



DYNAMICS OF GROWTH, INVESTMENT AND EMPLOYMENT IN MICRO SMALL AND MEDIUM ENTERPRISES (MSMES) IN ASSAM

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ABSTRACT

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Micro, Small and Medium Enterprises (MSMEs) are significant contributor to the economy. This study examines the growth of MSMEs and their role in provision of employment to people in Upper Assam. The study is based on secondary data collected from various sources such as the Annual Survey of Industries, the Statistical Handbook of Assam, and reports from the Reserve Bank of India and the Ministry of Micro, Small, and Medium Enterprises. It analyses the growth of MSMEs in the State during the period 2000–01 to 2018–19 and also investigate the pattern of employment and its trend in MSMEs. The findings of the study revealed that there has been a significant growth in the number of registered MSME units in the State. The number of registered MSME units in Assam increased sharply from 14,453 in 2000-01 to 48,171 in 2018-19. The compound annual growth rate (CAGR) in number of registered MSME units during the period 2000-01 to 2018-19 was found to be 6.54 per. The found differences in growth of investment, employment trends and number of registered MSME units in seven districts of upper Assam. In most districts, employment in MSMEs has grown slowly as compared to growth in number of units. In fact, there has been decline in employment per unit. Additionally, the average investment per unit differed considerably among the districts, indicating that MSMEs in some districts have varying investment capacity and patterns. The results point to the need for focused approaches to reduce regional differences and improve employment prospects by promoting investment for reducing unemployment and achieving balanced industrial growth in Assam.

KEY WORDS: MSMEs, Growth, Investment, Employment, Assam.

INTRODUCTION

Industrial development plays an important role in economic development of a country. It leads to utilisation of available resources, generates large scale employment and produces huge quantities of output and income. Many countries of the world, particularly European countries, achieved high level of development with the advent of industrial revolution. Hence, it is argued that there is a direct relationship between the industrial growth and economic development of a country. Small Scale Industries also play an important role in the development of an economy as these Industries are mostly labor intensive in nature and

operate comparatively in smaller markets. Small scale industries also involve comparatively lower investment and suitable for less developed countries which are characterized by labour abundant and low level of capital formation. The promotion of small scale industries has been widely recommended as one of the most appropriate means of developing industry in over populated backward countries (Dhar and Lydall,1961). They have also direct impact on the growth of entrepreneurship in the rural area and create the environment for the use of more unskilled labour which contributes directly in the growth of domestic markets, higher demand domestic input and raw materials and in poverty alleviation to a large extent (Kniivila, 2007).

Since independence the country has given special importance to small-scale industries and has taken various policies to develop such industries under both public and private sectors. The economic crisis of 1991 encouraged the government of India to concentrate on the development of small sector industry base which in the later period helped in the growth of country's Gross Domestic Product (GDP). Hence, the various policies like establishment of financial institutions for adequate and timely flow of credit Priority was accorded in allocation of indigenous raw materials, exemptions of excise duty, market promotion through cooperative and public institutions, and capital subsidy against loans for technology upgradation.(Burange and Yamini 2011). . The micro and small sector enterprises have also been able to export in a large amount to the foreign countries. Almost half of the total India's exports comes from small sector enterprise in these days. It is also to be noted that the small sector industries can employ more people than the other industries after agriculture both in rural and urban areas. It is, thus, playing an important role in reducing problems of unemployment and regional imbalances.

The North Eastern Region (NER) of India is relatively less developed in terms of industrialisation as the numbers of factories, share of fixed capital, invested capital and numbers of workers are less in this region than the all India position (Mohan, 2003).The region consists of eight states namely Assam, Arunachal Pradesh, Meghalaya, Nagaland, Mizoram, Manipur, Tripura and Sikkim covers a land area of 2.62 lakh sq.km which is around 8 per cent of India's total geographical area. The region has only a few industries like petroleum, tea and gas etc. and most of them are located in Assam. In recent past, industries like saw mills, mining, fabrication, steel etc. have grown in the other parts of this region. After the economic reforms, the first "North East India Industrial Policy" was introduced in 1997. The policy allocated Rs. 15 crore as the "necessary costs" to create a manufacturing sector in North East India. The policy also provided investment subsidy up to Rs. 30 lakh with tax exemption and transport subsidy. The policy was revised in 2007 which raised the investment subsidy up to Rs 1.5 crore. As a result, number of registered manufacturing units increased in the region from 2,089 in 1999-2000 to 4,798 in 2014-15. The total employment in the industrial sector also increased from 1.06 lakh to 2.24 lakh during the same period (Bhattacharjee and Bhattacharya, 2018). The government has launched North East Industrial Development Scheme in 2018 with aim of infrastructure development, employment generation and overall economic development in the North Eastern Region.

Among the North Eastern States, Assam is the pioneer in terms of industrial development. Apart from tea and petroleum industries, Assam has few other industries like coal, agro-based and forest based industries, fertilizer, petrochemical cement and cosmetic plants etc. There is sufficient scope for the growth of small scale industries in Assam with small investment and available labour forces. In order to promote, small and cottage industries in the State, Assam Small Industries Development Corporation Limited was set up in the year 1962. Over the years, the numbers of micro and small sector industries have been increasing steadily in the State. As per the Economic survey of Assam 2016-17, the total number of registered micro and small scale industrial units of the State has increased from 19,227 units in 2002-03 to 45,509 units in 2016-17. The employment in this sector in the State also increased from 1.88 lakh person in 2002-03 to 2.69 lakh person in 2016-17.

The State of Assam consists of 33 administrative districts. The entire districts are grouped under three regions; Upper Assam, Middle Assam and Lower Assam. The secondary data showed that most of the registered enterprises in Upper Assam enterprises are micro and small. Hence, the study will mainly focus on micro and small enterprises. According to the report of Census 2011, there are seven districts in upper Assam namely, Dhemaji, Dibrugarh, Jorhat, Lakhimpur, Tinisukia, Sivsagar and Golaghat.

Micro, Small and Medium Enterprises (MSMEs) play a crucial role in the economic development of upper Assam. These enterprises contribute significantly to employment generation, fostering entrepreneurship, and boosting regional economic growth. In upper Assam, where traditional industries like tea and oil are prominent, MSMEs provide diversification opportunities. MSMEs in upper Assam contribute to the socio-economic fabric by creating job opportunities for local communities, especially in rural areas. They often focus on sectors like agro-processing, handicrafts, and small-scale manufacturing, providing a sustainable source of income for the local population.

REVIEW OF LITERATURE

There are several studies which have analysed the growth, performance and employment pattern of MSME across the world. For instance, Desai (2002) explored the various aspects of management and working of small scale industries (SSI) in India. The study highlighted the strength of the SSI sector in generating higher labour employment, low capital requirement and capacity to help and promote regional dispersion of industrial activity low input content and environment friendly. It called for inducting greater competitive strength for SSIs

for the frequent changing economic environment like globalization.

Bala Subrahmanya (2005) conducted a study which revealed that since 1991 India's small industry has faced a fiercely competitive environment due to domestic economic liberalization, globalization, and the erosion of sector-specific protective measures. Its growth in terms of output, employment and exports has decreased as a result. As a result, in the 1990s, its rise in terms of exports and national revenue was less remarkable than in terms of employment. The main causes of low productivity and poor quality in India's small industry include restricted loan inflow, outdated technology, and a lack of a stable and trustworthy economic infrastructure. However, over time, shifts in both national and international policy have thrown open new opportunities and markets for the Indian small industry.

Nandagopal and Chinnaian (2004) in their study found that small-scale food processing industries' compound annual growth rate (CAGR) was 2.44 per cent which was higher than the total number of SSIs registered in Tamil Nadu. In terms of production, CAGR was the highest at 33.39 per cent, followed by investment at 20.14 per cent. The increase in employment was 5.71 per cent. Compared to workforce growth (13.91 per cent), investment growth per SSI was greater (17.54 per cent). Productivity increased at a rate of 30.02 percent per SSI and 26.19 per cent per worker. The food products industry in the Tamil Nadu study area (the Coimbatore district) was defined by growing returns to scale.

Bargal et. al. (2009) studied the performance of small scale industries of India with the help of the parameters like employment generated, exports, number of units and productivity per employee for the period 1973-2005. The study found that compound annual growth rate of the small sector industries of the pre liberalization period is less than in the post liberalization period. The productivity of the small sector industries was comparatively greater in the pre liberalization period than the post liberalisation period. It showed that labour productivity was comparatively higher in pre liberalization period, but the growth of exports was higher during post liberalization period. The study showed small sector industries can be new emerging sectors of the Indian economy.

Dhar (2013) pointed about the bright future of micro enterprises of Assam and the success of this sector basically depends on the socio-political environment of the state. The study also examined the importance of local entrepreneurs' participation for the growth and development of micro enterprises in the state.

Barman and Das (2014) analysed the growth and performance of Khadi and Village Industries in India during the period 1994-2010. The study found that compound annual growth rate of output, employment, and sales were 11.02 per cent, 5.02 per cent, and 28.85 per cent per annum respectively. The study shows the future probabilities of this sector in creating more employment and income opportunities for the country.

Garg (2014) analysed the growth of MSME sector and its role in generating income and employment opportunities in Indian economy. The study found that the micro, small and medium enterprises (MSME) sector have been significantly contributing towards the overall development of the economy. The MSME sector had shown a significant growth in income, export, investment and employment generation. The study also focused on the major challenges, like lack of IT (Information Technology) literacy, lack of management skill, lack of capital, lack of knowledge about the foreign market etc. which have been preventing the development of MSME sector in India

Katyal and Xaviour (2015) assessed the role of MSME to Indian economy and role of human resource department in sustainable growth of MSME. The study found that the contribution of MSME to gross domestic product increased from 5.8 per cent 2004-05 to 8.72 per cent in 2008-09. Investment in fixed asset increased from Rs. 8,685.44 billion in 2006 - 07 to Rs 11,769.39 billion in 2011-12. Though human resource management is essential for the growth of MSME sector, but the study showed that there is lack of the formalization in the management of human resource issues. The other challenges of MSMEs were identified as inadequate access to credit and markets, lack of technological knowledge, lack of proper infrastructure.

Sarkar (2017) examined the trends, opportunities and challenges in Small Scale enterprises of Assam. The study showed the importance of orientation programmes among the youths and capitalists with mass participations to create a suitable environment for the growth and development of small sector enterprises of Assam. However, the study lacks in dept study of performance and employment in MSME sector in the State.

Tamnunan (2019) examined the role and importance of MSMEs for the creation of business opportunities for women in Indonesia through a descriptive analysis using secondary data. The study showed that micro and small sector enterprises of Indonesia contributed 58 to 61 per cent of gross domestic product. The study revealed that 42.84 per cent micro and small sector enterprises are owned by women. But rate of women entrepreneurs

tends to decline by size of business. The main difficulties faced by most of the micro and small sector enterprises were; inadequate access to capital, marketing problem and problem in getting raw materials.

Das and Goswami (2019) examined the impact of entrepreneurial networks on small firm performances with the help of primary data in Assam using hierarchical regression model. The study found that network centrality and density has positive impact on the performance of the firms whereas competitive and Supportive network were not found significant.

The review of literature showed that the MSMEs sector play an important role in economic development in the country. Most of the studies have pointed out significant growth in number of units as well as investment in MSME sector. However, the studies revealed that there has been slow growth in employment in this sector. Since Assam has been witnessing increasing number of MSME enterprises in the recent years, the study aims to analyse the trend and growth of number of units, investment and employment in MSME sector of Assam in general and Upper Assam in particular.

OBJECTIVE OF THE STUDY

The objectives of the study are as follows:

- 1) To analyse the trend and growth of micro, small and medium enterprises (MSME) in Upper Assam.
- 2) To evaluate the trend and growth of investment and employment in micro and small sector enterprises in Upper Assam.

DATA SOURCE AND METHODOLOGY

The study is mainly based on secondary sources of data. The secondary data has been collected from various sources like Annual Survey of Industries, Statistical Handbook of Assam, websites of Reserve Bank of India (RBI) and Ministry of Micro Small and Medium Enterprises, Annual Reports of the Ministry of Industries. The data were analyses using the statistical tools such as, percentage, annual growth rate, compound annual growth rate (CAGR) and descriptive statistics.

Growth and Performance of MSMEs in India

The number MSME units have increased over the years in India. According to the annual report of Ministry of Micro Small and Medium Enterprises in 2015-16, there were a total of 633.88 lakh registered units spread all over the country, out of which 630.52 lakh were micro enterprises, 3.31 lakhs were small enterprises and 0.05 lakh were medium enterprises. Out of the total MSME units, 51 per cent were located in the rural area. Around 99 per cent of the total SSI was found to be microenterprises with original investment in plant and machinery up to Rs. 25 lakh. It is important to note that SSIs contribute around 40 per cent of country's gross Industrial value.

The total number of persons employed by the MSME during the period 2015-16 were 1109.89 lakh, out of which 1076.19 lakh were employed in micro enterprises, 31.95 lakh were employed in small enterprises and 1.75 lakh are employed in medium enterprises. The details of number of enterprises, employment, investment in fixed assets and gross out of MSME units in India are shown in table 1.

Table 1: Status of working MSMEs, Employment, Investments and Gross Output in India

Year	Total Working MSMEs (Lakh Number)	Employment (Lakh Persons)	Production (Rs. Crore) at current Price	Market value of FAs (in crore)
2000-01	101.1	240.9	261297	146845
2001-02	105.2	249.3	282270	154349
2002-03	109.5	260.2	314850	162317
2003-04	114	271.4	364547	170219
2004-05	118.6	282.6	429796	178699
2005-06	123.4	294.9	497842	188113
2006-07	361.8	805.2	13513.83	868543.79
2007-08	377.4	842.0	1435179	917437.46
2008-09	393.7	880.8	1524235	971407.49
2009-10	410.8	921.8	1619356	1029331.46
2010-11	428.7	965.2	1721553	1094893.42
2011-12	447.6	1011.7	1834332	1176939.36
2012-13	467.5	1061.4	N.A.	1,268,763.67
2013-14	488.6	1114.3	N.A.	1,363,700.54
2014-15	510.6	1171.3	N.A.	1,471,912.94
2015-16	633.88	1109.8	N.A.	N.A.
CAGR (%)	12.16	10.02	17.63	16.61

Source: Annual Report of MSMEs, 2017

The table 1 shows that the total number of registered units has increased over the years from 101.10 lakh in 2000-01 to 633.88 lakh units in 2015-16. During the period 2000-01 to 2005-16, the compound annual growth rate of number of MSME units was 12.16 per cent which is quite high. This implies that MSME sector in the country is performing well and the entrepreneurs are investing fund in setting up of MSME units. The MSME sector has been playing an important role in providing employment to the people. The number of employment in MSME units in the country have increased from 240.90 lakh persons in 2000-01 to 1109.89 lakh persons. The employment in MSME units have grown at compound annual growth rate of 10.02 per cent during the period 2000-01 to 2015-16. The analysis shows that the growth of employment in

MSME was lower than the growth of MSME units. However, the growth rates in production and investment in fixed assets were higher than the growth rate in number of units.

Growth and Performance of MSMEs in Assam

The growth and performance of the MSMEs of Assam was evaluated in terms of the growth in number of units and output, growth in employment, employment per unit and investment in registered MSMEs.

The number of MSME units in Assam has increased from 11,453 units in 2000-01 to 48,171 in 2018-19. During this period the compound annual growth rate of MSME unit in the State was 6.54 per cent. The details are presented in table 2.

Table 2: Trend and Growth of MSME, Employment, Investment (in Plant andMachinery) and Production in Assam

Year	No. of Units	No. of Employment	Employment per unit	Investment in plant and machinery (in lakh)	Per Unit Investment (Rs. Lakh)	Production in Value (in Rs. Lakh)
2000-01	14453	64623	4.47	22009	1.52	115303
2001-02	16981	76161	4.48	26897.95	1.58	131316.8
2002-03	19227	87276	4.54	31766.89	1.65	147696.4
2003-04	21591	99071	4.58	38965.71	1.80	166673.3
2004-05	23658	108467	4.58	46085.89	1.94	186371.5
2005-06	25740	119247	4.63	69862.77	2.71	209312.4
2006-07	27912	131099	4.69	79145.49	2.83	234827
2007-08	29604	141570	4.78	105782.9	3.57	279548
2008-09	31315	154484	4.93	132131.2	4.21	329183.1
2009-10	32993	167271	5.07	162032.9	4.91	387639.9
2010-11	34207	176273	5.15	187590.4	5.48	485137.4
2011-12	35494	190159	5.36	215366.6	6.06	N.A.
2012-13	36945	201830	5.46	242764.1	6.57	N.A.
2013-14	38805	214801	5.53	273863.1	7.05	N.A.
2014-15	41434	235297	5.68	300786.4	7.25	N.A.
2015-16	43332	249145	5.75	326384.4	7.53	N.A.
2016-17	45509	268500	5.89	387071.9	8.50	N.A.
2017-18	47048	282942	6.01	434524.1	9.23	N.A.
2018-19	48171	291560	6.05	454605.36	9.43	N.A.
CAGR (%)	6.54	8.25		17.27		13.95

Source: (i) Economic Survey of Assam, (various issues), (ii) Statistical Handbook of Assam (various issues)

The inclusion of businesses under the Khadi and Village Industries Commission (KVIC), handloom, retail trade sector, etc., in addition to an overall increase in the investment cut-off (plant and machinery) of the businesses, was primarily responsible for this growth. The employment in the MSME sector expanded from 64,623 in 2000–01 to 2,91,560 in 2018–19, demonstrating a compound annual growth of 8.25 per cent during the period. The compound annual growth rates of employment and investment were higher than

the compound annual growth rates of registered MSMEs during 2000–01 to 2018–19. The MSME sector remains a significant labor-absorptive sector in the State, as indicate by the consistent rise in employment per unit. The number of employment per unit has increased from 4.47 persons in 2000-2001 to 5.15 persons in 2010-11 which further improved to 6 persons per unit in 2018-19. The increase in employment per unit could be due to increase in investment per unit, which improved from Rs. 1.52 lakh in 2000-01 to 5.48 lakh in 2010-11 and

further improved to 9.43 lakh per unit in 2018-19. This is primarily due to the periodic definitional modifications made to MSMEs. During the period 2000-01 to 2018-19, there has been a sharp increase in plant and machinery investment, which represented a compound annual growth rate of 17.27 per cent. During the same period the production in MSME has increased at CAGR of 13.95 per cent. The analysis shows that MSME sector in the State is performing well over the years in terms of growth in units, employment, investment and production.

Growth and Performance of MSMEs in Seven Districts of Upper Assam

An attempt has also been made to examine the growth and performance of MSME units in seven district of upper Assam. It was found that in 2018-19 Sivsagar district had the highest number of registered MSMEs units (1147 units, followed by Dibrugarh (982 units). Dhemaji district had the lowest number MSME units (215 units). During the period 2011-12 to 2018-19, the Compound Annual Growth Rate (CAGR) of the number of MSME units was the highest in Sivsagar district (54.68 per cent) followed by Dibrugarh (42.42 per cent) and North Lakhimpur 39.55 per cent. This indicates significant growth and development. The details are presented in table 3.

Table 3: Trend and Growth of Number of registered MSMEs in Upper Assam

Year	Name of Districts						
	Lakhimpur	Dhemaji	Tinisukia	Dibrugarh	Sivsagar	Jorhat	Golaghat
2011-12	18	41	46	58	35	47	62
2012-13	41	68	127	176	116	129	104
2013-14	94	107	225	330	216	215	167
2014-15	146	118	344	510	498	356	279
2015-16	181	123	400	649	811	427	509
2016-17	218	134	461	793	915	494	565
2017-18	245	161	551	929	1015	573	644
2018-19	259	215	611	982	1147	594	747
CAGR (%)	39.55	23.01	38.16	42.42	54.68	37.31	36.49

Source: Statistical Handbook of Assam from 2012 to 2019.

The compound annual growth rate of number of registered MSME was 38.16 per cent in Tinsukia district, Jorhat district (37.31 per cent), Golaghat (36.49 per cent). Among the seven districts, the compound annual growth rate of registered MSME units was the lowest in Dhemaji district (23 per cent). The analysis showed that there has been high growth of MSME units in the districts of upper Assam which is a good indicator of progress of the State economy.

The study also analysed the trend and growth in total number of employment in MSME and Employment per unit in registered Micro, Small, and Medium Enterprises (MSMEs) in different districts of Upper Assam during the period 2011–12 to 2018–19. During this period, the compound annual growth rate of employment in MSME was the highest in North Lakhimpur district (53.45 per cent) followed by Sivsagar district (45.45 per cent), Tinsukia district (41.67 per cent) and Dibrugarh district (40.55 per cent). The details are presented in table 4.

Table 4: Trend and Growth of employment in registered MSMEs in Upper Assam

Year	Name of the District						
	North Lakhimpur	Dhemaji	Tinisukia	Dibrugarh	Sivsagar	Jorhat	Golaghat
2011-12	77	209	338	625	516	856	390
2012-13	218	313	811	1095	1276	1421	635
2013-14	693	469	1460	2800	1908	1892	1244
2014-15	1573	550	2217	4280	4297	2758	2069
2015-16	1927	574	2566	5379	6696	3230	3892
2016-17	2140	685	3317	8011	8182	3614	4291
2017-18	2317	838	5161	9152	9485	4064	4928
2018-19	2367	970	5484	9519	10339	4161	5583
CAGR (%)	53.45	21.15	41.67	40.55	45.45	21.85	36.49

Source: Statistical Handbook of Assam from 2012 to 2019.

The growth of employment was the lowest in Dhemaji district (21.15 per cent) and Jorhat district (21.85 per cent). This highlights inter-district variations in growth of MSME units as well as the growth of employment in MSME in Assam. It is noteworthy that the rates of employment growth in districts such as Tinisukia, Dibrugarh, and Sivsagar were comparatively similar, suggesting a constant generation of jobs. Nevertheless,

despite high growth of MSME units, Jorhat district witnessed relatively lower growth in employment generation.

An attempt was also made to examine the number of employees per MSME unit in seven districts of upper Assam to get a better picture of the employment potential in MSME. The details are presented in table 5.

Table 5: Trend in Number of Employees Per Unit in registered MSMEs in Upper Assam

Year	Employment Per Unit						
	North Lakhimpur	Dhemaji	Tinisukia	Dibrugarh	Sivsagar	Jorhat	Golaghat
2011-12	4.27	5.09	7.34	10.77	14.74	18.21	6.29
2012-13	5.31	4.6	6.38	6.22	11.00	11.01	6.1
2013-14	7.37	4.38	6.48	8.48	8.83	8.8	7.44
2014-15	10.77	4.66	6.44	8.39	8.62	7.74	7.41
2015-16	10.64	4.66	6.45	8.288	8.25	7.56	7.64
2016-17	9.81	5.11	7.19	10.1	8.94	7.31	7.59
2017-18	9.45	5.2	9.36	9.85	9.34	7.09	7.65
2018-19	9.13	4.51	8.97	9.69	9.01	7.00	7.47

Source: Statistical Handbook of Assam from 2012 to 2019.

It was found that only in Lakhimpur, Tinsukia and Golaghat districts, the employment per unit has increased during the period 2011-12 to 2018-19. In North Lakhimpur district, the employment per unit has increased from 4.27 persons in 2011-12 to 9.13 persons per unit in 2018-19. In other four districts of upper Assam i.e. Dhemaji, Dibrugarh, Sivsagar, and Jorhat, the employment per unit has declined during the period 2011-12 to 2018-19, suggesting a slower development in

employment than the growth in the number of MSME units. There was sharp decline in employment per unit in Jorhat district from 18.21 persons per unit in 2011-12 to 7 persons per unit in 2018-19.

The study also analysed the growth of investment in plant and machinery in MSME in seven districts of upper Assam. The details are presented in table 6 and table 7.

Table 6: Trend and Growth of Investment in Plant and Machinery (Rs. in Lakh) of MSMEs in Upper Assam

Year	Name of the Districts						
	North Lakhimpur	Dhemaji	Tinisukia	Dibrugarh	Sivsagar	Jorhat	Golaghat
2011-12	85.98	158.84	1113.87	927.57	2343.31	1314.91	788.08
2012-13	150.79	197.82	2324.91	1746	4182.14	2850.27	1306.55
2013-14	476.6	234.1	3277	4041	5718	4207	3729
2014-15	1484.17	342.39	3807.94	6244.31	10595.16	4710.14	4525.75
2015-16	2207.3	356.3	4797.59	7962.61	14345.49	5721.64	6381.3
2016-17	2472.79	787.83	7873.59	21192.41	20682.35	6869.32	7240.12
2017-18	525.63	2167.1	11432.43	25214.06	24718.71	9021.37	10252.15
2018-19	3022.75	2873.1	11930.89	25982.95	28079.07	9127.04	12232.53
CAGR (%)	56.04	43.6	34.5	51.6	36.4	27.4	40.8

Source: Statistical Handbook of Assam from 2012 to 2019.

It was found that during the period 2011-12 to 2018-19, total investments in plant and machinery grew at CAGR of 56 per cent in Lakhimpur district followed by 51.6 per cent in Dibrugarh district, 43.6 per cent in Dhemaji and 40.8 per cent in Golaghat district. Among the seven

districts, the growth in investment was the lowest in Jorhat district (27.4 per cent).

The analysis of investment per registered MSME unit during the period 2011–12 to 2018–19 showed that there

were differences in the trends of plant and machinery investment. The average investment per unit varied considerably between years and districts, indicating that

MSMEs in various regions have distinct investment capacity and trends.

Table 7: Trend and Growth of Investment (Rs. in Lakh) in Plant and Machinery Per Unit of Registered MSMEs of Upper Assam of MSMEs in Upper Assam

Name of Districts	Name of the Districts						
	North Lakhimpur	Dhemaji	Tinisukia	Dibrugarh	Sivsagar	Jorhat	Golaghat
2011-12	4.77	3.87	24.21	15.99	66.95	27.97	12.71
2012-13	3.67	2.90	18.30	9.92	36.05	22.09	12.56
2013-14	5.07	2.18	14.56	12.24	26.47	19.56	22.32
2014-15	10.16	2.90	11.06	12.24	21.27	13.23	16.22
2015-16	12.19	2.89	11.99	12.26	17.68	13.39	12.53
2016-17	11.34	5.87	17.07	26.72	22.6	13.9	12.81
2017-18	2.14	13.46	20.741	27.1	24.35	15.74	15.91
2018-19	11.67	13.36	19.52	26.45	24.48	15.36	16.37

Source: Statistical Handbook of Assam from 2011 to 2019.

It was found the investment in plant and machinery per MSME units in North Lakhimpur district has increased from Rs.4.77 lakh in 2011-12 to Rs. 11.67 lakh. In Dhemaji district, it increased from Rs. 3.87 lakh to Rs. 13.36 lakh during the same period. In Dibrugarh district, it improved from Rs. 15.99 lakh to 26.45 lakh and in Golaghat district, it increased from Rs. 12.71 lakh to Rs. 16.37 lakh (table 7). However, in Tinsukia, Sivsagar and Jorhat districts there was a decline in investment in plant and machinery per MSME units.

CONCLUSION

The MSME sector has shown consistent growth over the past few years in a number of parameters. The sector has been crucial to the Indian economy. The number of MSME units, the employment generations, investments in fixed assets, and gross output have all showed an upward trend at the national level, with microenterprises making up the majority of these figures. With the number of registered units rising from 14,453 in 2000–01 to 48,171 in 2018–19, a compound annual growth rate (CAGR) of 6.54 per cent, the MSME sector in the State of Assam has experienced exceptional growth. With a compound annual growth rate (CAGR) in of 8.25 per cent in employment, the employment in MSME increased even faster, demonstrating its capacity to provide work opportunities. Sivsagar emerged as the leading district in Upper Assam, with the most number of MSMEs registered and the highest compound annual growth rate in MSME units. On the other hand, Dhemaji district lagged behind, having the lowest number units and the lowest employment growth rate it, underscoring regional differences in the dynamics of MSME growth. The district of North Lakhimpur has the highest employment growth rate in MSME with comparatively few registered MSMEs during 2011-12 to 2018-19. Despite the existence of MSMEs, the districts of

Dhemaji and Jorhat experienced difficulties in producing more jobs. Interestingly, most districts saw a decline in employment per unit over time, suggesting that employment grew more slowly than the number of units. The average investment per unit for plant and machinery differed significantly between districts and years, indicating that MSMEs in different locations had varying investment patterns and capacity.

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