

## NORTH EAST ADVISORY REGIONAL COUNCIL

### REGIONAL PROFILE

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The eight states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura comprise the North East of India. The region is surrounded by Tibet, Bhutan, Nepal, Bangladesh and Myanmar on all sides except a narrow corridor which connects the region with other parts of India. The region is one of the most bio diverse regions in the world with a forest cover of over 65%.

The NER of India covering an area of 0.262 million sq. km. accounts for 7.9% of total geographical area of the country and 3.77% of total population of India.

#### *1.1. Economy:*

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The North East region is well endowed with natural resources, like oil and gas, agro-horticultural resources, s mineral deposits , immense hydro electric potential and significant forest resources. However, despite the abundance of resources, the region has lagged behind many Indian States in vital development indicators.

Today the region occupies 8% of India's land area, has 3.77% of its population and accounts a little over 2.5% of Indias GDP. Economy of the region is largely agrarian in nature with over 70% of the population engaged in agriculture for livelihood, service sector comes next and the manufacturing sector is still at a nascent stage.

Partition in 1947 played a played a detrimental role in transforming the economic landscape of the region, which was till 1947 at the forefront of development. The immediate impact of partition on the North East was that it was cut off from rest of the country. With East Bengal becoming part of Pakistan, the traditional trade and communication routes with the North East were almost immediately snapped, and with the earlier frontier routes with Myanmar and China having died down, the region became landlocked in the true sense of the term.

The lack of economic opportunity and myriad other reasons gave rise to insurgencies which in turn played a role in exacerbating the economic situation thus creating a vicious cycle that fed on the region's isolation.

The Government of India has been making concerted efforts for economic development of the North East. The first north east Investment Promotion policy announced in 1997 provided a number of incentives for industrial investments in the region. Following the

limited success of the NEIP a much more comprehensive North East Industrial and Investment Promotion Policy (NEIIPP) which provides a host of incentives at unprecedented levels, for investment in the region was announced in 2007.

## *1.2. Advantage North East*

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- North East India is strategically located for foreign and domestic investors to tap the vast contiguous markets of Myanmar, China, Malaysia, Thailand, Singapore, Philippines, Indonesia and other East and South East Asian countries.
- A region with very high literacy rate (over 70 %), and large number of people fluent in English. A strong potential for growth of information technology enabled services.
- Very Attractive fiscal package, subsidies on capital investment, transport and working capital.
- Unparalleled Tourist Attractions: Wildlife sanctuaries, adventure tourism, eco-tourism, hill stations, lakes, historical heritage-the Northeast has it all.
- The region has 7 per cent of the country's total land space and 3.7 per cent of the country's population. A distinct demographic edge over rest of the country.
- An emerging market of 400 million people, including the neighboring nations of Bangladesh, Myanmar, Bhutan and Nepal.
- Potential to be India's powerhouse. The region has hydropower potential estimated at nearly 50,000 MW, natural gas reserves of 190 billion cubic metres, coal reserves of over 900 million tonnes and oil reserves of over 500 million tonnes.
- Large Mineral Resources including limestone reserves of around 5000 million tonnes and a forest cover which is 25 per cent of the country's forest area.
- Phenomenal bio-diversity – forest wealth, agro base, fruits and vegetables, herbs, aromatic plants, exotic flowers, other flora and fauna.
- Large variety of agricultural produce –rice, maize, millets, sugarcane, jute, cotton, rubber, tea, mustard, grapes, guava, coconut, coffee, apples, pineapples, passion fruit, walnut, brinjal and a vast range of fruits and vegetables.

