



INDIA'S PRESIDENCY IN G20: A STUDY ON INITIATIVES TAKEN BY ASSAM IN LINE WITH DEVELOPMENT AND INVESTMENT

Sharul Alam Choudhury¹

ORCID - <https://orcid.org/0009-0005-0112-0471>

ABSTRACT

After envisaged economic reforms, India is one of the fastest-transforming economies in the world. Economic integrations are becoming increasingly important in the evolving multipolar world in preserving international ties among nations. Among these G20 (group of twenty) nations, which consists of 19 nations, and the EU (European Union), in which India now holds the chair is a significant one. G20 members account for nearly two-thirds of the world's population, over 75% of global trade, and 85% of the world's GDP. The North-East region of India is also participating in the development projects that are ongoing as a result of integrations like the G20. The main opportunities, threats, and strengths of Assam in terms of infrastructure development and investment are attempted in this study. It makes an effort to pinpoint numerous programs, policies, and regulations related to the investment. It also examines the area of the state of Assam that receives a larger financial allocation over time.

KEYWORDS: G20, India's Presidency, Assam, Strength, Opportunities, Threats, Financial Allocation.

1. INTRODUCTION

G-20

The Group of Twenty (G20) comprises 19 countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom, and United States) and European Union. The G20 members account for nearly two-thirds of the world's population, over 75% of global trade, and 85% of the world's GDP. It is a leading forum for worldwide economic cooperation and has a significant impact on developing and enhancing global governance and the architecture of the world. After the Asian financial crisis of 1997–98, the group was established in 1999 as a non-official platform for the most significant industrialized and developing governments' Finance Ministers and Central Bank Governors to debate world economic issues and financial stability. After the Global Economic and Financial Crisis of 2007 and in 2009, when it became apparent that the necessary crisis coordination would only be achievable at the highest political level, it was later raised to the level of heads of State or Government. Since then, the G20 leaders have gathered on a regular basis, and it has evolved into the main platform for global economic cooperation. The forum initially focused largely on broad macroeconomic issues, but it has since expanded its agenda to inter-alia including trade, climate change, sustainable development, health, agriculture, energy, environment, and anti-corruption. It consists of two parallel tracks: the finance track and the Sherpa track where Finance Ministers and Central Bank Governors lead the finance track and Sherpa lead the Sherpa track.

North Eastern Region

The easternmost part of India is North-East India. Numerous communities, religions, and cultures converge in North-East India. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura—often referred to as "The Seven Sisters"—and Sikkim—often referred to as the "Brother" to the seven states—now make up the 8. They account for 2.8% of India's GDP. The North Eastern Council (NEC), established in 1971 as a nodal institution for the development of the northeastern states, includes North-East India as an official member. A 1947-created stretch known as "Chicken Neck" connects the region to the mainland. It is a treasure trove of diverse natural resources and cultural heritage, and it is also incredibly rich in history. Among the NE states, Assam has

¹ Post Graduate Teacher (PGT)
Public Higher Secondary School, Hailakandi-788155



the highest contribution to the nation's GDP with 1.6%, resulting in Assam being a major impact factor economy among other North-Eastern states.

2. LITERATURE REVIEW

(Prasad et. Al., 2023) explore the importance of the multipolar group in the current transnational world through focusing on G20 and G7 countries. The paper entitled *Building G7-G20 Synergy for a Multipolar World* expresses that both groups facing common challenges including Sustainable Development Goals, climate change, energy transmission, digital transmission, and international financial crisis. In order to achieve greater global economic stability that can benefit both developed and developing countries both groups have to work together in a constructive way such as global common goods to combat the issue of food security, and support international institutions like the UN. WTO etc., promotes dialog and cooperation, strengthens global governance, and unilateral along with multilateral initiatives are needed to address the specific issues.

(Shaabana Naik et. Al., 2023) paper titled *Investing in indigenous Children's Human Capital to secure Sustainable Development for all* states that Indigenous people are more food insecure among others. Efforts to improve the indigenous people should prioritize their children as the goal of eradicating poverty can only be achieved if indigenous children are healthy, and intelligent and can improve their wellbeing. This paper suggests recommendations to achieve the goal like providing financial and technical support to member countries for conducting surveys of indigenous groups, especially children, and supporting the member countries to address the specific challenges faced by the indigenous children. G20 can assume the role of convenor, and funding innovator and make a collaborative effort among member and non-member countries to bring significant progress towards achieving SDGs by 2030. SDGs targets will only matter if the indigenous people can also achieve them.

(Vikas Tripathi et. Al., 2023) paper titled *Framing Civilisational Continuity: Modi's Mann ki Baat and North East India* finds that North East India got reference 56 times out of 99 in Modi's Mann ki Bhat episodes. In the past region has been a victim of insurgency, underdevelopment, and inadequate connectivity with mainstream India. But, since 2014 there has been a deliberate attempt to initiate a deeper social, cultural, and economic integration of NEI with the rest of India. The PM mentioned in his speech 'Dilli ab door nahi apke darwaaze par hai (translated as Delhi is not far now, it stands at your doorstep)', 'North East is neither far from the heart nor from Delhi'. Also, the respondent's views on the Indian prime minister who focused on NEI have shown that the present incumbent has focused more on the NEI in comparison to any of his predecessors.

(Swati and Nilanjan, 2023) paper entitled *Increasing Cooperation for Sustainable Development: Imperatives for India's G20 Presidency* highlights India's imperatives towards the achievement of Sustainable Development Goals. India can utilize its presidency to push the sustainability agenda. This will help to bridge the North-South divide in sustainable development financing. This recommends the creation of a G20 Development Finance Institution to facilitate finance flow to the developing countries. The paper studies how G20 member has linked their development partnership with Agenda 2030 over the last decades it also identifies a pathway for the G20 to bridge North-South divide in addressing SDGs through partnership.

(Alok Sheel et. Al., 2023) paper entitled *G20 @2023 India's Presidency* traces the evolution of G20 in the light of India's forthcoming presidency and projects how G20 is a global governance grouping that successfully North-South divide. They explored the relationship between G7 and G20 and concluded that G20 replaces G7 in steering global economic issues. States that developing G20 chairs present the issues to global partners and push them to solve them in a time-bound manner. They note that India's leadership in pushing the global climate change agenda has been very visible in UNFCCC and also in G20 in recent years.

3. OBJECTIVES OF THE STUDY

The present study is confined to the following objectives only.

- To see the major Strengths, Opportunities, and Threats relating to investment and developmental initiatives in Assam.
- To explore the Sector that gets more financial allocation.

4. RESEARCH METHODOLOGY

The study will be both descriptive and exploratory in nature. An in-depth study has been made to see the various strengths, opportunities, and threats of Assam state relating to investment and infrastructure development and to explore which sector gets more budgetary allocation in various annual budgets. All the relevant data used in the



research paper has been collected from secondary sources like e-journals, e-books, newspapers, govt. publications, news channels, research papers, and various other e-resources.

5. LIMITATIONS OF THE STUDY

- Weakness has not been considered in this study.
- Time constraint.
- Lack of primary data.

6. ANALYSIS AND DISCUSSION

6.1 India's Presidency at G-20

The G20 does not have a permanent member secretariat or staff, the G20 Presidency rotates annually among the members and is selected from a different regional grouping of countries. Each year another country from a different group assumes the G20 Presidency. This Presidency is responsible for bringing together the G20 agenda in consultation with other members and in response to developments in the global economy. The presidency is supported by a "troika" made up of the current, immediate past, and next host countries. The troika will consist of Indonesia, India, and Brazil during India's Presidency, accordingly. India will occupy the presidency in this regard from 1 December 2022 to 30 November 2023. India recently held a summit of its leaders where a number of global concerns were raised and ways to find common ground on their solutions were addressed. African Union's participation in this 18th summit increases the group's sustainability and global competitiveness. An engagement group of nongovernmental participants from each G20 member has been established as part of the members' commitment. The G20 leaders frequently receive recommendations from these groups to help in the policy-making process. The engagement groups are as follows:

- Business 20
- Civil 20
- Labour 20
- Parliament 20
- Science 20
- SAI 20
- Startup 20
- Think 20
- Urban 20
- Women 20
- Youth 20

6.2 Developmental and Investment Initiatives of Assam with Reference to G20

As G20 has been developed to address the major issues related to the Global economy such as international financial stability, climate change mitigation, and sustainable development. In this context, India has been developing itself in various segments along with focusing on North Eastern states also. Several developmental initiatives have been taken in recent years in various North Eastern states and it also boosted during India's presidency.

6.2.1 Assam Factor

Assam can play a major role in India's G20 presidency and can become a global hub for international summits. Now in the era of regional economic cooperation, Assam has a strategic location advantage in proximity to the growing Southeast East Asian economies, providing easy access to the market of over 800 million consumers. Being the heart of North Eastern states, Assam is contiguous to all N.E states. Hence, the demand from neighboring states can be easily addressed from Assam. In terms of connectivity, industrial infrastructure, and policy formulation, today Assam has a very promising and investor-friendly environment in the country. In the last few years, Assam has had huge capital investment projects so as to make it as an international meetings and conferences hub.

STRENGTH

- National Highway connectivity in the state is about 3882.88 Km. The East-West corridor of the Golden Quadrilateral which start from Porbandar in Gujarat and connects with Silchar in Assam at a distance of 3300 Km. Assam is also connected with Asian Highway No:1. The BG railway network in Assam is about 2571.19 Km and is now connected with all major cities in India.



- Advantage provided to encourage entrepreneurship through reimbursement of SGST for a maximum period of 15 years. (Ranging from 150%, 180% to 250% of fixed capital investment).
- Power subsidy to Manufacturing and Specified Service sector @ Rs. 2.00 per unit consumed for a period of 5 years from the date of commercial production subject to a maximum of Rs. 50 lakh p.a.
- To encourage the MSME to be listed in BSE & NSE, Govt. will provide a subsidy @ 30% of the cost of public issue expenses, a maximum of Rs. 5 lakhs.
- Provide @ 30% subsidy to encourage private investors in the creation of industrial infrastructure, subject to a ceiling of Rs. 3 crores.
- Customized incentives for mega projects where the investment in fixed capital is above Rs. 1000 crore or generating a minimum of 2000 regular employment. (This provision is reduced to Rs. 100 crores in fixed capital and 200 permanent employees in 2023). Resulted in a new investment of Rs. 3000 crores expected by five companies.
- Investment in Human Resources by providing over 1 lakh permanent employment opportunities only in two years.
- Centre allocated Assam Rs. 3,128 crores as special assistance for capital investment and released Rs. 1,514 crores of it for the financial year 2023-24 itself. Apart from this Centre approved 51 projects worth Rs. 4,345 crores for the Northeast under the NEC (North Eastern Council).
- Steps have been taken to develop Inland Water connectivity also. In this line, a project cost of Rs. 40-45 crores have been taken under the collaboration of Sagarmala Development Company Ltd and Inland Waterways Authority of India (IWAI), which connect seven religious' sites in Guwahati.
- NRL (Numaligarh Refinery Ltd.) and IWAI join hands to export petroleum and petrochemical products to Bangladesh and other South East Asian countries through the IBP (Indo-Bangladesh Protocol) route. Under PM Gati Shakti, nine ongoing IWAI projects are being implemented in NER like:-
 - Alternative Road to Pandu Port (on NW-2)
 - Construction of IWT Terminal at Jogighopa, Bogibeel (on NW-2)
 - Construction of IWT Terminal at Sonamura (on Protocal Rout-10)
 - Renovation of Terminal at Badarpur and Karimganj (NW-16) etc.

OPPORTUNITIES

- About 60% of Assam's population is in the working age group of 15-59 years.
- Assam is the single largest tea-producing region globally and contributes over 50% of India's total tea production. The government has secured a GI tag for tea produced in the state.
- The state is the third largest on-shore producer of crude oil and the highest producer of natural gas in the country. It has over 1.3 billion tonnes of crude oil and 156 billion cubic metric tonnes of natural gas reserves.
- Assam enjoys a global monopoly in terms of Muga or golden silk production. The state accounts for around 95% of global Muga production. Assam is the major Eri silk producer in the country with an aim to produce 1 million kg of Muga silk and 10 million kg of Eri silk by 2025.
- Assam houses 300 types of medicinal herbs and plants, one of the largest producers of Citronella and lemon grass oil and Agar oil.
- The Assam MSME (Facilitation of Establishment and Operation) Act, 2020 exempts MSMEs from certain approvals and inspections, required for establishment and operation in the State for 3 years. Instead, an MSME in Assam can now start operation upon receipt of an 'Acknowledgement Certificate' from the State nodal agency by submitting the 'Declaration of Intent'
- To provide one-stop clearance to the proposal of new investment in the state, the Governor of Assam is pleased to establish "Invest Assam" under Section-8 of the Companies Act 2013 for the development of industries and speedy project implementation in the state.
- Rs. 3000 crores have been budgeted in 2023 to enable all the members of self-help groups to convert themselves into micro-enterprises so that they can contribute to the growth of SGDP.
- It is decided to give a subsidy of Rs. 2 lakhs to each young entrepreneur in an effort to create two lakh new entrepreneurs in the state.
- MOUs of Rs. 8000 crores have been signed with PepsiCo India Holding Ltd, Varun Beverage Ltd, Star Cement NE Ltd, Century Float Glass Ltd. etc. to infusion private investment.
- Keeping in view the emerging demand for semiconductors, the state approved the Assam Electronics (Semiconductor, etc.) policy in 2023. This will establish Assam as a hub of semiconductor manufacturing and electronics production.
- The state also heavily investing in the petrochemical sector and started producing methanol by increasing the stake in Numaligarh Refinery Ltd. and investing in new projects in Assam Petro Chemicals Ltd. methanol can also be exported to neighbouring countries like Bangladesh, Nepal, Bhutan, etc.



- Prime Minister’s Development Initiative for the North-East Region (PM-DevINE) was formulated for rapid and holistic development of the North-East Region by funding infrastructure and social development projects, based on the felt needs of the States.

THREATS

- Assam is prone to annual floods during the monsoon season due to heavy rainfall, as per ASDMA data, a total of 838 people died during 2013-2022, of whom 181 died in last year which is the highest human death toll in floods in a year. A part of this average annual affected area in Assam due to flood is 9.31 Lakh hectares. Flood-prone area of Assam is 39.58% as compared to the nation’s average 10.2%.
- Assam has a problem with illegal immigration; it has long grappled with the issue of illegal immigration primarily from Bangladesh. This issue has political, social, and economic implications and consequently led to ethnic tension in the state.
- Ethnic conflict in Assam and its neighbouring states like the Conflict at Kokrajhar in Assam, the recent conflict in Manipur which taken more than 150 lives and approximately 54,488 displaced also creates a major threat to the pace of development in Assam
- Lack of entrepreneurial mindset among the people especially young age group also, they are mostly job seekers rather than job creators and providers. There are several reasons behind this backwardness like lack of infrastructure facilities for startups, lack of funding facilities, etc.
- Lack of infrastructure and connectivity, where many parts of Assam, especially remote and hilly areas face the problem of adequate connectivity infrastructure which hampers economic development and creates hindrance in access to basic services.
Efforts are ongoing at both state and central levels of government to address these challenges and improve the overall well-being of the people of Assam.

6.3 Sectors Attract Most Allocation:

The State of Assam has planned to invest tremendous capital infusion in recent years in various sectors. The investment plan projected in the last three years in some key sectors is depicted in the following table:

Table 6.3.1 Sectors’ Budgetary Allocations

| SL No. | Sector | Capital Investments Allocation (Rs. in crore) | | |
|--------|---|---|---------|---------|
| | | 2021-22 | 2022-23 | 2023-24 |
| 1 | Education | 6,145 | 3,680 | 4,635 |
| 2 | Clean Energy | 788 | 710 | 699 |
| 3 | Industry, Innovation and Infrastructure | 8,040 | 7,122 | 14,501 |
| 4 | Climate Change plan | 416 | 728 | 942 |
| 5 | Health and Well Being | 3,705 | 3,731 | 3,177 |

Source: Assam Budget documents of various years.

In the above table 6.3.1 it has been seen that among the various sectors Assam gets allocation most in the Industry, Innovation, and Infrastructure sectors. Though allocation in this sector has decreased by 11.41% in 2022-23 from 2021-22, but in 2023-24 it has increased by 104% from 2022-23. Keeping in view Assam as a global investor's choice and making it a global investment hub govt also pushes huge capital infusion in the Industry and Infrastructure sector. In the last two years, more than Rs. 11500 core projects have been initiated in the infrastructure sector and more than Rs. 4000 crore projects have been initiated towards skilling Assam youth.

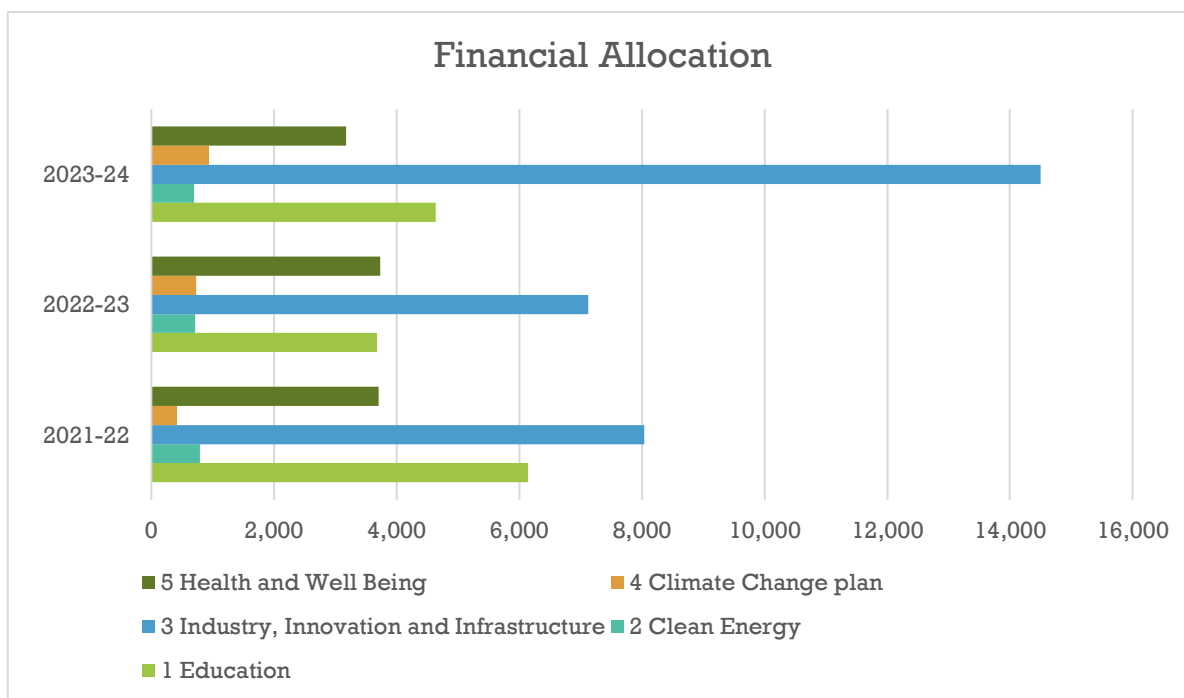


Fig 6.3.1 Chart Showing Sectors' Financial Allocation.

7. CONCLUSION

The foundation of each state's development is its industrial and infrastructure sectors. Even though Assam has implemented numerous investor-friendly measures to industrialize, such as exempting MSME from some clearances and inspections and offering one-stop clearance to new investment proposals for expedited implementation, it still lags behind other states in mainland India. Like, in the Export Readiness Index Assam's rank is 21 among 36 states and UTs of India which is quite below from the top. India recently held its G20 leaders' conference, where the focus was on the India-Middle East-Europe Economic Corridor (IMEC), the Green Development Pact, the Action Plan on Sustainable Development Goals, the Support for Digital Infrastructure, and the Multilateral Development Bank, Global Biofuel Alliance, are kept on focus, also efforts to make Triple Renewable Energy capacity by 2030 has been discussed and in this context, Assam also has an opportunity to play a major role on those factors. Assam still has ample opportunity to explore itself which will make it an investor's choice in international relations. If Assam is able to convert its opportunities into its strength, then the dream of becoming one of the top five states of India will be achieved very soon with effectiveness and efficiency.

REFERENCES

1. Prasad, J., Khasru, S. M., Jaskólska, A., & Tourangbam, M. (2023). *Building G7-G20 Synergy for a Multipolar World*. Retrieved from https://www.researchgate.net/profile/Aleksandra-Jaskolska/publication/371350916_Building_G7-G20_Synergy_for_a_Multipolar_World/links/64805dbd79a722376516cdc2/Building-G7-G20-Synergy-for-a-Multipolar-World.pdf
2. Prabhu, Swati & Ghosh, Nilanjan. (2023). *Increasing Cooperation for Sustainable Development: Imperative for India's G20 Presidency*. Retrieved from <https://www.orfonline.org/research/increasing-cooperation-for-sustainable-development/>
3. Shaabana Naik, P. S., & Suryadarma, D. (2023). *Investing in Indigenous Children's Human Capital to Secure Sustainable Development for All*. Retrieved from https://www.orfonline.org/wp-content/uploads/2023/06/T2_PB_TF-6_622_Indigenous-Children-Human-Capital.pdf
4. Sheel, Alok., Singh Manjeev & Pujari Damodar. (2023). *Indian Council of World Affairs: G20 @2023 India's Presidency*. Retrieved from <https://icwa.in/pdfs/G20@2023TwoEassyweb.pdf>
5. Tripathi, V., Borthakur, B., & Borah, P. K. *Framing Civilisational Continuity: Modi's Mann Ki Baat and North East India1*. Retrieved from https://www.researchgate.net/profile/Vikas-Tripathi-3/publication/370933842_Framing_Civilisational_Continuity_Modi's_Mann_Ki_Baat_and_North_East_India/links/646a1669c9802f2f72eea6af/Framing-Civilisational-Continuity-Modis-Mann-Ki-Baat-and-North-East-India.pdf
6. *Assam Budget*. Retrieved from



7. <https://prsindia.org/budgets/states/assam-budget-analysis-2023-24>
G20 – Background Brief. (n d). Retrieved from https://www.g20.org/content/dam/gtwenty/gtwenty_new/about_g20/G20_Background_Brief.pdf
8. https://industries.assam.gov.in/sites/default/files/swf_utility_folder/departments/industries_com_oid_4/portlet/level_2/final_industrial_and_investment_policy_of_assam_2019.pdf
9. https://industries.assam.gov.in/sites/default/files/swf_utility_folder/departments/industries_com_oid_4/portlet/level_2/gazette_notification_iip_amendment_2023.pdf
10. <https://pib.gov.in/PressReleasePage.aspx?PRID=1925169>
11. <https://prsindia.org/budgets/states/assam-budget-analysis-2023-24>
12. <https://timesofindia.indiatimes.com/city/guwahati/assam-inks-9-pacts-for-private-investment-of-rs-8000-crore/articleshow/100115844.cms?from=mdr>
13. <https://waterresources.assam.gov.in/portlets/flood-erosion-problems#:~:text=Records%20show%20that%20average%20annual,the%20area%20of%20the%20state.>
14. <https://www.investindia.gov.in/state/assam>
15. Indian Culture. (n d). History of North-East India. Retrieved from <https://indianculture.gov.in/north-east-archive/history-north-east>