

**TRIPURA**

**THE LAND OF OPPORTUNITIES**

**Government of Tripura**  
Department of Industries & Commerce

# **Tripura**

## **The Location**

Tripura is located in the southwest North Eastern Region. The State is connected with Guwahati, by National Highway (NH-44) – the distance between Guwahati and Agartala being about 587 km. The distance of Agartala from Siliguri (which is considered the entry point to the North East) is about 1065 km. Agartala is now connected by Railway Line and the same is being extended upto Sabroom, the southern-most part of Tripura. The State Capital, Agartala is also well-connected by Air to Kolkata, Delhi, Mumbai, Guwahati and other North Eastern cities. Agartala Airport is the second busiest Airport in the North East, after Guwahati.

A significant aspect of Tripura's location is that the State has about 856 Km long international border with Bangladesh, which is about 84% of the total perimeter of the State. Most of the important cities of Bangladesh (including Dhaka) are within 150 km distance of the town in Tripura. The direct distance between Agartala (Tripura) and Kolkata (through Bangladesh) is only about 350 Km.

## **The Land**

Tripura is among the smaller States in the North Eastern Region, with a total area of about 10,492 Sq. Km. only, out of which more than 60% area is hilly and forested. The cultivated area is about 27% only. The State gets fairly high annual rainfall of about 210 cm, well spread over the year.

## **The People**

The State has a total population of about 31.91 lakhs (2001 census), which is the 2<sup>nd</sup> highest in the North Eastern Region, after Assam. The average density of population is also fairly high, at 304 persons per sq. km, particularly considering the fact that 60% of the area being forested and hilly is sparsely populated. The literacy rate in the State over 80%, which is much higher than the national average and 2<sup>nd</sup> highest in the North Eastern Region, after Mizoram. The State has a good social infrastructure in terms of educational and health institutions. The main languages spoken in the State are Bangla, Hindi and English.

## **The Economy**

The State has good agro-climatic conditions, suitable for a large variety of Agro/Horti. crops. Further, industrial development has also picked up over the past few years. In fact, during the last decade, the State has recorded impressive growth rates.

The Gross State Domestic Product (GSDP) growth rate was 10.50% during 1999-2000 to 2007-08. The Secondary sector share in Gross State Domestic Product has risen from 14.12% to 22.59% during 1999-2000 to 2007-08. The per capita income of the State rose from Rs.14,119 in 1999-2000 to Rs. 28,806 in 2007-2008.

## **Advantage**

### **The Tripura Advantage**

#### **The Strategic Location**

- Natural/ historical links with Bangladesh. Potential gateway between Bangladesh and North East
- 856 Km. long border with Bangladesh. 7 designated Land Custom Stations. Healthy official trade growth; four-fold increase since 2006-07
- Developing linkages with trade/industry of Bangladesh
- Lowering of tariff/ non-tariff barriers with SAFTA coming into force w.e.f. 01.01.2006
- Passenger Bus Service between Agartala and Dhaka has been started
- Bangladesh has agreed to provide India access to Chittagong Port for movement of goods to and from India by road and rail, to declare Ashuganj as Port-of-call and for establishing Agartala-Akhaura Rail Link
- *Tripura is ideally located to become the 'Gateway to the North East India'*

The location of Tripura is strategic in the International context, being between Bangladesh on one side and South East Asia on the other. In the past, the State had natural communication link - roads, rail and waterways – with and through Bangladesh. Efforts are on for revival of these. Many major cities of Bangladesh and towns in Tripura are closely located, such as Agartala-Dhaka – 150 km; Kailashahar-Sylhet – 90 km; Sabroom--Chittagong – 75 km; Sonamura-Comilla – 25 km etc. The direct distance between Agartala and Kolkata, through Bangladesh, is only 350 km.

The agreements signed between India and Bangladesh during the visit of the Prime Minister of Bangladesh to India in January 2010 have opened new vistas for establishing closer links between Tripura and Bangladesh. The Govt. of Bangladesh has agreed to provide India access to Chittagong Port for movement of goods to and from India through road and rail. It has also been agreed to operationalise the Sabroom (Tripura)-Ramgarh (Bangladesh) Land Custom Station which is only about 75 km. from Chittagong Port. This will make transit through Bangladesh a reality and will make Tripura the Gateway to the North East. There are agreements to establish other transport links between Tripura and Bangladesh as well.

The State is gearing to perform its natural and geographically assigned role of the Gateway to the North East India.

# Infrastructure

## Improved Infrastructure

In the recent years, a number of initiatives have been taken to improve the basic as well as industrial infrastructure in the State. The present status is as under:

### Basic Infrastructure:

- The State is presently power-surplus (outside 6-hour peak period). Day-round surplus expected shortly. The power tariffs are much lower compared to other States
- The National Highway, linking Agartala to Guwahati has been upgraded and extended up to Sabroom (the southern-most point in the State), which is only about 75 km. away from Chittagong Port of Bangladesh
- The railway line has been extended up to Agartala and the same is being extended up to Sabroom
- The Agartala Airport has also been upgraded, by extension of airstrip and by providing night landing facilities. Agartala is second busiest Airport in North East and efforts are on to make it an International Airport.
- The telecom infrastructure is also being upgraded by laying OFC network – connecting all towns, by strengthening the Internet backbone etc. All telephony services – Landline, Mobile, WLL, 3G, Broadband/ WiMAX internet, etc. are available in the State.

### Industrial Infrastructure:

- **Existing:**
  - Industrial Growth Centre
  - Export Promotion Industrial Park (EPIP)
  - Food Park
  - Rubber Park
  - Industrial Area Industrial Estates (5)
- **Under implementation/ to be taken up shortly:**
  - Bamboo Park
  - 3 IIDCs (one in each District, other than West Distt.)

Presently, there is a multi-industry complex at Bodhjungnagar, on the outskirts of Agartala, which comprises of an Industrial Growth Centre, an EPIP, a Food Park and a Rubber Park. Besides, there are five Industrial Estates and one Industrial Area in the State. Further, a Bamboo Park at Bodhjungnagar and 3 Integrated Infrastructure Development Centres are being set up.. The infrastructure facilities at LC Stations are being upgraded, to facilitate the import/export trade with Bangladesh.

## **Incentives**

### **Incentives for Industries**

The State government offers a package of incentives for setting up of industrial units, which is comparable to other States. Besides, the special incentive package i.e North East Industrial and Investment Promotion Policy (NEIIPP) declared by the Government of India for the North East Region is available to industrial units. Brief particulars of the incentives are as follows:

#### **Central Package of Incentives (for the North East Region):**

- 100% Exemption from Payment of Excise Duty and Income Tax for 10 years from the date of commercial production.
- Central Transport Subsidy @ 90% of transport costs of raw materials and finished goods calculated between Siliguri and Factory site and 50% of transport costs of finished goods movement within the North-East Region, for a period of 5 years from the date of commercial production.
- Central Capital Investment Subsidy @ 30% on Plant and Machinery.
- Reimbursement of 3% Interest paid on working capital loan for a period of 10 years from the date of commercial production.
- Comprehensive Insurance Scheme – 100% reimbursement of Insurance Premium paid.

#### **State Package of Incentives**

- State Capital Investment Subsidy @30% for Land and Building, subject to a ceiling of Rs.50 Lakhs per unit.
- Reimbursement of Commodity Taxes, subject to a ceiling of Rs.50 Lakhs per year per unit.
- 15% Procurement Preference would be provided to local Industrial enterprises after comparison on landed price of all bidders.
- Interest Subsidy on term loans @3%, subject to a ceiling.
- Partial Reimbursement of floor space rentals for IT Industries on tapering basis, subject to a ceiling of Rs. 24 Lakhs per unit.
- Reimbursement of Power Charges on tapering basis for 5 years, subject to a ceiling of Rs.12 Lakhs per year.
- State Transport Subsidy @ 10% for transportation of raw materials and finished products between Siliguri and Factory site

## **Trade & Commerce**

### **Trade & Commerce**

A significant strategic aspect of Tripura's location is that it is surrounded by Bangladesh on three sides; and the State shares about 856 km. long international border with Bangladesh, which lies mostly in non-mountainous plain areas.

The State's location and socio-economic linkages with Bangladesh position Tripura to be the potential hub for trade with and through Bangladesh for the entire North-East India.

The connectivity to major locations in Bangladesh through existing networks is convenient due to its proximity; this can further be enhanced and upgraded with ease, as the State's border with Bangladesh is almost entirely in the plain areas.

For Bangladesh, trade with Tripura in particular shows a positive Balance of Trade. This imparts attractiveness and logical edge for promoting further links with a market in geographical proximity and more importantly with opportunity for Bangladesh to be competitive. The size of the North East Economy is fairly large at about US\$ 25 billion.

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## **Rubber**

- Suitable agro-climatic conditions.
- Total area under plantation at present - 50,050 ha.
- Total potential for plantation in the State - 1,00,000 ha.
- Rubber Production - 27,276 TPA; likely to go up.
- Rubber Park has been set up.

Tripura is the second largest rubber producer in the country, after Kerala. More and more plantations are reaching yielding stage and the productivity levels are also encouraging. Keeping in view the area under plantation, growth potential and rubber production trends, the State has been identified as the second rubber capital of the country. There is a vast potential for setting up of rubber-based industries in the State.

The State Government has set up a Rubber Park, with technical support of the Rubber Board, to facilitate setting up of rubber-based industries. All common facilities including Centralised Quality Control Lab, Training Center, Tool Room, Centralised Latex & Carbon Black Masterbatch Unit, Warehouse for Raw Material Storage, Centralised procurement of subsidiary raw material are being provided in the park for rubber-based industries.

Tripura thus is an attractive destination for setting rubber-based industries. Keeping in view the myriad advantages and the positive factors, a good number of rubber-based industries have been set-up. These include rubber thread, tread rubber manufacturing, rubber band making, tyre retreading etc.

There is vast scope of investment in sectors like tyres/ tubes, auto parts, footwear, tread rubber, vulcanized rubber, rubber band, rubber cushion and mattress, latex thread, surgical gloves, textile fabric, hoses etc.

## **Bamboo**

- Endowed with rich and diverse resources of bamboo with traditional usage – Tripura is home to 21 species of bamboo out of 130 species available in India
- Cane & Bamboo Handicrafts of Tripura – among the best in the country
- 60% of the requirement of the entire country for bamboo sticks for Agarbatti-making is met from the State
- Tripura Bamboo Mission has been launched in 2007, under PPP framework, for integrated development of Bamboo Sector

Tripura Cane and Bamboo handicrafts are considered to be among the best in the country for their exquisite designs, wide range of products and artistic appeal. This industry has a great export potential as well. Not only that, industrial products like bamboo tiles, laminated products, ply boards, corrugated sheets, etc., can be produced and used as building materials for furniture manufacture etc. Studies have shown that Bamboo is a very effective substitute for timber and is, in fact, better in many respects.

The State Government has launched the Tripura Bamboo Mission (TBM) in the year 2007, under PPP framework, for integrated development of the Sector. The catalytic role played by TBM has resulted in the turnover of Bamboo Sector in the State increasing three-fold in 3 years. Value addition is taking place in Agarbatti sector, new handicraft products have been designed and launched, marketing of products has been organised. A Bamboo Park is being set up, on outskirts of capital city Agartala, to facilitate setting up of bamboo-based industries.

## **Food Processing**

- Major Fruit Crops – Pineapple (1,10,487 TPA), Jackfruit (2,50,619 TPA), Orange (20,926 TPA), Litchi (16,165 TPA), Cashew (2,122 TPA), Coconut (8,216 TPA)
- Pineapples and Oranges renowned for their unique flavour; and organic nature of produce
- Major spices – Ginger (7,122 MT), Turmeric (5,663 MT), Chilli (2,799 MT), Black Pepper (99 MT)
- A Food Park has been set up at Bodhjungle (near Agartala) in order to provide the infrastructural facilities required for food processing industries

The agro-climatic conditions are favourable for growing various fruit and horticultural crops. The products of Tripura are well known – both on the table and in other processed forms. There is a scope for the expansion of this sector under any specific variety, if required.

A modern Food Park has been set up near Agartala, to give a fillip to this sector. There is a vast potential for setting up of food processing units in the State. The State also has potential in the meat processing sector.

There is an ample scope for area expansion under organic spices cultivation in Tripura. Major spices include Ginger, Turmeric, Chilli, Black Pepper, Cinnamon, Tezpatta, etc.

## Tea

- Suitable agro-climatic conditions
- Traditional tea growing skills
- Potential to increase area under production
- Tea Production with good blending qualities
- Setting up of Blending Units

The agro-climatic conditions in Tripura are suitable for development of tea plantation. The soil is generally fertile, without any major problems of toxicities or deficiencies. The average annual rainfall is about 210 cm. with a fairly even distribution over the year. Tripura has a history of tea plantations dating back to 1916. In fact, Tripura is categorized as a traditional tea-growing State – with about 55 Tea Estates and 4,350 small tea growers, producing about 8.9 million kg. of tea every year. This makes Tripura the 5th largest, among the 14 tea-producing States, after Assam, West Bengal, Tamil Nadu & Kerala. There is considerable scope to increase the productivity and area under tea plantation.

The tea currently produced in Tripura is recognized for its good blending qualities. Some plantations in the State are going for organic production of tea and green tea manufacturing. There is considerable scope for investment in the tea sector of the State, especially for blending units.

## IT Sector

- Availability of educated low-cost human resource
- A new IT Policy is in the pipeline to replace the earlier policy of 2000
- State Govt. is taking initiative to promote IT education and e-Governance
- Tripura is considered the second best IT destination in the North East after Guwahati; Potential for setting up IT-enabled services
- Special Incentives for IT industries in the new Tripura Incentive Scheme 2007

IT sector (including IT-enabled services) has been identified as one of the major potential growth sectors of the State. The literacy rate of the State is over 80% now, which is higher than the national average. IT industry being a knowledge-based industry, educated human resource is the most promising resource of the State. It also has good network of schools and colleges spread across the State, including 1 (one) National Institute of Technology (NIT), 1 (one) Engineering College, 2(two) Polytechnic Colleges and 8 (eight) ITIs. The availability of IT trained manpower in the State has significantly improved over the years. In fact, the annual intake capacity of the IT/ Computer courses being run by Universities, Colleges and Central/ State Govt. Departments/ Organisation in Tripura alone works out to about 1,500 persons, of which the Graduate/ Post-graduate Engineering courses (BE, B.Tech, MCA, M.Tech.) in IT/ Computer Science account for annual intake capacity of about 300 candidates. In addition, there are a large number of Private Institutions running IT/ computer courses with combined annual intake capacity of about 2,000 persons.

Tripura has been considered the second best IT destination in the North East, after Assam, in an independent study conducted by NEDFi. The State Government has also accorded special status to this industry and special incentives have been announced for the IT industry in the new Incentive Package. A Software Technology Park (STP) is being set up at Agartala in order to provide necessary infrastructure facilities for setting up of IT industries in the State.

## Other Opportunities

### Service Sector

- Tourism >Health > Education

Tripura is an attractive tourist destination. The State has a rich cultural heritage. There are a number of historical Hindu and Buddhist sites. The State also has rich flora and fauna. Eco-tourism is having potential in the State. There is also great potential for development of tourist circuits, involving all the NE States and if possible, Bangladesh as well. All this offers attractive opportunities for the Hospitality Industry.

The Govt. of Tripura has always put a lot of emphasis on healthcare for all. Over the years, a reasonably good infrastructure of health institutions has been created in the State. However, providing good healthcare to all the citizens is a gigantic task and in this respect, private sectors can play a very significant role. There are 2 (two) Medical Colleges, one in the Government sector and another one in Private sector. These Colleges have super-speciality divisions and modern radiology division. There are nursing institutes in Private & Government Sector. A Para-medical College has also come up in PPP framework. Also, there are some private Nursing Homes in the State and there is potential for more private investment in this important sector.

The Government of Tripura has similarly put a lot of emphasis on providing good education to all people and the result is a very high level of literacy in the State. The State has a Central University, ICFAI University, a National Institute of Technology (NIT), an Agriculture College, an Engineering College, a Veterinary College, a Fisheries College and a Polytechnic Institute. However, there is a great potential for private investment in this field also, by way of setting up of educational institutions in fields like Information Technology, Telecommunication, Bio-Technology etc.