

# Chapter-13

## TRADE PROMOTION AND OTHER INITIATIVES IN THE NORTH-EAST REGION

### I. Streamlining the Implementation of Export Development Fund for North-East Region (EDF-NER)

With a view to promote exports from the North-East Region, a North East Cell has been set up in the Department of Commerce. Consequent upon the announcement made by the Prime Minister for the development of exports from the Region, an Export Development Fund (EDF) was set up with the objective of promoting exports from the Region. Activities which have a linkage with exports from the region are eligible for assistance from the Export Development Fund. An Empowered Committee under the chairmanship of Additional Secretary considers and approves proposals under EDF-NER. The Agricultural and Processed Food Products Export Development Authority (APEDA) works as the nodal agency which manages funds under the instructions of Department of Commerce.

In order to streamline the functioning of EDF and to broaden its scope, the Department has introduced a 12 point screening format for examination of project proposals under EDF and preparation of DPR/Feasibility reports. Apart from this, activities like seminars, workshops, conference, training programme, etc., that could help boost export from the North-East Region (including Sikkim) have been permitted under EDF. The Joint Secretary in the Department of North-East Region (DoNER) has also been included as a Member of Empowered Committee under EDF. The projects seeking viability gap funding are now being given priority by the Empowered Committee. Till 31.3.2009, 52

projects with an outlay of Rs 48.08 crore have been provided assistance under the scheme.



*Borsora drinking water supply scheme, Meghalaya*

As per current norms, the following activities/initiatives are eligible for assistance from the EDF:

- Setting up of pioneering/pilot projects aimed at exports;
- Provision of equipment and machinery for the pioneering pilot projects aimed at exports;
- Creation of Common facilities for facilitating exports;
- Facility for testing and standardization as well as quality improvement of export products;
- Funding related to the exchange of trade delegations;
- Any other activity as notified by the Department of Commerce having a bearing on export promotion in the North-East.

## Box 13.1

## Major Projects Taken up in NER including Sikkim under EDF/ASIDE Scheme

- Setting up Centre for Promotion & Development of Exportable Hand-Woven Silk Products from Assam with an assistance of Rs. 90.85 lakh under EDF. The project envisages upgrading training programme for 400 weavers; installation of 400 New Heavy Built Fly Shuttle Frame Loom; setting up of Common Facility Centre with pre-weaving equipments; Dyeing Centre & post-weaving machines & equipments; Textile Design Centre; Fabrication Unit and Packaging Unit.
- For Promotion of Export of Organic products, an assistance of Rs. 88.00 lakh under EDF has been sanctioned to M/s Naga Indigenous Foods, Kohima for creating cold storage, purchase of machinery for drying, refrigerated truck for carriage of goods and establishment of 3 collection centers in production villages.
- Financial assistance of Rs.4.60 crore has been provided from Central Component of ASIDE Scheme to Govt. of Tripura for setting up of a Rubber Park in Bodhjunnagar.
- Financial assistance of Rs.8.50 crore has been sanctioned to Govt. of Sikkim from Central Component of ASIDE Scheme for construction of Border Trade Mart at Nathula Sherathang.
- Rs 16.44 crore has been sanctioned for three components viz cafeteria, parking area and consolidated check post at Nathula, Sikkim under the ASIDE Scheme.

## II. Initiative to Improve Infrastructure at Land Customs Stations (LCSs)

To fill up the gap in infrastructure at LCSs, the Department has decided to take up some selected works under the ASIDE Scheme. An allocation of Rs. 20.00 crore per year for three years has been earmarked for the development of the following LCSs under ASIDE Scheme:

- (a) Mahadipur (West Bengal)
- (b) Gojadanga (West Bengal)
- (c) Hilli (West Bengal)
- (d) Phulbari (West Bengal)
- (e) Borosora (Meghalaya)
- (f) Ghasupara (Meghalaya)
- (g) (Karimganj (Assam)

Out of above referred seven LCSs, this Department has so far sanctioned three projects during 2008-09. Details of the sanctioned projects are given in Table 13.1.



*Cafeteria cum Hotel at Sherathang (Lake Side View)*

**Table 13.1**

**LCS Projects sanctioned during 2008-09**

S. No.	Agency	Projects	Total Cost (Rs. lakh)	Contribution under ASIDE (Rs. lakh)	Amount Released (Rs Lakh)
1.	Govt. of West Bengal	Development of LCS at Phulbari	1403.00	871.85	300.00
2.	Govt. of West Bengal	Development of LCS at Ghoadanga	415.11	415.11	200.00
3.	Govt. of West Bengal	Development of LCS at Hilli	773.00	654.00	300.00

Source: Department of Commerce, Government of India

**III. The Inland Transport Assistance (ITA)**

The Scheme has been formulated to bring down the heavy expenditure on transportation involved in transportation of goods with a view to boost the export of fresh and processed horticulture products from the North-East Region. The scheme is being implemented through APEDA. The Scheme came into operation with effect from July 15, 2002.

The Inland Transport Assistance (ITA) was implemented successfully during year 2008-09. The scheme for export of horticulture products in the North-East Region has been liberalized after demands from various State Governments in the region. The Inland Transport Assistance is now available in respect of identified products to all the North-East states. The present rates of inland transport assistance are as follows:

- 90% of the air freight charged by the airline from any airport in the North-East States or Bagdogra to Guwahati or Kolkata for exports.
- In case of highly perishable commodities 50% of the air freight charged by the airline from

any airport in the North-East States to Delhi or Mumbai Airport for exports.

- Rs. 1 per Kg or actual freight paid whichever is less, if the goods are transported from anywhere in the North-East States (NES) by road for exports through any notified Land Customs Station in the North-East States or through Guwahati airport.
- Rs. 2 per kg or actual freight paid whichever is less, if the goods are transported from North-East States to Kolkata or any other port by rail through ICD, Guwahati for exports.
- Rs. 2 per kg or actual freight paid whichever is less, if the goods are transported from North-East States by rail through ICD, Guwahati to any place in West Bengal for processing and export.

APEDA which is the implementing agency has given wide publicity to the scheme. As a result of revision and wider publicity given to the scheme, the applications under ITA have increased manifolds during 2008-09 and claims worth Rs. 52.00 lakh have been disbursed so far.

#### IV. Major Projects Taken up under ASIDE Scheme for North-East

During the year 2008-09, major projects that have been approved under the ASIDE Scheme for North-East States are:

##### Assam

- Additional funds given for Agri-Export Zone – Ginger AEZ against pile foundation
- Construction of approach road to Maniram Dewan Trade Centre
- Banana Export Development Centre at IGC, Matia
- Capacity upgradation of 33/11 KV substation at EPIP, Amingaon
- Construction of Trade Centre, Sutarkhandi, Phase-II
- Construction of Trade Facilitation Centre at Jagun, Phase-I
- Improvement and Strengthening of Haldiaganj Mankachar Road (22 KM) upto the LCS point at Mankachar

##### Arunachal Pradesh

- Construction of Trade Information Centre for housing, commodity board, EPC and other agencies of MoC including State Govt

##### Meghalaya

- Construction including MBT of a road from Nongtraï to Shella
- Construction of road from 5th KM of Sohbar to Byrung via Wah Jain to connect at 4th KM of Ichamati-Bholaganj Road
- MBT of Ichamati-Bholaganj Road
- Tamabil – Dawki Combined Water Supply Scheme

##### Nagaland

- Agro & Food Processing Special Economic Zone (AFSEZ)

##### Sikkim

- Beautification of Trade Mart Area, Sherathung
- Setting up of Sewerage System at Sherathung Trade Mart

##### Tripura

- Upgradation of the road from EPIP to Rubber Park



*Proposed Pre-fabricated Trade Mart at Sherathung*

#### V. Other Activities Undertaken in the North-East Region

##### A. State Trading Corporation

The Corporation has a Branch office at Kolkata which is engaged in international and domestic trading from West Bengal and north-east states of the country. This office has successfully imported vanaspati from Nepal to cater to the requirements of the states of Assam, Meghalaya, Mizoram and rest of India. However, no allocations have been made by the Govt. in favour of STC for import of

vanaspati from Nepal during the current financial year. STC's Kolkata branch has been regularly supplying pulses and tea to Defence. Supply of tea in the domestic market is also being undertaken. During 2008-09, domestic sale of pulses worth Rs 63 crore have been made. STC, Kolkata also undertakes imports of hydrocarbons and, during the year, hydrocarbons worth Rs 1541 crore have been imported for power plants generating power mainly for Eastern and North-East States. The Corporation has been making continuous efforts to develop business in the North-East Region.

### **B. Indian Trade Promotion Organization**

A project of Trade Centre at Guwahati for developing trade from North-East Region was completed in December 2006 and has been taken over by Assam Industrial Development Corporation (AIDC) – a Govt. of Assam Undertaking on 5th April, 2007. A new Company “Assam Trade Promotion Organisation” has been formed to run the ‘Maniram Dewan Trade Centre’. The Centre was inaugurated on 19th February, 2009 by Shri Kamal Nath, Hon'ble Union Minister for Commerce & Industry. The first Trade & Industry Expo was held during Feb. 19-21, 2009. The Centre is equipped with 3 exhibition halls of 10,000 sq.ft. each, two conference rooms with a capacity of 50 and 100, another conference area for almost 400 people, food kiosks, parking area, provision for amphitheater etc. besides VIP entrance and lounge.

### **C. Rubber Board**

- During the 11th Five Year Plan, the Rubber Board is implementing the scheme for Rubber Development in North-East Region with a total financial assistance of Rs.173.05 crore. The scheme has five components viz. (i) Rubber Plantation Development, (ii) Research, (iii) Processing, Quality Upgradation and Product Diversification, (iv) Market

Development and Export Promotion and (v) Human Resource Development,

- Under short duration intensive training on “Tapping”, 4966 beneficiaries in 332 batches in Traditional area and 1650 beneficiaries in 110 batches in NE region were trained during the year 2008-09 with an expenditure of Rs. 0.473 crore (figures are provisional). Besides, 1962 growers were benefited through Tappers Training (TT) Schools in Non-traditional and North East area, that involved an expenditure of Rs. 0.45 crore (provisional).
- The Rubber Board coordinated the research activities in the research stations located in Tripura, Assam and Meghalaya under the initiative “Research in North-East”. The initiative includes strengthening of facilities like the Library and Documentation centre, Computer centre, and Instrumentation and Maintenance sections.

### **D. Spices Board**

- An ambitious plan for replanting and rejuvenation of cardamom has been approved in the XIth Plan. It is planned to replant and rejuvenate 20,000 ha in State of Sikkim. This is part of the programme on Special Purpose Fund for spices considered as one of the thrust areas. The various programmes for the North-East States include a part of large cardamom planting, rain water harvesting, black pepper new planting, organic ginger etc. with an outlay of Rs. 19.77 crore.
- In North-East States and Sikkim, the focus of Spices Board was on implementation of replanting and rejuvenation of large cardamom plantations in Sikkim, development of organic cultivation of large cardamom, black pepper, turmeric and ginger. The training programme for growers, processors and exporters were

continued, apart from extension work and transfer of technical knowhow to spice farmers.

#### E. Tea Board

- Two major tea research institutes under the Tea Board are located in the North-East region. These are the ‘Darjeeling Tea Research & Development Centre’ (DTR&DC), Kurseong, West Bengal, and ‘Tea Research Association’ (TRA) at Jorhat, Assam. These institutes are involved in conducting basic and applied research required for the growth and development of Indian Tea Industry in general and the region specific problems of the industry.
- The Tea Research Association (TRA) has its main laboratory infrastructure at Jorhat with seven advisory centres in the entire North East for transfer of technology to the tea estates. These two Institutes are being granted financial support to the extent of 80% (Grant-in-aid-49%; AED-31%) on certain identified items to smoothly carry out effective tea research useful for the tea industry. DTR & DC, a relatively small institute is being fully financed by Tea Board for doing tea research exclusively for Darjeeling tea industry. In addition to the above, financial grant in the form of research project are also being provided to various other National Institutes and Universities for conducting tea research useful for the industry. Funds are also provided for organizing training programmes, seminars, conferences, workshops etc. to address the regional problems and provide solution for the same.
- The Tea Board has continued its objectives to protect and preserve its various tea names and logos as India’s treasured geographical indications and icons of India’s cultural and collective heritage, like “*Darjeeling*” word and logo and the “*Assam*” logo.

#### F. Coffee Board

- Coffee is being cultivated in 7 North-East States viz., Assam, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura. At present the area under coffee in North-East Region is around 5762 ha which comprises of 4406 ha of Arabica and 1356 ha of Robusta respectively. There are about 6137 growers presently cultivating coffee in the region. The coffee production in entire NER continued to be low on account of various factors including non maintenance and low plant density. Considering the above situation, the crop estimate for 2008-09 season is placed at 170 tonnes comprising 117 tonnes of Arabica and 53 tonnes of Robusta coffee respectively.
- During the XI plan period financial support is being extended for Coffee expansion, consolidation and quality up-gradation activities in NER. During the year 2008-09, an area of 241.52 ha. under expansion and 24.60 ha. under consolidation has been covered.
- Coffee Board continues to provide technical support to coffee growers for improving production, productivity and quality. In addition, coffee growers and local Agricultural/Horticultural Officers are being trained in various aspects of coffee cultivation and related aspects. Under this programme a total of 36 Nos. of on Farm Training programmes were conducted for the benefit of 387 tribal growers of NER in addition to 10 growers of Churachandpur District of Manipur State during 2008-09. 17 Farmer Participatory Method Meetings (FPM) programmes were also conducted for the benefit of 416 tribal coffee growers of NER.
- 19 officials (7 from Mizoram and 12 from Meghalaya Government) of Soil and Water

Conservation Department of Mizoram and Meghalaya were trained at Central Coffee Research Institute (CCRI) on different aspects of coffee cultivation. Further, under the capacity building programme, a reach-out programme for coffee growers has been arranged during the month of November 2008 at Byrnihat, Meghalaya for the benefit of 30 coffee growers of NER through Indian Institute of Plantation Management (IIPM), Bangalore.

- Under quality up gradation programme, 25 Nos of baby pulpers (at 50% subsidy rate) provided to the growers of Mizoram for the preparation of good quality parchment coffee and subsidy has also been provided for construction of 7 numbers of drying yard.
- Under Market Support Scheme, 100 MT of coffee has been collected and cured. Arrangements have been made to dispose the cured coffee (80 MT) in the Indian Coffee Traders Association (ICTA) auction at Bangalore and payment of value realised to the growers. The average coffee price secured for 2007-08 crop in the auction is Rs.98/- per kg. when compared to Rs.84/- per kg. for 2006-07 crop thereby realizing 16.5% increased returns for N.E.R growers during the year.
- Preliminary survey has been conducted in Churachandpur District and Tamenglong District of Manipur State by the Extension officers/scientists of the Board to identify suitable agro-climatic areas to take up Coffee Cultivation. Further, Board has envisaged adoption of two existing Coffee holdings at Churachandpur District of Manipur and to manage them for two years to identify constraints of production and to evolve suitable corrective measures. The Board has identified 2 growers' field of 0.50 ha each

to raise the nursery and prepare the land for planting during 2009-10.

### **G. Agricultural & Processed Food Products Exports Development Authority (APEDA)**

- APEDA has set up one Agri Export Zone in Sikkim. It is one of the six Agri Export Zones that have been set up to promote export oriented floriculture industry.
- More than 90% of flowers exported from India are roses. APEDA has developed product diversification plans for new areas and new growers in hilly states of J&K, Himachal, Uttarakhand and North-East States.

### **H. Seminars/Workshops**

- A Seminar held on 6-7th May, 2008 at New Lamka, Churachandpur District of Manipur under the chairmanship of the Secretary, Department of Commerce, Government of India, recommended implementation of various beneficial programmes on development of plantation crops in Churachandpur District by providing subsidy and support to the growers for the overall development of that District. Review meetings have been held regularly to monitor the progress of the action plan. All the Boards are making sincere efforts in this direction.
- A one day Seminar-cum-Workshop on propagation of plantation crops was organized by the Ministry of Commerce & Industry and the District Administration under the Chairmanship of the Additional Secretary (Plantations) at Tamenglong Hq on 29th November, 2008 with the objective to develop plantation crops like Tea, Spices, Rubber, Coffee and Orange in Tamenglong District.