

# Economy of Assam: An Overview



**Dr. Gobin Chandra Boruah**  
**Uditya Kr. Borah**

# **Economy of Assam: An Overview**

**Dr. Gobin Chandra Boruah  
Uditya Kr. Borah**

**Economy of Assam: An Overview:** A text book of Economics (Major) 6<sup>th</sup> Semester as per new syllabus of Dibrugarh University, written by Dr. Gobin Chandra Borah and Uditya Kr. Borah and published by Juganta Saikia of, Lakhimpur.

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(6<sup>th</sup> Semester □ Major Course □ Dibrugarh University)

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to  
Our  
Parents

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## Preface

“Economy of Assam: An Overview” is an attempt to introduce the Assam economy before the students of economics. This book has been specifically designed to provide the adequate study materials for the degree students of economics, as per the syllabus of various universities of Assam. Since it is our first attempt and so the chances of mistakes are cannot be ignore and hence we are apologies to readers for such mistake and request to point out the same.

We are hopeful that this piece of work will come upto the expectations of the students and other readers of the subject. Our heartfelt gratitude to Dr. Surjit Bhuyan, Principal, Lakhimpur Girls' college, Mr. Dulen Kr Gogoi, Head of the Department, Department of Economics, Lakhimpur Girls' college and other teaching staff and friends for their constant support and constructive ideas to completed this work. We are grateful to our parents and other family members for their seen and unseen corporation without which we would never have been able to complete this piece of work.

North Lakhimpur

Date : 1-11-2016

AUTHORS



**SYLLABUS**  
**MAJOR**  
**SIXTH SEMESTER**  
**PAPER 6.04 (ECONOMIC ISSUES OF ASSAM)**  
**Marks – 100 (80+20)**

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**Unit II:** Agriculture: Trends and Pattern of Production – Land use, Agricultural holdings and Cropping pattern, Food production and Food security, Jute Cultivation, Horticulture, Sericulture, Modernization of agriculture, Sustainable agriculture.

**Unit III:** Industry: Problems and prospects of Industrial development of Assam, Organized Industries - Role of Tea, Oil and Coal industries; Micro, small and medium industries; Cane and Bamboo, Food Processing, Handloom and handicrafts, Bell-metal; Tourism.

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Chapter I  
**ECONOMIC CHARACTERISTICS  
OF ASSAM**

## INTRODUCTION

Assam is located in the north-eastern part of India, surrounded by other six north eastern states viz. Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura and Manipur. Three country Bangladesh, Bhutan and Myanmar also surrounded Assam in different segment. State West Bengal in west of Assam and adjoin the state with other part of India. The state is covered by 78438 sq. Kms land.

Since the state is situated in the eastern Himalayan region, hence the climate of the state is characterized by relative coolness, extreme humidity, heavy summer and draught winter. It was recorded that the average annual temperature of the state is 37.9°C (maximum) and 17.9°C (minimum), where the mean relative humidity is 81%. The state receives heavy rainfall in the rainy season, especially in the months of June, July and August. The average rainfall in this respective three months is 389.16 mm in 2008. On the other hand, the months December, January and February are considered as relatively rainless months. The average annual rainfall of the state is around 2048.1 mm in the year of 2008, which is recorded as very high rainfall in that year. The climate is almost uniform in the state.

The state is abundant in water resources. Two major rivers -Brahmaputra and Barak gives Assam the absolute advantage as the water resource is concerned. Moreover, Subansiri, Ranganadi, Manah, Pagladiya, Kaberi, Krisnai, JiyaBhorali, Dhansiri, Dikrong, etc. are flows throughout the state.

Assam is one of the six schedule state of the country. The economy of Assam is predominantly agrarian in nature. Agriculture being the largest sources of income and major source of employment for its working force. But due to significant improvement in tertiary sector, the share of primary sector into Gross State Domestic Product (GSDP) and Net State Domestic Product (NSDP) in current price has been continuously decreasing in the last few years.

### Basic characteristics of the economy of Assam:

The Economy of Assam can be described as an underdeveloped one. This is due to the existence of chronic poverty, under-utilized manpower and untapped natural resources. Prof. Ragner Nurkse states that underdeveloped countries are those which "Compared with the advanced countries, are under equipped with capital in relation to their population and natural resources." The Indian planning Commission defines an Underdeveloped country as one " which is characterized by the coexistence, in greater or less degree, of unutilized or underutilized man-power on the one hand, and of unexploited natural resources on the other".

Eugene Staley defines an Under-developed country thus: "A country characterized (i) Mass poverty which is chronic and not the result of temporary misfortune and (ii) Obsolete methods of production and social organization, which means that the poverty is not due to poor natural resources and hence could presumably be pointed by methods already proved in other countries". This definition of under-development is quite satisfactory. Thus, Assam, with its vast development potential untapped resources and poverty, can be easily described as under-developed state. The basic characteristics of Assam economy are discussed below:

**Low State Income:** The estimates of state income (Net State Domestic Product) show a steady but slow growth of the economy of Assam in the past few years. The Net State Domestic product

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