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Ministry of Finance

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15th Finance Commission is visiting Assam from 25th to 27th April 2018

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The Fifteenth Finance Commission of the Government of India is visiting Assam, the gateway to the North East of India from 25th to 27th April 2018. The Commission will assess the state of the finances of Assam, its socio-economic challenges and understand the efforts of the State Government to tackle these. Assam, of late, has made visible strides in growth and socio-economic development, transcending its geographical and historical challenges. However, there are significant opportunities for accelerating the momentum in the State's health, educational and economic outcomes. Demographic diversities give rise to myriad socio-cultural conditions and contingencies offering developmental challenges of various forms. Notwithstanding recent growth spurt, endemic structural issues need to be addressed in a time bound manner.

During 3 day visit, the Finance Commission led by the Chairman Shri N.K.Singh, Members – Shri Shaktikanta Das, Dr. Anoop Singh, Dr. Ashok Lahiri and Dr. Ramesh Chand will have meetings with Chief Minister, Ministers and other officials of the state. Detailed presentations will be made on the finances of the State Government. The Commission will also meet leaders of various political parties, Representatives of Autonomous Councils, Representatives of Trade and Industry viz. Chambers of Commerce/Assam branch of FICCI, Assam Branch of Indian Tea Association, and other stakeholders to understand the opportunities and the challenges in the state. There will also be interactive session with Urban Local Bodies and Panchayati Raj Institutions.

Assam is the second state that will be visited by the Fifteenth Finance Commission, the first being Arunachal Pradesh. It is an integral part of the agenda of the Finance Commission to visit different States, understand their developmental requirements and their resource availability, and then firm up its conclusions, recommendations and Report.

Background :

Key Socio - Economic Indicators during 2016 -17

1. The economy of the state is primarily agricultural. As per Census 2011, about 50% of the total workforce still depend on agriculture. Even though the state is rich in terms of oil, gas and other natural resources, industrialisation and urbanisation remain limited.
2. Notwithstanding, the service sector has become important in the state's economy in the recent past.
3. Infant Mortality Rate (IMR) at 47 per 1,000 live births was higher than all India average (37 per 1,000 live births).
4. Maternal Mortality Rate is also much higher than the National Average.
5. Life expectancy at 64.7 years was lower than the all India average (68.3 years).
6. The literacy rate of Assam was 72.2 per cent against all India percentage of 73.
7. Decadal population growth (16.93 per cent) of the State was lower than that of the country (17.64 per cent).
8. Per capita income of INR 67,620 was lower than all India average of INR 1,03,870.

Commission to explore ways and means to enhance Per Capita Income of Assam

The Commission recognizes the special characteristics of Assam and notwithstanding acceleration in growth momentum; it will have to make enormous development strides to catch up with national averages particularly with respect to per capita income. It is a matter of concern that per capita income of Assam is significantly lower than All India average which itself is lower than other emerging markets. Commission, therefore, would seek to explore opportunity of what structural, administrative and other changes are necessary by way of augmenting resources of state and also its proper utilization.

The Finance Commission needs to make an in-depth Study of the recent developments and future possibilities of economic growth and development of Assam. This will be based on the various interactions and meetings that the Commission is scheduled to have in Assam during its visit.

DSM/RM/AM

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