



1. Introduction

The economy of Assam is a **mixed economy** with a strong presence of **agriculture, natural resources**, and a growing services and industrial sector. Despite being rich in resources, Assam faces persistent challenges like low per capita income, infrastructure bottlenecks, and insurgency-related disruptions.

2. Structure of Assam's Economy

A. Primary Sector (Agriculture and Allied Activities)

- **Agriculture** contributes around **20%** of GSDP (2024 estimates).
- Major crops: **Rice (Boro and Sali varieties), tea, jute, pulses, and oilseeds.**
- **Tea Industry:**
 - Assam contributes **more than 50%** of India's total tea production.
 - Examples: **Dibrugarh, Tinsukia, Sonitpur** districts are major tea hubs.
- Challenges: Small landholdings, floods, traditional methods, and weak marketing infrastructure.

B. Secondary Sector (Industry and Manufacturing)

- Contribution to GSDP: Around **25-28%**.
- Key Industries:
 - **Petroleum refining:** Numaligarh Refinery and Digboi Refinery.
 - **Natural gas processing:** Assam Gas Company.



- **Fertilizers:** Namrup Fertilizer Plant.
- **Handloom and handicrafts:** Especially silk (Muga, Eri).
- **Challenges:**
 - Limited industrial base.
 - Poor connectivity and lack of investment.
 - Frequent **bandhs and strikes** discourage industrial growth.

C. Tertiary Sector (Services)

- Contribution to GSDP: Around **50-52%**.
 - Growing sectors: **Banking, education, tourism, and transport.**
 - Tourism potential:
 - Natural and cultural tourism: **Kaziranga National Park, Majuli, and Sattras.**
 - Underdeveloped due to lack of marketing and poor infrastructure.
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3. Natural Resources and Economic Potential

- **Minerals:** Coal, oil, limestone.
- **Oil & Natural Gas:**
 - Oldest oil well: **Digboi (since 1901).**
 - ONGC and OIL active in exploration.
- **Water resources:**
 - Huge hydropower potential in Brahmaputra and tributaries.
 - Underutilized due to ecological and displacement concerns.



4. Human Development and Demographics

- **Population (2021 Est.):** ~3.5 crore.
 - **Literacy Rate:** ~73% (below national average).
 - **Unemployment:** Youth unemployment remains high.
 - **HDI ranking:** Assam has **medium HDI** but below India's average.
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5. Infrastructure and Connectivity

- **Transport:**
 - Road: National Highways like **NH-27 and NH-37**.
 - Rail: Important nodes like **Guwahati, Dibrugarh**, but connectivity to Barak Valley is improving as compared to yesteryears
 - Inland waterways: Potential in **Brahmaputra River (National Waterway 2)**.
 - **Power:**
 - Power deficit state.
 - Generation: Thermal (Namrup) and Hydel (Karbi Langpi).
 - **Digital infrastructure:**
 - Expanding but rural-urban divide remains.
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6. Government Schemes and Interventions

- **Asom Mala** - Infrastructure upgrade programme.



- **Assam Startup Policy** – Promotes entrepreneurship.
 - **Mukhya Mantri Atmanirbhar Asom Yojana** – Employment generation.
 - **Mission Bhumi Putra** – Digital empowerment for SC/ST communities.
 - **Assam Industrial and Investment Policy, 2019** – Incentives for industries.
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7. Challenges in Assam's Economic Growth

- **Floods and Erosion:**
 - Affects over 3 lakh hectares annually.
 - **Infrastructural Gaps:**
 - Weak logistics and industrial linkages.
 - **Insurgency and Ethnic Tensions:**
 - Hinder investor confidence.
 - **Outmigration:**
 - Youth migrating to other states due to lack of employment opportunities.
 - **Climate Change:**
 - Impacting agriculture and biodiversity.
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8. Vision for Assam's Economic Future

Assam Vision Document 2030

- Goal: Transform Assam into an **entrepreneurial, green, and inclusive economy**.
- Focus areas:
 - **Doubling farmers' income.**



- Creating **2 million jobs** by 2030.
- Achieving **100% renewable energy** penetration.
- Strengthening **MSMEs and rural economy**.

North East Vision 2020

- Integrates Assam's development with the **Act East Policy**.
- Aims at **connectivity with Southeast Asia** via trilateral highways and trade corridors.

9. Examples of Sectoral Initiatives

Sector	Initiative	Impact
Agriculture	Assam Agribusiness and Rural Transformation Project (APART)	Market linkage for farmers
Oil	Numaligarh Refinery Expansion	Increased refining capacity
Tourism	Assam Tourism Policy 2017	Heritage and eco-tourism boost
Education	Gunotsav and Vidya Samiksha Kendra	Quality enhancement in schools

Conclusion

Assam holds **tremendous potential** due to its natural endowments and strategic location. However, to fully capitalize on this, the state needs to:

- Improve **infrastructure and logistics**.
- Ensure **policy stability** to attract investments.
- Promote **inclusive development** with a focus on agriculture, MSMEs, and sustainable tourism.



Macro Overview of the Economy of Assam

With the right policies and inter-sectoral coordination, Assam can emerge as a **growth engine for the North-East region.**