

অসম চৰকাৰ



Government of Assam

REPORT ON INDUSTRY & COMMERCE OF ASSAM

IN THE BACKDROP OF COVID 19 PANDEMIC

STATE INNOVATION AND
TRANSFORMATION AAYOG (SITA)
GOVERNMENT OF ASSAM

IN COLLABORATION WITH:

- » ASSAM CHAMBER OF COMMERCE (ACC)
- » CONFEDERATION OF INDIAN INDUSTRY (CII)
- » FEDERATION OF INDIAN CHAMBERS OF
COMMERCE & INDUSTRY (FICCI)
- » FEDERATION OF INDUSTRY & COMMERCE
OF NORTH EASTERN REGION (FINER)
- » INDIAN CHAMBER OF COMMERCE (ICC)

MAY 2020





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MAY 2020



Sarbananda Sonowal



**Chief Minister, Assam
Guwahati**



MESSAGE

I am happy to know that State Innovation & Transformation Aayog (SITA) has prepared the Report on Trade and Commerce of Assam in the backdrop of COVID-19 pandemic for providing the impact assessment and recommendations for the revival of the industrial sector in consultation with various industry bodies.

The report outlines various issues that are faced by different sectors of the industry and suggests ways and measures for assisting the sectors to recover from the present crisis.

I extend my best wishes to SITA along with all the industry bodies for this endeavour and hope that the report would be successful in fulfilling all its objectives.

A handwritten signature in blue ink, which appears to read "Sonowal".

(SARBANANDA SONOWAL)





MESSAGE

COVID19 pandemic is an unprecedented event which has brought trade and commerce to a standstill. With the passing of time and strict Government interventions, we have managed to control its spread in Assam. Also, gradual relaxation of lockdown is slowly but surely assisting in the movement of goods and continuance of businesses.

At this stage, it is of utmost importance that Government measures are implemented in a manner so that the benefits are reaped till the bottom of the pyramid and flow of funds happen across sections.

This report attempts to highlight the issues that are faced by the various sectors such as MSMEs, Service sectors, manufacturing and the resultant policy measures that should be taken by the Government for their resurgence.

With the announcement of Financial Package of Rs. 20 lakh crore by Hon'ble Prime Minister, Government of Assam is already working towards implementation of the same for the upliftment of the state. Government of Assam is fully committed providing a sound and secure business environment to back the trade and commerce on its feet once again.

(HIMANTA BISWA SARMA)





CHANDRA MOHAN PATOWARY

Minister
Industries and Commerce,
Transport, Parliamentary Affairs,
Skill, Employment and Entrepreneurship Development
and Act East Policy Affairs Departments
Government of Assam

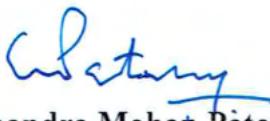


MESSAGE

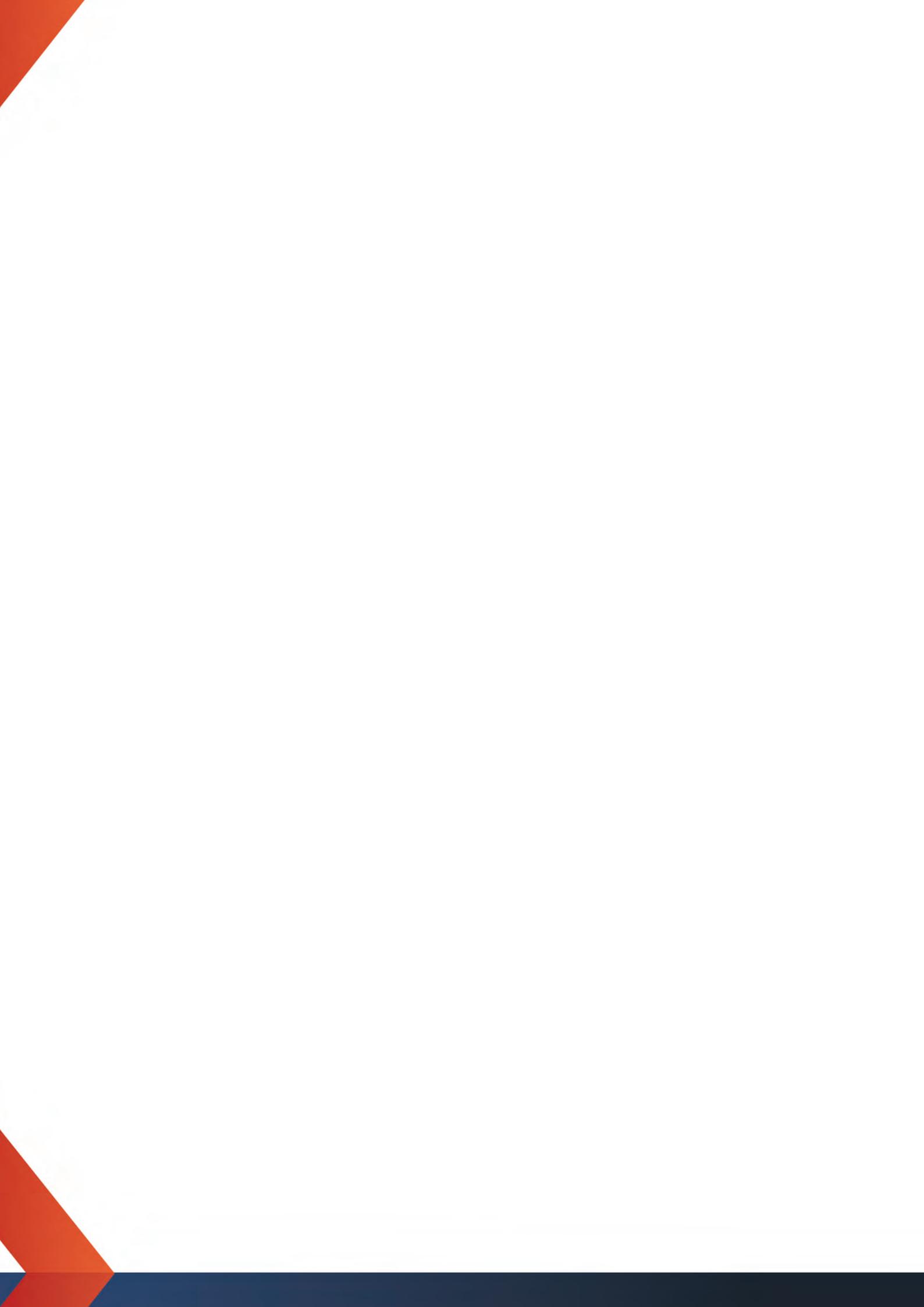
Assam has been impacted hard following outbreak of COVID 19 as most of the industries are of micro and small-scale nature. This is more unfortunate since Government of Assam has been taking vigorous steps in attracting investments in the state in the recent past. As the state was poised to take leap forward, the outbreak has happened at an unfortunate time. We have observed that gradually the focus of the country had shifted towards developing the North Eastern region. Therefore, there is a need for developing employment opportunities, promote economic growth, attract investments etc. and thus increasing the share of manufacturing in the GDP of state.

The financial stimulus announced by Hon'ble Prime Minister shall provide the impetus to revive the economy of the state. The recommendations and solutions provided by the various trade bodies in the state viz. ACC, FINER, FICCI, ICC and CII shall serve as guiding principle in deciding the measures that the Government of Assam will take to revive the trade and commerce sector of the state.

I extend my best wishes to SITA and all the trade bodies who have taken this initiative to prepare the report.



(Chandra Mohan Patowary)



Dipok Kumar Barthakur

Vice-Chairman

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MESSAGE

Today, the world is facing humanity's biggest crisis since World War II and almost every country has been affected by the devastating Corona virus disease.

Undoubtedly, this pandemic has put the state's economy at a major risk. Corona virus has ravaged the economic foundations of world trade and as such the tremors are felt in every nook and corner of the world including Assam. As trade and industry sector employs large number of people after Agriculture and allied sector in the state , it is imperative that we have to swing into action to arrest the impact and protect the sector.

In this report, a wide angle approach has been taken to assess the impact of COVID19 pandemic on the Trade and Industries sector of Assam with valuable contributions from major Trade Associations viz. Assam Chamber of Commerce (ACC), Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII), Federation of Industry & Commerce of North Eastern Region (FINER), Indian Chamber of Commerce (ICC). I firmly believe that the inputs and recommendations in this report will help the sector to see a significant and sustainable progress and virulent recovery.

I would like to appreciate the sincerest efforts of State Innovation & Transformation Aayog (SITA), and its experts in preparing this document on revival strategy for Trade & Industries sector of Assam. I believe that the report will serve its purpose as a beacon of light for Assam's action plan for the revival of Trade & Industry Sector.

A handwritten signature in black ink, appearing to read "Dipok Barthakur".

(DIPOK BARTHAKUR)





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LIST OF ABBREVIATIONS

ACC	Assam Chamber of Commerce
ASI	Annual Survey of Industries
AYUSH	Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy
CII	Confederation of Indian Industry
COVID-19	Corona virus disease 2019
CFC	Common Facilities Centre
DBT	Direct Benefit Transfer
EPF	Employee Provident Fund
ESIC	Employees State Insurance Corporation
FDI	Foreign Direct Investment
FICCI	Federation of Indian Chambers of Commerce and Industry (FICCI)
FINER	Federation of Industry & Commerce of North Eastern Region (FINER)
GDP	Gross Domestic Product
GST	Goods and Services Tax
ICC	Indian Chamber of Commerce (ICC)
ICD	Inland Container Depot
IT	Information Technology
LTC	Leave Travel Concession
MSME	Micro, Small & Medium Enterprise
MNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
NEIIPP	North East Industrial & Investment Promotion Policy
NEIDS	North East Industrial Development Scheme (NEIDS)
NSSO	National Sample Survey Organization
OTT	Over the Top
PPP	Public Private Partnership
PSU	Public Sector Undertaking
SSI	Small Scale Industries



PREFACE

The economic impact of 2019–20 corona virus pandemic in India has been hugely disruptive. COVID-19 is an unprecedented humanitarian challenge across the globe. Eight weeks of national lockdown has given India much needed time to make a concerted effort to flatten the pandemic's growth curve. While all out efforts for containing the spread of virus are going on, the need of the hour is also to pay attention to reopening of the economy while containing the virus. During the lock down, India's economy functioned at about 50% of its full activity level , the associated economic cost of lockdown, though unavoidable might not be sustainable in the long run. We all need to gear up not only to protect lives but also the livelihood of people from this pandemic.

The economy of Assam has taken a severe hit. Especially, the manufacturing sector, except for medium scale food processing industries & its ancillary units and the health sector industries which were partially operational, the rest of the manufacturing industries were non-functional due to lock down. The services sector particularly tourism, retail trade, logistics and transportation took a major hit while financial, IT and government services remained partially operational. The MSME sector is amongst the most severely impacted sector in this pandemic.

With MSME sector constituting around 95% of industrial units in Assam, it remains the prime driver of state's economy, both in terms of output and employment generation. Most importantly, 90% of MSME sector constitutes of first-generation entrepreneurs. During the lockdown, mostof the MSME units are likely to incur huge business losses and facing severe cash flow disruption, the impact on small and micro sectors is expected to be comparatively higher in the post COVID-19 era.

In preparation of the report enormous assistance was received from Shri Neeloy Deep Barman, MBA (Institute of Rural Management, Anand) and Shri Abhijit Pegu, B. Tech & MBA (ISM IIT, Dhanbad) who interacted and compiled inputs from the trade bodies of the state such as Assam Chamber of Commerce (ACC), Confederation of Indian Industry (CII), Federation of Industry & Commerce of North Eastern Region (FINER), Federation of Indian Chamber of Commerce and Industry (FICCI) and Indian Chamber of Commerce (ICC). Further, they also examined various data sources such as Annual Survey of Industries, National Sample Survey Organization reports to derive key insights for this paper. The entire process was coordinated by Shri Kashinath Hazarika, Member, SITA & Former CMD, North Eastern Development Finance Corporation Limited (NEDFi) Guwahati, Assam.

1 EXECUTIVE SUMMARY

The Government of Assam is facing an enormous challenge as it prepares to deal with the COVID-19 pandemic situation. Assam's Industries & Commerce sector including MSME, Tourism, Services, Hospitality, etc. has been hit hard by the pandemic. With a virtually stagnant credit flow and complete disruption of supply chain and distribution channels, a severe economic crisis with resultant bankruptcies and higher levels of unemployment is looming large. A specific study conducted by CII, has estimated a daily loss of Rs. 1,000.00 crore to the economy of the state. On the other hand, FINER has assessed an aggregate revenue loss of Rs. 5,000.00 crore during the period of lockdown.

The three different scenarios along with the possible growth path that can be considered for the economic revival of the state are as follows:

SCENARIOS	POSSIBLE GROWTH PATH
V - Shaped	Despite the temporary stagnation for 4 months, economic activities are expected to pick up quickly during the post lockdown period. However, a supportive economic stimulus by the Govt. is imperative to kickstart the economy to its normal capacity.
U- Shaped	While the shock will persist, the initial growth path will be resumed despite some permanent damage from an output perspective. But resumption of economic activity will be constrained by reduced cash flow and restricted movement of goods and people.
L- Shaped	This can be a very pessimistic scenario with significant structural damage impacting the economy on the supply side, labor market, capital formation and productivity. This situation may prolong with an extension of current restrictions due to the continuously growing number of COVID-19 cases.

In the light of the above situation it is imperative to work towards V-shaped recovery initially and aim to reach the U-shaped situation in the long run. Hence, it is extremely important to ensure flow of money particularly to MSME units and generally to all consumer points including the informal sector to create market demand.

The most affected segment in this extraordinary crisis is undoubtedly the MSME sector. With almost zero revenue due to standstill operations and fixed overhead costs, the MSMEs are finding it extremely difficult to cope with such a precarious situation. Considering that MSME sector is the 2nd largest employment provider after Agriculture in Assam, it needs additional support and economic stimulus.

Incidentally, the COVID-19 crisis indeed provides an opportunity to reshape the economic landscape of Assam. The government must work out a stimulus package to address immediate losses incurred through fixed costs of rents, salaries, power, etc. and shrinking working capital during the lock down period. Interventions could be enhancements of bank loans/ limits for working capital needs and hiking threshold limits for availing tax exemption.

Some of the provisions of the proposed economic stimulus as stated below may go a long way to help the sector tide over the post pandemic economic slowdown in the Short Term, Medium term & Long Term.

A. Short Term Steps:

Financial Grant: Cash grant of Rs.1,019.00 crore as seed money to restart operations of unorganized enterprises for around 3.70 lakh enterprises by one-time DBT.

Increase credit limits: For all regular banking accounts, the credit limits may be increased by at least 25% to meet the extended cash cycle.

Adjusting Liquidity issues:

- » Expeditious clearance of receivables/ approved entitlements (industrial or NEIDS subsidy).
 - » Waiver of power fixed charges for 3 months starting from March 2020 until business resume full scale operation
 - » Tapered subsidy on electricity bill in the range of 75%, 50% & 25% month on month for next 3 months may be given to the MSMEs, etc.
 - » GST refunds should be cleared expeditiously based on the last quarterly return.
 - » Provide a wage subsidy @ 50% for a period of 4 months.
 - » Reasonable interest rate subvention on working capital loans for a period of 9 months.
1. Enforcement of COVID-19 related Safety Principles: To prevent spread of corona virus in industries, specific guidelines for preventive measures and infection control have been disseminated across all enterprises. These restrictions for the time being will also have a negative impact on output and revenue generation. In this connection, arrangement should be made for easy and low-cost availability of protective equipment like masks, gloves, sanitizers, overalls, etc. This may be integrated with the larger issue envisioned in UN Sustainable Development Goals 3 and 6.

2. Better Financing options:

- Banking sector must be persuaded to pass on the RBI relaxations extended to MSME sector, e.g. automatic renewal/ enhancement of credit limit starting from March 2020 until the economic scenario improves, without change in commercial terms.
- Easy access to credit with simple documentation should be enabled especially when the Central Govt has already announced a backup guarantee to all financial institutions/ banks to the extent of 20% of sanctioned credit limits. The situation faced by units that operate on very short financial cycles has also to be considered for adequate financial resources to revive their economic activities which may have otherwise been forced to stop production/ trading in the absence of adequate financial resources.
- State Government should direct banks not to stop disbursement of loans for projects delayed due to COVID-19 as per Central Government and RBI guidelines.
- Increase credit limits for all regular banking accounts up to 25% for all industries.

3. Supply chain support: Permission for movement of transport to facilitate the timely availability of raw materials, packing materials, etc. necessary for smooth operation of the industries, etc.

4. Capitalize on businesses shifting from China: Manufacturing businesses in the long run are expected to shift out of China to India and other countries. The Government should plan to capitalize on this opportunity by keeping ready the platform, policies and practices to promote and incentivize possible foreign investments in the state. In this connection, the idle assets of defunct/ stroked/ closed industrial units in the state may be surveyed to examine setting up of new industries through FDI or on PPP mode thus integrating with the larger UN Sustainable Development Goal 17.



B. Medium term

Labor & Employment: State Government should review the labor laws, provide a wage subsidy to industries, especially in the manufacturing sector, to the extent of 50% of salary/ wages paid for a period of 4 months.

MSME Ratings: Advisory should be issued to Rating Agencies not to downgrade the ratings of MSME sector till the present scenario improves and retain the ratings just before the COVID-19 impact.

Popularization of Startup Policy of Assam: The current start up policy can be further strengthened and extended in scope for extending financial Grant incentivizing start up projects of entrepreneurs abroad who wish to return to the state permanently to set up their business ventures.

Review of current industrial/ business incentives: The incentives/ subsidies now available to industries and businesses may be reviewed and attuned to the new demands in the post COVID scenario.

C. Long Term

Promoting Exports: Export Policy to be devised in the light of current shift in demand - product wise etc. from the foreign market in the wake of COVID-19 crisis and may be integrated with the Act East Policy.

Improving the infrastructure and handling capacity at Inland Container Depots/ Ports and rationalizing charges to ensure efficient operations and minimize turnaround time.

New Pharma Policy: Health being one of the potential sectors for introducing new initiatives, it would be the right time for the State Industries Department to come out with a new Pharma Policy to attract investment in this sector.

Focus on Rural Economy: Promotion of agribusiness, establishing cold storage chains, achieve self-sufficiency in feed production in the animal husbandry and allied sectors, formation of sectoral task forces with cross functional teams from various departments, local industry associations and local/ national trade and industry bodies, building Industrial Capacity to take advantage of the emerging, etc.

Improvement in Industrial Eco-system: Long Term Policy initiative needs to be taken by the Government to strengthen industrial infrastructure facilities especially for the growth of MSMEs by setting up of State-of-the-art infrastructure like Growth Centers, Industrial Parks, and Export Promotion Centers for promoting MSMEs in the state. This may be integrated with the larger issue envisioned in UN Sustainable Development Goal 9.

2 SOLUTIONS AND CHALLENGES POST LOCKDOWN:

The challenges, solutions and concerns expressed at various levels have been enumerated below. Our observations are based on some of the suggestions considered feasible by various trade associations of the state. At the onset, it is now an accepted fact that the reopening of the economy and getting back to normalcy shall be a gradual process. The time period to achieve full economic activities may take many months, if not years. Assam being an economically backward state will have its own share of additional challenges compared to other advanced states of our country. Discussed below is the probable way out for some important sectors:

- a) MSMEs
- b) Tourism & Hospitality
- c) Telecommunication & Internet
- d) Handloom & Handicraft
- e) Transportation
- f) Human Resources
- g) Electronics Trade
- h) Food Processing
- i) Trading
- j) Terracotta Industry
- k) Telecommunication and Internet business
- l) Media & Entertainment

2.1 MSME Sector

The limit for investment in plant and machinery/ equipment for manufacturing/service enterprises, as notified, vide S.O. 1642(E) dtd.29-09-2006 provides the following basis for classification of MSMEs in Assam.

Existing MSME Classification			
Criteria: Investment in Plant & Machinery Equipment			
Classification	Micro	Small	Medium
Manufacturing Enterprise	Investment less than Rs. 25 lakhs	Investment less than Rs. 5 crores	Investment less than Rs.10 crores
Services Enterprises	Investment less than Rs. 10 lakhs	Investment less than Rs. 2 crores	Investment less than Rs. 5 crores

Revised MSME Classification			
Composite Criteria: Investment & Annual Turnover			
Classification	Micro	Small	Medium
Manufacturing & Services	Investment less than Rs. 1 crore and Turnover less than Rs. 5 crores	Investment less than Rs. 10 crores and Turnover less than Rs. 50 crores	Investment less than Rs. 20 crores and Turnover less than Rs. 100 crores



The MSMEs in Assam are too small to have enough capital resources to survive through a pandemic like COVID-19. The fact that many of these MSME companies have been asked to close or restrain operations while still paying their employees is a cause of major concern. Apart from that, the overhead costs such as taxes, power, and other utilities are putting enormous burden on MSME sector at large.

In the light of COVID-19 situation, the MSME industry in Assam has the following constraints:

- » Controlled by headquarters in other states: Most of the Industries are controlled by their Head Offices situated in other states of India, which are relatively more affected by COVID-19. Resumption of normal operations would, therefore, depend on Head Office managements based in other states. The resultant delay in decision making from the distant head office managements is likely to adversely affect resumption of business activities with resultant multiplier effect on unemployment, revenue loss and detrimental effect on related ancillary units, suppliers and service providers.
- » High dependency on bank for credit financing: Most of the promoters of SSI are middle class people depending largely on bank loans for running their units. A prolonged closure may cause many defaults in repayment of loans.
- » Payment of all running and fixed cost: All running and fixed costs will have to be paid in addition to interest on existing loan during the period of lockdown.
- » Working Capital: Working capital cycles are in tremendous stress as the collection from retail market has been very difficult.
- » Default from debtors: Default from debtors is expected to occur in the current situation which will have a severe impact on the creditworthiness of MSMEs.
- » Immediate payments of raw materials: In cement industry the payment for purchase of raw materials needs to be done immediately. However, the sales are done on credit which results in slow collection from debtors.

2.1.1 Possible Solutions for MSME Sector:

- » Restoration of operations of MSMEs collinear with the exit strategy from Lockdown in a phased manner is the need of the hour. e.g. Shift wise operations of the industries.
- » The government should come up with a concrete action plan. This includes tax concessions, easy access to credit and all pending receivables from GST for MSME to be adjusted by June 2020.
- » The government can take a slew of measures to help the industry.
- » Government should consider offering easy lines of credit for MSMEs, as this is probably the most difficult area to access.
- » To develop a greater number of Micro Enterprise Cluster based on local resources and demand. Common Facility Centre (CFC) should be set up in every district (not less than 10 Micro Enterprise Cluster). This will help challenge the competition and boost the export market in general.
- » Strong support from financial institutions/ banks for providing loans to viable and feasible micro & small enterprise units.
- » Cash flow situation of individual employees can be improved through enabling early EPF withdrawals, salary subsidies by DBT, immediate ESIC & insurance settlements through Government intervention.
- » An incentive package/ facilitation support for exporters is required to be put in place in consultation with export promotion councils.

- » As opening of all units together, could create a higher risk in the transmission of the virus a gradual and progressive mandate to allow the units to operate in phases is required.
- » Interest subvention to MSMEs under bank loans should be extended for a reasonable period post COVID.
- » Review of current industrial/ business incentives: The incentives/ subsidies now available to industries and businesses may be reviewed and attuned to the new demands in the post COVID scenario.
- » Tapered subsidy on electricity bill in the range of 75%, 50% & 25% month on month for next 3 months should be provided.
- » Provide a Wage Subsidy to industries to the extent of 25% of salary/ wages paid for a period of 3 months of the lockdown period.
- » To restart cash flows, the Government must increase its welfare spending either through existing schemes like MNREGA or other new innovative schemes to create demand.
- » Releasing of dues under NEIIPP/ NEIDS: A total amount of industrial subsidies pending under NEIIPP/ NEIDS as on date is Rs. 275.00 crore against a total of 936 claims.

2.1.2 Working Capital Loan support for Organized sector

As per Annual Survey of Industries (ASI) report of 2017-18, there are 4,538 number of factories in Assam. The total annual working capital requirement is approx. Rs. 9,061.00 crores. Therefore, the average annual working capital works out to be close to Rs. 2.00 crores. This is roughly Rs. 17.00 lakh per month. As the factories may operate with 50% capacity initially and gradually move towards 100 per cent capacity, Government may plan for provision of working capital loan per factory in the following manner:

Period -March 2020 to March 2021				
	1st Quarter	2nd quarter	3rd quarter	4th quarter
Working Capital assistance %	50%	40%	30%	20%
Average monthly working capital (Amount in Rs.)	832,012	665,609	499,207	332,804

For a total of 4,538 factories, the total financial layout comes out to be around Rs.1,057.00 crore. Further, it is estimated that, there would be 70% micro enterprises, 20% small enterprises and 10% medium enterprises in Assam. Therefore, the category wise provision may be considered to be Rs.200.00 crore, Rs. 600.00 crore and Rs. 300.00 crore for micro, small and medium enterprises respectively.

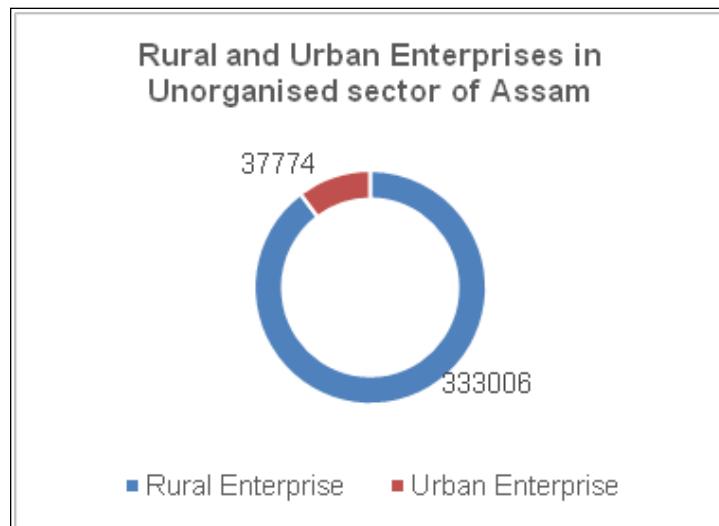
2.1.3 Worker wage and salary support for the Organized sector

With approx. 2.20 lakh employees and Rs. 2,661.00 crore paid in salary & wages; the average monthly salary payout stands at approx. Rs.10,000.00. Government may consider providing Wages & Salary support to the enterprises for their workers for a period of 4 months starting April 2020. The support may be given as 50 per cent of the average monthly salary. Therefore, the total financial layout shall be around Rs.440.00 crore.

2.1.4 Relief Package for the Unorganized sector

As per the latest report number 525 (62/2.2/2) by National Sample Survey Organization (NSSO), there are a total number of 3,70,781 unorganized enterprises in Assam. They provide employment to approx. 6.5 lakh employees. Approx. 90% of them are in the rural areas and the rest are situated in urban areas. As per the report, the monthly emoluments ranges between Rs. 7,000/- to Rs. 10,000/- per worker. Out of these enterprises, Own Account Manufacturing Enterprise (OAME), Non-Directory Manufacturing Establishment (NDME) and Directory Manufacturing Establishment (DME) enterprises account for 88.50%, 10.31% and 1.19% respectively.

Figure 1

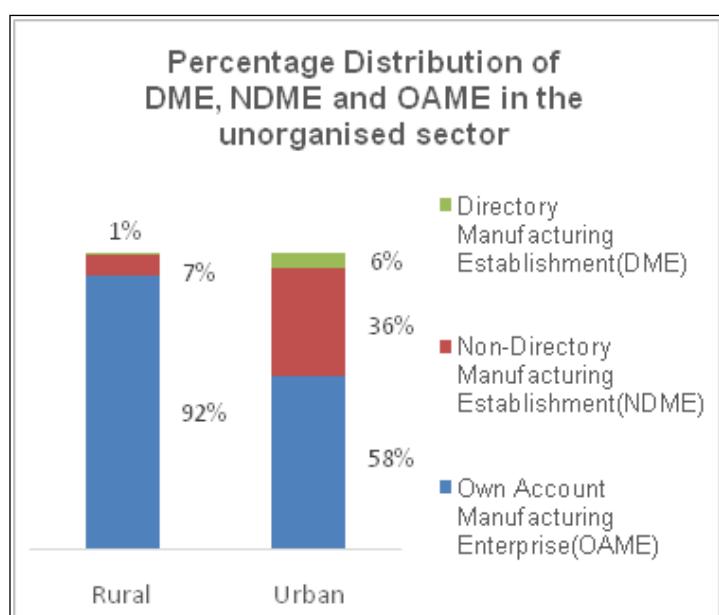


The importance of the unorganized sector can be judged from the fact that they constitute approx. 90% of the total manufacturing sector and provide employment to almost 80% of the total employment generated by the manufacturing sector.

Further, this sector also invests close to 13% of the total investment in the manufacturing sector with a Gross Value Addition of around 25%. As per NSSO, this stands at approx. Rs. 510.00 crore of fixed capital investment and close to Rs.650.00 crore of Gross Value Addition.

With the return of the migrant laborers/ workers to the state, this sector shall emerge as highly critical and valuable to provide employment to scores of people.

Figure 2



Direct Benefit Transfer:

Various reports have suggested that with close to 90% of such enterprises being shut down under the lockdown, the enterprises are in a slumber. As the finances have dried up, capital infusion is required to jumpstart these enterprises again. Government may consider providing an initial sum of amount as “grant” to reinvigorate these enterprises through Direct Benefit Transfer (DBT) mechanism. As per NSSO, an unorganized sector enterprise’s annual turnover is around Rs. 20.00 lakhs. This results into a monthly turnover of around Rs. 1.50 lakh to Rs. 2.00 lakh. Assuming 3-4 business cycles in a month, an enterprise would typically need an amount of Rs.50,000.00 to Rs.60,000.00 to restart their

enterprises. Government may consider providing 50 per cent of this amount i.e. around Rs. 25,000.00 to Rs. 30,000.00 through the DBT mechanism. Going ahead on this basis, the total financial outlay would result in approximately to Rs. 1,019.00 crores. This can be further segmented by immediately focusing on the rural sector enterprises which comprise close to 90% of the unorganized sector.

2.2 Tourism & Hospitality :

In Assam tourists normally visit spots of tourist's interest during months from October/November to April next year. Tourism sector realizes maximum revenue in Assam between October till April/ May next year. In the year 2019, the season was greatly affected due to premature stoppage of tourist arrivals in December due to local agitation against Citizen Amendment Act (CAA) followed by nationwide lockdown due to COVID-19 outbreak. The following issues are pertinent for this industry:

- » The Tourism & Hospitality sector revenue loss is estimated to be – Rs.1,500.00 crore.
- » Hotels, Guest houses & Restaurants are all closed and shall remain closed for many more days/ months to come till the spread of COVID-19 comes under control.
- » Long term losses may result in huge unemployment and even bankruptcy of smaller units.
- » This sector provides employment to a lot of local youth who are now in dire situation with no source of income.
- » Restaurants alone contributes to approx. Rs. 250.00 crore in revenue to the state per annum (considering 5% from GST against approx. turnover of Rs 5,000 crore). The monthly revenue contribution is approx. Rs.20.00 crore.
- » The revenue contributed by liquor bars is significant. bar & restaurants put together provides a direct employment to more than 2 - 3 lakh people in the state.

2.2.1 Possible Solutions for Tourism & Hospitality sector

- » State Government needs to repackage the Tourism as Medical Infrastructure by converting existing tourism infrastructure into Quarantine zones thereby, enabling earning through a diversified business model, for at least the COVID-19 pandemic period.
- » Wage subsidy to the organized section of Tourism & Hospitality sector like Hotel, Resort owners, etc. and Grant in the form of Cash transfers to the unorganized section comprising Tourism Entrepreneurs, Tourist Guides, Tourist Vehicle drivers etc. can be provided by the State Government.
- » 10 % to 15% increase in moratorium on vehicle loans and promotion of soft loans should be done. The industry players are also suggesting for a midway path for leased and rented properties in a way that it is profitable for the tenants as well as the owners.
- » The government can consider increasing the ceiling limit of Leave Travel Allowance (LTA) exemption, perhaps, twice or thrice of the erstwhile amount, so that both the hotel & tourism sector of Assam may benefit from a jump-start in vacationing by the demographic dividend.
- » With the virus spreading across the globe and the west being the highest effected by it, the potential for Indian tourist travelling in domestic area is more prominent. In such case Assam can be the ideal choice considering the infrastructure and ease of travel, connectivity, natural beauty and most importantly being among the lowest COVID-19 affected states in the country.
- » Aggressive promotion of Assam Tourism highlighting the safety, security, availability of emergency health services, Health and wellness tourism, spiritual tourism and river tourism as novelty offers must be done.



- » The rate/ tariffs of hotels & guest houses should be made transparent and published widely using IT.
- » Inter-state Tourism within the North Eastern States: People in other states of North East should be encouraged to visit Kaziranga and other national parks including important tourist attractions in Assam and vice-versa. The tour operators can start working within NE states and promote these locations. The State Government should facilitate this initiative by providing necessary clearance and thus, support the endeavor by giving advertisements in their respective states. The State Government and PSUs can design special LTC for their employees to travel within the North East.

2.3 Handloom & Handicraft:

The textile tradition of Assam is replete with hand woven Eri and Muga silks which are well known for their high quality. Generations of weavers down the centuries have passed on unique designs, motif and technique of weaving of these exotic silks. 90% of these weavers are homestead weavers. An efficient handloom ecosystem can be a game changer in uplifting the economy, primarily the rural economy and can be part of the integrated Tourism promotion.

Challenges:

- » For the Handloom sector of Assam, the period prior to Rongali Bihu is a major season to make a bulk of the yearly business i.e. between March and April. During this year i.e. 2020, the lockdown that came into effect from 25th March due to the novel corona virus was a bolt from the blue for the industry.
- » The weaver co-operatives have gone into losses as they have already placed massive orders to the weavers. The weavers managed to finish the products, but they are lying in warehouses because of lockdown. Markets are closed and there is no transportation and buyers.
- » Labor charges to be paid by cooperative societies/private sector to weavers and Rongali Bihu bonus can be paid by the State Governments to mitigate the tough times.
- » The entire handloom industry has come to a standstill during this period. One of the major reasons being weavers have gone back to their native places and have not returned due to non-availability of public transport.
- » Shops are closed to buy the raw materials (yarns in this case) or to sell the finished products. This is another reason for closing the production at various home production centers too.
- » The handlooms used to weave Mulberry, Tasar, Muga Silk etc. if not run for a certain number of days, the yarns that are in the loom get damaged by various insects and humidity.
- » Handicraft is a produce which most of the artisans make at their free times. Therefore, the production may have continued but they are not able to sell their products.

2.3.1 Possible Solutions:

- » Assam introduced the concept of Handloom Weavers' Cooperative Society under the Assam Cooperative Societies Act, 1949 (Act -1 of 1951) for the organized development of the handloom weaving sector by developing a three-tier cooperative system. This comprises of (1) Apex Level Society (2) Regional Level /District Level Society (3) Primary Weavers Cooperative Society.
- » The Directorate of Handloom & Textiles, Assam can consider the following steps:
 - Registration of Artisans and Craftsmen in the sector and creation of clusters of registered craftsmen and artisans at different places and levels by engaging institutions like IIE, etc. for DBT.

- Grant to micro-level Handloom & Handicraft Entrepreneurs.
- Encourage product diversification aiming at the current basic needs of consumers.
- State Government's assistance in immediate Inventory evacuation even at a nominal margin.
- Help weavers' make masks out of Gamocha and enable the transportation and distribution of these masks for sale in pharmacies across the State and across India.
- Financial Assistance Package should be announced for paying wages of the weavers.
- Support should be provided to take care of the losses incurred in terms of damages of Silk Yarn against enough proof of such loss.
- Interest free moratorium for EMI on their Bank Loans to be extended for 2 - 3 months post opening. Moreover, with the help of banks, working capital loans should be provided to entrepreneurs at nominal documentation.
- Infrastructure support in providing looms to the weavers and motivating the new generation.

2.4 Transportation

- » Assam has about 11% - 12% commercial vehicles out of a total of 25 lakh vehicles on road. Considering on an average of 1.5 persons per vehicle, it provides employment to about 4.5 lakh drivers and helpers and livelihood to 2.6 – 2.7 lakh owners of these vehicles (Considering few owners of multiple vehicles).
- » Non-movement of vehicles have impacted the sales of fuel and thus the fuel pumps are also affected. The State Government has lost a huge revenue from Royalty and Taxes from sales of fuel. The projected Revenue earning from sales of Petroleum products in 2020-21 was Rs. 3275.00 crore - which leads to loss of revenue to the tune of about Rs. 273.00 crore per month.

2.4.1 Possible Solutions for Transportation sector

- » Grant policy to Private Transport Operators including drivers, conductors, e-rickshaw drivers, etc. e.g. grant may be given in a 50:50 ratio to the owner and operator.
- » Fares, rates etc. are to be made transparent and reasonable enough to encourage customers to use more and more services. Government should have a strict policy on pricing and tariff charges by Taxi, Auto Rickshaw etc.
- » Interest free moratorium for EMI on their bank loans should be extended for 2 - 3 months post opening. Moreover, with the help of banks working capital loans should be provided to entrepreneurs at nominal documentation.

2.5 Migrant Work Force

- » As per the estimates, there are more than 10 lakh people from Assam who are staying outside the state for higher studies, employment, business etc. A huge number of people are employed in Private Security Agencies in Southern & Western India.
- » Similarly, a good number of people are working in hotels/ restaurants, packaging industries, fisheries, etc. in Southern & Western India.
- » Assuming this number totals to around 2.5 - 3 lakhs and if about 2 lakhs decide to stay back, it can cause increase in unemployment levels.



- » After the lockdown, most of the private companies are likely to go for massive curtailment in manpower or reduction in wages/ salaries. This is likely to lead to job losses and hence support should be provided to this workforce.

2.5.1 Possible Solutions for Human Resources:

- » Establishing a State COVID-19 Surveillance Force and employing the returning workforce on contractual basis and incentivizing them for government jobs in future like security guards etc. in COVID-19 surveillance and hygiene across both rural and urban areas and in Public and Private sectors thereby assisting the State Police and Administrative machinery which is currently in a state of fatigue. A basic curriculum can be designed based on guidance by WHO and National Medical Commission.
- » There is a need to take the full advantage of our Skill Development centers. The scope of trainings should include many more basic fields like - weaving, tailoring, embroidery, painting, computer aided designs, boat / burger driving etc.
- » All the unskilled labors returning from the other states or unemployed recently needs to be provided training and encouragement for self-employment.
- » Banks should be mandated to provide term loans and working capital loans on soft terms for these unemployed youth.

2.6 Electronics

- » The sales of Consumer Electronic items have drastically gone down in the current year, as imports from manufacturers in China have been affected due to the COVID-19 outbreak since end of December 2019.
- » With the economic unrest and downfall, sales of consumer electronics are going to get affected further.
- » Electronics goods sales contributes to about 17% of the total taxes earned. Assam state budget 2020-21 projected a revenue earning from Sales Tax at Rs. 5341.00 crore. This will mean a monthly revenue loss of approx. Rs. 75.00 crore per month.

2.6.1 Possible Solutions for Electronics sector

- » Rationalization of opening the electronic retail market (30%, 50%, etc. of full capacity).
- » As per the Centre for Disease control and Prevention Organization, USA, the social distancing norms mandate 6 feet between two persons. That will roughly translate to 1 person per 7 sq. ft (0.6 square meter). Government may mandate to prepare an Android/ IOS mobile application which would allow the citizens to register their entry into such commercial establishments. An alert mechanism could be built in into the application which would alert the customers/citizens in case of social distancing violations. Similar alerts may also be sent to the establishment owners/ managers for managing the flow. Development of such an application along with a control room would roughly require an investment of Rs.1.00 crore-2.00 crore. Additional monitoring and support services would require a fund of around Rs.1.00 crore for a period of one year. Such an initiative is expected to assist in kick-starting the basic economy of the state. The time period for such a project may require around 3 weeks of time.
- » Moreover, with the help of banks, working capital loans should be provided to electronics store owners as well as new entrepreneurs at nominal documentation.

2.7 Food Processing:

The food processing industry is clearly at the center of essential goods and services. Nevertheless, the lockdown has involved enormous amount of logistical issues in the ground level. Overall the medium and small units have not really been impacted. The micro enterprises in the food processing sector have been completely paralyzed primarily due non availability of raw and packaging material due to logistics constraints. The overhead cost incurred in terms of rent, fixed charge on electricity, salary has taken a heavy toll on the operations and will take significant time to recover.

2.7.1 Possible Solutions for Food Processing Industries:

- » Promotion of Agri Business based on local products having competitive advantage like Assam Lemons, Naga Chilly, etc. and establishing Agricultural Products Processing Units for value addition.
- » Establishing Cold Storage Chains for longer shelf lives and financial efficiency.

2.8 Trading :

- » The Retail trading segment has been impacted at a large scale during the lockdown. About 6 lakh retailers are registered in some associations and about equal numbers operate with a valid trade license. Besides, there are more than double of these which operate in smaller towns and villages.
- » Organized retail sector is facing huge loss as these retail stores would open only post lockdown. The other retailers who sell fashion and luxury products still needs some more time to get back to normalcy. Sustaining the expenses for such period itself is a big challenge.
- » Modern trade such as single brand stores and multi brand stores, exclusive stores, etc. related to consumer electronics, fashion, etc. will remain affected for a longer period even after the lockdowns are over.
- » Online trade is slowly going to recover with the starting of logistic operations and opening of their suppliers. But as this being an all India operation, it will continue to be affected as other parts of the country might still be under COVID-19 influence or in Red Zones
- » The unorganized vendors present in every nook and corner of major cities and towns of Assam selling products like betel nut, tobacco, etc. are going through a very difficult time. This unorganized sector provides self-employment to lakhs of youth from rural and sub-urban regions. They are like daily wage earners who buy and sell their products on a regular basis. The lockdown has currently put a halt to their source of earning.
- » Gymnasium business which recently became a new and flourishing business trend in small & big towns alike in Assam has been hit hard. Many people earned their livelihoods from these units. Under the current circumstances, it will take a long time for these units to re-operate.
- » Beauty parlors, barber shops and other such business units will also take considerable time to re-operate. These units have been providing livelihood to many young men and women of the state until the advent of COVID-19 pandemic.

2.8.1 Possible Solutions for Trade sector:

- » Gradual elongation of opening hours of shops and centers of business can be allowed by the State Administration.
- » Rationalization while opening the Market (with 30%, 50%, etc. of full capacity) for increase in consumption will raise demand, hence bringing back normalcy to the production systems including trade can also be considered by the State Government.
- » Banks can be advised to provide Working Capital loans to entrepreneurs at nominal documentation.
- » The State Govt. should work actively with neighboring countries like Bangladesh, Bhutan and Myanmar to open new avenues of trade and commerce like establishing manufacturing units in Assam. For example, Bangladesh is the largest producer of high-quality cotton and it is the biggest manufacturer of readymade garments. Assam can start to share some of the production infrastructure with Bangladesh and such other opportunities may be explored and implemented by the State Government which may help Assam to develop its economy in the field of Trade and Industry. The unskilled labors returning from other states who are unemployed of late, may be trained and engaged in these fields.
- » Many international companies are likely to shift their manufacturing units out of China and thus have a second line of production outside China. India may emerge to be their biggest choice and in such a case considering the cheap labor and abundance of manpower, Assam must emerge as an investment destination considering the vicinity and easy access to South East Asian countries via land and air. This should be strongly marketed and promoted to the international community and at the same time the facilities back home should be as cohesive and business friendly as possible to meet the expectations the investors.

2.9 Telecommunication and Internet business:

Telecommunication and Internet business have not been affected much in terms of revenue. However, in terms of new customer acquisition it is almost zero. Although, no support shall be required for this industry to get back to normalcy once the lockdown opens, the State Government should keep a close watch on the Quality of Service provided in terms of both data & voice and ensure that it is available to the common people at affordable rates. Govt. should vigorously utilize the available bandwidth for various community upliftment programs in education, tele-medicine, e-transactions and other community applications.

- » Upgrading of Internet Connectivity Infrastructure across the state of Assam can be considered by the Government of Assam, especially in the rural areas for enabling of IT services in online education, telemedicine, etc.
- » Leveraging the BharatNet, Assam Fiber Net Project, etc. for improving last mile connectivity must be considered by the State Government.
- » The Government of Assam must utilize the proximity with Bangladesh for access to low cost but high-speed international internet highway.
- » The Government of Assam should also increase its spending on IT projects and should give preferential treatment to the local companies while awarding contracts so that cash flows into state's IT sector helping a rapid growth of the sector including employment generation. Once cash flows into the local IT companies' hand, it will have cascading effect on the growth.

2.10 Media & Entertainment:

The COVID-19 pandemic has changed the way people consume media and entertainment. Due to strict national lockdowns around the world, people have been forced to stay at home, changing consumer behavior on a large scale. As movie theatres, museums, and other outdoor entertainment consumption mode have been restricted, social lives have moved online, and entertainment consumption has increased significantly to online gaming and over-the-top (OTT) services.

COVID-19 has also highly impacted the entertainment industry in Assam – both cinema and mobile theatre. In fact, this industry is one of the worst affected by COVID-19 in the State as the ban on shows had been imposed in the State much before March 24 mid-night when the lockdown was imposed in the entire nation.

The mobile theatres are going to be affected. More than 4 to 5 thousand people will be unemployed, and it is one of those indigenous industries of Assam which has evolved from the immense contribution of various Assamese legends. An end to this kind of a glorious journey will be a heavy social loss to our community.

Basically, if theatres remain closed for about a year, industry workers will get scattered and it will be very difficult to reorganize the whole process as everyone will try to earn their livelihood in some way or the other.

The State has 40 to 50 mobile theatre troupes, each giving livelihood to many people – ranging from daily-wagers to technicians to artistes – directly or indirectly. However, the COVID-19 lockdown has stopped their activities. The State Government should find a way out to think of a package for mobile theatre and cine workers.

In conclusion, the post COVID-19 scenario for the media and entertainment industry is expected to be of increased digital integration into everyday life with short-term and long-term impact on consumer behavior. The psychosocial fallout of the pandemic is yet to be ascertained; however, it is not without reason to assume that previous models of entertainment such as crowded events, gatherings, movie theatres, concerts are likely to be avoided.

3 WAY FORWARD:

The guiding philosophy of the recommendations in this report will be to kick-start the economic engine of Industry & Commerce in Assam.

The State Government must look from a fiscal perspective - mainly Grants. The sub-sectors must be prioritized based on their GDP/ employment contribution and quantification of manpower etc. and it must be done before disbursal of grants and aids alike.

In the light of the inputs and suggestions received from prominent national/ state Trade and Industries organizations, we have structured a revival for the recovery of the Trade & Industries Sector on the basis of Short Term, Medium Term & Long Term goals as below:

- » Short Term (ST) – Within 2 months after lockdown.
- » Medium Term (MT) – Within 2 to 6 months after lockdown.
- » Long Term (LT) – Later than 12 months after lockdown.

Apart from the below recommendations, sub-sector specific solutions can be developed in line with the inputs given in the earlier sections.

3.1 Short Term Immediate (STI) Recommendations:

SI No.	Recommendations
1	<p>Financial Grant</p> <ul style="list-style-type: none"> » Cash grant of Rs. 1,019.00 crore as seed money to restart operations of unorganized enterprises for around 3.70 lakh enterprises by one-time DBT. » Releasing of dues under NEIIPP/ NEIDS: A total amount of industrial subsidies pending under NEIIPP/ NEIDS as on date is Rs. 275.00 crore against a total of 936 claims. Our recommendation is to release this amount in the short run to increase the Working Capital.
2	<p>Increase credit limits</p> <ul style="list-style-type: none"> » For all regular banking accounts, the credit limits may be increased by at least 25% to meet the extended cash cycle. » Government may provide reasonable interest rate subvention on working capital loans for a period of 9 months starting from March 2020 for impacted industries. » Further, Government may consider providing working capital support to 4,538 enterprises in the organized sector for an amount of Rs. 1,057.00 crore.
3	<p>Addressing the liquidity issue</p> <ul style="list-style-type: none"> » Expeditious clearance of dues and entitlements: All pending receivables/ approved entitlements (industrial or NEIDS subsidy) from the central and state government including the government undertaking organizations should be cleared to the industries at the earliest. Along with the release of industrial subsidies and receivables and all dues, GST refunds should also be cleared expeditiously. This will ensure immediate availability of working capital for affected enterprises. » Moratorium on repayment of loan EMIs for another 6 months without interest accrual may be considered. The state Government may take this up with the Central Government and the banks directly. » Power Subsidy: Tapered subsidy on electricity bill in the range of 75%, 50% & 25% month on month for next 3 months may be given to the MSMEs. Waiver of power fixed charges for 3 months starting from March 2020 until business resume full scale operation. » Provide a Wage Subsidy to industries, especially in the Manufacturing sector, to the extent of 50% of salary/ wages paid for a period of 4 months starting from April 2020. This will require a provision of around Rs. 440.00 crore. » Continue with enhancement of working capital limits/ overdrafts at interest free rates for 12 months after lockdown. This may be backed by state government. » Provide reasonable support for 100% EPFO contribution (on behalf of employer and employee) for 3months. » Provide support for ESI contributions for 3 months » Extension of completion deadlines: All supply orders/ work orders issued by the state Government to private entities which could not be completed due to the lockdown, may be automatically allowed adequate additional time after lifting of the lockdown, for completion. » Deferment by 3 months of statutory compliance guidelines, including renewal of licenses, permits etc. must be considered by the State Government.

SI No.	Recommendations
4	<p>Enforcement of COVID-19 related Safety Principles</p> <ul style="list-style-type: none"> » To prevent spread of corona virus in industries, specific guidelines for preventive measures and infection control have been disseminated across all enterprises. These restrictions for the time being will also have a negative impact on output and revenue generation. In this connection, arrangement should be made for easy and low-cost availability of protective equipment like masks, gloves, sanitizers, overalls, etc. This may be integrated with the larger issue envisioned in UN Sustainable Development Goals 3 and 6.
5	<p>Better Financing options:</p> <ul style="list-style-type: none"> » Banking sector must be persuaded to pass on the RBI relaxations extended to MSME sector, e.g. automatic renewal/ enhancement of credit limit starting from March 2020 until the economic scenario improves, without change in commercial terms. » Easy access to credit with simple documentation should be enabled especially when the Central Govt has already announce a backup guarantee to all financial institutions/ banks to the extent of 20% of sanctioned credit limits. The situation faced by units that operate on very short financial cycles has also to be considered for adequate financial resources to revive their economic activities which may have otherwise. been forced to stop production/ trading in the absence of adequate financial resources. » State Government should direct banks not to stop disbursement of loans for projects delayed due to COVID-19 as per Central Government and RBI guidelines. » Increase credit limits for all regular banking accounts up to 25% for all industries.
6	<p>Supply chain support</p> <ul style="list-style-type: none"> » Permission for movement of transport to facilitate the timely availability of raw materials, packing materials, etc. necessary for smooth operation of the industries, etc.
7	<p>Technological Intervention on Social Distancing for opening up the Consumer Retail Market:</p> <ul style="list-style-type: none"> » As per Centre for Disease control and Prevention, USA, the social distancing norms mandate 6 feet between two persons. That will roughly translate to 1 person per 7 sq. ft (0.6 sq. m). Government may mandate to prepare an Android/ IOS mobile application which would allow the citizens to register their entry into such commercial establishments.
8	<p>Capitalize on businesses shifting from China</p> <ul style="list-style-type: none"> » Manufacturing businesses in the long run are expected to shift out of China to India and other countries. The Government should plan to capitalize on this opportunity by keeping ready the platform, policies and practices to promote and incentivize possible foreign investments in the state. In this connection, the idle assets of defunct/ stroked/ closed industrial units in the state may be surveyed to examine setting up of new industries through FDI or on PPP mode thus integrating with the larger UN Sustainable Development Goal 17.



3.2 Medium Term (MT) Recommendations:

SI No.	Recommendations
1	Labor & Employment <ul style="list-style-type: none"> » State Government must review the labor laws to bring in reasonable changes in tune with the demand of the post COVID situation.
2	MSME Ratings <ul style="list-style-type: none"> » Advisory should be issued to Rating Agencies not to downgrade the ratings of MSME sector till the present scenario improves and retain the ratings just before the COVID-19 impact.
3	Popularization of Startup Policy of Assam <ul style="list-style-type: none"> » The current start up policy can be further strengthened and extended in scope for extending financial Grant incentivizing start up projects of entrepreneurs abroad who wish to return to the state permanently to set up their business ventures. The State Government must do extensive marketing of this Policy through social media and other platforms so that it reaches them and can help in decision making.
4	Review of current industrial/ business incentives <ul style="list-style-type: none"> » The incentives/ subsidies now available to industries and businesses may be reviewed and attuned to the new demands in the post COVID scenario.
5	Cinema Hall Industry <ul style="list-style-type: none"> » The movie screening theatres currently not recognized as an industry may be extended the benefits of MSME for their consequential benefits like subsidies. There used to be a service charge collected by cinema halls on every ticket before the GST regime. Post GST regime it was abolished. However, over a period, it was reinstated in most of the states in the country. In Assam, its reintroduction was approved by the Cabinet in August 2019, but it has not been implemented till date.

3.3 Long Term (LT) Recommendations:

SI No.	Recommendations
1	<p>Promoting Exports</p> <ul style="list-style-type: none"> » Export Policy to be devised in the light of current shift in demand - product wise etc. from the foreign market in the wake of COVID-19 crisis and may be re-calibrated with the Act East Policy. It is envisaged that the time may be appropriate to launch India Inc for Export market. Much manufacturing activity is expected to shift to India from China and other countries. Government must put entire thrust on Global market and provide Export Ready Platform. The government should plan to capitalize on this opportunity by keeping ready the platform, policies and practices to promote and incentivize possible foreign investments in the state. » Following interventions may be considered: <ul style="list-style-type: none"> • Formulation of export policy - spelling out the nature and extent of incentives and benefits. • Improvement of Infrastructure at Inland Container Depot (ICD), Amingaon. Improving the handling capacity at ICD/ port and rationalizing charges to ensure efficient operation and reduce turnaround time. • Review of labor laws to bring in reasonable changes in tune with the demand of the post COVID situation.
2	<p>Improvement in Industrial Eco-system:</p> <ul style="list-style-type: none"> » Long Term Policy initiative needs to be taken by the Govt to strengthen industrial infrastructure facilities especially for the growth of MSMEs by setting up of State-of-the-art infrastructure like Growth Centers, Industrial Parks, and Export Promotion Centers for promoting MSMEs in the state. This may be integrated with the larger issue envisioned in UN Sustainable Development Goal 9.
3	<p>New Pharma Policy</p> <ul style="list-style-type: none"> » The Government of Assam can avail and conduct research on the rich natural resource of medicinal plants in the state and converge into a new State Pharma Policy in conjunction with Central Ministry of AYUSH. Health being one of the potential sectors for introducing new initiatives, it would be the right time for the State Industries Department to come out with a new Pharma Policy to attract investment in this sector.
4	<p>Focus on Rural Economy</p> <ul style="list-style-type: none"> » Promotion of agribusiness based on local products having competitive advantage like Assam Lemon, Bhoot Jalokia etc. and establishing agro processing units for value addition. » Establishing cold storage chains for longer shelf lives and financial efficiency. Cold storages should be made accessible to rural farmers as the present system of rates for hiring space is beyond their capacity.

SI No.	Recommendations
4	<ul style="list-style-type: none"> » The Government of Assam can aim to achieve self-sufficiency in feed production in the animal husbandry and allied sectors. » Encouraging rural entrepreneurs at village level to engage in fisheries, mixed farming and bringing them under a single umbrella thus giving thrust for “Vocal for Local”. » Post COVID, a rural renewal mission must be planned to remodel and re-invigorate traditional agriculture into agribusiness to transform the economy of Assam. Besides agribusiness, rural tourism, handloom, crafts and green industries must also be created. Some specific steps that may be considered in this direction are: <ol style="list-style-type: none"> 1. Formation of sector specific task forces with cross functional teams from various departments, local industry associations and local/ national trade and industry bodies in the following sectors: <ul style="list-style-type: none"> • Tourism • International Trade • Rural Industry including Handloom and Handicrafts • MSMEs 2. Promotional Campaign: A campaign to showcase the state as safe for doing business with ample natural resources, strong leadership and stable government may be started by the State Government. The campaign will highlight the relatively low impact of COVID-19 in the state, the health care facilities available, cleanliness and hygiene, low pollution levels, work-life balance, etc. 3. Building Industrial Capacity to take advantage of the strong possibility of many companies shifting their location out of China to other countries: Many countries are preparing to attract such investments. In India too, many states have started taking steps to attract investments from companies presently located in China. Assam must take immediate steps to enhance its attractiveness as an investment destination. Some of the steps that may be considered are: <ul style="list-style-type: none"> • The state must create a land bank with large tracts of contiguous land. For this purpose, unused/ fallow land, surplus land not covered by tea plantations in tea gardens may be used for the purpose through innovative including PPP arrangements. • Assam Government may take steps to attract FDIs. • The advantage of available skilled workers and the reverse migrants to the state may be used as a potential pool of industry ready labor force within the next 12 months to 18 months by appropriately skilling/ re-skilling them. • Set up business facilitation centers in collaboration with national/ state industry bodies to facilitate new investments into the state. By organizing ideation camps, competitions and trainings, innovation and promotion of new industries would be easier.

SI No.	Recommendations
4	<ul style="list-style-type: none"> • IIT Guwahati, NITs and reputed business schools in Assam may be incentivized to jointly work towards creating a climate of incubation, innovation and commercialization of viable business ideas. • In the long run, the state must focus on ecological and sustainable green industries and leverage the state's unique biodiversity.
5	<p>Special Policy for North East should be framed & implemented on lines of NEIIPP 2007:</p> <ul style="list-style-type: none"> » To promote industries in the north east, there is an urgent need for formulation of a special policy. Unless a focused policy is given it would not be possible to see growth of investment activities in Assam and North East India.



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4. Indian Chamber of Commerce (ICC)
5. Federation of Indian Chambers of Commerce and Industry (FICCI)



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