ATTRACTING JAPANESE FDI TO NER AND ENHANCING MARKET LINKAGES WITH ASEAN

ICRIER Workshop on India-Japan Partnership for Economic Development in the North East
At
India Habitat Centre, New Delhi, 20 Mar 2018

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Principal Secretary, Finance Department and Principal Resident Commissioner, Assam
Brief outline of the Presentation

Focussed areas for FDI in NE and Assam

Market Linkages between NER and ASEAN countries

Enabling Environment:

- Existing Centre’s special focus on NER
- PM’s thrust on Act East Policy
- States’ proactive approach (Advantage Assam, Global Summit etc)
- Japan’s keen interest (Bilateral agreements etc)
- Institutions (Strengthening the existing and creating new ones)
- Linkages (Strengthening the existing and exploring the new)
Possible Focussed Areas for Japan’s FDI in NER: Case of Assam

**Tea**
The state houses over 1000 tea gardens. Single largest tea producing region with over 6 lakh MT of Tea annually.

**Crude Oil & Natural Gas**
1.3 bn MT of proven reserves, 4 refineries with capacity of 7.1 MMTPA
156 bn. cu m of proven Natural Gas reserves

**Rubber**
Ranks 3rd in India with over 51000 ha of cultivation

**Limestone**
670 MMT of proven reserves of high quality cement grade limestone

**Bamboo**
The region has Highest bamboo concentration in the country and contributes 60% of the country’s stock.

**Water and Sand**
The state has abundant ground and surface water and trans-Himalayan rivers ensures rich deposits of sand

**Silk**
State is a major producer of *Muga* (Golden Silk) and *Eri* Silk. 3325 MT of raw silk produced in 2015-16.

**Medicinal Plants**
State blessed with more than 952 identified species of plants which are used in medical practices.
In the run up to Global Investors’ Summit in Feb 2018: Assam did vast ground work:

- 10 Latest Policies
- 237 Investible projects in these focussed areas
- Assam signed more than 250 MoUs in the Summit for an amount of about Rs 65000 crore
Public Investment Policies

Major Sectorial Policies

1. IT & Electronics Policy, 2017
2. Tourism Policy, 2017
3. Sugar Manufacturing Policy, 2017
4. Industrial and Investment Policy, 2014
5. Handloom Policy, 2017
6. Solar Policy*
7. Start Up Policy, 2017
8. Public Private Partnership Policy
9. NEIIPP 2018*
10. Biotechnology Policy 2018

* Upcoming Policy
Shelf of Investment Opportunities

237 investible projects identified across the State

- Agro & Food Processing including Bamboo: 31
- Plastics and Petrochemicals: 22
- IT and ITeS: 10
- Infrastructure: Roads, Industrial and Urban: 74
- River Transport, Riverfront Development & Port Township: 23
- Education & Skill Development: 15
- Textile, Handloom & Handicraft: 12
- Tourism, Hospitality and Wellness: 25
- Pharmaceuticals and Medical Devices: 3
- Power: 14
- Healthcare: 8

Education & Skill Development
Market Linkages: NER and ASEAN

• Market of 1.8 billion people of ASEAN if you see North East as centre of this region rather than periphery of India
• Potential and market segmentation in each of the country can be studied jointly by both Japan and India
• Strengthening of road, rail, water and airways and 5437 Km long international border of the NER itself is an Opportunity
Not the periphery...but the centre!

Assam and North East Region share boundaries with China, BBIN & SE Asian economies

- Strategic Geographic location and a strong connectivity network, makes Assam the ideal staging point for doing business with the ASEAN countries.

- Over 640 million consumers to its east, over 1000 million consumers to the west and over 155 million to its south.

- Growing economy and increase in purchasing power parity of the population in the catchment presents a huge market.

- Assam shares border with Bangladesh and Bhutan and is also connected to Myanmar terrestrially through Manipur.

Market of over 1.8 billion consumers
Enabling Environment

- Existing Centre’s special focus on NER
  - 28 visits of PM in less than 4 years
  - PM calls NER: Astha Lakshmi, New Engine (NE) of India’s economic growth
  - Monthly roasters for Union Ministers to visit and monitor the development programmes

- PM’s thrust on Act East Policy

- States’ pro-active approach (Advantage Assam, Global Summit)

- Japan’s keen interest (Bilateral agreements)

- Institutions (Strengthening the existing and creating new ones): GOI-ADB’s SASEC initiative be expedited

- Linkages (Strengthening the existing and exploring the new): Existing 40 LCPs at border etc
Assam: A Potential Knowledge Hub for ASEAN

- **5696**: Engineering graduates per annum
- **5336**: ITI diploma holders per annum
- **2019**: Medical professionals per annum

1 Million Youth to be skilled in market driven trades in the next 5 years
Ease of Doing Business

More than 361 services are now online in the single window portal - easeofdoingbusinessinassam.in/

The Assam Ease of Doing Business Act 2016

- The Executive Committee of the SWA, chaired by the Chief Secretary, is responsible for Regulatory monitoring, supervising and reviewing the functioning of the SWA.

- The Chief Executive Officer of the SWA is responsible for receiving and processing all proposals.
THANKS
SLIDES ON EACH FOCUSED SECTOR
(depending on time availability)
Focus Sectors
River Transport & Port Townships Overview

10% of cumulative length of 111 National Waterways involve Assam

- 15 National Waterways of 111 NWs in India involves Assam
- 3 per cent of the total freight tonnage movement to and from the state is catered by the IWT sector
- 891 kms of Brahmaputra and 121 kms of Barak Present cargo handling capacity of the fleet is nearly 10,000 metric tonnes (MT)

Assam's vision for River Transport

1. Increase in IWT's share of cargo traffic from 3 to 10 percent
2. 100 percent regulated ferry services sector - safe, efficient and economical service to 18 million passengers per annum
3. Total additional direct and indirect employment generated will be 2 million

100% FDI allowed under automatic route for projects related to construction and maintenance of ports and harbor.

Huge investment opportunities under World Bank assisted Assam Inland Water Transport Project
Investment Opportunities
Investible Projects in River Transport & Port Townships

1. Development of Greenfield Port Townships
   - Palasbari, Bogibeel, Jogigopha, Kuruwa, Nimati Ghat, Silghat, Dikhowmukh, Dhubri, Lakhipur and Suwalkuchi

2. Modern IWT terminal with Commercial Complex
   - Guwahati, Biswanath Ghat, Dhubri, Karimganj Nimati Ghat and Silghat

3. Operation of Freight Ferry, River taxis & hovercraft taxis
   - Across all major terminals in Assam
Power Sector Overview

Key Highlights

- Total installed power capacity: 1,599.65 MW
- Power Projects under construction: 930.5 MW
- Projects in pipeline: 1,901.5 MW
- Transmission network of 63 EHV grid substations, transmission lines of 4,538 circuit km capable of handling peak demand of 1,700 MW
- Forecasted Demand for Power by 2026-27: 4,816 MW. Therefore, high potential for investment in power generation and transmission.

Leveraging Assam’s Ecosystem

1. Highest potential for solar energy amongst NE States; estimated at 14 GW
2. Capacity to produce 680 MW of hydro power
3. Massive thrust for modernization & improvement of T&D infrastructure in the State.
4. Rapid increase in economic activity and rapid urbanization
Investment Opportunities

   Sandbars of Brahmaputra

2. 1600 MW Thermal Power Station Phase I
   Margherita, Tinsukia

   10 major cities of Assam

4. Solar Power Generation Units
   Dhing, Balipara Goalpara, Cachar

5. Augmentation and strengthening of Power Transmission System and Distribution System

6. Manufacturing of Solar PVs and power equipment
## Present Ecosystem

- **Reserves**: 1.3 billion tonnes of crude oil and 156 billion cubic metres of natural gas; Assam accounts for 15% of India’s crude output.

- **Proximity to BBIN & ASEAN Countries**: This accounts for approx. 10% of total Plastic exports of India.

- **Adequate supply of Feed Stock (from BCPL)**

- **Ample source of Water, Power and Manpower**

- **187 industrial units engaged in manufacturing of plastic products with annual installed capacity 3.2 lakhs Metric Tonne**

- **Numerous technical institutes including CIPET, IIT, Plastic Waste Management Centre**

### Key Players
- Brahmaputra Cracker and Polymer Limited
- Nilkamal
- SKIPPER Limited
- Supreme

People who know plastics best
Investment Opportunities
Investible Projects in Plastics and Petrochemicals

1. Plastic Park
   Gelapukhuri, Tinsukia
   A plug and play infrastructure for Plastic Manufacturers (50 kilometers away from BCPL)

2. Chemical Hub
   At Chandrapur near Guwahati

3. Manufacturing
   of
   Disposable Syringe
   Plastic Crates
   Chairs
   Battery Case
   Buckets
   Caps & Closures

4. Manufacturing
   of
   Woven Sack
   Non-Woven Fabric
   Box Strap
   Ropes
   Toys
Agriculture and Food Processing Overview

Present Ecosystem

✓ Abundant in production of agricultural, horticultural, cash crops and tea.

✓ Major scheme underway for organic cultivation

✓ A total of 217 fish species, out of which 150 species have ornamental importance

✓ Home to more than 100 species of naturally available bamboo

6 stable agro-climatic zones and one of India’s 14 biodiversity hotspots

Key Players / Brands

Every 7th cup of hot tea sipped anywhere in the world, comes from Assam
## Investment Opportunities

### Investible Projects in Agriculture and Food Processing

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<thead>
<tr>
<th>1</th>
<th>Dairy Plant</th>
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<td>Dhekiajuli</td>
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<td>Silchar</td>
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<td>Tezpur</td>
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<td>Nagaon</td>
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<td>Barpeta</td>
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<tr>
<th>2</th>
<th>Agro-Processing Parks</th>
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<td>Tea park: Jorhat</td>
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<td>Banana Park: Goalpara</td>
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<td>Ginger Park: Bokajan</td>
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<td>Turmeric Park: Nagaon</td>
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<th>3</th>
<th>Animal Husbandry</th>
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<td>Pig Germplasm Bank</td>
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<td>Pig Processing Plant</td>
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<td>Feed Mill Plant</td>
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<td>Organic Fodder</td>
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<td>Bio-Gas Plant</td>
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<td>Broiler Breeding Farm</td>
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<td>Broiler Layer Farm</td>
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<td>Veterinary Biological Products</td>
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<th>4</th>
<th>Other projects</th>
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<td>Medicinal Herb processing unit</td>
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<td>Mustard Oil Processing Unit</td>
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<td>Tissue Culture laboratory</td>
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<td>Orchid Park</td>
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<td>Aqua Park</td>
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### Additional Investments
- Investment Opportunities in Agriculture and Food Processing
Pharmaceuticals Overview

Present Ecosystem

1. Proximity to ‘Import oriented’ pharmaceutical market in ASEAN economies.


3. Home to more than ten Biotech and Pharmacy related institutes.

4. Blessed with more than 952 species of plants used in medical practices.

USD 142 mn investment within last 1 year

Target Segment For investment

APIs

Excipients

Generic drugs

Packaging material

Contract Research & Manufacturing

Key Players

SUN PHARMA

ajanta pharma limited

NATCO

HETERO
Investment Opportunities

Investible Projects in pharmaceuticals

1. Pharmaceutical Park
   Chaygaon, Kamrup

2. Development of Pharmaceutical Cluster
   Kuruwa, Kamrup (R)

3. Development of Pharmaceutical Cluster
   Balipara, Sonitpur
## IT & ITeS overview

<table>
<thead>
<tr>
<th>Present Ecosystem</th>
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<tbody>
<tr>
<td>✓ IT infrastructure - State Data Centre, Assam State Wide Area Network (ASWAN) with POPs, State Portal &amp; State Service Delivery Gateway (SP-SSDG) etc.</td>
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<tr>
<td>✓ STPI - One of the key building blocks for a vibrant MSME ecosystem in the IT sector</td>
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<tr>
<td>✓ Bharat Net National Optical Fibre Network (NOFN) - Last mile connectivity to the last mile rural local self-government (Panchayat) level</td>
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<td>✓ 66.89% Tele-density as of March 2017.</td>
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## Government Support

1. **Information Technology and Electronics Policy Assam, 2017**

2. **Assam Electronics and IT Innovation Scheme, 2015**

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*India’s 3rd International Internet Gateway in neighbouring state of Tripura*
# Investment Opportunities

**Investible Projects in IT & ITeS**

1. **IT Parks**
   - Guwahati
   - Silchar
   - Dibrugarh

2. **Electronic Manufacturing Cluster (EMC)**
   - Solar panel manufacturing, LED, CPE, photonics, optoelectronics etc.

3. **Assam Fibre Net**
   - Broadband connectivity to all households of the State

4. **BPO**
   - Opportunity to set up 100 BPO / IT / ITeS on PPP mode

5. **e-Health**
   - Potential for investment to the tune of INR 500-600 Crores across Govt. and public sector

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*Advantage Assam*
### Tourism Sector Overview (1/2)

<table>
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<tr>
<th>Advantage Assam</th>
<th>Cruise Tourism</th>
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<tr>
<td><strong>1</strong> Unique Locational Advantage</td>
<td>• Cruise on the mighty Brahmaputra, one of the world's greatest rivers cover Kaziranga National</td>
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<tr>
<td><strong>2</strong> Skilled &amp; Competent Manpower</td>
<td>Park, Majuli, Tea Gardens, heritage village walks etc.: offered both by Assam Tourism and by</td>
</tr>
<tr>
<td><strong>3</strong> Diverse &amp; Attractive Tourism opportunities</td>
<td>private operators</td>
</tr>
<tr>
<td><strong>4</strong> Rich Natural Resources</td>
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- **5.5%** contribution to Assam’s GDP
- **10.5%** per cent of the total employment in the state is in the tourism sector
- **16%** increase rate of Tourist arrival to the State during 2015–16
Tourism Sector Overview (2/2)

**Culture**
Multiple ethnic tribes with different customs, languages, culture, festivals, food habits, songs and dances

**Tea Gardens**
Over 1000 lush green tea gardens with vibrant people and their enchanting songs and dances

**Nature & Eco-tourism**
Biodiversity hotspot with dense lush green forests, Blue hills, gushing streams.

**Wildlife**
Five National Parks and eleven wildlife and bird sanctuaries

**Religious**
Kamakhya – one of the 51 Shakti Peeths, Nabagraha (nine planets) temple, Hajo; a multi religious site

**River Tourism**
Unforgettable cruising experience in mighty Brahmaputra

**Golf**
Over 10 beautiful golf courses, one at Jorhat being the oldest in Asia

**Adventure**
Rafting, angling, trekking, rock-climbing etc.
Investment Opportunities
Investible Projects in Tourism

1. Film City Assam
2. Cruise Liners Over Brahmaputra
3. Key Resorts
   - Five Star Hotels
   - Wellness Zones
   - Boutique hotels
   - Amusement Parks
   - Zip lines
   - Golf Resort
   - Floating Hotel
4. Development/Conversion of existing properties of the State into Star Category Hotels/ Resorts (11 properties)
5. Wayside Amenity Centre Development at 5 locations
Handloom, Textiles and Handicrafts overview

- Assam is 3rd in raw Silk Production in India
- 80% of Muga Silk and 60% of Eri Silk Production of India is from Assam
- Over 14 lakh handloom weavers in the state
- Handloom industry employs 2.5 mn weavers

Key Growth Driver

1. Annual demand of textile is 2.5 times more than current production

Leader in production of Muga, the golden Silk of Assam

- Abundance in cocoon production
- Presence of R&D & Training Institutes
- Amongst top bamboo & cane producers
- 11 Lakh looms available

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Investment Opportunities
Investible Projects Handloom, Textiles and Handicrafts

1. Apparel & Garment Making Centre
2. Cluster Development - Silk Value Chain
   - Silk Processing and Blending Park
   - Handloom Production Units
3. Bamboo Wood Products
   - Manufacturing of Bamboo Mat Board, Bamboo Mat Corrugated Sheets & Bamboo Floor Board
4. Cane Products
   - Manufacturing of Cane mats and Furniture