

THE EXPORT AND LOGISTIC POLICY OF ASSAM, 2019

**Industries & Commerce Department
Government of Assam**

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1.0 Introduction:

After independence, Assam became a land-locked area putting it in a state of great geographical disadvantage. Assam is now connected the mainland of India through narrow Siliguri corridor which is also known as chicken neck. However, with the liberalization sweeping the Indian subcontinent, and in the age of regional economic cooperation, the region's land-locked isolation is being leveraged into a position of big advantage.

Assam has the unique locational advantage, being the closest landmass of vibrant economies of the South East Asian countries. On Act East, Assam is on its way to get some of the best infrastructure in Asia to facilitate the largest volume of trade between India, China, Myanmar, Bangladesh and other ASEAN countries. Assam will be the hub of all trade and commercial activities in South East Asia and the state will be a model for development to the rest of India as well as neighbouring countries.

South East Asia is the fastest growing region in the world and enjoys the reputation of having the best potential emerging markets. The ASEAN markets are literally exploding and there is a massive rise in consumer demand. Assam located in between the Indian mainland and the huge contiguous markets of the East and South East Asian nations. Add to that Assam's proximity to the SAARC & BIMSTEC countries and its own large domestic market, a new huge market emerges totalling up to 400 million households. State government is committed to leverage Assam geographical location to a most developed and frontline state of the country by maximum utilization of our resources.

National Highway connectivity in the state is about 3740 Km. The East West corridor which start from Porbandar in Gujarat and connected with Silchar in Assam with a distance of 3300 Km. Assam is also connected with Asian Highway No:1. Assam has a good road connectivity with the neighbouring states too. Guwahati city is now connected with the major metropolis like Delhi, Ahmadabad, Mumbai, Chennai, Bengaluru, Hyderabad, Kolkata and also with all the state capitals of North Eastern region with Air. BG railway network in Assam is about 2434 Km and now connected with all major cities of India. State government with the help of IWAT is taking up a massive programme is to dredge the river mighty Brahmaputra and river Barak to use navigable waterways in trade and commerce. The waterways network connects to Bangladesh giving it access to the ports of Kolkata and Haldia in West Bengal and Chittagong and Mongla in Bangladesh. Thus, both the land and water routes are available to the exporter for export as well as for re-export to East and South East Asia.

Industrialization in Assam dates back to the British-era when the Britishers had set up the tea estates, coal mining, plywood factories and oil exploration in this mineral-rich region of the State. Digboi Refinery was the 2nd refinery in the world and still thriving. Assam is endowed with rich reserves of Minerals and Hydrocarbons like Oil and Natural gas, Coal, Limestone, Granite, etc. As on date Assam has four refineries at Digboi, Numaligarh, Guwahati and Bongaigaon with a capacity of 7 Million MT per annum. Assam has also installation of ONGC and Oil India Ltd.

For decades, tea has been a major export item and the state produces more than half of the total tea of the country. Today, 761 big Tea Gardens and more than 1 lakh Small Tea gardens produce an average of 630 million kgs. of tea which is more than 50% of the Country's total tea production. Tea is the major item of export from Assam.

Apart from Tea, Petroleum products, Cosmetics, Pharmaceutical products, Textiles, Food products and Agro and Horticulture produces, ornamental fishes, Agar oil, etc also exported from the state.

2.0 Objectives:

The objectives of the policy are:

- a. to boost exports where Assam has competitive advantage through increased market penetration as well as to explore new markets for the products of Assam;
- b. to enhance the ease of doing exports through creation of simple, effective and efficient institutional mechanisms, simplified processes and efficient organization and coordination with the stake holders ;
- c. to strengthen the export infrastructures of the state such as Inland Container Depots(ICDs), Border Trade Centres, Common Facility Centres, Integrated Cold Chain, Logistic Park, River ports and material handling facilities , Air

- Cargo facilities, quality testing labs, connectivity to ports, Integrated Cold Chain, etc ;
- d. to establish product specific parks like Tea Parks , Bamboo Parks, Food park , Pharmaceutical parks, Plastic parks , etc;
- d. to setup a branch of Indian Institute of Foreign Trade in the state ;
- e. to promote service sector exports by creating adequate infrastructure and training to utilize the state’s large pool of available skilled human resources;
- f. to promote frequent trade delegation , branding of Assam products , technology transfer , language learning institution , etc.;
- g. to promote Assam's export to a higher trajectory with gainful employment ; and
- h. to support and transform small business and artisans through cross border e-commerce.

3.0 Focus Sectors:

Based on comparative advantage of the state in terms of resource endowments, and in line with the industrial base of the state, the focus sectors for exports from the state would include, among others,

- 3.1 Tea
- 3.2 Agro and allied products, Food Processing, Floriculture, Organic farming, Bamboo products, Ornamental fishes & pisciculture and Medicinal & Aromatic products ;
- 3.3 Sericulture, bamboo, traditional Handloom and Handicraft products;
- 3.4 Hydrocarbon products, Plastics and Petrochemicals;
- 3.5 Industrial sector like Cement, Steel, Pharmaceuticals, Cosmetics, Health and personal products, Plastic, etc;
- 3.6 Information Technology related products like IT/ITES, Financial Services, FinTec, BOP, e-commerce, etc;
- 3.7 Tourism including medical tourism, Hospitality and wellness;
- 3.8 Healthcare and Education; and
- 3.9 Skill development and development of women entrepreneurship.

4.0 Policy Period:

The Export and Logistic Policy of Assam, 2019, shall come into force from the date of notification and shall remain in operation for a period of 5 (five) years or till date the declaration of new or revised policy, whichever is earlier.

5.0 Strategy & Measures:

With the objectives of the Policy, the state government would undertake requisite measures, which would include:

- A. Infrastructural Support;
- B. Institutional support;
- C. Improved policy framework and regulations;
- D. Information dissemination and
- E. Incentives.

5. A. Infrastructural Support

- i. The state shall encourage projects for development of exports undertaken under Trade Infrastructure & Exports Scheme (TIES) or any other central or State funded schemes.
- ii. Setting up or upgradation of export related infrastructure and logistics like state-of-art Multi Modal Logistic Parks (MMLP) , Logistic Park, Spices Park , Inland Container Depots (ICD), Container Freight Stations (CFS), Air Cargo Facilities, Common Facility Centres, Pack houses, Integrated Cold Chain facilities, Vapour Heat Treatment (VHT) facilities, Export Products exhibition Centre, Quality Testing Centres and Trade facilitation centres, product specific Industrial Parks, etc.
- iii. Ensuring supply and availability of quality power, high speed internet, facility etc. at Land Customs Stations (LCSs) and other infrastructures created for Export & Logistic support.
- iv. The state shall endeavor to improve the road connectivity to Border Trade Centres, LCSs, River ports, Industrial parks, railway stations etc. to easy

access as well as to reduce the cost of transportation in a time bound manner.

- v. Improve the LCS Infrastructure.
The State government shall encourage.
 - a. Development of warehouses, cold storages needed for perishable and non-perishable products
 - b. Modernization of existing terminals with increased number of entry points and separate lanes for perishable items,
 - c. Provision of drinking water, toilets, ATMs, Banks and medical facilities, construction of shed for vehicles in the parking lots.
- vi. Creating Towns of Export Excellence (TEE):
The State shall explore the possibility of identifying towns that could be notified as Town of Export Excellence (TEE) and pursue with DGFT for notification of such Towns, on the basis of their potential for growth in exports. This recognition will maximize their potential, enable them to move higher in the value chain and tap new markets.
- vii. Development of Quality management infrastructure:
The state government shall endeavor to take the following measures towards stepping up quality and standards of the exports, with the assistance of various private partners, central institutions and departments:
 - a. Up-gradation of existing quality of products through more research& development, creation of Irradiation & Individual Quick Freezing (IQF) Facilities, and appointment of quality inspection Agencies.
 - b. Efforts to be made to tie-up with national laboratories like, NIFT, NID, CLRI, CFTRI, Indian Institute of Packaging, Phyto Sanitary Laboratory, Textile Lab, etc. to set up testing and certification infrastructure in the State.
 - c. Emphasis on opening up of accredited Testing labs closer to business centres / district centres to save time and cost.
- viii. Information dissemination:
The Government shall make efforts to increase the availability and access of information regarding the existing infrastructure facilities for exporters to increase efficiency.

5.B. Institutional support for export promotion

i. Formation of Assam State Export Council (ASEPC)

(1) For effective coordination of export efforts and related issues, Assam State Export Promotion Council (ASEPC) would be set up under the Chairmanship of Minister of Industries & Commerce and Member Secretary would be the State Export Commissioner. State Government may induct member/s from the State/Central Government departments/organizations including the representatives from the Trade & Industries/ Export organizations.

(2) The ASEPC would be an Advisory Body under the department of Industries & Commerce and also act as a nodal agency to guide and provide assistance to exporters, to facilitate in obtaining clearances from other departments, resolving problems and issues faced by exporters, and coordinating with concerned authorities in the Central/State Government.

(3) The Committee will facilitate interdepartmental co-ordination, procedural formulation for export promotion and regular review of progress of various export infrastructure works and export promotion schemes, target based Performance monitoring of state export councils and overall export performance.

(4) The committee shall endeavor to strengthen linkages with export promotion councils, state trade associations, International trade bodies, FIEO (Federation of Indian Exports Organization), ITPO (India Trade Promotion Organization), NCTI (National Centre for Trade Information) and Sectoral Associations and proactively establish a streamlined coordination mechanism.

(5) The Committee shall endeavor to create a Fast track Export Support Desk accessible to Chambers and Associations and individual to bring

issues and seek information.

ii) Develop Export Promotion Portal

(1)The state government shall develop a portal where various export related information and links will be provided.

(2)Information on export policies, Schemes, procedures, market research data (exporters list, export trends, result of study reports commissioned by government, etc.), information of available export logistics and infrastructure facilities, export promotion programs/ events, new government incentives, guidelines on standards and certification, etc will be available in the portal.

(3)It will also act as a platform for Publicity of Exporters of Assam.

(4)It shall endeavor to provide an interface for exporters and buyers of such exports to approach the government for enquiry, grievances in policy, procedure and implementation. It shall provide links to Complaint Resolution System of the Directorate General of Foreign Trade (DGFT) and links to all relevant departments, agencies, council/trade bodies.

iii) Skill Development & Capacity Building

The state shall take up with Govt. of India for setting up of a branch of Indian Institute of Foreign Trade (IIFT) for the North Eastern Region in the State for enabling the region to reap the benefit of Act East Policy. Setting up of the institute will facilitate the following:

(1) Training Professionals on trade promotion.

(2) Training to exporters to improve production of product as per Sanitary and Phyto sanitary standards/export certifications, CODEX Alimentations Standards and FSSAI standards.

(3) Encourage capacity building initiatives by industry associations and other organizations for prospective exporters through regular research on market identification, Products design, product identification, language learning, international tastes and references.

(4) State shall promote Skill training of Job roles under Logistic Sector Skill Council through dedicated training centres for the same.

iv) Export Promotion & Facilitation Strategies:

- a) **Recognition/ Award for export excellence:** Certificates of recognition / awards for best export performance in the thrust sectors; best efforts towards quality up gradation.
- b) **Promotion of export Clusters:** Small landholding pattern and low farmer awareness in Assam has often meant limited volumes of different potential sectors with little or no standardization. Export oriented cluster development across the State will be key to ensuring surplus produce with standard physical and quality parameters which meet export demands. The policy will support cluster based export.
- c) **Promotion of Value added export:** The export policy would focus on promotion of value added& indigenous products. India's export basket is dominated by products with little or no processing or value addition. These include non-forest produce, wild herbs, medicinal plants, extracts, lac, guar gum, essential oils, Tea, Handicraft etc. This would require intense export focused research for developing exportable products along with strong branding efforts. Policy would encourage such export focused research.

5.C. Improved Policy Framework & Regulations:

- i) The State government through the Export & Logistic policy framework, aims to disseminate information & encourage units to be Export oriented as well as to create adequate logistic support.
- ii) The state shall endeavor to streamline and liberalize existing state regulatory framework for exports by providing various permissions / clearances / registrations from different state Government Department /Agencies to the exporters
- iii)The state shall endeavor to take initiatives to promote Value Addition in exports of goods from Assam.

iv) Liberalizing Land Leasing norms for agri-business export

5.D. Information dissemination:

Information is key for Exports- Market information, Country specific studies; certification required by US, Japan and other advanced economies for organic and other exports, paper work required for Exports should be accessible online at the single Window Export promotion portal.

The state government shall endeavor to take the following measures-

- i. For successful export efforts, as also for potential exporters, it is essential to have access to information about trends in global trade of thrust sectors; demand pattern, tariffs and quality standards in target countries; WTO related issues and rules; Central Government schemes and incentives. State Govt. will engage an Expert Agency to survey & create a database for benefit of the Exporters of the state.
- ii. For marketing & export promotion, a special cell will be created at "Assam Trade Promotion Organization (ATPO)" which would provide comprehensive market information to the exporting community.
- iii. The state shall initiate to send Trade delegation/s to neighboring countries/focus countries to enhance export from the State on a regular basis. Similarly, regular participation in International Trade fair/ Trade Shows will be arranged abroad, where the products of Assam have a favourable market.
- iv. Conducting master classes on documentations, certification best practices with the help of export councils and industries associations.
- v. Setting up of a dedicated international trade and export promotion convention Centre for regular display of export products, conducting regular Visits of Foreign Trade Delegations, International Buyers and Sellers meets and interactive sessions between agencies of ASEPC and exporters.
- vi. Increased Promotional activities such as Buyers- sellers Meet (BSM), Participation in Fairs by state at key markets across the world, hosting of Reverse BSM.

5.E. Incentives:

State Government proposes to provide following subsidies/incentives for development of export from the State. These are:

(1) Capital Investment Subsidy:

Capital Investment subsidy in form of reimbursement for creation of export Infrastructure like Multi Model Logistic Park (MMLP), Logistic Park, Inland Container Depot (ICD), Container Freight Station (CFS), Air Cargo Facilities , Common Facility Centre , Pack house , Cold Storage , integrated Cold Chain facility , Irradiation facility , Individual Quick Freezing (IQF) facilities , Vapour Heat Treatment facilities , State of Art Quality Control Laboratory with NABL accreditation to support Export @ 30% of the eligible fixed capital Investment subject to a ceiling of Rs.10 (ten) Crore.

(2) Capital Investment Subsidy for reefer vehicle, etc.

Capital investment subsidy in form of reimbursement shall be available for purchase of insulated, reefer transport/mobile pre cooling units @ 30% subject to a ceiling of Rs.1 (one) Crore.

(3) Capital Subsidy for setting up of Primary Production Centres:

Capital subsidy in form of reimbursement shall be available for the setting up of Primary Processing Centre (PPC) for Agri-Horticulture produces @ 30% subject to a limit of Rs.1 (one) Crore.

(4) Subsidy for obtaining Quality Certification:

subsidy in form of reimbursement shall be available for obtaining Organic certification, Quality certification, ISO, ZED, etc @50 % subject to a ceiling of Rs. 50 (fifty) lakh.

(5) Freight Subsidy:

Freight Subsidy in form of reimbursement shall be available on Air freight from the Airport of Assam to Foreign destination for the Agro-Horticulture Products, Food Processing, Ornamental fishes, Floriculture products, Handicraft & Handloom products, Tea, Jute, Bamboo & other products based on locally available raw materials of the State @20% subject to a ceiling of

Rs.50 Lakh only per annum for a period of five years per unit. Industries engaged in products based on raw materials from outside the State shall not be eligible for Freight Subsidy.

6. Awareness Generation:

The state government shall make efforts towards generation of awareness amongst the entrepreneurs about the Export Market, its potential to generate incremental incomes. Seminars/workshops will be organised about the policies, procedures and incentives. The state shall endeavour to promote such export oriented units through participation in trade fairs, meetings and other export promotion events aiming at developing direct buyer-seller relationships.

7.0 Definition and Eligibility:

7.1 Incentives under the policy shall be applicable to the Proprietorial firm, Partnership firm, Cooperative Societies, Limited liability Companies (LLP), Private Limited Company, Limited Company, Trust, Non-Government Organization (NGO), FPO/FPC as well as such infrastructure created by State Government. Central Government agency/ Public sector undertaking shall not be eligible for any incentives under the Policy. For eligibility, following are the essential conditions to follow:

7.1.1 Logistic Park, a logistic park should have a single stretch of minimum 30 acre of land (usable for the purpose) for development, with minimum built up area of 3,00,000 sq ft. The minimum fixed capital investment should be Rs.30 Cr for development of infrastructure in the Logistic Park.

7.1.2 For Container Freight Station (CFS)/ Inland Container Depot (ICD), minimum land area should be 10 acres and with minimum investment of Rs.30 Crores.

7.1.3 For creation of Integrated Cold Chain facility, IQF, Irradiation, VHT, laboratory minimum land area should be 1 acre with minimum investment of Rs.10 Cr.

7.1.4 For creation of Primary Processing Centre (PPC) land area should be minimum of 1 bigha with minimum investment of Rs.1 (one) Crore

7.2 The applicant unit has employment of minimum 80 % people of Assam in the Managerial Cadre and minimum 90% people of Assam in Non Managerial Cadre.

7.3 The applicant unit should follow the existing rules & regulations related to environmental clearances, construction regulations, standard norms, Labour laws etc. from the competent authority.

7.4 Applicant availing benefit under the Export & Logistics Policy will not be eligible for benefits of similar nature offered under any other policy/scheme of Govt. of Assam. They will be eligible for any incentive from Government of India.

7.5 Fixed Capital Investment means and includes investment in plant and machinery and land and building connected directly for the infrastructure. The investment in land shall mean the cost of land (used only for utilities) derived from registration value of land or the actual cost of the land, whichever is lower. While the proportionate stamp duty and registration fee shall for the part of the cost of the land.

The cost of development of land, preliminary and pre-operative expenses, interest during the construction period, consultant fees, margin money for working capital shall not be considered as fixed capital investment in the purpose of calculating subsidy.

7.6 The applicant unit should have loan component of minimum 20% of the project cost, from any Bank or Financial Institution and should provide the project appraisal of Bank/Financial Institution to competent authority.

7.7 Units availing incentives under the policy shall continued their operation at least 5 (five) years from the date of receipt of the incentives under the policy. In case of closed down of the unit within the stipulated time, the amount so far released as incentives shall be recovered with prevailing rate of interest within three months.

8.0 State Level Committee (SLC):

A State Level Committee (SLC) shall be constituted with the following members, viz:

1	Sr. most Secretary to the Govt. Industries and Commerce Department	Chairman
2	Sr. most Secretary to the Govt. of Assam, Finance Department,	Member
3	Sr. most Secretary to the Govt. of Assam, Revenue and DM Department	Member
4	Sr. most Secretary to the Govt. of Assam, Environment & Forest Department	Member
5	Sr. most Secretary to the Govt. of Assam, Agriculture Department	Member
6	Sr. most Secretary to the Govt. of Assam, Panchayat & Rural Development Department	Member
7	Sr. most Secretary to the Govt. of Assam, Power Department	Member
8	Sr. most Secretary to the Govt. of Assam, Urban Development Department	Member
9	Sr. most Secretary to the Govt. of Assam, Transport Department	Member
10	Sr. most Secretary to the Govt. of Assam, PWD Department	Member
11	Regional Director, Airport Authority of India or his representative	Member
12	Chief General Manager, NF Railway or his representative	Member
13	Regional Director, Customs	Member
14	Managing Director, APDCL	Member
15	Managing Director, AIDC Ltd	Member
16	Representative from APEDA	Member
17	Representative from FIEO	Member
18	Jt Director, Directorate General of Foreign Trade	Member
19	Commissioner of Industries & Commerce cum Export Commissioner, Assam	Member Secretary

Terms of References:

(i)	The Committee shall scrutinize and approve the proposal for subsidies /incentives under the policy.
(ii)	The Committee shall suggest to Government any modification or alteration or addition or deletion of any part of the policy from time to time.
(iii)	The Committee shall meet as and when required and at least once in a quarter.
(iv)	At least five members including Chairman and Member Secretary shall be necessary for any sitting of the committee.
(vi)	The Chairman may co-opt any expert/s, officer for specific proposal.

9.0 Right of the State Government:

- a. The Department of Industries and Commerce, Government of Assam reserves the right to amend any provision(s) including amendment or withdraw any of the incentives/subsidies as and when necessary for development of export and in the interest of the general people of the State from time to time under the provision of the policy.
- b. The Department of Industries and Commerce, Government of Assam reserves the right to review the matter regarding sanction/disbursement of subsidies/incentives to the eligible unit(s) and in this connection; the State Government's decision shall be final and binding.

10.0 Operational Guidelines:

A set of operational guidelines including application forms, procedures, checklist, etc for getting various incentives will be issued separately.