

CHAPTER – I

AN OVERVIEW OF THE STATE

Population

According to the Census of India, 2001 the population of Assam stands at 2,66,55,528, of which 1,37,77,037 are males and 1,28,78,491 females. The decadal growth of the State's population works out to 18.92 per cent during the decade 1991-2001 as against 21.54 per cent for the country as a whole. Assam has been a victim of large scale migration. In most of the decades during the last century the growth rate of population in Assam has been well above the national growth rate. The difference can be attributed only to large scale migrations. What is more disturbing and alarming is that migration to Assam has been continuing from the neighbouring countries in normal time. The density of population of the State has gone up to 340 in 2001 Census which was 286 in 1991 Census. In 2001, Census the density of population of India was 325 as against Assam's density 340.

State Domestic Product

The economy of the State in terms of Gross State Domestic Product (GSDP) at factor cost is expected to grow at the rate of 7.4 per cent in real terms (at 2004-05 prices) as per Advance Estimates for 2010-11 as against the growth rate of 8.1 per cent estimated in the previous year. The Gross State Domestic Product (GSDP) at constant (2004-05) prices for the year 2010-11 (Advance Estimates) is estimated at ` 75082.07 crores as against ` 69923.65 crores for 2009-10 (Quick Estimates) reflecting a growth of 7.4 per cent. The estimated growth of 7.4 per cent in GSDP of the State for 2010-11 comprises of a growth of 6.1 per cent in Agriculture and Allied sector, 1.9 per cent in Industry sector and 10.0 per cent in Services sector.

As per Advance Estimates for 2010-11 the growth of the 'Industry' sector, comprising of 'Mining & quarrying', 'Manufacturing' (Registered and Unregistered), 'Electricity, Gas & Water Supply' and 'Construction', is expected to remain low as against 2.9 per cent in the previous year 2009-10. The slow growth of the 'Industry sector's is effected lower growth of the sub sectors especially 'Manufacturing' and 'Electricity'.

The Services sector comprising of Trade, Hotels & Restaurants, Transport by other means & Storage, Real Estate & Business Services and Communications, Banking & Insurance, Social & Personal services is likely to grow by 10.0 per cent during 2010-11 as compared to 12.2 per cent growth in 2009-10 due to under performance of the key sub sectors like 'Transport, Communication, Trade, Hotels and Restaurants', 'Real estate and Business services' etc.

In case of Agriculture and Allied sector, the growth of, forestry and fishing sector is likely to achieve moderately low growth of 4.8 and 2.1 per cent respectively in 2010-11 than the growth of 5.0 and 3.8 per cent experienced in 2009-10. However, the Agriculture alone has registered a significant growth rate of 6.6 percent and all together Agriculture and Allied sector is expected to attain a favourable growth rate of 6.1 per cent in 2010-11 against 4.2 per cent of the previous year.

The Net State Domestic Product (NSDP), also known as State Income, at 2004-05 prices is expected to grow by 7.3 per cent as per Advance Estimates for the year 2010-11 compared to 7.7 per cent achieved during 2009-10.

It is expected that as per Advance Estimates for 2010-11 the per capita income will attain the level of ` 21500.00 at constant prices (2004-05) and ` 30413.00 at current prices as against ` 20279.00 and ` 27197.00 at constant (2004-05) prices and current prices respectively in the previous year 2009-10. In terms of growth rate, per capita income at constant (2004-05) prices is increased by 6.0 per cent and 11.8 per cent in 2010-11 over the previous year.

State Finance

The Assam Government Budget, 2010-11 reveals that the Govt. of Assam is expected to receive by way of revenue a sum of ` 26408.93 crore as against the expenditure estimated ` 32369.02 crore thereby showing a deficit of ` 5960.09 crore in the Revenue Account. The Budget also reveals a deficit of ` 3460.47 crore at the beginning of the fiscal which is expected to increase to ` 3464.46 crore after taking the deposit of ` 6500.00 crore from the Reserve Bank of India. The Capital Receipts has been estimated at ` 96170.09 crore in Budgetary Estimates for 2010-11 as against the estimate of capital disbursement of ` 96170.09 crore during the year. The State's own resources is expected to increase to ` 9632.95 crore in 2010-11(B.E) from ` 7739.65 crore achieved in 2009-10 and registered an increase of 24 percent as compared to the previous year. While the share of the State to total revenue receipts is estimated at 36 percent, the central share is 64 percent in Budget Estimates for 2010-11.

The total outstanding debt on the State during 2009-10 was ` 23832.94 crore (27.0 per cent of the GSDP). The per capita loan outstanding as on March 2010 was calculated at ` 8194.00.

Banking

As per the "Quarterly Statistics of deposits and credit of Scheduled Commercial Banks of Reserve Bank of India, March, 2010", the number of reporting Bank Offices of all Scheduled Commercial Banks in Assam stood at 1434. The average population covered per Bank branch office (based on the projected mid-year population) in the State was around 21000. The aggregate bank deposit and gross credit was ` 49545.00 crore and ` 18311.00 crore respectively with scheduled commercial bank in the State as on March 2010. The credit deposit ratio was 37.0 per cent during the year against 38.3 percent in 2009-10. Out of the total 1434 reporting offices as on March 2010, 791 bank offices (55% of the total reporting offices) located in the rural areas of Assam and share 17% of the total bank deposit of the State.

Agriculture

The economy of Assam continues to be predominantly agrarian, the dependence of rural labour force on agriculture and allied activities was nearly 53 per cent as per Population Census, 2001. The contribution of Agriculture sector to the State Domestic Product was more than 25 per cent during 2009-10. The area covered under Paddy cultivation was 25.30 lakh hectares and around 93.0 per cent of the total area under foodgrains in the State during the year 2009-10. During the year 2009-10, the productivity of Winter Rice was very encouraging and it has increased to 1824 Kg. per hectare from 1681 Kg. per hectare i.e.8% increase in productivity per hectare. The Summer Rice has also increased to 2180 Kg. per hectare from 2133 Kg. per hectare. However, the productivity of Autumn Rice has decreased to 982 Kg per hectare from 1084 Kg per hectare during the same period. As a result of effect of yield rate, the production of Rice, the most important cereal crop grown in the State, has increased to 44.08 lakh tonnes in 2009-10 from 40.08 lakh tonnes in 2008-09 registered about 10 per cent increase in Rice production in the State as compared to the previous year. In view of growing demand and to attain self sufficiency in food production, the State Agriculture Department has set the target to cover 26.65 lakh hectare of area under Rice so as to increase the production of Rice more than 46.0 lakh MT during the year 2010-11. As per available estimates, the production of total foodgrains in the State was 45.57 lakh tonnes during 2009-10 as against 41.42 lakh tonnes during 2008-09 showing an increase of Foodgrain production of 10 per cent over the previous year. An impressive increase in the production of Pulses and Wheat (Pulses and Wheat recorded 6.4 per cent and 14.0 per cent respectively) have also been observed during 2009-10 over 2007-08. During the same period, the production of oilseeds has also increased by 3.6 per cent as compared to the previous year. The production of commercial crop 'Jute' too has shown a substantial increment to 657 bales in 2007-08 from 558 bales in the previous year.

Horticultural crop in the State occupy about 15 percent gross cultivated area and annually produces more than 14.0 lakh MT of fruites, 39.0 lakh MT of vegetables and 2.0 lakh MT of spices besides nut crops, flowers and medicinal & aromatic plants thus contributing significantly towards food and nutritional security of the State. Under Horticulture, 16.61 lakh MT fruits, 44.20 lakh MT vegetables and 2.8 lakh MT of spices were produced during the year 2008-09. The area under horticulture crop is 5.40 lakh hectares which is 14 per cent of net cropped area of the State.

The Index of Agricultural Production (base triennium ending 1981-82=100) for the State increased to 186 (provisional) for all commodities, including food and non-food items, in 2009-10 as against 170 in 2008-09.

Irrigation

The achievement made by Irrigation Department in creation of additional irrigation potential has not been much encouraging as per available report. Out of the Gross Cropped Area of 39.99 lakh hectare of the State, the State Irrigation Department created potential of 7.76 lakh hectare till 2009-10 and out of which 1.69 lakh hectare irrigation potential was utilised during the year.

Fishery

There are about 3.91 lakh hectare of water area in the State in the form of rivers, beel, derelict water bodies and ponds and tanks. Scientific fish farming in natural water bodies has been mostly traditional capture fishery only. The scientific fish farming is practiced generally in individual and community tanks. Recently emphasis has been given for scientific fish farming in beels and community tank through awareness, training, government support and subsequent bank linkage. There is a positive trend in fish productivity during recent past. During the year 2009-10, the fish production has reached the tune of 2.18 lakh metric tone against 2.06 lakh metric tone fish produced in 2008-09.. State is yet to reach self-sufficiency in productivity with regards to economic as well as minimum nutritional requirement of 11kg/Person.

Forest

As per Forest profile of the State, the Reserved Forest area and Proposed Forest area is 14206 sq km and 19418 sq km respectively in 2009-10. The total Forest area excluding unclassified State Forest is 19418 sq km and 3436 sq km area is under protected area as reported by State Forest Department. Thus, the reserved forest area constitutes around 18 per cent and total forest area excluding unclassified forest with constitutes around 25 per cent of the total geographical area of the State. The amount of revenue earned from the forest products during the year 2009-10 was ` 7761.60 lakh against ` 6266.00 lakh earned in the previous year.

Livestock and Veterinary

As per estimation, the number of Indegeneous Cattle is 7762572 and Crossbreed Cattle numbered 446185 in the State during 2009-10 as reported by State Animal Husbandry and Veterinary (AH&V)Department. The estimate also shows that the population of Buffalo and Goat is 571756 and 2828529 respectively. The AH&V Department has also published the estimated figure of Fowl and Duck as 7942817 and 3106136 respectively during the same year. The milk production in the State during 2009-10 was estimated at 830 million liters. The egg and meat production were estimated at 4680 lakh numbers and 32000 M.T. respectively during the same period.

Industry

The Industrial scenario of the of the State is mainly confined within the growth of employment oriented Small Scale Sector, which comprises of manufacturing and processing industries. The contribution of

Manufacturing sector to Gross State Domestic Product is estimated at around 8% during 2010-11 which is not encouraging. However, the State Government as well as some other agencies have been making efforts for implementation of various promotional schemes for sustainable growth and development in the industrial sector of the State. To achieve the goal of development, the State Government has been increasing its Budget allocation every year. At present there are 16 Industrial Estates, 4 Industrial growth centre, 11 Integrated Infrastructure Development (IID) Projects, 17 Industrial Areas, 11 Growth Centers, 6 mini Industrial Estate, One Export Promotional Park, one Food Processing Industrial Park spread over the different parts of the State, and these are the major infrastructural support and facilities to the entrepreneurs of the State.

The total SSI units in the State numbered 32984 are providing employment to 167216 persons till the year 2009-10. In 2009-10, the value of produced goods of 1667 number SSI units was worth `584.00 crores. During the year the number of factories registered was 3971 and provided employment to 137164 persons. The growth of Manufacturing Sector is estimated at 0.5 percent at constant (2004-05) prices and 7.1 percent at current prices in 2010-11 over previous year. The growth observed in the manufacturing sector was the result of benefit achieved in the production of some selected industrial items like Tea, Wheat Flour, Jute textiles, Cement, Coal, Crude Oil, Fertiliser etc. over the level of production of the previous year. The General Index of Industrial Production of the State also pegged at 155.83 in 2009-10 (Base 1999-2000) as against 151.40 in 2008-09.

The Tea Industry of Assam, which is about 170 years old, playing a vital role in the State as well as in the national economy. The Assam's Tea industry also possesses a significant reputation in the global economy. The total area under tea cultivation is accounting for more than half of the country's total area under tea and the Tea Industry of Assam provides average daily employment to more than six lakh persons in the State which is around 50 percent of the total average daily number of labour employed in the country. The number of Tea Gardens in the State was 49102 covering land of 301000 Hectares out of 140712 Tea Gardens covering 556000 Hectares of land in the country as a whole. The estimated tea production of the State was 4875 lakh kg. as against 9808 lakh kg. total tea produced in the country during the year 2008 as per report of Tea Board of India. The tea production in Assam constitutes more than 50 percent of the total production of the country.

Among the Plantation crops, Rubber cultivation is also gaining its popularity in the State due to congenial agro climate as well as its eco-friendly activity.

Assam has ample scope for Bamboo based industry like Paper manufacturing industry, since this region has highest concentration of bamboo i.e, around 60% of the total Bamboo of the country. In view of the potentialities, The Ministry of Agriculture, Govt of India, has recently launched the National Bamboo Mission and under this Mission it is proposed for plantation of selected species of Bamboo in the State, in an area of 176000 Hectare, as a raw material for Bamboo based industry.

Sericulture, a major cottage industry of the State, is practiced in more than 10500 villages and provided employment to 2.6 lakh of family. Assam has the monopoly in production of Muga, the Golden Silk in the world and 99% of Muga Silk produced in Assam. Assam has also achieved the right of "Geographical Indication" in Muga Silk.

Minerals

Assam is richly endowed with mineral resources. The performance of Mining Sector during the year 2009-10 was observed as satisfactory as compared to previous year. Apart from Natural Gas (Utilised) the all other major minerals Coal, Petroleum (Crude) and Limestone of the State have shown upward volume in production during the year as reported by the Indian Bureau of Mines, Government of India. The Index of Mineral Production is worked out at 100.99 in 2009-10

Transport

The rapid increase of numbers of motor vehicles on road in Assam has been observed over the past few years. The vehicle population in the State has reached to 1432997 as on March 2010 as against 1236257 as on March 2009. During the year as many as 241247 vehicles were registered in the State as against 119126 vehicles registered in 2008-09, as reported by Department of Transport. The registration of Motor vehicles in the State has showed a record increase of 102 percent in 2009-10 over the previous year. The number of Motor vehicles registered per lakh of population of the State has reached at 803 in 2009-10 against 402 in 2008-09. Total number of Motor vehicles on road in the State have increased by about 12 percent as on March 2010 over the March, 2009.

The density of motor vehicles in Assam was 17.0 per sq. km. during 2009-10 as against 15.0 per sq. Km. during 2008-09.

Telecommunication

The tele-density (Telephone per 100 population) of the State as on March 2010 was 29.99 as against the national average of 52.74. Disaggregated figures however show that the telecom penetration has been uneven across the urban and rural segments. While the urban tele-density of the State stood at 96.54, the rural tele-density was only 18.49.

Roads

The Public Works Department (PWD) of the State is mainly responsible for the development of the road infrastructure for surface road transport & communication of the State. Excluding national highway, the length of surfaced road is 13163 in the State and the length of un-surfaced road is 24338. The total road length in the State that is maintained by State PWD is 37501 kilometer.

Power

The power supply position in the State was not much encouraging during the past several years. The total available installed capacity of generating plants in the State has remained the same at 401.5 MU during the 2009-10 also as it was in the previous year.

As a result of functioning of Hydel Power Project the scenario in respect of power generation has slightly been improving since 2006-07. During 2009-10 the generation of electricity in the State was 1712.210 MU as against 1682.820 MU, a nominal increment of 1.7% only than the year previous year 2008-10. The energy requirement in the state has been worked out at 5049 Million Units during 2009-10 as against 5039 Million Units in the previous year. But the availability of energy during 2009-10 was 4590 Million Units and the State is facing power deficit of 459 Million Units i.e. by 10%. However, to meet the demand of the requirement of power, the ASEB Ltd has been purchasing power from other public and private sources. The per capita availability of power in the State was 153 Kwh in 2009-10. The total transmission and commercial losses was calculated at 28 % during the year 2009-10. The revenue earned by the ASEB Ltd was ` 1566.00 crore during the year 2009-10. Like most of the states of the country, Assam is also lagging behind in respect of rural households electrification. Till the end of the 2009-10 electrification of only 67.0 per cent villages of the State could be completed. However, for better improvement of the power supply position in the State, various projects have been undertaken and are in progress.

Price situation

Price situation in the State was not satisfactory during the period under report. During the last couple of

years the price level, in the State as well as country as a whole, more or less remained in the high trend. The behaviour of price level can be observed from the movement of Consumer Price Index Number (CPI) for the Working Class Population and the Wholesale Price Index Number for Agricultural Commodities. The average Consumer Price Index Number for the Working Class Population (Base 1982=100) for the State revealed a price rise of around 11.0 per cent in 2010 over 2009. The annual average Wholesale Price Index Number for Agricultural Commodities (Base 1993-94=100) stood at 249 in 2009-10 as against 221 in 2008-09 and 204 in 2007-08 and there by recorded an increase of price of 12.67%, 8.33% and 10.27% respectively over the respective previous year for Agricultural commodities of the State. During 2010 the annual average of Consumer Price Index for Industrial Workers for Assam has shown a rise of 9.5 per cent over 2009 as against 12.1 percent increase has recorded at all India level.

Public Distribution System

Under the Public Distribution System the State has a network of 34,536 Fair Price Shops as on March 2010, out of which 30,506 are located in rural areas and 4030, in urban areas. On an average, each shop covers 898 persons. The State has achieved target of selecting 19.06 lakh beneficiaries from BPL families by providing BPL PDS item at subsidized rate.

Employment situation

The percentage of main workers to total workers declined from 86 percent in 1991 to 75 percent in 2001 as per census data. The Census reports from 1961 to 2001 indicates there is a decline of percentage of cultivators from 1961 to 2001. This percentage decline was recorded from 65 in 1961 to 28 in 2001 which implies attribution of shift of employment to the other sector. The other sectors of the economy could not solve the unemployment problem among the youths of the State as it has revealed by the Live Register of Employment Exchanges. The number of un-employed person as per Live Register is 2079558 number in 2009. Acute unemployment specially educated unemployment continues to be a serious problem in the State. As per data available from the Employment Exchanges of the State it is revealed that the number of job-seekers on the Live Register of Employment Exchanges has stood at 15 lakh in 2009. The registration during the year was 154999 from different disciplines of education. The previous year's registration of educated job seekers was 134101. The number of persons employed in organized economic activity (comprising both Public and Private Sectors) was 11.03 lakh in the year 2009 which was 2.1% more than that of 2008. The employment of women in the organised sector of the State was 360 thousand at the end of 2009 which was around 32.7 per cent of the total employment. The Small Scale Industries of the State providing employment to 167216 persons till the end of 2009-10.

Panchayat and Rural Development

The Commissionerate of Panchayat and Rural Development of Assam has been implementing various schemes for poverty alleviation and upliftment of rural poor. For eradication of poverty the Panchayat wing has been implementing various schemes viz. Indira Gandhi National Old Age Pension Scheme, National Family Benefit Scheme, Annapurna, Chief Minister's Assam Bikash Yojana, Backward Region Grant Fund etc. The Rural Development, on the other hand implementing programmes like SGSY, which provides help to form Self Help Group for taken up economic activity, IAY provides dwelling to the BPL families, MGNREGA provides employment to the job card holder, etc.

Against the backdrop of constraints like continued insurgency problem, debt burden unemployment problems, recurrence of natural calamities in the shape of flood, drought etc. the State is expected to achieve 7.4 per cent growth of the State's economy in terms of GSDP in real terms during the year 2010-11, a positive development is already under way.