

## WORLD BANK REPORT PROJECTS STRONG LONG-TERM POTENTIAL FOR NORTHEAST

Relevant for: Indian Polity | Topic: Issues and Challenges Pertaining to the Federal Structure, Dispute Redressal Mechanisms, and the Centre-State Relations

Kolkata: A [World Bank](#) report has projected strong long-term potential for India's [Northeast](#), with a little handholding from the central government and viability-gap funding.

The bank has also suggested creating a 'Brand North East' for the promotion of products from the region.

The report comes amid turmoil in the north-eastern states over the new citizenship rules that became law on Thursday, and Japanese Prime Minister Shinzo Abe cancelling his India visit during which he was to hold the annual summit with his Indian counterpart, [Narendra Modi](#), in Guwahati starting this Sunday.

"Peace is important for development, but we believe that the northeast region which had remained isolated from the rest of India after partition has long-term economic prospect," Sanjay Kathuria, World Bank's lead economist and coordinator for regional integration, told ET.

With India's Act East policy and thrust on road connectivity within the region and with neighbours, the Northeast may be able to leverage its strengths, Kathuria said.

The report, which was published Friday, has identified four "high-impact" value chains that can create job opportunities for women and generate higher returns. These are — food and beverages, spices, bamboo and medical tourism.

The region lagged the rest of the country in terms of average per-capita income, even as it is home to youthful and literate workforce and has a favourable climatic zone which supports higher productivity.

The report aims at creating more employment opportunities, particularly for women who comprise a higher percentage of the labour force in the region.

Diverse climate and topography is favourable for growth of a variety of horticultural products and organic farming which is in high demand worldwide with rising number of well informed and health- and environment-conscious consumers.

"Policy intervention can help the northeast region play to its own strengths to better leverage growth opportunities offered by global trends," Kathuria said, adding that improving productivity and growing urbanisation could also help accelerate growth and reduce poverty.

The World Bank report said value-chain initiatives in the past had tended to focus largely on the supply side, resulting in stagnation of return. The economists involved in the study have, instead, considered how the increasingly conscious consumers were shifting the pattern of demand and recognised the importance of reorienting the supply base accordingly.

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