



**INAUGURAL ADDRESS**  
**OF**  
**HIS EXCELLENCY**  
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**GOVERNOR OF**  
**ARUNACHAL PRADESH**  
**ON THE OCCASION**  
**OF**  
**WORKSHOP CUM AWARENESS BUILDING FOR**  
**GROWTH OF SMALL & MICRO ENTERPRISES (SMES) &**  
**CREATION OF EMPLOYMENT OPPORTUNITIES IN SMES**  
**AT**  
**BANQUET HALL, ITANAGAR**  
**ON**  
**FRIDAY, JUNE 06, 2008**

It gives me great pleasure in participating in the Workshop cum Awareness Building Programme, for growth of Small & Micro Enterprises (SMEs) and creation of employment opportunities in this sector and to deliver this Inaugural Address.

I am glad that North Eastern Industrial & Technical Consultancy Organization Limited (NEITCO), through its various projects and programmes, is actively engaged in promoting economic development of the north eastern region. I am also glad that the Department of Scientific & Industrial Research (DSIR), Government of India has taken this initiative to focus attention on development of Small & Micro enterprises in the region.

SMEs are the ingredients for growth of the economic prosperity in the country and a vehicle to work on the natural resources and carry on the value addition of local resources in the region. For growth to be sustainable in the region, people's participation is a must; therefore, creating awareness and motivation of the local populace should be one of the important focal points.

The hilly and land locked state of Arunachal Pradesh lies in the eastern most part of our vast country. The majority of the people of the state have some access to land and other productive resources like agriculture, livestock, handloom, handicrafts etc. The undulating topography and varied agro-climatic conditions offer vast potential for the development of horticulture by way of growing varieties of tropical, sub-tropical and temperate fruits, vegetable, spices, aromatic plants, flora and fauna. In the side lines of the agriculture and horticulture activities, our farmers should take up bee keeping as a subsidiary activity so as to generate additional income. The farmers and entrepreneurs need to be encouraged towards optimum utilization of the God gifted natural resources for income generation by increasing productivity in agriculture, horticulture, bamboo plantation, rural and agro-horti based industrial sector, leading to food processing and packaging industries which would boost economic development of the state.

There is adequate land for commercial plantation of bamboo, aromatic plants and grasses and other agri-horticultural crops. Most of the economic development occurs as a result of efficient growing of

agricultural crops, their processing into value-added products through application of appropriate technology and setting up of food processing industries. All these will lead to creation of many job opportunities on sustainable basis through setting up of SMEs.

Several economic forces and constraints like globalization, liberalization and their impact on employment, consumer income and buying power, deployment of traditional production techniques & technological know-how, inflationary pressures, competition etc. result in high agricultural & industrial production expenses and reduced yields from the farm land and industrial activities, thus, pushing our farmers and entrepreneurs to the fore of steep business competition. Arunachal Pradesh and our neighboring states of the region are agrarian economies with virtual non-existence of industrial activities. The people remain highly attracted towards white collar jobs and therefore, the youth entering into self-employment in the region need to change their mind set accordingly. Cost effective consultancy services of training, including 'exposure visits' to developed industrial units in other parts of the region to succeed in their respective ventures should be provided. As such, the North Eastern Council (NEC), the DSIR, Government of India and the state government are required to look into this aspect for accelerating pace of development in Arunachal Pradesh and other parts of the region. My state Govt. is contemplating to bring out a comprehensive new state industrial policy within a short span of time which would envisage outlining of promising steps to encourage entrepreneurs to set up industries in the state. We are determined to create an investment friendly environment to attract investment from outside and of course special emphasis for local entrepreneurs to flourish in the state.

With the growing dynamics of globalization, the lives of small & micro entrepreneurs have become very hard, as big companies are doing business by making investment in specialized components like research & consultancy, marketing, distribution and integrating these operations world-wide either in house or in partnership with other companies.

Productivity, profitability, efficiency and performance of an enterprise also depend upon dynamic process of information gathering on long term and short term forecast of technology and trend in

consumer tastes and market requirements to enable the entrepreneurs to change their priorities and search for alternative technologies to suit the market demands. The demand for consultancy services to SMEs has further been aggravated by availability of alternative technologies together with their rapid obsolescence.

The inadequate economic development and backwardness of the North Eastern Region in general and the state of Arunachal Pradesh in particular is the natural fall out of the inadequacy of its capability in providing consultancy support services to the entrepreneurs especially to the 1<sup>st</sup> generation entrepreneurs leading to a lot of dissatisfaction among them and creation of a sense of restlessness among the unemployed. There are substantial workforce that can contribute significantly to economy of the state and the region with proper incentives like finance, import of updated technology and marketing tie-ups for adequate exposure of the products both nationally and internationally.

The formulation of action – oriented pragmatic plans and policies is a primary requirement. I would like to see the full benefits of the economic liberalization reach to the people of Arunachal Pradesh and other North Eastern States through application of local resources and value addition to the advantage of the local produce.

I do believe that this Workshop is an effort to build awareness and motivate among the local masses for setting up small & Micro enterprises and for utilization of local resources to a value addition and bring together entrepreneurs who are providers of goods and services on one hand and on the other hand various government departments and their agencies who are catalyzing the government's development efforts. However, for facilitating the growth of SMEs and help the entrepreneurs to undertake suitable economic activities what is needed as the first step is to identify and map the existing resources, identify area-wise concentration of different primary produce for development of clusters of activities with faster growth potential thereby creating a vision for encouraging investments for production of goods & services. This would make things better to uplift people from under-developed to developed.

I sincerely hope these efforts would not go waste and I assure you that the government of Arunachal Pradesh would extend all round support for building up infrastructure necessary for improvement in industrial production and employment generation.

With these words, I have pleasure to inaugurate this Workshop and wish it a grand success. Let, Arunachal Pradesh emerge as a destination of investment and do business through setting up SMEs by plugging upto date skills and knowledge for interdependence, marketing & sharing in the next 5-10 years.

Thank you.

**JAI HIND**