



A DEVELOPMENT PROFILE OF ARUNACHAL PRADESH



**DEPARTMENT OF PLANNING
GOVERNMENT OF ARUNACHAL PRADESH
ITANAGAR**

A DEVELOPMENT PROFILE OF ARUNACHAL PRADESH

Arunachal Pradesh - the "Land of the dawn-lit mountains", is situated in the north east of India. The State, with a population of only 10.91 lakhs as per 2001 Census inhabiting over an area of 83,743 sq. km., largest amongst NE States, has a very low density of 13 people per sq. km. Bounded by Bhutan to the West, China to the North and North-East and Myanmar to the East, the State is one of the most splendid and variegated tribal areas of the country. The total length of international border is about 1628 km. It has inter-State borders with Nagaland in East and South-East and Assam in the South.

Physiography

2. Arunachal Pradesh is characterized by rugged and undulating terrain and is vivisected by innumerable rivers and streams which originate in the higher Himalayas and Arakan ranges. They flow down to form tributaries of the Brahmaputra. The major rivers are Kameng, Subansiri, Siang, Siyom, Dibang, Lohit, Noa-Dihing and Tirap. Owing to rapid changes in topographic and altitudinal aspect, the climatic conditions tend to change within short distances. Three major climatic zone is recognized on the basis of broad generalization, viz., the hot and humid sub-tropical area of foot-hills, the cooler and micro-thermal region of lesser Himalayas and the cold Himadri type in the upper region of the State.

Flora & Fauna

3. Arunachal Pradesh is considered as one of the 12 mega diversity (Hot Spots) in the World. The State has 20% species of country's fauna, 4500 species of flowering plants, 400 species of pteridophytes, 23 species of conifers, 35 species of bamboos, 20 species of canes, 52 rhododendron species and more than 500 species of orchids. The important forest species found in the State are tropical, evergreen, semi-evergreen, deciduous, pine, temperate, alpine and grassland etc. The wildlife of the State is rich and varied. Arunachal Pradesh is the happy home of animals like elephant, tiger, leopard, jungle cat, white browed gibbon, red pandas and musk deer and mithun. There are two numbers of National Parks at Namdapha and Mauling and Wild Life Sanctuaries at Mehao, Pakhui, Dying Ering, Kane, Eagle's Nest, Kamlang, Itanagar and Dibang, Tiger Reserves at Namdapha and Pakke, Elephant Reserves at Kamlang ER & Deomali ER and Orchid Sanctuary at Sessa.

Constitutional and Political Evolution

4. Arunachal Pradesh has undergone constitutional changes in its evolution to attain statehood. The then North East Frontier Agency (N.E.F.A.) came into being as a Union Territory from 20th January' 1972. The State acquired an independent political status and ceased to be a tribal area within the State of Assam. The Agency Council which had been at the apex of the Panchayati Raj system in the Territory, was replaced

by a Pradesh Council in 1972, which in turn was converted into a Provisional Legislative Assembly in 1975. A Council of Ministers was sworn in on 15th August' 1975 and the Administrator of Union Territory, until designated as Chief Commissioner, was re-designated as the Lieutenant Governor. The first General Election to the 30 members Arunachal Pradesh Legislative Assembly was held in 1978, constituting a landmark in the political evolution of the Union Territory. The territory was endowed with Legislative status on 20th February' 1987 and the number of seats in Legislative Assembly was increased to 60. There are two Parliamentary Constituencies, viz., Arunachal East Parliamentary Constituency and Arunachal West Parliamentary Constituency. There is only one Rajya Sabha seat for Arunachal Pradesh. At present, the State is divided into 16 districts, viz., Tawang, West Kameng, East Kameng, Papumpare, Kurung Kumey, Lower Subansiri, Upper Subansiri, Upper Siang, West Siang, East Siang, Dibang Valley, Lower Dibang Valley, Anjaw, Lohit, Changlang and Tirap. Administratively, the State is again sub-divided into 44 Sub-Divisions and 169 administrative Circles. There are 17 nos. Census town with 20.75% of urban population and the number of inhabited villages as on 31st March' 2006 is 3863. There are 83 Community Development Blocks functioning in the State. .

People and Cultural heritage

5. Arunachal Pradesh is predominantly a tribal State and happy home of major local Scheduled tribes. About two third of its population belongs to Scheduled Tribe (64.22%) from 26 major tribes and more than 100 sub-tribes. The different tribes have their own dialects. The local people inhabiting in Arunachal Pradesh are :-

- The Monpas, Mijis, Akas, Khowas, Sherdukepens and Bangnis in Tawang, West Kameng and East Kameng districts.
- The Adis & Galos which include a large number of Sub-tribal groups, Membas and Khambas in West, East and Upper Siang districts.
- The Mishmis of three different sects, Khamptis and Singhphos in Lohit, Dibang Valley and Lower Dibang Valley districts.
- The Noctes, Wanchos and Tangsas in Tirap and Changlang districts.
- The Apatanis, Nyishis, Tagins and Hills Miris in Lower and Upper Subansiri districts.

The broken Hindi and Assamese serve as lingua franca. English is the official language of the State. As per 2001 population Census, the total population of Arunachal Pradesh is 10,97,968 of which 5,79,941 are male and 5,18,027 are female. The State has registered growth rate of population by 27% during the last decade of 1991 - 2001. The sex ratio is 893 per 1000 male as per 2001 Census as compared to 933 of all India average. The literacy rate of the State is 54.30% in 2001. The female literacy rate is 43.50% only.

On the basis of socio-religious affinities, the people inhabiting in the State are divided into three broad cultural groups. The Monpas and Sherdukpens of Tawang and West Kameng districts follow the Lamaistic tradition of Mahayana. The Khamptis and Singhphos inhabiting in Lohit and Changlang districts practise Hinayana sect of Buddhism. The second group of people are the Adis, Galos, Akas, Apatanis, Nyishis, Mishmis, Mijis, Tangsas etc. who worship the Sun and Moon God, called 'Donyi-Polo' and 'Abo-tani'. The third group comprises of Noctes and Wanchos of Tirap district who practice the elementary form of Vaishnavism.

The people of Arunachal Pradesh have a tradition of artistic craftsmanship and sense of aesthetics manifested through a variety of crafts, such as weaving, painting, pottery, smithy work, basket making, wood carving and cane and bamboo caps and furniture. Festivals are an essential part of the socio cultural life of the people which are connected with agriculture and celebrated with ritualistic gaiety either to thank God for the providence or to pray for a bumper harvest. The important festivals are Mopin of Galos, Solung of Adis, Lossar of Monpas & Sherdukpens, Dree of Apatanis, Si-Donyi of Tagins, Nyokum of Nyishis, Reh of Idu-Mishmis and Shangken of Khamptis and Singhphos. The traditional dance like Ponung of Adis and other dances of various tribal communities have retained the folk character and are performed by all irrespective of sex and ages. So far as social structure of the community is concerned, the tribes of Arunachal Pradesh have organized system of functioning in their villages. The traditional village Panchayats is such as Kebang among Adis & Galos, Long among the Sherdukpens, Mel among the Akas, Gingdung and Nele of Nyishis, Builiang among the Apatanis and so on.

Most of the tribes now a days extensively practice wet-rice cultivation and have a considerable agricultural economy. Apatanis are also famous for their paddy-cum-pisciculture. They are specialized in harvesting two crops of fish along with each crop of paddy.

Present Economic Status

6 The State plan is largely dependent on Central assistance as the scope of internal mobilization of resources is limited in view of low tax base. However, the Central assistance to the State plan has been declining in real terms due to cost escalation and burden of Non-Plan expenditure. As a result Plan development activities of the State Government have been affected adversely and remained almost stagnant for the last few years. These trend needs to be reviewed and reversed. The expenditure of the State has been rising sharply compared to its growth of revenue.

The State has not been able to contain Non-Plan expenditure inspite of best efforts. The State has been penalized by not granting adequate Non-plan revenue gap grant as the State has not been able to transfer the committed liabilities/maintenance of assets from Seventh Plan onwards. Major chunk of plan outlays is engulfed by salaries, maintenance of assets and committed liabilities. This leads to State's limitation to take up new schemes and also to continue financing of ongoing/spill over schemes. As a result, a large number of assets created in the last plan periods have deteriorated resulting in declining productivity. Such projects are not found remunerative and self-sustaining. The assumption that the completed schemes will give enough return for their maintenance has not been realized in the State. If such trend continues, the expenditure on committed liabilities/maintenance of assets during Tenth Plan will have to be borne under Eleventh Plan, unless it is transferred to Non-plan.

Process of Planned development in Arunachal Pradesh - An Overview

7.1 Arunachal Pradesh, though strategically very important, is one of the most backward States in the country in the traditional sense of economic parameters. The long isolation and separation from the main stream of the country, posed formidable problems to the efforts of socio-economic development of the State. Further, the State's inhospitable topography, challenging climatic conditions and communication bottle-necks make the cost of creation and maintenance of infrastructure extremely high. The cost of construction is escalated not only because of high transportation expenses but also due to non-availability of local skilled and un-skilled manpower. Road blockages caused by frequent slips and slides also result in an unwarranted delay in execution of works. Moreover, being a highly precipitated area, the working season is restricted only for 6 months i.e. from October to March every year.

7.2 The degree of backwardness of the State could also be judged from the estimation of HDI. The first ever National Human Development Report (NHDR), 2001 brought out by the Planning Commission estimated the value of Human Development Index (HDI) for Arunachal Pradesh at 0.242 and 0.328 for 1981 and 1991 respectively. The findings of the report reveal that Arunachal Pradesh ranked at 28 and 27 respectively during the aforesaid period. Amongst the North-Eastern States, Mizoram has the highest HDI and Arunachal Pradesh the lowest.

7.3 The State, being one of the Special Category States, is solely dependent on Central Assistance for Plan investment because of poor resource base. Unlike other States of the country, Arunachal Pradesh is not fortunate enough to

inherit some semblance of infrastructure at the time of independence. Over the last four decades of planning process in Arunachal Pradesh, the State has intensified its efforts for its economic development. In the initial plan periods the focus of the planning was to create basic infrastructure. As the State started its planning process from very scratch in most of the parameters, the rate of growth is substantial and impressive despite the State's development constraints. The State falls behind in the most of the parameters of economic development in comparison to other States.

7.4 The Plan investments made in the preceding plan periods were very low from First Five Year Plan upto end of Tenth Plan. The following table is self-explanatory.

(Rs. In lakh)

Plan Year	Approved Outlay	Revised Outlay	Expenditure
1 st Five year Plan (1951-56)	421.00	300.00	201.22
2 nd five year Plan (1956-61)	951.00	509.56	356.64
3 rd Five year Plan (1961-66)	715.00	715.00	920.37
Annual Plan 1966-67	267.15	267.15	257.26
Annual Plan 1967-68	250.00	250.00	296.66
Annual Plan 1968-69	330.69	330.69	277.04
4 th Five year Plan (1969-74)	1799.00	1799.00	2046.47
5 th Five year Plan (1974-79)	6330.00	6330.00	4239.33
Annual Plan 1979-80	2341.00	2340.50	2250.91
6 th Five year Plan (1980-85)	21200.00	22290.65	22498.00
7 th five year Plan			
1985-86	7300.00	7300.00	7214.54
1986-87	9000.00	9000.00	8784.26
987-88	11000.00	11000.00	11109.89
1988-89	12600.00	12821.00	12512.48
1989-90	15000.00	15440.00	15402.98
Annual Plan 1990-91	18300.00	16849.00	16580.57
1991-92	23000.00	20700.00	20687.06
8 th five year Plan			
1992-93	24760.00	23535.00	23360.89
1993-94	29350.00	26391.00	26060.84
1994-95	33502.50	33299.50	35335.76
1995-96	50300.00	43930.00	43312.79

1996-97	52011.00	45717.00	43089.34
9 th five year Plan			
1997-98	60000.00	51736.00	48938.00
1998-99	62500.00	47158.00	46302.00
1999-2000	66500.00	50300.00	46839.72
2000-2001	64000.00	59941.00	51093.25
2001-2002	66100.00	66091.00	55491.19
10 th five year Plan (2002-07)			
2002-03	67600.00	67600.00	53146.75
2003-04	70800.00	72300.00	64230.22
2004-05	76035.00	76035.00	65580.17
2005-06	95749.00	81794.00	73473.64
2006-07	105600.00	95563.00	95563.00
Grand Total	1055612.34	969633.05	897453.24

7.5 The Tenth Five Year Plan has been formulated at the backdrop of present trend of economic development scenario of Arunachal Pradesh. The focus of the State's Tenth Plan, therefore, was on: -

- Sustaining the thrust on creation and maintenance of physical infrastructure ;
- Improving the educational, nutritional and health profile of the population;
- Investing in the productive sectors of agriculture, horticulture and food processing with particular emphasis on marketing, and
- Scientific exploitation of timber resources in accordance with working plans.

7.6 As against approved outlay of Rs 4157.84 crore, the revised outlay for Tenth Five Year Plan stood at Rs. 3932.92 crore, which is inadequate. Hence, the outlay for 11th Five Year Plan (2007-12) needs to be augmented.

7.7 The thrusts and priorities of important sectors are discussed in the succeeding paragraphs.

Agriculture and Allied activities

7.7.1 The State's strategy of agricultural development is centered around achieving self-sufficiency in food grain production and marketing of agricultural and horticultural produces at remunerative prices, apart from generating revenue and employment opportunities.

Agriculture

According to 2001 Census, the total working population of the state is 482206 (male-293549 and female-188657), the number of cultivators is 281822 and that of agricultural labourers is 18569. About 80% of population living in rural area is dependent on agriculture and 62.29% of total working populations are engaged in agriculture. Therefore, agriculture will have to play the most important role in the economic development in the State. Proper planning and incentive mechanism are required for changing the nature of agricultural activities from subsistence farming to commercial exploitation for cultivation of cash crops. Emphasis will be on modernization of agriculture through intensive and mechanized in selected areas, promotion of scientific planning and cropping pattern to improve yield per hect., replacing/improving the traditional jhum cultivation to the extent possible, extensive and intensive agriculture through assured irrigation facilities, infrastructural support in transport and communication, improvement of locally acceptable crop varieties conducive to varied agro-climatic zones, development of marketing network to generate income and to provide employment opportunities.

The main factors responsible for agricultural backwardness could be attributed to (a) physical features of the State, necessitating terrace cultivation owing to availability of limited flat land (b) low cropping intensity due to monocropping and prevalence of age-old shifting cultivation (c) lack of inadequate infrastructural support in transportation, communication, assured irrigation facilities, technical research and marketing (d) lack of improved and locally acceptable crop varieties and economically viable cropping sequence for different agro-climatic zones, and (e) lack of suitable farm implements for mid and high hill areas etc.

Horticulture

7.7.2 Given its diverse agro-climatic potential, Arunachal Pradesh is suitable for cultivation of tropical, sub-tropical and temperate fruits, vegetables, spices and other crops of economic potential like medicinal and aromatic plants. Development of horticulture is important as this sector can generate employment opportunity and

increase rural income. To provide remunerative prices to the farmers and also to provide substantial job opportunities amongst the local unemployed educated youths, the main objective and thrust for development of horticulture is on expansion/diversification of areas under horticultural activities, emphasis on income generation crops like spices and mushrooms and low volume high value fruits, stress on compact area plantation of orchids and development of marketing network for surplus produces. Further, considering the potential for floriculture in the State, stress is on production of quality flowers, seeds and bulb etc.

A Technology Mission for Horticulture was launched during 2001-02. Under Technology Mission on Horticulture of Central Govt., four Mini Mission programmes have already been taken up for area expansion of fruits, spices, vegetables, and flowers, drip irrigation, green house, post harvest technology and marketing, and fruits & vegetables processing etc. During 2006-07, Govt. of India released an amount of Rs.2558.75 lakh for Integrated Development of Horticulture.

Forests

7.7.3 In Arunachal Pradesh, out of the total geographical area of 83,743 Sq. km, the recorded forest area is 51540 Sq. kms. covering about 62% of the total geographical area. The State Govt. has notified the following areas as Reserved Forests, Sanctuaries and National Parks etc.

Reserved Forests	9552.32 Sq.Km.
ARFNRF	625.37 "
National Park	2290.82 "
Wildlife Sanctuary & Orchid Sanctuary	7237.17 "
Protected area	7.80"
Total -	19713.48 Sq. Km.

Forest has traditionally been primary source of livelihood in Arunachal Pradesh. It is one of the 'Hot Spots' of bio-diversity in the world because of abundance of varied flora and fauna including medicinal and aromatic plants. Therefore, State's endeavor is to maintain the ecological balance and conserve bio-

diversity. The forests have pervaded the life and culture of the tribal people of the State who directly depend upon the forests for timber, fuel wood and variety of minor forest produces. Before 1996 the forest generated the largest employment and largest source of revenue for the State. Imposition of the Supreme Court's restriction on the timber operation has resulted in the substantial revenue losses. The average revenue contributed by forest sector during the period 1991-92 till 1995-96 was Rs. 36.00 Crore per annum. The State Government, therefore, has suffered losses of about Rs.300 crore during the period 1996-97 to 2000-01. The provision of forest legislation cost the State very dearly. The provisions of law prevent the local people from providing tree cover through horticultural and plantation crop, which normally provide employment. In fact, Arunachal Pradesh has been panelized economically for its self-sustaining role. This needs to be readdressed urgently.

Poverty Alleviation Programmes under Rural Development

7.7.4 The incidence of poverty in Arunachal Pradesh remained more or less static during the last two decades. About 59.5% of the population were below poverty line at the beginning of Eighth Five Year Plan. As per recent NSS, about 33.47% of the total populations of the State have been found to be below poverty line. In order to uplift the BPL families above the poverty line, emphasis will be given to create community infra-structural assets with employment opportunities for sustainable economic development through Centrally Sponsored Poverty Alleviation schemes like SGSY, SGRY, Rural Shelter under PMGY and Hariyali etc.

The Rural Development programmes are mainly concerned with planning and implementation of State and Centrally Sponsored Programmes of poverty alleviation through self employment, rural employment and infrastructural development in rural areas with the objective to raise rural based economic activities for generating regular flow of income, particularly target group of rural poor.

Important Physical targets and achievement during Tenth plan is indicated below:

Sl. No.	Item	Unit	Tenth Plan (2002-07)	
			Target	Achievement
1	2	3	4	6
1	i) SGSY	a) No of Group b) No of Individual Swarozgari	300 16170	305 5498
2	SGRY	No of Mandays in Lakhs	115	20.40
3	Rural Housing	No. of House		
	a) IAY	a) New Construction	21527	3775
		b) up gradation	11840	943
4	IWDP (now Hariyali)	Area in Hect.	2600	43650

The aims and objectives of programmes under Rural Development Department are highlighted below:

- Creation of self employment by individuals and collective efforts through Self Help Groups for taking up any economic activity and generate employment opportunities with the help of Govt. subsidies and credit available from banks.
- Generation of employment and self-confidence opportunities to women and economically backward tribal society.
- Wage employment opportunities through creation of community based infra-structural assets in order to sustain economic development.
- Assistance to construction of new dwelling houses and upgradation / improvement of existing houses to poor people.
- Development of non- forest wasteland on micro- watershed approach with the active participation of the people i.e. User Groups, Self Help Groups, PRIs and NGOs.
- Other programmes related to infrastructure development of rural economy.

Economic, Social and Services Infrastructure Development

7.7.5 Arunachal Pradesh has not inherited any infrastructure on which to build upon further. The development process in the State, had, thus to be started from the scratch. Hence, infrastructure development has been accorded top priority in the strategy of State's economic development planning over the four decades of planning process. Infrastructure, or more appropriately its absence, is the single most impediment in accelerating the pace of the development of the State. For historical reasons, there was virtually no accent on development process in Arunachal Pradesh till independence. Though the planned development was started from First Five Year Plan itself, the investments in the initial plan periods were minimal. In fact, development efforts gained momentum only from Sixth Five Year Plan. This has left the State far below all India average of development. The backlog of basic minimum services requires to be reviewed and the gaps in the infrastructure are to be filled urgently and effectively. Apart from basic infrastructure facilities, development of institutional infrastructure like financial institutions and other supporting services such as marketing, godown etc. also needs to be laid special emphasis. For rapid infrastructural development in the State, the barriers/inherent development constraints need recognition and call for adopting more specific strategy with sound financial backup in consonance with the ground realities prevailing in Arunachal Pradesh.

Irrigation & Flood Control

7.7.6 A characteristic feature of Arunachal Pradesh is frequent occurrence of natural calamities like heavy rainfall, landslides and floods etc. Coping with such natural calamities places a further heavy burden on the meagre resources of the State. The economy of the State, being a largely agrarian, a good deal of emphasis was given initially to the creation of extensive irrigation facilities so that dependence on nature and uncertainty in agricultural production could be minimized. This resulted in the impressive growth of irrigation potential during the four decades of planning in Arunachal Pradesh. Expansion of irrigation facilities and controlling of flood menace will continue to be given emphasis. Utilization of ground water potential also needs to be tapped at higher scale and Command Area Development works need to be taken up in a big way to bridge the huge gap of about 60,000 hect. between creation and utilization of irrigation potential in the State. The focus is on maximizing utilization of created potential through augmentation, renovation and maintenance of irrigation projects and other Command Area Development works apart from survey and exploitation of ground water for irrigation in the foot hill areas of the State.

Power

7.7.7 The State has enormous hydel power potential. Its untapped hydropower potential is estimated to be 50,000 MW. Due to techno-economic limitation this enormous potential has remained unexploited. There are large numbers of mini/micro hydel projects, which are languishing for want of fund for completion. Exploitation of resources of new projects and renovation of existing projects along with transmission and distribution line, development of a network of 132 KV State Grid from East to West for connecting various major generating stations and Central sector power inlet points require heavy investment which is beyond the means of the State Govt. Further, there is urgent need for construction of sub-transmission network at various locations to synchronize their completion with generating projects. So far 2195 villages have been electrified out of 3863 villages in the State. In the power sector, T&D losses continue to maintain a rising trend. The State suffers both peak and energy deficits. The focus is on completion of mini/micro hydel projects, renovation and improvement of defunct hydel projects, construction of sub-transmission line for distribution of power from coming up generation projects, electrification of villages and effective use of NRSE and implementation promotion of IREP like bio-gas, wind mill, solar water heating system, solar lantern, village electrification through SHS and setting up of IREP Cells, especially in the rural areas.

The present power scenario in the State is indicated below:

Peak Power Demand	105.00 MW
Firm Power Generation	
a) Hydel :-	22.00 MW
b) D.G. Sets:	20.00 MW
Total :-	42.00 MW
Total Short fall :	63.00 MW
Total installed capacity	
a) Hydel :-	33.83 MW
b) D.G. Sets:	27.12 MW
Total :-	60.95 MW

Power sale agreement has already been entered with various Power Trading Firms for sale of 50 MW of surplus power out of the allocation from Central Sector Power of North Eastern Region allocated to Arunachal Pradesh. The surplus power available from RHEP and other Central Sector Power Projects are to be utilized for the State also. As such, it is imperative to construct transmission grid, State grid and existing lines to be augmented and strengthened so as to utilize the share of power available from the Central Power Sector from the North Eastern Region.

The Govt. of Arunachal Pradesh has signed Memorandum of Agreement Understanding (MoA/MoU) with Central Public Sector Undertakings (CPSUs) like NHPC, NEEPCO and NTPCs and Integrated Power Developers (IPDs) for development of 37 Hydro Electric Projects with aggregate installment capacity of 23,486 MWs as on date.

The Department of Power, has initiated power sector reform to reduce difference between the average cost of power per kwh and average revenue (on cash realization basis) per kwh. The State Govt. has signed an agreement with Power Trading Corporation to sell 50 MW of surplus power. If supply from allotted quota of 48 MW free power from the Ranganadi Hydel Project is materialized, the sale will yield Rs.65 crore annually.

Roads & Communications

7.7.8 Arunachal Pradesh is not fortunate enough to inherit infrastructure from the British Raj. At the time of independence there were less than 100 km. of dirt roads. At the time of attaining statehood in 1987, the total road length was only 3419 km. and today it stands at 18,000 km., a quantum jump in progress. The NH-52 and NH-52A have a total length of 380 km. in the State. The State is still quite deficient due to inadequate capacity, poor geometric, poor riding quality, weak and distressed bridges and presence of a number of semi-permanent timber bridges and lack of wayside amenities. The present road density of Arunachal Pradesh is 21.9 km. per 100 sq. km. against all India average of 73 Km. per 100 Sq. Km. Out of 3863 villages, only 1743 villages are connected by road. Lateral road link is absent. There is urgent need to open up the potential and backward areas of the State through road connectivity for rapid economic development. Establishing continuity of connectivity by filling missing links, constructing bridges and protective/retention works is also one of the prime objectives of the State. Construction of Porter/Mule tracks/Foot Suspension Bridges along the rural link roads are also required to facilitate movement in the interior areas of the State as well as movement of defence personnel in the international border areas where taking up of construction of roads may take some more times.

The State's road network can broadly be divided into four categories, viz., (a) National High Way, (b) Major district roads, (c) BRTF roads and (d) Rural roads. The major district roads run within the districts and across the inter-districts connecting districts HQs and other administrative centres. Rural roads mostly connect the villages. Notwithstanding the constraints and limited resources, the roads

constructed by different agencies, viz., PWD, RWD, BRTF, BRO and Forest department working in the State upto 2006-07 are indicated below:

Sl. No	Name of Agencies	Length (KM)	Type of Road	Source of funding
1.	PWD	6692.00	NH/MDR/ODR	State Plan/ NEC/ CRF/ NH.
2.	RWD/Forest	4403.00	ODR/VR	State Plan/ PMGSY
3.	BRO	4524.00	NH/MDR/ODR	NH/GS/CSG

In order to give boost to rural connectivity, the PMGSY was launched by the Government of India during 2000-01. In respect of hilly States of North Eastern Region, the objective of the programme is to connect habitations with a population of 250 persons and above in the rural areas by means of all weather roads. Upto Phase-II the programme has been executed in the State by Public Works Department and Rural Works Department in phase manner. From Phase-III onwards the projects will be executed by the RWD.

Transport Services

7.7.9 The main objective of State Transport Services is to provide safe, regular, well co-ordinated and economical bus services to the common masses of Arunachal Pradesh as there are no other means of communication in this hilly State. There is no Transport Corporation in the State.

The Arunachal Pradesh State Transport Services was first started with two buses from Khonsa to Naharkatia in Dec, 1975. This service has now been risen to 238 buses operating on 155 routes connecting all the motorable remotest Administrative Centres of the State even though margin of profit revenue is low and operational cost is high. The revenue collected by the department during 2006-07 was Rs.1031.00 lakhs. The Department has undertaken certain reforms which have resulted in reducing the gap between the revenue and expenditure. The reform measures undertaken are like curbing/reduction in revenue leakage, rationalization of routes to restrict uneconomical/ unviable routes, automatic increase in fare linked to input cost, rationalization of organizational structures, etc.

Industry including Textile and Handicrafts

7.7.10 Though endowed with rich forest, mineral resources and conducive climate, the State is still industrially backward for various reasons like communication bottlenecks, inadequate availability of power, low level of local entrepreneurship etc. The private enterprises are also reluctant to invest owing to aforesaid constraints. Therefore, State Govt. is to play as a facilitator in fostering industrial growth in the State. At present 13 Nos. District Industries Centres (DIC) are operating in the State to provide all service and support facilities to the small and village industries. The DICs are also helping the local entrepreneurs identifying suitable schemes, preparing feasibility reports, arranging supply of tools and equipments and providing credit facilities etc. The thrust areas for development of industry include development of infrastructural facility in the existing industrial estates, growth centres, Integrated infrastructure development centres, development of Small Scale Industries based on handicrafts and sericulture, R&D in the handloom and handicrafts sectors and incentive to local artisans. The Industrial Policy of the State provides many incentives to boost the industrial development in the State. Despite having vast mineral deposit, Arunachal Pradesh remains a least explored and exploited area. Concerted effort is required for exploration of its proven mineral resources like crude oil, coal and minor mineral etc. to augment revenue and to generate employment opportunity.

Arunachal Pradesh has a rich heritage of arts and crafts, weaving, cane and bamboo works. Therefore, it has been the consensus policy of the State to preserve and promote this heritage by encouraging cottage and village industries and setting up of Crafts Centres. The basic policy has been to sustain the rich handicrafts and textiles tradition to generate self-employment and augmentation of income among rural masses. The existing 88 Nos. Crafts Centres are imparting training to local youths in different trades. There are 15 Nos. Emporia, 3 nos. Mini Sales Emporia and 5 nos. of Show Rooms functioning through which marketing of handloom & handicrafts products are done thereby providing marketing facilities to the local artisans.

The total revenue collection during 2006-07 was Rs. 126.64 Crore.

Marketing infrastructure

7.7.11 The absence of regulated marketing network and supporting infrastructure like cold storages, warehouses and godowns provide little incentives to the farmers to cultivate agriculture and horticulture produces and to generate income and employment opportunity. Therefore, there is urgent need to improve the marketing network and construction of cold storages, godowns for marketing of surplus produces of the State.

Banking

7.7.12 The growth of banking occupies an important place in the modern concept of development. In Arunachal Pradesh it was witnessed late. It was only in 1971 that a branch of State Bank of India was opened at Pasighat and Arunachal Pradesh Rural Bank was set up in 1983 to cater to the credit needs of the people. In 2000-01 there were 99 banks with a average of 9.07 officials per 1 lakh population. There are only 5 Nationalized banks viz. Vijaya Bank (2 nos.), UCO Banks (2 nos.), United Bank of India (2 nos.) and 1 no. Central Bank of India. The State Bank of India has 42 branches followed by Arunachal Pradesh Co operative Apex Bank with 31 branches and Arunachal Pradesh Rural Bank with 19 branches. The credit-deposit ratio is only 17.25% against national average of 58.53%. The recovery rate in industrial sector is only 30%.

Social and Services Infrastructure

Education

7.7.13 At the time of independence there were only 3 primary schools. Plan development over the four decades, especially from 6th Five Year Plan onwards, has resulted in improving educational facilities. The number of educational institutions till end of the year 2006-07 are as follows:

Pre-Primary School	-	57
Primary School	-	1380
Middle School	-	528
Secondary School	-	142
Hr. Sec. School	-	81
Polytechnic/ITI/RIDC	-	4
College	-	12
University	-	1
Professional Institute (NERIST)	-	1

Jawaharlal Nehru College, the first college of the State was established in 1964. Subsequently, 11 Nos. more colleges were set up. The lone University i.e. Rajiv Gandhi University was established in 1984. To impart technical education, the lone Arunachal Polytechnic Institute at Itanagar with the World Bank financial assistance started functioning from the academic session of 2002-03. A Horticulture-cum-Forestry College at Pasighat was set up during 2000-01.

Arunachal Pradesh is lagging behind in the field of higher education in comparison with the country and the North-Eastern Region. Non-availability of proper infrastructural facilities in the colleges and university due to shortage of fund are the main problems for achieving the goal of higher education. The Directorate of Higher & Technical. oversee the establishment and maintenance of collegiate education consisting of eleven colleges and of technical education in the State. Due to paucity of funds even the basic minimum infrastructure viz., academic buildings, lecture halls, hostels, residential buildings, water supply, road, sports facilities and health care etc. are yet to be developed.

Health and Family Welfare

7.7.14 Inhospitable terrain and low population density make rendering of health services rather difficult in Arunachal Pradesh. Though there has been a perceptible improvement in the public health facilities, most of the health care facilities are not well equipped with basic infrastructure like buildings, trained man power, equipment and life saving drugs. The existing District Hospitals, General Hospitals require upgradation in terms of physical infrastructure and essential supply. Rendering of health services in the State has been proved to be a formidable task and challenge in the context of low density of population, widely scattered small habitations, altitudinal and climatic variations found within short distances and difficult slopes required to be negotiated in many areas. Notwithstanding such enormity of the problem of physical accessibility, the sustained efforts made over the last successive plan periods, the Department of Health & Family Welfare with its institutional network extends health care facilities through 03 nos. General Hospitals, 12 nos. District Hospitals, 42 nos. Community Health Centres, 108 nos. i.e., Primary Health Centres, 557 nos. Sub-Centres, 37 nos. Homeopathy Dispensaries, 2 nos. Ayurvedic Dispensary, 39 nos. Dental Unit, 4 nos. Hansen Disease Sanatoriums. There is no referral hospital in the State. The proposed establishment of 500-bedded Referral Hospital at Itanagar would bridge the long-felt gap in tertiary care sector. The performance of Family Welfare Programme in terms of acceptance of family planning methods and coverage of immunization need to be improved to reduce further reduction of IMR. The focus will be on to provide integrated preventive, promotive, curative and rehabilitative services for communicable, non-communicable and nutrition related health problems. The national programmes like Control of blindness, Malaria, Eradication of Leprosy will be implemented to combat major health problems. The Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) are comparatively high in Arunachal Pradesh. The main thrust is on consolidation of PHC, CHC and General Hospital etc., control of communicable and non-communicable diseases, improvement of family welfare measures.

Water supply and Sanitation

7.7.15 The water supply scheme has been extended to 1359 nos. villages/hamlets upto 2006-07. There are large number of villages and administrative centres which are still to be covered under water supply scheme. The existing water supply systems which were installed during 60's and 70's are quite inadequate to cater to the present needs. Therefore, it is felt necessary to augment the ageing system with filtration treatment. People's participation on capital cost sharing and operation and maintenance of rural water supply is also given due importance. Under Rural Sanitation programme construction of low cost pour flash latrine has been taken up. Considering the degree of deficiency in the existing water supply systems particularly in urban areas in view of growth of population, efforts will be made to increase per capita per day availability of water.

The Department is maintaining rural water supply schemes in 5594 (1359 FC + 2183 PC) + 2052 Slipped Back habitations and 24 Nos. of Urban Centers besides execution of rural water supply scheme in 5 NC habitations, 265 Nos. of PC habitations and 975 augmentation works including rural schools where water supply availability is below the prescribed norms under MNP & AR WSP. Augmentation & improvement of water supply in 13 Urban Centers are also in hand.

Tourism

7.7.16 Tourism will be a major growth sector for Arunachal Pradesh. Though the State has already declared tourism as a industry, no significant step could be taken up to promote tourism. The State's Tourism Policy envisages various incentives for development of tourism in the State for employment generation and income and to attract private investment in this sector. The priority of the State Govt. is on exploitation of tourism potential through development of tourism infrastructure, stress on adventure tourism, eco-tourism and cultural tourism in the State and development of tourist circuits etc.

Housing

7.7.17 There is no shelter shortage as such in Arunachal Pradesh. The local people make their own houses using local materials. The housing programme is, therefore, aimed at upgradation of existing houses. The schemes like Construction assistance, Rural Shelter and IAY are implemented for construction of new and upgradation/alteration of existing houses. Providing accommodation to the Govt. employees and Police personnel is also urgently required due to rapid expansion of administrative centres in the State.

The Shukla Commission Report

7.7.18 The Shukla Commission Report captioned "Transforming North East" recommended Rs. 1048.54 Crore on tackling the backlogs in minimum services and infrastructural needs for Arunachal Pradesh. The report provided a road map for the development of the North Eastern Region. In fact, Arunachal Pradesh did not get fair deal from the Commission. The uniform norms in respect of various items of Basic Minimum Services was adopted for the region as a whole in working out of requirement of funds recommend by the Commission. It is obvious that conditions prevailing in the State was not given due weightage. The peculiarities of the terrain and climates advocate for adoption of separate norms for establishing the infrastructure indices for hilly State like Arunachal Pradesh. The recommendations of the Commission especially regarding policies, programme and requirement of fund to bridge the gap in infrastructural sectors and the backlog of Basic Minimum Services in the North East Region are still relevant. It has been observed that the recommendations of the Committee have not been fully translated into action. The backlog of infrastructure and basic minimum services identified by the Committee are required to be reviewed and the gaps in infrastructure are to be bridged urgently and effectively.

The Government of India operationalised part of recommendation of the Shukla Commission through funding of projects, particularly for development of infrastructure under NLCPR. The flow of fund under NLCPR started to Arunachal Pradesh from 1998-99 to tackle the backlog of basic minimum services and infrastructural needs of the State. So far, the Planning Commission/DoNER has approved 94 nos. projects including the project for infrastructure development of NERIST with an estimated cost of Rs. 812.344 crore. Fund to the tune of Rs. 489.267 crore has been released till 20th December, 2007 against which expenditure of Rs. 347.264 crore has been incurred. Out of 94 sanctioned projects, 34 projects have already been completed and remaining projects are under various stages of implementation.

8. Social Security and Nutrition

The welfare and developmental measures need to be directed towards empowering the socially disadvantaged groups especially women and development of child, resettlement of handicapped, welfare of destitute. In the field of Social welfare, special focus will be required on juvenile, rehabilitation for persons with disability, implementation of nutrition programme and financial assistance to Arunachal Pradesh Social Welfare Advisory Board. The objectives and the thrusts are on implementation of social welfare schemes for physically handicapped and destitute people, nutritional programmes for children and lactating mother, implementation of NSAP and NTRPD and implementation of scheme under Article 275(1) of the Constitution.

9. Panchayati Raj Institutions in Arunachal Pradesh

Notwithstanding existence of time-old traditional political institution of different tribes of the State, a formal beginning of Local Government was made in the State with the promulgation of NEFA Panchayati Raj Regulation in 1967. Election to the local bodies used to be held as per the terms allowed to this Regulation. The objectives of the Regulation was that Panchayati Raj would be the prime agency for rural development and they will provide a workable medium through which rural people would be able to express themselves on various problems of the area and also evolve an integrated community approach for solution of the problems concerning their areas with the involvement of Government agencies.

The Panchayati Raj was introduced in Arunachal Pradesh on 2nd October, 1968 with 3-tier system, viz. Gram Panchayat at village level, Anchal Samities in blocks and Zilla Parishad at district level. Except Gram Panchayats, elections were held through secret ballots from 1968 till 1992. After enactment of the Constitution (73rd Amendment) Act, 1992, an ordinance incorporating the provision of this Act was promulgated which replaced the NEFA Panchayat Raj Regulation' 1967 based on which Panchayat Raj was introduced in 1968. The ordinance was subsequently replaced by a bill passed by the State Assembly in September, 1994. His Excellency, the Governor of Arunachal Pradesh was pleased to reserve the bill for assent of the President of India.

The Governor of Arunachal Pradesh dissolved the three tier Panchayati Raj bodies as constituted under NEFA Panchayati Raj Act, 1967 with effect from September 14th, 1997 as elections to the Panchayati Raj bodies could not be conducted due to delay in enactment of the Arunachal Pradesh Panchayati Raj Bill, 1997 as per the provision of the Constitution (73rd Amendment Act, 1992). The assent of the President of India to the bill on 13th April' 2001 paved the way for constitution of new Arunachal Pradesh Panchayati Raj Act, 1997. The new Arunachal Pradesh Panchayati Raj Act, 1997 came into force with effect from 14th November' 2001 and the first Panchayat election was held on 2nd April' 2003 for electing Zilla Parishad, Anchal Samiti and Gram Panchayat members. In order to implement all the provisions envisaged in the Act, the Panchayati Raj department has framed various Rules/Acts. The department has set up the State Election Commission, One member Commission of Panchayati Raj Election Tribunal and the State Finance Commission which are now functioning smoothly.

10. Land Reform

In Arunachal Pradesh lands are held either by community or individual as per customary rights. All the administrative centres are located on lands mostly donated by people or acquired under Land Acquisition Act.

The traditional rights of people on land have been protected by Section 7 of Bengal Eastern Frontier Regulation, 1873 which prohibits alienation of tribal land to people not indigenous to the State. The Jhum Land Regulation Act, 1947 also provides safeguards to the tribal rights over jhum lands. However, under Industrial Policy of State Govt. it has been provided to allow leasing of lands for 30 years initially and further extension of 30 years for industrial purposes. The lease is also allowed to use as security for loans from financial institutions.

At present land allotments to individuals or institutions in urban centres are issued as per certain executive guidelines of the State Govt. within the notified Govt. lands. There is also a system of issuing Land Possession Certificate for privately owned lands. Land revenues are collected against allotted lands and the allotted lands are not allowed to be sold out but allowed to transfer by way of gift normally to blood relations only. Lands are allotted for different uses either for residence or business or institutions on payment of lease rent or land value as applicable. There is, however, no proper statute governing land laws on the lines of Land Revenue Act or Land Reforms Act as is existing in other States.

A small beginning has been made by enacting a Land Act, namely, the Arunachal Pradesh (Land Settlement and Records) Act, 2000. The basic objective of this legislation has been to provide an orderly management of land including survey, settlement and records in the State and also to facilitate land use for different kinds of land based activities. This could also impart marketability of land by conferring formal ownership rights over land to individuals and to the community, which is a basic need for gradual industrialization of the State by facilitating arrangement for mortgaging of land for securing loans by entrepreneurs. At present the financial institutions are hesitant in accepting land as security as there is no formal documentation of records of rights over land in the State.

In order to operationalise the said Act necessary rules have also been drafted which are under consideration by Govt.

Meanwhile, the department of Land Management has started organizing cadastral survey of lands in phased manner under EFC grants for selected urban and rural areas. These include State capital Itanagar, Laying Yangte of Kurung Kumey district, Ziro and Yachuli of Lower Subansiri district, Aalo and Pasighat towns of West and East Siang districts etc.. Some of these works have been carried out through the State Remote Sensing Application Centre, Itanagar. Computerization programme is also taking up so that data relating to land records are properly documented.

11. Decentralized Planning

The process of decentralized planning in Arunachal Pradesh was initiated in 1988-89 when the scheme of Untied Fund was started on pilot basis in three districts, viz., West Kameng, Lohit and Changlang for implementation of felt-need schemes. From 1989-90 onwards all the districts of the State were brought under this scheme. The District Decentralized Planning was made functional from 2001-02 replacing the scheme of Untied Fund. District Planning Committees were constituted under the chairmanship of respective Deputy Commissioners for implementation of need-based capital nature of schemes. The delegation of financial power of the Deputy Commissioners was enhanced to Rs.10.00 lakh for each scheme. Initially Rs.1.00 crore was allocated to each district. Subsequently, the criteria for allocation of fund has been revised and accordingly Rs.50.00 lakh is provided to each district as core allocation and Rs.13.33 lakh per Assembly segment.

In tune with the MPs Local Area Development Schemes (MPLADS), MLA's Local Area Development Scheme (MLALADS) was introduced in the year 2000-2001 with the basic objective of implementation of felt-need schemes as per the recommendation of MLAs of the respective Assembly Constituencies. The funding pattern of the scheme is Rs. 50.00 lakhs per annum per Assembly Constituency.

12. Implementation of Border Area Development Programme in Arunachal Pradesh.

The Border Area Development Programme (BADP) was started during the Seventh Plan in the Western Part of India with twin objectives of balanced development of sensitive border areas through adequate provision of infrastructural facilities and promotion of a security amongst the local population. This programme was extended to all States having international border during the 9th Plan. This programme started in Arunachal Pradesh from the year 1997-98 with a view to meet the special needs of the people living in border blocks of Arunachal Pradesh to remove the critical gaps in physical and social infrastructure needs and to strengthen the economic conditions and raise the standard of living condition amongst the inhabitants of the remote border areas of the state. The District Committees have been formed with the Deputy Commissioners as Chairman to co-ordinate the various departments and other agencies involved. The Deputy Commissioners submit the proposals to the State Level Screening Committee (SLSC) on BADP under the Chairmanship of the Chief Secretary for approval. Subsequently, the approved schemes are forwarded to the Ministry of Home Affairs (MHA), Govt. of India for final approval and release of funds.

Initially, Home Department was entrusted to look after the Border Area Development Programme (BADP). During June` 1998 the subject was transferred to Trade & Commerce Department vide Govt. Order No. HMB-37/95 dated 30.06.1998. During July` 2001 the subject was again transferred to the Planning Department vide Govt. Notification No. GA(A)-40/98 dated 14.06.2001.

The State has 1680 km. long international border comprising of Indo-Bhutan (160km.), Indo-China (1080 kIn.) and Indo-Myanmar (440 km.). The BADP in the State is implemented in 33 (thirty three) border blocks as mentioned below, which roughly constitutes 40% of the total geographical area and one fourth of the State's total population.

A. INDO-BHUTAN BORDER

S1. No.	Name of Districts	Name of Blocks	Length of International boundary
1	Tawang	1. Jang-Mukto 2. Lumla-Zemithang	160 kms.
2	West Kameng	3. Kalaktang 4. Dirang	
Total:	2 (two) Districts	4 (four) Blocks	160 kms.

B. INDO-CHINA BORDER

1.Tawang	1. Tawang	1080 kms.
2.West Kameng	2. Nafra	
3.East Kameng	3. Chayang-Tajo 4. Bameng	
4.Kurung Kumey	5. Huri-Damin 6. Sarli 7. Pipsorang 8. Koloriang 9. Parsiparlo	
5.Upper Subansiri	10. Nacho 11. Siyum	
6.West Siang	12. Mechuka 13. Kaying-Payum 14. Monigong	
7.Upper Siang	15. Tuting 16. Singa Gelling	
8.Dibang Valley	17. Anini-Mipi 18.Etalin-Malinye 19.Anelih-Arzo	
9.Lower Dibang Valley	20.Hunli	
10Anjaw	21.Chaglagam 22.Hyuliang	
10(ten) Districts	22(twenty two) Blocks	

INDO-MYANMAR BORDER

1	Anjaw	1. Hayuliang 1. Hawaii-Walang 2. Manchal	440 kms.
2	Changlang	3. Changlang 4. Khagam 5. Nampong-Manmao	
3	Tirap	6. Lazu 7. Pongchaou-Wakka	
Total: 3 (three) Districts		7 (Seven) Blocks	440 kms.
Grand total: 12 Districts		33 Blocks	1680 kms.

In Arunachal Pradesh, the security related schemes are presently being implemented by the (1) State Police, (2) Assam Rifles, (3) ITBP, and (4) SSB.

The year-wise allocation of fund under BADP and number of schemes implemented in Arunachal Pradesh are shown below.

(Rs. In Crore)

Year	Indo-Myanmar Border		Indo-China Border		Indo-Bhutan Border	
	Fund allocation	No. of scheme implemented	Fund allocation	No. of scheme implemented	Fund allocation	No. of scheme implemented
1 997-98	4.00	33	-	-	-	-
1998-99	4.00	122	5.00	150	2.00	21
99-2000	4.00	86	7.00	124	2.00	68
2000-01	2.08	35	3.59	47	1.08	61
2001-02	4.17	193	7.17	305	2.17	67
2002-03	4.03	159	7.21	245	2.27	60
2003-04	2.78	157	4.72	154	1.50	38
2004-05	3.26	146	8.39	230	1.86	40
2005-06	6.10	188	10.93	339	2.32	72
2006-07	10.91	276	28.52	533	5.55	87
2007-08	11.47	243	30.12	514	5.74	86
Total:	56.80	1638	112.65	2641	26.49	610
		Fund allocation (1997-98 to 2007-2008)		Number of schemes implemented (1997-98 to 2007-2008)		
GRAND TOTAL		195.94		4889		

The Utilisation Certificates for the entire amount received till 2004-05 has been submitted to the Govt. of India. Also, the utilisation certificate for an amount of Rs.19.25 crore has already been submitted against the total fund of Rs.193543300/- (Rs.19.35 crore) received during 2005-06. The balance utilisation certificate for an amount of Rs.0.10 crore is pending due to non receipt of UC from the implementing agencies which will be submitted in due course

17. Look - East Policy

The then Prime Minister, Shri Atal Behari Vajpayee's participation in the Association of South-East Asia Nations (ASEAN) Summit in Bali, Indonesia marked the success of a decade-long shift in Indian Foreign policy known as the "Look East" Strategy initiated by the former Prime Minister Shri Narasimha Rao in the early 90s. The policy envisages, among others, comprehensive economic co-operation and combating terrorism with the ASEAN countries. It also lays emphasis on the need for road-links between the geographically contiguous India and ASEAN countries. During the Bali Summit, India signed the "Framework Agreement on Comprehensive Economic Co-operation with ASEAN" which will help in establishing a Free Trade Area (FTA) in a time frame of 10 years.

In the context of Look East Policy it may be stated that the Northeastern region was a single economic entity before independence, along with neighboring region of Bangladesh and there was no restriction on movement of goods across it. However, after independence and creation of various States, the movement of goods has hindered and the trade has declined considerably. The growth rate of the region is 2% of GDP annually as compared to rest of India and this region are lagging behind in all economic parameters like infrastructure, marketing network and low level of local entrepreneurship. This has resulted in the gradual shrinking of opportunities for gainful employment spreading disaffection among the youths and the mushrooming of various insurgent groups. A time has now come to review the position and think in terms of re-establishing economic integrity of the region with neighboring countries to become thriving an economic zone. There is also need to re-establish linkages with the traditional trading partners in erstwhile East Bengal, now Bangladesh and Burma, now Myanmar. Further, in the present era of globalization it is imperative to think in terms of trade with the booming economics of the Asian tiger i.e. South-East Asian countries. The Indo-China border trade was discontinued in 1962 after the Chinese aggression. But with the improvement in political relationship with South-East Asian countries, particularly Myanmar and Thailand in the last part of 20th Century, has given rise of hope of reviving the age-old traditional and cultural relationship as most of the South-East Asian countries have identical socio-religious and cultural affinities.

In the era of globalization, the issue of trans-border trade has attracted the attention of politicians and planners in the North-Eastern States. There is also demand for opening up of historic Stillwell road to facilitate border trades. In Arunachal Pradesh, the Pangchu Pass, which is approximately 6 kms from the international border in Tirap District, would be a significant opening for border trade. Even the Shukla Commission report have also recommended for promotion of border trade in the North-East. The South Asia Free Trade Area (SAFTA) proposal has raised a hope of immense scope of cross-country trade for Arunachal Pradesh with gradual improvement of relation and infrastructure with China. Points like Zemithang, which is approximately 18 kms. from the international border in Tawang District, Gelling, approximately 5 kms. from the international border in Upper Siang District and Kibithoo, approximately 30 kms. from the international border in Anjaw District of Arunachal Pradesh could in future be viable areas for border trade, provided transport and communication system is developed. The State can immensely benefit from the enormous hydel power potentiality when the proposed SAARC Power Grid becomes operational as recommended by the Ministry of Power, Govt. of India. Once the trans-border trade becomes operational, the economy of North-Eastern region will automatically grow.

India's Look-East Policy holds a promising economic growth so far as North-Eastern States is concerned. This will enable the North-East region to acquire access to global markets and technology and to overcome the handicaps of its landlocked conditions.