

## **Chapter-III**

### **Brief profile of Tripura.**

#### **3.1 Introduction:**

Tripura has become a full-fledged State on the 21st January, 1972 and it is the third smallest state of the country located in the North Eastern Region. Formerly princely state, Tripura combined with the Indian Union after independence on 15th October 1949 and turn into a Union Territory without a legislature with effect from November 1, 1956 and a popular ministry was formed in Tripura on July 1, 1963.

Tripura is connected with the rest of the Country by the only National Highway-44 which runs through the hilly terrains of Cachar District of Assam and after that to Maghalaya via its capital city Shillong for Guwahati and again in Assam of the North Eastern Region. Very recently Tripura has got the railway connectivity with the capital city, New Delhi via Lamding and New Jalpaiguri.

Tripura has bordered with the neighbouring country Bangladesh on its south, west and north. Distance of its international border with Bangladesh is around 856 km (i.e. nearby 84 percent of its total border), whereas it has 53 km border with Assam and 109 km border with Mizoram. More than 60 percent of its land is covered by forest, leaving only 27 percent land for agricultural farming. Furthermore the large part of the land is up-land or tilla land, because of this reason high soil erosion takes place in this state. In Tripura bamboo is available in large quantities and the tribal people traditionally uses this for a variety of purpose by social life.

#### **3.2 Demographic profile:**

Population of Tripura in 2011 census was counted for 36, 73,917, out of which 18, 74,376 males and 17, 99,541 females. So far as population density is concerned Tripura ranks 18th in 2011 census at all India level. Among the north-eastern states, Tripura continued as the second highest populated state after Assam.

The population density of Tripura in 2011 was 350 persons per sq.km, which is an outcome of significant population growth over the past two decades. The population density for all India level in 2011 was 324.

There is a positive improvement in sex ratio in the state and it changes from 945 (per 1000 males) in 1991 to 948 (per 1000 males) in 2001 and further to 960 in 2011.

Tripura has also faced difficulty of 60,000 Chakma immigrants who entered from neighbouring country Bangladesh and took shelter in Tripura during 1986 to 1996. The problem of immigration intensified further when 35,000 Reang immigrants also take their shelter in Kanchanpur Sub-Division of North Tripura District from bordering state of Mizoram since 1997.

### **3.3 Literacy:**

The education and literacy rate among the people are one of the good indicator of development for any society. As per 2011 census literacy rate of Tripura in 2011 works out to 87.22 percent for the age group of 7 years and above, which was 73.20 percent in 2001 and 60.44 percent in 1991. The matching figures in 2011 for males and females were 91.5 percent and 82.7 percent, respectively. At the state level, gap in literacy rate among male and female in the state has been reduced to 8.8 percent in 2011 as against 17.01 percent in 2001.

In comparison to other states of India Tripura achieved a high level of literacy rate as per 2011-census of India and Tripura stands third among all the states after Kerala and Mizoram. As per current study led by the Indian Statistical Institute (ISI), Kolkata the literacy rate counted for 95.16 percent in 2013. The ISI, Kolkata has also prised the present level of literacy including the women literacy in the state.

### **3.4 Location:**

The state of Tripura lies between 22<sup>0</sup> 56' and 24<sup>0</sup> 32' North Latitude and 91<sup>0</sup> 09' and 92<sup>0</sup> 20' East Longitude. The state has 856-km. Long border with Bangladesh and it has also common border with the neighbouring states of Assam and Mizoram. It is surrounded on its four sides by the Sylet District of Bangladesh in north, Noakhali of Bangladesh in south, Kommilla District of Bangladesh in west and Karimganj District of Assam and Mizoram in the east.

### **3.5 Climate:**

The state belongs to a tropical monsoon climate, due to this temperature of Tripura is very hot and humid. The climate of Tripura shows a strong seasonal regularity, the year being divided into four characteristic seasons, summer season (March to May), monsoon season (June to September), reiterating monsoon season (October and

November) and winter season (December to February). Average summer temperatures varies from 37<sup>0</sup> C to 18<sup>0</sup> C, whereas average winter temperatures hardly fall below 10<sup>0</sup> C. Tripura receives 200 to 250 cm of rainfall annually, 65% of the rainfall take place during the monsoon season. Relative humidity reaches 100% in April. The climate remains equally dry between October and February.

### **3.6 Soil Formations:**

Tripura covered with variety of land soils. Loamy and Sandy Alluvial soils occupied by the river valleys and plains. Alluvial soils are very fertile though there is a deficiency of phosphate and potash. The PH value of these types of soils remains within 4.6 to 5.3. The upper region of the low-lying hill ranges is covered with laterites. They are particularly visible in the western region of the state. The red and yellow soils are mostly found along the borders of the tillas and are scarce in organic matter and plant nutrients.

### **3.7 Rivers:**

In Tripura there are a large number of short and swift flowing rain fed rivers. All of them are originated from the hills and generally flow in the north to south direction. Burima, Dhalai, Deo, Gumti, Haora, Juri, Khowai, Longai, Muhuri, Manu and Fenny are the main rivers of Tripura. Most of the rivers of Tripura are draining into the rivers of Bangladesh. The river Gumti is the longest river of the state with a total length of about 176 km. This river is formed with the meeting of two small rivers-the Raima, originating from the Longthorai Range and Sarma, rising from the Atharamura Range. The Dumber Fall or popularly called Tirthamukh, a spectacular cascading fall has been formed in its course. The principal tributaries of the river Gumti are Kashigang, Pitragang and Mailek Chhara.

### 3.8 Administrative setup:

For administrative purposes, the state has been divided into 8 districts, 23 subdivisions and 58 development blocks - with effect from 21 January 2012, out of which the newly created districts are 4, subdivisions 6, development blocks 5. The newly created four Districts are Khowai Unakoti, Sipahijala and Gomati; the six new sub-divisions are Jampuijala, Jirania, Kumarghat, Karbook, Mohanpur and Panisagar, and; the five new development blocks are Durga Chowmuhani, Jolaibari, Lefunga, Yuvarajnar and Silachari. The eight districts of Tripura are:

**Table-3.1: District of Tripura with their headquarter**

District Name	Head Quarter
Dhalai	Ambassa
Sipahijala	Bishramganj
Khowai	Khowai
Gomati	Udaipur
Unakoti	Kailashahar
North Tripura	Dharmanagar
South Tripura	Belonia
West Tripura	Agartala

*Source:* Economic review of Tripura 2014-15

### **3.9 Economy:**

Economy of the state is basically agrarian with vast forest coverage. More than 42 percent of its population at present directly depends on agriculture & allied activities. The latest Gross State Domestic Product (GSDP) with a more recent new 2011-12 base with the revised methodology, data base and additional area coverage shows that contribution of primary sector has been increased to 33 percent in 2014-15, although the land available for agricultural cultivation is relatively restricted in the state.

The average annual growth rate in real terms of Gross State Domestic Product (GSDP) at new 2011-12 prices or in real terms for 2014-15(P) was 9.2 percent in 2014-15. There is no denying fact that the state has put efforts for ensuring sustainable growth during last couple of years by augmenting better fiscal consolidating process and economic development, which has also been applauded by the Government of India. The state's economy anticipated similar growth trends of over 9 percent in actual terms during 2015-16 also.

The Gross State Domestic Product (GSDP) at current prices with a recent new 2011-12 base at current prices increased from ₹ 19, 208.41 crore in 2011-12 to ₹ 21, 663.20 crore in 2012-13 and to ₹ 25, 592.83 crore in 2013-14 and to ₹ 29,666.62 crore in 2014-15. The per capita income of the state with a recent new 2011-12 base also rose steadily from ₹ 47, 079 in 2011-12 to ₹ 52, 434 in 2012-13 and to ₹ 61, 570 in 2013-14 and to ₹ 71, 666 in 2014-15.

Tripura is industrially backward and main reasons for its backwardness are geographical remoteness as well as poor road and railway connectivity with the main land of India. Shortened availability of infrastructure has made the process of economic development and industrialisation really difficult in this state. The un-organised manufacturing and service undertakings are only dominant and high in the state compare to the organised segment.

Economic liberalisation and reforms of the Indian economy started in 1990s with the declared objective to speed up industrial growth as well as maintaining the comprehensive growth in the country has not given the much needed enhancement for industrialisation in the state.

The data of 6th Economic Census indicates increase in economic establishments between 2005 and 2013 in the state, which are mostly own account establishments, i.e., without hiring any workers.

Although, overall performance of the state's real economy continued to be impressive regardless of its numerous infrastructural blocks and geographic isolation as well as higher inflationary pressure, but due to slow down of the national economy, the economy of the state has come under further fiscal stretch during the 12th plan period (2012-17).

**Table-3.2 Performance growth in-real terms during 10th and 11th Plan period in the State.**

<b>10<sup>th</sup> Five Year Plan Period (growth rate given in percentage)</b>						
Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	CAGR
Total GDP	5.9	6.6	7.8	7.9	7.5	7.1
Agriculture & Allied	3.3	3.8	3.8	4.5	4.2	3.9
Industry	6.3	6.8	8.1	8.2	8.1	7.5
Service	5.8	6.0	7.3	7.5	7.1	6.7
<b>11<sup>th</sup> Five Year Plan Period (growth rate given in percentage)</b>						
Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	CAGR
Total GDP	7.3	8.1	8.4	8.6	8.7	8.2
Agriculture & Allied	3.8	4.0	3.3	3.4	6.4	4.2
Industry	8.3	8.6	9.2	9.8	10.3	9.2
Service	5.7	7.5	8.3	8.8	9.2	7.9

**Source:** Economic review of Tripura 2010-11 & 2014-15

### **3.9.1 Contribution of Commercial Crops to the State Economy:**

#### **Rubber Production:**

Tripura has emerged as the second largest rubber growing state of the country, both in area and production. By considering the high returns and elongated economic life span, rubber became the most trustworthy and acceptable crop for more than 57000 farmers of the state covering an area of 70,295 hectare in 2014-15. As per the latest statistics, rubber production in Tripura is around 44,740.17 MT, contributing an annual income about ₹600 crore to the state's economy. Rubber being a labour intensive crop generates thousands of man-days, which is much needed for the empowerment of the rural populace of the state. It is estimated that one lakh hectare is available for rubber cultivation in Tripura and as such there is wonderful opportunity for further development in the state. The Rubber Board has already chalked out various development schemes so as to bring maximum available area under rubber by the end of this decade. The other agencies involved in the promotion of Rubber Plantation industry in the state are Tripura Forest Development & Plantation Corporation (TFDPC), Tripura Rehabilitation & Plantation Corporation (TRPC), Tripura Tribal Areas Autonomous District Council (TTAADC) and, TRB & PTB.

#### **Bamboo Production:**

Significant initiative have been taken under Tripura Bamboo Mission (TBM). During first 3 years up to 31.03.2010, the turnover of bamboo sector has increased from ₹.27.90 crores to about ₹76.99 crores. The major break-through has been in "Bamboo Sticks sub-sector", where the turnover increased from ₹12.90 crores to ₹54.03 crores. The target in Perspective Plans to further increase this turnover to about ₹100 crores by 2014-15. This has been possible through overall increase in production of Agarbatti sticks as well as increase in proportion of polished sticks, rolled sticks and Agarbattis. There have been important programmes in handicrafts sector, like launching of new designs, new tools/technologies, capacity building etc.

**Tea Plantation:**

The proper land and climate conditions offer good prospective for development of tea industry in the state. Tripura has its own traditional tea growing area with 55-tea gardens covering an area of 7482.27 hectares. Tea produced in this state has good blending qualities. The production of bio-tea, which does not have any chemical residue, has been taken up as special venture.

**Jute Cultivation:**

Jute is one of the commercial agricultural produce of Tripura which contribute significantly to the state economy. Considering the importance of jute government has establishes TJML (Tripura Jute Mills Limited), which started commercial production since 1981. The TJML produces gunny bags used for carrying food grains, tea bags, seed bags etc. The tea bags, a better-quality product, are supplied to tea gardens in the state. The TJML also supply the required amount of seed bags of the Agriculture Department. TJML also produces 80-100 MT of jute twine annually to meet the market demand of Tripura. Beside this, TJML also produces various diversified products, namely, carpet, mat, hessian cloth, pack sheet etc.

**Fruits and vegetables:**

Jackfruit, banana, lemon, coconut and groundnut are largely grown on the homestead. Fruits grow very well in Tripura. The quality of jackfruit, orange and pineapple is widely recognised. Tripura grows large quantities of vegetables with potato as the main field crop. The productivity of potato in Tripura is the highest in the north-eastern region (19,665 kg/hector) and higher than the national average of 18,280 kg/hector. In fact, all vegetables grow well in the state. Therefore, the state has potential for high value horticultural crops and food processing. Considering the availability of food crops many food processing unit has been developed in this state.

**3.9.2 Contribution of forestry sector to rural economy:**

Forest is the complex system providing a variety of ecological and other valuable essential services like timber, food, fodder, beauty of landscape, wilderness, peace and solitude. Effective use of forest resource for the welfare of the state and its people are considered as utmost importance. The income from forestry sector during 2014-15 is around ₹984.77 lakhs. It is estimated that the contribution of the forestry and lodging sub-sector to the Gross State Domestic Product (GSDP) is estimated at ₹1, 451 crore in 2014-15.



**Sericulture:**

Sericulture as one of the agricultural pursuits is emerging gradually as a leading enterprise in Tripura. It is estimated that sericulture industry is capable in generating substantial and gainful employment in rural areas of the state through mulberry cultivation. Skill women rearing, reeling, twisting and weaving. Effective measures have been taken to increase the productivity level through adoption of latest technologies for sustaining the activity for better returns. The rural women have come forward to take up sericulture industry as a support income of their family.

**Fisheries:**

Fishery plays an important role in Tripura. Fish is one of the vital food items of the diet of 95% of Tripura's population. Fisheries also play a major role in economic development of the state. This sector has potential to attain self-sufficiency in fish production. State Government has also given utmost importance to popularize scientific techniques to fish production through training work to the farmers. Considering the increasing demand of fish, the State Government has been given emphasis to increase the productivity of the existing water areas.

### **3.10 Industrial profile:**

#### **3.10.1 Micro, Small & Medium Enterprises:**

Economic development of a state or region is generally related to its industrial development. The state is industrially far behind than the other parts of the nation and main reasons for this present industrial status are geographical remoteness as well as connectivity with the mainland of India. The level of industrialisation of the state is evident from its contribution to the state's GSDP at current prices, the contribution of the manufacturing sector both organised and un-organised combined together was 2.17 percent in 2009-10, which shows low level of industrialisation. Although the state is backward in industrialisation but has the potentiality for industrial opportunities and improvement which in turn will increase employment generation within the state.

Gearing-up industrial activities with the help of available natural resources as well as removal of infrastructural hindrance are the priority area for economic development of the state. Creation of an integrated and inclusive base for industrialisation through proper linkage between medium, large and small-scale industries is the focused area of the state.

The main objective of the State Government is to promote agricultural, small scale, food processing, large and medium scale industries in the state. Besides, undertaking the mining and geological activities, advancement of plantation crops i.e., tea, rubber etc. as well as increase in the export and import are also the privilege sector of the State Government.

To promote entrepreneurship within the state, lot of efforts are being given by the state government. For the outside investors in the public and private sectors are also encouraged for their financial capabilities as well as for technical expertise, for setting-up medium and large-scale units. The State Government also giving due importance for development of the industrial infrastructure by way of augmentation of power, water supply, development of industrial areas with all common facilities etc.

**Rubber:** As per the latest Rubber Board data, total area covered under Rubber Plantation is about 50,050 hectares. Total Rubber Production during 2009-10 was about 27,276 MT, of which only about 10% was used within the state by rubber-based industries. The Rubber Park being developed at Bodhjunganagar over an area of about 60 acres of land at a total cost of ₹23 crores, is nearing completion. The response from

investors is overwhelming. The entire 60 acres of land has been allotted. The area of Rubber Park is proposed to be increased to 90 acres. Promotional events planned for the year include a Rubber Expo at Agartala and Investor's Meets at Kolkata and Mumbai-with the help of CII. The Department has adopted a target in the Perspective Plan to ensure that by 2014-15, the entire rubber produced in Tripura is utilised within the state.

### **Rubber Processing Industry in Tripura**

Natural Rubber is marketed in various forms. In India 72 percent of rubber is processed in to Ribbed Smoked Sheets (RSS) either in the households or in group processing centres. The other forms of marketable forms of rubber are latex concentrates (9 percent) and Technically Specified Rubber (14 percent), for which processing plants are required.

The major processing units for rubber and rubber wood in Tripura are

1. TFDPC Ltd Latex Centrifuging: Factory at Takmacharra
2. Bright Rubber Processors (P) Ltd: TSR Factory at Bodhjungnagar
3. TFDPC Ltd: Wood Processing Factory at Nagicharra
4. Agartala Rubber Industry: TSR Factory at Bodhjungnagar (under construction)
5. TFDPC Ltd: TSR Factory at Takmacharra (under construction)

### **Rubber manufacturing industry in Tripura:**

As Rubber is a vital raw material for more than 50,000 products, there is plenty of scope for rubber based industries in the state, which can create employment opportunities for the state of Tripura. At present, hardly 12 percent of total production is being consumed by the industries in the state. The rubber production in the state is estimated to be doubled by 2020 and it is necessary to initiative steps for further expansion of rubber based industries in the state. The major Rubber industry units in Tripura are:

- 1) DS Group of Industries: Rubber Thread Factory at Bodhjungnagar
- 2) Maa Rubber Industry: Rubber Compound

### ***Rubber Park***

India's second Rubber Park has been set up in Tripura at Bodhjunnagar, which is jointly promoted by Tripura Industrial Development Corporation (TIDC) and Rubber Board. The ₹230 million Rubber Park will provide state of the art plug and play infrastructure facilities with centralized quality control and product development laboratory, Latex and carbon black master batch etc. The park is expected to house 20 medium and small scale industries.

### **Tripura Tea Development Corporation Ltd (TTDC):**

The TTDC was set-up in 1980 as a company under the Companies Act, 1956 with a goal to promote the tea industry in the state. The main functions of TTDC includes management of three tea gardens, namely, Kamalasagar, Machmara and Brahmakunda. The paid up share capital of TTDC was about ₹36.42 crores as on 31-07-2015 and total sanctioned staff strength was 54 and working strength was 53. Besides this, there are about 699 workers in the CTPF/ Tea gardens owned by the Corporation.

**Table: 3.3: The functional status of TTDC till 2014-15**

Performance Indicators	Unit	Years			
		2011-12	2012-13	2013-14	2014-15
Green Leaf Production	Lakh Kg.	16.84	17.08	18.63	17.77
Production of Made Tea	Lakh Kg.	4.80	4.42	3.70	3.89
Turnover	₹ Lakhs.	459.24	525.30	349.93	451.75
Average Sales Realisation (Made Tea)	₹/ kg.	78.00	98.94	82.50	101.38

**Source:** Economic review of Tripura 2014-15

### **Tripura Bamboo Mission:**

Tripura is predominantly a hilly state and about 60% of land is enriched with natural vegetation. Nature has given plenty of various types of bamboo in the forest of Tripura and the state is the 2nd largest grower of bamboo in north-eastern region. The rural people especially the tribal are living in bamboo made huts and they use bamboo in all steps of their daily life. The tribal of Tripura has traditional craftsmanship of their own, which has a good market value. There is vast potential for development of bamboo-based crafts in the state and to make Tripura as a hub of handicrafts in the country. The State Government has taken various efforts for development in the sector.

Tripura Bamboo Mission has been set-up to increase the present production level from 27.00 crore to 75.00 crores within next 3 years. This sector is playing a vital role for creating employment generation both in rural and urban areas. The magnificent traditional arts and crafts on cane and bamboo of the state has got a good market in the country as well as abroad. There is an ample scope to get entry commercially in the international market by developing innumerable work of art and crafts as well as using of forest based raw materials like cane, bamboo, wood, palm leaf etc. commercially.

#### **Food processing:**

During recent years, a good number of food processing units have come up in Tripura. The Food Park, being set-up to give further boost food processing industries, is almost complete. Some entrepreneurs have taken land and have started work for setting up their units. A number of promotion events have been held like Investors' Meet, Workshop of packaging of Food Products, EDPs, etc. More such Events are proposed to be held at Mumbai and Kolkata with the help of CII.

#### **Production of silk sarees & marketing:**

Since 1994-95 a number of weavers started production for gray silk sarees on pit loom. But due to low wages and aloofness by the marketing agencies, the weavers diverted into other productions.

In 2007-08, a revivification for production and marketing the silk products through Primary Weavers Cooperative Societies was taken by the State Directorate of Handloom, Handicrafts and Sericulture. Initially, 5-Primary Weavers Cooperative Societies was selected for production of silk item by increasing wages. In 2010-11, about 50 weavers are producing silk fabric in the state. Subsequently, tribal weavers in-particulars also started producing value added silk fabric through loin loom with decorative tribal motive.

A modern sales outlet namely 'Tripura Silk Show Room' was started marketing exclusively for silk fabric from 2007-08. To ensure the buyers regarding quality of product this show room is registered under SMOI for 'Silk Mark'. The Honourable First Lady Governor of Tripura released the 'Silk Mark Level' in Tripura state in 2008-09 through an august occasion.

**Handloom:**

The handloom industry plays a dominant role in the economic development of the rural people. The handloom is scattered in the rural and semi-urban areas. The handloom industry is playing an important role in providing large-scale employment in Tripura. There are about 1.19 lakh weavers in the state, out of which 17,637 weavers are in the clusters. The development of this handloom industry helps in the natural upliftment of the rural people including the weaker and backward sections.

Tripura is one of the small state of North Eastern Region, which has some exclusive traditional design and arts in Handloom textile. These most primitive skilful arts have its own place of pride, even today. These arts are persisted despite of all odds. These graceful art and design are mainly of Tribal and Manipuri communities.

**Tourism**

Tourism has developed as one of the most important part of the economics, the most important aspect of which is generation of employment opportunities. Tourism thus has to be seen predominantly as an economic activity and not as welfare measures which is now being regarded as a vehicle of socio-economic development of a country.

The economic significance of tourism in the global market has led to its capacities earned foreign exchange. In our country, tourism is the second largest foreign exchange earning sector. Tourism has significant linkages with other sectors of the economy leading to multiplier effect in output, income and employment. It is now regarded as a way of living rather than a luxury and reserved for the rich and the elite. With the enhancement of standard of living of people, tourism is adding more importance. Endowed with opulent variety of tourist attractions, Tripura offers vast potential for tourism growth. With an area of 10491.69 sq. k.m. Tripura is one of the smallest states in the country. But the renowned state with its natural beauty of lustrous green valleys, the hill ranges with its plants and wildlife, the enthralling composition of cultural, magnificent history and traditional unique expertise is in a highly advantageous position for development of tourism.

For accessibility of tourist the state has been divided into two tourist circuits. One is west-south Tripura circuit covering the tourist destinations of west and south Tripura District and the other is west-north Tripura circuits covering the tourist destinations of North Tripura and Dhalai District. The entire state is having enormous potentiality in

tourism specially Eco-tourism, Religious, Heritage & Cultural tourism, Rural tourism, Water Tourism etc.

### **Dairy Development:**

The State Government has given more emphasis on Dairy Development through co-operative system for production of milk as well as marketing. The department handed over the Agartala Dairy with all its properties and responsibilities to Tripura Milk Producers Union Ltd. The TCMPUL is also responsible for maintaining the milk supply of Agartala Town. Apart from these TCMPUL has also undertaken for production and marketing of milk products like paneer, ghee, sweet, card and Ice-cream.

### **International trade:**

Tripura has 84 percent of its border common with the neighbouring country of Bangladesh. Trade with Bangladesh includes cement, fish, stone pipes, PVC pipes, furniture, jute, ginger, agarbatti iron oxide, fruits etc. The estimated Indo-Bangla trade through Tripura in 2013-14 was ₹230.24 crore, which rose significantly in 2014-15 to ₹357.65 crore.

Agreements and joint dialogues are on between India and Bangladesh for promotion of sustainable larger foreign trade with Bangladesh through the 8- Land Custom Stations of Tripura. On 2nd June 2015 the trail run of a direct bus service between Kolkata and Agartala via Dhaka with a distance of 500 Km was inaugurated by Honourable Prime Minister of India, which would considerably reduce the cost of transport among others for business with Tripura as well as the North Eastern state.

### **3.10.2 Large Scale Industries / Public Sector undertakings**

#### **Natural Gas:**

Tripura is endowed with commercially exploitable gas resources that have not been commercially exploited till the date on account of lack of adequate road/rail infrastructure, weak transmission infrastructure and vast distances to load centres in northern, central and western India. In order to optimally utilise the gas available in Tripura, ONGC develops a 726.6 MW Combined Cycle Gas Turbine (CCGT) thermal power project close to its gas field in Tripura and supply power to the deficit areas of North Eastern States of India. The ONGC Tripura Power Company Ltd (OTPC) was set-up in September 2008 for subscribing the equity by Oil and Natural Gas Corporation

(ONGC), Infrastructure Leasing and Financial Services Ltd (IL&FS) and Government of Tripura (GoT) for implementation of 726.6 MW thermal power project at Palatana in Gomati District for the North Eastern States. The natural gas is available in non-toxic form, with about 94 percent methane. Availability of natural gas provides scope for setting up units for producing power, chemicals and fertilizer based industries in the State. The revenue earned from natural gas for promotion of industrialization during 2009-10 to 2013-14 is depicted in the following Table-3.4.

**Table-3.4: The revenue earned from natural gas for promotion of industrialization during 2009-10 to 2013-14**

Year	Revenue (₹ in Crore)
2009-10	11.62
2010-11	33.65
2011-12	39.79
2012-13	47.62
2013-14	53.48
2014-15	Data is yet to be published

**Source:** Economic review of Tripura 2014-15

### **Diosgene producing unit**

A Diosgene producing unit set up by Tripura Forest Development and Plantation Corporation (TFDPC) is functioning in the state. The current production capacity of 1 MT/year is projected to rise up to 5 MT/year. The extraction from *Dioscorea* roots and concentration process of Diosgene production consist of two harmful chemicals, namely the Hexane (C<sub>6</sub>H<sub>14</sub>) and Sulphuric acid (H<sub>2</sub>SO<sub>4</sub>). Hexane is stored within the unit (storage capacity is 12 kilolitre), whereas, sulphuric acid is not stored but is procured as per need. At the present production capacity, the consumption rate of sulphuric acid is 9 MT/year; it is anticipated to increase to 45 MT/year with the estimated capacity.



### **Latex processing unit**

A large Latex processing unit has been set up by TFDPC at Takmachar. This unit tap and process the rubber to produce latex concentrate and other by-products. The harmful chemicals, which are used here to produce concentrate latex and different by products. These by products are: Sulphuric acid ( $H_2SO_4$ ) and Ammonia ( $NH_3$ ). The rate of usage of above mentioned chemicals are 250 MT/year and 45 MT/year respectively.

### **LPG bottling unit**

Indian Oil Corporation has set up the only LPG bottling plant in the state at Bisalgarh of West district. The normal inventory of LPG in this plant is 80 MT to 90 MT. Though the average production capacity of the bottling plant is 5,000 MT/year. In sight of the current loading capacity being limited to 80 to 90 MT, the facility does not fall under the purview of Manufacture, Storage & Import of Hazardous Chemical Rules. However, bearing in mind the future prospect, it will be sensible to ensure compliance of the extant rules.

### **Bottling plants of (alcoholic beverages):**

Presently there are two alcoholic beverage bottling plant situated (Gemini distillery at Bodhjanagar and Varuni distillery at Kumarghat Industrial Estate) in Tripura. The harmful chemical used in these plants is Ethyl alcohol ( $C_2H_5OH$ ) itself. The loading capacity of the above mentioned distilleries are 1800 litres and 1260 kilolitres respectively.

### **Natural Gas distribution pipelines**

The natural gas distribution pipelines in Tripura are mounted by the Gas Authority of India Limited (GAIL). The natural gas collected through different gas collection stations is distributed to different thermal power plants in Tripura through these pipelines. Keeping in mind the total storage capacity of different gas gathering stations (17, 00, 00  $m^3/day$ ), these distribution pipelines also need to be attended as they convey the natural gas, which has the potential to cause hazard. Further, GAIL is also putting pipelines in different streets of the city for supplying gas to domestic consumers.

### 3.11 Role of MSMEs in the economy of Tripura:

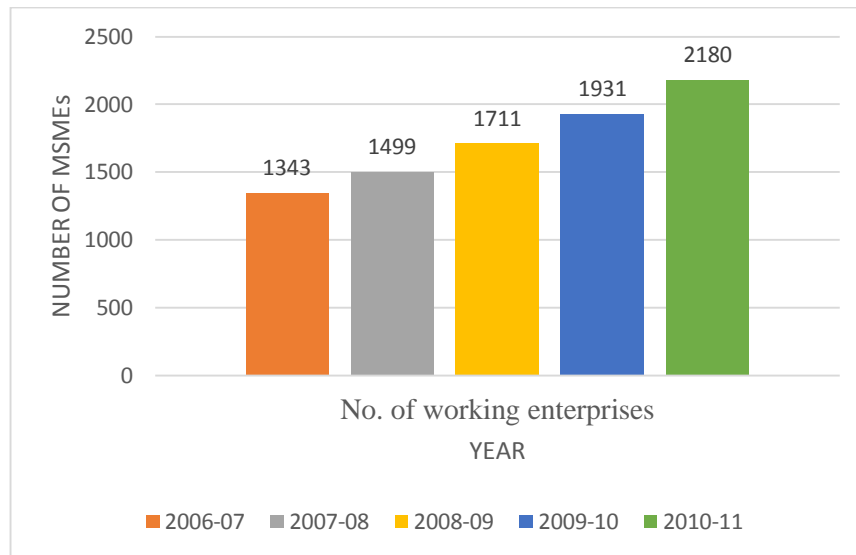
The utmost important element for economic development of a country is its industrialization. In the process of industrialization, importance is given to the three major groups of industries; large-scale industries, small-scale industries and cottage industries. Researcher propose to study prospects of micro, small-scale and cottage industries in Tripura, where large and medium scale industries are nearly absent and whose development is vitally linked with various programmes and policies designed to remove poverty, unemployment and backwardness of the rural people.

**Table-3.5: Year wise list of registered MSMEs in Tripura**

Year	No. of working enterprises	Employment (Person)	Fixed Investment (₹ Crores)	Production (₹ Crores)
2006-07	1343	23166	326.57	608.3
2007-08	1499	25857	364.50	678.96
2008-09	1711	29514	416.05	774.98
2009-10	1931	33309	469.55	874.63
2010-11	2180	37604	530.10	987.41

*Source: Annual Report, 2010-11 & 2011-12. Ministry of Micro, Small and Medium Enterprises, [www.msme.gov.in](http://www.msme.gov.in)*

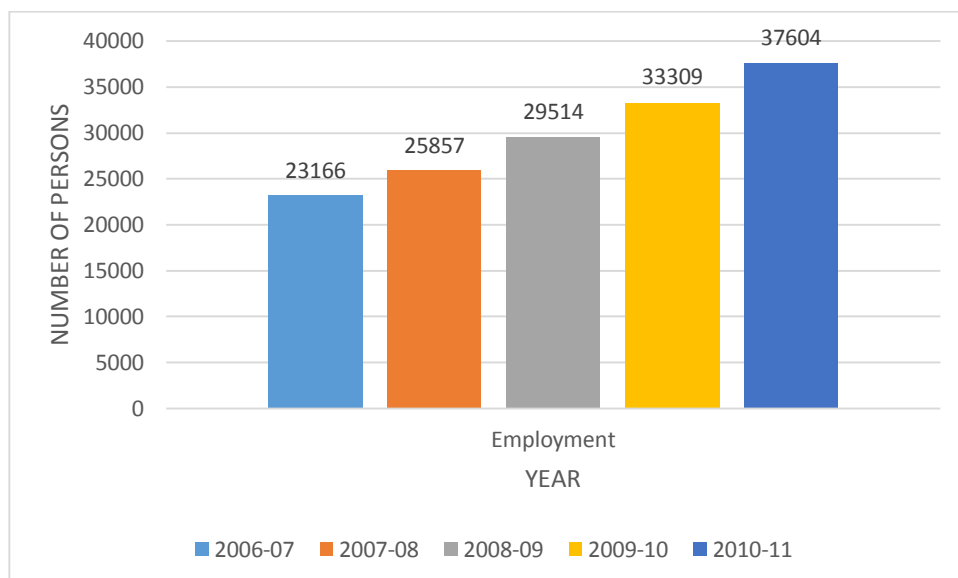
**Figure 3.1: Number of Registered Working MSMEs in Tripura**



*Source: Annual Report, 2010-11 & 2011-12. Ministry of Micro, Small and Medium Enterprises, [www.msme.gov.in](http://www.msme.gov.in)*

**Interpretation:** It can be deciphered from the figure 3.1 that the number of MSMEs has increased steadily in Tripura from 1343 in 2006-07 to 2180 in 2010-11. This gives a clear indication of the fact that MSMEs have been showing a significant growth in the state which will leads to increases the state GSDP, employment and investment in the state. As significant part of the MSMEs in Tripura are from unregistered sector due to non- availability of year wise break-up data from unregistered sector researcher unable to produce data from unregistered sector.

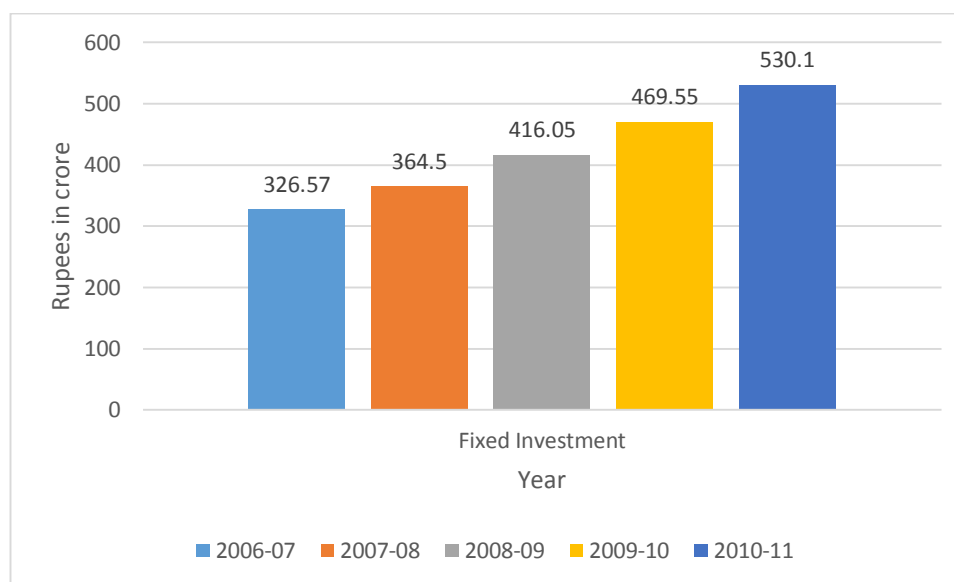
**Figure 3.2: EMPLOYMENT GENERATED BY REGISTERED MSMEs IN TRIPURA**



*Source: Annual Report, 2010-11 & 2011-12. Ministry of Micro, Small and Medium Enterprises, [www.msme.gov.in](http://www.msme.gov.in)*

**Interpretation:** It can be deciphered from the **figure-3.2** that the Employment generation because of the MSMEs has increased steadily in Tripura from 23166 persons in 2006-07 to 37604 persons in 2010-11. This gives a clear indication of the fact that the MSMEs have been showing a significant contribution in Employment generation of the state.

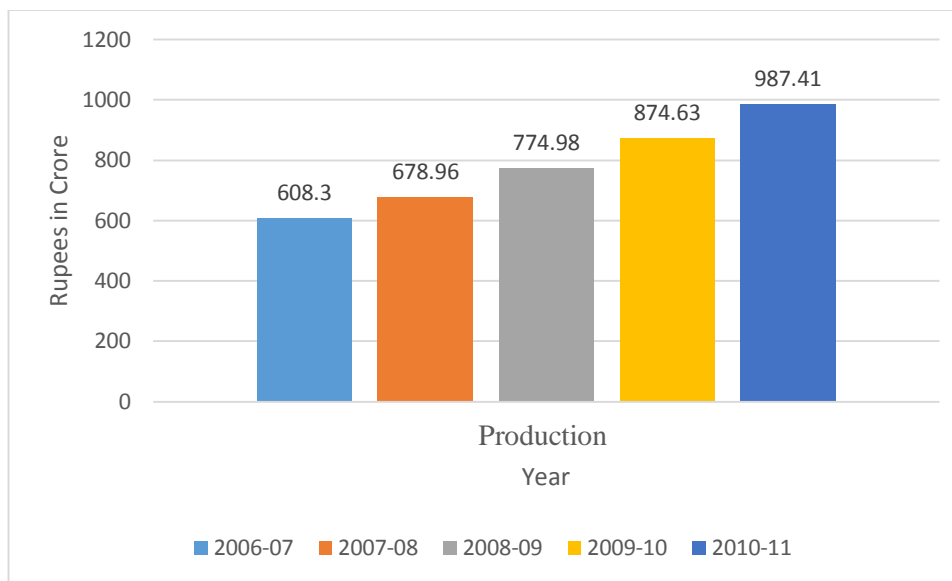
**Figure 3.3: FIXED INVESTMENT MADE BY REGISTERED MSMEs IN TRIPURA**



*Source: Annual Report, 2010-11 & 2011-12. Ministry of Micro, Small and Medium Enterprises, [www.msme.gov.in](http://www.msme.gov.in)*

**Interpretation:** It can be deciphered from the **figure 3.3** that the investment made in the MSMEs has increased steadily in Tripura from ₹326.57 crore in 2006-07 to ₹530.1 crore in 2010-11. This gives a clear indication of the fact that investment in the MSMEs has been showing a significant growth in the state.

**Figure 3.4: PRODUCTION MADE BY REGISTERED MSMEs IN TRIPURA**



*Source: Annual Report, 2010-11 & 2011-12. Ministry of Micro, Small and Medium Enterprises, [www.msme.gov.in](http://www.msme.gov.in)*

**Interpretation:** It can be deciphered from the figure-3.4 that the production done by the MSMEs has increased steadily in Tripura from ₹608.3 crore in 2006-07 to ₹987.41 crore in 2010-11. This gives a clear indication of the fact that production done by the MSMEs has been showing a significant growth in the state.

### 3.12 Programmes for North East and Special Category States

Deriving demographic dividend from the rapidly increasing youth inhabitants is a challenge for India, particularly in the North Eastern States, hilly and extremist infected Special Category States and the districts affected by left-wing extremism (LWE). Broadening of skill development network of the youth is required in these special areas to make sure ceasefire through economic development. This Group has suggested setting up of Special EDIs in these States and Areas to deliver skill development training to the youth, preferably through residential courses. These programmes should emphasis on activities based on locally available resources and necessities of the local industries. For this purpose, appropriate linkage with the industry Associations, local administration and other agencies engaged in economic development in these areas need to be ensured. The Sub-Group on Special Areas and Groups has recommended specialized area specific funds for development of backward areas and special groups.

### **3.13 Summary of Incentives available under Tripura Industrial Investment Incentive Promotion Scheme-2012 (TIIPS)**

- a) Capital Investment Subsidy @30% on fixed capital investment (with additional subsidy @2.5% to ST, SC and Women Enterprises), subject to a maximum of ₹ 50 Lakhs per enterprises. The amount of subsidy will be reduced by the extent of claim of the enterprise for subsidy on the same investment under the NEIIPP-2007 and to the amount of subsidy on the same investment actually received under any other Scheme.
- b) Buying Preference on all purchases through tenders by State Government Agencies on products manufactured in Tripura by appropriate enterprises. The buying preference shall be made available to local enterprises whose quoted prices is within 15% of the price quoted by the lowest bidder from other than the state of Tripura , only if the local unit agrees to supply by the same price offered by the first lowest dealer from outside the state. The benefit is available only to enterprises achieving minimum 30% value addition within the state and is subject to certain other conditions.
- c) Subsidy of Industrial Promotion will be equal to the net amount (net of input taxes) of the Tripura Value Added Tax (TVAT), Central Sales Tax (CST) and any other commodity tax truly paid by an enterprise to the State Government on sale of finished goods, subject to the maximum of ₹50 lakhs per enterprise per annum. The subsidy will be given to a qualified enterprise for 5 years from the date of commercial production.
- d) Partial Benefit of Power Charges to the extent of 15% of the power charges actually paid by the enterprise, subject to a maximum of ₹12 lakhs per enterprise per year. Subsidy will be given to an eligible enterprise for 5 years from the commencement of commercial production.
- e) Partial Repayment of Interest on Term Loans actually paid to banks/financial institutions to the amount of 3% of the term loans availed by the enterprise,

subject to a maximum of ₹1.50 lakhs per enterprise per year. This financial benefit shall be given to a suitable enterprise for 5 years from the date of commercial production.

- f) Repayment of Standard Certification charges/ fees/ expenses to eligible enterprises.
- g) Partial Repayment of floor space rentals for Information Technology Industries (employing a minimum of 15 persons) @20% to the rentals amount actually paid by the enterprise, subject to a maximum limit of ₹ 12 Lakhs per enterprise per annum. The motivational monetary rewards shall be given to an eligible enterprise for 5 years from the date of commercial production.
- h) State Transport Subsidy for transportation of raw materials and finished products will be given as per the Central Transport Subsidy. The eligibility conditions and method of calculations shall be parallel to Central Transport Subsidy Scheme. The state subsidy shall cover the share for which Central Subsidy is not available. For example, if Central Subsidy is 90%, State Subsidy shall be 10%.
- i) 85% Exemption from the payment of Earnest Money and Security Deposits  
85 percent exemption from the payment of earnest money and security deposits to local enterprises on tenders floated by State Govt. Agencies.

### **3.14 Potential areas of doing business in Tripura:**

Following are the potential areas of industrial activities that can be taken up in the state of Tripura has been listed below.

#### **Potentials areas for service industry:**

- Automobile servicing centre
- Auto Battery Servicing
- Clinical laboratory
- Dyeing and printing



- Compact disk circulating library
- Pest Control Service
- Watches and Clocks Repairing, Sales and Services
- Cycle and Cycle Rickshaw Repairing
- Fast Food Centre / Restaurants
- Internet Cafe
- Printing Press
- Photo Copying
- Repairing of Household Electrical Appliances
- Web Designing

**Potential for manufacturing sector:**

- Paper Plates
- General Machine shop
- Disposable Syringes
- Detergent Cake and Powder
- Fruits and Vegetables Processing
- Injection Moulded Plastic Products
- PVC Pipes
- Wooden Furniture
- Potato and Banana Wafers
- Rolling Shutters
- Noodles
- Plastic Folders and Files

- PVC Wires and Cables
- Bakery Product
- Solar Water Heaters
- Sheet Metal Components
- Agricultural Implements
- Steel Furniture
- Sheet Metal Fabrication
- Steel Fabrication
- Agro based Industries mainly on horticulture & food processing
- Cattle Feed
- Tea Processing
- Tyre Rethreading
- Plastic Net
- Handloom & Handicrafts
- Electronics & Computer Software
- Tourism
- Auto Rubber Product

### **3.15 Conclusion:**

Due to partition of India in 1947 obstructed Tripura's major lines of means of transport and communication by splitting inland waterway, roadways and railway networks. Tripura is now remote and isolated within India. The Partition thus intensified the geopolitical isolation of Tripura and indeed, of the entire North Eastern Region. State's economy is characterized by high rate of poverty, low per capita income, low capital formation, in-adequate infrastructure facilities, geographical separation and communication blockage, inadequate exploitation and use of natural forest and mineral resources, lower progress in industrial arena and high un-employment problem. Industrialisation in the State is yet to take off and industry sector is not able to open un-employment opportunities at the desire level in spite of the State Government's efforts for creation of a wide-ranging base for industrialisation. On the other hand, agriculture sector has become stagnant and is not ready to absorb the growing demand for employment. Non- availability of proper infrastructure, has made the process of economic development extremely difficult.

The State has the strengths, which are required to be developed for confirming continuous economic improvement by increasing the productive employment. The North Eastern Region of India is close to the South East Asian Region, which has seen quick economic growth in the last decade in the global economic environment and their experiences may be utilized for faster pace of economic improvement with productive employment opportunities. Development of infrastructure and establishment of conditions favourable for economic development are essential for rhythm the investment opportunities in the State.