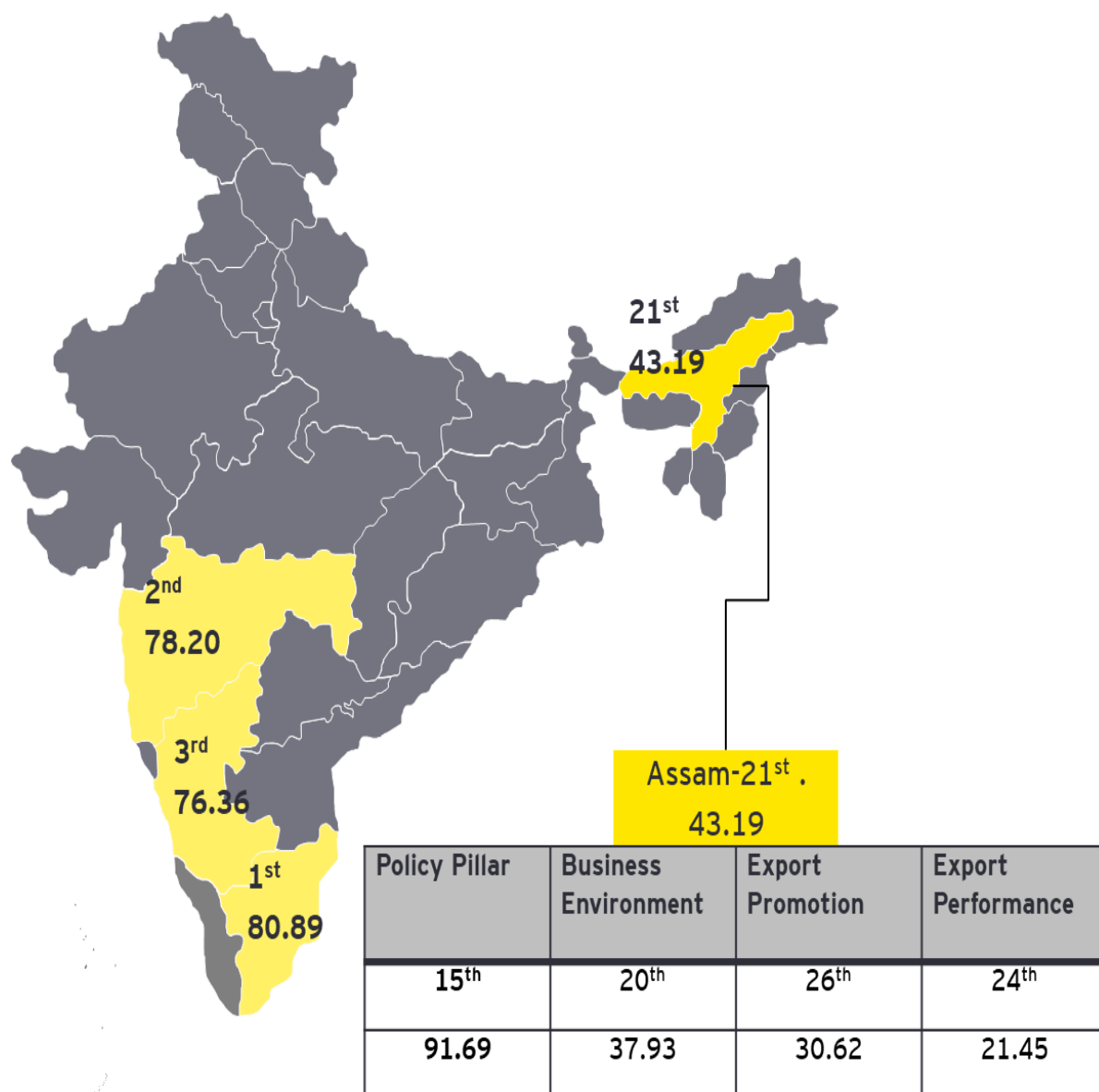


Figure 42 Assam performance in the Export Preparedness Index (EPI)

Each state formulates its export promotion schemes to align with its unique economic and industrial context, ultimately aiming for more effective and personalised support for the export-oriented units including MSMEs. To identify best practices, assess its impact, and determine areas for improvement, a comparative analysis is conducted with the schemes and initiatives of similar and best-performing states in India, which include Karnataka, Tamil Nadu, Andhra Pradesh, Maharashtra, Haryana, Gujarat, and Chhattisgarh.

Table 51: Comparative table of export promotion schemes across leading states in India

Component	Possible schemes/activities in Assam	Best practice/provision in other states	Provisions in Assam ⁹³
Dedicated Export Facilitation Cell	Establishment of a dedicated cell	<ul style="list-style-type: none"> • UP: Directorate hosts a Export Promotion Bureau, Uttar Pradesh and Uttar Pradesh Export Promotion Council. • Andhra Pradesh: Set up at DICs for export guidance. • Haryana: Directorate hosts a Market Development & Exports Promotion Cell. 	Dedicated Export Facilitation Cell" and Formation of Assam State Export Council (ASEPC) to oversee and implement the policy, making Assam an export hub.
Investment on PP&E	Support for infrastructure & logistics	<ul style="list-style-type: none"> • Chhattisgarh: 40-50% subsidy on fixed capital investments. • Notified DEPCs in all districts. 	Capital Investment subsidy in form of reimbursement for creation of export Infrastructure like Multi Model Logistic Park (MMLP), Logistic Park, Inland Container Depot (ICD), Container Freight Station (CFS), Air Cargo Facilities , Common Facility Centre , Pack house , Cold Storage , integrated Cold Chain facility , Irradiation facility , Individual Quick Freezing (IQF) facilities , Vapour Heat Treatment facilities , State of Art Quality Control Laboratory with NABL accreditation to support Export @ 30% of the eligible fixed capital Investment subject to a ceiling of Rs.10 (ten) Crore.
Factor Conditions	Reduction in operational costs	<ul style="list-style-type: none"> • Karnataka: Electricity tax exemption for MSME Export Enterprises. 	Subsidies and exemptions on power, water, and other utilities for export units. Moreover, the state will offer concessions in stamp duty and registration charges for lands purchased/leased by the EOUs/SEZs.

⁹³ https://eodb.assam.gov.in/resources/homePage/18/eodbnew/docs/export_and_logistic_policy_of_assam_2019.pdf

Component	Possible schemes/activities in Assam	Best practice/provision in other states	Provisions in Assam ⁹³
	Allocation of land for export-oriented units	<ul style="list-style-type: none"> • Haryana: Priority allotment in Industrial Estates. • Maharashtra: Exemptions for certain EOUs. 	Capital Investment subsidy in form of reimbursement for creation of export Infrastructure like Multi Model Logistic Park (MMLP), Logistic Park, Inland Container Depot (ICD), Container Freight Station (CFS), Air Cargo Facilities , Common Facility Centre , Pack house , Cold Storage , integrated Cold Chain facility , Irradiation facility , Individual Quick Freezing (IQF) facilities , Vapour Heat Treatment facilities , State of Art Quality Control Laboratory with NABL accreditation to support Export @ 30% of the eligible fixed capital Investment subject to a ceiling of Rs.10 (ten) Crore.
	Subsidies and support for transportation / Freight charges	<ul style="list-style-type: none"> • Haryana: Subsidy for new exporting MSEs. • Chhattisgarh: Transport grants to EOUs. 	Freight Subsidy in form of reimbursement shall be available on Air freight from the Airport of Assam to Foreign destination for the Agro-Horticulture Products, Food Processing, Ornamental fishes, Floriculture products, Handicraft & Handloom products, Tea, Jute, Bamboo & other products based on locally available raw materials of the State @20% subject to a ceiling of Rs.50 Lakh only per annum for a period of five years per unit. Industries engaged in products based on raw materials from outside the State shall not be eligible for Freight Subsidy

Component	Possible schemes/activities in Assam	Best practice/provision in other states	Provisions in Assam ⁹³
Quality Certifications	Charges related to certification	<ul style="list-style-type: none"> Andhra Pradesh - For compulsory marking like Conformity Euro• Haryana - 75% reimbursement for certifications such as ISO, HACCP, etc. up to INR 10 Lakhs per certification. Andhra Pradesh - 50% reimbursement of certification costs like CE, CCC, GMP, etc. up to Rs 2 lakh per unit per annum. Karnataka - Refund of 50% certification charges for statutory certifications like CE, CCC, etc. up to Rs 1 lakh per unit. Tamil Nadu - 75% reimbursement on testing and quality certification fees for MSEs, up to Rs 1 lakh or actual, for max 3 certifications per year per MSE for (CE), China Compulsory Certificates (CCC), Good Manufacturing Practices (GMP), Phytosanitary certificates, Global Food Safety Initiative (GFSI) recognised schemes etc reimbursement of 50% of certification cost subject to maximum of Rs 2 lakh per unit per annum 	Subsidy in form of reimbursement shall be available for obtaining Organic certification, Quality certification, ISO, ZED, etc @50 % subject to a ceiling of Rs. 50 (fifty) lakhs

Component	Possible schemes/activities in Assam	Best practice/provision in other states	Provisions in Assam ⁹³
Market Development Assistance	Facilitating participation in international trade fairs/exhibitions	<ul style="list-style-type: none"> Haryana - Financial assistance for participation in international fairs/exhibitions, including 75% of cost incurred (max up to Rs 4 lakhs) towards space charges, shipment of exhibits, cost of product literature, display material, etc. and up to Rs 1 Lakh for air fare. Reimbursement of 75% with a ceiling of Rs 2 lakh per year for participating in national and international trade fairs, exhibitions. Maharashtra – Subsidises 50% of actual space rent or Rs 1 lakh, whichever is low, to small scale units in a financial year. The units can participate 5 times in an international fair/exhibition, or 5 years only. Andhra Pradesh – 30% subsidy in ground rent for participation in international fair. 	No Provision In The Export And Logistics Policy Of Assam, 2019,
Export Incentive	Incentives and awards	<ul style="list-style-type: none"> Haryana - State Export Awards amounting to Rs 5 lakhs each to the Outstanding Exporting Units in the State Karnataka - MSME Enterprises who double exports in subsequent years are paid 1% of FOB value, subject to max Rs 10 lakh per unit 	<ul style="list-style-type: none"> The Policy, "The Export And Logistics Policy Of Assam, 2019," Introduces Provisions For Recognizing And Awarding Exemplary Export Performance. Specifically, The Policy Will Grant Certificates Of Recognition Or Awards To Entities That Showcase The Best Export Performance In Priority Sectors. Additionally, Efforts Directed Towards Enhancing Quality Will Also Be Acknowledged And Rewarded. However, The Policy Has Not Specified The Monetary Value Or Amount Associated With These Incentives/Awards.

Component	Possible schemes/activities in Assam	Best practice/provision in other states	Provisions in Assam ⁹³
Export Credit Support	Assistance related to loans, and guarantees on the credit facilities	<ul style="list-style-type: none"> Haryana - Reimbursement of 50% of export insurance premium paid to ECGC, max up to Rs 1.5 lakhs per annum per unit for new MSEs for a period of 5 years having ZED certification Karnataka - Reimbursement of ECGC charges up to 100%, with upper ceiling limit of Rs 1 lakh per unit per year Tamil Nadu - Export insurance premium paid to ECGC under the Small Exporter's Policy, max Rs 10,000 in a year or actual, whichever is lower 	No Provision In The Export And Logistics Policy Of Assam, 2019,
Subsidy for reefer vehicle	Capital Investment Subsidy for reefer vehicle	<ul style="list-style-type: none"> Andhra Pradesh - Investment subsidy of 25% of cost of reefer vehicles limited to Rs 10 lakhs per vehicle with maximum of two vehicles per unit. An additional 5% subsidy for women, SC/ST/OBC community run MSMEs. Gujarat - Capital subsidy on investment made in fixed assets (except land cost) to create infrastructure/logistic facilities (for new unit/ project), subject to upper ceiling limit of Rs 15 cr Interest subsidy for development of logistics facilities (for new unit/ project) at the rate of 7% for 7 years on eligible term loan (minimum 2% to be borne by unit/ project in each case). The upper ceiling is Rs 50 lakhs per annum 	<ul style="list-style-type: none"> Capital investment subsidy in form of reimbursement shall be available for purchase of insulated, reefer transport/mobile pre cooling units @ 30% subject to a ceiling of Rs.1 (one) Crore.

The analysis indicates that "THE EXPORT AND LOGISTIC POLICY OF ASSAM, 2019" has been framed with a forward-thinking approach. When compared with policies from other states, Assam's policy not only matches the benefits but often surpasses them in the breadth and depth of the incentives provided. This insight emphasizes the policy's potential in significantly enhancing the support to MSMEs engaged in export endeavours. The state of Assam is paving the way for a robust export ecosystem by providing an array of benefits, which are expected to foster growth, enhance quality, and streamline the export processes for businesses within its jurisdiction.

Challenges identified by exporters in Assam:*Table 52: Challenges identified by exporters in Assam*

Challenge Categories	Challenge Description	Potential Solutions
Centralized Export Guidance	Difficulty in accessing a unified platform for export-related information and lack of user-friendly data on government portals.	Establishment of a dedicated "Assam Export Facilitation Center" providing real-time data, guidance, and training programs.
Rising Logistics Costs	Increasing costs, especially in the shipping container segment, and the geographical constraints of Assam being a landlocked state.	Development of state-of-the-art logistics hubs, partnerships with logistic companies, and exploration of alternative transportation methods.
Delay in Government Incentives	Prolonged waiting periods for benefits under schemes like Merchandise Exports From India Scheme (MEIS) and Rebate of State and Central Taxes and Levies (RoSCTL).	Streamlining the disbursement process, introducing digital claim platforms, and regular audit of pending cases.
Lack of Market Intelligence	Absence of exports to major global importers in product champion sectors.	Collaborative studies with global market intelligence agencies, regular workshops on market trends, and fostering partnerships with international trade bodies.

ONDC Adoption

ONDC adoption in the state of Assam is still in its nascent stage. There are no official reports or data on the number or percentage of e-commerce players or consumers who have adopted ONDC in Assam. However, some possible indicators of ONDC adoption in Assam are:

- The appointment of a State Nodal Officer for ONDC by the Department for Promotion of Industry and Internal Trade (DPIIT) to drive awareness, empowerment, and onboarding of local businesses onto the network.
- The participation of Common Service Centres (CSCs) under the Ministry of Electronics and Information Technology (MeitY) in promoting ONDC for e-commerce and logistics in rural areas through Grameen e-Stores.

Roadmap to drive sustainable adoption

Assam, rich in culture and resources, stands on the precipice of a significant digital transformation. As the wave of the Open Network for Digital Commerce (ONDC) beckons, it is imperative for Assam to harness its potential and integrate seamlessly into this new digital era.

Central to this transformation is the development of a dynamic ecosystem powered by proficient seller applications. Herein lies the pivotal role of the State Government: to act as a catalyst, offering incentives and facilitating growth. These incentives should not just focus on the initial integration but also ensure that the participating entities, especially MSMEs, find the transition smooth and beneficial. MSMEs form the backbone of Assam's economy, and as such, they warrant comprehensive support. From account management, including periodic catalogue updates and order completions, to the provision of a responsive helpdesk, the objective is to ensure that their digital journey is as effortless as it is rewarding. Such handholding, especially during the initial six months, can set the tone for a more extended and prosperous digital engagement.

Another ace up Assam's sleeve is its burgeoning IT sector, complemented by a thriving start-up ecosystem and esteemed technological institutions. Such a vibrant milieu is fertile ground for innovation and ideation. Organizing hackathons centered around ONDC could be a game-changer. These events can address specific challenges and foster solutions tailored to Assam's unique needs. From developing state-of-the-art buyer and seller applications to streamlining the onboarding process, from creating intuitive cataloguing solutions to optimizing logistics and order automation – the possibilities are myriad.

By adopting a proactive and strategic approach, Assam has the opportunity to not just join the digital commerce revolution but to lead it, setting benchmarks for others to follow.

- a. Crafting applications for both buyers and sellers.
- b. Integrating sellers seamlessly into the network.
- c. Innovating cataloguing solutions (Offering Cataloguing-as-a-Service).
- d. Enhancing logistic methodologies.
- e. Streamlining the process of order execution.
- f. Strategizing effective customer support pathways.

Creation and promotion of 'Make in Assam' badge

In Assam, there's an emerging initiative to boost local manufacturing and craft traditions by introducing a "Made in Assam" badge. This badge aims to function as a hallmark of authenticity, ensuring consumers about the origin and quality of the product they purchase. It signifies not just the place of origin, but the rich heritage, meticulous craftsmanship, and the genuine nature of items produced in Assam. Sellers, after undergoing a rigorous verification process, will be entitled to use this badge on various digital platforms, affirming their product's genuineness. The Assam government is keen on rolling out extensive marketing campaigns to elevate the visibility of these "Made in Assam" products, ensuring they stand out in the vast marketplaces and draw the attention they truly deserve.

GeM Adoption

Amongst all States and UTs put together, Assam registered highest growth rate of 503% in FY 22-23 from previous financial year Gross Merchandise Value on the GeM portal with a 1038 Cr GMV in FY 22-23. The GMV received by Assam MSEs on the platform has steadily increased over the years to 2121 Cr in FY 22-23, partly attributable to this growth is the fact that through GeM portal MSEs gain access to CFPSEs both inside and outside State thus opening doors to national market. GeM also offers SAHAY App through which collateral free loan is made available to MSE sellers winning orders on the platform. Through stakeholder discussions, it is understood that there is significant improvement on these aspects.

- 9760 MSEs are registered on the platform from Assam but only 2646 are actively transacting. This indicates handholding support required for MSEs to complete registration and catalogue creation.
- Since inception of GeM, 5180 Cr worth of business has been captured by Assam MSEs out of which 485 Cr has been placed by Assam State Government Buyers. There is increased scope to monitor and place more orders by the Government to the State MSEs.
- Around 40+ workshops have been organized by DICC and MSME-DFO in the last 3 years. Typical average turnout per session for GeM workshops has been 20 per workshop. However, many of these workshops have been online and predominantly focussed on awareness. There is scope to provide handholding and troubleshooting support in terms of actual usage of the portal.

Make in Assam Initiative

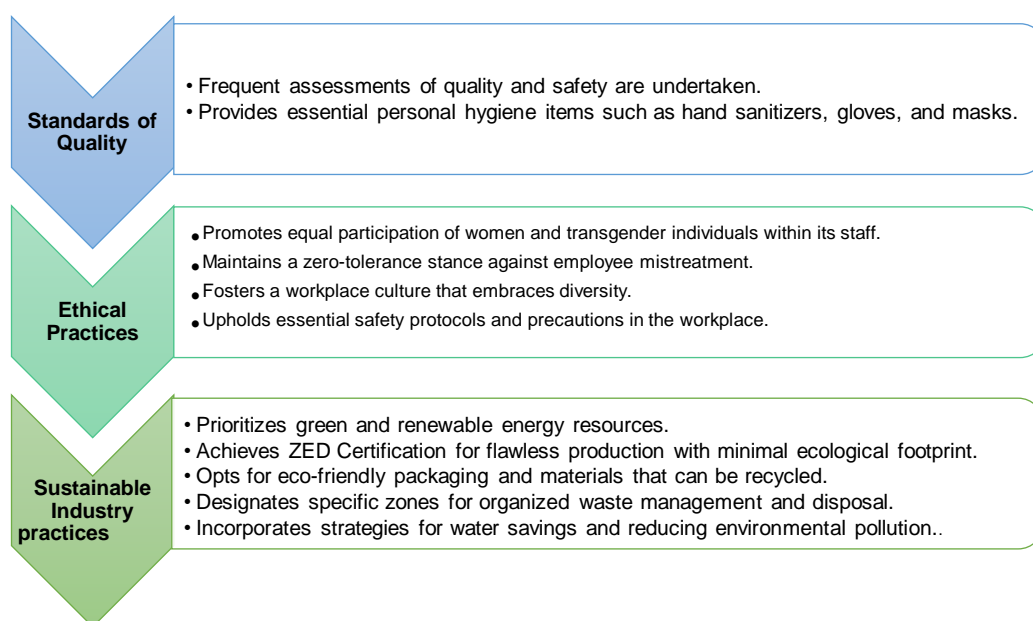
The Government of Assam has launched the "Make in Assam" initiative, underscoring the state's commitment to superior craftsmanship, sustainable production methods, and honouring the age-old traditions of the region. This program is designed to uplift the local industries by ensuring that the consumers receive genuine and premium quality products from Assam. The "Make in Assam" badge becomes an emblem of trust and authenticity in a vast market, helping consumers identify and appreciate the rich heritage and unparalleled quality the state offers.

Products currently spotlighted under this initiative include:

- ▶ Assam Tea & its derivatives
- ▶ Handcrafted Bamboo products
- ▶ Silks, primarily Muga and Eri
- ▶ Value-added products of Pineapple
- ▶ Traditional Rice varieties & its by-products
- ▶ Handwoven Textiles & Garments
- ▶ Local medicinal herbs and their products
- ▶ Handmade Pottery and Ceramics
- ▶ Fermented Foods unique to Assam
- ▶ Indigenous fruits like Bihi Banana and value-added products.

Criteria for Brand Eligibility:

The State has established the following guidelines for alignment with the brand.



Intellectual Property Rights:

Intellectual Property Rights (IPR) are indispensable for MSMEs to shield their novel concepts or brand identities from imitation or unauthorized usage by rivals. They not only safeguard innovations but also carve out a unique identity, enhancing the value proposition of their offerings. Assam's primary hub for all matters related to IPR is the **Assam Science Technology and Environment Council (ASTEC)**. In the fiscal year 2021-22, five patents were awarded, acknowledging the pioneering contributions of regional creators and business minds. With a focus on IPR awareness, ASTEC orchestrated joint ventures resulting in 116 IPR-focused events, in conjunction with different entities. These endeavours enlightened roughly 15,000 participants about the significance of IPR. Additionally, 51 patent facilitation applications were managed by the center, aiding inventors in their patent journey. To further fortify Assam's IPR landscape, IPR Cells have been initiated at two educational pillars: Gauhati University and Assam Don Bosco University.

Products with Geographical Indication in Assam

A Geographical Indication (GI) is a sign used on products with a specific geographical origin and possesses qualities, reputation, or characteristics inherent to that location. Assam boasts of its diverse range of products with such unique geographical indications. Out of India's 417 registered geographical indications, Assam proudly claims 10.

To facilitate the awareness and promotion of these GI-tagged products, the state has set up a dedicated webpage. Additionally, there's an online marketplace designed specifically for the trading of these items. This digital platform primarily serves the Business-to-Business (B2B) community, where registered users can solicit price quotes for various products and proceed with their acquisitions.

Table 53: GI-tagged products of Assam⁹⁴

#	Name of the product	Category	No. of MSMEs involved	Vendor nodal contact
1.	Kaji Neembu or Assam Lemon	Agricultural		CRS-NA-DHING NEMU TENGA Unnayan Samity, Diramukh Thepabari, Post Hathkhathi, PS Dholia, Tinsukia, Assam 786154
2.	Chokuwa Rice	Agricultural		Secretary, Seuj Sathirth, Central Cultural Building, Kachumari, Dehajan, Dimow, Sivsagar, Assam 785662
3.	Muga Silk	Agricultural	22	
4.	Assam Orthodox Tea	Plantation		Tea Board, 14 BTM Sarani (Brabourne Road), Kolkata, West Bengal 700001
5.	Assam Karbi Ablong Ginger	Agricultural	64	North-Eastern Regional Marketing Corporation (NERAMAC), No. 9, Rajbari Path, Ganeshguri, GS Road, Guwahati, Assam 781005
6.	Tezpur Litchi	Agricultural	61	North-Eastern Regional Marketing Corporation (NERAMAC), No. 9, Rajbari Path, Ganeshguri, GS Road, Guwahati, Assam 781005
7.	Joha Rice	Agricultural		Assam Agricultural University and Seuj Sathirtha, Jorhat, Assam 785013
8.	Boka Chaul	Agricultural		Lotus Progressive Centre, Vill & Post Morowa, Nalbari, Assam 781348
9.	Gamosa of Assam	Handicraft	61	Directorate of Handlooms and Textiles, Vastra Bhawan, Gopinath Bordoloi Road, Ambari, Guwahati, Assam 781001
10.	Chokuwa Rice	Agricultural		Assam Agricultural University and Seuj Sathirtha, Jorhat, Assam 785013

2.6.4 Firm Capabilities

In Assam, there's an immense potential for development in the areas of market diversification and operational competence at the enterprise level. MSMEs in the region grapple with challenges throughout the supply chain, from sourcing consistent, high-quality raw materials and recruiting adept labor, to tapping into broader markets, streamlining storage, and refining logistics. Due to their modest production scales and a primary focus on local clientele, many MSMEs in Assam find themselves underrepresented on B2B and B2C platforms, which hampers their growth potential and market reach.

Furthermore, enhancing the technological infrastructure of these enterprises is of utmost importance. A sizable portion of MSMEs in Assam still operate using archaic or semi-automated machinery, affecting the standard of their offerings. Such reliance on dated technology not only inflates production costs but also places their products at a competitive disadvantage compared to their sectoral peers.

⁹⁴ <https://search.ipindia.gov.in/GIRPublic/>

Table 54 Scope of Challenges Faced by Sectors

Sectors in Assam	Access to Finance	Market Expansion	MSME Capacity Building
Tea	Moderate	Moderate to High	Low to Moderate
Rubber	Low	Moderate	Low
General Engineering	Moderate	Moderate to High	Moderate
Food Processing and Agro-Based Industries	Low to Moderate	High	Moderate to High
Handloom	Moderate	Moderate	High
Handicraft	Moderate	Moderate	High
Bamboo and Cane	Low	Moderate to High	Low to Moderate

2.6.5 Opportunities in Assam's Service Sector for MSMEs

To bolster the growth of MSMEs in Assam, consistent guidance and mentorship are crucial. Acknowledging this, the Assam State Industrial Department has established a network of experienced technical specialists and Business Development Service Providers (BDSPs) across various fields. This initiative is an integral component of Assam's Enterprise Enhancement Program, aiming to facilitate easy access to expert consultations for MSMEs, ensuring their sustained growth and competence in the market.

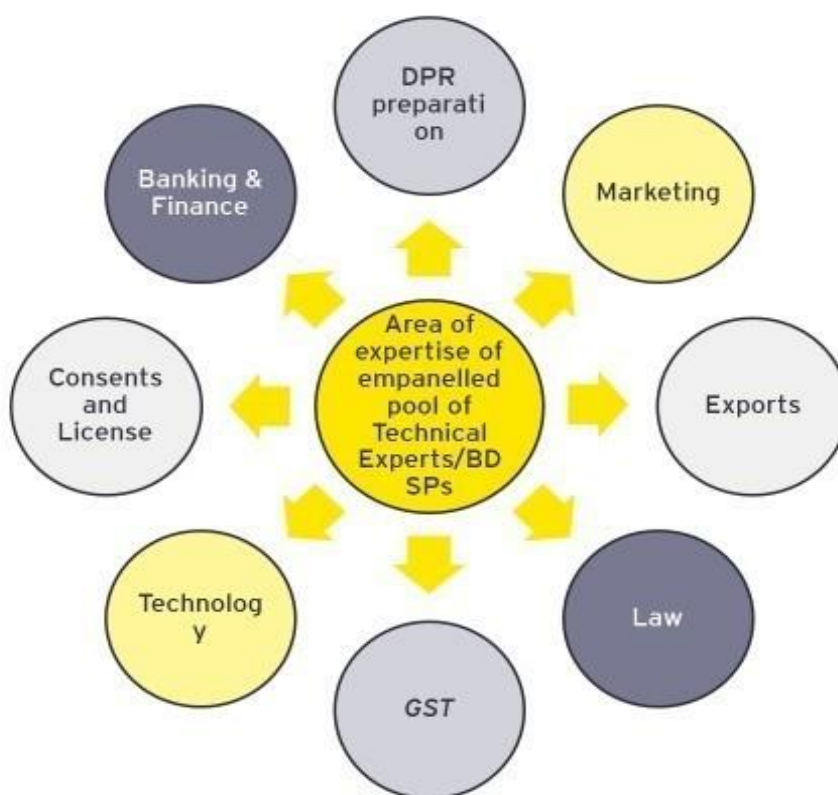


Figure 43 Area of Expertise of empaneled pool of Technical Experts/BDSPs

In Assam, numerous Technical Institutions are strategically positioned across the state, specializing in diverse domains pertinent to the growth of MSMEs. These institutions either currently maintain collaborations or have the potential to forge linkages with MSMEs, ensuring they receive the necessary technical support. A comprehensive list of these Technical Institutions, along with their respective areas of specialization, can be found in Table 26, highlighting Assam's commitment to nurturing its MSME ecosystem.

Table 55: Representative List of Technical Institutes in Assam

Sl. No.	Technical Institute	Sector of Expertise	Services Provided
1	Tea Research Association, Jorhat	Tea	R&D in tea cultivation, Specialized courses
2	Assam Rubber Research Institute	Rubber	Sustainable rubber cultivation, Processing techniques
3	Assam Institute of General Engineering, Guwahati	General Engineering	Comprehensive courses, Modern technological advancements
4	Assam Agro-Industry Development Institute	Food Processing and Agro-Based Industries	Sustainable agriculture, Efficient food processing
5	Assam Handloom Research and Training Institute	Handloom	Modernizing crafts, Preserving authenticity
6	Assam Handicraft Development Institute	Handicraft	Training in traditional crafts, Market development
7	Assam Bamboo and Cane Development Institute	Bamboo and Cane	Sustainable cultivation, Product development, Training

2.5.6 Factor Conditions

i. Power Supply

For the thriving MSME sector in Assam, a robust physical infrastructure is indispensable. A consistent and dependable power supply remains at the core of this need. Survey insights reveal that a vast majority of MSMEs rely on metered electrical connections as their primary source of energy. Yet, in light of ensuring uninterrupted operations, approximately 28% of these businesses have adopted generators as a backup. Resorting to alternative power mechanisms might escalate operational expenses, potentially affecting the profit margins of these micro-level entities already navigating challenging business environments.

ii. Support in Business Facilitation

For Assam's MSME sector, primary concerns center around efficient business facilitation, specifically skilled labour, employee training, and requisite certifications. Nevertheless, the enterprises surveyed pinpointed challenges like sourcing skilled labour, high costs associated with such labour, an absence of training institutions, and difficulties in retaining this skilled workforce.

- **Skilled Labour Challenges Tackling Strategies:** Skilled Labour Challenges & Solutions in Assam's MSMEs: A survey highlighted the strategies MSMEs in Assam use to handle skilled labour challenges. Notably, 30% of MSMEs voluntarily register for EPF even with less than 20 employees, showcasing their dedication to employee benefits. 10% employ on-the-job training, ensuring workforce alignment with business needs. Employee welfare is pivotal, with 15%

offering EPF benefits and the same percentage providing ESI-based insurance. However, 25% haven't taken specific measures, pointing to possible resource or awareness gaps. An additional 5% use diverse, unspecified strategies to tackle the issue.

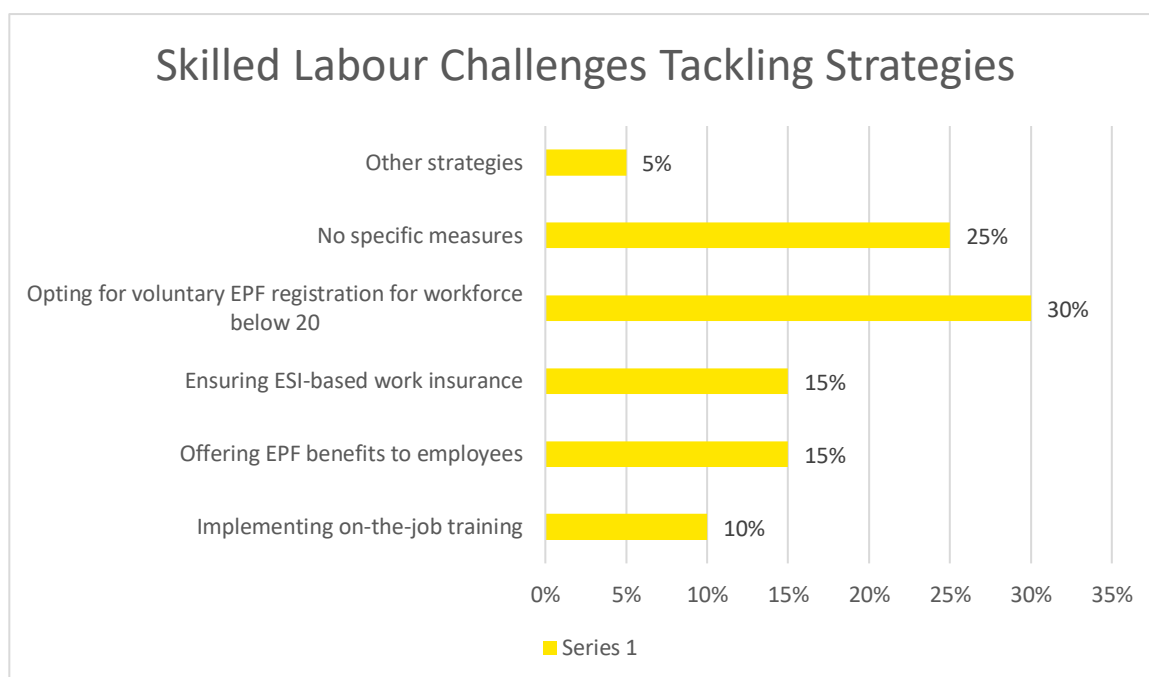


Figure 44: Skilled Labour Challenges Tackling Strategies

► Employee Training Methods:

Assam's MSME Employee Training Approaches: A recent survey in Assam's MSME sector showed a preference for on-the-job training, with 60% of MSMEs choosing this method. Directly hiring skilled labor is also popular, with 28% of enterprises adopting this approach. Local training institutes play a role, as 9% of MSMEs send employees there for skill development, while only 2% choose institutes outside the district, likely due to logistical challenges. Surprisingly, a mere 1% of MSMEs opt for sector-specific expert training sessions, pointing to potential cost or availability barriers.

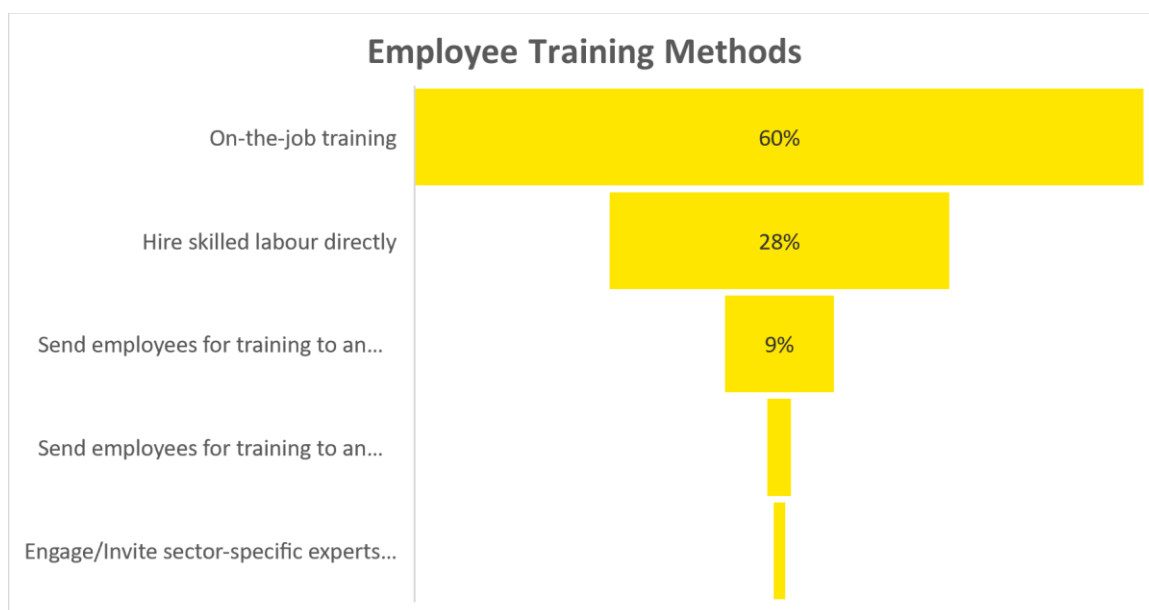


Figure 45: Employee Training Methods

- **Workforce Recruitment Hurdles:** A recent survey revealed the top hurdles faced by MSMEs in Assam when hiring talent. The primary concern for 30% was the scarcity of skilled labour. Three equally pressing issues for 20% of respondents were: inadequate training programs for potential hires, seasonal workforce deficits, and heightened salary expectations. A shift in young workers gravitating towards white-collar jobs was observed by 10%, and another 10% highlighted the challenge of accessing accurate information on labour laws, emphasizing possible compliance obstacles for MSMEs.

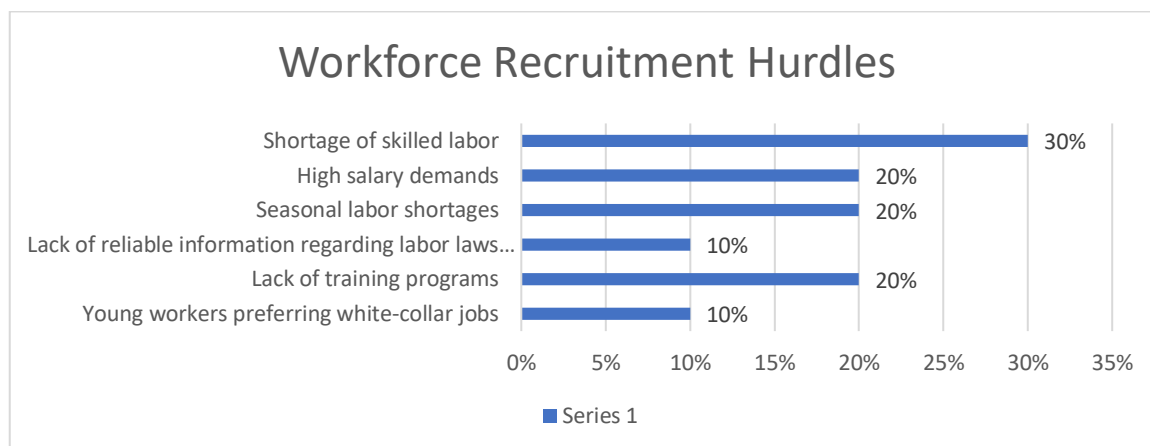


Figure 46: Workforce Recruitment Hurdles

- **Pertaining to Continuity of Female Workforce:** A survey highlighted challenges MSMEs in Assam face in retaining female employees. The top concern for 30% was managing paid maternity leaves, indicating potential financial constraints. 20% identified a skills gap among female workers, emphasizing a need for better training opportunities. Another 20% attributed household responsibilities as a barrier, reflecting socio-cultural norms. Safety concerns were raised by 10%. However, a promising 20% reported no challenges in maintaining their female workforce, suggesting potential best practices that others could adopt.

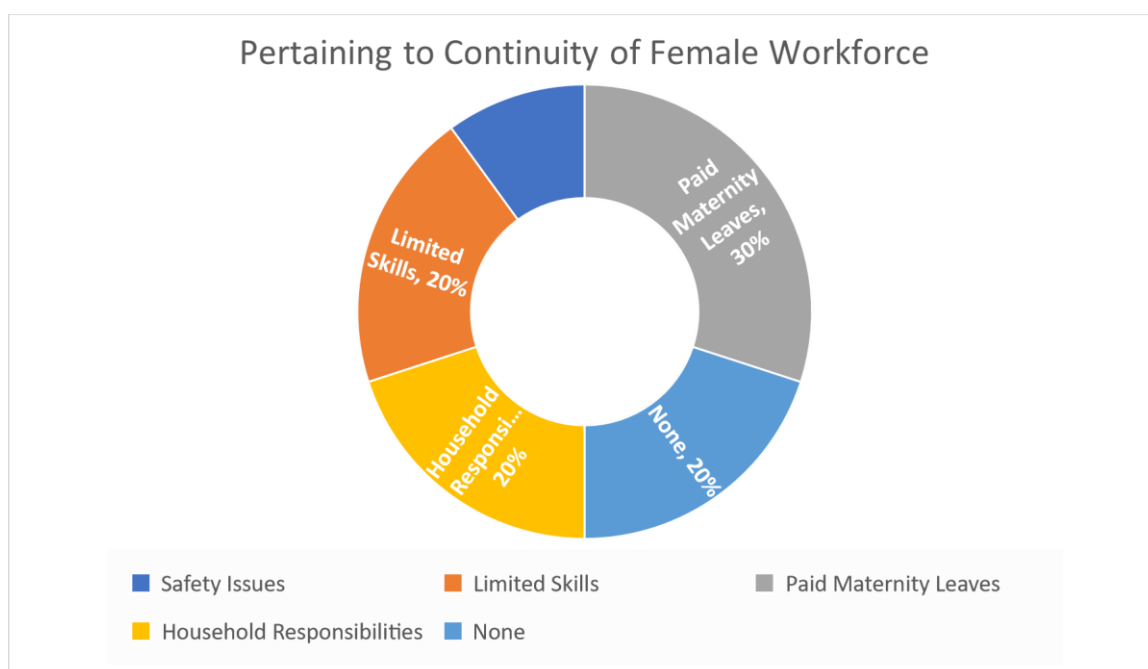


Figure 47: Pertaining to Continuity of Female Workforce

- **Training Modules Offered by MSMEs:** A survey on Assam's MSMEs revealed the various training modules they offer. Operations and Logistics lead with 25%, underscoring the importance of efficient processes. Technical Skills and Financial Management both stood at 20%, emphasizing quality and fiscal responsibility. Both Marketing and Sales, and Digital and Technology were at 10%. The latter might suggest room for digital adoption growth. Soft Skills training was notably low at 5%, hinting at a potential area of focus. Lastly, 10% of MSMEs mentioned they don't provide distinct training, possibly indicating reliance on on-the-job learning or an unaddressed need.

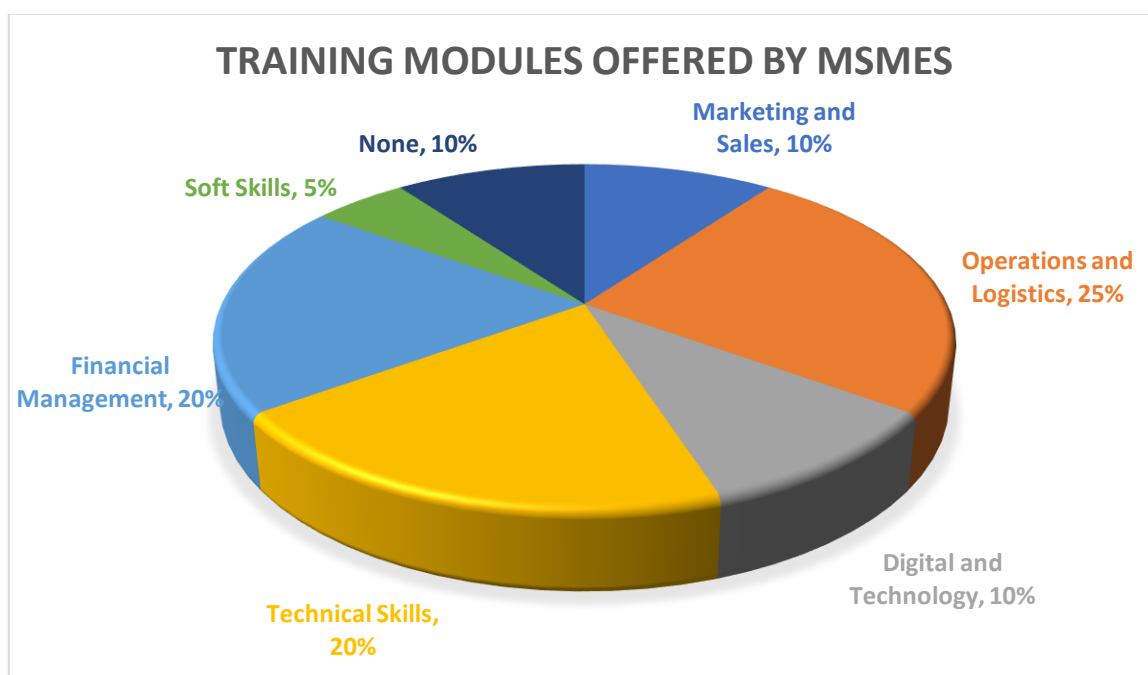


Figure 48: Training Modules Offered by MSMEs

- **Essential Training Domains for MSME Workforce:** A survey highlighted training areas key for Assam's MSME workforce. Operations and Logistics ranked highest at 22%, indicating its role in efficiency and customer service. Both Marketing and Sales and Technical Skills followed at 20%, focusing on reaching audiences and ensuring product quality, respectively. Financial Management, also at 20%, is key for sustainable growth. Digital and Technology training, essential in the modern era, stood at 15%. Despite their importance, Soft Skills were a priority for only 2%. Interestingly, a mere 1% felt no training was necessary, showcasing the wide recognition of the importance of continuous learning.

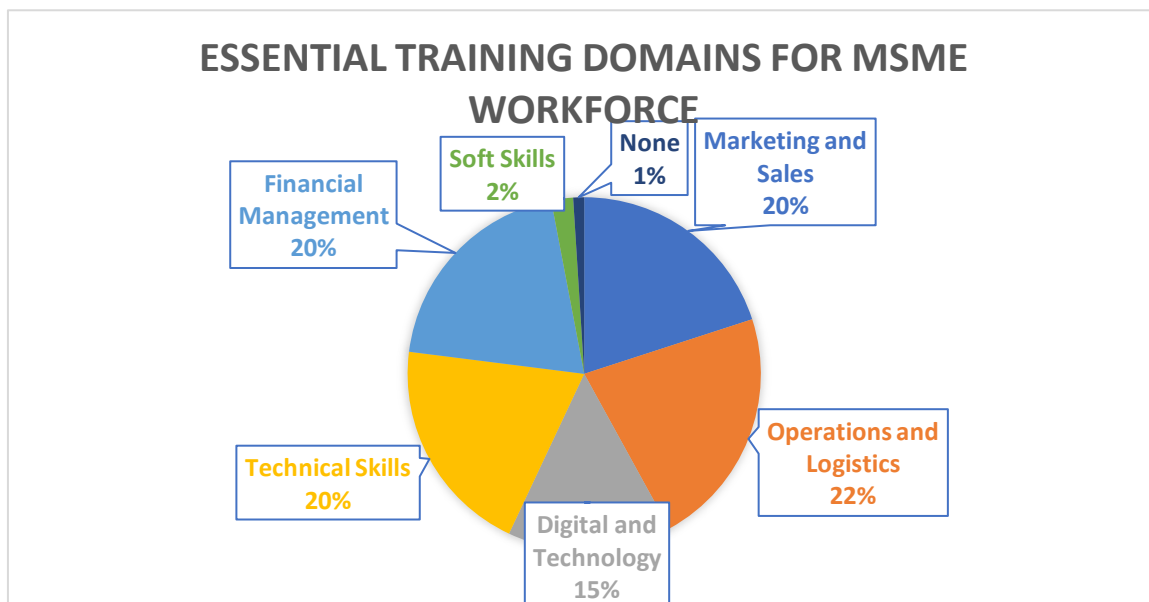


Figure 49: Essential Training Domains for MSME Workforce

iii. Market Accessibility for Raw Materials

Understanding market accessibility for raw materials is crucial for the sustainable growth of any business. For Micro, Small, and Medium Enterprises (MSMEs) in particular, efficient sourcing and procurement of essential raw materials can significantly impact production timelines, cost-effectiveness, and overall product quality. As such, exploring the dynamics of market accessibility provides valuable insights into the challenges and opportunities that MSMEs encounter in their quest to secure consistent and high-quality raw materials for their operations. The purpose and insights of each question are explained as follows:

- **Raw Material Sourcing Patterns:** The "Raw Material Sourcing Patterns" section examines the geographic range of raw material procurement for MSMEs in Assam, shedding light on transportation distances and potential logistical challenges. Results indicate that 15% of MSMEs source their materials within their district, likely leading to reduced transportation expenses and faster deliveries. In contrast, 25% obtain materials from other regions in the state, 10% from outside the state, and a notable 35% combine both local and external sources, suggesting flexibility in sourcing decisions. Additionally, 5% of Assam's MSMEs are involved in international imports, highlighting global supply chain influences and the pursuit of specific materials or competitive pricing.

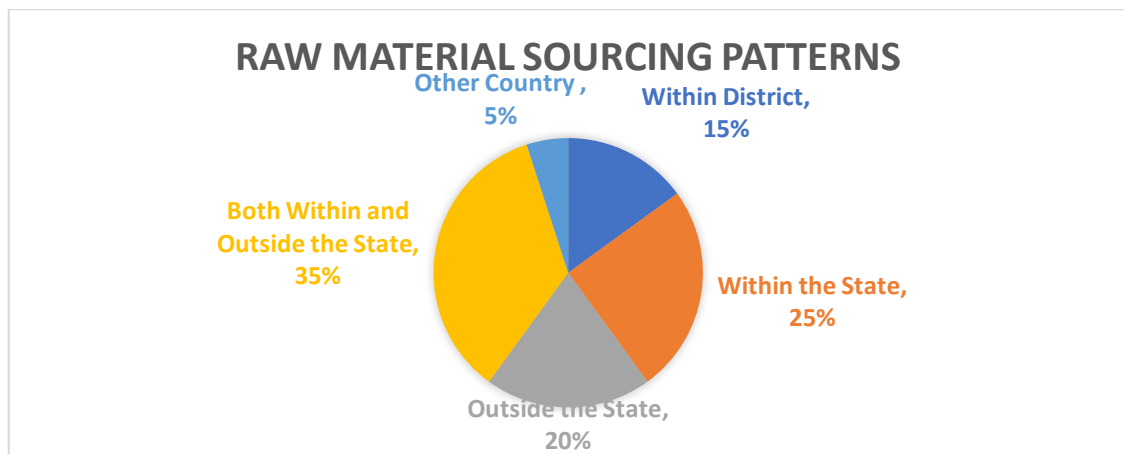


Figure 50: Raw Material Sourcing Patterns

- **Understanding Raw Material Delivered After Placing Order:** Efficient raw material procurement is pivotal for MSMEs in Assam. A survey examined the duration between ordering and delivery of these materials. Results showed:
- 30% receive materials within a week, hinting at strong local ties or proximate sources.
 - 40% wait between 1-4 weeks, indicating potentially expanded sourcing regions or the need for specialized materials.
 - 20% have a wait time of 1-2 months, possibly due to sourcing rare or international materials or facing supply chain inefficiencies.
 - 8% experience over two months, likely requiring unique materials or navigating complex global logistics.
 - 2% were unsure of their wait times, suggesting varied sourcing methods or a distant approach to supply chain management.

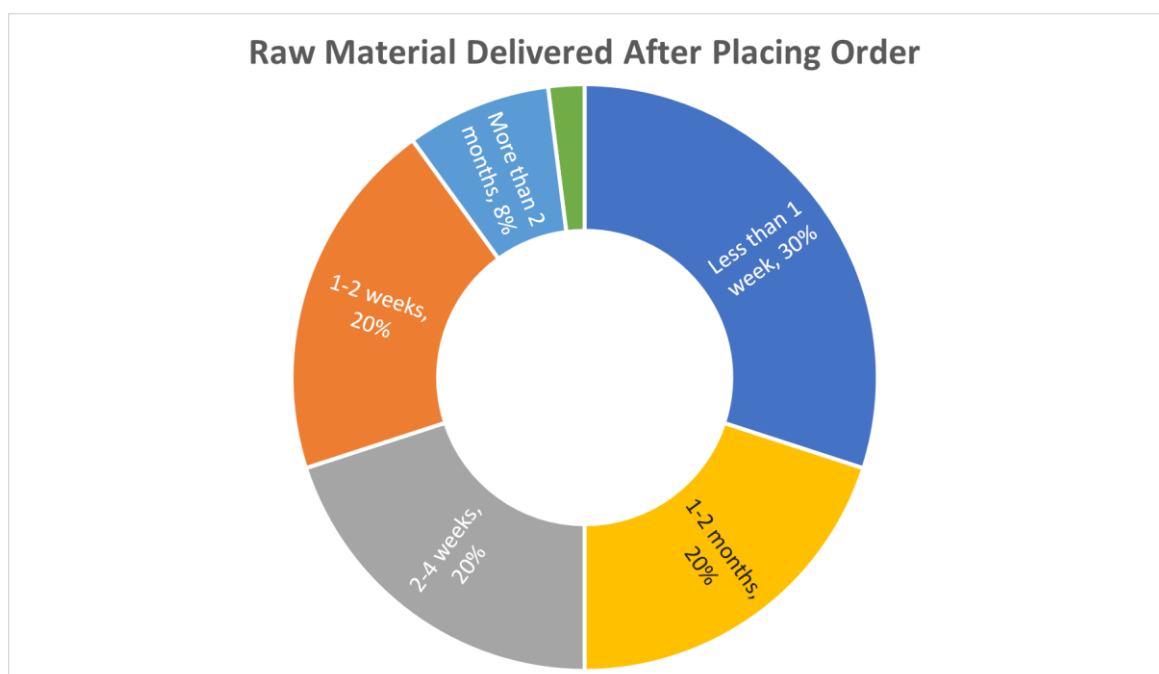


Figure 51: Understanding Raw Material Delivered After Placing Order

- **Preferred Payment Methods for Raw Material Procurement:** Navigating through the intricacies of financial transactions, MSMEs in Assam exhibit a diverse range of payment preferences when procuring raw materials. Cash, historically a ubiquitous mode of transaction, is still the favored choice for 30% of the respondents. This reliance on cash transactions may be indicative of the nature of their suppliers or the immediacy of the procurement process. Conversely, the equal prominence of bank transfers, cheques, and digital wallets, each at 20%, underscores a growing comfort with electronic modes of payment. The integration of digital platforms into the payment processes of MSMEs reflects a modernizing trend in Assam's business environment. The use of Letters of Credit (LC) by 8% of the respondents hints at engagements that require trust and assurance, possibly in cross-border or inter-state transactions. The diversity in payment methods used by MSMEs provides insights into the evolving financial landscape and suggests areas where further support or education might enhance business efficiency.

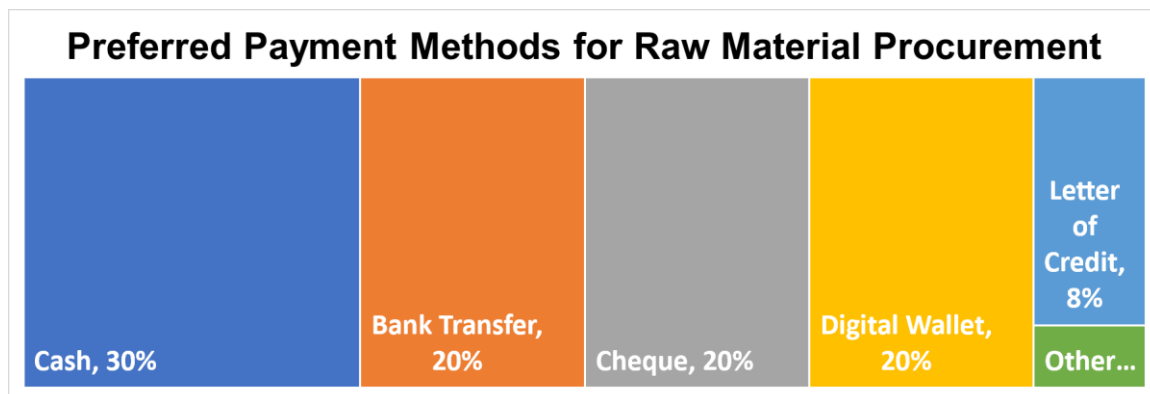


Figure 52: Preferred Payment Methods for Raw Material Procurement

- **Understanding Payment Timelines in Supply Chain Transactions:** Timely payments are a critical aspect for MSMEs in Assam, significantly influencing their financial stability and operational efficiency. A recent survey delved into the payment patterns these enterprises encounter. A small segment, constituting 2%, receives payments in advance, thus ensuring immediate liquidity. Concurrently, only 3% are paid on the same day as the supply, highlighting the rarity of prompt settlements.

However, the larger concern lies with the majority facing payment delays. About 20% of the surveyed MSMEs typically wait between 1 to 15 days after supplying their products or services to get paid. A more substantial segment, 30%, experiences payment delays ranging from 16 to 30 days. Another 25% endure waits stretching from 31 to 60 days. Worryingly, a significant 20% find themselves waiting for over two months before their financial dues are cleared. This trend underscores the challenges MSMEs face in ensuring consistent cash flow.

Understanding Payment Timelines in Supply Chain Transactions

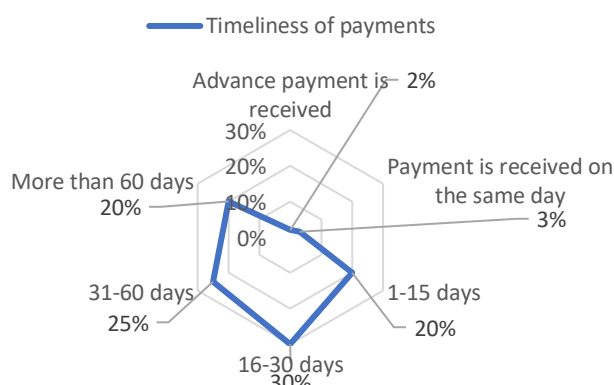


Figure 53: Understanding Payment Timelines in Supply Chain Transactions

A minimal proportion of respondents, 2%, are fortunate enough to receive advance payments, ensuring immediate liquidity. Additionally, only 3% experience the luxury of payments being settled on the same day of supply, emphasizing the rarity of instant settlements in the region.

The majority, however, grapple with delayed payments. A notable 20% have to wait between 1 to 15 days post-supply to receive their dues. An even higher number, 30% of respondents, face a longer waiting period, with their payments being held off for 16 to 30 days. This is followed closely by 25% who experience delays spanning 31 to 60 days. Alarming, a significant 20% have to endure a delay of over two months before their payments are settled.

iv. Infrastructure Access and Satisfaction:

The survey sought enterprises' feedback on their accessibility to various infrastructure services within the state. While a significant number expressed satisfaction with facilities related to electricity, water, and solid waste management, land acquisition remains a significant challenge. The state's small size often complicates this process for businesses. The primary concern for many MSMEs is the availability of land. Although the establishment of industrial parks and estates has somewhat alleviated these concerns, it's imperative to focus on optimizing land allocation and its efficient use within the state.

Most surveyed businesses function in open market spaces, with a portion operating from homes, indicating a potential unawareness about the benefits of industrial parks, districts, and clusters. These business owners have expressed multiple infrastructural issues, encompassing aspects like sewage disposal, consistent energy supply, road connectivity, and storage. To break it down: 15% of MSMEs pinpointed waste disposal as a concern, 14% mentioned problems with water supply, and 18% emphasized the need for uninterrupted electricity.

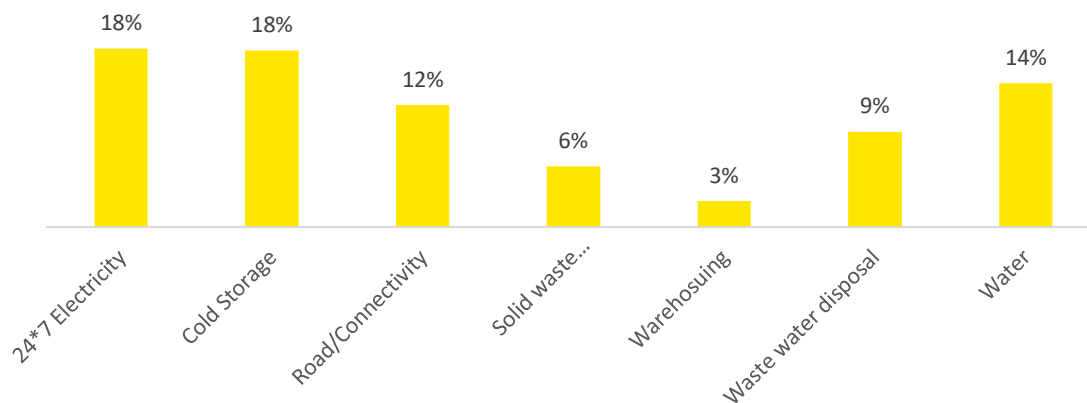


Figure 54: Infrastructure Access and Satisfaction

v. Technology Upgradation

In Assam, embracing technological advancements is pivotal for MSMEs aiming to maintain a competitive edge in the dynamic market landscape. As the digital revolution continues to reshape industries, MSMEs that are not technologically agile may find themselves at a disadvantage. Incorporating modern technology can boost operational effectiveness, cut down costs, and elevate the overall business standing of these enterprises. The impetus for such technological shifts often stems from ever-evolving consumer demands and the broader commercial landscape. For instance, the digital commerce surge necessitates Assamese enterprises to integrate digital tools to optimize customer outreach and streamline supply chains. Similarly, the growing consumer preference for tailored solutions requires businesses to leverage technologies that facilitate bespoke production. The survey's insights into the technological stance of Assam's MSMEs shed light on the existing tech-adoption gaps, potential improvement zones, and the challenges these enterprises face while upgrading.

- **Requirement of Technology Upgradation: A Survey Insight:** In the evolving business landscape of Assam, staying updated with the latest technological advancements is paramount. The survey was aimed at understanding the pulse of enterprises in Assam on the necessity for technological upgradation.

A significant 60% of respondents believed in the pressing need for technological enhancement in their businesses. This acknowledgment sheds light on the proactive approach of a majority of enterprises in Assam, recognizing that to maintain a competitive edge, adapting to the demands of the modern digital age is non-negotiable. Technological upgradation isn't just confined to digitalization or automation; it spans a spectrum of tools and methodologies that can streamline operations, cut down costs, and increase profitability.

Conversely, 40% did not see an immediate need for such upgradation. This could stem from various reasons, including satisfaction with current operational methodologies, concerns about investment costs, or the nature of their specific business niche that might not necessitate high-tech interventions.

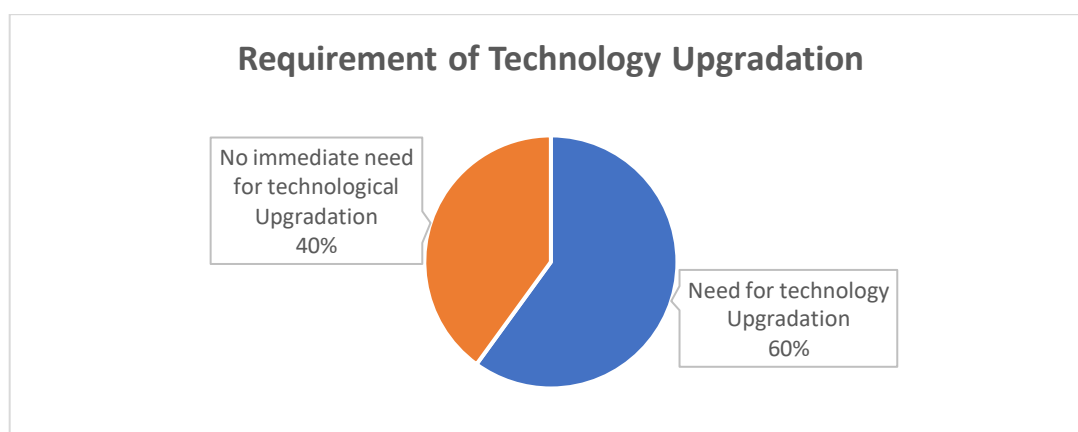


Figure 55: Requirement of Technology Enhancement

- **Technological Upgradation Barriers: Insights from Assam's Business Landscape:** Technological upgradation is at the forefront of modern enterprise growth. However, many enterprises in Assam grapple with several challenges in achieving this goal. Our survey sought to uncover the principal constraints businesses in the region face when looking to integrate new technology.

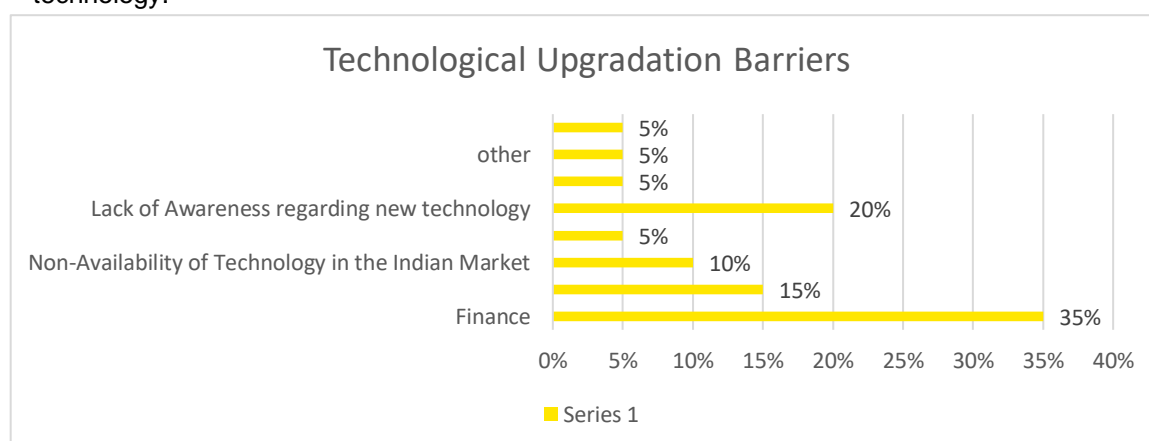


Figure 56: Technological Upgradation Barriers

In a survey on technological upgradation barriers faced by enterprises, several challenges were highlighted. A substantial 35% of enterprises identified financial limitations as their main hurdle, attributing it to the high costs often associated with integrating new technologies. This is particularly daunting for smaller businesses. Close behind, 20% of respondents conveyed that their unfamiliarity with emerging technologies was a significant obstacle. This underscores an urgent need for increased awareness and educational programs to familiarize businesses with new technological solutions. Meanwhile, 15% felt pressed for time, as managing daily operations often leaves little room to explore and implement technological innovations. Additionally, a notable 10% lamented the absence of some advanced solutions in the Indian market, which hampers their ability to upgrade. Smaller concerns, each raised by 5% of participants, revolved around regulatory issues, challenges with trade unions, and other unspecified barriers. Interestingly, an equal percentage (5%) indicated they faced no such challenges, suggesting a level of contentment with their current technological infrastructure or recent updates.

2.6.7 Evolving Gender and Business Landscape:

In the backdrop of the North-Eastern Region (NER), Assam emerges as a beacon for micro, small, and medium-sized enterprises (MSMEs). Leading the pack among NER states, **Assam boasts a remarkable 12.14 lakh MSMEs, thereby contributing a significant 65.1% to the region's**

cumulative share. When zoomed out to a national perspective, Assam proudly secures the 18th spot, holding a 1.9% stake in India's total MSME count. Beyond just numbers, Assam's flourishing MSME landscape is a pivotal employment nexus, extending job opportunities to over 18.15 lakh residents.⁹⁵ A noteworthy point in this scenario is the role of women entrepreneurs, with 27.4% of these MSMEs being steered by women.

However, recent years have also underscored the increasing prominence of women in Assam's entrepreneurial domain. Strategic efforts by local developmental agencies and various incentives sanctioned by the state's Department of Commerce and Industry are starting to bear fruit. Though there's an evident uptick in women-led ventures, Assam's overall female participation in the workforce, especially in business, doesn't mirror this trend to its full potential. When dissecting the latest Udyam Registration data, a considerable chunk of MSMEs in Assam are driven by women, predominantly in the micro-enterprise bracket. These enterprises have etched their mark on Assam's commercial fabric, yet their economic footprint in job creation and investment spheres remains relatively modest.

In terms of sectors, Assam sees a higher density of female representation in areas such as textiles, local crafts, wellness sectors, IT, tourism, hospitality, and gastronomy. Diverse factors, possibly including prevailing cultural nuances, hurdles in tapping into formal business echelons, or a dearth of mentorship avenues, could be influencing this trend. Recognizing these challenges, Assam's administrative bodies, at both the central and state tiers, are orchestrating several targeted measures. These schemes emphasize mentorship, upskilling, networking, and financial backing, all tailored for Assam's burgeoning community of female business leaders.

Women entrepreneurs play a significant role in the micro, small, and medium enterprises (MSMEs) sector in Assam. As of the latest available data, there are a **total of 58,712 registered (17.38%) out of 3.35 lakh registered under the Udyam Registration portal. Among these, 58,065 fall under the Micro category, 621 are classified as Small, and 26 are categorized as Medium enterprises**⁹⁶. These businesses are owned and operated by women entrepreneurs, highlighting the growing presence of women in the state's entrepreneurial landscape.

The Government of Assam, in collaboration with various agencies and organizations, has been actively promoting and supporting women led MSMEs. These efforts aim to empower women, enhance their economic independence, and contribute to the overall growth and development of the state. Initiatives include providing access to finance, offering skill development programs, facilitating market linkages, and creating a conducive ecosystem for women entrepreneurs to thrive. As Assam continues to prioritize the expansion and success of women owned MSMEs, these businesses are expected to make a substantial contribution to the state's economic progress.

For specific and up-to-date statistics and details regarding women headed MSMEs in Assam, you may refer to official reports and publications from the Government of Assam or the Ministry of Micro, Small & Medium Enterprises (MSMEs) in India.

⁹⁵ a statistic rooted in the National Sample Survey (NSS) 73rd round conducted during 2015-16

⁹⁶ https://dashboard.msme.gov.in/Udyam_Statewise.aspx and <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1909928>

2.6.8 Energy Consumption by MSMEs

The MSME sector is known for its high GHG emissions due to extensive use of fossil-based fuels. The Bureau of Energy Efficiency has recognized that MSMEs in specific subsectors such as rice milling, food processing, textiles, pulp and paper, chemicals, pharmaceuticals, rubber, and plastic, as significant energy consumers. To address this issue, MSMEs adopt measures to reduce energy consumption and

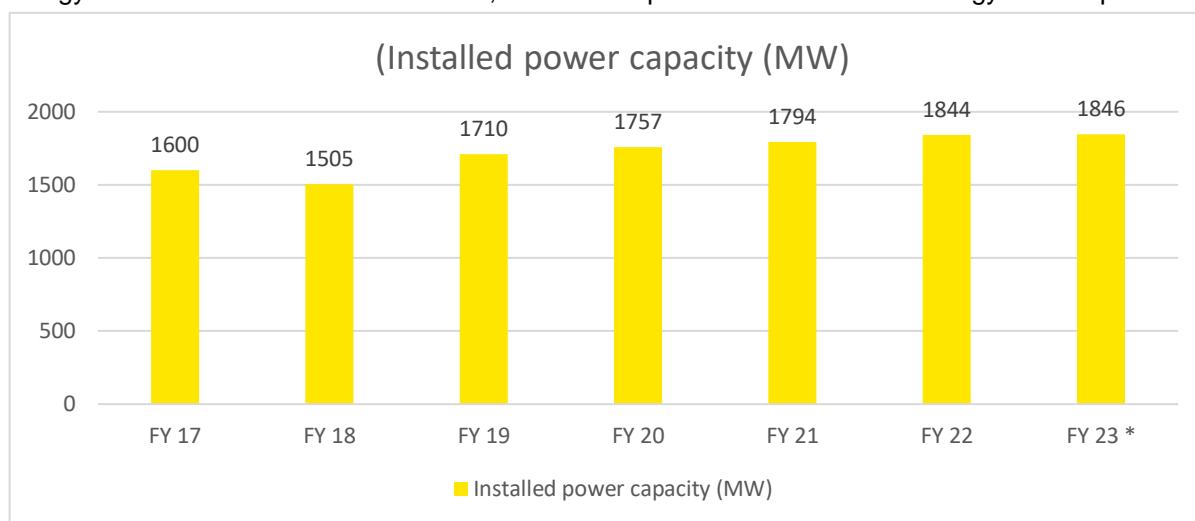


Figure 57: Installed Power capacity trend of Assam

enhance conservation. These measures encompass both demand-side and supply-side approaches. On the demand side, energy conservation and energy efficiency measures can reduce energy consumption. On the supply side, MSMEs can explore adoption of renewable energy sources, including deployment of solar rooftops to generate clean energy.

To assess the MSMEs and other segments, NITI Aayog introduced the State Energy and Climate Index (SECI). This index evaluates Indian states based on six key parameters, using 27 indicators⁹⁷. Among these indicators, the energy saved by industries is perhaps the most important parameter as it shows how prudent the industries, in a state, are in adopting good practices to save energy. Notably, Assam has excelled in this aspect and is an achiever overall SECI ranking⁹⁸, demonstrating strong commitment to energy conservation and sustainable practices.

Based on stakeholder discussions and survey findings, the MSMEs, particularly those in power-intensive sectors, expressed a desire to transition to renewable energy sources like solar and wind energy. However, their ability to do so has been hampered by constraints such as limited financial resources and a lack of awareness regarding available formal financing schemes.⁹⁹

⁹⁷ State Energy and Climate Index (SECI) 2022, NITI Aayog

⁹⁸ Assam was the frontrunner State in Group 3 in the State Energy and Climate Index 2022 prepared by NITI Aayog

⁹⁹ [Assam State Presentation and Economic Growth Report | IBEF](#)

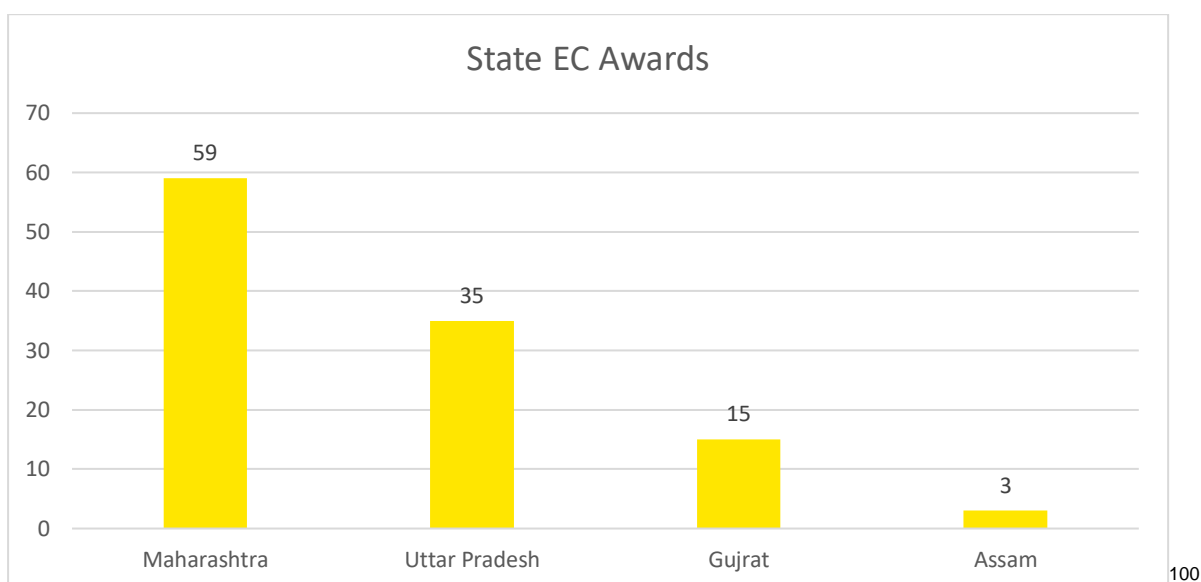


Figure 58: State EC Awards¹⁰¹

2.6.8 Employment and Labour Practices

Assam, a state rich in culture and history, has made substantial strides in promoting labour rights and fostering an environment conducive to worker well-being. As one of the pivotal states in North-Eastern India, Assam focuses not just on job generation but on sculpting a workspace that resonates with safety, fairness, and respect for all its laborers.

With the Assam Department of Labour and Employment at its forefront, the state has been proactive in setting up regulations that ensure the safety and well-being of its workforce. This department, through its various initiatives, has been successful in substantially reducing workplace accidents across different industries. This proactive approach has resulted in a safer and more accountable industrial landscape, and the impact of these interventions is visible in the declining rate of incidents across the state's factories.

Data from various sources indicates that Assam's commitment to worker welfare isn't just limited to safety measures. The wage structure in Assam, especially for casual workers, reflects a commitment to providing competitive remuneration. Influenced by its unique socio-cultural fabric and emerging educational framework, Assam ensures that wages are not just competitive, but also fair and reflective of the skills and expertise brought in by the workers.

Historical data points towards Assam's increasing influence as a destination for migrant labour. Initially, most migrant workers hailed from neighbouring states; however, there has been a visible shift, and workers from farther states are seeking employment opportunities in Assam. The agriculture and tea industries have been major employers in the state, but newer sectors, especially manufacturing and construction, are seeing an influx of migrant labour.

Despite the progress, Assam faces challenges in documenting and tracking its migrant workforce, which can sometimes lead to gaps in ensuring their welfare. Nonetheless, various stakeholders, including MSMEs, are acknowledging the importance of these workers and are working towards bettering their living and working conditions. This includes adhering to safety standards, offering essential social security benefits, and ensuring that these workers are treated with the same dignity and respect as local labour.

On the energy front, Assam has been channelling its resources to ensure sustainable and efficient energy utilization. Assam's commitment to sustainable energy sources, its focus on reducing transmission and distribution losses, and its dedication to energy conservation have painted the state

¹⁰⁰ [State-Energy-Efficiency-Index-2021-22-Report.pdf \(stateenergyefficiencyindex.in\)](#)

¹⁰¹ State-Energy-Efficiency-Index-2021-20211-Report

as a model for others to emulate. The Assam State Electricity Board (ASEB) and other related departments have been making efforts to ensure that the state not only meets its energy requirements but does so in an environmentally sustainable manner.

Table 56 : Potential for ESG Enhancements in Various Sectors

Sector	Participation of Women	Scope for Greening
Tea	High	Moderate to High
Rubber	Low to Moderate	Moderate to High
General Engineering	Low	Moderate
Food Processing and Agro-Based Industries	Moderate to High	High
Handloom	High	Low to Moderate
Handicraft	High	Low
Bamboo and Cane	Moderate	Moderate to High

2.6.9 Ease of Doing Business (EoDB)

Ease of Doing Business (EoDB) in Assam: Assam, a rapidly emerging hub in the north-eastern region of India, has taken significant steps towards enhancing the Ease of Doing Business (EoDB) in the recent past. The state has ushered in numerous reforms aimed at streamlining business processes, minimizing bureaucratic impediments, and cultivating an encouraging environment for businesses. This proactive approach has elevated Assam's stature as a budding destination for entrepreneurs and businesses, particularly in terms of EoDB.

For the MSME (Micro, Small, and Medium Enterprises) sector in Assam, the EoDB enhancements are especially pivotal. Typically, MSMEs operate with restricted resources, specialized expertise, and limited negotiating power, rendering them susceptible to regulatory challenges, administrative lags, and the weight of compliance obligations.

The advancement in EoDB in Assam presents multifaceted benefits to MSMEs:

- ▶ Enhanced EoDB mechanisms present a plethora of advantages for MSMEs. A foremost benefit is the reduction in regulatory compliance burdens. By refining and organizing business protocols, the associated time and expenses linked to obtaining permits, licenses, and approvals can be substantially minimized.
- ▶ Furthermore, a well-defined and efficient registration procedure can pave the way for broader access to credit and financing avenues for MSMEs. Such financial influx is invaluable for MSMEs looking to expand and scale their operations.
- ▶ From a logistical standpoint, an improved EoDB framework can champion efficient supply chain management, aiding MSMEs in tapping into newer markets and broadening their customer base. This, in turn, can result in heightened revenue streams and growth trajectories.
- ▶ A conducive business atmosphere, fostered by a positive EoDB environment, can magnetize investments, spark innovations, and encourage technology dissemination. Such a milieu augments the competitive edge for MSMEs. Consequently, a robust EoDB structure can act as a catalyst for the proliferation and dynamism of MSMEs, underlining their pivotal role in the region's socio-economic fabric.

In a bid to harness these benefits, Assam has been proactive in amplifying the Ease of Doing Business (EoDB) for its MSME sector. A series of strategic initiatives have been introduced, encompassing the digitization of business-related processes, simplification of

the permit and licensing landscape, refinement of tax protocols, and the introduction of a consolidated clearance mechanism tailored specifically for MSMEs. A landmark step in this direction was the inception of the Single Window Clearance System in 2016, which operates on a unified gateway principle, streamlining the establishment and growth of new industrial endeavours. This system extends a comprehensive suite of over 450 G2B services spanning 55 distinct departments, encompassing a variety of permits and certifications. All these services can be conveniently accessed via the Single Window Clearance System's online portal. What further elevates this platform's efficacy is its integration at a national scale, further cementing Assam's commitment to enhancing the ease of conducting business.

In the diagnostic study conducted for Assam, we sought to understand the business landscape better by incorporating questions in our survey about the awareness of the Single Window Clearance System portal. We also delved into the challenges entrepreneurs face when embarking on a new venture and solicited suggestions for optimizing the use of the portal.

- ▶ **Awareness of the Single Window Clearance System's Online Portal in Assam's Business Community:** According to a recent survey conducted amongst businesses in Assam, it was observed that awareness of the Single Window Clearance System's online portal remains a challenge. Only 22% of the respondents confirmed being aware of this streamlined platform that aids in obtaining approvals for initiating businesses. This platform has been designed to simplify and fast-track the regulatory and licensing processes for new ventures in Assam.

In stark contrast, a significant majority of 78% of those surveyed admitted to having no knowledge of this portal. This suggests that while the tool itself is a commendable step forward in promoting ease of doing business, there's a conspicuous gap in its dissemination and outreach to the intended beneficiaries.

- ▶ **Challenges in Initiating a Business:** When entrepreneurs embark on the journey to establish a new business, they encounter various challenges that can impede their progress. This survey aimed to identify the predominant hurdles faced by business starters.

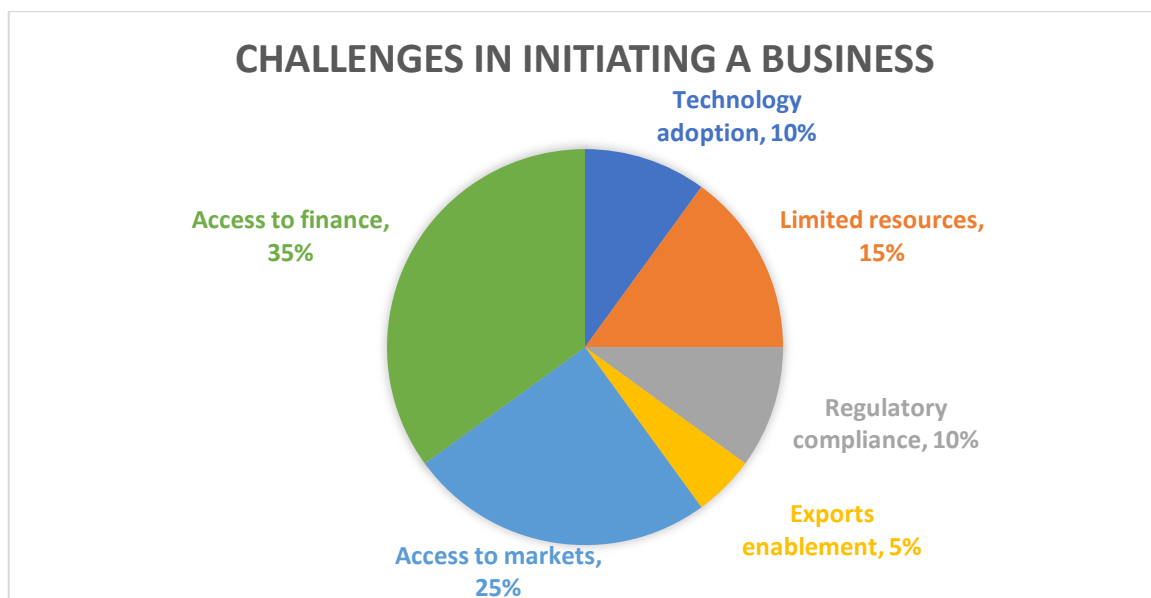


Figure 59: Challenges in Initiating a Business

35% of respondents highlighted 'Access to finance' as their primary challenge. This capital is essential for acquiring resources, recruiting, and technology integration, indicating its pivotal role for emerging businesses.

Next, 25% pointed to 'Access to markets.' Establishing a presence and ensuring product visibility in competitive markets is a significant hurdle for a quarter of the businesses surveyed.

'Limited resources' was a concern for 15%. New businesses often work within strict budgets, struggling to secure essential tools, workforce, or materials.

Both 'Technology adoption' and 'Regulatory compliance' were concerns for 10%. In today's digital era, incorporating suitable technology is crucial. Yet, understanding and adopting it, along with navigating through intricate regulations, remains challenging for many.

Finally, 5% emphasized the intricacies of 'Exports enablement,' which involves navigating foreign regulations and setting up distribution channels, adding another dimension of challenges for businesses seeking global reach.

The survey points towards an array of obstacles that MSMEs in Assam grapple with as they aspire to initiate and upscale their ventures. These challenges, reflective of the region's unique socio-economic landscape, necessitate tailored solutions for this vital sector. Here's a closer look:

- ✓ **Access to Finance:** For MSMEs in Assam, the financial arena often appears riddled with impediments. Crucial to their evolution and continuity, many enterprises find themselves at crossroads due to issues like unmet collateral prerequisites, unfamiliarity with the banking landscape, lack of awareness about state-specific financial schemes, and the overarching burden of exorbitant credit costs.
- ✓ **Access to Markets:** Penetrating the market, especially in Assam's diverse milieu, isn't devoid of challenges. MSMEs often grapple with information asymmetry, constrained capabilities in marketing and outreach, and a sometimes-unfavourable logistical backbone, making market ingress a daunting task.

- ✓ **Exports Enablement:** Venturing beyond domestic boundaries into international markets brings its own set of trials for Assam's MSMEs. Navigating the intricacies of export regulations, securing export-specific finances, and the absence of a robust export-oriented logistical framework are just a few of the many hurdles they face.
- ✓ **Regulatory Compliance:** Assam, with its distinct regulatory environment, requires MSMEs to be adept at handling an assortment of mandates. From procuring the necessary permits and licenses to adhering to the region-specific labor and environmental guidelines, compliance becomes a significant task, often demanding resources and expertise.
- ✓ **Limited Resources:** Resource constraints, a universal challenge, finds particular resonance among Assam's MSMEs. Be it harnessing skilled manpower, ensuring production continuity with sometimes-inadequate infrastructure, or staying abreast with technological advancements, MSMEs in the region often find themselves stretched thin.

2.5.9 MSME Grievance Redressal Mechanisms

Grievance redressal mechanisms play a pivotal role in ensuring a harmonious and conducive business environment, particularly for MSMEs in Assam. The primary purpose of these mechanisms isn't just about attending to individual grievances but to foster an environment that supports business growth, encourages budding entrepreneurs, maintains fairness, and paves the way for a robust economy that benefits all stakeholders.

In Assam, MSMEs have access to a multitude of platforms designed to address their concerns, including local platforms tailored for the unique challenges faced by businesses in the region. One such platform, established by the Assam State Industries Department, acts as a comprehensive gateway for MSMEs to voice their concerns. Designed with efficiency in mind, it ensures that grievances are swiftly routed to the appropriate department, guaranteeing a response within a stipulated time frame.

Furthermore, Assam recognizes the challenges MSMEs face due to delayed payments, a concern addressed by the national MSMED Act, 2006. To assist MSMEs in this regard, the state promotes online portals where businesses can lodge complaints about pending payments. Such platforms not only ensure transparency but also accelerate the redressal process, safeguarding the interests of MSMEs.

However, a concerning observation arises from recent surveys. A significant percentage of MSMEs in Assam remain uninformed about these essential platforms. Such a gap in awareness can place them at a disadvantage, especially when they encounter business challenges. The importance of platforms like SAMADHAAN cannot be understated, as they act as safeguards for MSMEs. Without knowledge of such resources, MSMEs might find themselves resorting to solutions that are not only resource-intensive but may also strain business relations and threaten their long-term stability. It underscores the importance of widespread dissemination of information regarding these platforms in Assam.

Analysis on MSEFC Council Activities by District

The given data illustrates the performance of the MSEFC Council across various districts in terms of handling applications filed by MSEs. The data delineates the amount payable, applications disposed, actions taken, pending applications, and the amount settled by the MSEFC Council.

Key Insights:

- **Highest Applications:** 'KAMRUP METRO' district recorded the highest number of applications filed by MSEs with 322 applications. The total amount payable as per these applications is 71.09 crores, of which 22.72 crores have been disposed, 36.52 crores are in action, and 11.85 crores are pending.
- **Highest Settled Amount:** 'KAMRUP METRO' also leads in the amount settled by the MSEFC Council with 12.04 crores.

- **Significant Pending Amount:** 'TINSUKIA' district stands out with a notably high amount of 49.04 crores pending against only 3 applications. This suggests that the applications from this district might be of a higher value compared to other districts.
- **Efficient Disposal:** 'DIBRUGARH' district seems efficient in disposing applications, with 9.55 crores settled out of a total of 9.7 crores in filed applications.
- **Pending Applications:** A total of 64 applications are pending across all districts, with a cumulative amount of 63.68 crores yet to be addressed.
- **No Settlement:** Districts such as 'NAGAON', 'DIBRUGARH', 'SONITPUR', 'KARBI ANGLONG', 'DHUBRI', 'SIVASAGAR', 'CHIRANG', 'DHEMAJI', and 'DARRANG' have zero amounts settled by the MSEFC Council, indicating that no resolutions have been reached for the applications from these districts.
- **Overall Performance:** Out of a total of 480 applications filed across all districts, 145 have been disposed of, and 271 have had action taken on them. The total amount payable as per these applications is 152.15 crores. The MSEFC Council has disposed of applications worth 38.63 crores, taken action on applications worth 49.86 crores, and has a pending amount of 63.68 crores.

3. Key gaps in MSME support, policy development and delivery

3.1 Mapping of the Institutions and Agencies in the State for MSME development

The Department of Industries and Commerce, Assam, has several key functions that contribute to the development and growth of industries within the state. These functions include:

- ▶ **Development of industries in the state:** The department is responsible for fostering the growth of various industries within the state. This involves providing support and resources to existing industries while also attracting new ones to establish their operations in the state.
- ▶ **Registration and licensing of new industrial undertakings:** The department oversees the process of registering and licensing new industrial undertakings. This ensures that these businesses meet the necessary legal and regulatory requirements to operate within the state.
- ▶ **Acquisition of land for industrial purpose:** The department plays a crucial role in acquiring land for industrial purposes. This includes identifying suitable locations for setting up new industrial estates and negotiating the acquisition of such land from relevant parties.
- ▶ **Development of Industrial area:** Once the land is acquired, the department takes charge of developing industrial areas. This involves planning and constructing necessary infrastructure, such as roads, utilities, and other facilities, to support industrial activities.
- ▶ **State's participation in Private sector undertakings:** The department actively participates in private sector undertakings to encourage investment and collaboration between the state and private businesses. This can include providing financial assistance, incentives, or partnership opportunities to boost the growth of these undertakings.
- ▶ **Industrial survey:** The department conducts regular industrial surveys to gather important data and information about the state's industrial landscape. This helps in identifying areas of improvement, potential opportunities, and challenges that need to be addressed to further develop the industrial sector.

- ▶ **Creation and maintenance of Industrial Estates:** The department is responsible for the creation and maintenance of industrial estates. These estates serve as dedicated areas where multiple industries coexist. The department ensures the proper infrastructure, facilities, and services are in place to support the smooth functioning of these estates.
- ▶ **Organizing Exhibition, Industries Fairs within and outside the state:** To promote industries within the state and facilitate networking opportunities, the department organizes exhibitions and industry fairs. These events provide a platform for businesses to showcase their products and services to potential clients and investors, both within the state and outside.

Listed below are the corporations/Commissionerate/Directorate under the Department of Industries and Commerce:

- i. Commissionerate of Industries & Commerce, Assam
- ii. Directorate of Tea, Assam
- iii. Assam Industrial Development Corporation Ltd
- iv. Assam Small Industries Development Corporation Ltd
- v. Assam Industrial Infrastructure Development Corporation
- vi. Assam Tea Corporation Ltd
- vii. Assam Trade Promotion Organization
- viii. Assam Petro Chemical Ltd
- ix. Assam Gas Company Ltd

3.2 As-is assessment of portals in the State

Table 57: As-is assessment of portals in the State

Activity	Website Link
Official Website of Department of Industries and Commerce, Assam	https://industries.assam.gov.in/
Official Website of Assam Small Industries Development Corporation	https://asidcltd.assam.gov.in/
Ease of Doing Business (Single Window Clearance)	https://eodb.assam.gov.in/resources/homePage/18/eodbnew/eservices.html#!

e-Office: The implementation of e-Office in Assam commenced in 2017 and has since made significant progress. Through Project Sadbhavana, all departments within the Assam Secretariat have been successfully migrated to the e-Office platform by 2nd October 2022. In its latest phase, the system has been extended to include the Offices of Deputy Commissioners in all districts of Assam by 1st January 2023.

In the subsequent phases, the e-Office system will be further deployed in Directorates, Commissionerate's, District offices, and Sub-Divisional offices. The ultimate objective is to achieve 100 percent electronic file movement across all offices by 30th June 2023. This implementation marks an important milestone in promoting efficiency and transparency in governance throughout Assam.

Ease of Doing Business Platform: The implementation of the 'Assam Ease of Doing Business Act 2016' has led to the establishment of a streamlined single window clearance system. This system serves as a comprehensive platform for investors, providing them with a centralized and authoritative source of information on government policies, incentive schemes, and infrastructure availability.

As of December 2022, a significant number of Common Application Forms (CAFs) have been registered on the portal, reaching a total of 69,833. These CAFs have resulted in the issuance of 1,50,552 service licenses, with 67,882 CAFs being approved, and 1,26,828 licenses being issued.

3.3. Monitoring and Evaluation Systems

Currently, no dedicated dashboards are present in the department's website and its allied departments for monitoring progress of various schemes and initiatives. Dashboards serves as a critical component in monitoring and evaluating the progress of the programs initiated by the department/government and serves as a transparent window to the beneficiaries of the various schemes and initiative. The websites was developed by the National Informatics Center (NIC) and content ownership is with the Department of Industries and Commerce, Government of Assam.

One crucial factor in assessing workings of the various schemes and initiative is the availability of IT assets with the department and more importantly at the district level. Highlighted below is the availability of manpower and IT assets at the district level.

Table 58: Highlighted below is the availability of manpower and IT assets at the district level.

Sr. No	Districts	Manpower		Availability of IT Assets			
		Clerical	Managerial	Computers - Desktops	Laptops	Tablets	Internet Availability
1	Kamrup (M)	10	13	5	0	0	No
2	Kamrup Rural						
3	Nalbari	8	7	3	1	0	Yes (Provided under APART Project)
4	Morigaon	12	5	2	0	0	No
5	Goalpara	2	6	2	0	0	Yes
6	Sonitpur	12	8	1	2	0	No
7	Bongaigaon	9	6	4	0	0	No
8	Jorhat	12	9	2	0	0	No
9	Cachar	8	4	1	0	0	No
10	Hailakandi						
11	Karimganj						
12	Dibrugarh	10	6	6	1	0	No
13	Kokrajhar	21	7	6	0	0	No
14	Lakhimpur	6	5	3	0	0	No
15	Golaghat	6	4	1	0	0	No
16	Dhemaji	5	4	3	0	0	No
17	Majuli	1	1	1	0	0	No
18	Sivasagar	4	6	4	0	0	No
19	Charaideo	3	1	2	0	0	No
20	Darrang						
21	Barpeta	5	4	3	0	0	Yes
22	Dhubri						
23	Chirang	4	5	4	0	0	No
24	Udalguri						
25	Nagaon	9	9	1	0	0	No
26	Hojai	2	3	3	0	0	No
27	Karbi Anglong	2	1	1	0	0	No
28	West Karbi Anglong						

Sr. No	Districts	Manpower		Availability of IT Assets			
		Clerical	Managerial	Computers - Desktops	Laptops	Tablets	Internet Availability
29	Tinsukia	5	7	5	0	0	No
30	Baksa						
31	Biswanath	5	2	1	0	0	No

On a state level where important decisions are made, the limitations of having a segmented perspective pose a major obstacle. It hinders the capability to extract valuable insights from various programs, assess the connections between different initiatives, and ultimately obstructs the process of making strategic decisions based on reliable data. This situation highlights the urgent requirement for a unified master MIS portal, which can serve as a comprehensive platform that provides accurate information to multiple stakeholders.

A digital based monitoring and evaluating system is a necessity while addressing the progress of the initiatives of the department/government. Implementing a smartphone/tablet led monitoring will empower the field offices and its staffs to have ease of mobility, data transparency, and robust data collections process.

At present as seen from the table above, none of the DICs have tablets while only a few have laptops. This is hindrance in the process of monitoring and evaluation and is a roadblock in implementing an efficient delivery mechanism. Internet availability is also another cause of concern in most of the DIC offices. Majority of the offices has no internet connection. Providing a robust digital infrastructure will be part of convergence of intervention mentioned in section 4 of this SIP.

A revamped IT infrastructure with a unified MIS portal, along with empowerment of field offices with the necessary digital devices and internet connectivity will play a crucial role in making leaps in monitoring and evaluation process

3.4 Existing Interventions in the State for MSME promotion

Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana

The Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana is a government initiative aimed at boosting economic empowerment and self-employment opportunities for the youth of Assam, India. Launched in December 2020, the scheme has achieved significant success in contributing to the development and growth of the state's youth population.

Under the SVAYEM Yojana, financial support is provided to eligible individuals to help them establish and run their own business ventures. The scheme focuses on a wide range of sectors such as agriculture, horticulture, sericulture, animal husbandry, fisheries, handloom, and handicrafts. Through targeted financial assistance, the program encourages entrepreneurial activities and ensures the sustainable growth of enterprises.

Since its launch, the SVAYEM Yojana has made a substantial impact on youth empowerment in Assam. According to recent data, the scheme has facilitated the creation of over 2 lakh self-employment opportunities across various sectors. This significant number indicates the program's success in generating meaningful employment and income opportunities for the state's youth population.

In terms of financial support, the SVAYEM Yojana has disbursed an impressive amount of funds to deserving beneficiaries. As of the latest data, the scheme has provided approximately INR 300 crore (30 million) in financial assistance to eligible individuals to support their entrepreneurial endeavours.

These funds have played a crucial role in helping aspiring entrepreneurs overcome financial barriers and kick-start their businesses.

Alongside financial aid, the SVAYEM Yojana places a strong emphasis on skill development and capacity building. Training and mentoring programs are organized to equip the youth with the necessary knowledge and expertise to successfully manage their enterprises. Notably, the scheme has successfully trained over 1 lakh young individuals in various sectors, providing them with the necessary skills to thrive in their chosen fields.

Another notable aspect of the SVAYEM Yojana is its commitment to promoting gender equality and women empowerment in entrepreneurship. A significant percentage of the scheme's beneficiaries are women-led enterprises. This focus on women entrepreneurship has resulted in a substantial increase in the number of economically active women in Assam.

Overall, the Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana has delivered impressive results in terms of youth empowerment and economic growth in the state of Assam. The scheme's achievements, including the creation of over 2 lakh self-employment opportunities, the disbursement of INR 300 crore (30 million) in financial aid, and the training of over 1 lakh individuals, highlight its effectiveness in fostering youth entrepreneurship and driving economic development.

“SAROTHI”– THE START-UP ASSAM

The state of Assam is facing challenges in converting entrepreneurial ideas into reality due to a lack of adequate resources and difficulties in obtaining loans from banks and financial institutions. In response to this problem, the State Government has proposed the Chief Minister's Start-up fund called "Sarothe," allocating an initial amount of Rs. 10 crores during 2016-17. The scheme, managed by the Industries & Commerce Department, aims to provide financial assistance in the form of a loan with interest subvention through a designated bank, initially Assam Gramin Vikas Bank (AGVB).

The scheme's objectives include supporting innovative start-up industrial activities and new individual applicants, particularly those with skill development training. The coverage of the scheme extends to new MSME units, excluding defaulters of Banks/Financial Institutions. The State Government will provide interest subvention at a rate of 5% per annum to beneficiaries of the loan.

The design of the scheme does not address the equity/fund crunch issue directly but focuses on interest concession through the designated bank. Its operational guidelines outline the financial assistance in the form of interest subvention on a loan, specifically term loan and cash credit. The scheme will be active for five years and may include additional banks in the future.

Overall, "Sarothe" is aimed at supporting entrepreneurs in Assam by providing financial assistance and interest subvention, thus removing obstacles in accessing capital and promoting the growth of start-up ventures in the state.

The Industrial and Investment Policy of Assam 2019

The Industrial and Investment Policy of Assam 2019 is a policy document that outlines the government's strategy and plans for the development of industries and attracting investments in the state of Assam, India. The policy aims to encourage and support sustainable industrial growth and create employment opportunities for the people of Assam.

Some key highlights of the Industrial and Investment Policy of Assam 2019 are as follows:

- **Promotion of inclusive and sustainable industrial development:** The policy emphasizes the need for balanced regional development, with a focus on industries in rural and semi-urban areas. It aims to promote sectors such as manufacturing, agriculture and food processing, tourism, and services.
- **Ease of doing business reforms:** The policy aims to simplify and streamline administrative processes and procedures related to investment approvals and clearances. It also emphasizes the use of digital technologies for faster approvals and online services.
- **Incentives and support for investors:** The policy offers a range of incentives and support measures for investors, including capital subsidies, interest subsidies, GST reimbursement,

and reimbursement of land premium. It also provides specific incentives for certain sectors or regions, based on their potential for development.

- **Infrastructure development:** The policy recognizes the importance of robust infrastructure for industrial growth. It emphasizes the development of industrial parks, logistics hubs, and connectivity infrastructure such as roads, airports, and ports.
- **Skill development and employment generation:** The policy highlights the need to enhance the skills of the local workforce and promote employment opportunities. It aims to establish skill development centres and encourage entrepreneurship among the youth.
- **Sustainability and environment-friendly practices:** The policy promotes environmentally sustainable practices in industries and encourages the use of renewable energy sources. It also emphasizes the need for social and environmental impact assessments for major industrial projects.

The policy is valid for a period of five years from 1st April 2019 to 31st March 2024. However, the government has recently extended the validity period till 31st March 2028 by issuing an amendment notification.

Assam cane and bamboo policy, 2019

About the scheme:

The Cane and Bamboo Policy of Assam, 2019 introduced by the Government of Assam, is designed to encourage the growth and effective utilization of cane and bamboo resources within the state. The policy's objective is to extend a range of benefits and assistance to the cane and bamboo sector, which encompasses tax exemptions, subsidies, credit opportunities, training provisions, marketing support, and more.

Coverage:

The policy encompasses multiple dimensions of cane and bamboo advancement, including cultivation, harvesting, processing, value enhancement, product expansion, quality enhancement, innovative design, and more. Furthermore, the policy encompasses a wide spectrum of cane and bamboo goods, ranging from furniture and handicrafts to housing, paper, pulp, charcoal, and beyond.

Objective:

Broadly the policy aims at sustainable development and utilization of bamboo and Cane resources in the State through scientific management and stakeholders' participation. More specifically, the policy aims at:

- Protection and conservation of biodiversity associated with bamboo and Cane forests and bamboo growing areas.
- Enhancement of resources through promotion of bamboo and Cane plantation in forest areas, wastelands as well as in private lands and through its sustainable and scientific harvesting.
- Improvement of productivity by use of improved planting stock and scientific management practices.
- Promotion of bamboo-based industries at cottage, small, medium and large-scale levels for utilizing the available resources at a sustainable level and towards generating assured income. Cane based industries will also be promoted.
- Revival and promotion of traditional sector for producing handicrafts and other value-added items. Promotion of product diversification and value addition in the organized sector.
- Enhancing employment opportunity and livelihood security of the bamboo and Cane dependents at all levels through assured supply of raw materials and establishment of appropriate institutions.
- Improvement and promotion of traditional bamboo houses and establishment of modern bamboo houses, reducing pressure on forest wood Use of bamboo and Cane for environmental

protection, greening up of degraded lands and other diversified activities such as watershed protection and riverbanks and as geo material in construction of roads and bridges.

- To promote skill development, capacity building, awareness generation for development of bamboo sector from production to market demand.
- Development of effective marketing for Bamboo and Cane based products.

Assistance/Incentive:

- The policy extends a range of incentives and advantages to eligible entities in the cane and bamboo sector, including:
- Exemption from sales tax for a duration of 10 years from the commencement of production or operations.
- Exemption from entry tax for a period of 10 years from the commencement of production or operations.
- Exemption from electricity duty for 10 years from the start of production or operations.
- Subsidy amounting to 25% of the fixed capital investment, up to a maximum of Rs. 25 lakh per unit.
- Subsidy covering 50% of the expenses related to feasibility studies or project reports, capped at Rs. 1 lakh per unit.
- Subsidy equivalent to 50% of the costs for quality certification or patent registration, limited to Rs. 1 lakh per unit.
- Subsidy accounting for 50% of the expenses linked to participation in national and international trade fairs and exhibitions within the cane and bamboo sector, up to Rs. 1 lakh per unit per year.
- Subsidy covering 50% of the costs associated with the transportation of raw materials and finished products within the state, not exceeding Rs. 5 lakh per unit per year.
- Subsidy equivalent to 50% of the expenses for transporting raw materials and finished products outside the state, up to Rs. 10 lakh per unit per year.
- Access to credit facilities with concessional interest rates from banks or financial institutions.
- Training and skill development initiatives tailored for cane and bamboo growers, workers, and entrepreneurs.
- Support in marketing through government agencies, cooperatives, federations, and related entities.

Implementation and Regulation:

- The policy will be effective from 01.01.2020 and will be valid for a period of 5 years. All eligible new units as well as the existing units which go in for substantial expansion/Modernization/Diversification, and which had commenced commercial production within the period of validity will be eligible for the incentives.
- The policy is expected to boost the development and utilization of cane and bamboo resources in Assam, and to provide various benefits and support to the cane and bamboo sector. The policy is also expected to generate employment opportunities in rural and urban areas and enhance the income level of traditional artisans ensuring sustainable growth.
- The 2019 State Bamboo & Cane Policy aims to comprehensively address various facets of the Bamboo & Cane sector, encompassing conservation, propagation, sustainable harvesting, as well as industrial and non-industrial processing and marketing.
- The successful execution of the State policy will result in the attainment of objectives such as sustainability, heightened productivity, ecological preservation, the incorporation of green

technology, improved farmer compensation, and the holistic promotion of Bamboo and Cane in diverse spheres of life.

Chief Minister's Atmanirbhar Asom Abhijan 2023

The Assam government's Chief Minister's Atmanirbhar Asom Abhijan 2023 is a program designed to provide financial support and assistance to two hundred thousand young individuals in the state to establish their own businesses and achieve self-sufficiency. The initiative was announced by Dr. Himanta Biswa Sarma, the Chief Minister of Assam, on September 12, 2023, and was formally launched on September 23, 2023.

The primary objective of this program is to promote inclusive growth and socio-economic development in the state by equipping young people with skills, knowledge, training, financial backing, and access to markets. It encompasses various sectors such as agriculture, horticulture, animal husbandry, fisheries, handloom, handicrafts, tourism, IT, and food processing. The scheme also seeks active collaboration with diverse stakeholders, including banks, NGOs, and industry associations, to establish a robust entrepreneurial ecosystem in the state.

Under this scheme, the level of financial assistance varies depending on the nature and scale of the proposed projects. Beneficiaries can access up to Rs. 2 lakh for individual projects, Rs. 3 lakh for group projects involving 2-5 members, and Rs. 5 lakh for cluster projects with 6-10 members. The financial aid is distributed in two installments: 50% as a grant and 50% as an interest-free loan, which is repayable over a five-year period.

The key objectives of the scheme are discussed below:

- Provide self-employment to all categories of educated Youth through suitable mechanism.
- Create entrepreneur-oriented ecosystem in the state of Assam.
- Generate employment opportunities in rural and urban areas through setting up of new/existing ventures.
- Provide financial assistance to enterprising individuals and groups to undertake new/existing economic activities.
- Strengthen the State Government's special focus on rural economy.

3.5 Enterprise Support provision in Assam

Policy component	Possible schemes/activities at State level	Provision in other States	Provision in Assam
Separate MSME directorate and separate MSME policy	NA	Separate Directorate is available in states such as Haryana, Karnataka, and Tamil Nadu	No provision
Separate grievance cell	NA	Haryana has constituted separate Regulatory Facilitation & Grievances Resolution Cell	Provision added in amendment of the Assam Single Window System Grievance Redressal - Assam EoDB portal
Factor conditions	Exemption from tax on Electricity Tariff	<ul style="list-style-type: none"> Karnataka – 100% exemption for 8 years Haryana – 100% exemption for 7 years 	Under Industrial & Investment Policy of Assam, 2019: Subsidy @ 50% subject to a limit of Rs. 20 lakhs on the cost of generating set, taxes and transportation only
	Exemption from stamp Duty for MSMEs	<ul style="list-style-type: none"> Karnataka – 100% exemption Maharashtra – 100% exemption Haryana – 100% refund in industrial estate, 75% in category C blocks and 50% in category A and B blocks 	Under Industrial & Investment Policy of Assam, 2019: Reimbursement @ 100% Stamp duty subject to a monetary ceiling of Rs.25 lakh only for such parcel of land which is exclusively used for setting up of the manufacturing facilities or Hotel as specified in the Assam Industries (Tax Reimbursement for Eligible unit) scheme 2017 & not to the Agricultural land and land in urban areas used for manufacturing activities Under Assam Start-Up Policy 2017: Startups with MASI shall be eligible for 100% reimbursement of Stamp Duty/ Registration

			Fee/ Conversion Fee Paid on Sale/ Lease deeds for first transaction.
	Power Subsidy	<ul style="list-style-type: none"> Haryana – Rs. 2 per unit in designated blocks Karnataka – Rs. 1 for 3 years Maharashtra – Rs. 0.50 and Rs. 1 for designated blocks Tamil Nadu - 20% of the power consumption charges is reimbursed for the first three years of commercial production (LTPT subsidy) 	<p>Under Industrial & Investment Policy of Assam, 2019: Subsidy @ Rs. 2.00 per unit power consumed for a period of 5 (five) years from the date of Commencement of Commercial Production subject to a maximum Rs. 50 (fifty) lakhs Per Annum not exceeding 100% of total investment made in plant & machinery, whichever is lower</p> <p>Under Assam Start-Up Policy 2017: Subsidy @ 50% Subject to a ceiling of INR 10 Lakh per annum for a period of 5 years.</p>
Private Industrial parks	Capital Subsidy for Setting up STP	<ul style="list-style-type: none"> Karnataka – Offers developer one-time capital subsidy amounting to 50% of Secondary Treatment Plant (STP) set up cost subject to an upper ceiling limit of Rs 1 cr 	<p>Under Industrial & Investment Policy of Assam, 2019: Subsidy @ 30% excluding value of land, subject to a ceiling of Rs. 3 Cr to private sector infrastructure developers</p> <p>Under Assam Start-Up Policy 2017: Startups with MASI shall be eligible for 50% lease rental reimbursement for a maximum period of 3 years subject to a ceiling of INR 5 Lakh. It may include any rent being paid to an incubator/ co-working.</p>
	Land subsidy	<ul style="list-style-type: none"> Karnataka - Offers MSMEs in private industrial parks special land at the rate of 25% of guidance value limiting to maximum extent of up to 1 acre in Zones 1 & 2 only 	
	Water charges	<ul style="list-style-type: none"> Karnataka – Offers MSMEs subsidy on water charges for tertiary treated water for the initial 5 years of operation of the individual enterprise at the rate of Rs 15 per unit of water (KLD) used in case of establishment of tertiary treatment 	

		facilities and supplied to such enterprises by the developer	
	CETP charges	<ul style="list-style-type: none"> Karnataka – Offers developer one-time capital subsidy up to 50% of Common Effluent Treatment Plant (CETP) cost subject to a ceiling of Rs 500 lakh. <p>To enable continuous usage, offers MSMEs a subsidy on user charges at Rs15 per unit of effluent discharge treated for the initial 5 years of operation of the enterprise</p>	
New entrepreneur promotion	Capital Subsidy and Interest Subvention on fixed capital investment	<ul style="list-style-type: none"> Karnataka – Interest subvention of 5.5% Tamil Nadu – 3% interest subvention, and 25% capital subsidy on term loan throughout the entire repayment period. Ceiling limit of capital subsidy is Rs 75 lakhs 	<p>Under Industrial & Investment Policy of Assam, 2019: Subsidy @ 2% on the outstanding working capital loan for a period of five years from the date of Commencement of Commercial production/ service rendered subject to a ceiling of Rs. 50 lakh (Rupees Fifty lakh) and not exceeding 100% of investment in plant and machinery</p> <p>Under The Assam Bamboo & Cane Policy, 2019: Subsidy @ 50% Capital Investment Subsidy on eligible Plant & Machinery and Internal Electrical Installations subject to a maximum ceiling of Rs.5.00 Crore</p>
Quality standards	Charges related to certification	<ul style="list-style-type: none"> Tamil Nadu - payments made to Consultancy and certification agencies towards acquiring certification subject to maximum of Rs.2.00 lakhs for National 	<p>Under Industrial & Investment Policy of Assam, 2019: Subsidy upto the extent of 75% of fee payable for obtaining BIS/ ISO/ FSSAI/ AGMARK/ HALLMARK/ SILK</p>

		<p>level certification and Rs.10 lakhs for international level certification</p> <ul style="list-style-type: none"> • Maharashtra – Subsidises quality certification expenses up to 75% subject to a limit of Rs 1 lakh. <p>25% subsidy on additional capital equipment acquired for cleaner production measures up to maximum Rs 5 lakh</p> <ul style="list-style-type: none"> • Karnataka – Certification costs under ISO Series and BIS is subsidised at 75% and 50% rate with a ceiling limit of Rs 75,000 and Rs 20,000 respectively. <p>25% of testing equipment cost subject to max. Rs 50,000</p>	<p>MARK/ ZED Certification etc. from any recognized national/ international research laboratories/ Technical Institutes/ University, Institutions like CFTRI, CIPET, etc. subject to a ceiling of Rs.10.00 Lakh per unit.</p> <p>Under EXPORT AND LOGISTIC POLICY OF ASSAM, 2019: Subsidy in the form of reimbursement @ 50% for obtaining Organic certification, Quality certification, ISO, ZED, etc. subject to a ceiling of Rs.50.00 (Fifty) Lakh.</p>
Subsidy for supporting R&D	Grant for R&D	<ul style="list-style-type: none"> • Karnataka - Industry associations supporting MSMEs eligible for a 50% subsidy on equipment/ machinery limited to INR 500 lakh • Maharashtra - 75% subsidy on expenses incurred on patent registration limited to Rs 10 Lakh for national patents and Rs 20 lakh for international patents • TN - Innovation Voucher Programme (IVP) is among MSMEs in sectors like fisheries, engineering, waste management, automobiles, nanotechnology, electronics etc. Grant up to Rs 2 lakh and Rs 5 lakh 	<p>Under Assam Start-Up Policy 2017: Startups with MASI shall be eligible for INR 1 Lakh for filing of Domestic Patent and INR 5 Lakh for international patent filing.</p>

		<p>for converting idea into working prototype and for commercialization respectively.</p> <p>75% and 50% subsidy on cost of filing applications for patent, trademarks, and GI respectively. The upper ceiling limit is Rs 3 lakhs per patent registered and Rs 25,000 per trademark and GI registered</p>	
Employee welfare	Payroll and social security contribution subsidy	<ul style="list-style-type: none"> Tamil Nadu - Reimbursement of employer's contribution to EPF for first three years subject to a maximum of Rs.24,000 per employee per annum, if employment is provided to more than 20 persons for all micro enterprises Gujarat – Reimbursement of employer's contribution to the EPF for their new employees working in Gujarat for ten years subject to a maximum of Rs 18000 per employee per month or 12% of basic salary plus DA and retaining allowance, whichever is lower 	No provision
Energy audit	Cost of energy audits	<ul style="list-style-type: none"> Tamil Nadu - 50 % of energy audit cost including professional cost subject to a maximum of Rs.0.75 lakh per energy audit per unit. Maharashtra - 75% of water and energy audit costs limited to Rs 1 lakh, and Rs. 2.00 lakh respectively Karnataka – 75% of cost subject to max. Rs 1 lakh for water audit (one time) 	No provision

		<ul style="list-style-type: none"> Gujarat - 75% of cost of energy/ water audit conducted by a recognized institution/ consultant subject to maximum Rs. 50,000 for each will be reimbursed once during the operative period of the scheme 	
Environmental Sustainability	Financial assistance for capital equipment and technology adoption	<ul style="list-style-type: none"> Maharashtra - 50% of cost of capital equipment, limited to Rs 5 lakh, adopted to conserve/recycle water. <p>50% of the cost of additional capital equipment for improving energy efficiency, limited to Rs 5 lakh</p> <ul style="list-style-type: none"> Gujarat - 2.25% of cost of equipment recommended by auditing authority subject to maximum of Rs 20 lakh for once during operative period of the scheme Karnataka - 50% of cost of equipment required for rainwater harvesting and wastewater recycling, max Rs 2 lakh and 7.5 lakh respectively. 50% of cost of ETP (max. Rs 50 lakh) 	
Equity fund raising	Support for listing in stock exchange, Identification of investment bankers/financial	<ul style="list-style-type: none"> Tamil Nadu - Assistance for listing & raising money in the SME stock exchange with maximum of Rs.5 lakh subject to 20% of the total expenditure incurred on SME IPO. 	No provision

	institutions to initiate the process	<ul style="list-style-type: none">• Gujarat - 25% of Eligible expenditure incurred on raising of fund through SME Exchange, maximum up to Rs.5.00 Lakhs (Rupees Five Lakhs) one time after successful raising of equity& Listing on SME Exchange Platform during the operative period of the scheme.	
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4. Initiatives for SIP Development

Assam is earnestly working towards fortifying its reputation as an industrially progressive region. One of its challenges includes the scarcity of land for the establishment of industries. Nonetheless, the state is keen on augmenting the investment flow into its MSME sector. Several recent measures have instilled a promising momentum, indicative of positive strides in the right direction. The vision for Assam is to harness the potential of the RAMP initiative, aligning its strategies to encapsulate its core tenets. The state's primary focus orbits around nurturing budding entrepreneurs, magnifying growth in pivotal sectors, enhancing skills tailored for the evolving job landscape, advocating for ESG-aligned industrial advances, and laying the groundwork for a robust infrastructural backbone.

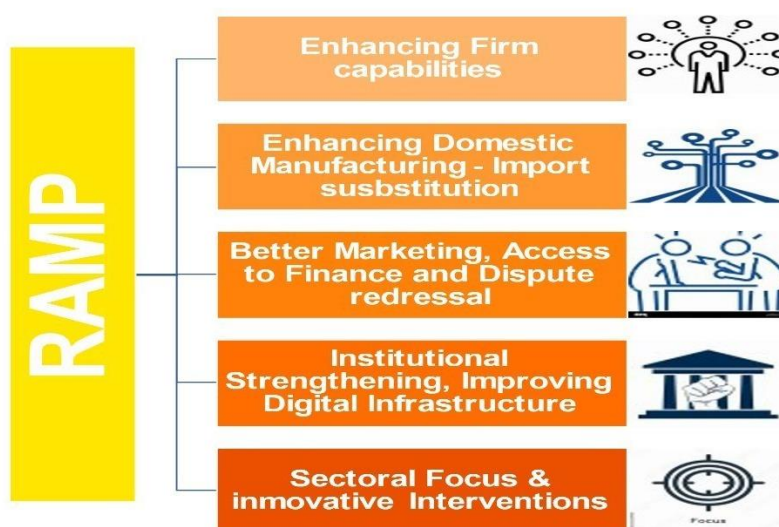


Figure 60: RAMP Intervention Areas

The proposed interventions projects under the RAMP programme are as provided below:

4.1. Enhancing Firm capabilities

Vision - Formalisation of 1.10 lakh new enterprises over 4 years

4.1.1. Major issues/challenges of Firm capabilities

In the state of Assam, despite the presence of approximately 1,200,000 MSMEs, a mere 28% of these enterprises have undergone the formalization process, registering under Udyam. The predominance of informal MSMEs within the state raises a series of challenges.

First and foremost, the informal status of the majority of MSMEs restricts their access to essential resources, markets, and growth prospects. This limitation hampers their overall economic viability and resilience, hindering their contribution to the state's economy.

Moreover, the informality of these MSMEs presents hurdles to effective regulatory oversight and impedes the enforcement of labour and environmental standards, with potential economic and environmental consequences.

Additionally, this situation leads to another pressing issue - a growing trend of educated youth migrating from the state in search of employment opportunities. Instead of starting their own ventures or contributing to the local economy, many educated youths are forced to seek employment in other

regions due to the limited formal job opportunities within Assam. This brain drain adversely affects the state's human capital and potential for economic growth.

To address these challenges effectively, it is imperative to formalize a substantial portion of Assam's MSME sector. This can promote economic stability, create employment opportunities, and foster a more conducive environment for business growth within the state, ultimately reversing the trend of youth migration and harnessing local talent for entrepreneurial endeavours.

4.1.2. Key Findings

- ▶ **Low Formalization Rates:** Within the state of Assam, there is a striking discrepancy in the formalization of Micro, Small, and Medium Enterprises (MSMEs). Out of approximately 1,200,000 MSMEs in the state, only around 28% have completed the formalization process by registering under Udyam. This low formalization rate hinders their access to vital resources and markets.
- ▶ **Limited Economic Viability:** The informal status of the majority of Assam's MSMEs restricts their overall economic viability. These enterprises face challenges in accessing capital, technology, and market opportunities, which impacts their growth potential and ability to contribute significantly to the state's economy.
- ▶ **Youth Migration:** A growing concern in Assam is the trend of educated youth migrating in search of employment opportunities outside the state. Instead of launching their own entrepreneurial ventures, many young individuals leave Assam due to the limited availability of formal job opportunities. This trend has adverse implications for the state's human capital and economic growth potential.
- ▶ **Lack of Motivation for Upgradation:** A notable issue among existing MSMEs in Assam is the lack of motivation to upgrade their businesses. Many entrepreneurs within the sector need proper guidance and incentives to pursue business upgrades, such as obtaining ZED certification, increasing access to markets, and leveraging different financial instruments for business improvement.
- ▶ **Guidance and Support Needed:** MSMEs require effective guidance on upgradation strategies, including obtaining certifications like ZED (Zero Defect Zero Effect), enhancing market access, and utilizing various financial instruments to improve their businesses. A lack of such guidance hampers their ability to compete effectively and reach their full potential.
- ▶ **Regulatory Challenges:** The prevalence of informal MSMEs in Assam poses regulatory challenges. It impedes effective oversight and enforcement of labor and environmental standards, potentially leading to economic and environmental consequences.

These findings underscore the urgent need for interventions that address low formalization rates, enhance economic viability for MSMEs, motivate business upgrades, and reverse the trend of youth migration. Effective support and guidance mechanisms are crucial to foster a more conducive environment for business growth and formalization within Assam.

4.1.3. Problem Statement:

In Assam, the Micro, Small, and Medium Enterprises (MSMEs) sector confronts a multifaceted challenge. The low formalization rate of MSMEs limits their access to essential resources, constraining their economic potential and stifling their contribution to Assam's economy. Additionally, a concerning trend emerges as educated youth opt to migrate from the state in search of better employment opportunities rather than initiating their entrepreneurial ventures. This youth migration threatens the state's talent pool and hampers its economic growth potential. Furthermore, the existing MSMEs in Assam lack motivation and guidance to upgrade their businesses. Assistance in areas such as obtaining certifications like ZED, broadening market access, and harnessing various financial instruments is essential to propel their growth and competitiveness. Regulatory challenges stemming from the predominance of informal MSMEs further compound these issues, hindering effective oversight and enforcement of labor and environmental standards. Collectively, these challenges pose a significant barrier to Assam's economic progress and necessitate comprehensive interventions to bolster MSME formalization, curb youth migration, and foster the growth and upgradation of the sector.

Addressing these interlinked problems is paramount for the state's economic well-being and the cultivation of a robust and dynamic MSME sector.

4.1.4. Proposed Project with respect to RAMP objectives

The following projects are proposed under this intervention:

A. Capacity Building of 1.10 lakh new enterprises over 4 years

i. Capacity building of educated unemployed youth (New MSMEs) to start their own venture by workshops, awareness programs, mentoring, exposure visits and stipend

In our continued efforts to tackle the multifaceted challenges facing the MSME sector in Assam, this proposed intervention is geared toward capacity building. Specifically, this initiative focuses on empowering educated unemployed youth to establish their own ventures, fostering the creation of 1,00,000 new MSMEs over four years.

The primary objective of this intervention is to equip educated unemployed youth with entrepreneurial, knowledge, and resources necessary to embark on their entrepreneurial journeys. This entails a multifaceted approach encompassing workshops, awareness programs, mentoring, exposure visits, and a stipend program.

Workshops provide practical and hands-on learning experiences, equipping aspiring entrepreneurs with the tools to conceptualize, launch, and manage their businesses effectively. Awareness programs increase knowledge and participation in the CMAAA scheme, making it more accessible for potential entrepreneurs to formalize their operations.

Mentoring plays a pivotal role in guiding and supporting these young entrepreneurs as they navigate the complexities of starting and managing their businesses. Exposure visits provide a real-world perspective, enabling them to learn from successful ventures and understand market dynamics.

The inclusion of a stipend program offers crucial financial support during the early stages of their entrepreneurial journey, reducing financial barriers and encouraging more young individuals to explore entrepreneurship as a viable career option.

The aim of this intervention is to train and provide stipend support to 1 lakh unemployed educated youth over the next 4 years, with a special focus on promoting inclusivity. This includes a dedicated effort to ensure that at least 10% of the beneficiaries are women and individuals from Scheduled Castes (SC) and Scheduled Tribes (ST) communities, creating opportunities for under-represented groups and fostering diversity within the emerging entrepreneurial ecosystem.

B. Formalisation and performance enhancement of existing MSMEs

ii. Performance enhancement of existing ~10000 MSMEs in pre-defined criteria by mentor session, exposure visits

In the mission to address the multifaceted challenges faced by the MSMEs in Assam, an intervention is proposed which is meticulously designed to uplift the performance of approximately 10,000 existing MSMEs in the state. This comprehensive initiative is designed to drive business excellence by leveraging a spectrum of activities, including workshops, mentor sessions, exposure visits, re-skilling/up-skilling, and assessment and certification.

The primary objective of this intervention is to empower existing MSMEs to elevate their operations and competitiveness. A rigorous selection process, based on pre-defined criteria, ensures that the assistance reaches those businesses with the highest potential for growth and formalization. Workshops, mentor sessions, and exposure visits, guided by experienced professionals and business experts, will provide invaluable insights, strategies, and best practices, enabling these MSMEs to optimize their operations.

Furthermore, exposure visits will enrich the learning experience, equipping entrepreneurs with valuable knowledge and insights. By exposing them to successful ventures and market trends, these visits enable businesses to remain updated and competitive. This initiative seeks to create a holistic learning environment for these MSMEs, ultimately enhancing their capacity and competitiveness in the market.

It is designed to transform target group of micro, small and medium units and further elevate them to Champion units. In doing so, this intervention not only enhances the performance of existing MSMEs but also bolsters their capacity to compete effectively, contribute to economic growth, and promote formalization within Assam's MSME sector.

Table 59: Parameters for CHAMPION Micro Enterprises

Sr. No	Parameter	Description	Quantum of Growth
1	Revenue Growth	Achieving a significant increase, a revenue over a specific period	Double revenue in 4 Years
2	Employment Generation	Creating new job opportunities or demonstrating consistent employment growth	Increase workforce by 25% in 4 years
3	Productivity Improvement	Enhancing productivity levels and output per unit of resources	Increase productivity by 30% in 4 years
4	Market expansion	Expanding customer based and reaching new market segments	Enter and establish presence in two new markets
5	Digital Adoption	Embracing digital technologies and platforms to enhance business operations	Implement online sales platform (20 % business from online sales)
6	Cost Efficiency	Implementing cost-saving measures and optimizing resource allocation	Reduce operational costs by 30% in 4 Years
7	Quality Enhancement	Improving product or service quality and meeting recognized quality standards	Obtain relevant quality certifications- ZED, ISO etc
8	Sustainability & Environment	Integrating sustainable practices and minimizing environmental impact	Achieve energy efficiency improvements-Reduce power consumption by 20%

Table 60:Parameters for CHAMPION Small and Medium Enterprises

Sr. No	Parameter	Description	Quantum of Growth
1	Revenue Growth	Achieving a significant increase, a revenue over a specific period	Double revenue in 3 Years
2	Employment Generation	Creating new job opportunities or demonstrating	Increase workforce by 30 % in 5 years

Sr. No	Parameter	Description	Quantum of Growth
		consistent employment growth	
3	Export performance	Exhibiting a noteworthy track record in international trade,	Increase export revenue by 25 %
4	Innovation & Technology	Demonstrating a culture of innovation and adopting advanced technologies.	Implement ONE new technology
5	Sustainability & Environment	Integrating sustainable business practices and environmental initiatives	Achieve carbon-neutral operations
6	Quality Management	Establishing and maintaining robust quality management systems and certifications.	Obtain ISO 9001 certification & ZED Gold Certifications
7	Market Penetration	Successfully entering new market and expanding customer base	Expand into two new markets
8	Financial Performance	Maintaining healthy financial indicators and effective financial management practices	Achieve 20% annual growth in profit
9	Collaboration and Partnership	Engaging in strategic collaborations and partnership to enhance capabilities and market reach	Establish two joint ventures

The selection and recognition of Champion MSMEs are based on a set of specific parameters that are crucial for evaluating their performance. Over the course of the four-year program, these parameters play a significant role in identifying which MSMEs deserve the prestigious title of "Champion."

The four-year duration is carefully chosen to allow for a comprehensive and thorough assessment of each MSME's performance. This extended evaluation period ensures that high performance is not a one-time occurrence but a consistent and sustained effort over time. It signifies that being a Champion MSME requires maintaining excellence and demonstrating it consistently over an extended period.

The **60% qualification threshold** is a key aspect of this recognition process. It means that, to be named a Champion MSME, a business must meet a substantial majority of the parameters. This approach encourages a well-rounded and comprehensive approach to business operations. It ensures that excellence is not confined to just one aspect but reflects a holistic commitment to maintaining high standards across various aspects of their operations.

Furthermore, this approach encourages MSMEs to continually strive for improvement throughout the program's duration. The knowledge that they have the potential to achieve Champion status motivates them to invest in enhancing their operations, aligning with the specified parameters, and striving for excellence.

The use of specific parameters and a percentage threshold adds objectivity and transparency to the selection process. It reduces the potential for subjectivity or bias and ensures that recognition is based on measurable and quantifiable criteria.

In essence, this approach is designed to promote a culture of excellence and sustained high performance among MSMEs. It provides them with a clear and achievable goal, motivates

ongoing improvement, and recognizes businesses that consistently excel in various facets of their operations. Ultimately, it contributes to the economic development of the region by highlighting and encouraging high-performing MSMEs as role models for others to follow.

Through this holistic approach, our aim is to not only foster the growth and development of these enterprises but also strengthen the overall economic landscape of Assam. By empowering existing MSMEs and guiding them to optimal performance, this intervention holds the potential to contribute significantly to the state's economic development, formalization efforts, and employment generation.

iii. **Udyam Registration drive**

This initiative aims to boost formalization by encouraging MSMEs to register under the Udyam scheme. The primary objective of this intervention is to create awareness and promote the formalization of MSMEs through the Udyam Registration process. This entails a focused drive involving extensive outreach, education, and support. MSMEs across Assam will be actively engaged, and awareness campaigns will be conducted to elucidate the benefits of formalization, including access to government schemes, subsidies, and financial support.

One significant aspect of this drive is the collaboration with financial institutions. By actively engaging both MSMEs and financial institutions, the awareness campaign strengthens the financial ecosystem for MSMEs, facilitating their access to support and resources. This collaboration not only empowers businesses to formalize but also paves the way for them to access financial instruments and opportunities that can enhance their growth and sustainability.

Ultimately, the "Udyam Registration Drive" serves as a critical component in the formalization journey of Assam's MSMEs. By creating awareness, facilitating registration, and strengthening the financial ecosystem, this intervention contributes to the overarching goal of enhancing the economic stability, growth, and formalization of the MSME sector in Assam.

4.1.5. Proposed Project Design Concept and Feasibility & Viability of Proposal

The approach is comprehensive, aiming to empower and revitalize the sector through a series of interventions. The proposed interventions center on three key pillars. The first focuses on capacity building for educated unemployed youth, equipping them with the necessary skills, knowledge, and resources to embark on entrepreneurial journeys. This includes workshops, mentor sessions, awareness programs, exposure visits, and stipend support. The second pillar aims to enhance the performance of around 3,000 existing MSMEs by providing mentor sessions, exposure visits, re-skilling/up-skilling opportunities, and assessment and certification. The third intervention, the Udyam Registration Drive, seeks to create awareness and promote formalization among MSMEs. Collaborating with financial institutions will strengthen the financial ecosystem, facilitating access to support and resources.

The feasibility and viability of this proposal are underscored by several critical factors. The targeted nature of the interventions ensures that the right solutions are offered to the right audience, addressing specific challenges within the sector. Collaboration with financial institutions enhances the overall financial ecosystem for MSMEs, improving their access to resources and support. Moreover, the proposal aligns with existing state government initiatives, such as CMAAA scheme, ensuring synergy with established policies.

The economic and social impact of these interventions is substantial. They are expected to benefit approximately 100,000 unemployed youths and around 3,000 MSMEs in their quest to upgrade and formalize their businesses in the next 4 years. In addition, the proposal has the potential to facilitate the formalization of approximately 150,000 MSMEs, contributing to job creation, formalization, and economic growth. The emphasis on inclusivity, particularly for women and underrepresented communities, fosters diversity and broadens economic

participation, aligning with broader social development goals. These MSMEs will be mentored by professional of various sector from reputed institutes. There will be multiple sessions planned district and state-wide and the average cost of per session will be approx.. 50000.

In conclusion, the proposed project design concept offers a well-rounded and feasible strategy to address the multifaceted challenges facing the MSME sector in Assam. It is poised to bring about positive change by empowering youth, enhancing existing businesses, formalizing operations, and fostering economic development in the state. The alignment with government initiatives, targeted approach, and potential for broad economic and social impact make this proposal both practical and viable for the betterment of Assam's MSME sector.

4.1.6. Approach and Methodology for Implementation

In our comprehensive approach to implementing the proposed interventions, we have developed a strategic plan for each one. The first intervention focuses on "Survey and Study of Skilling Aptitude of Educated Unemployed Youth," encompassing a systematic survey and skill gap analysis, curriculum development based on survey findings, training delivery through workshops, mentor sessions, awareness campaigns, exposure visits, and stipend support. The methodology ensures a tailored approach to empower up to 1 lakh youth per year with the skills needed for entrepreneurial success. The second intervention, "Performance Enhancement of Existing ~3000 MSMEs," is designed to select MSMEs based on predefined criteria, providing mentor sessions, exposure visits, re-skilling/up-skilling, and assessment and certification. A monitoring and evaluation framework will track the progress of these MSMEs, fostering competitiveness and formalization.

The third intervention, "Capacity Building of Educated Unemployed Youth (New MSMEs)," identifies potential entrepreneurs among educated unemployed youth, offering workshops, mentoring, awareness programs, exposure visits, and stipend support. Inclusivity is prioritized, with special focus on women and individuals from Scheduled Castes (SC) and Scheduled Tribes (ST) communities. Lastly, the "Udyam Registration Drive" employs awareness campaigns to promote formalization under the Udyam scheme, strengthened by collaboration with financial institutions. The monitoring and evaluation system will track progress and impact continuously. These methodical approaches collectively aim to empower youth, enhance the performance of existing MSMEs, foster new entrepreneurial ventures, encourage formalization, and promote economic development within Assam's MSME sector.

4.1.7. Use of ICT/Innovative Technology Towards Project Implementation

Implementation will be monitored through integrated MIS dashboard being developed as part of RAMP intervention.

4.1.8. Timeline for achievement of Project Deliverables

A	Enhancing Firm capabilities (formalisation of 1.10 lakh enterprises over 4 years)	Timeline			
		Y1	Y2	Y3	Y4
1	Capacity building of educated unemployed youth (New MSMEs) to start their own venture by workshops, awareness programs, mentoring, exposure visits and stipend				
2	Performance enhancement of existing ~10000 MSMEs in pre-defined criteria by mentor session, exposure visits				
3	Udyam Registration drive				

4.1.9. Estimated impact of the Project/Proposal/scheme

The proposed project is poised to yield substantial and quantifiable impacts on the Micro, Small, and Medium Enterprises (MSMEs) sector in Assam. Over the course of the project, it is estimated to formalize approximately 1.10 lakh MSMEs, a significant proportion of the state's informal enterprises. This formalization will not only enhance their access to government

support but also lead to the creation of thousands of jobs, with the potential for tens of thousands of individuals finding employment in these newly formalized businesses. This increased economic participation will be a key driver of economic growth in Assam, fostering prosperity and stability in the region.

Additionally, the project's focus on enhancing the performance of approximately 3,000 existing MSMEs is anticipated to make these businesses more competitive and innovative. By participating in mentor sessions, exposure visits, and re-skilling/up-skilling activities, these MSMEs are expected to explore new markets, technologies, and strategies, becoming more resilient and adaptable. This improved competitiveness and innovation will contribute to the growth of these businesses and, by extension, the overall economic development of Assam. The project's inclusive approach, with a specific focus on at least 10% women and individuals from Scheduled Castes (SC) and Scheduled Tribes (ST) communities, ensures that marginalized groups are empowered, fostering diversity and equality. Ultimately, the project is designed to revitalize and transform the MSME sector in Assam, driving economic prosperity and social development.

4.1.10. Project costing and contribution of State towards it

The total project cost for the interventions proposed under “Enhancing Firm capabilities” is **Rs.115.58 crores**. The interventions wise cost is as per the Table 31 provided below.

Table 61 Interventions wise cost - Enhancing Firm capabilities (Amount in Rs. Lakhs)

Sl.No.	Intervention	Revised Total Cost for 4 years (INR Lakhs)	State Contribution (INR Lakhs)	Demand from RAMP (INR Lakhs)
A	Enhancing Firm capabilities:	11558.39	2311.68	9246.71
I.	Capacity Building of 1.10 lakh new enterprises over 4 years			
1	Capacity building of educated unemployed youth (New MSMEs) to start their own venture by workshops, awareness programs, mentoring, exposure visits and stipend	10852.51	2170.5	8682.01
II.	Formalisation and performance enhancement of existing MSMEs			
2	Formalisation of existing unorganized MSMEs - Udyam Registration drive	372.00	74.4	297.6
3.	Performance enhancement of existing ~10000 MSMEs in pre-defined criteria by mentor session, exposure visits	333.88	66.77	267.11

4.1.11. Plan for strengthening M&E framework pertaining to Project

To bolster the M&E framework for the project, a robust system will be developed, overseen by the State Project Implementation Unit (SPIU). This system will include a comprehensive set of indicators and metrics, ensuring that project outcomes and outputs are effectively monitored and measured. Quarterly reviews with the General Managers of District Industries and Commerce Centers (GM DICC) will serve as a crucial component of this framework. These reviews will not only facilitate a detailed analysis of progress but also provide a platform for understanding the challenges encountered during intervention implementation.

Feedbacks will be taken from the candidates undergoing the capacity building after the completion of the programmes. Survey of the candidates will be conducted after a period of 3 months to check if there is any tangible improvement to the MSME in terms of initiation of manufacturing, adoption of technology, quality certification, increase in turnover, availing GoI schemes or enhancement in customers.

4.2. Enhancing domestic manufacturing of import substitute products - Make in Assam

Vision – Make in Assam “Aamaar Ahom Aamar Udyam”

The "Make in Assam" initiative is a proactive effort aimed at boosting domestic manufacturing in the Indian state of Assam by encouraging the production of import substitute products. By prioritizing local manufacturing and reducing the reliance on external sources, this initiative strives to stimulate economic growth, create job opportunities, and enhance self-reliance in the region. Through a combination of incentives, streamlined regulations, and improved infrastructure, make in Assam creates an enabling environment for businesses and entrepreneurs to invest, innovate, and produce goods that were once imported, ultimately fortifying the state's economy and ensuring a more sustainable and self-sufficient future for Assam.

4.2.1. Major issues/challenges related to domestic manufacturing of import substitute products

Undertaking the endeavour to identify and manufacture import substitute products presents a set of formidable challenges for Micro, Small, and Medium Enterprises (MSMEs) in Assam. One of the central hurdles lies in the careful selection of these products, as it necessitates a comprehensive understanding of market dynamics, consumer preferences, and regional demands. Ensuring that the chosen products align with the available resources, technological capabilities, and production capacities in Assam is another intricate challenge. This calls for an in-depth feasibility assessment, considering the intricate interplay of factors that govern product manufacturing.

The seamless functioning of the supply chain is paramount for sustainable production. Procuring raw materials and components in a timely and cost-effective manner poses a significant challenge. Additionally, regulatory compliance, quality standards, and adherence to trade policies are pivotal considerations that MSMEs must address to penetrate the market successfully. Assessing and optimizing production costs, pricing strategies, and profit margins are integral aspects of the cost-benefit analysis, which is critical for financial viability. Overcoming these challenges requires a collaborative approach, fostering partnerships between MSMEs, industry associations, research institutions, and governmental bodies to provide the necessary support, guidance, and resources for MSMEs to effectively identify, produce, and market import substitute products.

4.2.2. Key Findings

A pivotal finding that emerges from the study is the significant knowledge gap among MSMEs in Assam regarding the potential products that can be manufactured locally rather than relying on imports. Despite the state's rich heritage of abundant raw materials and a proven track record of manufacturing excellence across various sectors, including bamboo, tea, food processing, spices, rubber plantations, handloom, and handicrafts, many MSMEs lack awareness of the diverse opportunities for import substitution. This discovery underscores the need for targeted initiatives, education, and awareness campaigns to enlighten local businesses about the immense potential within Assam itself.

To bridge this knowledge gap and maximize the impact of import substitute product manufacturing, it is imperative to leverage Assam's inherent strengths and heritage in various sectors. Fostering a culture of innovation, exploration, and collaboration among MSMEs is key to unlocking the vast potential that lies within the state. This collective effort will not only lead to economic growth and self-reliance but also preserve and promote Assam's rich legacy of producing high-quality goods with both regional and global appeal.

4.2.3. Problem Statement: Enhancing domestic manufacturing of import substitute products

The glaring knowledge gap, coupled with the dependence on imported goods, poses a significant economic challenge for the region. Furthermore, the systematic study and identification of products with import substitution potential is a substantial challenge. MSMEs face hurdles in recognizing and assessing the suitability of products for local manufacturing, adding to the complexity of transitioning from imports to domestic production. The overarching problem is twofold: First, the lack of awareness

among Assam's MSMEs about the extensive range of products that can be locally manufactured rather than imported stifles the growth potential of domestic industries. Second, the failure to leverage Assam's rich heritage of raw materials and manufacturing competence hampers the state's ability to transition toward self-reliance and seize economic opportunities. This problem statement underscores the critical need for targeted initiatives that address these challenges by enlightening local businesses about the diverse potential within Assam itself, promoting import substitution, and facilitating systematic product identification to drive economic growth and self-sufficiency.

4.2.4. Proposed Project with respect to RAMP objectives

Following interventions will be undertaken under enhancing firm capabilities for scaling:

- i. **Make in Assam support centre (to be run by SPV) for the identified products from survey done:** The establishment of a "Make in Assam Support Centre," to be operated by a Special Purpose Vehicle (SPV), marks a significant step in realizing the objectives of the "Make in Assam" initiative. With the SPV taking the reins of the center and spearheading the "Make in Assam" campaign, this intervention is designed to provide registered members with essential guidance on manufacturing import substitute products. Registered members will be granted the privilege to utilize the brand logo and name, signifying their participation in the initiative. The center's core responsibilities include the training and capacity building of Micro, Small, and Medium Enterprises (MSMEs) actively involved in the "Make in Assam" initiative. This comprehensive training encompasses guidance on adopting new technologies, fostering innovation, developing new products, understanding key concepts, and enhancing design capabilities.

The initiative's rationale is firmly rooted in the belief that the state's trade deficit can be effectively reduced through the promotion of local production and increased exports. By lessening the dependence of anchor units in the public and private sectors on imported goods manufactured by MSMEs from outside the state, the initiative seeks to establish a synergy among local MSMEs. This synergy aims to elevate the quality of products manufactured by local enterprises, forge genuine buyer-seller linkages with anchor units, and enhance the competitiveness of local products in the global export market. The initiative's motto, "**Aamaar Ahom Aamar Udyam**", resonates with the Government of Assam's vision to establish one lakh enterprises annually, reinforcing the commitment to fostering local entrepreneurship and self-reliance in the state. The Make in Assam Support Centre, under the guidance of the SPV, stands as a pivotal catalyst in achieving these objectives and paving the way for a thriving and self-sustaining MSME sector in Assam.

The Centre will act as –

- ▶ Collaborative Multi-stakeholder Forum on Science, Technology Innovations and Domain Specific Experts for the start-ups and MSMEs.
 - ▶ Access venue to technology transfer and improve the technical literacy of the start-ups and MSMEs
 - ▶ Online platform, as a gateway for information and technical support to existing enterprises, mechanisms and programs.
- ii. **Workshops for interaction with technical experts and technology providers (Make in Assam centre):** As part of the comprehensive strategy to foster "Make in Assam," the establishment of workshops for interaction with technical experts and technology providers through the Make in Assam Support Centre is a pivotal initiative. The primary aim of these workshops is to generate awareness and build the capacity of Micro, Small, and Medium Enterprises (MSMEs) in Assam regarding the "Make in Assam" initiative. These workshops will serve as dynamic platforms for knowledge sharing and collaboration, ensuring that local businesses are well-equipped to participate in the self-reliance movement.

These workshops will be conducted in each of Assam's 31 districts on a quarterly basis, ensuring widespread coverage and accessibility. Through these interactions, MSMEs will gain

valuable insights from technical experts and technology providers. The focus will be on promoting innovation, imparting knowledge about new technologies, facilitating new product development, and fostering a deep understanding of key concepts and design principles. The goal is to empower local entrepreneurs with the information and resources necessary to enhance the quality and competitiveness of their products. By facilitating these regular interactions, the "Make in Assam" initiative is actively nurturing a culture of continuous learning and innovation among MSMEs, setting the stage for sustained economic growth and self-reliance in the state.

- iii. **Vendor development program for 500 MSMEs (10% focus on women/SC/ST MSMEs):** The Vendor Development Program is a cornerstone of the "Make in Assam" initiative, dedicated to the growth and empowerment of MSMEs. This intervention targets the development and support of 500 MSMEs, with a particular focus on women-owned enterprises, accounting for 10% of the beneficiary pool. The overarching objective of this program is to foster collaboration and partnerships between anchor units and vendor units, catalysing local economic development and promoting self-reliance.

One of the key components of this program is the organization of focused product-based buyer-seller meetings at both district and state levels. These meetings serve as crucial platforms for sensitizing MSMEs about the products and services required by anchor units. Through these interactions, participants gain insights into various aspects, including the method of procurement (e.g., Government e-Marketplace or e-tender processes) and adherence to buyer-specific workplace hygiene conditions. The aim is to transform these interactions into tangible transactions between anchor and vendor units, thus facilitating real business collaborations. This intervention plays a pivotal role in nurturing a culture of partnership, knowledge sharing, and collaboration within the MSME ecosystem. By enhancing vendor capabilities, expanding market access, and empowering women entrepreneurs, the Vendor Development Program propels the "Make in Assam" initiative forward, fostering self-reliance and economic growth.

- iv. **Capacity building of MSME on import substitution - access to market/management skills/quality control/export etc.:** Realising the goal of making the State less dependent on imports of the identified imported products from other states will require creating a congenial manufacturing ecosystem. Existing and new enterprises will have to be promoted and supported in this direction. Capacity building will be one of the key activities to be taken up. In this regard capacity building will be organised based on the need assessment of the different industries. The workshops will cover important areas of access to market, improving management skills, quality management and export facilitation. The workshops will be organised in collaborations with Industry associations, Technical Institutions and BDSPs.

4.2.5. Proposed Project Design Concept, Feasibility & Viability of Proposal

The comprehensive proposal for Assam revolves around a strategic vision to invigorate the state's economic landscape, primarily through the promotion of local manufacturing and import substitution. This vision unfolds through a set of targeted interventions designed to drive self-reliance, economic growth, and entrepreneurship within the state.

This, in conjunction with the creation of the "Make in Assam Support Centre," operated by a Special Purpose Vehicle (SPV), provides essential resources and guidance to local entrepreneurs.

Field-level "Workshops for Interaction with Technical Experts" foster innovation and knowledge-sharing, enabling MSMEs to adopt modern technologies and practices. Simultaneously, the "Vendor Development Program," with a dedicated focus on women-led MSMEs, aims to catalyze partnerships between anchor and vendor units, driving local economic development. Capacity building is a central theme, encompassing access to markets, management skills, quality control, and export knowledge. The "Make in Assam Promotion" intervention leverages branding, from logo competitions to road shows and multimedia campaigns, to raise awareness

and instil a culture of entrepreneurship and self-reliance. This multifaceted approach, in conjunction with state government contributions to CGTMSE loans, strengthens the financial ecosystem for local MSMEs.

The overall proposal aligns with Assam's vision of reducing trade deficits, fostering entrepreneurship, and enhancing the competitiveness of local businesses in the global market. Through strategic planning and targeted interventions, it creates a dynamic environment conducive to growth, self-sufficiency, and prosperity within the state.

4.2.6. Approach and Methodology for Implementation

The process of identifying viable sectors for manufacturing import substitute products and priority sectors involves a comprehensive and thorough study. This study aims to analyze various aspects of these sectors, including market demand, available resources, existing capabilities, and the potential for growth. By conducting this study, the government can pinpoint sectors where there is significant potential to develop manufacturing activities that can substitute imports and sectors that are of high priority due to their strategic or economic importance.

Once these sectors are identified, the government will devise a strategic roadmap for their development. This roadmap serves as a plan that outlines the steps, strategies, and initiatives required to facilitate the growth of the manufacturing sector in the state within these specific sectors. It will detail how the government intends to foster the growth of businesses and industries in these areas.

To support entrepreneurs and businesses operating in these sectors, the government will provide essential assistance. This assistance can take various forms, such as facilitating access to financial resources through loans, grants, or subsidies. It also includes capacity building, which means providing training, skill development, and knowledge enhancement in areas relevant to the identified sectors. By improving the skills and capabilities of entrepreneurs and workers in these sectors, the government ensures that they are better equipped to compete and excel in their respective industries.

Additionally, the proposal includes the establishment of a Virtual Incubator and Technology Centre. This center plays a crucial role in nurturing and fostering new enterprises within the identified sectors. It serves as a hub for innovation and product development, offering resources, mentorship, and guidance to startups and small businesses. Furthermore, it acts as a platform for connecting MSMEs with technology providers. This linkage is vital for ensuring that businesses have access to the latest technologies and innovations that can enhance their operations, improve product quality, and increase their competitiveness in the market.

In summary, this initiative represents a comprehensive approach to boost the manufacturing sector in the state. It involves the identification of promising sectors, the creation of a development roadmap, financial support, capacity building, and the establishment of a Virtual Incubator and Technology Centre. Together, these measures are designed to promote innovation, economic growth, and self-reliance in manufacturing, ultimately reducing the dependence on imported products in key sectors.

4.2.7. Use of ICT/Innovative Technology Towards Project Implementation

Implementation will be monitored through integrated MIS dashboard being developed as part of RAMP interventions

4.2.8. Timeline for achievement of Project Deliverables

B	Enhancing domestic manufacturing of import substitute products - Make in Assam	Timeline			
		Y1	Y2	Y3	Y4
1	Make in Assam support centre (to be run by SPV) for the identified products from survey done				
2	Workshops for interaction at field level with technical experts (Make in Assam promotion)				
3	"Vendor development program for 500 MSMEs *10% focus on women MSMEs"				
4	Capacity building of MSME - access to market/management skills/quality control/export etc.				

4.2.9. Estimated impact of the Project/Proposal/scheme

The proposed interventions within the project are poised to catalyse a significant transformation in Assam's MSME landscape. The collective impact of these interventions aims to reach a substantial proportion of MSMEs within the state, bolstering their capabilities and fostering self-reliance. Over the course of the next four years, the anticipated impact of these interventions is substantial.

Through the "Workshops for Interaction with Technical Experts and Technology Providers" and the "Make in Assam Support Centre," it is expected that approximately 12,400 MSMEs will receive invaluable guidance and exposure to modern technologies and practices. This interaction will empower them to innovate, adapt, and compete more effectively in their respective industries.

The "Capacity Building on Access to Market, Management Skills, Quality Control, and Export" intervention is set to benefit an even larger pool of MSMEs, reaching an estimated 45,000 enterprises. By equipping these businesses with essential skills and knowledge, including areas such as production planning and management, market survey and marketing strategies, procurement through platforms like GeM, and understanding the various MSME promotional schemes and facilities offered by the state and the Government of India, the intervention enhances their overall competitiveness and market presence.

Collectively, these interventions foster an environment of innovation, knowledge sharing, and self-reliance among Assam's MSMEs, making them more robust and resilient in the face of market challenges. As the state's enterprises grow, diversify, and participate more actively in the national and global economy, the project's estimated impact not only strengthens the individual businesses but also contributes to the broader economic growth and prosperity of Assam. Furthermore, it positions Assam's MSMEs to significantly enhance their competitiveness in the production of import substitute products, reducing dependency on external sources and fostering a culture of self-reliance and economic growth.

4.2.10. Project costing and contribution of State towards it

The total project cost for the interventions proposed under "Enhancing domestic manufacturing or import substitution - Make in Assam" is **Rs.8.72 crores**. The interventions wise cost is as per the Table provided below.

Table 62 Interventions wise Total Cost of intervention for four years (Amount in Rs. lakhs)

Sl.No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
1	Make in Assam support centre (to be run by SPV) for the identified products from survey done	21.00	4.2	16.8
2	Workshops for interaction at field level with technical experts (Make in Assam promotion)	267.23	53.45	213.78
3	"Vendor development program for 500 MSMEs *10% focus on women MSMEs"	250.00	50.0	200.0
4	Capacity building of MSME - access to market/management skills/quality control/export etc.	334.03	66.81	267.22
	Total	872.26	174.45	697.81

4.2.11. Plan for strengthening M&E framework pertaining to Project

A robust monitoring framework will be developed to monitor the progress of the interventions overseen by the State Project Implementation Unit (SPIU). Quarterly reviews with GM DCCs will be carried out regarding the progress and to understand the challenges faced during implementation of the interventions.

Feedbacks will be taken from the candidates undergoing the capacity building after the completion of the programmes. Survey of the candidates will be conducted after a period of 3 months to check if there is any tangible improvement to the MSME in terms of initiation of manufacturing identified products under Make in Assam, adoption of technology, quality certification, increase in turnover, availing GoI schemes or enhancement in customers.

Additionally, The Special Purpose Vehicle (SPV) plays a pivotal role in strengthening the Monitoring and Evaluation (M&E) framework pertaining to the project. As the entity responsible for managing and overseeing the project's operations, the SPV acts as a central hub for information, data collection, and performance monitoring.

4.3. Improving Digital Infrastructure

Vision – Empowering DICC's with Digital Tools for Economic Transformation

4.3.1. Major issues/challenges of Firm capabilities

The digital infrastructure at DICC's in Assam faces several critical issues and challenges. A quick assessment of the existing Management Information Systems (MIS) reveals a significant problem of data fragmentation. Each initiative operates within its dedicated MIS dashboard, resulting in a decentralized data landscape that presents challenges in governance and strategic decision-making. This decentralized approach, while offering specialization, impedes the ability to gather insights across various schemes, evaluate the intricate interdependencies between initiatives, and hinders data-driven decision-making. Furthermore, field personnel are burdened with the responsibility of updating data across multiple service offerings and dashboards, a process that is both time-consuming and prone to errors. As the number of initiatives grows, this challenge becomes more pronounced, highlighting the urgent need for a more streamlined and integrated data management approach to bolster DICC's capabilities.

Moreover, the digital infrastructure encounters another significant issue in the complexity and volume of data. With the expansion and diversification of operations, the influx of data has increased. The existing system lacks the robustness required to effectively manage this growing data load. As a result, a more cohesive and integrated approach to data management is essential to tackle these challenges effectively. It is imperative to overcome these issues to enhance the efficacy of DICC's digital infrastructure, promote data-driven strategic decision-making, and empower field personnel with a smoother, error-free data entry process.

In addition to the issues surrounding data management, another critical challenge facing DICC's in Assam is the lack of basic infrastructure. Basic facilities such as sophisticated computer systems, printers, and reliable internet connectivity are often unavailable or inadequate. This dearth of essential tools and resources significantly hampers the functionality and efficiency of DICC's in Assam. It not only obstructs the smooth operation of digital systems but also poses a considerable hurdle for effective data management, timely decision-making, and the overall performance of DICC's. To fully harness the potential of digital infrastructure and address the pressing challenges faced, a comprehensive approach that encompasses not only data management but also the provision of essential infrastructure is required to empower DICC's and promote their pivotal role in the economic transformation of Assam.

4.3.2. Key Findings

Through a comprehensive assessment of digital infrastructure at DICC's in Assam, several findings have come to light, shedding light on the state of digital readiness and data management within these centres.

- ▶ **Limited Internet Connectivity:** Among the 31 DICC's in Assam, only three centres have dedicated internet connectivity. This severe lack of reliable internet access hampers the real-time data exchange and the effective utilization of digital resources.
- ▶ **Inadequate Computer Systems:** The computer systems available at DICC's lack the necessary software and security systems required for proper data management. This deficiency poses significant obstacles in the creation of a comprehensive and secure database for MSMEs, thereby impeding their participation in various government-run schemes and programs.
- ▶ **Fragmented Data Capture:** Due to the prevailing issues in data management, a significant gap exists in capturing and centralizing data for MSMEs across different schemes and initiatives. This fragmentation obstructs the ability to gain comprehensive insights and assess the interconnectedness of these programs.

Key recommendations stemming from these findings include the urgent need for:

- ▶ **Unified MIS Portal:** The creation of a master MIS portal that integrates all individual systems into one platform. This approach would facilitate cross-functional analytics, enhance data accessibility, and streamline decision-making processes.

- ▶ **User-Friendly Interface:** The implementation of an intuitive user interface to ensure that the system is user-friendly, easy to navigate, and encourages effective system adoption and utilization.
- ▶ **High-Level Security Protocols:** Recognizing the sensitive nature of the data handled by the MIS, the implementation of robust security protocols is essential to safeguard sensitive information and maintain data integrity.
- ▶ **Dedicated Hosting Servers:** Given the scale of this initiative, dedicated hosting servers are a necessity to ensure that the system has the resources required for efficient and effective operation.

Addressing these key findings and recommendations will be pivotal in enhancing the digital infrastructure at DICC's, fostering data-driven decision-making, and promoting the economic transformation of Assam through empowered MSMEs.

4.3.3. Problem Statement

The Department of Industries and Commerce, Government of Assam, is managing a multitude of State support schemes for MSMEs. However, these initiatives are currently handled through multiple dashboards, leading to a fragmented and complex data management landscape. As the Directorate's operations continue to expand and diversify, the complexity and volume of data are also increasing. This scenario underscores the need for a more streamlined, integrated approach to data management. The absence of a unified Management Information System (MIS) is a significant bottleneck that obstructs strategic decision making at the state level. Furthermore, field personnel are expected to update field level data across multiple service offerings and dashboards, which can be time consuming and prone to errors. These issues highlight the critical need for a centralized, robust, and scalable MIS that can enhance the firm's capabilities by providing a consolidated view for governance across all District Industries & commerce Centres (DICC's).

4.3.4. Proposed Project with Respect to RAMP

- i. **Providing digital devices for Field level offices:** This intervention involves equipping field-level offices with essential digital devices, such as computers and related hardware. By providing the necessary tools, DICC's will be better prepared to streamline data management, enhance data capture, and automate administrative tasks. These devices will enable field personnel to efficiently collect and update data, improving the overall quality and accuracy of the database. Additionally, it will expedite the digital transformation of DICC's and contribute to the successful implementation of Industry 4.0 practices.
- ii. **Upgrading IT infra in DoI, DICs and Block Offices:** This initiative aims to revamp the IT infrastructure in the Commissionerate of Industry and Commerce (DoI), DICs, and Block Offices. By modernizing the digital infrastructure, including hardware and software systems, these centres will be better equipped to manage data, records, and communication with MSMEs and other stakeholders. Furthermore, the integration of existing databases, such as Udyam and GST registration, will ensure interoperability and facilitate the creation of informative dashboards for industry analysis. This intervention sets the stage for an efficient and comprehensive digital ecosystem that supports effective decision-making
- iii. **Integrated MSME Digital Command and Control Center (Web Application for MSMEs for notification and ease of access to the central and state schemes which may include chat-box and grievance redressal):** The Integrated MSME Digital Command and Control Center is a pivotal initiative focused on strengthening the Single Window System for Business requirements of MSMEs. This center not only centralizes the operations of the Ease of Doing Business (EoDB) Cells at DICC's but also integrates the State portal with the national portal, my.msme.gov.in, established by the Ministry of MSME, Government of India. The centre's core functions encompass data collection and repository management by a dedicated survey agency, ensuring a robust Management Information System (MIS). The MIS dashboard will provide Department officials with real-time analytics of sector and program performance. This data-backed approach will support data-driven policymaking and the continuous improvement of the MSME sector in Assam. Additionally, the center will enable real-time monitoring and

evaluation of DICC and CIC officials in alignment with the established framework, further enhancing the efficiency of these offices. Overall, these interventions aim to modernize and enhance the digital infrastructure at DICCs, promoting data-driven decision-making, and fostering a more conducive environment for the growth of MSMEs in Assam.

4.3.5. Proposed Project Design Concept and Feasibility & Viability of Proposal

The stakeholder meeting, involving key representatives from the DICCs and the existing dashboard developers concluded that the proposal for a unified Master Management Information System (MIS) is both feasible and viable. The technical challenges involved in creating a master MIS are outweighed by the strategic necessity of such a system. The proposed MIS would integrate all individual systems into one platform, facilitating cross functional analytics and streamlined decision making. This would significantly enhance the capabilities of the Department of Industries & Commerce, Government of Assam, aligning with its mission to support MSMEs. The proposal's viability is further reinforced by the commitment to implement high level security protocols to safeguard sensitive data, ensuring data integrity.

4.3.6. Approach and Methodology for Implementation

The implementation of these vital interventions for enhancing the digital infrastructure at DICCs in Assam will follow a well-defined approach and methodology. This strategy encompasses the following steps and considerations:

- ▶ Providing Digital Devices for Field Level Offices:
 - ✓ Deployment of handheld devices equipped with essential software for data capture and updating.
 - ✓ Training and capacity building for field personnel to ensure the proficient use of these devices.
 - ✓ Regular maintenance and technical support to guarantee the uninterrupted functioning of handheld devices.
- ▶ Upgrading IT Infrastructure in DoI, DICs, and Block Offices:
 - ✓ Provision of desktop computers, printers, and robust internet connectivity.
 - ✓ Installation and configuration of necessary software systems to automate administrative tasks.
 - ✓ Maintenance of hardware and software to ensure optimal performance.
- ▶ Integrated MSME Digital Command and Control Center:
 - ✓ Collaboration with a monitoring partner, specializing in data collection and repository management.
 - ✓ Establishment of an MIS dashboard for real-time analytics and monitoring of sector and program performance.
 - ✓ Integration of the State portal with the national portal, my.msme.gov.in, to provide a seamless experience for MSMEs.
- ▶ Web Application for MSMEs:
 - ✓ Development of a user-friendly web application to facilitate MSMEs' access to central and state schemes.
 - ✓ Integration of features such as a chat-box for real-time support and assistance.
 - ✓ Regular updates and enhancements to ensure the application remains current and aligned with evolving needs.
- ▶ Training and Capacity Building:
 - ✓ Conducting comprehensive training programs for DICC's personnel to familiarize them with the new digital tools and infrastructure.
 - ✓ Ensuring that field personnel are proficient in using handheld devices and the upgraded IT infrastructure.
- ▶ Data Security and Privacy:

- ✓ Implementation of stringent data security and privacy measures to safeguard sensitive information.
- ✓ Regular audits and assessments to maintain data integrity and protect against potential threats.
- ▶ Stakeholder Engagement:
 - ✓ Active involvement of DICC's officials, MSMEs, and other stakeholders in the implementation process.
 - ✓ Soliciting feedback and input to continually improve the digital infrastructure and applications.
- ▶ Monitoring and Evaluation:
 - ✓ Regular monitoring of the performance of digital devices, IT infrastructure, and the Integrated MSME Digital Command and Control Center.
 - ✓ Evaluation of the usability and effectiveness of the web application for MSMEs.

This approach and methodology ensure a systematic and comprehensive implementation of the digital infrastructure enhancements at DICC's in Assam. By providing the necessary tools, upgrading IT infrastructure, and establishing a robust command center, the project aims to create a conducive digital ecosystem for data-driven decision-making and the seamless interaction between MSMEs and government schemes.

4.3.7. Use of ICT/Innovative Technology Towards Project Implementation

The proposed project will leverage Information and Communication Technology (ICT) and innovative technology to enhance its implementation. One such innovation is the use of handheld devices (tablets) for field personnel. This technology will allow field personnel to conduct field surveys and update field level data across multiple service offerings and dashboards in real time ensuring a more streamlined and efficient data management process. The tablets will be equipped with the necessary software and applications to access the Master MIS, allowing for real time data entry and updates. This use of ICT will not only improve data accuracy but also enhance operational efficiency.

4.3.8. Timeline for achievement of Project Deliverables

Table 63: Timeline for Improving Digital Infrastructure

C	Improving Digital Infrastructure	Timeline			
		Y1	Y2	Y3	Y4
1	Providing digital devices for Field level offices				
2	Upgrading IT infra in DoI, DICs and Block Offices				
3	Integrated MSME Digital Command and Control Center (Web Application for MSMEs for notification and ease of access to the central and state schemes which may include chat-box and grievance redressal)				

4.3.9. Estimated impact of the Project

The proposed Master Management Information System (MIS) is expected to have a significant impact on the operations of the Department of Industries & Commerce, Government of Assam. By providing a unified view of all initiatives, it will enhance data driven decision making at the state level and improve the management of various State support schemes for Micro, Small, and Medium Enterprises (MSMEs). The use of innovative technology such as tablets for field personnel will ensure a more streamlined and efficient data management process, improving operational efficiency. The system's scalability will accommodate future growth or the rollout of new schemes, fostering a conducive ecosystem for MSMEs and promoting their growth and competitiveness. Overall, the project is expected to significantly enhance the capabilities of MSME's and Department of Industries and DICC's.

4.3.10. Project costing and contribution of State towards it

Table 64: Project costing and contribution of State towards (INR lakhs)

Sl.No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
1	Providing digital devices for Field level offices	186.80	37.36	149.44
2	Upgrading IT infra in Dol, DICs and Block Offices	233.85	46.77	187.08
3	Integrated MSME Digital Command and Control Center (Web Application for MSMEs for notification and ease of access to the central and state schemes which may include chat-box and grievance redressal)	555.80	111.16	444.64
	Total	976.45	195.29	781.16

4.3.11. Plan for strengthening M&E framework pertaining to Project

- ▶ **Specialized Administrative Teams:** Specialized administrative teams will be constituted to ensure system optimization and performance. These teams will monitor the system's performance regularly and make necessary adjustments to ensure it continues to meet its objectives effectively.
- ▶ **High Level Security Protocols:** High level security protocols will be implemented to safeguard sensitive data and fortify data integrity. Regular audits will be conducted to ensure these security measures are effective.
- ▶ **Ongoing System Maintenance:** Resources will be allocated for ongoing system maintenance. This includes regular updates to ensure the system remains current with technological advancements and can continue to meet the evolving needs of its users.
- ▶ **Future Upgrades:** A plan will be put in place for future upgrades to the system. This ensures that the system remains scalable and can accommodate future growth or the rollout of new schemes.
- ▶ **User Feedback:** Regular feedback will be sought from users to understand their experiences with the system and identify areas for improvement.

4.4. Competitiveness Support and Green Initiatives

Vision – Fostering global competitiveness and green innovation

4.4.1. Major issues/challenges of Firm capabilities.

Some of the industries such as General engineering, tea products, Plastic products, wood products, bamboo products and rubber products manufacturing involve processes with high energy demand. Such units are facing high electricity cost leading to increased production cost. This is affecting the competitiveness of the units in terms of product pricing and margin realization.

The COVID pandemic has intensified the role of ICT in every aspect of human life, and IT services have become increasingly pervasive, ranging from communication to teleworking, e-commerce, digital education or entertainment. The digital gap between smaller and bigger companies remains important, particularly in developing countries like India, where many SMEs are yet to switch to digital technologies. The technologies and tools of the new industrial revolution, however, also open a range of opportunities which were previously inaccessible or very difficult to seize for MSMEs, such as instant access to international markets, low-cost service delivery, as well as affordable manufacturing solutions.

4.4.2. Key Findings

► Green technology awareness:

- Greening of industries is the key to sustainability. A major chunk of the MSME units (especially manufacturing units) that we surveyed were either not aware of or did not pay attention towards incorporating green technologies.
- While government has launched initiatives to promote LEAN manufacturing and ZED certifications, it is still perceived from a lens of liability to business and are resistant to change. Awareness on aspects of cost savings, waste reduction and long-term sustainability benefits from greening needs to be fabricated.
- Majority of firms in the sample survey has mentioned that they have not obtained any quality certifications and were unaware about the different quality certifications that are available.
- A large number of MSMEs highlighted limited access to various financing options and lack of awareness about green financing instruments as additional hurdle. This is crucial issue because securing adequate, low-cost funding is essential for investment in energy efficient technologies and practices. The Industrial Policy 2023 places a strong emphasis on environmental and sustainability initiatives. This includes provisions such as 25% expenses reimbursement for MSMEs investing in plant & machinery/equipment for setting up ETP, installations for substitution of power from grid, rainwater harvesting, recycling of wastewater, and purchase of material for conservation efforts. These measures are expected to provide MSMEs significant support going forward.

Moreover, some MSMEs, reported difficulties in accessing technical experts with domain knowledge as a hurdle in the process. This hinders their ability to identify appropriate energy conservation measures and seamlessly transition to them.

Currently, most enterprises rely on power supplied by AEGCL, with nearly 26% also using back-up diesel generators. Only a small fraction, merely 2%, had adopted solar power as a supplementary energy source.

4.4.3. Problem Statement

- There is a need felt during the diagnostic survey to improve the uptake of GoI schemes like CHAMPION schemes in the State. Only 72 firms have obtained ZED Bronze certification, and none have obtained silver/gold. The number of firms enrolled for LEAN scheme also needs improvement.
- MSMEs in energy intensive sectors are facing rising energy cost affecting their overall input cost making it difficult to sell products at competitive price. Majority of MSMEs surveyed were

unaware about green practices/ technology and their benefits. The State also has plans to promote an approach of ESG-driven responsible investments in the State to achieve its Green Vision.

4.4.4. Proposed Project with Respect to RAMP

- i. **Workshops on decarbonisation, greenhouse gas accounting (GHG), carbon pricing, energy audit:** These workshops are designed to educate MSMEs on decarbonization strategies, enabling them to reduce their carbon emissions and adopt environmentally friendly practices. Additionally, the workshops provide guidance on greenhouse gas (GHG) accounting, ensuring that businesses can accurately measure their environmental impact and develop plans to minimize it. The emphasis is on sustainable and environmentally responsible business practices.
- ii. **Financial support to MSMEs through energy audits (Financial support to MSMEs to the tune of 20% of the cost of the machinery and equipment replaced, retrofitting and technology acquired for the purpose of improving energy efficiency (subject to a maximum of Rs.50k per MSME) in 10000 MSMEs) :** This intervention provides financial support to MSMEs for conducting energy audits, which help identify energy-saving opportunities and optimize operational efficiency. By supporting these audits, businesses can reduce their energy consumption, lower operating costs, and contribute to a more sustainable energy future.
- iii. **Workshops on maximising awareness of LEAN Scheme and ensuring maximum coverage of BASIC LEVEL LEAN certification with the support of Udyami Saathi:** These workshops aim to increase awareness of the LEAN Scheme and provide guidance to MSMEs on achieving the BASIC LEVEL LEAN certification. By implementing LEAN principles, businesses can streamline their processes, reduce waste, and enhance productivity. This intervention encourages businesses to adopt LEAN practices, resulting in increased efficiency and competitiveness.
- iv. **Workshops on maximising awareness of ZED Scheme and ensuring maximum coverage of BRONZE certification with the support of Udyami Saathi:** The workshops focus on raising awareness about the ZED Scheme and assisting MSMEs in obtaining BRONZE certification. This certification recognizes businesses for their commitment to quality and excellence. By participating in these workshops, MSMEs can enhance their product quality, market competitiveness, and overall business performance.
- v. **Awareness programme on getting FSSAI Basic license and ensuring certification to 1000 MSMEs per year:** This initiative includes an awareness program to guide MSMEs in obtaining FSSAI Basic Licenses, which are crucial for ensuring food safety and quality. The program targets the certification of 1000 MSMEs each year, enhancing food safety standards and fostering consumer trust.
- vi. **Financial support for FSSAI Basic License to a maximum amount of Rs.6000/- per MSME on reimbursement basis:** This intervention provides financial support to MSMEs seeking FSSAI Basic Licenses. Businesses can receive reimbursement for a maximum amount of Rs. 6,000, enabling them to meet the necessary food safety requirements and uphold quality standards in their operations.
- vii. **State MSME Excellence Awards:** The State MSME Excellence Awards aim to recognize and celebrate the remarkable achievements and innovations of MSMEs in Assam. These awards honour businesses that have demonstrated excellence and quality in their operations, fostering a culture of growth and inspiring others to pursue excellence and innovation within the sector. The category of awards can be following
 - a. Award Category for all MSMEs in state on following parameters
 - i. Energy Efficiency (Including Utilization of Renewable Energy Resources)
 - ii. Water Conservation Waste Management (With specific focus on hazardous waste management) (Including Rainwater Harvesting)
 - iii. Reduced Environmental Impact
 - iv. Most quality certifications
 - v. Gender inclusion
 - vi. Financial inclusion (SC/ST)

- b. Selection of 125 entrepreneurs from 100000 new MSMEs excel in different criteria e.g. Turnover, employment, innovation etc
- c. Aspirational CHAMPION Udyami awards from 7 aspiration districts of Assam.

4.4.5. Proposed Project Design Concept and Feasibility & Viability of Proposal

The proposed Enhancing Firm capabilities – Competitiveness support Proposal aims to improve all aspects of capacity building associated to MSMEs across all verticals and stakeholders. The project will focus on improving the capabilities of MSMEs including certifications such as ZED/LEAN, CHAMPIONS scheme and adoption of green practices in the state.

The interventions have been proposed considering the current traction of the CHAMPIONS schemes and the feedback received from the officials regarding the challenges faced during field level implementation in the State so that targets could be estimated more realistically. The prospective beneficiaries for ZED certifications will be identified from among the units mobilised for awareness workshops, beneficiaries of MSME performance enhancement and Make in Assam projects. Obtaining ZED certification will be stipulated as a selection criterion for MSME Scaling up Project to improve the uptake of the ZED certification.

The energy audits will be carried out on pilot basis in volunteering MSMEs facing the issue of high energy consumption and electricity cost. The units will be encouraged to implement the interventions recommended in the Energy audit report depending upon the feasibility.

4.4.6. Approach and Methodology for Implementation

A. ZED

Workshops will be organised to ensure MSMEs understand and are able to access appropriate assistance of various sub schemes under the CHAMPIONS scheme. The approach is to identify at least 50-60 enterprises capable of adopting the schemes from every district. Gaps will be identified in terms of MSMEs access to various sub schemes and a roadmap will be prepared to address the issues. Based on these gaps, training will be designed in consultation with nodal team of respective schemes stationed in the State and Technical experts. Furthermore, we understand that local industry associations play an important role in collectively addressing the challenges faced by the sectors. The industry associations will also be involved in mobilising the MSMEs units and to ensure maximum participation. They also provide personalized advisory support to beneficiaries from time to time.

For ZED scheme, prospective beneficiaries for ZED certifications will be identified in three ways:

- ▶ From among the units that are mobilised and undergone awareness programme on ZED certification. A preliminary assessment of these participants will be carried out regarding their preparedness for ZED certification and the level of certification which they could opt for.
- ▶ From the beneficiaries of MSME performance enhancement and Make in Assam interventions.
- ▶ For upgradation to silver and gold level, the existing Bronze and Silver certified units will be encouraged for upgrade.

B. LEAN

There is a need for MSMEs to transition to a new business environment especially with the disruption in the global supply chains due to COVID pandemic and geopolitical scenarios and convergence of multiple sourcing as a methodology in vendor development. Today there is intensity in the competitiveness of firms both at domestic as well as global level. Hence, it becomes imperative for the MSMEs in India to become more competitive.

Gol has launched the MSME Competitive (Lean) Scheme to enhance the Domestic and Global Competitiveness of MSMEs through implementation of Lean Tools and Techniques. MSME Competitive (Lean) Scheme can be attained in following three levels after registering and taking the Lean Pledge:

- ▶ Level 1: BASIC
- ▶ Level 2: INTERMEDIATE
- ▶ Level 3: ADVANCED

The interventions under RAMP related to the LEAN scheme will be in creating awareness among the MSMEs regarding the scheme and its benefit. It is expected that the sensitised MSMEs from the awareness programme will embark on the journey of Lean by taking the Lean Pledge and complete the Basic level in stipulated 2 months. Further interested units to go for higher levels will be supported to connect with the Implementing Agency



Figure 61: Supporting Firm Competitiveness through LEAN

C. Energy Audits

MSMEs in the sectors like general engineering and Rubber products facing higher energy consumption for processes will be approached to identify interested units to take up energy audits. The identified units will then be linked with certified energy auditors (Investment Grade Energy Auditor - IGEA) approved/ empanelled by State government agencies like Energy Management Centre (EMC) or agencies under Govt. of India like Bureau of Energy Efficiency. Investment Grade Energy Audit (Detailed) will be carried out in identified units and energy audit reports will be submitted.

The scope of the work includes a detailed study for energy conservation options of various energy sources including Electrical and Thermal Sources like Electricity, Furnace Oil, LSHS, HSD, LPG, Briquette etc. in the unit and recommends actions for reducing the same.

The audit shall concentrate on the review of the present energy consumption profile of Thermal and Electrical energy sources at various load centers like manufacturing units, heating units, driven equipment, lighting, ventilation etc. The study will also cover detailed review of present energy monitoring & accounting system in terms of metering / sub - metering, record keeping, data logging, periodic performance analysis etc. The audit study will identify scope for effective energy monitoring & accounting system using SCADA / DCS / Plant Manager / Remote M & V software packages which can record periodic samples and give alerts on increased consumption and demand overshoot. Potential for Renewable energy applications, such as solar thermal, Solar-PV, Biogas, Waste-to-energy, with cost-benefit analysis and savings on commercial energy will also be assessed in the audit. Potential for E-Mobility adaptation, by switching over to Electric vehicles, goods carriers, installing EV Charging stations etc. will be studied. The IGEA report will be submitted.

The Detailed Project Report will contain the following information:

- ▶ Methodology adopted for the study.
- ▶ Present Energy scenario of the unit.
- ▶ Detailed analysis of the data obtained through field visits, trial measurements by portable gadgets, discussion with concerned personnel etc.
- ▶ Recommendations for energy saving options in all possible areas with cost-benefit analysis (Simple Payback period, Internal Rate of Return, Return over investment, all details required for an ESCO proposal etc.)
- ▶ Technical Specifications for any retrofit options,
- ▶ List of suppliers / manufacturers of energy efficient technologies.

4.4.7. Use of ICT/Innovative Technology Towards Project Implementation

Survey tools will be developed and the EDEs will use the handheld devices provided to them for capturing the information. The Integrated dashboard will be used to monitor the progress of implementation of the interventions.

4.4.8. Timeline for achievement of Project Deliverables

The interventions proposed will be spread across the 4 years. The number of units who are expected to get benefitted from the interventions in this period is as provided below.

Table 65 Project timeline

D	Competitiveness Support and Green Initiatives	Timeline			
		Y1	Y2	Y3	Y4
1	Workshops on decarbonisation, greenhouse gas accounting (GHG), carbon pricing, energy audit.				
2	Financial support to MSMEs through energy audits				
3	Workshops on maximising awareness of LEAN Scheme and ensuring maximum coverage of BASIC LEVEL LEAN certification with the support of Udyami Saathi				
4	Workshops on maximising awareness of ZED Scheme and ensuring maximum coverage of BRONZE certification with the support of Udyami Saathi				
5	Awareness programme on getting FSSAI Basic license and ensuring certification to 1000 MSMEs per year				
6	Financial support for FSSAI Basic License to a maximum amount of Rs.6000/- per MSME on reimbursement basis				
7	State MSME Excellence Awards				

4.4.9. Estimated impact of the Project/Proposal/scheme

10075 MSMEs will be sensitised on the green technologies. 230 MSMEs will be linked to relevant technical experts to capacity build them for Walkthrough energy audit. 130 units will be given financial support of INR 75000 for detailed energy audit and additional support to the tune of 50% of the cost of the machinery and equipment replaced, retrofitting and technology acquired for the purpose of improving energy efficiency (subject to a maximum of Rs.10 lakhs per MSME) over the 4 years. 240 MSMEs from each district every year will be mobilised and sensitised in ZED scheme and will be encouraged to initiate bronze certification with target of 2% conversion. 72 MSMEs including the existing Bronze certified units will be provided awareness and handholding to upgrade their ZED certification to Silver and Gold in collaboration with the certified consultants/experts approved by Quality Council of India. 60 MSMEs from every district every year will be mobilised and sensitised on LEAN scheme and will be encouraged to adopt the LEAN practices to improve the efficiency and productivity of the units in collaboration with approved LEAN consultants/ National Productivity Council. New categories of awards in State MSME Awards will be started to encourage MSMEs to adopt green technologies and quality certifications.

4.4.10. Project costing and contribution of State towards it

Table 66: Project costing and contribution of State towards

(Amount in Rs. Lakhs)

Sl. No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
1	Workshops on decarbonisation, greenhouse gas accounting (GHG), carbon pricing, energy audit.	40.08	8.02	32.06
2	Financial support to MSMEs through energy audits	2111.30	422.26	1689.04
3	Workshops on maximising awareness of LEAN Scheme and ensuring maximum coverage of BASIC LEVEL LEAN certification with the support of Udyami Saathi	40.08	8.02	32.06
4	Workshops on maximising awareness of ZED Scheme and ensuring maximum coverage of BRONZE certification with the support of Udyami Saathi	91.15	18.23	72.92
5	Awareness programme on getting FSSAI Basic license and ensuring certification to 1000 MSMEs per year	12.40	2.48	9.92
6	Financial support for FSSAI Basic License to a maximum amount of Rs.6000/- per MSME on reimbursement basis	120.00	24.0	96.0
7	State MSME Excellence Awards	422.00	84.4	337.6
	Total	2837.01	567.40	2269.61

4.4.11. Plan for strengthening M&E framework pertaining to Project

A robust monitoring framework will be developed to monitor the progress of the interventions. Quarterly reviews with GM DCCs will be carried out regarding the progress and to understand the challenges faced during implementation of the interventions.

Feedbacks will be taken from the candidates undergoing the capacity building after the completion of the programmes. Survey of the candidates will be conducted after a period of 3 months to check if there is any tangible improvement to the MSME in terms of initiation of manufacturing identified products under Make in Assam / priority sectors, adoption of technology, quality certification, increase in turnover, availing GoI schemes or enhancement in customers.

- ▶ To ensure that meaningful outcome of the RAMP intervention (energy audit) is achieved, the assistance to the firms for undertaking the energy audits will be on a reimbursement basis based upon the implementation of the recommendations by the units.

4.5. Improving Access to Finance

Vision - Expanding MSMEs financial horizons for sustainable growth and prosperity.

4.5.1. Major issues/challenges of Firm capabilities.

Access to finance remains one of the critical constraints in the growth of the MSME. Entrepreneurs face challenges to accessing the credit due to complex collateral requirements, lack of proper knowledge of the procedures, delay in fund disbursement, un-standardized project appraisal system for term loans etc. Many MSMEs lack awareness of different financial products and benefits available to them. MSMEs are unable to avail benefits of financial products and face challenges with this due to lack of

understanding of the bank's financing framework, and criteria to be met including etc. From the supply side, i.e. bank/ Financial institution side, the issues are incomplete and inaccurate documentation, inability to repay the loan, inability to meet regulatory compliance, bad credit history, unstable business, no clear business plan, no knowledge on market potential, and misuse of loan funds.

4.5.2. Key Findings

The key findings from the stakeholder consultation with banks revealed that each bank, while operating in the same geographical and regulatory context, provided a unique perspective on the problems they encounter when dealing with loan applications from MSMEs. During stakeholder interactions to gauge the breadth and depth of challenges in the loan issuance process, it was revealed that the challenges are multifold and complex, ranging from administrative to financial and strategic in nature for MSME. It ranged from basic yet crucial issues like incomplete and inaccurate documentation to more intricate challenges such as instability in revenue streams, inadequate business planning, possibility of loans becoming NPA and lack of market potential. The diversity in observations reflects both the array of the MSME sector and the variances in institutional approaches to loan issuance.

4.5.3. Problem Statement

The applications for loan are rejected by banks due to reasons ranging from basic yet crucial issues like incomplete and inaccurate documentation to more intricate challenges such as instability in revenue streams, inadequate business planning, and lack of market potential for the business proposal. Hence it is essential that the entrepreneur is sensitised on the various requirements or criteria to be met for the loan application to be approved. The problem statement is to improve access to finance for MSMEs in Assam by addressing the challenges identified in the stakeholder consultation.

4.5.4. Proposed Project with Respect to RAMP

The proposed project aims to address the key challenges faced by MSMEs in Assam in securing credit. The project is designed with a multi-branched approach to tackle the issues at various levels. Here are the details:

- i. **Capacity Building Workshops and Awareness Programmes on Access to Finance Schemes:** Capacity-building workshops and awareness programs are designed to educate MSMEs about various finance-related schemes available to them. These initiatives empower entrepreneurs with the knowledge and skills required to navigate the complex landscape of financial support, thereby enabling them to make informed decisions about their funding needs.
- ii. **Special Financial Literacy Workshops for Women/SC/ST Entrepreneurs:** To promote financial inclusion, special financial literacy workshops are tailored to women, SC, and ST entrepreneurs. These workshops provide targeted guidance on financial management, investment, and access to financial resources, promoting economic empowerment and independence.
- iii. **CGTMSE premium support through State contribution coverage to loans MSE FCs**
***for premium - (10,000 avg. CGTMSE cases * 5 lakhs Avg. loan amount * 0.37% AGF):**
 This initiative aims to increase the adoption of the CGTMSE Scheme by providing a state contribution to give 100% coverage for loans to Micro and Small Enterprises (MSE FCs). By eliminating financial barriers and mitigating risks, this intervention encourages MSEs to access the necessary financing to grow and expand their operations.
- iv. **Knowledge Sharing Workshops with Financial Institutions and Associations of NBFCs, public sector undertakings in association with Institute of Chartered Accountants of India (Assam Chapter):** Knowledge sharing workshops facilitate collaboration between MSMEs, financial institutions, NBFCs, and public sector undertakings. These workshops are conducted in association with the Institute of Chartered Accountants of India (Assam Chapter) and promote an exchange of insights and expertise, fostering a more supportive financial ecosystem for MSMEs.
- v. **Interest subvention for MSMEs upto 3% (upto INR 50,000 for micro units, INR 2,00,000 for Small units and INR 10,00,000 for medium units):** MSMEs part of performance enhancement initiative will receive interest subvention, reducing the cost of borrowing. This

incentive encourages businesses to excel in their operations, thus creating a strong motivation for growth and continuous improvement.

4.5.5. Proposed Project Design Concept and Feasibility & Viability of Proposal

The project design concept involves conducting educational seminars for MSMEs on KYC and documentation, providing real time updates on regulatory changes, guiding MSMEs in building formal credit history, offering consultative services for better business planning and market positioning, and conducting regular Business Health Checks and market assessments.

The proposed project aims to address the key challenges faced by MSMEs in Assam in securing credit. The project is designed with a multi-branched approach to tackle the issues at various levels. Here are the details:

- I. **Educational Seminars on KYC and Documentation:** One of the major challenges faced by MSMEs is incomplete and inaccurate documentation. To address this, the project proposes conducting educational seminars for MSMEs on KYC and documentation. These seminars will help MSMEs understand the importance of maintaining complete and accurate documentation and guide them on how to do it effectively.
- II. **Real time Updates on Regulatory Changes:** Regulatory compliance is another area where MSMEs struggle. The project proposes providing real time updates on regulatory changes to help MSMEs stay compliant. This could be done through a dedicated online platform or regular email updates.
- III. **Guidance on Building Formal Credit History:** Many MSMEs have limited formal credit history, which affects their ability to secure loans. The project proposes offering guidance to MSMEs on how to build a robust credit history. This could involve advising MSMEs on best practices for managing their finances and meeting their credit obligations.
- IV. **Consultative Services for Business Planning and Market Positioning:** Many MSMEs lack a clear business plan and have limited knowledge of market potential. To address this, the project proposes offering consultative services to help MSMEs in business planning and understanding market dynamics. This could involve helping MSMEs identify their unique selling proposition (USP), understand their target market, and develop effective marketing strategies.
- V. **Regular Business Health Checks and Market Assessments:** To ensure the ongoing success of MSMEs, the project proposes conducting regular Business Health Checks and market assessments. These checks will help identify any potential issues early on and provide MSMEs with the necessary support to address them.

The feasibility of interventions is grounded in its practical approach to addressing the challenges faced by MSMEs in Assam. By focusing on areas such as documentation, regulatory compliance, credit history, business planning, and market positioning, the proposal leverages existing resources and capabilities of banks and the Directorate of Industries. This makes the implementation of the proposed interventions feasible within the existing framework. The viability of the proposal lies in its potential to significantly improve access to finance for MSMEs in Assam. By addressing the key challenges identified, the proposal can help MSMEs overcome barriers to credit, thereby supporting their growth and contributing to the overall socio-economic development of the state. The proposed interventions are designed to be adaptable and scalable, ensuring their viability even as the MSME landscape evolves. Furthermore, regular monitoring and evaluation will ensure that the interventions remain effective and continue to deliver positive outcomes.

4.5.6. Approach and Methodology for Implementation

Integrated Approach for MSME Access to Finance:

To address the myriad challenges faced by MSMEs in Assam in securing the credit, both banks and the Directorate of Industries can implement several high impact interventions. For issues related to documentation and compliance, banks should invest in educational seminars that

demystify KYC, taxation, and other regulatory requirements. The Directorate, on the other hand, could develop standardized templates and offer real time regulatory updates to ease compliance.

On aspect of financial stability, the MSMEs could be supported by offering consultation services to help MSMEs build a robust credit history and advising on restructuring options for at risk businesses. For better business planning and market positioning, consultative services from banks can help MSMEs in business planning and understanding market dynamics. The Directorate could complement this by conducting regular 'Business Health Checks' and market assessments.

These combined efforts can substantially alleviate the credit gap facing MSMEs in Assam.

Table 67: Strategic Initiatives to Bridge the Credit Gap for Assam's MSMEs

S. No	Issue	Banks Recommended Actions	Dept. of Industries & Commerce Recommended Actions
1	Incomplete & inaccurate documents	Conduct seminars on KYC and documentation.	
2	Documentation	Hold information sessions on tax laws and other compliance prerequisites.	Provide real time updates on regulatory changes through online platforms.
3	Bad credit history	Guide MSMEs in building formal credit history.	
4	Unstable business	Provide consultative services on diversification and market penetration.	Conduct Business Health Checks to assess and guide business plans.
5	No clear Business Plan	Offer consultative services to help in business planning and USP formulation.	Provide specialized consultation services for better market alignment of business plans.
6	No knowledge on market Potential	Set up subsidized consultation services for market assessment.	Provide access to market research databases
7	No knowledge on Govt. schemes	Awareness on eligibility and process for Govt. schemes	Provide capacity building and awareness program on ongoing Central and State Schemes

The approach for implementing the proposed project involves a collaborative effort between banks, the Directorate of Industries & Commerce, and MSMEs in Assam. The methodology includes the following steps:

- ▶ **Step 1: Stakeholder Engagement:** Engage with all stakeholders including banks, the Directorate of Industries, and MSMEs to ensure their buy in and active participation in the project.
- ▶ **Step 2: Educational Seminars:** Conduct educational seminars on KYC and documentation for MSMEs. These seminars will be designed to be interactive and practical, enabling MSMEs to understand and apply the knowledge gained.
- ▶ **Step 3: Real time Regulatory Updates:** Develop a system for providing real time updates on regulatory changes. This could be an online platform or a regular email update service.
- ▶ **Step 4: Credit History Guidance:** Provide guidance to MSMEs on building a robust credit history. This could involve one-on-one consultations or group workshops.

- ▶ **Step 5: Business Planning and Market Positioning Services:** Offer consultative services to help MSMEs in business planning and understanding market dynamics. This could involve personalized consultations or group training sessions.
- ▶ **Step 6: Regular ‘Business Health Checks’ and Market Assessments:** Conduct regular ‘Business Health Checks’ and market assessments to monitor the progress of MSMEs and identify any potential issues early on.
- ▶ **Step 7: Monitoring and Evaluation:** Implement a robust monitoring and evaluation system to track the progress of the project and measure its impact. This will involve regular reporting and data analysis.

In order to increase traction and encourage more MSMEs and Buyers to onboard onto TReDS, the exchanges are taking proactive steps. They are collecting feedback from buyers and reaching out to suppliers to understand their concerns and motivate them to get onboarded. They are also willing to conduct awareness sessions with PSUs and MSME bodies to educate them about the benefits of the TReDS platform and guide them through the onboarding process.

Additionally for providing interest subvention to MSMEs in Assam is designed to incentivize and support the growth and development of micro, small, and medium enterprises. As a part of performance enhancement initiative, Micro-enterprises can avail interest subvention for up to 250 units per year, with a maximum limit of INR 1,000,000. Small enterprises have access to subvention for 25 units annually, with a maximum cap of INR 2,000,000, while medium enterprises can benefit from subvention for up to 5 units each year, with a maximum limit of INR 5,000,000.

The aim is to reduce their financial burden and enabling them to invest in their business operations. This approach not only promotes financial inclusivity but also fosters growth and innovation within the MSME sector, ultimately contributing to the economic development of Assam. The methodology is characterized by transparency, fairness, and accessibility, aligning with the state's vision of nurturing and supporting its small and medium enterprises.

4.5.7. Use of ICT/Innovative Technology Towards Project Implementation

ICT can be used to provide real time updates on regulatory changes, offer online consultative services, conduct virtual Business Health Checks, and facilitate access to market research databases.

4.5.8. Timeline for achievement of Project Deliverables

Table 68: Timeline for achievement of Project Deliverables

E	Improving Access to Finance	Timeline			
		Y1	Y2	Y3	Y4
1	Capacity building workshops and awareness programmes on all access to finance related schemes				
2	Special financial literacy workshops for women/SC/ST entrepreneurs				
3	CGTMSE premium support through State contribution coverage to loans MSE FCs				
4	Knowledge sharing workshops with financial institutions, associations of NBFCs, public sector undertakings in association with Institute of Chartered Accountants of India (Assam Chapter)				
5	Interest subvention for MSMEs upto 3% (upto INR 50,000 for micro units, INR 2,00,000 for Small units and INR 10,00,000 for medium units)				

4.5.9. Estimated impact of the Project/Proposal/scheme

The estimated impact of the project includes improved access to finance for MSMEs in Assam, increased stability and growth of MSMEs, and enhanced socio-economic development in Assam.

4.5.10. Project costing and contribution of State towards it

Table 69 : Total Costing for the interventions related to Access to Finance (Amount in Rs. Lakhs)

Sl. No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
1	Capacity building workshops and awareness programmes on all access to finance related schemes	80.17	16.03	64.14
2	Special financial literacy workshops for women/SC/ST entrepreneurs	80.17	16.03	64.14
3	CGTMSE premium support through State contribution coverage to loans MSE FCs	370.00	74.0	296.0
4	Knowledge sharing workshops with financial institutions, associations of NBFCs, public sector undertakings in association with Institute of Chartered Accountants of India (Assam Chapter)	23.73	4.75	18.98
5	Interest subvention for MSMEs upto 3% (upto INR 50,000 for micro units, INR 2,00,000 for Small units and INR 10,00,000 for medium units)	5200.00	1040.0	4160.0
Total		5754.07	1150.81	4603.25

Table 70: Intervention subvention (Amount in Rs. Lakhs)

Interest subvention					
A	Interest Subvention - Performance enhancement of micro units (Selected from 3100 micro enterprises) (including 20% women SC/ST)				
	No of units	2000	2000	2000	2000
	Amount per unit	50000	50000	50000	50000
	Total cost (A)	100000000	100000000	100000000	100000000
B	Interest Subvention - Performance enhancement of Small units (Selected from 200 small enterprises)				
	No of units	100	100	100	100
	Amount per unit	200000	200000	200000	200000
	Total cost (B)	20000000	20000000	20000000	20000000
C	Revolving working capital Subsidy - Performance enhancement of medium units				
	No of units	20	20	20	20
	Amount per unit	500000	500000	500000	500000
	Total cost (C)	10000000	10000000	10000000	10000000
	Total Cost (A+B+C) In Lakhs				5200.00

4.5.11. Plan for strengthening M&E framework pertaining to Project

The plan for strengthening M&E framework pertaining to the project will consist of the following:

- ❖ **Step 1: Develop M&E Plan:** Develop a detailed M&E plan that outlines what will be monitored and evaluated, the methods to be used, and the timeline for M&E activities.
- ❖ **Step 2: Identify Key Performance Indicators (KPIs):** Identify KPIs for each intervention that accurately measure their effectiveness. These could include number of MSMEs attending educational seminars, number of MSMEs receiving real time regulatory updates, improvements in credit history, etc.
- ❖ **Step 3: Regular Data Collection:** Implement regular data collection processes to track progress against KPIs. This could involve surveys, interviews, or review of administrative data.
- ❖ **Step 4: Data Analysis:** Analyse the collected data to assess the progress and effectiveness of interventions. This should be done on a regular basis (e.g., quarterly) to allow for timely adjustments if needed.
- ❖ **Step 5: Reporting:** Prepare regular M&E reports that provide updates on progress and insights from data analysis. These reports should be shared with all stakeholders to ensure transparency and accountability.
- ❖ **Step 6: Review and Adjust:** Use the insights from M&E activities to review and adjust interventions as needed. This ensures that the project remains responsive to changing needs and circumstances.
- ❖ **Step 7: Capacity Building:** Invest in capacity building for M&E. This could involve training for staff on M&E methods and tools or hiring of additional M&E expertise if needed.

4.6. Access to market

Vision - Unlocking Boundless Markets for Prosperous MSMEs.

4.6.1. Major issues/challenges of Firm capabilities

Limited Market Access and Knowledge: Assam's MSMEs encounter challenges when it comes to expanding into new and larger markets, largely due to a lack of market knowledge in other states and export markets. A major challenge in opening new markets through vendor development in Assam is the limited understanding of market dynamics, preferences, and demand in those markets. MSMEs in Assam don't have a streamlined networking opportunity from PSUs, OEMS and anchor units and understand the procurement requirements.

Limited Networking Opportunities: The challenges that the MSMEs face are they have restricted access to or engagement in professional or social networks. This can hinder their ability to build beneficial relationships, share knowledge, and access opportunities for growth and development.

Regulatory Barriers and Compliance: Another significant challenge is navigating complex regulatory barriers and ensuring compliance with diverse market requirements, both at the state and national levels, which can be daunting for vendors seeking expansion.

Some of the other challenges related to Marketing and promotion that were identified during the stakeholder discussions and survey are as follows:

- ▶ Many of the MSMEs are not connected to digital platforms and only rely on the local market to sell their product, which hinders their access to a larger market
- ▶ The transportation cost for the export of goods is high compared to neighbouring states like Tamil Nadu. Additionally, MSMEs lack the expertise to export and connect with buyers beyond the local geographies.
- ▶ There are challenges in identification of relevant products, as well as missing business opportunities to larger market.
- ▶ MSMEs struggle to compete with big market players due to lack of appropriate knowledge, missing compliances, and certifications. This hinders their chances of reaching out for exports or larger markets.
- ▶ MSMEs find it difficult to identify new buyers/customers, and find the trade fairs etc. as additional costs, due to lack of incentives or benefits.
- ▶ MSMEs also find the e marketplaces, such as GeM non transparent, and are unaware of the process and procedures for enrolment. They also feel that the public procurement doesn't follow appropriate rules, and the officials are unaware of the technicalities of manufacturing.

4.6.2. Key Findings

Access to the market for MSMEs is one of the major challenges in the State. The survey results reveal that more than 90% of MSMEs sell their products in the local markets and nearby districts. It shows that MSMEs of the State largely depend upon the local market. In addition, 8% of MSMEs highlighted that they sell their products within the State. Therefore, there is a much smaller number of MSMEs selling their products in the entire country or exporting the products.

Nearly 10% of the MSMEs surveyed are aware of using websites for marketing and promotion. However, they have not yet utilised this avenue, while very few have their own websites. Almost 85% of the MSMEs were not aware about leveraging own websites for marketing their product/service.

There is a lack of awareness on GeM platform and its benefits among MSMEs, with 75% being unaware and 15% not utilizing them despite awareness. Moreover, there is limited awareness about the onboarding process for the Government e-Marketplace (GeM) portal.

According to the survey findings, a significant portion, approximately 50% to 60%, of enterprises lack awareness of major online e-commerce platforms such as IndiaMart, Flipkart, and Amazon. Among the digital, social media, and e-commerce platforms used to connect with customers, Whatsapp is the most popular at 35%, followed by Instagram and Facebook, both at 10%. However, these platforms were reported to contribute to only a maximum of 5% of the enterprises' total sales.

The two major challenges the surveyed MSMEs mentioned related to marketing/ sales of their products/services were of low margin realised and difficulty in promotion of products due to high cost. Nearly 35% of them also mentioned delay in payment as a challenge.

For the above reasons, there is a need to bring the MSMEs and the CPSEs/ private buyers to a common table. When this is done by a government department, especially a department dedicated to the development of MSMEs, it lends more credibility to the process. It also smoothenes and facilitates the process.

4.6.3. Problem Statement

Majority of MSMEs only sell their products locally and are not connected to digital marketplaces. They lack the support for product identification and promotion for exports and/or other markets. MSMEs (especially in sectors like Bamboo craft and Handlooms) have to bear high cost of transportation and freight to transfer the goods to other States and hence their products become less competitive in spite of having quality. Many MSMEs are unable to attend trade fairs/meets organised outside the State and view them as added costs, instead of business opportunities. There are Insufficient market linkage opportunities available for MSMEs due to limited platforms connecting authentic buyers and sellers. 75% of the MSMEs surveyed were unaware about the e-commerce platforms like ONDC, GeM, IndiaMart etc, while 15% where not utilising the e-commerce platforms inspite of having awareness.

Government entities and private buyers are often unaware of the capabilities, certifications, and quality standards of MSMEs. This knowledge gap exists because there is no central facilitator or touchpoint dedicated to providing comprehensive information about Assam's MSMEs. In instances where such facilitators or touchpoints exist, they serve specific groups of MSMEs in isolation.

To promote products from Assam, the need to organise state and district level Expos was felt. There is a need to uplift the MSMEs in the State and link them with major Anchor units/PSUs through Vendor development Programmes. 55% of the respondents in the diagnostic survey were not aware of the various State and Centre Govt. Schemes for MSMEs.

It was evident from the stakeholder interactions that MSMEs are relying mainly on their personal contacts and repeat customers to sell their products/services. Therefore, the opportunities like participation in trade fairs, exhibitions, buyer-seller meets, and vendor development programs are crucial for acquiring new customers.

4.6.4. Proposed Project with Respect to RAMP

- i. **Workshop for Awareness on e-commerce websites for MSMEs such as GeM, MSME Bazaar etc.**

The intervention is primarily aimed at creating awareness among the MSMEs regarding the opportunities and benefits of e-commerce and digital marketing.

- ii. **Zila Udyam Samagam (Sector-wise and District-wise Expos) - Convergence with Market Assistance Scheme:**

To facilitate the MSMEs to showcase its products, to understand about other relevant products available and interact with Business development service provides (BDSP), representatives from Technical institutions etc. MSME expos are proposed. Two levels of expos, i.e., State level sector focussed Expos and district level Expos, are planned. The Zila Udyam Samagam expos are designed to promote sector-wise and district-wise convergence, facilitating the interaction and collaboration of MSMEs with the broader market. These expos align with the Market Assistance Scheme and serve as platforms for MSMEs to showcase their products, network, and gain market exposure. The integration of these expos with the scheme helps MSMEs connect with potential buyers, fostering business growth.

- iii. **Participation in National/International Trade Fairs/Expos (MSEs will be accompanied free of cost):**

By participating in national and international trade fairs and expos, Assam's MSMEs gain exposure to a global audience. This intervention provides a platform for showcasing local

products, fostering international trade relationships, and gaining insights into emerging market trends. MSMEs can leverage these events to expand their business horizons and diversify their customer base.

iv. Assam Display Hangers - Showcasing Local Handicrafts and Products:

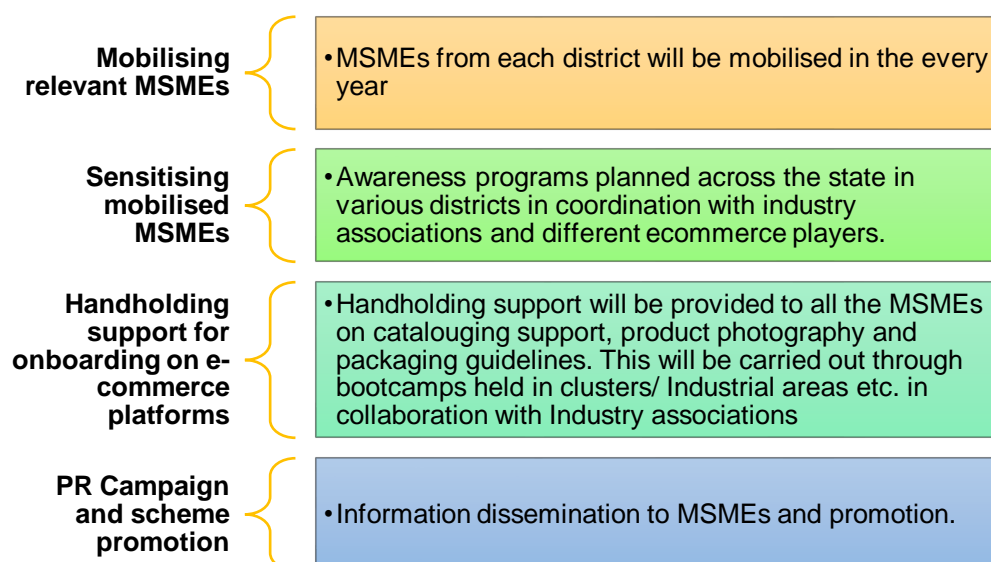
The Assam Display Hangers initiative focuses on setting up display hangers or wall displays in strategic locations such as Assam Bhawan in New Delhi, the Assembly secretariat, and Indian embassies or consulates abroad. This intervention acts as a visual platform for showcasing Assam's rich handicrafts, artifacts, and handloom products, promoting local culture and craftsmanship while attracting potential buyers and tourists, thereby contributing to the promotion of the state's heritage and economy.

4.6.5. Proposed Project Design Concept and Feasibility & Viability of Proposal

- ▶ Most of the MSMEs struggle with finding appropriate products, buyers and market, specifically beyond the local geography. They lack the necessary compliances and support to export products, or attend buyer seller meets, which present market linkage opportunities. The project will support all these aspects of market linkage and facilitate access to market in various ways including Exports, marketing support, product identification and promotions, access to e-commerce etc., and will promote business beyond local boundaries.
- ▶ MSME Expos at State level will be organised every year focusing on different priority sectors of the State. It will be ensured that participation of Buyers/ Sellers from other States also participate in large numbers so that adequate linkage between buyers and sellers happen.
- ▶ In order to provide coverage for micro and small units from every part of the State, adequate number of district level workshops will also be planned.
- ▶ Marketing agencies will be hired to promote the schemes of both Centre and State using both online and offline marketing and promotion methods. Market linkage and marketing remains one of the major challenges for MSMEs.

4.6.6. Approach and Methodology for Implementation

The approach to be adopted for promoting e-commerce is provided in the figure below:



The intervention related to MSME expos is proposed to be done across four focus areas as follows:

- ▶ **Focus Area 1: Development of an event calendar:** The involvement of MSMEs in exhibitions is frequently confined to members of associations or those in proximity due to limited awareness about such events. To rectify this disparity in information, the Directorate of Industries and Commerce will create a comprehensive exhibition schedule. Extensive consultations will be

conducted with Industry associations to solidify this calendar. Subsequently, this calendar will be disseminated to associations via various social media platforms such as WhatsApp, Twitter, LinkedIn, and made publicly accessible on the Directorate of Industries and Commerce website.

- ▶ **Focus Area 2: Ensuring coverage of major sectors:** The MSME expos organised at State level will be Sector based. Priority sectors including Tea, bamboo, handicraft, and Handloom/Textiles will be considered. Manufacturers, machinery suppliers, relevant BDSPs, related Technical Institutions and other major stakeholders from within and outside state will be invited to participate to facilitate better reach of the local MSMEs with outside market.
- ▶ **Focus Area 3: Enhancing the capacity and training of internal stakeholders within the department, including the District Industries & commerce Centres (DICC):** It is essential to sensitize these stakeholders and familiarize them with the broader landscape of expos and exhibitions since the DICC serve as the initial contact point for MSMEs. To achieve this, comprehensive training programs will be organized for all DIC employees. The event calendar developed will also be distributed to the DICs. The training sessions will encompass the following key topics:
 - Understanding the existing expos and exhibition ecosystems, including information on major recurring fairs and expos.
 - Requirements for effective coordination to connect MSMEs with exhibitions successfully.
 - Understanding the design aspects and prerequisites for participating in exhibitions, covering the “how,” “what,” and “why” of these design requirements.
 - Gathering relevant information about MSMEs for future exhibition opportunities.

These training initiatives aim to equip internal stakeholders with the knowledge and skills required to facilitate MSME participation in exhibitions effectively.

- ▶ **Focus Area 4: Public Relations and Engagement:** All events will be marketed, promoted, and branded through Directorate of industries and commerce official social media channels. Collaborative content in partnership with event organizing associations will be created and shared. Social media platforms and WhatsApp will be utilized to achieve this outreach and impact.

The following steps will be taken related to organising the Vendor Development Programmes:

Identification of Key Sectors, Government Entities, and Their Procurement Procedures

The District Industries Centre (DIC) will utilize the existing Udyam database, which includes HSN numbers, NIC codes, and GST data, to prioritize sectors and curate a list of relevant MSMEs. This focused approach enhances the likelihood of successful engagements.

Subsequently, DICC will collaborate with government entities and private buyers to ascertain their specific requirements. These requirements will be consolidated into lists and shared with the MSMEs identified during the aforementioned database curation process. This will be an ongoing and periodically updated endeavour, accommodating new and emerging sectors. The data collected will also undergo analysis, and the insights derived will inform public policy decision-making.

Organising Vendor Development programmes

Basis the identified sectors, curated MSMEs and supplier requirements, and insights from GeM workshops, the District Industries Centre (DIC) will implement Vendor Development programs covering major sectors and districts. This comprehensive effort will cover the entire state over a four-year period.

To execute this, a dedicated team will be essential, in conjunction with the Industry database, and a focused approach to communications and outreach. This will involve effective communication to the concerned stakeholders at the grassroots level as well as dissemination through online channels.

Establishment of Process Repositories and Regular Updates

To ensure the longevity of the vendor development programs and to effectively address the information gap between MSME sellers and government entities/private buyers, it will be essential to compile and periodically update lists of requirements, sector priorities, and related information. These compilations will then be printed and distributed to both MSMEs and government entities/private buyers.

Identification of products to be used in Assam Display Hangers

Unique product will be selected in order to set up hangers/wall display of Assam handicraft, artifacts, handloom products in Assam Bhawan (New Delhi), Assembly secretariat, Dispur, Indian embassy's/consulate abroad etc.

4.6.7. Use of ICT/Innovative Technology Towards Project Implementation

Social media platforms like WhatsApp, Twitter, LinkedIn will be leveraged for better information dissemination, communication and outreach. YouTube channels will also be leveraged in posting highlights of the workshops, Expos, VDPs and bootcamps to encourage more MSMEs to take up e-commerce and reap its benefits.

4.6.8. Timeline for achievement of Project Deliverables

The interventions are proposed to be conducted across the four-year period

Table 71: Timeline for achievement of Project Deliverables

F	Access to Market	Timeline			
		Y1	Y2	Y3	Y4
1	Workshop for Awareness on e-commerce websites for MSMEs such as GeM, MSME Bazaar etc.				
2	Zila Udyam Samagam (Sector wise and district wise) - convergence with Market Assistance Scheme				
3	Participation in national/international trade fairs/expos				
4	Assam Display hangers				

4.6.9. Estimated impact of the Project/Proposal/scheme

- ▶ 148800 enterprises will be sensitised on e-commerce platforms and benefits of e-commerce
- ▶ 11603 enterprises will be supported in onboarding e-commerce platforms through bootcamps
- ▶ A total of 4 State level Sector focussed expos are planned and 62 district level workshops will be organised.
- ▶ At least 4000 MSMEs will be provided an opportunity to interact with Anchor Units/ PSUs and convert into business opportunities

4.6.10. Project costing and contribution of State towards it

Table 72: Total costing for Intervention related to Access to Market and Promotions (Amount in Rs. Lakhs)

Sl.No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
1	Workshop for Awareness on e-commerce websites for MSMEs such as GeM, MSME Bazaar etc.	160.34	32.06	128.27
2	Zila Udyam Samagam (Sector wise and district wise) - convergence with Market Assistance Scheme	6034.18	1206.83	4827.35
3	Participation in national/international trade fairs/expos	960.00	192.00	768.00
7	Assam Display hangers	2000.00	400.00	1600.00
	Total	9154.51	1830.90	7323.61

4.6.11. Plan for strengthening M&E framework pertaining to Project

Field level officers will be responsible to coordinate with the respective Industry associations in identifying and mobilising the MSMEs. GM, DICC will periodically oversee the execution of these initiatives. DIC will also be coordinating with the Marketing agency for developing content for awareness workshops, formulating content strategies and materials for public relations and outreach, arranging activities for the Vendor Development Program, and finalizing both venue and participants.

4.7. Institutional Strengthening

Vision - Empowering Institutions, Enriching Enterprises

4.7.1. Major issues/challenges

Strengthening capacity for development and delivery of MSME Support Programme faces challenges at 3 levels.

- ▶ At the individual level: wherein Government officials do not get opportunity to invest time in their learning and developing their competencies. This includes grassroot officials who are actually the citizen-facing division of the Department. Need assessment for the capacity building to be imparted to officials are not regularly carried out. Lack of awareness regarding some of the major GoI schemes like CHAMPION scheme makes it difficult for them to provide proper guidance to the MSMEs.
- ▶ At the organizational level: wherein systems and processes have scope for more efficiency. The existing processes and related MIS modules will be examined and areas for improvement will be identified.

4.7.2. Key Findings

District Industries Centre (DICC) offices serve as a focal point for coordinating different interventions under the RAMP. While the importance of DICs is vital for a district in its growth and are yielding better results when compared to past models, there is a need to further strengthen the DICCs by addressing the challenges faced by entrepreneurs and applying respective measures. The field level officers should be equipped to serve as a last mile touchpoint to support MSMEs and entrepreneurs by providing customized advisory support through handholding and mentoring. In addition to the existing field level officers, additional resources (BDSPs) at Local self-government institutions level (i.e. Panchayath, Municipality/ Corporation) have to be deployed for effective implementation of interventions. The officials need to be imparted basic knowledge on the identified priority sectors and the best practices. The district level officers have limited knowledge regarding schemes/ programmes like TreDS, ONDC, CHAMPION schemes etc.

During interactions with the officials of the DICCs it was understood that detailed training on bank financing is needed. Additionally, there is a notable lack of awareness about TreDS in districts. Another key challenge lies in assisting MSMEs with Single Window Portal clearances, particularly in districts like. Training sessions covering both back-end operations and front-end interface support needs to be provided to DICC officials.

Also, DICCs are short of staff considering the amount of work they are handling. Therefore there is need for appointment of support staff to support DICCs regular activities.

Followings are the other key finding for Institutional strengthening:

- ▶ Other major domain areas identified for competency building, especially in the light of the priority sectors being identified to be promoted under the industrial policy, are IPR & trademarking, industry 4.0 topics, emerging technologies (both sector agnostic and sector specific) and green technology.
- ▶ Similarly, with the department focussing to roll out its commerce mission, trade facilitation, export promotion and trade agreements (multi-lateral, FTAs) are domain area expertise which the officials need to be focus.
- ▶ Integration of the training program with the department's ongoing work and projects related to MSMEs can help officials apply the learning in their actual work environment and reinforce the relevance of the training content to their job responsibilities.
- ▶ Emphasis on practical application of the training content to the department's work with MSMEs can encourage participants to apply the concepts learned in their day-to-day work, and provide opportunities for hands-on practice, problem-solving, and decision making related to real-world scenarios.
- ▶ User feedback around usefulness of trainings in day-to-day work should be evaluated from time to time.

4.7.3. Problem Statement: Institutional Strengthening

DIC play a crucial role in ensuring facilitating the industries and in effective implementation of different schemes and policies. The officials are currently unaware about many schemes by Govt. of India for MSMEs other than the ones they are currently involved in. Improvement in specific sectoral knowledge both theoretical as well as practical and keeping up to date with advancements and emerging trends in these field/areas is crucial to ensuring that the officers are abreast with the developments in the industry to effectively add value to their work responsibilities.

To ensure MSMEs understand and access appropriate assistance of various schemes of Govt. of Assam and RAMP, the department will prepare training and capacity building architecture framework including intensive training & institutional building activities such as analysis of training needs, preparation of materials and delivery of training.

4.7.4. Proposed Project with respect to RAMP objectives:

- i. **Management Development Programme at Indian Institute of Management (IIM) for Executive Officers of the Department:** This initiative seeks to enhance the professional development of executive officers within the department by offering a comprehensive Management Development Programme conducted at the prestigious Indian Institute of Management in Shillong (IIMS). This programme equips officers with the knowledge and skills required for effective decision-making, strategy development, and leadership within the MSME sector.
- ii. **Capacity Building Training for Grade B Officers by IIFT/IIE (1 Week):** Designed to bolster the expertise of Grade B officers, this one-week capacity-building training program, delivered by institutions such as the Indian Institute of Foreign Trade (IIFT) or Indian Institute of Entrepreneurship (IIE), equips officers with the tools and knowledge needed to effectively address MSME-related challenges and opportunities.
- iii. **PMO for Industrial Promotion and Economic Growth Strategy of Assam:** The Project Management Office (PMO) for Industrial Promotion and Economic Growth Strategy of Assam is established to provide strategic direction, coordination, and oversight for initiatives aimed at promoting industrial growth and economic development within the state. It serves as a hub for designing and implementing strategies that will enhance the economic landscape and create opportunities for MSMEs.
- iv. **Engaging Field Level Sector Expert (Udyami Saathi) to Assist Implementation:** Field-level sector experts, referred to as Udyami Saathis, are engaged to assist in the implementation of various MSME-related initiatives. These experts provide specialized support in areas such as enhancing firm capability, the CHAMPION scheme, CGTMSE, LEAN processes, quality certification, product design, legal matters, green energy adoption, and financial consultancy, contributing to the holistic growth of MSMEs. Udyami Saathis will be deployed in each district in below expertise/area.
 - ✓ Access to Market
 - ✓ Procurement Expert
 - ✓ Raw Material
 - ✓ Entrepreneurship Expert
 - ✓ Access to Finance
 - ✓ Legal Expert
 - ✓ Civil Engineer
 - ✓ Chartered engineer
 - ✓ Textile/Handloom Expert
 - ✓ Handicraft Expert
 - ✓ Food Processing Expert
 - ✓ Quality Expert
 - ✓ Energy Expert
 - ✓ Green Energy and Renewable Energy

- v. **Onboarding Trainers for Monthly Training to Local District Entrepreneurs (Udyami Veer):** This intervention involves recruiting and onboarding trainers, known as "Udyami Veer," to conduct monthly training sessions for local district entrepreneurs. The trainers impart knowledge on various aspects of business development, providing entrepreneurs with the skills and insights needed to thrive in their ventures.
- vi. **Training for Udyami Saathis (Gol & State Govt. Schemes, Soft Skills, Field Visits, etc.):** Udyami Saathis, crucial facilitators for MSMEs, receive comprehensive training in various aspects, including central and state government schemes, soft skills, and field visits. This training equips them to provide effective support to entrepreneurs in navigating the complexities of running a business and leveraging available schemes.
- vii. **Compulsory Training Hours for DICC Officials:** DIC officials are required to complete compulsory training hours focused on entrepreneurship development, managerial skills, and basic computer proficiency. This initiative partners with online training providers such as Udemy to deliver essential knowledge and skills to officials, enhancing their capabilities in supporting the MSME sector.

4.7.5. Proposed Project Design Concept, Feasibility & Viability of Proposal

The three pillars of Individual, Organization and Institutional serve as the guiding principle while formulating the capacity need analysis. Individual capacity building refers to building attitude, skills and knowledge at individual level, organization building capacity of collective and shared aspects of an organization such as organization structure, processes, infrastructure, external partnerships and technological capabilities. Institutional refers to policy level interventions that affect Department including Directorates, District Industries and Commerce Centers and other line departments.

Individual needs and organizational needs will be identified basis the feedback received from individuals including divisional heads and key staffs within the department through feedback forms and one-to-one interactions.

The annual training calendar will be developed based on the need analysis thus carried out. Achievable targets and monitoring mechanism through relevant KPIs will be established to ensure compliance. Mandatory learning hours per official in relevant areas will be determined and assigned based on the role and responsibilities. Top level monitoring at Secretary level and Director level will be established to ensure compliance.

Following factors will be considered while planning capacity building of officials:

- ▶ Self-paced learning to be encouraged, some of the standard domain modules could be digitized.
- ▶ User feedback around usefulness of trainings in day-to-day work to be evaluated periodically.
- ▶ International exposure is a major motivator.
- ▶ Key milestone trainings could be planned at designated locations
- ▶ Rewarding officers who have fulfilled mandated hours

A list of relevant courses based on analysis of Management Development Programmes offered by IIM A, B and C that will be considered is summarised below.

Table 73: List of Training Institutes and Their Respective Program Titles

Sl. No.	Training Institute	Title of the Programme
1.	IIM, Calcutta	Leadership and Team Building
2.	IIM, Bangalore	Organizational Excellence Through Leadership
3.	IIM, Calcutta	Interpersonal Effectiveness and Leadership Excellence
4.	IIM, Ahmedabad	Transformational Leadership
5.	IIM, Bangalore	Design Thinking

6.	IIM, Ahmedabad	Fintech: Business Models, Marketing, Strategy and Tactics
7.	IIM, Calcutta	Managerial Leadership and Team Effectiveness
8.	IIM, Ahmedabad	Administrative Leadership and Good Governance
9.	IIM, Calcutta	Lean Operations
10.	IIM, Calcutta	Communication and Presentation Skills
11.	IIM, Bangalore	Strategic Perspectives on the Design of Public Private Partnerships (PPPs)
12.	IIM, Bangalore	Creating High Performance Organisations
13.	IIM, Ahmedabad	Project Management
14.	IIM, Bangalore	Challenges of Managing Inclusive Finance in India
15.	IIM, Bangalore	Organizational Excellence Through Leadership
16.	IIM, Ahmedabad	Advanced Human Resource Management
17.	IIM, Calcutta	Leadership and Team Building
18.	IIM, Calcutta	Supply Chain Management
19.	IIM, Ahmedabad	PPP Frameworks: Innovative and Technologically advanced Infrastructure Development
20.	IIM, Calcutta	Interpersonal Effectiveness and Leadership Excellence
21.	IIM, Ahmedabad	Interpersonal Effectiveness and Team Building
22.	IIM, Bangalore	Organizational Excellence Through Leadership
23.	IIM, Calcutta	Communication and Presentation Skills
24.	IIM, Calcutta	Managerial Leadership and Conflict Resolution

Institutional capacity building will encompass the upgradation of the existing processes and systems including the MIS systems. More streamlined and integrated systems will be developed. Currently, there exists multiple websites and dashboards related to schemes, MIS, department webpages etc. This will be integrated to provide a single dashboard which will provide the necessary information at one place making the decision making easier.

4.7.6. Approach and Methodology for Implementation

One of the key requirements for effective implementation of the RAMP programme is the Institutional strengthening of the department. This calls for the creation of an Annual Capacity Building Plan (ACBP) for the Department. Through the ACBP exercise, it is intended to expand the public sector capacity building by going beyond training. Thus, while the ACBP exercise identifies Department specific training interventions to build individual capacity, it also looks at organizational interventions. The ACBP is essentially expected to detail all the interventions required to develop and enhance the competencies of individual officials as well as the collective capacity of the Department. The steps in creating such a plan have been summarized in the figure below:

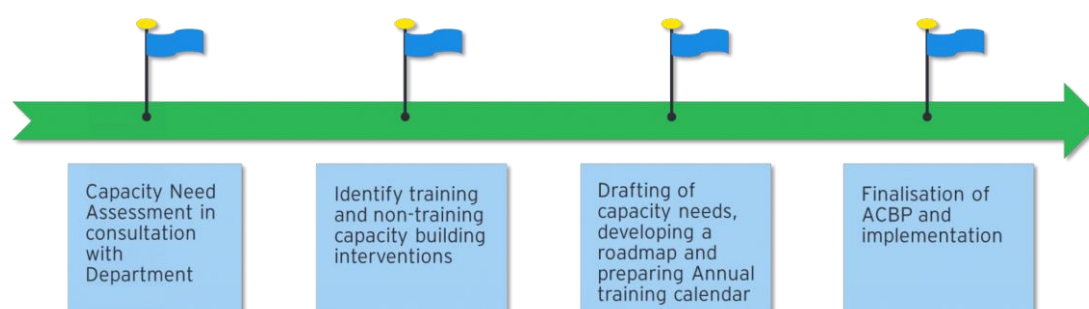


Figure 62 Steps for creating Annual Capacity Building Plan

The three pillars of the ACBP framework serve as the guiding principle while formulating the capacity need analysis. The ACBP approach essentially builds the plan across these three pillars namely individual, organizational and institutional. The approach towards identifying individual needs would involve receiving feedback over a self-declaration assessment form while organizational and institutional level gap areas will be collated based on combination of feedback received through individual forms and one-on-one discussions with various section heads and key staff within the department.

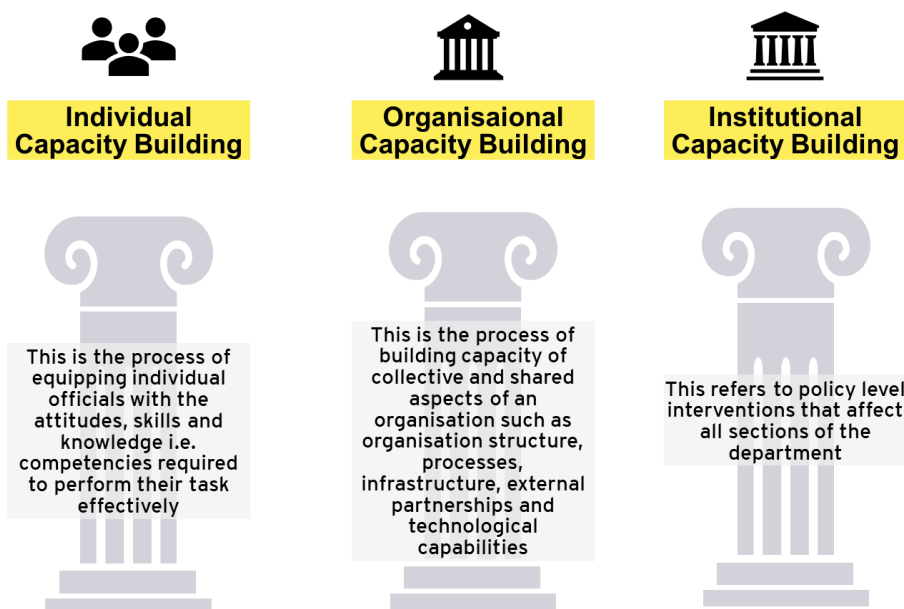


Figure 63 Pillars of Capacity Building

Pillar 1: At the Individual Level

Competencies form the basis of individual capacity building. A competency is defined as the combination of attitudes, knowledge, and skills that enable an individual to perform a job or task effectively. Capacity building at the individual level refers to the process of equipping individual government officials with the competencies required to effectively perform their assigned roles. Capacity Constituents at the individual level:

- ▶ **Behavioural competencies:** These are a set of benchmarked behaviours displayed (or observed/ felt) by individuals across a range of roles. For example, empathy and leadership
- ▶ **Domain competencies:** These competencies enable individuals to effectively perform roles within a specialized discipline or field. Domain competencies are generally applicable to the core work of the Department. For example, providing technical guidance to MSMEs.
- ▶ **Functional competencies:** These competencies help cater to the operational requirements such as administration, procurement, financial management, and so on. Functional competencies are applicable across a wide range of departments of the Government. For example, budgeting, project management, and data analysis.

Pillar 2: At the Organizational Level

This refers to the process of building the capacity of collective and shared aspects of the organization such as existing processes, digital and physical infrastructure and technological capabilities that enable the organization to achieve its goals. Capacity at the organizational level is assessed based on the collective aspects of a ministry or department. Some examples of these aspects include:

- ▶ **Technology and Data:** This dimension deals with the technology solutions employed by the Department to improve its functioning. Examples include software that enables shorter turnaround time on repetitive tasks and digital tools that increase efficiency or enable faster resolution of pain points.
- ▶ **Systems and Processes:** This dimension includes all the established systems and processes to carry out its day-to-day functions. Examples include monitoring mechanism for schemes, standard operating procedures, etc.
- ▶ **Resources and Assets:** This includes the resources and assets such as hard and soft infrastructure for day-to-day functioning. For example: the physical premises, digital infrastructure like computers, video conferencing systems etc.
- ▶ **Partnerships and Relationships:** This dimension includes all external partnerships that is part of such as those with other departments, global organisations and citizen groups.
- ▶ **Personnel Management:** This includes all the functions associated with managing human resources of such as performance appraisals, training and development, performance management, succession planning etc.

Pillar 3: At the Institutional Level

Institutional capacity building refers to changes made in the norms, policies and regulations that guide the functioning of individuals and organizations. In the context of the government, institutional capacity building refers to policy level interventions that affect all departments of the government.

At Individual level the capacity building is being proposed to be provided through the following:

▶ **Capacity building training**

The capacity building training will be based on the curriculum developed based on the need assessment study carried out. It will consist of a mix of both classroom sessions along with exposure visits or field visits to understand the practical sides of things and understand the best practices. Officials from Directorate, DICC's will be provided customized management level training. Grade B/field level officials will be provided classroom as well as practical training including field visit. The training programs will be residential. Udyami Veer will also be trained.

▶ **Exposure to best practices:**

Exposure is a major motivator. Training programs which provide knowledge around governance and implementation of MSME enabling models across other states or countries will be considered. Exposure visits will also be conducted to practically understand the best practices adopted in relevant organizations.

▶ **Self-learning leveraging platforms like UdeMy**

Leveraging the platform via issuing an office order to all officials for self-paced learning can serve as a ready platform for training and skill development for functional and behavioral competencies, helping them to stay updated with the latest developments and best practices in their respective fields.

4.7.7. Use of ICT/Innovative Technology Towards Project Implementation

ICT/ Innovative technologies will be used for effective capacity building of the officials. Existing online training contents will be identified, and standard online modules will be created in knowledge management system. Platforms like YouTube channels will be leveraged for officers to share information.

4.7.8. Timeline for achievement of Project Deliverables

Officials will be trained and provided exposure to best practices over a period of 4 years. In addition, 700 Udyami Sathi and 40 Udyami Veer will be engaged from the first year and will be trained during this timeframe.

Table 74: Timeline for Deliverables in Institutional Strengthening Initiatives

G	Institutional Strengthening	Timeline			
		Y1	Y2	Y3	Y4
1	Management Development Programme at Indian Institute of Management (IIM) for Executive officers of the Department				
2	Capacity building training for Grade B officers by IIFT/IIE (1 week)				
3	PMO for Industrial Promotion and Economic Growth Strategy of Assam				
4	Training for Udyami Saathis (GoI & State Govt. schemes, soft skills, field visits etc.)				
5	Engaging field level sector expert (Udyami saathi) to assist implementation of enhancing firm capability, enhancing CHAMPION scheme, CGTMSE, LEAN, quality certification, product designers, legal experts, green energy, financial consultants etc.				
6	To onboard trainers for monthly training to local district entrepreneurs on various aspects. These trainers can be recruited as 'Udyami veer'				
7	Compulsory training hours for DIC officials on entrepreneurship development, managerial skills, basic computer proficiency skills (Partner with online training provider platforms eg. Udemy etc.)				

4.7.9. Project costing and contribution of State towards it

The total project costing for the interventions for four years along with the State contributions and demand from Ramp is provided in the table below.

Table 75: Project Costing – Capacity building (Amount in Rs. Lakhs)

Sl.No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
1	Management Development Programme at Indian Institute of Management (IIM) for Executive officers of the Department	200.00	40.00	160.00
2	Capacity building training for Grade B officers by IIFT/IIE (1 week)	320.00	64.00	256.00
3	PMO for Industrial Promotion and Economic Growth Strategy of Assam	500.00	100.00	400.00
4	Training for Udyami Saathis (GoI & State Govt. schemes, soft skills, field visits etc.)	200.00	40.00	160.00
5	Engaging field level sector expert (Udyami saathi) to assist implementation of enhancing firm capability, enhancing CHAMPION scheme, CGTMSE, LEAN, quality certification, product designers, legal experts, green energy, financial consultants etc.	1035.41	207.08	828.33
6	To onboard trainers for monthly training to local district entrepreneurs on various aspects. These trainers can be recruited as 'Udyami veer'	2482.63	496.53	1986.10
7	Compulsory training hours for DIC officials on entrepreneurship development, managerial skills, basic computer proficiency skills (Partner with online training provider platforms eg. Udemy etc.)	48.00	9.6	38.4

Sl.No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
	Total	4786.04	957.21	3828.84

4.7.10. Plan for strengthening M&E framework pertaining to Project

The standard processes shall be reviewed. Standard operating procedures shall be developed based on the effectiveness of the existing practices.

An annual training calendar will be created based on the need assessment carried out. Fulfilment of hours per officer level right from Secretary till field level will be ensured through the established Monitoring and evaluation mechanism. To encourage full compliance officers completing training hours will be rewarded.

4.8. Sectoral/ Cluster level Technical Interventions

Vision - Fostering Innovation, Fuelling Progress

4.8.1. Major issues/challenges

► Tea

The development of a Tea Theme Park encompassing facilities like Common Facility Center (CFC), processing units, warehouses, packaging units, training centres, export hubs, and testing and certification laboratories presents multiple challenges. Land acquisition for such a large-scale project can be a time-consuming and complex process, considering the availability and location considerations. Additionally, the significant investment required for infrastructure development poses a financial challenge. Coordinating the various components within the park, including processing, training, and certification, necessitates efficient management to ensure seamless operations.

► Spice

Conducting a preliminary assessment for a Spice Park involves various challenges. Identifying market demand and export opportunities for different spices can be a complex task that requires a deep understanding of international markets. Developing comprehensive facilities for multiple spices, including processing, warehousing, training centres, export hubs, and testing and certification units, demands substantial capital investment. Ensuring that the quality and certification standards for a variety of spices are met can be a multifaceted process that needs meticulous planning and execution.

► Rubber

The comprehensive study for need analysis in the rubber sector encounters specific challenges. Assessing market demand for rubber and rubber-based products is essential for making informed investment decisions. Establishing primary processing facilities involves addressing issues related to technology, quality control, and environmental concerns. Ensuring the financial viability of rubber processing units, especially in regions with fluctuating rubber prices, is an ongoing challenge.

► General Engineering

Conducting a comprehensive study of a greenfield industrial estate involves several challenges. Developing the infrastructure, including raw material depots, training centers, and certification facilities, requires significant investment. Selecting the optimal location for the industrial estate involves considerations related to logistics, accessibility, and proximity to target markets. Meeting environmental regulations and ensuring sustainability can be complex, necessitating careful planning and implementation.

► Food Processing

The development of mini food parks and the creation of a comprehensive project analysis document face unique challenges. Maintaining consistent quality standards for processed food products in decentralized mini food parks can be a complex task. Meeting food safety standards and regulations is essential but can be challenging, particularly in a context of diverse food processing activities. Facilitating the marketing and distribution of processed food products to a broader market may require careful planning and partnerships to access new markets.

► Handloom

Promoting new design development in the handloom sector presents challenges related to design innovation and market expansion. Encouraging weavers and artisans to adopt modern design trends and techniques requires skills enhancement. Expanding the market for handloom products beyond traditional markets can be a challenge, as it involves exploring new avenues and attracting a broader customer base. Effective promotion of new designs and products in the handloom sector is essential to foster growth and sustainability.

► Handicraft

Promoting new design and product development in the handicraft sector entails challenges associated with artisan skills, market diversification, and design promotion. Ensuring that artisans possess the

necessary skills and training to create new and innovative handicraft products is crucial for the sector's development. Expanding the market for handicrafts beyond traditional boundaries, both domestically and internationally, requires exploring new markets and channels for sales. Effective marketing strategies must be designed to promote new designs and products, attracting a broader customer base and increasing visibility.

► **Bamboo**

The bamboo sector faces challenges related to sustainable harvesting, product diversity, and marketing strategies. Sustainable harvesting practices must be implemented to protect bamboo resources and the ecosystem. Promoting a diverse range of bamboo products necessitates innovation and market understanding to meet consumer demands. Designing effective marketing strategies to promote bamboo products and diversify their applications is essential for enhancing the sector's presence and economic viability.

These challenges underscore the complexity and multidimensional nature of the interventions, emphasizing the need for comprehensive planning and strategic solutions to address them effectively.

4.8.2. Problem Statement

► **Tea**

The problem lies in the fragmented nature of the tea industry in Assam, with numerous small tea growers and plantations lacking modern processing facilities. MSMEs in this sector face challenges related to outdated processing methods, limited access to certification and testing facilities, and inadequate warehousing. This hinders their ability to meet international quality and safety standards, impeding their competitiveness in the global tea market.

► **Spice**

The spice sector in Assam is characterized by a lack of centralized processing facilities and standardization. MSMEs engaged in spice production struggle with outdated equipment and limited knowledge of quality standards. The absence of adequate warehousing and packaging infrastructure further limits their ability to meet export demands and achieve competitive pricing in the international market.

► **Rubber**

MSMEs in the rubber sector are grappling with the challenge of outdated processing techniques and a lack of modern primary processing facilities. This results in inconsistent quality, affecting their market competitiveness. Furthermore, many small rubber growers face difficulties in accessing financial support and technology upgrades, limiting their growth potential.

► **General Engineering**

The general engineering sector lacks dedicated industrial estates with necessary infrastructure, which poses significant challenges for MSMEs. The absence of raw material depots and technology incubators hinders their ability to optimize production processes. Without suitable training centers and quality certification facilities, MSMEs struggle to meet industry standards and expand their market reach.

► **Food Processing**

The food processing sector in Assam faces challenges due to the fragmented nature of small-scale food producers. MSMEs encounter difficulties in maintaining consistent quality and adhering to food safety standards, hampering their entry into larger markets. Limited access to modern warehousing, packaging, and certification facilities inhibits their capacity to process and market products competitively.

► **Handloom**

The handloom sector struggles with the preservation of traditional craftsmanship while adapting to modern design trends. MSMEs in this sector often lack the necessary training and resources to

incorporate contemporary designs and techniques. Expanding the market for handloom products poses a challenge, as it requires effective promotion and awareness to attract a wider customer base.

► **Handicraft**

MSMEs in the handicraft sector face difficulties in adopting new designs and techniques to meet changing consumer preferences. The challenge lies in enhancing artisans' skills and connecting them with markets beyond traditional ones. Effective promotion and marketing of new designs are essential to overcome these obstacles.

► **Bamboo**

The bamboo sector struggles with sustainable harvesting practices and diversifying product offerings. MSMEs need guidance in adopting eco-friendly harvesting methods. The sector faces challenges in promoting a wider range of bamboo products, as it requires innovation and marketing strategies to appeal to a broader market.

These problem statements highlight the barriers MSMEs encounter in each sector, underscoring the need for tailored interventions to address these issues and foster their growth and sustainability.

4.8.3. Proposed Project with respect to RAMP objectives:

The following sub interventions are proposed under this intervention:

► **Tea: Feasibility study for Tea theme park – CFC, Processing, Warehouse, Packaging, Training centre, Export hub, Testing, and certification etc.**

Assam is renowned for its tea production, making it a suitable location for a Tea Theme Park. This project aims to bolster the entire tea value chain, from processing to export, boosting the tea industry's growth and promoting tourism.

► **Spice: Preliminary Assessment for a Spice Park – Comprehensive facilities including CFC, Processing, Warehousing, Packaging, Training Centre, Export Hub, Testing, and Certification, and more.**

This will focus on diverse, aromatic, and economically significant spices. This will be integral to local cuisine and potential for global export.

► **Rubber – Comprehensive study for need analysis of primary processing facilities and other need-based interventions**

A detailed study of primary rubber processing facilities is crucial for Assam, as it's a significant rubber-producing state. The study will identify the specific requirements for processing facilities, further enhancing the state's rubber industry.

► **General Engineering – Comprehensive study of Greenfield dedicated industrial estate – Raw material Depot, Training centre, Testing and certification etc.**

Establishing a dedicated industrial estate for general engineering in Assam supports the state's ambition for industrial growth. The estate will provide infrastructure and facilities to nurture engineering enterprises, thus boosting economic development.

► **Food Processing – Comprehensive Project Analysis Document for Mini food parks (Processing, Warehouse, Packaging, Training centre, Export hub, Testing and certification etc.)**

Mini food parks in Assam will facilitate food processing, warehousing, packaging, and training centres. This project is essential for adding value to agricultural produce, reducing wastage, and supporting farmers while promoting food-related businesses.

► **Handloom - New design development and product development in Handloom sector**

Assam has a rich tradition of handloom weaving. New design and product development initiatives aim to modernize the sector, making Assam's handloom products more marketable and sustainable.

► **Handicraft - New design development and product development in Handicraft sector**

Handicrafts are a part of Assam's cultural heritage. New design and product development in the handicraft sector will preserve traditional crafts while making them attractive to a wider market, creating economic opportunities for artisans.

► **Bamboo – Design development, marketing, and promotion**

Bamboo is abundant in Assam. Design development, marketing, and promotion of bamboo products align with sustainability and eco-friendliness. This project enhances the livelihoods of bamboo artisans and boosts the state's economy.

Innovative study:

- **Comprehensive feasibility study on cargo transportation via the Brahmaputra and Barak rivers is underway:** The proposed project aims to check the feasibility of cargo transportation along the Brahmaputra and Barak rivers in Assam. This initiative can provide critical inputs for the state's economic growth, given the natural potential of these waterways. The project involves improving infrastructure by developing modern river ports, enhancing navigational aids, and addressing environmental concerns such as riverbank erosion. By streamlining cargo transportation, Assam can significantly reduce logistics costs, improve connectivity with neighbouring regions, and boost trade and commerce. The feasibility of this project is high, considering the existing natural advantages, and it can drive economic growth by capitalizing on Assam's unique river resources.
- **Study - Techno economic feasibility of D-40 axis corridor of Assam (industrial corridor):** A techno-economic feasibility study for the D-40 axis corridor is essential for assessing the viability of this project. Once established, it can attract industries, generate employment, and contribute to economic development by providing infrastructure and logistics support.
- Detailed feasibility report for **Assam-Sikkim-Nepal-Bhutan-Bangladesh-Assam corridor** to boost Assam's export market and economic development, as well as foster regional integration and cooperation among South Asian countries.
- **Feasibility study report on cross border trade and cooperation with Bangladesh:** Some of the potential export items from Assam to Bangladesh are Tea, Rice, fruits and vegetables, cane and bamboo products, muga and eri fabrics. Bangladesh is a promising market for Assam's export sector, especially in the field of agriculture and allied products. The aim is to provide opportunities for economic growth, job creation, and mutual benefits for both regions. As trade relations continue to develop, there is immense potential for expanding and diversifying the range of products exchanged between Assam and Bangladesh.

Other study:

- **Survey and study of skilling aptitude of educated unemployed youth (To cover 1 lakh youth per year)**

To address the multifaceted challenges facing the Micro, Small, and Medium Enterprises (MSMEs) sector in Assam, the proposed intervention aims to comprehensively address the issue of youth unemployment and migration. Specifically, this initiative entails conducting a thorough "Survey and Study of Skilling Aptitude" among educated unemployed youth, with an annual target of reaching 1 lakh youth.

The primary objective of this intervention is to identify the skill sets, interests, and entrepreneurial potential of educated, unemployed youth within the state. By understanding their aptitudes, it becomes possible to create tailored programs and opportunities to nurture their capabilities and motivate them to consider entrepreneurship as a viable career option. The survey will encompass various factors, including education, vocational skills, interests, and career aspirations.

This initiative also strives to identify the entrepreneurial aptitude of educated unemployed youth across the state. It encompasses a comprehensive approach that includes workshops, mentor sessions, exposure visits, re-skilling/up-skilling, assessment, and certification.

By facilitating the development of entrepreneurial skills and providing targeted support, this intervention not only addresses the challenge of youth unemployment but also contributes to the broader goals of fostering a vibrant and formalized MSME sector in Assam. The program holds the potential to equip young individuals with the skills and motivation needed to embark on entrepreneurial journeys, ultimately steering them away from migration and towards active participation in the local business landscape.

► **Survey and study for Strategic Plan preparation on import substitution for potential products**

To address the challenges associated with import substitution and promote local manufacturing of potential products, a crucial intervention involves conducting a comprehensive survey and study. The primary objective of this intervention is to identify and strategically plan for products that have the potential for import substitution, thereby reducing the state's reliance on external sources. This intervention is instrumental in enlightening local businesses about the diverse opportunities within Assam and steering them toward a path of self-reliance and economic growth.

The state-wide survey and study will be grounded in an analysis of the e-way bill system from 2018-19 to the present date, providing valuable insights into the nature and extent of imports in various product categories. This dataset, in conjunction with other related research and study, will form the basis for identifying products with import substitution potential. The findings will be pivotal in guiding the strategic planning process, facilitating the selection of products that align with Assam's resources, capabilities, and market demand. By promoting a data-driven approach to import substitution, this intervention aims to foster a culture of informed decision-making, innovation, and collaboration among MSMEs in Assam. It represents a critical step in harnessing the state's inherent strengths and rich manufacturing heritage to enhance self-reliance and economic prosperity.

However, a detailed study needs to be carried to:

- Identify the specific manufacturing sectors that needs strengthening to significantly contribute towards import substitution
 - Understanding the requirements for establishing a manufacturing base for such products
 - Identifying the gaps existing in the State in regard to such requirements
 - Interventions to be undertaken to address these gaps
 - Identifying the products whose manufacturing can be promoted with the existing factor conditions in the State
- **Baseline study on renewable energy consumption, identification of focus sectors that need support under circular economy policy, emissions by MSMEs and documentations for the same for case studies:** This intervention involves conducting a comprehensive study to assess the consumption of renewable energy sources and the identification of specific sectors requiring support under the circular economy policy. Furthermore, the study will document emissions by MSMEs and create case studies, helping to measure and address their environmental impact. The goal is to promote the adoption of renewable energy sources and circular economy practices among MSMEs, reducing their carbon footprint
- **Feasibility study for creating an Export Promotion Bureau:** The feasibility study for establishing an Export Promotion Bureau is pivotal in assessing the potential for promoting exports from Assam. This initiative aims to identify strategies, assess market dynamics, and streamline export-related processes to enhance the export readiness of MSMEs. The bureau will serve as a resource hub for MSMEs seeking to enter the global market, supporting export growth.

- ▶ **Study on Institutional strengthening of ASIDC, AIIDC, AIDC:** This intervention involves a thorough study on the institutional strengthening of Assam Small Industries Development Corporation (ASIDC), Assam Industrial Infrastructure Development Corporation (AIIDC), and Assam Industrial Development Corporation (AIDC). The aim is to assess and enhance the organizational capabilities and effectiveness of these institutions in supporting and nurturing the MSME sector.
- ▶ **Accessibility study for formation of Directorate of MSME in the state:** This intervention focuses on conducting an accessibility study to evaluate the formation and establishment of a Directorate of MSME within the state. The study assesses the potential impact, resources required, and feasibility of creating a dedicated entity to oversee MSME-related activities and support in the state.

4.8.4. Proposed Project Design Concept and Feasibility & Viability of Proposal

▶ **Tea (Feasibility Study for Tea Theme Park):**

The proposed project envisions the establishment of a Tea Theme Park that integrates processing, warehousing, packaging, training, export, testing, and certification facilities. It aims to address the challenges faced by MSMEs in the tea sector in Assam. The feasibility and viability of this proposal are high, as the tea industry is a significant contributor to Assam's economy, and there is a growing demand for Assam tea in both domestic and international markets. The park can serve as a centralized hub for small tea growers and plantations, promoting modern processing methods, ensuring adherence to quality standards, and enhancing market competitiveness.

▶ **Spice (Preliminary Assessment for a Spice Park):**

The proposed Spice Park aims to provide comprehensive facilities for spice processing, warehousing, packaging, training, export, testing, and certification. Given the global demand for Indian spices, the feasibility and viability of this project are promising. Assam's spice sector can benefit from standardized processing and better infrastructure to meet quality standards. The park can enable MSMEs in the spice industry to access export markets more efficiently and compete effectively, thus ensuring the project's success.

▶ **Rubber (Comprehensive Study for Need Analysis):**

The comprehensive study for the rubber sector's need analysis is a critical step in addressing the challenges faced by MSMEs in Assam. The feasibility and viability of this intervention are high, as rubber production is a vital part of the state's economy. Establishing modern primary processing facilities and providing financial and technological support to small rubber growers can significantly enhance their competitiveness and increase rubber production in the state.

▶ **General Engineering (Comprehensive Study of Greenfield Industrial Estate):**

The comprehensive study for a dedicated industrial estate in the general engineering sector is essential to overcome challenges faced by MSMEs. The feasibility and viability of this proposal are strong, given the potential for growth in the engineering sector. Providing essential infrastructure like raw material depots, training centers, and quality certification facilities can enhance the capabilities of MSMEs, fostering a conducive environment for growth and competition.

▶ **Food Processing (Comprehensive Project Analysis Document for Mini Food Parks):**

The proposal to create mini food parks to address the challenges in the food processing sector is both feasible and viable. Assam's rich agricultural resources and demand for processed food products make this a promising endeavour. The establishment of mini food parks with processing, warehousing, training, and certification facilities can improve the quality and safety of food products. This, in turn, can open up larger markets for MSMEs, ensuring the project's success.

▶ **Handloom (New Design and Product Development):**

Supporting new design development in the handloom sector is both feasible and viable. Assam's handloom products have a strong cultural and heritage appeal, and there is a growing interest in traditional and sustainable fashion. The project can empower artisans with design innovation, creating a unique value proposition for Assam's handloom products and expanding their market reach.

► **Handicraft (New Design and Product Development):**

The proposal to develop new designs and products in the handicraft sector is feasible and viable. Handicrafts have a global market, and the project can help MSMEs incorporate contemporary design elements into traditional crafts, making them more appealing to a broader customer base. Effective marketing and promotion can ensure the success of this intervention.

► **Bamboo (Design Development, Marketing, and Promotion):**

Supporting design development, marketing, and promotion in the bamboo sector is feasible and viable. Bamboo products have a strong eco-friendly appeal, and the project can help MSMEs tap into this market by adopting sustainable harvesting practices and diversifying their product offerings. Effective marketing and promotion can create a broader market for Assam's bamboo products, ensuring the project's success.

These interventions are designed to overcome the challenges faced by MSMEs in Assam's diverse sectors. Their feasibility and viability are underpinned by the state's economic potential, market demand, and the opportunities they create for enhancing MSME competitiveness and sustainability.

4.8.5. Approach and Methodology for Implementation

The approach and methodology for carrying out the studies and interventions in Assam's MSME sectors involve a structured and coordinated process:

A. Stakeholder Engagement:

Begin by engaging with key stakeholders, including industry associations, government agencies, experts, and MSMEs, to understand their perspectives and specific needs.

B. Feasibility Studies:

For interventions like theme parks in the tea and spice sectors, conduct detailed feasibility studies, including market research and technical assessments.

- ✓ Assess potential locations and conduct site visits to identify suitable sites.
- ✓ Engage with industry experts and government agencies to secure funding and support.
- ✓ Develop training and certification programs in consultation with industry experts.

C. Need Analysis:

For sectors like rubber, assess the specific needs of rubber growers and associations.

- ✓ Conduct surveys and consultations to understand the demand for primary processing facilities.
- ✓ Identify potential locations for these units and assess their infrastructure needs.
- ✓ Collaborate with financial institutions to secure funding.

D. Greenfield Industrial Estate:

- ✓ In the general engineering sector, identify the components of a greenfield industrial estate.
- ✓ Conduct feasibility studies to select an appropriate location and assess infrastructure requirements.
- ✓ Secure funding from financial institutions and government schemes.
- ✓ Form a dedicated project team to oversee estate development.

E. Mini Food Parks:

- ✓ For food processing, identify the components of mini food parks.
- ✓ Conduct feasibility studies to select suitable locations and assess infrastructure needs.
- ✓ Secure funding from financial institutions and government agencies.
- ✓ Form a project team to prepare detailed designs and project documentation.

F. Design and Product Development:

- ✓ In sectors like handloom, handicraft, and bamboo, collaborate with designers and artisans.
- ✓ Identify design and product development opportunities by integrating traditional craftsmanship with contemporary design.
- ✓ Organize workshops and training sessions for artisans to develop new products.
- ✓ Implement marketing and promotion campaigns to showcase the products.

G. Monitoring and Evaluation:

- ✓ Conduct regular reviews with stakeholders and government officials to assess the implementation's effectiveness.

H. Identification of financial sources/institutions to secure funding for the interventions.

An external agency may be hired to carry out these studies.

4.8.6. Estimated impact of the Project/Proposal/scheme

The proposed projects in Assam's MSME sectors are expected to provide several significant impacts:

- ▶ **Informed Decision-Making:** Through these sectoral projects, MSMEs will gain access to valuable data and insights about their respective sectors. It will empower entrepreneurs to make informed decisions, leading to improved business strategies and resource allocation.
- ▶ **Skill Enhancement:** Studies focused on specific sectors such as handloom, handicraft, and bamboo will enable artisans and entrepreneurs to enhance their skills and knowledge. This will result in improved product quality and innovative design, making Assam's MSMEs more competitive.
- ▶ **Market Awareness:** The studies will create a deeper understanding of market dynamics, consumer preferences, and trends. MSMEs will be better equipped to adapt to changing market conditions and tailor their products to meet demand effectively.
- ▶ **Product Diversification:** Research on product development will encourage MSMEs to diversify their product lines. This diversification can lead to expanded market opportunities and a broader customer base.
- ▶ **Quality Improvement:** Sector-specific studies will highlight the need for quality improvements. MSMEs can use this information to refine their production processes and adhere to industry standards, ensuring better product quality.
- ▶ **Export Potential:** These projects may uncover export potential, enabling MSMEs to explore international markets. Understanding the export landscape will help MSMEs align their products with global demand.
- ▶ **Sustainability Awareness:** Studies may promote awareness of sustainable practices and eco-friendly options. This knowledge can lead to the adoption of greener, more environmentally responsible business practices.
- ▶ **Skill Enhancement:** For sectors like rubber, studies will identify the need for primary processing facilities and training. This can lead to skill enhancement among rubber growers and processors.
- ▶ **Data-Driven Decision-Making:** The research will promote data-driven decision-making among MSMEs, allowing them to identify growth opportunities and address challenges with greater precision.

In summary, the studies are expected to provide Assam's MSMEs with essential information and insights to enhance their operations, improve product quality, and make informed decisions to compete more effectively in the marketplace.

4.8.7. Project costing and contribution of State towards it

The total Project costing for the sectoral interventions is as provided in the table below:

Table 76: Breakdown of Sectoral Interventions Project Costs

Sl.No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
1	Tea: Feasibility study for Tea theme park – CFC, Processing, Warehouse, Packaging, Training centre, Export hub, Testing and certification etc.			
2	Spice: Preliminary Assessment for a Spice Park – Comprehensive facilities including CFC, Processing, Warehousing, Packaging, Training Centre, Export Hub, Testing, and Certification, and more.			
3	Rubber – Comprehensive study for need analysis of primary processing facilities and other need-based interventions			
4	General Engineering – Comprehensive study of Greenfield dedicated industrial estate – Raw material Depot, Training centre, Testing and certification etc.			
5	Food Processing – Comprehensive Project Analysis Document for Mini food parks (Processing, Warehouse, Packaging, Training centre, Export hub, Testing and certification etc.)			
6	Handloom - New design development and product development in Handloom sector			
7	Handicraft - New design development and product development in Handicraft sector			
8	Bamboo – Design development, marketing and promotion			
	Innovative Intervention Study			
1	Comprehensive feasibility study on cargo transportation via the Brahmaputra and Barak rivers is underway			
2	Study - Techno economic feasibility of D-40 axis corridor of Assam (industrial corridor)			
3	Detailed feasibility report for Assam-Sikkim-Nepal-Bhutan-Bangladesh-Assam corridor to boost Assam's export market and economic development, as well as foster regional integration and cooperation among South Asian countries			
4	Feasibility study report on cross border trade and cooperation with Bangladesh			
	Other Study			
1	Survey and study of skilling aptitude of educated unemployed youth (To cover 1 lakh youth per year)			
2	Survey and study for Strategic Plan preparation on import substitution for potential products			

3	Baseline study on renewable energy consumption, identification of focus sectors that need support under circular economy policy, emissions by MSMEs and documentations for the same for case studies.			
4	Feasibility study for creating an Export Promotion Bureau			
5	Study on Institutional strengthening of ASIDC, AIIDC, AIDC			
6	Accessibility study for formation of Directorate of MSME in the state			
Total				

4.8.8. Plan for strengthening M&E framework pertaining to Project

Department of Industries and SPIU will coordinate with the concerned departments to ensure smooth execution, monitoring and timely course corrections. Intervention Coordination committees consisting of representatives of the concerned stakeholders will also be formed. The committee shall hold coordination meetings at stipulated intervals to ensure smooth execution.

4.9. Innovative Interventions

Vision - Innovating Success for Assam's MSMEs

4.9.1. Major issues/challenges

- ▶ **Underutilization of natural resources:** Major challenges include underutilization of these natural waterways, which limits cost-effective transportation and economic growth. Inadequate infrastructure, including ports and navigational aids, hampers efficient cargo movement. Additionally, environmental concerns and flood-related disruptions pose challenges to harnessing the full potential of river transportation.
- ▶ **Industrial corridor:** The main issues revolve around determining the economic viability of the D-40 Axis Corridor. These challenges may include land acquisition, infrastructure development, and securing investments for the project. The corridor's success is contingent on attracting industries and facilitating their operations, which requires careful planning and adequate resources.
- ▶ **Low application to sanction ratio of loan applications in various scheme eg. PMFME, PMEGP:** Challenges encompass the need for efficient project evaluation, financial viability assessments, and project report preparation. Ensuring that bank finances are accessible for entrepreneurial ventures is vital for the success of these projects. Challenges include creating a streamlined process for evaluating project proposals and ensuring their acceptability and financial sustainability.
- ▶ **International Exposure:** The challenge is to effectively leverage international expos and events to promote Assam's culture, products, and investment opportunities. This requires meticulous planning, marketing, and networking to secure investments, trade agreements, and partnerships on a global scale.

4.9.2. Problem Statement

- ▶ **Underutilization of natural resources (water cargo transportation):** In Assam, the Brahmaputra and Barak rivers present a unique opportunity for cost-effective cargo transportation. However, the problem lies in the underutilization of these natural waterways. Inadequate infrastructure, including ports and navigational aids, hampers efficient cargo movement, limiting their potential as key transport routes. Environmental concerns, seasonal floods, and riverbank erosion further disrupt transportation. The problem statement is the need to tap into the vast potential of river transportation

to reduce logistics costs, improve connectivity, and foster regional and international trade while addressing these infrastructure and environmental challenges.

- ▶ **Low application to sanction ratio of loan applications in various scheme eg. PMFME, PMEGP:** Facilitating the preparation and evaluation of Detailed Project Reports (DPRs) for schemes like PMEGP and PMFME is pivotal for Assam's economic growth. The problem lies in ensuring that these projects are financially sound and that bank finances are accessible for entrepreneurial ventures. To address this challenge, an efficient process for evaluating project proposals and ensuring their financial viability is essential. The problem statement is to streamline project evaluation, making it more accessible and efficient for entrepreneurs while ensuring financial prudence and economic growth.
- ▶ **International Exposure:** Participation in international expos and events is a valuable opportunity for Assam to showcase its unique culture, products, and investment potential. The challenge is to effectively leverage these platforms to promote Assam globally. This requires meticulous planning, marketing, and networking to secure investments, trade agreements, and partnerships on an international scale. The problem statement is to establish Assam as a recognized player on the global stage and harness these opportunities to drive economic development and international collaboration.

These problem statements highlight the barriers MSMEs encounter in each sector, underscoring the need for tailored interventions to address these issues and foster their growth and sustainability.

4.9.3. Proposed Project with respect to RAMP objectives

The following sub interventions are proposed under this intervention:

1. **Banker Facilitation Cell, comprised of financial analysts, technical experts, and sector-specific specialists, to aid GM-DICCs and financial institutions in preparing and evaluating Detailed Project Reports (DPRs) for schemes like PMEGP and PMFME:** In Assam, facilitating GM-DICCs and financial institutions in preparing and evaluating Detailed Project Reports (DPRs) for schemes like PMEGP and PMFME is vital. The state's economic growth relies on the support and financial viability of these projects. By offering expert guidance and ensuring the projects' financial soundness, Assam can stimulate entrepreneurship, employment, and economic development.
2. **International networking and collaboration:** Participation in international expos like the World Food Expo, Dubai Expo, World Bamboo Congress, World Economic Forum allows Assam to showcase its unique culture, products, and investment opportunities.
3. **Assam Pavilion in International Expos showcasing MSME products such as in Dubai, Expo etc.**

4.9.4. Proposed Project Design Concept and Feasibility & Viability of Proposal

Banker Facilitation Cell:

This aims to establish a Banker Facilitation Cell in Assam, facilitating the preparation and evaluation of Detailed Project Reports (DPRs) for schemes like PMEGP and PMFME. By ensuring that project proposals are financially sound and accessible to entrepreneurs, this project can stimulate economic growth. It involves streamlining the project evaluation process and making bank finances readily available for entrepreneurial ventures. The feasibility of this project is high, as it aligns with the government's initiatives for entrepreneurship and economic growth, offering tangible support to budding entrepreneurs.

International Networking and Collaboration:

The proposed project focuses on enhancing Assam's international presence through participation in expos and events. By showcasing the state's unique culture, products, and investment potential, Assam can secure international investments, trade agreements, and partnerships. This project demands meticulous planning, marketing, and networking to promote Assam globally. The feasibility of this

project is promising, as it aligns with Assam's economic development objectives and leverages international opportunities for economic growth.

4.9.5. Approach and Methodology for Implementation

The approach and methodology for carrying out the studies and interventions in Assam's MSME sectors involve a structured and coordinated process:

Banker Facilitation Cell:

The project addresses this issue by establishing a Banker Facilitation Cell consisting of experts eg. CAs, Technical expert, financial expert, engineers etc. to streamline project reports. The approach involves creating a standardized process, training bankers in evaluating DPRs, developing a database of eligible entrepreneurs, and implementing an online platform for project submission and tracking. These measures aim to facilitate access to funds and encourage entrepreneurship, ultimately addressing the challenge of project financing.

International Networking and Collaboration:

The primary challenge in this initiative is to enhance Assam's visibility and engagement in international trade and collaborations. Assam's culture, products, and investment opportunities are often underrepresented on the global stage. To overcome this challenge, the project adopts a strategic approach by identifying key international expos and events and establishing a dedicated international trade promotion unit. The methodology includes developing promotional materials, arranging participation in expos, establishing Assam Pavilion, networking with potential investors, and conducting post-event negotiations. The project aims to address the challenge of limited international exposure and leverage opportunities for economic growth.

4.9.6. Estimated impact of the Project/Proposal/scheme

The proposed projects in Assam's MSME sectors are expected to provide several significant impacts:

- ▶ **Product Diversification:** Research on product development will encourage MSMEs to diversify their product lines. This diversification can lead to expanded market opportunities and a broader customer base.
- ▶ **Export Potential:** These projects may uncover export potential, enabling MSMEs to explore international markets. Understanding the export landscape will help MSMEs align their products with global demand.
- ▶ **Data-Driven Decision-Making:** The research will promote data-driven decision-making among MSMEs, allowing them to identify growth opportunities and address challenges with greater precision.
- ▶ Potential of enhancing Assam's international presence and attracting foreign investments through participation in international expos.

In summary, these projects will contribute to economic growth, infrastructure development, entrepreneurship, trade diversification, and regional and international collaboration in Assam.

4.9.7. Project timeline

I	Innovative Intervention	Timeline			
		Y1	Y2	Y3	Y4
1	Banker Facilitation Cell, comprised of financial analysts, technical experts, and sector-specific specialists, to aid GM-DICCs and financial institutions in preparing and evaluating Detailed Project Reports (DPRs) for schemes like PMEGP and PMFME.				
2	International networking and collaboration (Assam Pavilion in International Expos such as Dubai, Expo etc.)				
3	Assam Pavilion in International Expos showcasing MSME products such as in Dubai, Expo etc				

4.9.8. Project costing and contribution of State towards it

The total Project costing for the sectoral interventions is as provided in the table below:

Sl.No.	Intervention	Total Cost for 4 years	State Contribution	Demand from RAMP
1	Banker Facilitation Cell, comprised of financial analysts, technical experts, and sector-specific specialists, to aid GM-DICCs and financial institutions in preparing and evaluating Detailed Project Reports (DPRs) for schemes like PMEGP and PMFME.	500.00	100.00	400.00
2	International networking and collaboration (Assam Pavilion in International Expos such as Dubai, Expo etc.)	2000.00	400.00	1600.00
3	Assam Pavilion in International Expos such as Dubai, Expo etc.	1200.00	240.00	960.00
Total		3700.00	740.00	2960.00

4.9.9. Plan for strengthening M&E framework pertaining to Project

Department of Industries and SPIU will coordinate with the concerned departments to ensure smooth execution, monitoring and timely course corrections. Intervention Coordination committees consisting of representatives of the concerned stakeholders will also be formed. The committee shall hold coordination meetings at stipulated intervals to ensure smooth execution.

4.10. Total Budget Estimate

Sl.No.	Intervention	DLI	Total Budget for 4 years	State Contribution	Demand from RAMP
A	Enhancing Firm capabilities	2,3,5,6	11558.39	2311.68	9246.71
B	Enhancing domestic manufacturing of import substitute products - Make in Assam	2,3,4,5,6	872.26	174.45	697.81
C	Improving Digital Infrastructure	3	976.45	195.29	781.16
D	Competitiveness Support & green initiatives	2,3,4,5,6	2837.01	567.40	2269.61
E	Improving Access to Finance	3,4,5	5754.07	1150.81	4603.25
F	Access to Market	2,3,4,5,6	9154.51	1830.90	7323.61
G	Institutional Strengthening	2,3	4786.04	957.21	3828.84
H	Study and survey	2,3	0.00	0.00	0.00
I	Innovative Intervention	2,3,5	3700.00	740.00	2960.00
Total Cost (INR Lakhs)			39638.74	7927.75	31710.99
Administrative costs, contingencies and others at 5%			1981.94		
Total Cost (INR Crores)				416.21	

4.11. Output Outcome of the Interventions

Sl.No.	Intervention	DLI	Total MSMEs/ units targeted
A	Enhancing Firm capabilities:	2,3,5,6	236460
I.	Capacity Building of 1.10 lakh new enterprises over 4 years		
1	Capacity building of educated unemployed youth (New MSMEs) to start their own venture by workshops, awareness programs, mentoring, exposure visits and stipend	2,3,3,2,5,2,5,3,6,2	100000
II.	Formalisation and performance enhancement of existing MSMEs		
2	Performance enhancement of existing ~10000 MSMEs in pre-defined criteria by mentor session, exposure visits	2,3,3,2,5,2,5,3,6,2	12460

Sl.No.	Intervention	DLI	Total MSMEs/ units targeted
3	Formalisation of existing unorganized MSMEs - Udyam Registration drive	2.3	124000
B	Enhancing domestic manufacturing of import substitute products - Make in Assam	2,3,4,5,6	48900
1	Make in Assam support centre (to be run by SPV) for the identified products from survey	2.3,3.1, 5.2	NA
2	Workshops for interaction at field level with sectorial technical experts (Make in Assam promotion) (For the key products identified)	2.3	12400
3	Vendor development program for 500 MSMEs *10% focus on women MSMEs	2.3, 5.2, 5.3	500
4	Capacity building of MSME - access to market/management skills/quality control/export etc.	2.3,3.2,5.2,5.3,6.2	36000
C	Improving Digital Infrastructure	3	NA
1	Providing digital devices for Field level offices	3.1	NA
2	Upgrading IT infra in DoI, DICs, CIC and Block Offices	3.1	NA
3	Integrated MSME Digital Command and Control Center (Web Application for MSMEs for notification and ease of access to the central and state schemes which may include chat-box and grievance redressal)	2.2,3.1	NA
D	Competitiveness Support	2,3,4,5,6	52621
1	Workshops on decarbonisation, greenhouse gas accounting (GHG), carbon pricing, energy audit.	2.3,3.2,5.2,5.3	10075
2	Financial support to MSMEs through energy audits (Financial support to MSMEs to the tune of 20% of the cost of the machinery and equipment replaced, retrofitting and technology acquired for the purpose of improving energy efficiency (subject to a maximum of Rs.20k per MSME) in 10000 MSMEs)	3.1,5.1	490
3	Workshops on maximising awareness of LEAN Scheme and ensuring maximum coverage of BASIC LEVEL LEAN certification with the support of Udyami Saathi	2.3,3.2,5.2,5.3	325

SI.No.	Intervention	DLI	Total MSMEs/ units targeted
4	Workshops on maximising awareness of ZED Scheme and ensuring maximum coverage of BRONZE certification with the support of Udyami Saathi	2.3,3.2,5.2,5.3	31347
5	Awareness programme on getting FSSAI Basic license and ensuring certification to 1000 MSMEs per year	2.3,3.2,5.2,5.3	7440
6	Financial support for FSSAI Basic License to a maximum amount of Rs.6000/- per MSME on reimbursement basis	3.1,5.1	2000
7	State MSME Excellence Awards	3.2	944
E	Improving Access to Finance	3,4,5	198480
1	Capacity building workshops and awareness programmes on all access to finance related schemes	3.1	148800
2	Special financial literacy workshops for women/SC/ST entrepreneurs	3.1,4	37200
3	CGTMSE premium support through State contribution coverage to loans MSE FCs (for premium - 0.37% AGF (10,000 avg CGTMSE cases * 10 lakhs Avg loan amount * 0.37% AGF))	5.1,5.2	NA
4	Knowledge sharing workshops with financial institutions, associations of NBFCs, public sector undertakings in association with Institute of Chartered Accountants of India (Assam Chapter)	5.1,5.2	NA
5	Interest subvention for MSMEs upto 3% (upto INR 50,000 for micro units, INR 2,00,000 for Small units and INR 5,00,000 for medium units)	3.1,5.1	12480
F	Access to Market	2,3,4,5,6	154120
1	Workshop for Awareness on e-commerce websites for MSMEs such as GeM, MSME Bazaar etc.	2.3,3.2,5.2,5.3	148800
2	Zila Udyam Samagam (Sector wise and district wise) - convergence with Market Assistance Scheme	2.2, 3.2	4000
3	Participation in national/international trade fairs/expos	2.2, 3.2	1320

Sl.No.	Intervention	DLI	Total MSMEs/ units targeted
4	Assam Display hangers (Cost for setting up Display walls of Assam key sectoral MSME/heritage products)	2.2,3.2	NA
G	Institutional Strengthening	2,3	NA
1	Management Development Programme at Indian Institute of Management (IIM) for Executive officers of the Department	3.1	NA
2	Capacity building training for Grade B officers by IIFT/IIE (1 week)	3.1	NA
3	PMO for Industrial Promotion and Economic Growth Strategy of Assam	2.2,3.1	NA
4	Training for Udyami Saathis (GoI & State Govt. schemes, soft skills, field visits etc.)	3.1	NA
5	Engaging field level sector expert (Udyami saathi) to assist implementation of enhancing firm capability, enhancing CHAMPION scheme, CGTMSE, LEAN, quality certification, product designers, legal experts, green energy, financial consultants etc.	3.1	NA
6	To onboard trainers for monthly training to local district entrepreneurs on various aspects. These trainers can be recruited as 'Udyami veer'	3.1	NA
7	Cumpulsory training hours for DIC officials on entrepreneurship development, managerial skills, basic computer profeciency skills (Partner with online training provider platforms eg. Udemy etc.)	3.1	NA
H	Survey and Study (Overall including SIP costs)*	2,3	NA
	Sectoral/Cluster Study		
1	Tea: Feasibility study for Tea theme park – CFC, Processing, Warehouse, Packaging, Training centre, Export hub, Testing and certification etc.	2.3	NA
2	Spice: Preliminary Assessment for a Spice Park – Comprehensive facilities including CFC, Processing, Warehousing, Packaging, Training Centre, Export Hub, Testing, and Certification, and more.	2.3	NA
3	Rubber – Comprehensive study for need analysis of primary processing facilities and other need based interventions	2.3	NA

Sl.No.	Intervention	DLI	Total MSMEs/ units targeted
4	General Engineering – Comprehensive study of Greenfield dedicated industrial estate – Raw material Depot, Training centre, Testing and certification etc.	2.3	NA
5	Food Processing – Comprehensive Project Analysis Document for Mini food parks (Processing, Warehouse, Packaging, Training centre, Export hub, Testing and certification etc.)	2.3	NA
6	Handloom - New design development and product development in Handloom sector	2.3	NA
7	Handicraft - New design development and product development in Handicraft sector	2.3	NA
8	Bamboo – Design development, marketing and promotion	2.3	NA
	Innovative Intervention Study		
9	Comprehensive feasibility study on cargo transportation via the Brahmaputra and Barak rivers is underway		NA
10	Study - Techno economic feasibility of D-40 axis corridor of Assam (industrial corridor)		NA
11	Detailed feasibility report for Assam-Sikkim-Nepal-Bhutan-Bangladesh-Assam corridor to boost Assam's export market and economic development, as well as foster regional integration and cooperation among South Asian countries		NA
12	Feasibility study report on cross border trade and cooperation with Bangladesh		NA
	Other Study	2.2,3.1,5.1,5.2,5.3	
13	Survey and study of skilling aptitude of educated unemployed youth (To cover 1 lakh youth per year)		NA
14	Survey and study for Strategic Plan preparation on import substitution for potential products		NA
15	Baseline study on renewable energy consumption, identification of focus sectors that need support under circular economy policy, emissions by MSMEs and documentations for the same for case studies.		NA
16	Feasibility study for creating an Export Promotion Bureau		NA
17	Study on Institutional strengthening of ASIDC, AIIDC, AIDC		NA
18	Accessibility study for formation of Directorate of MSME in the state		NA
			NA

Sl.No.	Intervention	DLI	Total MSMEs/ units targeted
I	Innovative Intervention	2,3,5	NA
1	Banker Facilitation Cell, comprised of financial analysts, technical experts, and sector-specific specialists, to aid GM-DICCs and financial institutions in preparing and evaluating Detailed Project Reports (DPRs) for schemes like PMEGP and PMFME.	2.3,3.1,5.1,5.2	NA
2	International networking and collaboration	2.2,2.3,3.1,3.2	
3	Assam Pavilion in International Expos showcasing MSME products such as in Dubai, Expo etc.	2.2,2.3,3.1,3.2	NA
			1381162

5. Collaboration & Engagement Approach

In Assam, our primary focus for the Collaboration & Engagement Approach will be to harness the rich cultural, economic, and entrepreneurial potential of the region. Our strategy aims to identify and engage with the unique stakeholders within Assam's MSME ecosystem, ensuring that they align with our RAMP objectives. Assam boasts a diverse and vibrant tapestry of traditional industries, from tea cultivation to handloom and handicrafts. It's imperative to work collaboratively with local artisans, tea estate owners, and other small business proprietors. These stakeholders are the backbone of Assam's MSME sector, and our approach will focus on empowering them with the necessary tools and knowledge to thrive in the modern economy. Moreover, Assam's geographical position, acting as the gateway to North-East India, offers unparalleled opportunities. Collaborative efforts will be geared towards making Assam a logistical hub, ensuring smoother trade routes and fostering a spirit of inter-state cooperation. In addition to working with entrepreneurs and businesses, we recognize the importance of aligning with local governmental and non-governmental organizations in Assam. These entities possess a deep understanding of the region's challenges and needs, making them invaluable partners in our endeavour.

Strategies for Assam's MSME Growth Through RAMP Themes:

a) Enhancing MSME Champions Scheme Participation:

Harnessing the inherent strengths of Assam's traditional sectors - Tea cultivation, Bamboo and Cane craftsmanship, Handloom, and Handicraft, the state aims to elevate the MSME Champions Scheme. By intertwining modern sectors like Rubber production, General Engineering, and Food Processing with the timeless appeal of Agro-Based Industries, Assam envisions a harmonious blend of the old and new. To materialize these objectives, partnerships will be forged with both local and national institutes, ensuring that the benefits of ZED, Lean, Design, and Digital MSME Schemes are seamlessly integrated and made accessible across these diverse industries. The ultimate goal is to foster a unique, self-sustaining MSME ecosystem, deeply rooted in Assam's rich cultural and industrial tapestry.

b) Empowering Women-Led MSMEs in Assam:

Assam aims to strengthen women-headed MSMEs, particularly in sectors like Handloom, Handicraft, and Agro-Based Industries. Through increased outreach and a convergence model, the state plans to provide women entrepreneurs with formal credit channels and resources, capitalizing on the region's rich entrepreneurial spirit. The goal is to formalize and amplify women-owned MSME ventures in Assam.

c) Enhancing Financial Accessibility

In Assam, there's a growing emphasis on augmenting the financial reach for MSMEs. The state is committed to monitoring credit distributions via regular SLBC sessions. Furthermore, Assam will actively collaborate with platforms like BSE and TReDS to boost awareness and facilitate workshops. These efforts are specifically tailored to cater to the needs of Assam's MSME sectors, including industries like Tea, Rubber, and Bamboo and Cane. The primary aim is to engage MSMEs that stand to gain the most from these financial initiatives.

d) Boosting ONDC and GeM

To elevate Assam's MSME sector, the state government is formulating plans to collaborate intensively with ONDC and GeM platforms. With an intention to harness the rich potential of industries such as Tea, Rubber, and Bamboo and Cane, special bootcamps will be organized for MSMEs. These bootcamps, planned as walk-in technical support sessions, will be strategically located in industrial estates and office premises of key industry associations in Assam. By providing

easy access and flexibility, the state aims to encourage a higher participation of MSMEs, ensuring they harness the full benefits of these platforms.

e) Enhancement of Environmental Greening Efforts

Committed to a sustainable future, Assam intensifies its environmental greening initiatives, focusing on the natural eco-friendliness of its pivotal industries, such as Tea and Bamboo and Cane. We're looking forward to tapping into global environmental funds to bolster these sectors. Recognizing the need to address high-energy consumption areas, we're introducing energy auditors to pinpoint and mitigate inefficiencies. Furthermore, collaborating with top-notch R&D institutions will aid in devising strategies for industries with an evident ecological impact. With these initiatives, Assam seeks to solidify its position as a forerunner in environmentally conscious industrial practices.

The following table outlines potential areas requiring intervention and suggests potential partners to collaborate with in order to fulfil RAMP objectives.

Table 77: Collaborative Approaches and Strategic Pathways

Area	Partnership avenues
Tea	Regional Tea Boards, Tea Research Institutes
Rubber	Agricultural Development Agencies, Rubber Consortia
General Engineering	Technical Universities, Engineering Associations
Food Processing and Agro-Based Industries	Food Safety Boards, Agro-Tech Institutes
Handloom	Ministry of Textiles, Weavers' Associations
Handicraft	Craft Development Boards, Artisan Guilds
Bamboo and Cane	Forest Commissions, Bamboo & Cane Development Boards
CHAMPIONS	Technical / implementing institutes
Access to finance	TReDS platforms, State Financial Institutions, Local Banking Sectors, and listing exchanges
Access to markets	GeM, ONDC and other B2B and B2C platforms
Greening of MSMEs	Environmental Boards, BEE, SIDBI, R&D agencies and other Green Initiatives Organizations
Capacity building of DI&CC	IIM, EDI Ahmedabad, NIMSME, NIESBUD etc.

6. Bolstering Support Mechanisms for MSMEs in Assam

In Assam, reinforcing the backbone for MSMEs entails a meticulous evaluation of capabilities both on the personal and organizational spectrum. Given the rich tapestry of Assam's industries, competencies play a pivotal role in driving growth. These competencies, which meld attributes, insights, and capabilities, empower an individual to adeptly carry out specific functions or duties. In the bureaucratic landscape of Assam, refining individual capacity means providing government personnel with the essential tools and skills needed for their designated tasks. Delving into the intricacies of individual capacity in the Assamese context, one can discern...

- ▶ **Domain Mastery:** In Assam's diverse industrial environment, domain-specific knowledge is crucial. This requires comprehensive understanding of regulations such as the MSMED Act, insights into Central and State Government policies tailored for MSMEs, proficiency in dedicated digital platforms like CHAMPIONS, and a grasp of emerging technological advancements.
- ▶ **Efficient Operations:** For the MSME landscape in Assam, seamless day-to-day operations are vital. Officers should be adept at budget planning, project management, real-time monitoring, data analytics, procurement procedures, and digital tools like e-office.
- ▶ **Human-centric Approach:** Essential for fostering meaningful connections in Assam's MSME sector, behavioural competencies like effective communication, adaptability, and citizen-focused empathy play a central role, especially for DI&CC staff.
- ▶ **Empowering Financial Initiatives:** Establish partnerships with regional financial bodies to curate tailor-made low-interest loans and credit schemes, with an emphasis on assisting startups and women entrepreneurs.
- ▶ **Skill Upgradation:** Align with local educational hubs and craft institutes to deliver training, spotlighting Assam's core sectors such as tea, handloom, and bamboo crafts.
- ▶ **Empowering DI&CC:** Enrich the capabilities of DI&CC officers via holistic training modules encompassing Assam's MSME needs, technological advancements, leadership cultivation, and exposure to best practices.
- ▶ **Cultivating Innovation:** Lay the foundation for innovation hubs and incubators in collaboration with academia to nurture technology adoption, mentoring, and advanced research.
- ▶ **Infrastructure Augmentation:** Focus on refining industrial parks with a spotlight on sectors like the Bamboo and Cane, ensuring they're equipped with modern amenities.
- ▶ **Expanding Market Reach:** Formulate strategies to enable Assamese MSMEs to establish a foothold in national and international markets and accentuate the uniqueness of Assam's products.
- ▶ **Regulatory Streamlining:** Introduce an integrated platform catering to all regulatory necessities of MSMEs, aiming for efficiency and faster turnaround.
- ▶ **Green Incentives:** With Assam's ecological heritage, guide MSMEs towards acquiring green and ZED certifications, promoting sustainability and incentivizing green manufacturing practices.
- ▶ **Building Networks:** Host events promoting networking opportunities, facilitating connections between MSMEs and potential partners or customers.
- ▶ **Informed Decision-making:** Collaborate with research institutions to provide insights on market dynamics, conduct feasibility analyses of novel opportunities, and suggest potential organizational restructuring to align with market trends.

Organizational Competencies for Assam:

organizational competencies are paramount to streamline and foster the state's burgeoning industrial and economic sectors. These competencies don't merely revolve around individual talents or skills; they encapsulate the combined strength of the entire organization, addressing its digital prowess, technological adoption, infrastructural might, and standardized processes. Such elements act as the bedrock, ensuring the organization's vision transforms into tangible achievements.

- ▶ **Unified MIS Dashboard:** Recognizing the need for real-time monitoring and data-driven decision-making, Assam should introduce an integrated Management Information System (MIS) dashboard. This platform will be pivotal in tracking initiatives, assessing performance metrics, and ensuring transparency in administrative operations.
- ▶ **Defined Turnaround Times (TATs):** Streamlining procedures is crucial for bolstering the efficiency of the MSME sector in Assam. Defining Turnaround Times for standard MSME facilitation processes can facilitate quicker responses, reducing administrative bottlenecks and enhancing the state's MSME-friendly reputation.
- ▶ **Lateral Talent Acquisition:** Assam's diverse industrial backdrop necessitates specialized expertise. Adopting a structure that promotes lateral hiring can be beneficial. This would enable the state to tap into the market and bring in professionals with sector-specific knowledge, merging their expertise with the state's initiatives.
- ▶ **Knowledge Management Protocols:** In the realm of MSMEs, information is a valuable asset. Assam should consider putting in place robust knowledge management systems. These systems would not only focus on collecting pertinent data related to the MSME ecosystem but also ensure its effective dissemination, keeping all stakeholders informed and aligned.

Annexures

A1. Overview of Critical Issues: Insights from Departments, DI&CCs, Industry Associations, MSMEs, and Allied Organizations: After extensive consultations with various Departments, DI&CCs, Industry Associations, MSMEs, and other pertinent organizations, here's a summary of the primary challenges identified:

Table 78: Summary of Key Challenges

Sl.no	Type of organization	Phone number / Address	Key Points - Challenges
1	Office of the Commissioner of Industries & Commerce, Guwahati, Assam	03612550264	<ul style="list-style-type: none"> Mission 100% for PMEGP: Focus on comprehensive empowerment, robust project reports, awareness campaigns, and efficient fund disbursement for PMEGP success. Boosting Export and Domestic Markets: Unlock Assam's export potential by expanding within India, followed by international markets. Diversify, grow sectors, innovate, and optimize logistics. "Made in Assam" & "Make in Assam" Logo: Unique logos to patent Assam's products, symbolizing quality. Clubbing of FPOs: Combine Farmers' Producer Organizations to strengthen branding, marketing, and market access. Capacity Building of DICC: Enhance DICC officials' skills for local industry promotion and economic growth. Customized Training Modules for DICC Officials: Tailored modules to boost job-specific skills for officials. Restructuring and Diversification of Key Organizations: Modernize AIDC, AIIDC, and ASIDC, diversify roles for industrial growth. Land Acquisition Study: DPRs for sustainable solutions and project accessibility. Integration of EoDB Portal with RAMP Portal: Streamline data monitoring and evaluation at the state level for easy oversight.
2	DICC Office, Kamrup Rural, Assam	9101220557	<ul style="list-style-type: none"> The General Manager of DICC also presented an overview of the existing industrial areas within the district. This overview included details about their infrastructure, facilities, and the types of industries situated there. The discussion primarily centered on identifying opportunities for enhancing and expanding these industrial zones to further bolster the growth of MSMEs
3	General Secretary (AASIA)	9401727147	<ul style="list-style-type: none"> Problems related to the drainage system and flooding within our industrial area. The inadequate drainage system has resulted in damage to the infrastructure in the area, including roads, parking lots, and even some facilities. This has led to increased maintenance costs for our members. There are concerns about the environmental impact of the drainage issues, including the

Sl.no	Type of organization	Phone number / Address	Key Points - Challenges
			<p>potential for contamination of nearby water bodies due to improper drainage of industrial wastewater.</p> <ul style="list-style-type: none"> There is no established policy or mechanism in place that mandates the cancellation of land approvals for industrial properties that have not been operational for a substantial period. The limited availability of land has emerged as a significant obstacle for the growth and development of MSMEs.
4	FINER association Guwahati	7086009872	<ul style="list-style-type: none"> Challenges include a lack of infrastructure development, insufficient scheme convergence, and a notable absence of adequate handholding support for capacity-building programs aimed at the MSMEs. There exists a significant lack of awareness concerning the process of transitioning schemes from the central government to the state level. This knowledge gap is a matter of concern, as it can hinder the effective implementation of these schemes at the state level. It was suggested that efforts should be made to bridge this awareness gap through awareness campaigns, workshops, and information dissemination. Ensuring that both government officials and the general public are well-informed about the intricacies of scheme conversion is essential for a smoother transition and successful execution of such programs at the state level.
7	DICC office, Tezpur	8471905903	<ul style="list-style-type: none"> Land Bank Issues: Highlighted MSMEs' primary concern - insufficient available land for new ventures due to lacking infrastructure. Infrastructure Development: Urgent attention needed for infrastructure improvements, industrial zones, and transportation facilities. Collaboration Opportunities: Discussion of potential collaboration between associations, enterprises, and local authorities to address land availability challenges. Government Support: Advocated engagement with government agencies to collectively propose infrastructure development, emphasizing its economic growth potential.
8	DICC Office, Nagaon	9954433236	<ul style="list-style-type: none"> Industrial Policy Gap: The absence of a current industrial policy in Assam, along with the expiration of the NEIIP 2007 policy, has created a policy void in the state. DICCs Limited Impact: DICCs primarily focus on implementing just two central government schemes, PMEGP and PMFME, with limited success. Reduced DICC Influence: The influence and control DICCs exert over MSMEs have diminished

Sl.no	Type of organization	Phone number / Address	Key Points - Challenges
			<p>since the introduction of Udyam Registration, leading to inaccuracies in the Udyam portal's data.</p> <ul style="list-style-type: none"> • Post-Udyam Registration Impact: Udyam Registration has led to a significant decrease in DICCs' role in verifying MSME credibility, impacting their ability to ensure accurate information. • Scheme Awareness Deficiency: MSMEs are generally unaware of various central and state schemes, limiting their ability to leverage available opportunities beyond PMEGP and PMFME. • PMFME Implementation Challenges: There are notable challenges in the PMFME scheme, with many applications facing high rejection rates without clear justifications. DICCs' intervention is often needed to process these applications. • Funding Constraints: DICCs lack allocated funds for awareness campaigns, workshops, Travel Allowance (TA), and Daily Allowance (DA). This hinders their capacity to organize events and engage with MSMEs effectively at the grassroots level.
9	DICC Office, Golaghat	9435195927	<ul style="list-style-type: none"> • MSME Packaging Awareness: MSMEs lack knowledge about packaging practices and materials, frequently seeking guidance from packaging units. • Raw Material Costs: Procuring raw materials locally is often as expensive as sourcing them from other states. • Electricity Supply: The absence of a dedicated power line results in electricity issues affecting production. • Waste Management Challenges: Inadequate drainage systems within industrial estates hinder effective waste disposal, posing environmental and health risks. • Limited DICC Impact: DICCs primarily engage with PMEGP and PMFME, yet results have been unsatisfactory. • Reduced DICC Control: Udyam Registration has reduced DICCs' influence, with inaccuracies in registration data. • Verification Decline: Pre-Udyam Registration, DICCs conducted credibility verification; this practice has dwindled. • PMFME Implementation Challenges: Banks reject many PMFME applications without clear justifications, necessitating DICCs' intervention. • Document Requirements: Banks request extensive documentation for processing MSME applications. • Skilled Labour Shortage: A shortage of skilled labor in the district forces reliance on costly external labor, especially during festive seasons.

Sl.no	Type of organization	Phone number / Address	Key Points - Challenges
			<ul style="list-style-type: none"> Quality Testing Hurdles: The absence of local quality testing laboratories and complex quality control documentation and procedures present challenges. DICC Funding Constraints: DICC face challenges due to limited funding for organizing awareness campaigns and workshops. The absence of Travel Allowance (TA) and Daily Allowance (DA) further restricts their grassroots engagement with MSMEs
11	DICC Office, Jorhat	7002821885	<ul style="list-style-type: none"> Absence of Robust Marketing Strategies for MSMEs Inadequate Technological Support and Workshops for MSMEs Lack of Awareness on Packaging Best Practices High Procurement Costs for Raw Materials Electricity Supply Hindrances Affecting Production Waste Management Challenges Due to Inadequate Drainage DICCs Primarily Focused on PMEGP and PMFME Implementation Reduced Influence of DICC's Post-Udyam Registration Limited Awareness about Available Schemes among MSMEs Banks' Inadequate Processing of Applications Extensive Documentation Required for MSME Bank Applications Skilled Labour Shortage and Dependency on Outside Labour Delays in NOC Obtaining Due to Physical Presence Requirement Time Consumed in Commercial Line Acquisition from APDCL Expansion Constraints in Industrial Estates Lack of Funding and Allowances for DICC Awareness Campaigns
12	DICC Office, Dibrugarh	9435521844	<ul style="list-style-type: none"> Inadequate Grant Funding for MSMEs Licensing Challenges and Lack of Licensing Knowledge Absence of Proper Digital Marketing and Branding Strategy Limited Input in GeM Portal from Dibrugarh District Challenges with Continuous and Bulk Supply for MSMEs Insufficient Formation of Farmers' Producer Companies (FPCs) Low Awareness Among Small MSMEs on Competing with Large Players Limited Knowledge of Quality Standards and Pricing Strategies Imported Raw Materials Due to Lack of Local Technology

Sl.no	Type of organization	Phone number / Address	Key Points - Challenges
			<ul style="list-style-type: none"> • Packaging Practices and Materials Awareness Gap • Higher Raw Material Procurement Costs • Drainage System Deficiencies Impacting Waste Management • Reduced DICC Influence Post-Udyam Registration • Limited Awareness About Central and State Schemes • Banks' Inadequate Application Processing • Extensive Documentation and Lack of Scheme Updates by Banks • Skilled Labour Shortage and Dependency on External Workers • Funding Constraints for DICC Awareness Campaigns and Workshops
13	DICC Office, Sibasagar	9435159331	<ul style="list-style-type: none"> • Absence of Digital Marketing and Branding Strategy • Limited Awareness of Small MSMEs for Competing with Large Players • Knowledge Gap in Quality Standards and Pricing Strategies • Lack of Technology Intervention and Workshops • Packaging Practices and Materials Awareness Gap • High Procurement Costs for Raw Materials • Post-COVID Impact on Entrepreneur CIBIL Scores • Electricity Supply Issues • Inadequate Exposure Trips for MSMEs • Low Attendance in Entrepreneurship Development Programs • 100% Collateral Requirement from Banks • Bias Towards Large MSMEs in Loan Approvals • Waste Management Challenges Due to Drainage System Deficiency • Reduced DICC Influence Post-Udyam Registration • Limited Awareness About Central and State Schemes • Inefficient Bank Application Processing • Extensive Document Requirements by Banks • Skilled Labour Shortage and Dependency on External Workers • Funding Constraints for DICC Awareness Campaigns and Workshops
14	DICC Office, Barpeta	9435358932	<ul style="list-style-type: none"> • Capacity Building of the Office of FM, DI & CC and Bank Officers • Infrastructure and Transportation-Related Issues • Shortage of cold storage facilities for potatoes, tomatoes, and other vegetables. • Inadequate transportation facilities for the supply and export of products. • Challenge related to preparation of DPRs

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			<ul style="list-style-type: none"> Barpeta district grapple with a limited understanding of product marketing and packaging techniques. Challenges in marketing the products.
15	DICC Office, Bongaigaon	7318976706	<ul style="list-style-type: none"> DI & CC Personnel Need SOP Familiarity Exposure Sessions for Staff Knowledge Enhancement Training for Banks in the District Regular District Udyog Bandhu Meetings Utilizing Non-Functional Industrial Units Single Window and EODB Portal Approval Challenges
16	DICC Office, Chirang	9435146566	<ul style="list-style-type: none"> Electricity Supply and Skills Training Lack DI & CC Personnel Need SOP Familiarity Exposure Sessions for Staff Knowledge Enhancement Training for Banks in the District Regular District Udyog Bandhu Meetings Limited Engagement in Central Government Schemes Raw Material Procurement Issue
17	DICC Office, Dhubri	8638139034	<ul style="list-style-type: none"> The district office currently faces significant staff shortages, with only 4 regular staff members against the sanctioned 18 posts Lack of awareness about central and state schemes, especially among MSMEs and fresher youths, particularly within the bank officer community. Regularly convening District Udyog Bandhu meetings. These meetings would serve to address operational challenges faced by local enterprises at the district level, allowing for timely resolutions by the District Commissioner. Dhubri District faces significant infrastructure challenges, exacerbated by frequent flooding in the region. This has hindered the development of proper infrastructure for MSMEs. The approval of only one industrial estate in the area falls short of meeting the needs of Dhubri's thriving MSME sector. Transportation connectivity within the district is notably poor, further impeding economic development. Challenge regarding the disposal of chemicals used in painting and handling wood wastage. Dhubri has just one industrial estate, and we are making efforts to secure land allocation in the industrial area. However, the process of getting land there is quite lengthy.

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			<ul style="list-style-type: none"> Lack of technical institutes that provide training in areas such as accounting, DPR preparation, ITR filing, etc. There is an issue with insufficient power supply, which negatively impacts the production and overall sustainability of his unit
18	DICC Office, Goalpara	7002884452	<ul style="list-style-type: none"> The district office currently faces significant staff shortages, with only 3 regular staff members against the sanctioned 18 posts. Banks have been slow to initiate applications for MSME-related schemes and loans Facing a shortage of skilled labour, and there is a lack of skill training centres that meet the district's requirements. Transportation connectivity within the district is severely lacking, which is a significant hindrance to economic development. The majority of MSMEs are grappling with problems related to inadequate power supply. This has a detrimental impact on production and the overall sustainability of MSME units. Infrastructure in the district is in a poor state, further compounding the challenges faced by businesses and development efforts. MSME units are dealing with infrastructure problems, such as a lack of manufacturing space and proper storage for furniture products.
19	DICC Office, Kokrajhar	9435115582	<ul style="list-style-type: none"> There is a need for them to gain familiarity with the standard operating procedures (SOPs) associated with the schemes Staff Exposure Sessions Needed Training for Local Banks Regular District Udyog Bandhu Meetings Limited Engagement in Central Government Schemes Raw Material Procurement Challenge
20	DICC Office, Udalguri	9101373741	<ul style="list-style-type: none"> Staff Shortage in District Office Lack of Exposure to Scheme Operation Procedures Bank Training Needed for Scheme Implementation Need for Multi-Sector Experts in Each District Regular District Udyog Bandhu Meetings Staff Focused on Two Central Government Schemes PMFME Scheme Underperforming Lack of Awareness of Special Bodoland Industrial Policy
21	Milijuli Plastic	9864040139	<ul style="list-style-type: none"> Requirement on awareness of State & Central Schemes; Lack of publicity/advertisement in State

Sl.no	Type of organization	Phone number / Address	Key Points - Challenges
23	Coxton printers India	8471952608	<ul style="list-style-type: none"> Requirement on awareness of Central Schemes; Concern on safety protocols and scheme for some accident hazards
24	Kaziranga Offset Printers	9864878075	<ul style="list-style-type: none"> Requirement on awareness of Central Schemes; Concern on safety protocols; Concern on employment generation;
25	Saraighat Phototypes Pvt Ltd	8638941065	<ul style="list-style-type: none"> Decentralisation of the production (preferred); Demand less Demand is a challenge; Equal distribution is a challenge; Infrastructure support required; Requirement on awareness of Central Schemes;
26	Brahmaputra Automobiles Pvt Ltd	9864078862	<ul style="list-style-type: none"> Tender – qualification criteria is too stringent for MSME sectors; Certification cost and renewal is very expensive; non-compliant certificates asked in tender; EMD exemption not applicable for Assam; Non-payment of fees for long duration; Awareness of Central & State schemes; Lack of machineries in State, thus need to procure form outside the state which is very expensive; Lack of publicity/ advertisement in State
27	Techno Trade	7002784998/ 7002052530	<ul style="list-style-type: none"> Stringent banking Policy; No subsidized rate of loan; PMEGP only for new entrepreneurs; Transfer of ownership a complex process; Inconvenience for attaining State scheme; Lengthy process for attaining certain certification; Late payment of fees to the contractors by the Dept.
28	Aurora Fine Arts	9435110465/ 9435110464	<ul style="list-style-type: none"> Central investment capital subsidy is not available in State; Subsidy for availing machineries; NEIDS should be also available for the extension of the unit; Electricity disruption & power fluctuations; Rent for enterprises may not be increased; Water supply by the Govt. - Self boring at present; Ownership of the land where industry is set up in the industrial estate
29	Steel Giant Group	9864322203	<ul style="list-style-type: none"> Bank loan availability in subsidized rate; No updated machineries; Updated machineries comes at high cost; Multiple partners causes issue in taking loan from bank due to complex documentation; Electricity disruption & power fluctuations; Lack of investors

Sl.no	Type of organization	Phone number / Address	Key Points - Challenges
30	Bhogi Consumer Product Pvt. Ltd	8638245962	<ul style="list-style-type: none"> Power rate increasing; Electricity issue; Probable ban in packaged drinking water which effects the industry; Subsidized rate of loan; Power subsidy
31	Interior Square	6901224155	<ul style="list-style-type: none"> Advertisement Support; Awareness on Central & State schemes; Manpower issue
32	MR industries	9864049684	<ul style="list-style-type: none"> Subsidized Loan; Awareness on Central schemes; Power Subsidy; Electricity disruption & power fluctuations
33	Polymat Industries	9864045833	<ul style="list-style-type: none"> Issue related to marketing/branding; Diversifying in market segment; Low profit margin; Water supply
34	Silk Country Products Pvt. Ltd	7086050038	<ul style="list-style-type: none"> Requirement on awareness of Central Schemes. No Information is provided; Subsidized rate of loan; Power subsidy; Govt. support for extension of factory unit by providing subsidized rate of fund