

# RISING OPPORTUNITIES in **NORTH – EAST**

The growing infrastructure developments in the North-East of India have opened up new avenues of opportunities to construction, infrastructure and allied players in the region. **CONSTRUCTION TIMES** finds out the key infra developments happening in the North-East.



The North-East Region of India comprises the states of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. Historically, the states of North East India had been organized mainly on linguistic basis and political exigency emanating from much diversity in ethnicity, culture and levels of development. Hence, they were not economically viable and had to depend heavily on the Central Government for financial assistance, especially Plan assistance, which continued to be given on a 90:10 basis, i.e. 90% central assistance while the States themselves raise only 10% of the budget. The States are thus known as Special Category States. Even after more than four decades of their existence, these States continue to be in the backwaters of economic development and still need a great deal of concerted effort to bring them at par with the more developed States of the country. The North Eastern Council (NEC) was created to complement and supplement the developmental efforts of the states.

### NEC AND REGIONAL DEVELOPMENT

The NEC has set out to formulate a sector-wise outline of development plans and projects for the three years beginning April 2017 with a view to accelerating the pace of development. The Council has already contributed immensely in terms of institution building, transport and communication, power generation and transmission and creation of different kinds of infrastructural facilities with a view to positioning the states to launch themselves into a self-sustaining growth trajectory. However, a lot remains to be done since the gap between the NE states and other states of the country keeps on getting widened. Hence, the NEC Secretariat has been trying to identify thrust areas as well as critical gaps for taking up as many development initiatives as possible within its given annual budgetary allocation.

The Ministry of Development of North Eastern Region (MDoNER) is responsible for the matters relating to the planning, execution and monitoring of development schemes and projects in the North Eastern Region. Its vision is to accelerate the pace of socio-economic development of the region so that it may enjoy growth parity with the rest of the country.

### INFRA DEVELOPMENT IN NE

The government has been implementing various infrastructure development projects in the North Eastern States during the last five years. These relate to improving air, rail, road, waterway, power and telecom connectivity. The details are given below.

**Air connectivity:** Total 28 projects have been completed from 2016-17 to 2021-22 with the approved cost Rs 975.58 crore and completion cost of Rs 979.07 crore. There are 15 ongoing projects amounting to Rs 2,212.30 crore and these projects are likely to be completed by March 2023.



▲ Teesta-V Hydro Project.

**Rail connectivity:** Railway projects are sanctioned Zonal Railway wise and not state-wise, and may span across state boundaries. As on April 1, 2021, twenty projects costing Rs 74,485 crore for 2,011 km length falling fully/partly in North Eastern Region are under different stages of planning/approval/execution, out of which 321 km length has been commissioned and an expenditure of Rs 26,874 crore incurred up to March 2021. These include: 14 new line projects covering a length of 1,181 km at a cost of Rs 56,553 crore, out of which 253 km length has been commissioned and an expenditure of Rs 23,994 crore incurred up to March 2021; Six doubling/multi-tracking projects covering a length of 830 km at a cost of Rs 17,932 crore, out of which 68 km length has been commissioned and an expenditure of Rs 2,880 crore incurred up to March 2021.

**Road connectivity:** A total of 4016.22 km costing Rs 58,385 crore are ongoing in NER. These projects were undertaken during the last five years. The completed projects in NER cover a length of 3,099.50 km at a cost of Rs 15,570.44 crore. The ongoing projects are likely to be completed by May 2024.

**Power connectivity:** Government, through various flagship schemes, such as Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) for strengthening of sub-transmission and distribution infrastructure including rural electrification, North Eastern Region Power System Improvement Project (NERPSIP) for six states (Assam, Manipur, Meghalaya, Mizoram, Tripura and Nagaland) for strengthening of the Intra-State Transmission and Distribution System (33 kV and above) and Comprehensive Scheme for Strengthening of Transmission & Distribution Systems in Arunachal Pradesh, Sikkim etc. is improving the power connectivity in NER. Saubhagya scheme was launched in October 2017 with the objective to achieve universal household electrification for





▲  
Rangit Dam,  
Sikkim.

providing electricity connections to all un-electrified households in rural areas and all poor households in urban areas in the country. Under Saubhagya scheme, as on 31 March 2021, 26,14,659 households have been electrified since launch of the scheme in NER.

**Telecom connectivity:** Bharat Net project is implemented in a phased manner to provide broadband connectivity to all Gram Panchayats (GPs) in the country, including NER. The scope of the project has been extended up to all inhabited villages beyond GPs. The timeline for Bharat Net project is August 2023. The funds disbursed for NER under this scheme are Rs 640.01 crore during last five years.

Under the scheme for provision of mobile services in uncovered villages in Assam, Manipur, Mizoram, Nagaland, Tripura, Sikkim, and Arunachal Pradesh (national highways only) of NER and seamless coverage along national highway, the installation work of the feasible sites has been completed. The funds disbursed under this scheme are Rs 633.88 crore during the last five years.

The scheme for provision of 4G mobile services in uncovered villages of Meghalaya and seamless coverage along national highway, has project timeline as June 2022.

Scheme for provision of 4G mobile services in uncovered villages of Arunachal Pradesh and two districts of Assam (Karbi Anglong and Dima Hasao), has project timeline as April 2023.

**Waterway connectivity:** River Brahmaputra from Dhubri (Bangladesh border) to Sadiya (891 km) was declared as National Waterway-2 (NW-2) in 1988. The waterway is being developed with fairway of required depth and width, day and night navigation aids and terminals. The facilities created and planned

as per approved Standing Finance Committee (SFC) recommendation of NW-2 is at a cost of Rs 461 crore during five years (2020-2025). River Barak was declared as National Waterway-16 (NW-16) in the year 2016. It connects Silchar, Karimganj and Badarpur in Cachar valley of Assam with Haldia and Kolkata ports through Indo-Bangladesh Protocol (IBP) route. The facilities created and planned as per approval of Standing Finance Committee of NW-16 and IBP route is at a cost of Rs 145 crore during five years (2020-25).

In addition, the MDoNER is implementing various schemes viz. Non-Lapsable Central Pool of Resources-State (NLCPR-State) Scheme; North East Special Infrastructure Development Scheme (NESIDS); Special Package for Assam [Bodoland Territorial Council (BTC); Dima Hasao Autonomous Territorial Council (DHATC) and Karbi Anglong Autonomous Territorial Council (KAATC)]; Hill Area Development Programme (HADP); Social and Infrastructure Development Fund (SIDF) for development of the North Eastern Region. Under Asian Development Bank-assisted North-Eastern States Road Investment Project (NESRIP), a total 411.78 km of road have been completed and Rs 1,739.24 crore has been released. Besides, under the schemes of NEC, during 2016-17 to 2020-21, 215 infrastructure projects costing Rs 1,267.48 crore have been sanctioned. Out of these, 15 projects costing Rs 93.83 crore have been completed and 200 projects costing Rs 1,173.65 crore are at various stages of implementation.

Hardeep Singh Puri, Union Minister for Housing and Urban Affairs and Petroleum and Natural Gas while speaking at a symposium at Gangtok said that in the last eight years, a total of Rs 18,849 crore has been fully utilised for development projects in power, water supply, health, connectivity and education sectors.

Detailing the unique characteristics of North Eastern states, he said that the region has a rich cultural legacy anchored in abundant natural resources, skilled and available human capital, tourism, and extraordinary biodiversity. By developing robust infrastructure and services over the last



Pakyong Airport, Sikkim.

eight years, the massive potential of the region has finally been unlocked. With a growing number of food parks, textile industry, and information technology, North East has the potential to be the trade link between India and South East Asia in the years to come. He expressed his happiness to announce that the consensus to amend the funding pattern to 90:10, will ensure completion of many a projects.

### CHALLENGES AND OPPORTUNITIES

The North-Eastern states have been confronted with many challenges in its quest for development over the years. According to **Subhash Sethi, Chairman, SPML Infra**, the geographical and logistical challenges



**SUBHASH SETHI**  
Chairman, SPML Infra

in the North-eastern states are quite different from the rest of India. It is a geo-politically sensitive region due to proximity of international boundaries. "Infrastructure development is disproportionately distributed as urban centres like Imphal, Guwahati, Itanagar and Shillong are fairly developed in contrast to rural and tribal areas," he says. However, the company is bullish on the further developments in the region in future as Sethi adds, "We will be happy to receive more projects under the Jal Jeevan Mission, AMRUT 2.0 and other dedicated water supply schemes in all eight states to make formidable contributions in the way water supply infrastructure is created and managed."

On the challenges faced in the region, **Sasanbha Lytan, Associate, Northeast Desk, Invest India**,



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Associate, Northeast  
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highlights, "The boost in connectivity infrastructure in the NER is undoubtedly crucial for balanced regional socio-economic development and integration in the country. However, there are many unfavourable factors in the region, which pose a challenge to this, including the unyielding (and often, hilly) terrain, scattered habitation, delay in land acquisition, societal protests, environmental clearances, and paucity of quality construction materials, among others."

According to Lytan, the case in the NER is

such that there is an over-dependence on road transportation which increases the expenses and also makes the goods from the region less competitive. "It is recommended to have a combination of transportation modes, as suitable, in order to bring about efficiency and reduce logistical expenses, among others," she points out.

When it comes to power infrastructure, there are specifically opportunities in hydroelectric projects in the region. **Karan Chechi, Director, TechSci Research**, says, "The region carries the




**KARAN CHECHI**  
Director  
TechSci Research

highest potential for hydropower generation due to abundant rainfall and the various rivers and tributaries passing from the region such as Brahmaputra and Gomati," says

### TOWARDS A PROMISING FUTURE

The government has been providing special attention to the development and promotion of the North-East region. The MDoNER, under its various schemes has taken steps to bridge the social and physical infrastructure gaps, which will promote investments in the North East Region.

According to Union Minister Hardeep Singh Puri, the Smart Cities Mission is one part of an integrated vision of urban transformation and modernisation in the country, including in the North East where rapid urbanisation is being witnessed. Other flagship programmes of the Government of India have also produced fundamental and sweeping changes in the urban areas of North Eastern India. Missions such as AMRUT, Swachh Bharat Mission–Urban (SBM-U) and Pradhan Mantri Awas Yojana–Urban (PMAY-U) are vital interventions in establishing a high level of basic civic infrastructure in North Eastern cities.

The ongoing developments in the North East is expected to be on fast track in future as in the Union Budget 2022, Finance Minister Nirmala Sitharaman has proposed to launch a new scheme PM Development Initiative for North East, to promote the growth of the region. In addition, various Pan-India Schemes are being implemented in the North Eastern States for their sustainable development, e.g., Jal Jeevan Mission, Atal Mission for Rejuvenation and Urban Transformation, Swachh Bharat Mission, Bharatmala etc. With all these progressive projects, more opportunities are going to unlock which will help the North East Region to excel in future. 

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