



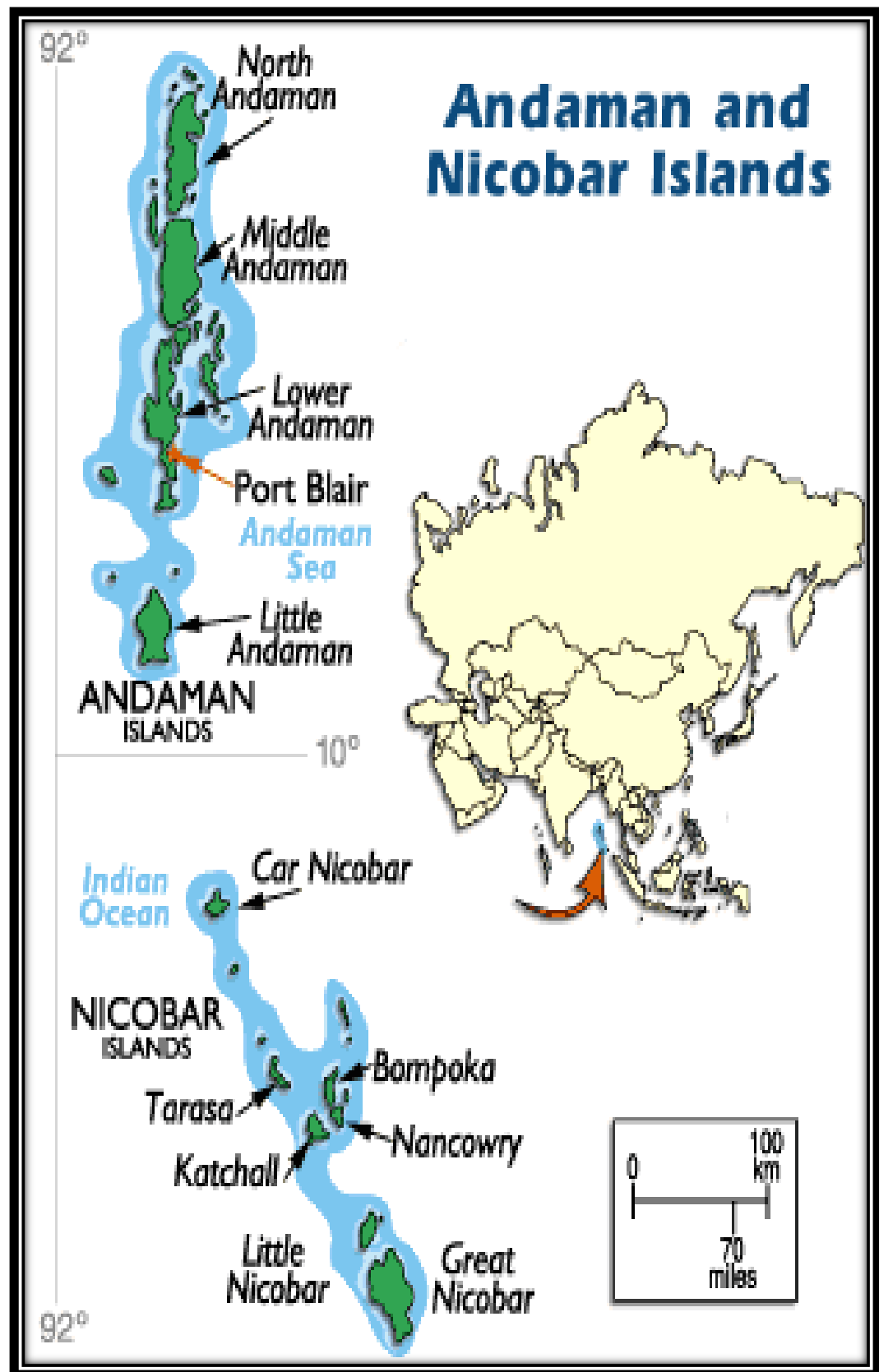
सूक्ष्म, लघु एवं मध्यम उद्यम  
MICRO, SMALL & MEDIUM ENTERPRISES

## Industrial Profile of Andaman & Nicobar Islands



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## **FOREWORD**

Micro, Small and Medium Scale sector is a dynamic and vibrant Sector as also the backbone of Indian Economy in terms of employment and Exports. It is a vital constituent of the total Industrial Sector. The Sector has been contributing significantly to the National GDP, besides meeting the social objectives of the country in India. It provides opportunities for millions of unemployed youth.

In Andaman and Nicobar Islands, 2433 number of Micro and Small Industrial Units have been registered upto 31.3.2015 with the cumulative investment of Rs. 65.7 Cr, providing employment to over 12K persons, mainly the islanders. The undulating islands, being located in the middle of the sea in the Bay of Bengal, is blessed with dense forests and endless variety of exotic flora and fauna. The topography of the islands is hilly and abounds in evergreen forests. The sandy beaches on the edge of the meandering coastline are fringed with coconut palms that sway to the rhythm of the sea. The sea around the islands offers excellent scope for adventurous water sports. The rare flora fauna, under water marine life and corals, crystal clear water mangrove-lined creeks, offer a dream view of the rare gifts of nature and attracts tourists.

Unfortunately, due to its demographic and topographic conditions, especially sea being in the middle between the mainland and the islands, the pace of industrialization process remains rather slow. Lack of infrastructure facilities including slow and interrupted internet speed, transportation bottlenecks, lack of skilled manpower, low population density, scattering of population in scattered islands, lack of market, lack of raw materials etc. etc. contribute to the slow pace of Industrialisation, despite of the fact of having plethora of incentive schemes of the

Administration and Government of India. Medium to heavy rains around 8-9 months in a year also contribute to the slow pace of industrialization.

The Branch Micro, Small and Medium Enterprises Development Institute, Port Blair acts as a nursery for the development of entrepreneurial talent by appropriately hand-holding and providing necessary guidance to set up or upgrade the enterprises.

Keeping aside, all the constraints, I have tried to compile the information to bring out a meaningful brief on Industrial Profile of Andaman and Nicobar Islands. I am happy to place on records the efforts put in by Shri M. K. Anjanaiah, Assistant Director Gr.I (Electronics) for collecting the information, Shri V. P. Singh, Assistant Director Gr.I(Electrical) and all other officials of this Institute for their assistance in bringing out the State Industries Profile of Andaman and Nicobar Islands.



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## **ANDAMAN AND NICOBAR ISLANDS AT A GLANCE**

<b>Location : Bay of Bengal</b> <b>No. of Islands : 572</b> <b>Inhabited islands: 37</b> <b>Seismic Zone V( Most Severe)</b> <b>Climate : Tropical</b> <b>Average Rain : 3200 mm</b>		
<b>Longitude- 92° to 94° East Latitude- 6° to 14° North</b>		
1.	Geographical Area 8249 Sq km	Rural 8211.08, Urban 37.92
2.	Total Forest Area : 7170.69 Sq Km (86.93%)	Reserved Forest- 5612.43
	Deemed Forest :162.5 Sq Km ( 1.97%)	Protected Forest - 1558.26
3.	Water bodies, coastal land(intertidal zone), mudflats, coral reefs etc.	394.54 Sq Km ( 4.79%)
	Main Rivers	Kalpong( North Andaman), Galathea, Alexandra(Great Nicobar)
4.	Coast line	1962 km ( more then 1/4 <sup>th</sup> of India's 7500km)
5.	Revenue area available (excluding submerged land of 12.44 Sq Km after tsunami)	520.96 Sq Km (6.31%)
6.	Biggest Inhabited Island (sq km)	Middle Andaman-1536
7.	Smallest Inhabited Island (sq km)	Curlew island (0.03 sq km)
8.	Southern most Island	Great Nicobar
9.	Northern most Island	East Island
10.	Altitude (Highest Point) (Mtr.)	Saddle Peak 732 mtr
11.	Inhabited Island	37 (Middle Andaman-14, South Andaman-10,Great Nicobar-13)
12.	Actual Rainfall during2013 (mm)	3674.34 mm
13.	Population (2011 Census)	380581
		Male- 202871, Female- 177710
14.	Population Density(per sq.km)	46

15.	Sex Ratio(Females/1000 males)	876
.	Tribal Population	28530 Male- 14731, Female 13799
17.	Working Population	152535 Male 120889, Female 31646
18.	No. of Districts	3 (North & Middle Andaman, South Andaman and Nicobar)
19.	No. of towns	1 (Port Blair)
20.	Literacy rate	86.63% M-90.27% F-82.43%
21.	Tehsil	9
22.	Developmental Block	9
23.	Municipal Council	1
24.	Panchayat	69
25.	Panchayat Samiti	7
26.	Zilla Parishad	2
27.	Tribal Council	7
29.	Tribal Village Council	52
30.	Length & Breadth of Andaman group of Islands	Total Length 467 Kms, Maximum Width 52 kms, Average width of Islands 24 km
31.	Length & Breadth of Nicobar group of Islands	Total Length 259 Kms, Maximum Width 58 Kms
32.	Distance of Port Blair from Chennai, Kolkata and Vizag.	About 1200 km
33.	Distance of Port Blair from Delhi	2476 km
34	Municipal Council, Port Blair (Particulars 2014)	1. No. of Wards -18 2. Population (2011 Census)- 1,08,058 3. Member of Parliament- 1 4. Area covered by Municipal 17.74Sq.Km.
35	Banks (Lead Bank: SBI, Port Blair) A) Commercial Banks: B) Cooperative Bank	58 branches 41 branches

36.	Fish (production in 2013-14): A) Marine Fish B) Inland	36753 MT 195 MT
37.	Major Crops in A&N Islands (During 2013-14) Coconut (M/nuts) Aeracanut Paddy Pulses Oil Seed Vegetables Fruits	Area(Hect)      Prodn (MT)  21900.00      128.95 4290.90      9966.40 8005.20      24368.20 578.25      279.54 40.40      14.23 5693.50      33597.00 3620.95      31390.60
38	Power Installed Capacity( as on 2013-14) (Main source of power is DG Sets. However, 1 hydro plant in N&M , and 1 solar plant in SA distt. is also installed)	104640 KWH Rural : 40870 KWH Urban: 63770 KWH
39	District-wise Installed capacity (KWH) North & Middle Andaman South Andaman Distt Nicobar Distt	Installed capacity(KWH) 72120 20330 12190
40	No. of Industrial Estates	7
41	No. of Large and Medium Scale Enterprises	NIL
42	No. registered MSEs ( as on 31.3.2015)	2433
43	No. of Employment through MSEs ( as on 31.3.2015)	12348
44	Cumulative investment (Amount Rs. in lakh)	6568.78
45	Cumulative Production through MSEs ( as on 31.3.2015) (Amount Rs in lakhs)	33058.97
46	No of Departmental Training Centres under Directorate of Industries	11
47	No. of Engg. Colleges	1
48	No. of ITI	1
49	No. of Rajkiya Mahavidhyalay	1
50	University Campus (Extension)	1
51	CPSU (Forest Plantation & Development Corporation, Port Blair)	1
52	Air Port	Port Blair
53	Telephone Exchange	51

54	Head Post Office Sub post Offices	1 at Port Blair 26 ( 7-N&M, 15 SA, 4 Nic distt.)
55	Employment Exchange	1 at port Blair
56	Transport vehicles ( During 2013-14): Motor Cycle/Scooter/Moped Lorry/Truck Bus 878 958 1007 Car/ Taxi Omni & jeep(LMV) Auto Others Total	60354 2564 1007 19383 3661 556 87525
57	Shipping Transport (as on 31.3.2014) A. Passenger Vessels: Mainland Inter Island B. Foreshore: Pax cum-Cargo Vessel C. Cargo Vessel: D. Pax-cum-Vehicle Ferry: E. Landing Ferry : F. Harbour Ferry Service : Ferry Vessel/Motor Launch G. Other Type of Vessel /Charter vessel for Inter Island	5 5 17 5 14 2 22 14
58	Air Transport Services from Port Blair to :	Kolkata, Chennai, Bhuvneshwar, Vizag and Delhi
59	Helipad	18 ( 8-SA, 3- N&M, 7- Nic)
60	Shipping Transport services from Port Blair to Mainland:	Kolkata, Chennai
61	Shipping Transport Services from port Blair to Inter-island:	Diglipur, Mayabunder, Havelock, Hutbay(Little Andaman), Nicobar group of islands
62	Road transport from Port Blair to Mainland	NIL
63	Road transport from Port Blair to island	Baratong, Rangat, Mayabunder, Diglipur
64	Rail transport	NIL ( No service)

65	Hospitals  Community Health Centre Urban Health Centre Homeo Dispensary Ayurvedic Dispensary Beds available	4 ( 2 including Ayush in South Andaman Distt and 1 each in N&M Distt and Nicobar Distt ) 22 (10-SA, 8-N&M, 4 Nic) 5 (5-SA, 0-N&M, 0- Nic ) 7 (1-SA, 3-N&M, 3 Nic ) 1 ( 1-SA, 0-N&M, 0 Nic 1065 ( 650-SA,220-N&M, 195 Nic )
66	Exclusive Economic Zone(EEZ)	6 lakh Sq Km (1/4 <sup>th</sup> of India's 22 lakh sq Km)

## **CHAPTER 1**

### **Brief about Andaman and Nicobar Islands**

#### **1.1 Introduction:**

Andaman and Nicobar group of islands is an archipelago of 572 islands, covering an area of 8249 Sq Km, spread over about 780 KM from North to South in the south eastern part of Bay of Bengal. Of these, only 37 are permanently inhabited. The islands extends from 6° to 14° North latitudes and from 92° to 94° East longitudes. The Andamans are separated from the Nicobar group by a channel (the Ten Degree Channel) some 150 km (93 mi) wide. The highest point is located in North Andaman Island (Saddle Peak at 732 m (2,402 ft)). The Andaman group has 325 islands which cover an area of 6,408 km<sup>2</sup> (2,474 sq mi) while the Nicobar group has only 24 islands with an area of 1,841 km<sup>2</sup> (711 sq mi). It is believed that the Andaman and Nicobar group of islands, also known as Bay islands, which lies in the Bay of Bengal, once formed a part of a continuous mountain range, stretching in a curve from a cape Negrais in Burma to Achin Head in Sumatra. Cape Nagrais was extension of the Arakan hill range which in then, is one of a series of ranges that run down the eastern Himalayas.

Often described as islands of marigold sun, these are known throughout the country as 'Kala Pani' because of their having been a penal settlement under the British Rule, a reputation fast shedding since independence. The Important islands from economic point of view are North & Middle Andaman District, South Andaman District, Long Island, Niel Island, Havelock island, Little Andaman, Car Nicobar, Katchal, Nancowrie, Terressa and Great Nicobar.

The Northern most point is a land fall island which is about 901 km away from the South of Hooghly River and about 190 km from Myanmar(Burma). The Southern most point is the island of Great Nicobar which is about 150 km away from Sumatra (Indonesia). Neighboring countries are Myanmar, Singapore, Malaysia, Indonesia, Thailand. The capital of Andaman & Nicobar Islands is Port Blair which is about 1200 Km from Vishakhapatnam, Chennai, and Kolkata.

Andaman & Nicobar Islands are blessed with a unique tropical rainforest canopy, made of a mixed flora with elements from Indian, Myanmarese, Malaysian and endemic floral strains. In total 2654

species under 237 families and 1083 genera (including Angiosperms, Gymnosperms, Pteridophytes and Bryophytes) are found in these Islands. 308 are taxa endemic to these Islands. More than 350 species are of medicinal values as per Traditional Knowledge Practitioners(TKP).The exploitation of these medicinal plants for commercial use is matter of policy decisions.

The South Andaman forests have a profuse growth of epiphytic vegetation, mostly ferns and orchids. The Middle Andamans harbours mostly moist deciduous forests. North Andamans is characterized by the wet evergreen type, with plenty of woody climbers. The North Nicobar Islands (including Car Nicobar and Battimalv) are marked by the complete absence of evergreen forests, while such forests form the dominant vegetation in the central and southern islands of the Nicobar group. Grasslands occur only in the Nicobars, and while deciduous forests are common in the Andamans, they are almost absent in the Nicobars. The present forest coverage is claimed to be 93.69 % of the total land area.

This typical forest coverage is made up of twelve types, namely:

1. Giant evergreen forest
2. Andamans tropical evergreen forest
3. Southern hilltop tropical evergreen forest
4. Cane brakes
5. Wet bamboo brakes
6. Andamans semi-evergreen forest
7. Andamans moist deciduous forest
8. Andamans secondary moist deciduous forest
9. Littoral forest
10. Mangrove forest
11. Brackish water mixed forest
12. Submontane hill valley swamp forest

### **1.2 Administrative Set Up:**

Hon'ble Lieutenant Governor is the Administrator of the Union Territory of Andaman & Nicobar Islands. Besides the Chief Secretary, Secretaries and Commissioners deal with different subjects and assist the Hon'ble Lieutenant Governor and the Chief Secretary in development and

policy frame work of the islands. There are various offices of Central Government that assist the promotion and development of the island in their respective areas. The Andaman and Nicobar Islands territory is divided into 3 districts, namely, North & Middle Andaman, South Andaman and Nicobar districts. The Administrative head of each district is the Deputy Commissioner.

There is 1 Lok Sabha Seat, 1 Municipal Council, 9 Tehsil( 1- Port Blair town), 69 Gram Panchayats, 7 Panchayat Samities and 2 Zilla Parishad in the Union Territory. The details of Districts, Tehsils and Panchayati Raj Institutions is given below:

**District, Tehsil and Panchayati Raj Institutions**

S No.	Districts	Tehsil	Gram Panchayat	Panchayat Samit	Zilla Parishad
1	North & Middle Andaman	Diglipur	15	1	1
		Mayabunder	8	1	-
		Rangat	14	1	-
2	South Andaman	Port Blair (Town)	10	1	1

		Ferrargunj	15	1	-
		Little Andaman	4	1	-
3	Nicobar Distt	Car Nicobar	-	-	-
		Nancowrie	-	-	-
		Great Nicobar	3	1	-
		Total	69	7	2

Directorate of Economic & Statistics Census-2011

### **1.3 Demography:**

Andaman group of islands and Nicobar group of islands together known as Andaman Nicobar Islands. The biggest island in the Andaman group is the Middle Andaman(1536 Sq Km) and the biggest island in the Nicobar group is the Great Nicobar (1045 Sq Km). The smallest island in the Andaman Group is the Curlew island( 0.03 Sq Km) and the smallest island in the Nicobar Group is the Pilomillow Island(1.3 Sq Km). The distance of Port Blair from Chennai, Kolkata and Vishakhapatnam is 1190 Km, 1255 Km and 1200 Km respectively from sea. The distance of Port Blair from Chennai and Kolkata is 1330 Km and 1303 Km respectively by Air. Language of the Andaman and Nicobar is Hindi. However, regional people use their regional languages.

### **1.4 Population:**

The population of Andaman and Nicobar islands is as per 2011 census is 380581, out of which Male population is 202871 and Female population is 177710. The total population residing in Rural area is 237093 which constitute 62.3 % and remaining 143488 (38.7 %) is Urban population. Sex ratio (female to thousand males) is 876 as per 2011 census.

The population of Andaman and Nicobar as per 2011 Census is 380581. Population density being 46 persons per square kilometer. The district-wise Population is as under:

#### **1.4.1. District-wise Population in Andaman and Nicobar Island**

<b>Population/District</b>	<b>North &amp; Middle Andaman Distt</b>	<b>South Andaman Distt.</b>	<b>Nicobar Distt</b>
Population (No.)	105597	238142	36842

#### **1.4.2. District-wise and Sex-wise population in A&N Islands**

North & Middle Andaman Distt		South Andaman Distt.		Nicobar Distt	
Male	Female	Male	Female	Male	Female
54861	50736	127283	110859	20727	16115

Andaman and Nicobar is a inherited with Scheduled Tribe population of 28549 as on 31.12.2013. There are six tribes namely, Andamanese, Onges, Jarawas, Sentinelese, Shompens and Nicobares. Their population is as under:

#### **1.4.3. Scheduled Tribe Population**

S No.	Name of Tribe	No.	Name of island where inhabited
1.	Andamanese	57	Strait Island
2.	Onges	112	Little Andaman
3.	Jarawas	425	South & Middle Andaman
4.	Sentinelese (Estimated)	50	North Sentinel Islands
5.	Shompens	219	Great Nicobar
6.	Nicobares	27686	Car Nicobar, Chowra, Teresa, Bampuka, Katchal, Kamorta, Nancowrie, Trinket, Little Nicobar, Kondul, Pilomilo, Great Nicobar
	Total	28549	

Source: Assistant Commissioner(TW), Directorate of Tribal welfare as on 31.12.2013.

#### **1.4.4. Socio Economic Features /Literacy:**

The population of Andaman and Nicobar islands is mixed population from all over India who came at different times. Therefore, there is a mixture of languages, religions and cultures and many a times these islands are described as miniature India. Predominantly amongst them are people who speak Tamil, Bengali, Hindi, Nicobari, Telugu and Malayam. The medium of communication between them is Hindi. Literacy is higher. Literacy rate is 86.63% of which Male literacy rate is 90.27% and Female literacy rate is 82.43%. Besides Government services in A&N Administration, Central Government offices, Defense Establishments, etc., the other economic activities include agriculture, plantation, fishing, servicing, trading etc. The Industrial growth is rather slow. However, the

Government agencies , Directorate of Industries, A&N Administration, Banks, NABARD, NGOs, Associations etc. are taking interests to develop the Industries and generate employment opportunities in the islands.

#### **1.4.5. Employment Exchange Applicants:**

There is 1 Employment Exchange at South Andaman and 1 District Employment Exchange in Car Nicobar District during 2013-14. There are 4 Assistant Employment Bureau. Total applicants on live register during 2013-14 are 40298, out which 22305 are Male applicants and 17993 were Female applicants.

#### **1.4.6. Topography and Soil:**

The Terrain is generally mountainous with long ranges of hills enclosing narrow valleys. The configuration of land clearly points to these islands being the visible ridges and summits of Sunken ranges of mountains, saddle peak in North Andaman in Andaman Group, at a height of 732 meters above sea level is the highest point in the islands. There are no great elevations and the slopes are moderate to steep and ragged. They are susceptible to heavy soil erosion. Flat lands are comparatively scarce. Heavy soil erosion is occurred during rain. Flat lands are found at Betapur and Diglipur.

The islands in the Nicobar Group are surrounded by coral reef and shallow seas . Long narrow stretches are of a silent features of the topography here. Car Nicobar and Katchal islands are almost flat whereas other have hilly terrain. The highest tarrain being 700 meters.

The little Andaman and Great Nicobar islands surfaces are irregular., cut up by steep hills and valleys. The soil is generally fertile. It varies from clay to clayey loam, gravel loam and sandy loam. Soil depth varies with slope. The devastating Tsunami/earthquake took place on 26-12-2004 has changed the geographical feature of some Islands.

#### **1.4.7. Climate & Rainfall:**

The climate of these islands generally remains tropical and warm tempered by pleasant sea breeze. The Islands remain exposed to both the monsoons North-Easterly gale from November to December and South Westerly gale from May to October. These Islands experience 8 to 9 months of rain. The normal annual rainfall ranges from 3428.54 during 2012 to 2597.76 in 2014. The temperature in Port Blair ranged from 23.0 degree Celsius to 34.3 degree Celsius during the calendar year 2014.

There is no extreme cold and heat in the islands, the mean maximum temperature being 31<sup>0</sup>C and the mean minimum temperature 24.8<sup>0</sup>C. The Islands are situated in mid-sea, hence humidity percentage is high. A Port Blair, the Humidity ranged from 70% to 89% during the calendar year 2014 at 8.30 Hrs and 17.30 hrs respectively. The mean relative humidity being 77% to 80 % ( Minima and maxima at 8.30 and 17.30 Hrs respectively. The wind speed varies from 2.8 km/hr. to 12.1 km/hr.

The maximum rain occurs during the period from May to December. The annual rainfall varies from 3350mm to 2500mm. The annual temperature, rainfall and wind speed of the Andaman Island for five years are given below :-

**Annual Rainfall (mm)**

<b>Year(Jan-Dec)</b>	<b>Andaman &amp; Nicobar islands</b>	<b>Port Blair</b>
2012	3428.54	3465.2
2013	3672.34	3405.4
2014	2597.76	2877.0

Source : Directorate of Economics & Statistics, A & N Administration

## **CHAPTER-2**

### **Resources:**

#### **2.1. Human Resources:**

Human resources in Andaman and Nicobar Islands for development of Industries are limited due to its low population density of 46 persons per square kilometer and low population of 380581 as per Census 2011. The distribution of Working population in Rural and Urban Area of the Union Territory as per Census 2011 is as under:

##### **2.1.1. Distribution of working population :**

<b>Major Activities</b>	<b>Total</b>	<b>Rural</b>	<b>Urban</b>	<b>%</b>
<b>Total workers</b>	152535	94469	58066	<b>40.08</b>
<b>1. Main Workers</b>	125910	72366	53544	33.08
i) Cultivators	12997	12706	291	3.42
ii) Agricultural labourers	2680	2562	118	0.70
iii) House hold Industry workers	1390	1017	373	0.37
iv) Other workers	108843	56081	52762	28.60
<b>2. Marginal Workers</b>	26625	22103	4522	6.99
i) Cultivators	3570	3479	91	0.94
ii) Agricultural labourers	2101	2058	43	0.55
iii) House hold Industry workers	2337	2263	74	0.61
iv) Other workers	18617	14303	4314	4.89
<b>3. Non-Workers</b>	228046	142624	85422	<b>59.92</b>
<b>Population of A&amp;N Islands</b>	<b>380581</b>	<b>237093</b>	<b>143488</b>	<b>100.00</b>

as per 2011 census

#### **2.2. Agriculture and Allied Resources:**

Agriculture in Andaman and Nicobar Islands is about a century old. As the topography of the Islands is hilly and soil is not fertile enough in all Islands, agricultural activities could not flourish as desired. The major cultivable areas are Diglipur, Havelock, Neil and some pockets in south Andaman. The crops produced in these Islands are paddy, pulses, vegetables, banana, sugarcane, chilies, sweet potato, tapioca, etc. As per figures reported by Directorate of Statistics, 24368.20 MT Paddy was produced in 8005.20 Hactare land; 71.36 Tonnes of sugar cane was

produced in 269.5 hectare during 2013-14. Regarding Spices, 641.30 MT Chilly in 329.5 Ha land was produced in 2013-14. Other spices produced include Black Pepper, Ginger Turmeric, Nutmeg, Cinnamon and cloves etc.

Coconut and Arecanut continue to be important plantation crops for setting up Food based industries in these islands. Besides, Paddy, Banana, Papaya, Jackfruit, Mango, Pineapple, Rubber, Spices, Cashewnut etc. are also available for Food and Agro based industries.

District-wise area and production of main agricultural produce are given in the table below during 2013-14:-

**2.2.1 District-wise area and production of main Agricultural Produce during 13-14**

Crop	Area in Hactare				Production in MT			
	SA	N&M	Nic	Total	SA	N&M	Nic	Total
<b>Cereals</b>								
Paddy	317.30	7685.25	2.65	8005.20	1187.95	23170.74	9.51	24368.20
Maize	45.00	75.40	9.66	130.06	111.50	176.10	5.06	292.66
<b>Pulses</b>								
Green Gram	14.00	305.15	0.00	319.15	7.60	131.28	0.00	138.88
Black Gram	6.50	242.28	6.32	255.10	3.10	111.86	2.50	117.46
Arhar	0.50	1.00	0.00	1.50	0.20	3.00	0.00	3.20
Cowpea (Jai Bangala)	0.00	2.50	0.00	2.	0.00	20.00	0.00	20.00
<b>Total</b>	<b>21.00</b>	<b>550.93</b>	<b>6.32</b>	<b>578.25</b>	<b>10.90</b>	<b>266.14</b>	<b>2.50</b>	<b>279.54</b>
<b>Oilseeds</b>								
Seasam	0.00	29.50	0.00	29.50	0.00	6.29	0.00	6.29
Groundnut	1.20	0.50	0.00	1.70	0.92	0.50	0.00	1.42
Mustard	0.00	9.20	0.00	9.20	0.00	6.52	0.00	6.52
<b>Total</b>	<b>1.20</b>	<b>39.20</b>	<b>0.00</b>	<b>40.40</b>	<b>0.92</b>	<b>13.31</b>	<b>0.00</b>	<b>14.23</b>

Sugar Group								
Sugarca ne	57.50	201.00	11.00	269.50	2058.00	4704.60	373.4	7136.00
Spices								
Chillies	117.50	206.30	5.70	329.50	289.00	346.70	5.60	641.30
Black pepper	405.50	160.20	7.60	573.30	61.25	13.82	1.45	76.52
Ginger	80.60	101.00	5.40	187.00	485.30	916.00	16.30	1417.60
Turmeri c	17.07	63.40	0.00	80.47	162.10	559.50	0.00	721.60
Nutmeg (Nos.)	42.50	19.60	1.95	64.05	3.30	1.40	0.20	4.90
Clove	93.00	20.40	5.30	118.70	5.80	3.63	0.30	9.73
Cinnam on	62.72	63.20	9.36	135.28	14.85	18.02	3.08	35.95
<b>Total</b>	818.89	634.10	35.31	1488.30	1021.60	1859.07	26.93	2907.60
Plantation Crops								
Coconut (M/nuts)	3560.00	3685.00	14655.00	21900.00	16.00	16.80	96.15	128.95
Aercanut	2235.00	1165.40	890.50	4290.90	5610.50	3509.90	846.0	9966.40
Cashew -nut	29.50	131.20	1036.90	1197.60	21.80	54.80	302.3	378.90
Fruits								
Banana	304.00	1343.50	170.00	1817.50	3478.00	9263.80	1300.5	14042.3
Mango	80.50	295.88	26.00	402.38	351.50	3420.80	80.70	3853.00
Papaya	66.00	107.50	149.90	323.40	1210.00	705.00	786.0	2701.00
Citrus fruits	38.30	277.80	32.30	348.40	73.60	2186.34	46.00	2305.94
Pineappl e	30.15	37.62	51.50	119.27	1915.40	241.46	145.5	2302.36
Sapota	96.50	172.00	8.12	276.62	120.60	3042.00	123.87	3286.47
Miscella neous	65.85	166.40	101.13	333.38	185.20	2214.40	499.93	2899.53

<b>Total</b>	<b>681.30</b>	<b>2400.70</b>	<b>538.95</b>	<b>3620.95</b>	<b>7334.30</b>	<b>21073.80</b>	<b>2982.5</b>	<b>31390.6</b>
<b>Root Crops</b>								
Sweet Potato	55.50	104.39	8.51	168.40	855.50	1787.00	50.70	2693.20
Tapioca	33.00	184.23	21.99	239.22	547.50	3503.80	195.30	4246.60
Others	97.50	164.95	210.53	472.98	5188.50	2448.47	1526.23	9163.20
<b>Total</b>	<b>186.0</b>	<b>453.6</b>	<b>241.0</b>	<b>880.6</b>	<b>6591.5</b>	<b>7739.3</b>	<b>1772.2</b>	<b>16103.0</b>

### **2.2.2. Animal Husbandry Resources:**

Livestock resources is an important resources involved directly and indirectly for the development of agriculture. It also provides nutritious feed in many ways. Cattle, buffaloes, sheep, goat, pigs are the available livestock in these islands. The number and quantity of these live stock are not sufficient to meet the demand of milk in these islands. The availability of hides and skins are not sufficient to set up industries based on them. However, a semi-finished tannery unit in very small way can be set up in these islands.

There is a good scope of goattery and cattle farming in these islands. Poultry units, broilers units are coming up in these islands. Livestock population in Andaman and Nicobar islands is shown below as per census 2012:

#### **2.2.2.1. Livestock population in Andaman and Nicobar islands is shown below:**

<b>Livestock</b>	<b>A &amp; N Islands Total</b>	<b>North &amp;Middle Andaman</b>	<b>South Andaman</b>	<b>Nicobar</b>
Cattle	45625	25049	17927	2649
Buffaloes	7863	6849	985	29
Goats	65324	30039	27564	7721
Pigs	35921	10062	3075	22784
Donkey	4	4	0	0
Horse and Pony	10	0	10	0
<b>Total Livestock</b>	<b>154747</b>	<b>72003</b>	<b>49561</b>	<b>33183</b>

Rabbit	64	19	44	1
Dog	27969	12424	11107	4438
Elephant	93	76	17	0

as per census 2012

### **2.2.3. Category-wise poultry population (Livestock census 2012):**

The category-wise poultry population as per livestock is as under:

<b>Poultry</b>	<b>A &amp; N Islands Total</b>	<b>North &amp; Middle Andaman</b>	<b>South Andaman</b>	<b>Nicobar</b>
Cocks	127149	72290	29976	24883
Hen	274475	153680	90177	30618
Chicken	221391	100553	87313	33525
Drake	36797	29061	7501	235
Duck	28941	22718	5815	408
Duckling	27887	21830	5944	113
Turkey	98	16	69	13
Other Poultry Birds	575	43	512	20
Quils	1096	140	956	0
Poultry in farms	446944	1781	437149	8014
<b>Total</b>	<b>1165353</b>	<b>408345</b>	<b>665412</b>	<b>91596</b>

As per census 2012

### **2.2.4. Estimated Milk and Egg Production & Sales, 2013-14:**

The estimated milk and egg production and sales during 2013-14 is as under:

<b>S No.</b>	<b>Poultry</b>	<b>A &amp; N Islands Total</b>	<b>North &amp; Middle Andaman</b>	<b>South Andaman</b>	<b>Nicobar</b>
<b>A.</b>	<b>Production activities</b>				
1	Cow Milk - Indigenous (Ton) Exotic & Crossbreed- (Ton)	3.769 8.45	1.279 6.516	2.153 1.858	0.332 0.076
2	Buffalo ( Ton)	1.843	0.608	1.232	0.003
3	Goat ( Ton)	1.458	0.683	0.599	0.175
	<b>Total (Ton)</b>	15.520	9.086	5.842	0.596
4	Per Capita consumption of milk (grams/day)	112	105	152	44
5	Egg (No. in Lakh)	1211.895	856.233	312.742	42.92
6	Per capita availability of egg/year (No.)	318.43	359.54	296.17	116.49
<b>B.</b>	<b>Sales Activities</b>				
1	Chicks ( No.)	149329	86964	34698	27667
2	Poultry ( No.)	62940	49787	8962	4191
3	Egg (No.)	657713	406465	188248	63000

### **2.3 Forest resources:**

Andaman and Nicobar islands cover tropical rain forest to an extent of 7170.69 sq km which is above 86% of total geographical area of 8249 sq km in the islands. Out of this, 5612.43 sq km is reserved forest 1558.26 sq km is protected forest. 162.5 sq km is deemed forest. Therefore, production of timber is obvious due to natural death of the trees. The protected forests are being covered under the status of reserved forests so as to provide better legal status for the purpose of conservation and Management.

Availability of category-wise Timber (Logs) (In cub.mtr.) in A & N Islands, district-wise during 2013-14 is as under :

#### **2.3.1 Availability of category-wise Timber (Logs) (In cub.mtr.) :**

<b>Category</b>	<b>2013-14</b>	<b>District-wise</b>		
		<b>South Andaman</b>	<b>N &amp; M Andaman</b>	<b>Nicobar</b>
Ornamental Wood	2524.407	37.004	2487.403	0
Superior Hardwood	722.442	0.751	721.691	0
Standard Hardwood	1353.982	0.222	1353.760	0
Soft Wood	884.903	6.004	878.899	0
Gurjan	1119.189	-	1119.189	0
<b>Total</b>	<b>6604.923</b>	<b>43.981</b>	<b>6560.942</b>	<b>0</b>

Chatam Saw Mill and Betapur saw mill are the major saw mills for intake of these timbers. However, as a matter of policy, A&N Administration is not encouraging wood based industries in order to preserved the ecology of these islands. Minor produce of these forests are cane and bamboo, dhup resign etc.

Forest department is the main revenue earning department in these islands. Some small scale and handicraft industries based on cane and bamboo are functioning in these islands. The canes are taken to the main land to meet the demand of sports goods. Other minor produce are used by the local population for their domestic use. These islands are said to have unique medicinal plants of commercial value.

## **2.4.Floriculture Resources:**

The islands have variety of flora and fauna. The majority of them are Marigold, Jasmine, Rose, Hibiscus, Ixora. Area and Production of floriculture during 2013-14 is as under :

### **2.4.1 Floriculture: Area and Production during 2013-14:**

Name of the Flower	Area in Hactare				Production in MT			
	South Andaman	N & M Andaman	Nicobar	A&N Islands	South Andaman	N & M Andaman	Nicobar	A&N Islands
Marigold	16.00	8.97	1.60	26.57	52.00	34.00	3.90	89.90
Rose	5.70	3.00	1.20	9.90	8.30	10.50	2.80	21.60
Jasmine	7.00	1.40	0.35	8.75	13.10	2.20	1.20	16.50
Hibiscus	3.90	6.22	0.00	10.12	23.70	4.75	0.00	28.45
Ixora	7.40	9.88	0.00	17.28	19.00	12.00	0.00	31.00
Muscanda	3.90	2.37	0.00	6.27	12.95	4.90	0.00	17.85
Miscellaneous	19.00	20.47	3.40	42.87	43.85	27.30	7.20	78.35
<b>Total</b>	<b>62.90</b>	<b>52.31</b>	<b>6.55</b>	<b>121.75</b>	<b>172.90</b>	<b>95.65</b>	<b>15.10</b>	<b>283.65</b>

These flower are being utilized for ornamental decoration, bouquets, worships and other religious places. Possibilities could be explored for extraction of essential oils and perfumery from these flowers.

## **2.5.Marine Based resources:**

The total 8249 Square Kilometer area of the Andaman and Nicobar Islands is surrounded by ocean having a coastal line of 1962 KM which is more then 1/4<sup>th</sup> of the total India's coastal line. Thus there is huge potential for marine based produce that include mainly Fisheries, prawns. Sea shells, ornaments of sea shells is a matter of attraction for tourists, however provisions of Wild Life Protection Act and restrictions/ban/limitations on catch of certain species of Sea shells need also to be observed for exploiting the potential of sea shell handicrafts.

The District-wise production and average price of Marine Fish (2013-14) is as under :

### 2.5.1. Production, average price of Marine Fish (2013-14)

	Production(tones)			Average Price(per tones in Rs.)		
	South Andaman	N&M Andaman	Nicobar	N&M Andaman	South Andaman	Nicobar
Marine fish	20925	15257	571	55000	50000	65000
Inland fish	93	102	0	75000	65000	0
<b>Total Fish Landed</b>	21018	15359	571	130000	115000	65000

There has been export of fish from these islands and there has been no import of fish in these islands. The information on Export and Import of various variety of Fishes in these islands during 2011-12, 2012-13 and 2013-14 is as under:

### 2.5.2. Export & Import of fish in A&N Islands:

Items	Export (in tonnes)			Import (in tonnes)		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
Tuna Chilled & Frozen fish	648	1400	1599	0	0	0
Prawn	0.40	0.07	0	0	0	0
Lobster	30	12.51	4	0	0	0
Crabs	41.32	52.58	41	0	0	0
Shrimps (in Lakhs)	489.80	538	242	0	0	0
Shark Fins	9.35	4.28	1	0	0	0
Shark Flesh	467.60	332	148	0	0	0
Dry fish	0	32	47.3	0	0	0
<b>Total</b>	<b>1684.47</b>	<b>2371.44</b>	<b>2082.30</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2.6. Minerals Resources:

There are incidences of a number of Minerals viz. Chalcopyrite (Copper mineral), Chromite, Lime Stone, Gypsum Clay etc. However, from the economic and strategic point of view, these minerals are not very promising.

## **2.7. Tourism:**

Tourism Industry in the Andaman and Nicobar islands is quite promising, especially in South Andaman District and North and Middle Andaman District. In Nicobar District, the tourism is not promoted due to tribal restrictions.

Many of the islands are still untouched by deleterious effects of civilization. If this potential of tourism is exploited, related industries have good scope for establishment in these islands. Following figures give an indicative idea of tourists visiting these islands during 2010-11 to 2013-14:

**Arrival of Tourists in A & N Islands**

Year	Foreign tourists	Domestic tourists	Total tourists
2010-11	14615	180781	195396
2011-12	15814	202221	218035
2012-13	14981	230732	245714
2013-14 (P)	17811	240607	258418

## **CHAPTER-3**

### **Infrastructure for Industrialisation**

Infrastructure is pre-requisite for laying the foundation of rapid industrialization and economic growth of a place. Development of infrastructure helps the industrial growth and development in many ways as it reduces capital cost, increases labour productivity and makes available the required information at lesser costs. Infrastructures are classified into two categories i.e. Physical Infrastructure and Social Infrastructure. The details of infrastructure are highlighted in the following points :-

#### **3.1.Physical Infrastructure:-**

##### **3.1.1 Land :**

Generally waste and fallow lands are considered for industrial use. Although, the Islands of the district have fallow land, most lands are uneven due to hill slope. The entrepreneurs of SSI units may consider these lands for industrial use.

##### **3.1.2.Industrial Estates :**

Accommodation for industrial units is available in 7 industrial estates. These estates have been set up in various Islands of the district. The list of industrial estates is given in the following table :-

##### **3.1.2.1 Existing Status of Industrial Estates in the Districts of Andaman & Nicobar Islands**

<b>S. No</b>	<b>Name of Ind. Area</b>	<b>Land acquired (Hectare)</b>	<b>No. of Sheds allotted</b>	<b>No. of plots allotted</b>	<b>No of Plots allotted to women</b>
1	Gharacharma	2.00	10	31	6
2	Dollygunj	17.29	53	125	13
3	Bakultala	11.50	15	2	nil
4	Campell Bay	4.00	17	nil	nil
5	Mithakhari	5.00	Nil	6	1
6	Wimberlygunj	8.00	Nil	Nil	nil
7	Little Andaman	2.00	Nil	3	nil

Some existing entrepreneurs have arranged their own accommodation procuring land and constructing sheds. Some constructed sheds on their own land, and tiny units are working in their own houses. The new entrepreneurs may approach Directorate of Industries for accommodation in industrial estates. The Directorate of Industries may also consider for making this office representative as a member of Committee for allocation of sheds in the Industries Estates.

### **3.2. Water :**

Rainwater is the main source of useable water. Rainwater is stored during rainy season and supplied throughout the year. Existing units are using this water. During dry season, the supply of water is irregular. The main manmade water store tank is at Dhanikhari in South Andaman. Water from wells, tube wells and small streams are also available in other islands. The main rivers in the islands are Kalpong( North Andaman), Galathea, Alexandra(Great Nicobar). In case water exploitation is further not developed, Industries requiring large quantities of water for processing can not be set up in these islands.

### **3.3.Power :**

Power is an important input for industrial development. Electric power supply creates opportunities for improving the productivity in both rural and urban areas. Adequate supply of power in a place allures the prospective entrepreneurs to install new industry and helps the existing units to expand their activities. In these Islands, major power is generated in diesel operated captive power plants. These plants are located in almost all inhabited Islands.

There is an installed capacity of 104640 Kwh in Andaman and Nicobar islands as per figures available during 2013-14. Out of this 40870 Kwh is in Rural area and 63770 Kwh is in Urban area. District wise installed capacity in South Andaman , North & Middle Andaman and Nicobar districts is 72120, 20330 and 12190 Kwh respectively during 2013-14.

The district-wise and source-wise power generation establishments during 2013-14 is given as under:

<b>Item</b>	<b>South Andaman distt</b>	<b>N&amp;M Andaman Distt</b>	<b>Nicobar Distt.</b>	<b>Total</b>
Power Houses (No.)	15	13	25	53
DG set installed(No.)	60	47	69	176
Solar Power Plant	1	0	0	1
Hydro Power plant	0	1	0	1

### **3.4. Transport:**

Andaman and Nicobar islands, being surrounded by sea, have promising water transport, road transport and air transport. However, there is no rail transport system at present.

#### **3.4.1. Water Transport :**

The principal mode of transportation from one Island to another Islands is waterways. So, a good network of waterways exists in the district. The center points of water ways is Port Blair. Passengers and goods are transported by ships from Port Blair to other Islands. Transportation with main land also depends on waterways. There are regular ship services from Kolkata to Port Blair, Chennai to Port Blair. Water transportation is the main means of transportation in the district. A no. of ships and a number of steamers, launches, etc. provide the services of transportation from one Island to other. Mainland Island services, Inter Island service, Foreshore service and Harbour ferry service are provided. Mainland Island services are provided by ships, Inter Islands services by medium size vessels, Foreshore services by medium size vessels and Harbour ferry services by ferry vessels. Both goods and passengers are transported by water transport services. The distance between Port Blair to important places is shown in the following table :-

Routes		Distance (in Kms.)
From	To	
Port Blair	Kolkata	1255
	Chennai	1190
	Vizag	1200
	Narcondam	140 (nautical mile)
	Diglipur	100
	Mayabander	85
	Rangat	50
	Long Island	46
	Hovelock	21
	Basatang	35
	Neil Island	20
	Little Andaman	66
	Kadamtala	50
	East Island	120

In the above routes, regular ship service is available. The major ports of these Islands are Port Blair, Mayabander, Diglipur, Rangat, Little Andaman and Nicobar.

#### **3.4.2 Road Transport :**

Roads connect the various places within the Islands. It is mode of transportation in the islands. In big Islands like North Andaman, Middle Andaman, South Andaman, etc. road is the major means of transportation. Andaman Trunk Road(ATR) connects the three major Islands i.e. North Andaman, Middle Andaman and South Andaman. These Islands have been connected by building bridges and ferry services.

The major transportation within the islands is performed by road transportation. Besides, in three major Islands i.e. North Andaman, Middle Andaman and South Andaman, passenger and light goods transportation depends on road. These are performed by buses, trucks, auto rickshaws, taxi, car, etc. Buses are operated by STS.

#### **3.4.3. Air Transport :**

Air Transportation is also available in Port Blair. Flight services are generally operated by various Airlines including India Airlines for Kolkata, Chennai, Vishakhapatnam, Bhubaneswar and Delhi.

### **3.5.Social Infrastructure for Entrepreneurship :-**

Availability of efficient entrepreneurs is one of the essential qualities of a well developed economy. An entrepreneur is a person who can efficiently determine an optimum risk taking decision so that production as well as growth is maximized. To build up and channelize the entrepreneurial skills of a person, a high level orientation training is to be imparted to the prospective entrepreneurs. In the Islands, the educated youths prefer white color jobs which were available in A&N Administration, Central Govt. Offices, Undertakings, etc. Now the scope is getting reduced day by day. Thus, unemployed and educated youths have to show interest in business and industrial activity also. Providing training to these youths has now become a necessity. Besides, existing entrepreneurs can play vital role in creating new entrepreneurs by providing training with practical demonstration on various industrial activities having scope in the Islands. The promotional agencies viz. Directorate of Industries, Br. MSME-DI, ANCON, NABARD and NGOs, Associations etc. are engaged to build up new entrepreneurs by providing EDP training, Managerial Development training etc.

### **3.6. Market Potential :**

Market Potential of a place depends on the existence of well developed markets locally as well as in its neighboring areas and also on the purchasing power and consumption pattern, standard of living of the people and income level of individuals. However, with a limited market periphery, the place lacks potential in marketing. A good number of local people are engaged in services in Govt., semi Govt. and Private offices and also in tourism activities. Some are engaged in business and some in agriculture. The people engaged in service, business and tourist activities are middle class people and the agriculturists are considered to be lower middle class people. So, local people constitute a good demand for consumable goods as well as entertainment goods.

A good number of tourists from various parts of the country and foreign countries visit the Islands. They create good market for local handicraft products. Directorate of Industries is providing marketing support to the handicraft units through Sagarika Emporium and Khadi Bhavan. However, the local made handicraft products occasionally face

stiff competition from the products being imported to this Islands from mainland due to high cost of production. As regards consumer goods, still there is substantial demand which can be trapped by developing market network.

### **3.7.Lending Institutions (Banks) :**

Finance is indispensable for industrial activities. Finance is to be made available to industries at the right time and in adequate amount for their growth. It is, therefore, essential to have a sound network of financial institutions to mobilize saving from the people and meet the financial requirements to the industries within the area. It is well known fact that small scale and cottage industries have a weak capital base. Hence, systematic inflow of institutional credit is a pre-requisite for industrial development of a district. Lead Bank is SBI, Port Blair.

There are 21 Public/Private Sector banks operating in the island with their 99 branches in total. The Network of bank/branches and ATMs in Andaman & Nicobar Islands is given in table below:

#### **3.7.1 Network of Bank/branches and ATMs**

NAME OF THE BANK	TOTAL NO. IN A & N ISLANDS		SOUTH ANDAMAN DISTRICT		NORTH & MIDDLE ANDAMAN DISTRICT		NICOBAR DISTRICT	
	BRANCHES	ATMs	BRANCHES	ATMs	BRANCHES	ATMs	BRANCHES	ATMs
STATE BANK OF INDIA	23	47	16	36	5	8	2	3
SYNDICATE BANK	10	5	7	5	2	1	1	1
CANARA BANK	2	3	2	3	-	-	-	-
INDIAN BANK	1	1	1	1	-	-	-	-
UCO BANK	1	1	1	1	-	-	-	-
UNITED BANK OF INDIA	2	1	2	1	-	-	-	-
PUNJAB NATIONAL BANK	1	1	1	1	-	-	-	-
ALLAHABAD BANK	1	-	1	-	-	-	-	-
INDIAN OVERSEAS BANK	2	1	2	1	-	-	-	-
VIJAYA BANK	2	1	2	1	-	-	-	-

BANK OF BARODA	<b>1</b>	1	1	1	-	-	-	-
UNION BANK OF INDIA	<b>1</b>	1	1	1	-	-	-	-
CENTRAL BANK OF INDIA	<b>1</b>	2	1	2	-	-	-	-
BANK OF INDIA	<b>1</b>	1	1	1	-	-	-	-
IDBI BANK LTD.	<b>1</b>	1	1	1	-	-	-	-
DENA BANK	<b>2</b>	2	2	2	-	-	-	-
AXIS BANK LTD.	<b>3</b>	16	2	15	1	1	-	-
HDFC BANK LTD.	<b>1</b>	4	1	4	-	-	-	-
ICICI BANK LTD.	<b>1</b>	2	1	2	-	-	-	-
TAMILNAD MERCANTILE	<b>1</b>	1	1	1	-	-	-	-
<b>TOTAL COM. BANKS</b>	<b>58</b>	<b>92</b>	<b>45</b>	<b>81</b>	<b>8</b>	<b>10</b>	<b>3</b>	<b>4</b>
A & N STATE CO-OP BANK LTD.	<b>41</b>	13	<b>21</b>	8	14	4	<b>6</b>	1
<b>TOTAL UNION TERRITORY</b>	<b>99</b>	<b>105</b>	<b>66</b>	<b>89</b>	<b>22</b>	<b>14</b>	<b>9</b>	<b>5</b>

### **3.8. Technical and Skill Training facilities:**

Various Govt. and semi-Govt. agencies are engaged in skill development activities. They are Dr BR Ambedkar Institute of Technology, ITI, Vocational Training Centres, etc. Besides, some non-formal course viz. house keeping, bakery and confectionery, basic of computer hardware, repair and maintenance, CNC machine operation, motor mechanic, electrical wiring and domestic appliance repairing, welding, computer application etc. are also conducted.

Apart from above, Directorate of Industries, A&N Administration conducts vocational training through industrial training centers located in important places of the Islands. The details of these Centers are given in the following table :-

### **3.8.1. Industrial Training Centres :**

<b>SI No.</b>	<b>Name of Training Centre &amp; Location</b>	<b>Trade</b>	<b>No. of Trainees trained during 2014-15</b>	<b>Duration of the course</b>
1	Wood Working Centre, Port Blair	Carpentry	15	12 months
2	Design Centre, Port Blair	Cane and Bamboo	19	12 months
3	Smithy Sheet Metal and Electroplating Centre, Port Blair	Blacksmithy, welding, electroplating, sheet metal works	10	12 months
4	Women's Tailoring Centre, Garacharama	Tailoring and garment making (only for women)	25	12 months
5	Women's Tailoring Center, Diglipur	Tailoring and garment making (only for women)	31	12 months
6	Carpentry Centre, Diglipur	Carpentry	-	12 months
7	Cane & Bamboo Training Center, Ranghat.	Cane and bamboo, handicrafts.	20	12 months
8	Carpentry Training Center, Car Nicobar	Carpentry	2	12 months
9	Coir Training Center, car Nicobar	Coir Processing	10	12 months
10	Women's Tailoring Center, Car Nicobar	Tailoring and garment making	7	12 months
11	Women's Tailoring Center, Hut bay	Tailoring and garment making	-	3 months
12	Extension Center in Food Processing, Diglipur	Short term courses in food processing	-	-

The entrepreneurs may procure their required skilled person from these institutes and training centers. Br. MSME-DI, Port Blair, ANCON can also conduct training programmes for development of Entrepreneurship in the islands.

### **3.9.Communication:**

Modern communication system is an important instrument to run MSMEs. It reduces the time consumption and overhead expenditure. In the era of globalisation, communication through electronic media like telecommunication, e-mail, web-site, etc. is indispensable to run an

industrial unit profitably. In these Islands, Postal and electronic media services are more or less available in all Islands. Mobile phone service is also available. However, Mobile Networks and the internet speed is rather slow and not sufficient to work in as fast as in mainland. The Administration is now making efforts to Tap Chennai Cable for better internet speed and hopefully it will be done very soon.

## **CHAPTER-4**

### **Micro, Small and Medium Enterprises**

#### **4.1 General Scenario on Industrialisation:**

The pace of industrial development in the Islands has never been smooth enough unlike other parts of the country due to locational disadvantages, difficult terrain, isolation from the mainland, resources constraints, limited markets etc. A&N Islands as industrially backward area and classified as 'A' . The Government of India as well as UT Government of Union Territory of A&N islands is providing various incentives and subsidies for encouraging the process of industrialization. Whatever little has taken place in the industrial arena is the outcome of local requirements. However, the general state of industries in the islands is not so frustrating and is illustrated below to elucidate an idea about its present position :-

#### **4.2. Large and Medium Enterprises:**

As per new definition on investment limit of micro, small and medium enterprises, there is no unit categorized as large or medium scale unit. However, ANIIDCO is in constant pursuit to encourage more investment in this sector.

#### **4.3. Micro and Small Enterprises:**

The growth of Micro and Small Enterprises (MSE) in the Andaman group of Islands has not been much encouraging. It has been always limited to a few areas only. There are 2433 MSE in Andaman and Nicobar islands. The Industrial Scenario of Andaman & Nicobar Islands, as on 31.3.2015, at a glance is as under:

**4.3.1.Industrial Scenario of Andaman & Nicobar Islands at a glance:**

<b>SI no</b>	<b>Head</b>	<b>Unit</b>	<b>Particulars</b>
1.	Registered industrial unit (up to 31.3.2015)	no.	2433
2.	Registered medium & large unit	no.	-
3.	Employment through MSME	no.	12348
4.	Employment in large and medium industries	no.	-
5.	Cumulative Investment	Rs in lakh	6568.78
6.	Cumulative Production	Rs in lakh	33058.97
7.	No. of industrial Estates	no.	7

**4.3.2 Year Wise Statement of Registered Micro, Small And  
Medium  
Enterprise :**

Sl. No.	Year	No. of Unit (in Nos.)	Cum No. Unit	Employment (in Nos.)	Cum. Employment (in Nos.)	Investment (in lakhs)	Cum Investment (in lakhs)	Production (in lakhs)	Cum Production (in lakhs)
1	Upto 1978	10	10	97	97	2.84	2.84	12.72	12.72
2	1978-79	61	71	296	393	11.13	13.97	442.61	455.33
3	1979-80	27	98	93	486	73.85	87.82	211.29	666.62
4	1980-81	21	119	257	743	30.25	118.07	41.05	707.67
5	1981-82	36	155	284	1027	40.21	158.28	29.98	737.65
6	1982-83	47	202	393	1420	13.49	171.77	54.53	792.18
7	1983-84	39	241	549	1969	21.71	193.48	41.92	834.10
8	1984-85	86	327	491	2460	17.33	210.81	164.50	998.60
9	1985-86	82	409	361	2821	27.30	238.11	163.95	1162.55
10	1986-87	67	476	307	3128	26.17	264.28	157.30	1319.85
11	1987-88	66	542	371	3499	28.77	293.05	251.41	1571.26
12	1988-89	66	608	298	3797	35.82	328.33	300.34	1871.60
13	1889-90	78	686	323	4120	15.44	343.77	284.81	2156.41
14	1990-91	73	759	338	4458	19.14	362.91	137.85	2294.26
15	1991-92	70	829	252	4710	17.27	380.18	171.50	2465.76
16	1992-93	61	890	269	4979	20.35	400.53	156.55	2622.31
17	1993-94	57	947	198	5177	13.93	414.46	179.74	2802.05
18	1994-95	53	1000	253	5430	42.64	457.10	376.44	3178.49
19	1995-96	102	1102	197	5627	21.84	478.94	163.19	3341.68
20	1996-97	44	1146	217	5844	62.84	541.78	757.87	4099.55
21	1997-98	50	1196	190	6034	57.07	598.85	698.61	4798.16
22	1998-99	50	1246	193	6227	55.07	653.92	418.81	5216.97
23	1999-2K	50	1296	202	6429	29.88	683.80	227.47	5444.44
24	2000-01	65	1361	255	6684	24.07	707.87	307.71	5752.15
25	2001-02	60	1421	239	6923	133.51	841.38	661.57	6413.72
26	2002-03	110	1531	382	7305	124.43	965.81	728.97	7142.69
27	2003-04	116	1647	403	7708	197.61	1163.42	1424.46	8567.15
28	2004-05	69	1716	286	7994	122.02	1285.44	734.31	9301.46

29	2005-06	47	1763	301	8295	257.00	1542.4	141.00	9442.46
30	2006-07	20	1783	74	8396	71.69	1614.13	383.27	9825.73
31	2007-08	50	1833	184	8553	118.59	1732.72	835.91	10661.64
32	2008-09	60	1893	221	8774	88.33	1821.05	1516.95	12178.59
33	2009-10	68	1961	332	9106	524.40	2345.45	4588.73	16767.32
34	2010-11	78	2039	406	9512	632.98	2978.43	2919.03	19686.35
35	2011-12	82	2121	517	10029	638.55	3616.98	3158.64	22844.99
36	2012-13	100	2221	674	10703	894.91	4511.89	4504.85	27349.84
37	2013-14	100	2321	783	11486	684.42	5196.31	2648.94	29998.78
38	2014-15 (31.3. 2015)	112	<b>2433</b>	854	<b>12348</b>	1372.45	<b>6568.78</b>	3060.19	33058.97

The category wise and block wise distribution of SSI units is given below:

-

#### **4.3.3. Categorywise distribution of Micro and Small Enterprises**

<b>SI No .</b>	<b>Category</b>	<b>South Andaman</b>	<b>Middle Andaman</b>	<b>North Andaman</b>	<b>Nicobar</b>	<b>Nancowry</b>	<b>Campbell bay</b>	<b>Total</b>
1	Wood based	183	24	31	01	nil	4	243
2	Agro based	105	20	11	nil	nil	18	154
3	Marine based	60	03	04	nil	nil	3	70
4	Food based	114	19	16	2	6	10	167
5	Mineral based	93	19	22	nil	nil	nil	134
6	Chemical based	58	nil	2	nil	nil	nil	60
7	Engg. Based	358	32	23	1	1	3	418
8	Leather based	9	1	nil	nil	nil	nil	10
9	Textile based	114	12	8	3	nil	3	140
10	Coir based	3	nil	nil	nil	nil	nil	3
11	Cane & Bamboo	68	58	37	1	nil	nil	65
12	Printing & Publishing	59	2	3	1	nil	nil	65
13	Beauty parlour	28	nil	1	nil	nil	nil	29
14	Automobile Repairing & Servicing	132	12	29	2	Nil	2	177
15	Electrical Electronics Repairing and servicing	106	16	13	nil	nil	1	136
16	Computer Repair and related activity	53	3	16	nil	nil	1	73
17	Ship & Boat Repair	36	nil	3	nil	nil	nil	39
18	Gold & Silver Jewellery	34	4	5	nil	nil	nil	43
19	Photo studio	26	4	3	nil	nil	nil	33
20	Hotel & Restaurant	55	2	1	nil	nil	nil	58
21	Tourism Based	10	nil	1	nil	nil	nil	11
22	Miscellaneous	163	19	15	1	3	5	206
	<b>Total: -</b>	<b>1867</b>	<b>250</b>	<b>244</b>	<b>12</b>	<b>10</b>	<b>50</b>	<b>2433</b>

It is evident from above that out of 2433, 1867 units are set up in South Andaman with maximum concentration is in Engineering Sector covering mostly engineering job work, repairing and servicing activities. The other areas of concentration are found in the sectors of wood, agro & food based, textile based, Automobile repairing etc. The south Andaman has maximum number (78%) of units due to its proximity to Port Blair urban area and availability of infrastructural facilities around the city. However, there are only 70 marine based and 3 coir based units in the islands, though raw materials for those industries are available in abundance.

Despite providing transport subsidy, incentives and other possible infrastructural supports, the growth of MSE sector has not been up to the expectation. It is, therefore, a concern for all the developmental and promotional agencies that incentives and concessions cannot have a sustained positive impact unless the requirements of the settlers are strong enough to go for self employment and manufacturers find the market of their product at a competitive price. Industries grow when the demand for their products grows. As the local market is limited, external markets are to be explored – a difficult task in-deed on the part of the local entrepreneurs. Developing market infrastructure is the need of the hour to bail out them from the hardships they are facing to market their products.

#### **4.3.4. Handicrafts, Khadi & Village Industries:**

It is a well-known fact that handicraft and village industries mainly survive with traditional skills, though people of Andaman group of Islands, largely being settlers, do not make use of their traditional craftsmanship due to various socio-economic factors. However, a substantial number of artisans migrated from mainland are still upholding their skills by manufacturing a number of items made of cane and bamboo, sea shells, wood, etc. It is understood that there are more than 2000 village and handicraft units spread over Andaman group of Islands. These units are mainly rural based providing employment to a large number of women and thus enabling family business and household industries to survive.

#### **4.3.5.Problems and Prospects:**

The existing micro and small enterprises, village industries and handicraft units are riddled with the problem of fixing competitive price for its products. Barring resource based industries, most of the units face marketing problems as they face stiff competition from the products imported from mainland, though transport subsidies are provided by the Government. It is very difficult for the local manufacturers to compete with the outsiders. Given this, the first step is to provide infrastructural support with latest technology and promote links with external agents such as buyers and sellers. The other constraints like lack of infrastructure facilities including slow and interrupted internet speed, transportation bottlenecks, lack of skilled manpower, low population density, scattering of population in scattered islands, lack of market, lack of raw materials, climatic conditions etc. etc. also to be looked into for the overall industrial development.

The household village industries and handicrafts, on the other hand, suffer from its dispersed location, low level of education among the artisans and inaccessibility to market information. These problems, not only affect the returns to craftsmanship adversely, but also restrict access to means of value-addition such as training in skill up-gradation, new design inputs and technical advancement. But it is not that there is no prospect. Keeping in mind the constraints, the opportunities can be made into reality through effective interaction among the promotional agencies, developing market infrastructure, disbursing various concessions timely, organizing training programmes and upgrading physical infrastructures etc.

#### **4.4. Vendorisation/Ancillarisation of the Industry:**

As there is no large and medium scale industry, Vendorisation/Ancillarisation of the Industry is not encouraging in the islands.

#### **4.5.Existing Clusters of Micro & Small Enter**

Detail of major clusters: NIL

Details of Manufacturing Sector Clusters: NIL

Details of Service Sector Clusters: NIL

Details for Identified cluster: Coir Cluster is being induced in North & Middle Andaman with the assistance of Coir Board and Industries Department

## **CHAPTER-5**

### **Major Schemes and Assistance for Promotion and Development of Industries in the Islands:**

The Government of India and the UT Government are having various schemes and incentives for the promotion and development of MSME in the islands. Some of the major schemes and incentives are mentioned hereunder.

#### **5.1 Schemes in Andaman & Nicobar Administration**

#### **5.2 Schemes in Development Commissioner(MSME), New Delhi**

### **5.1 Schemes of Andaman & Nicobar Administration**

#### **5.1.1.PLAN SCHEMES:**

The Directorate of Industries A & N Administration has formulated some incentive oriented schemes for development of MSME in the Union Territory of A& N Islands during the Twelfth five tear plan 2012-2017.

#### **5.1.1.1. INCENTIVE ORIENTED SCHEMES:**

##### **5.1.1.1.1 Andaman & Nicobar Islands Transport Subsidy for Micro & Small enterprises:**

Under the programme, eligible freight charges incurred by any Micro and small Enterprises is reimbursed as transport subsidy for transportation of raw materials from Chennai port to the location of the unit in the UT and for transportation of finished goods from the location of the unit to the Chennai port from sixth year of commencement of commercial production. The subsidy scheme shall remain in operation till 31<sup>st</sup> march,2017.

The unit will be eligible from the sixth year from the date of commencement of production up to 10<sup>th</sup> year for a period of 5 years and as detailed below the freight charges shall be reimbursed as transport subsidy:

<b>SI No.</b>	<b>Year from the date of Commencement of production</b>	<b>Percentage of subsidy Reimbursed for The freight charges eligible</b>
1	6 <sup>th</sup>	65%
2	7 <sup>th</sup>	50%
3	8 <sup>th</sup>	40%
4	9 <sup>th</sup>	25%
5	10 <sup>th</sup>	15%

**5.1.1.1.2. Andaman & Nicobar Inter Island Transport subsidy for Micro& Small Enterprises:**

Under this programme, the eligible freight charges incurred by any Micro/Small Enterprises for transportation of raw materials from any Inter Island port to the location of the unit and for transportation of finished goods from location of the unit to any inter Island port/ Jetty shall be reimbursed as Inter Island transport subsidy. The subsidy scheme shall remain in operation till 31<sup>st</sup> March, 2017.

The units will be eligible from the first year from the date of commencement of production up to 05<sup>th</sup> year for a period of 5 years and as detailed below the freight charges shall be reimbursed as transport subsidy for transportation of raw materials in A& N Islands as given in table below:

<b>SI No.</b>	<b>Year from the date of Commencement of production</b>	<b>Percentage of subsidy Reimbursed for The freight charges eligible</b>
1	1 <sup>st</sup>	65%
2	2 <sup>nd</sup>	50%
3	3 <sup>rd</sup>	40%
4	4 <sup>th</sup>	25%
5	5 <sup>th</sup>	15%

**5.1.1.1.3.Andaman & Nicobar Capital Investment Subsidy programme for MSME:**

Under the programme subsidy on its fixed capital Investment excluding land, building & vehicle shall be reimbursed to micro and small enterprises @ 25% in south Andaman, Middle & North Andaman District subject to the maximum of Rs.50.00 Lakhs and 50% in Nicobar District subject to the maximum Rs. Lakhs. This scheme shall remain in operation up to 31<sup>st</sup> March, 2017.

**5.1.1.1.4. 50% Subsidy for procurement of pollution control Equipments, Captive power Generation sets & Water harvesting for MSME units in A & N Islands:**

Under the programme the department reimburses 50% subsidy to Micro & Small Enterprises. This scheme shall be remain in operation up to 31<sup>st</sup> March,2017 and the maximum limit of subsidy under this scheme is Rs.7.50 Lakhs for captive power Generation sets and pollution control equipments and Rs.10.00 lakhs for solar power or biomass or hydro power machinery and equipments.

**5.1.1.1.5. 90% subsidy for supply of Tools, Equipments, Machinery and Devices to Tribal of Andaman & Nicobar Islands:**

In order to uplift the socio economic development of Tribal of A & N Islands, under the scheme the following tools, equipment, machinery & devices are supplied to individual tribal entrepreneurs, Self Help Group, Tuhets with all its members belonging to tribal population of A& N Islands on 90% Subsidy:

- a) Bakery equipments like table for preparation of dough, bakery oven, vessels tray which could be used for commercial production of bakery items
- b) Hand tools/all portable machines/ equipment for General Engineering, Carpentry, Masonry, Tailoring & Garment Making and Embroidery
- c) Machinery and equipments required for Virgin Coconut Oil Extraction
- d) Tools for making Handicrafts

Under the programme subsidy the aforementioned equipments and machinery shall be supplied to Tribal Entrepreneurs @ 90% subsidy subject to the maximum of Rs.50.00 Thousand for individual tribal entrepreneur and subject to the maximum of Rs.2.50 Lakhs for Self Help Group, Tuhet with all its members.

The subsidy scheme shall remain in operation till 31<sup>st</sup> March, 2017.

#### **5.1.1.2.Entrepreneurship Development and Skill Development:**

There are ample opportunities in small businesses especially in Service Sector in these islands and such opportunities may transform Andaman & Nicobar Islands as hub of micro enterprises in the coming future. For such transformation to happen there needs to be support both at the governmental and societal level. For the government it is important to realize that the goal of small business owners will be to remain self-employed. Such people may not need financial assistance but they will need Skill up gradation and entrepreneurial Skill and marketing assistance in order to sustain themselves. Practical and cost effective skill building programs need to be developed to address their needs because self-employed people will represent an important segment in economic revitalization. Entrepreneurship development and Skill building are the key factor to fight against unemployment, poverty especially targeting the school drop outs and women and prepare these islands for globalization in order to achieve overall economic progress. Entrepreneurship Development and Skill up gradation Scheme is an organized effort to meet the challenge of growing un-employment and stagnated growth in the MSME sector. The broad objective of the scheme is as under:-

- a) Conventional Training Through Departmental Training Centers.
- b) Basic & Advance Training in Mainland Institutions or In any other Institution within the Islands for educated unemployed youths, Entrepreneurs and MSME.
- c) Organizing of Workshop and Seminar in various trades associating Dept. of Ministries of GOI, Commodity Board, Councils and other Institutes
- d) Organizing Study Tours for entrepreneurs and ex trainees of the department of mainland.

**5.1.1.2.1. Conventional Training through Departmental Training Centers:**

The Department is providing training in the trade of Carpentry, General Engineering, Garment making, Lacquer Crafts, Cane & Bamboo Handicrafts, Fine Bamboo Crafts, and coir processing through the Departmental Training Centre's situated at Port Blair, Bakultala, Diglipur, Hutbay and Car Nicobar.

**5.1.1.2.2. Basic & Advance Training in Mainland Institutions or in any other Institution within the Islands for educated unemployed youths, Entrepreneurs and SME:**

The unemployed youths, passed out trainees and entrepreneurs are being deputed on Basic & Advance training in Mainland Institutions for Basic & Advance training in various fields in order to enhance their knowledge and be update with the modern technologies used in Mainland.

**5.1.1.2.3. Organizing of Workshop and Seminar in various trades associating Dept. of Ministries of GOI, Commodity Board, Councils and other Institutes:**

The Department is organizing Workshop and seminar in various trades by involving various specialist institutes who are specialists in their respective fields in order to provide the unemployed youths, artisans, entrepreneurs and SMEs of these Islands to provide knowledge on the specific fields to the participants.

**5.1.1.2.4. Organizing Study Tours for entrepreneurs and ex trainees of the department to mainland:**

The Department is conducting study tour for the passed out trainees, Unemployed youths and entrepreneurs in order to update their knowledge and give them exposure about the new technology and techniques used in mainland based firms.

#### **5.1.1.3 Infrastructural Support To MSME Units For Establishment Of Industrial Units In The Industrial Estate In A & N Islands:**

The Directorate of Industries, A & N Administration provides developed sheds and plots at nominal rent with basic amenities to the prospective entrepreneurs to setup MSME. This measure helps in creating employment opportunities and realization of products & services to the Islanders that are locally required. The nominal Lease Rent for Built up Sheds is **Rs.1.10 Per Square Feet Per month** & Developed Plots is **Rs.3.00 Per Square Meter Per Annum**. Availability of land and other basic amenities are the major constraints for development of industries. In order to overcome the above constraints, the department has set up Industrial Estates at various places and developed them in a phased manner to provide developed sheds and plots at concessional rate to the prospective entrepreneurs.

#### **5.1.1.4 Handicraft Development/ Marketing Assistance:**

Employment is a major factor which is becoming a lacuna in the social structure of A & N Islands hence to improvise the scenario, handicraft can play a major role in eradication unemployment. Around 500 artisans are involved in handicraft oriented work but the major difficulty faced by them is because of the segregated islands and transportation problems. The Sagarika Emporium at Port Blair was providing marketing assistance to 08 units initially and by end of financial year 2014-15 41 units are being provided marketing assistance. In to days market the design makes a difference in value of the product improvising design is also focus area during 12<sup>th</sup> FY Plan. To encourage the local artisan the development provides marketing assistance through participation in various international, National & Local fairs. To get the knowledge of the changing techniques & design the local Artisans may also be send mainland in different institute. It has been observed that the handicrafts manufactured at A & N Islands are only confined to these islands hence to give a broader exposure and insured marketing to their products department is proposing for emporia & show window in metropolitan cities:

- a. Marketing assistance through Sagarika Emporium
- b. Marketing assistance through participation in exhibitions and fairs
- c. Development of new prototype designs of handicraft products
- d. Marketing support to tribal handicrafts
- e. Establishment of sagarika Emporium outlet in the metro

#### **5.1.1.4.1. Marketing assistance through Sagarika Emporium:**

The Department is providing marketing assistance to the local SMEs, Self Help Groups & Co-operative Societies marketing support through sagorika Emporium at New Delhi, Port Blair, Rangat & Car Nicobar. Marketing assistance to the tune of Rs. 3.24 Crore was providing to 39 male and 11 female in the FY 2013-14 whereas marketing Assistance to the tune of Rs.3.19 Crore was providing to 26 male and 16 female in the FY 2014-15. The Department has established Government Emporium "Sagorika" in the premises of National Memorial, Cellular jail and shortly Sagorika Emporium will be established at Veer Savarkar international Airport, Port Blair.

#### **5.1.1.4.2. Marketing assistance through participation in exhibitions and fairs:**

The department participates in India International trade Fair (IITF) New Delhi every year. Handicraft units are provided space in the fair. Similarly, the department regularly participates in the Island Tourism Festival- a State level exhibition being organized by the UT Administration of A & N Islands every year at Port Blair. The Department is also participating in various National, International and Local fairs like Block Melas, Industrial India Trade Fair, Bharat Nirman fairs etc. In order to give exposure to the Handicrafts of these islands in Mainland and foreign, these fairs also gives an opportunity to interact with the artisans of other areas to get knowledge about the designs and technologies which are in trend.

#### **5.1.1.4.3. Development of new prototype designs of handicrafts products:**

The Department develops new prototype designs of handicrafts products which are displayed to the artisans of these islands to enable them to know about these designs and adopt them in their works. 13 prototype designs of handicrafts products were developed in the year 2013-14 and 17 no of prototype designs of handicrafts products were developed in the year 2014-15.

#### **5.1.1.4.4. Marketing support to Tribal Handicrafts:**

In order to give exposure to the Tribal Handicrafts of these Islands and provide marketing support to the Tribal artisans of these Islands the Department purchases the tribal handicrafts from these artisans and sell them through their marketing outlets in various parts of these Islands. These Handicrafts are also an attraction in various fairs and exhibitions in which the Department participate.

#### **5.1.1.4.5. Establishment of Sagarika Emporium outlet in the Metro:**

In order to provide a marketing platform to the h handicrafts of these islands in mainland, the Department has targeted to setup emporium in various metro cities in the first phase the Department has set up and Emporium at Rajiv Gandhi Handicrafts Bhawan situated at Baba Kharag Singh Marg, New Delhi.

#### **5.1.2. CENTRAL SECTOR/SPONSORED SCHEMES IMPLEMENTED BY INDUSTRIES DEPARTMENT:**

The Directorate of Industries, A & N Administration is implementing the Centrally Sponsored Scheme for the growth and development of Micro Small Medium Enterprises in A & N Islands.

##### **5.1.2.1 Freight subsidy Scheme, 2013:**

The Govt. of India in the year 2013 introduced a scheme called Freight subsidy scheme, 2013 Vide notification No. 11(5)/2009-DBA-II/NER. Under the scheme 90% of the eligible freight charges incurred by any Micro and Small Enterprises is reimbursed as transport subsidy for transportation of raw materials from Chennai port to the location of the

unit in the Union Territory and for transportation of finished goods from the location of the unit to the Chennai Port for five years from the date of commencement of production.

**5.1.2.2. National Mission on Food Processing:**

The A & N Islands is very much lagging behind in agro food based and marine food based Industries though in terms of resources and infrastructure it occupies a good position in the country. Realizing the vast potential of this Sector, Govt. of India is giving special emphasis to promote Food Processing sector. Accordingly, Directorate of Industries had launched National Mission on Food Processing (Central Sponsored Scheme) with the support of Ministry of Food Processing Industry, Govt. of India in A & N islands with effect from 1<sup>st</sup> November 2012. The Mission Directorate, NMFP is established within Directorate of Industries Building and functioning through Food Processing Cell.

**Snap Shot of the schemes under NMFP:**

<b>S.N o.</b>	<b>Scheme</b>	<b>Grant-in-aid (Max limit)</b>	<b>Remarks</b>
1	Technology up-gradation Establishment/ modernization of FPIs (Cost of Plant & machinery & Technical civil work)	33.33 %	Max. Rs. 75 lakhs (for difficult area)
2	Cold chain for Non-Horticulture Products	50%	Max. Rs. 5 Crores Interest reduction up to 7 Year @ 7% for maximum Limit of Rs.3.00 Crore, the Interest will directly be paid to Bank/FIs
3	Abattoir(Plant & Machinery, Technical Civil works)	75%	Rs. 9 crores for 5 years in Difficult area
4	HRD 1. Infrastructure for running Degree/Diploma course 2. EDP 3. FPTC a) Signal product Line  b) Malty Product Line	--	Max. Rs.100 lakhs  Max Rs.3 Lakhs  Max. Rs.6 lakhs (fixed Capital) Max. Rs.3 lakhs(Seed Cap)  Max. Rs.15 lakhs(Fixed capital) Max. Rs.5 lakhs(Seed Cap)
5	Promotional Activities a) Organizing seminar/workshop b) Conducting studies/surveys	50%  50%	Max. Rs. 4 lakhs  Max Rs. 4 lakhs
	c) Support to Exhibitions/Fairs d) Advertisement & Publicity		Quantum of assistant will Depend on merits of the proposal

6.	Scheme for Creating Primary Processing Centres/ Collection Centres on Rural Areas.	75%	Max. Rs.2.50 corers(for general & difficult areas including NE States)
7.	Modernisation of Meat Shops	75%	Max. Rs.5 Lakhs (for general & difficult areas including NE States)
8.	Reefer Vehicles	50%	Max. Rs.50 Lakhs (for general & difficult areas including NE States)
9.	Old Food Parks	--	Left over liabilities to be met from NMFP funds

#### **5.1.2.3. Scheme of Fund for Regeneration of Traditional Industries (SFURTI):**

The Ministry of Micro, Small & Medium Enterprises (MSME) has been implementing a scheme titled "Scheme of Fund of Regeneration of Traditional Industries (SFURTI)". Under this scheme, A & N Administration has decided to develop a Coir Cluster at Rangat (Shivapuram –Panchayat) Middle & North Andaman District. Following are the Agencies involved for Promotion of the Coir Cluster.

1.	Ministry	-	Micro Small & Medium Enterprises, New Delhi.
2.	Nodal Agency	-	Coir Board – Kochi
3.	Technical Agency	-	NIMSME (National Institute of Micro Small & Medium Enterprises, Hyderabad)
4.	Implementing Agency	-	District Industries Centre, Port Blair
5.	Cluster Development Executive (CDE)	-	IPO, ITC Bakultala, Industries Department
6.	Special Purpose vehicle (SPV)	-	Rangat Coir Cluster Development Society Ltd.,
7.	CDCG	-	Cluster Development Co-ordination Committee.

#### **5.1.2.4. Finance Under Prime Minister Employment Generation Programme (PMEGP):**

The Ministry of Micro Small & Medium Enterprises, New Delhi has introduced a new Credit Linked Central Sponsored subsidy programme called Prime Minister's Employment Generation Programme by merging the two schemes that were in operation till 31<sup>st</sup> March 2008 namely PMRY and REGP for generation of employment opportunities through establishment of micro enterprises in rural as well as in urban areas. The Khadi & Village Industries Commission is the nodal agency at National Level for implementation of PMEGP scheme. In the territory, the scheme is being implemented through the A & N Islands Khadi & V.I. Board and DIC as under:

Scheme	Implementing Agency	Area
Prime Minister's Employment Generation Programme (PMEGP)	A & N Islands Khadi & Village Industries Board, Port Blair	Rural Areas of the Territory excluding Havelock, Neil Island, Little Andaman and Nancowry Group of Islands.
	District Industries Centre, Port Blair	Port Blair Municipal Area, Havelock, Neil Island, Little Andaman and Nancowry Group of Islands.

Maximum Project size: -Upto Rs.25.00 lakh for manufacturing sector,  
Upto Rs.10.00 lakh for Service sector  
and Upto Rs.2.00 lakh for business/trading  
sector in the form of sales outlets

#### **5.1.2.5 Motivational & Awareness Programme:**

District Industries Centre, Port Blair and A & N I KVIB, Port Blair with the support from Directorate of Industries, A & N Administration conducts Island- wise awareness programme, conducting EDP and Skill Development Programme and identification of prospective entrepreneurs for PMEGP and other programmes/schemes.

#### **5.1.2.6. Activities of A & N Islands Khadi & Village Industries Board, Port Blair:**

The A & N Islands Khadi & Village Industries Board is a statutory body established in August, 1988 for promotion, organization and implementation of KVI programme in the rural areas of the territory in co-ordination with other agencies engaged in rural development. The Board

is entrusted with task of providing Training, Finance and Marketing Assistance to institutions and person who are engaged in the development and operations of Khadi & Village Industries and guiding them through supply of designs prototypes and other technical information.

## **5.2. Schemes in Development Commissioner(MSME), New Delhi:**

There is a Branch institute in the name of Branch Micro, Small and Medium Enterprises Development Institute of Development Commissioner(MSME), New Delhi, Government of India, operating in Andaman and Nicobar Islands at Dollygunj Industrial Estate, Port Blair for promotion and development of Micro, Small and Medium Enterprises(MSME) through various Schemes and Programmes of the Development Commissioner(MSME), New Delhi. Its regional Head Quarter is at Kolkata. Director, Micro, Small and Medium Enterprises Development Institute, Kolkata is the regional Head for this Institute.

Micro, Small & Medium Enterprises Development Institute (Br.), Port Blair, under the administrative control / guidance of the Director, MSME-DI, Kolkata, has been forerunner for industrial development of Andaman and Nicobar Islands. The institute provides technical and managerial assistance and implement policies and programmes of Office of the Development Commissioner(MSME), Government of India headed by Additional Secretary and the Development Commissioner (MSME), New Delhi, with the aim to promote and develop Micro, Small and Medium Enterprises in the Union Territory of Andaman & Nicobar Islands. The institute is representing the o/o the DC(MSME), M/o MSME, Govt. of India in the islands. The institute has done a good performance in organizing training programs and other related activities. The Institute has been regularly organizing Industrial Motivation Campaigns, Entrepreneurship Development Programs, and Management Development Programs in the past. To implement various Schemes and programmes of the Government of India as also of the UT Administration of Andaman and Nicobar, this institute jointly cooperate and coordinate industrial developmental activities along with line departments like Directorate of Industries, District Industries Centre, Banks, Non-Government Organisations, Associations etc. in the workshops/seminars/awareness programs, Task Force Committees for PMEGP, , UTLBC, DCC/DLRC meetings etc.

During 2015-16, the institute is planning to conduct two State Level Vendor Development programmes for the benefit of existing manufacturing and service enterprises. Under this programme, State and Central level Public Sector Undertakings, major industrial establishments etc. will be invited as a buyer and the MSMEs as a seller for their products under the Public procurement Policy for implementation. Units and PSUs etc. are being contacted. Besides, the institutes is also committed to provide Technical Consultancy to the prospective and existing entrepreneurs for setting up and technology up-gradation of the MSMEs. The Institute is also assisting the entrepreneurs in their Single Point Registration Scheme of the National Small Industries Commission Ltd.(NSIC). The prospective and existing entrepreneurs in the islands of Andaman and Nicobar need to be kept aware and motivated about the Schemes and programmes of the Government through Industry Motivation Campaigns and Entrepreneurship Development Programmes.

It is also planned to set up a Technology Development Centre at Minni Bay, Port Bay. The Institute is pursuing with the Administration for allotment of land for the purpose. Setting up a Business Incubator Centre is also under consideration. Major Schemes and Programmes of DC(MSME), New Delhi at a glance are as under:

**5.2.1.Major Schemes and Programmes of DC(MSME), New Delhi at a glance:**

<b>Related scheme</b>	<b>Credit Guarantee Scheme</b>
Description:	Implementing Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)
Nature of assistance	Collateral free loans up to a limit of Rs. 100 Lakh – for individual MSEs
Who can apply	Both existing and new MSEs
How to apply	Banks/financial institutions
<b>Related scheme</b>	<b>Credit Linked Capital Subsidy(CLCS) for technology up gradation</b>
Description	Technology upgradation with new machinery for improving quality, productivity, environment including in-house testing and on line QC facilities.
Nature of assistance	15% up-front capital subsidy to MSEs in specified sub-sectors
Who can apply	Any MSE. Priority to woman entrepreneur.
How to apply	Scheduled commercial, cooperative bank{co-opted by SIDBI}
<b>Related scheme</b>	<b>ISO 9000/ISO 14001 certification Reimbursement</b>
Description	Reimbursement of expenses incurred for acquiring ISO 9000/ISO 14001 certification
Nature of assistance	75% of reimbursement of expenditure subject to a maximum of Rs.75,000/-
Who can apply	Any MSE/ancillary/SSSB which has already acquired ISO-9000/ISO-14001/HACCP certification.
How to apply	To local MSME-DI
<b>Related scheme</b>	<b>Micro&amp; Small Enterprises cluster Development programme(MSE-CDP)</b>
Description	Support for addressing common issues of MSEs, to strengthen the infrastructure, set up CFCs.
Who can apply	Industrial Association/ Consortia, Clusters

<b>Related scheme</b>	<b>Micro Finance Programme</b>
Description	Contribution towards security deposits required for SIDBI loan
Nature of assistance	75% of required security deposit
Who can apply	MFIs/NGOs
How to apply	To SIDBI
<b>Related scheme</b>	<b>MSME Market Development Assistance(MDA)</b>
Description	Participation in international fairs by registered manufacturing MSEs, for GSI bar-coding
Nature of assistance	75% of air fare for delegations, funding for publicity, sector specific studies, contesting anti-dumping cases, 15% price preference in Central Government purchases in individual MSEs, exemption from EMD, cost free tender documents.
Who can apply	Individual MSMEs & Industry Associations
How to apply	To DC(MSME) through MSME-DIs
<b>Related scheme</b>	<b>National Award(Individual MSEs)</b>
Description	To recognize the efforts and contribution of MSMEs, to selected enterprises
Nature of assistance	Cash prizes to the selected enterprises
Who can apply	MSEs with permanent registration or EM-II, and in production for last three years
How to apply	To MSME-DI in prescribed format.
<b>Related Scheme</b>	<b>National Manufacturing competitiveness programme(NMCP)</b>
Description	5- year national manufacturing programme with ten schemes
Nature of assistance	Scheme-wise
Who can apply	MSME's
How to apply	To DC-MSME
<b>Related scheme</b>	<b>i) Marketing support/ Assistance to MSMEs(Bar code)</b>
Description	To encourage MSEs to use bar-codes through reimbursement of registration fee.
Nature of assistance	75% of reimbursement of one-time registration fee, and recurring fee up to three years scheme
Who can apply	MSEs with EM-II and registration with GSI India for bar code
How to apply	To MSME-DI in prescribed format

<b>Related scheme</b>	<b>ii) Entrepreneurial and managerial Development of SMEs through Incubators</b>
Description	Funding for nurturing innovative business ideas which could be commercialized in a year
Nature of assistance	Financial assistance to business incubator from Rs. 4 to 8 lakh for each incubate/idea, subject to overall ceiling of Rs. 6205 lakh for each BI
Who can apply	Any individual or MSME: any organization desiring to become host institution
How to apply	To host institution(by MSMEs), to MSME-DI(by host institutions)
<b>Related scheme</b>	<b>iii) Enabling manufacturing sector to be competitive through quality Management standards and quality technology Tools</b>
Description	To encourage MSEs, to adopt latest QMS and QTT
Nature of assistance	Funding support
Who can apply	Expert organizations, technical institution, industry associations, engineering colleges, tools rooms that have active interest in QMS/QTT
How to apply	To DC-MSME
<b>Related scheme</b>	<b>iv) Building awareness on Intellectual property Rights(IPR)</b>
Description	To encourage effective utilization of IPR tools by MSMEs
Nature of assistance	Funding support
Who can apply	Registered MSMEs, industries association, NGOs, research institution, expert agencies consultant having five years of experience
How to apply	To MSME-DI
<b>Related scheme</b>	<b>v) Lean Manufacturing Competitiveness for MSMEs</b>
Description	To enhance manufacturing competitiveness among MSMEs through LM techniques
Nature of assistance	80% cost of implementation LM techniques
Who can apply	Manufacturing MSEs with EM-II, SPV, mini clusters
How to apply	To national monitoring and implementing unit

<b>Related scheme</b>	<b>vi) Design clinic for Design Expertise to MSMEs Manufacturing sector (DESIGN)</b>
Description	To enhance manufacturing competitiveness through awareness and use of design and its learning
Nature of assistance	Funding support up to 60%
Who can apply	Expert agencies, design institutes/ consultants, MSMEs
How to apply	On line
<b>Related scheme</b>	<b>vii) Marketing assistance &amp; Technology Up gradation</b>
Description	To encourage MSMEs to adopt marketing techniques consistent with global market requirements
Nature of assistance	Funding assistance
Who can apply	Any competent agency, associations, NGOs and MSMEs
How to apply	To MSME
<b>Related scheme</b>	<b>viii) Technology and Quality Up gradation support to MSMEs</b>
Description	To promote use of EETs among manufacturing MSEs, to reduce cost of production and ensure clean development mechanism
Nature of assistance	Funding support of various kinds
Who can apply	Expert organization, state agencies, NGOs and cluster based MSME associations.
How to apply	To MSME-DI concerned, along with required documents

Besides above, there are other Schemes of o/o the DC(MSME), New Delhi such as Setting up of New Mini Tool Rooms, Promotion of Information Communication Technology for MSME under the National Manufacturing Competitiveness Programme for MSME. All the schemes of the Development Commissioner(MSME), Ministry of MSME, Government of India, New Delhi can be seen in details on the website [www.dcmsme.gov.in](http://www.dcmsme.gov.in).

### **5.3. Annual Credit Plan in Andaman and Nicobar Islands:**

The Annual Credit Plan for the Financial Institutions for the Year 2015-16 is as under:

<b>(Rs in lacs)</b>						
<b>District</b>	<b>Agricu ltural sector</b>	<b>MSME</b>	<b>Other Services</b>	<b>Priority Total</b>	<b>Non priority</b>	<b>Total</b>
<b>South Andaman</b>	8500	5290	10700	24490	16780	41270
<b>North &amp; Middle Andaman</b>	1886	200	2000	4086	744	4830
<b>Nicobar</b>	100	10	200	310	260	570
<b>U.T. Total</b>	10486	5500	12900	28886	17784	46670

**CHAPTER-6**  
**Potential for MSME in the A&N Slands**

**6.1.Potential area at a glance for promotion and development of Industries:**

**6.1.1.Potentials areas for service and tourism industry:** An illustrative list of potential areas for service and tourism industries is indicated below:

- 1) Auto Mobile repairing (Auto-rickshaw, Bus,Mini Bus Jeep,Taxi servicing etc)
- 2) Motor & fan winding
- 3) Photo copier
- 4) Rubber stamp & name plate
- 5) Truck, Two wheeler repairing cum hiring shop
- 6) Beauty Parlour
- 7) Tailoring
- 8) Carpentry
- 9) Cyber Café
- 10) Hotels and Restaurants
- 11) Eco-friendly resorts
- 12) Tour operators and travel agents
- 13) Adventure Sports
- 14) Game Fishing
- 15) Scuba Diving
- 16) Tyre retreading & vulcanizing
- 17) Dry Cleaning
- 18) Spray painting
- 19) Pathological Lab
- 20) Snack Bars
- 21) Mobile phone repairing/servicing
- 22) Computer Servicing & Maintenance(AMC)
- 23) Electronic Gadget repair & maintenance

**6.1.2.Potential for manufacturing MSMEs:**

The resources potentially play a vital role for the input oriented activities and industries. Though the main resource of A & N Islands is wood, Administration is not encouraging setting up/expansion of wood based industries. The distribution of natural and human resources and their proper utilization are treated as main yardsticks for determining the

growth of an area. Similarly, the catch of certain species of sea shell is also banned in the Andaman Sea. In this perspective, the details of resource based industries of Andaman & Nicobar Islands for industrial development with regard to sea-shell based and wood based industry are not so encouraging. However, the resource/demand based Scope of Industries has been illustrated as below:

- |   |                                     |
|---|-------------------------------------|
| 1) Coconut products                               | 27) Cane & Bamboo items             |
| 2) Charcoal from coconut shell,                   | 28) Banana and tapioca Chips        |
| 3) Arecanut processing                            | 29) Papaya Candy                    |
| 4) Rubber products like Band, thread, eraser etc. | 30) Jackfruit processing            |
| 5) Coir and Coir products                         | 31) Banana Fibre                    |
| 6) Wooden toys/items                              | 32) Fruit Jam                       |
| 7) Balanced Cattle feed                           | 33) Fruit Pickle                    |
| 8) Fruit processing                               | 34) Mat Making                      |
| 9) Fuel briquettes from agricultural waste        | 35) Dairy Products                  |
| 10) Rice Flake                                    | 36) Sweet Meats                     |
| 11) Fish Processing                               | 37) Processing of Pulses and spices |
| 12) Stone crushing                                | 38) General Engineering Works       |
| 13) Readymade Garments                            | 39) Sea Shell Handicrafts           |
| 14) Hollow brick                                  | 40) Wax Candle                      |
| 15) Broom stick                                   | 41) Copra making                    |
| 16) Gate grills Fabrication                       | 42) Agricultural Implements         |
| 17) Toiletries                                    | 43) Chapati Making                  |
| 18) Bakery  | 44) Electric Switch gears           |
| 19) Leaf Cup-Plate                                | 45) MCB and Circuit Breakers        |
| 20) Electrical Accessories                        | 46) Electric fan and regulators     |
| 21) Electrical and electronic appliances          | 47) Lighting laminations            |
| 22) Electric Wires and cables                     | 48) Solar appliances                |
| 23) Cartons                                       | 49) PVC and metal condude pipes     |
| 24) Fishing boats                                 | 50) Solar panels                    |
| 25) Fishing Net                                   | 51) LED lightings & fittings        |
| 26) Poultry Feed                                  |                                     |

## **CHAPTER-7**

### **Executive Summary**

The Andaman and Nicobar Islands have been the centre point of discussion from various angles. Its unique topography and strategic location have attracted attention from both national and international communities for its development. Human habitation started in these Islands with the settlements of aborigines followed by migration from the main lands and the development programmes were initiated with the occupation of British Raj in the Islands. A breakthrough in its developmental process was made with the settlement of refugees from Bangladesh and Myanmar. The territory first saw the light of industrial activity through setting up resource based industries like wooden structures, coconut oil, etc. and a turnaround was made with the setting up of highly need based industries like agricultural implements, bakery products, steel fabrication, repairing and servicing, etc. Since then the Islands have never looked back to keep up the pace of industrialization, albeit it has never been up to the expectation of the settlers residing there. A good number of products particularly consumer durables are imported to these Islands from main lands.

However, with the persistent efforts of Andaman Administration and Government of India, more than 2433 small scale units have come up in Andaman district so far. This state of industry has been explained in various Chapters.

Given the infrastructural bottlenecks like inadequate industrial accommodation, poor linkages between the Islands, stringent markets and environmental issues etc., the islands are experiencing hardship in progressive rate of growth in industries. Whatsoever, to insert the necessary thrust on the growth process and to launch the SSI sector on a higher growth path, the agencies as well as the inhabitants involved for promotion and development of industries in the islands have to continually work hard. The infrastructural gap like link roads, slow and interrupted internet speed, distorted network, inadequate credit flow, provision of availability of inadequate raw materials, scarcity of skilled labour, insufficient markets, scarcity of land for industrial accommodation, lack of awareness towards entrepreneurship among the local people etc. are some of the areas that should be addressed on priority.

The present exercise, despite of limited resources and hard pressed circumstances, is an attempt to assess the available resources and demand potential thereof and bottlenecks so as to identify the potential areas of growth, keeping in mind the socio-economic. In fact, it is good entrepreneurship that ensures effective utilization of resources and infrastructures for optimum economic gain. Hence the development of entrepreneurship must receive priority.

The MSME-DI Branch institute is contacting various Entrepreneurs for technical consultancy for setting up of an enterprise, technology upgradation, single point registration as also for implementation of various schemes. Participation of the Institute as a representative of Development Commissioner(MSME) in various District Level Task Force Committees, Review Committees as well as Union Territory Level Banker's Committees under the chairmanship of the Chief Secretary, A&N administration for credit flow to MSMEs, etc. etc. for promotion and development of MSMEs in the Islands. The Institute is also contacting PSUs, industrial establishments, other potential organizations, entrepreneurs as also other line departments for promotion of marketing of products/services through State Level Vendor Development Programmes and implementation of Public Procurement Policy. Cooperation of all the stake holders will give a boost to achieve the stated objectives of the Public Procurement Policy and marketing of products and or services.

Besides above, the Institute is pursuing with the Andaman and Nicobar Administration for the allotment of land for opening up of a Technology Development Centre at Port Blair, South Andaman District of Andaman and Nicobar Islands. Establishment of Business Incubator is also under consideration. However, creating the awareness and motivating the entrepreneurs through Industry Motivation Campaigns, Entrepreneurship Development Programmes would have been added advantageous to the prospective and existing entrepreneurs in the islands.

The Prospective and Existing Entrepreneurs from the Andaman and Nicobar islands, interested in setting up/upgrading of the Micro, Small or Medium Enterprises, are always welcome to the Branch MSME-DI, Port Blair for technical consultancy/guidance and getting benefits through various schemes of Development Commissioner(MSME), Government of India, New Delhi.