

North East Vision 2047

March 2026



सत्यमेव जयते

MINISTRY OF DEVELOPMENT OF
NORTH EASTERN REGION



सत्यमेव जयते

NORTH EASTERN COUNCIL
GOVT. OF INDIA



ज्योतिरादित्य मा. सिंधिया
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Message

Under the visionary leadership of Hon'ble Prime Minister Shri Narendra Modi ji, and guided by the spirit of Act East, Act Fast, Act First, the North Eastern Region stands today at a defining moment in its development journey. What was once perceived as India's periphery is now emerging as a vibrant, growth-oriented frontier, integral to the nation's economic transformation and its engagement with Southeast Asia and the wider Indo-Pacific. The NE Vision Plan 2047 is a decisive step in this direction, reflecting both the urgency and the ambition with which we are moving to unlock the region's full potential.

The **NE Vision Plan 2047** sets out a clear and ambitious roadmap to position the region as a globally connected and environmentally resilient engine of growth. Rooted in the national aspiration of Viksit Bharat 2047, this Vision seeks to chart a pathway for a Viksit North East, one that is developed, prosperous, inclusive, and deeply integrated with both domestic and global value chains. Over the past decade, the eight states of the North East, revered as our Ashtalakshmi, have witnessed a remarkable transformation. Enhanced connectivity, sustained policy focus, and unprecedented investments have strengthened the region's economic foundations and unlocked new opportunities across sectors. Today, the North East is not only central to India's development narrative but also serves as the country's gateway to Southeast Asia, with geo-strategic and economic significance.

It is to be noted that the **Vision Plan** recognises that while the region has achieved growth rates exceeding the national average, the next phase must be anchored in sustainable productivity, public-private partnership, and globally competitive enterprise ecosystems. It outlines a comprehensive development framework built on three key pillars: future-ready infrastructure, integrated urbanisation, and the accelerated growth of 15 high-potential sectors, including tourism, food processing, pharmaceuticals, bamboo, and digital services. Together, these will drive value addition, job creation, and long-term economic resilience. The **Vision Plan** also reflects a shift in approach from fragmented, state-specific interventions to a coordinated, region-wide strategy that enables scale, competitiveness, and convergence with national development goals.

The development trajectory of the North East mirrors the broader story of India's rise, one that is real, rapid, and resolute. Yet, in recent years, the region has advanced at an even faster pace, driven by focused interventions and sustained policy support. The Ministry of Development of North Eastern Region (MDoNER) remains steadfast in its commitment to this transformative journey. We will continue to work in close partnership with state governments, industry, academia, and development institutions to translate this plan into outcomes on the ground. I invite all stakeholders to engage actively with the opportunities outlined in this **Action Plan** and to contribute to building a North East that is dynamic, resilient, and globally competitive, one that not only participates in India's growth story but helps shape it.

Dated the **19th March, 2026**
New Delhi

(Jyotiraditya M. Scindia)

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DEVELOPMENT OF NORTH EASTERN REGION
GOVERNMENT OF INDIA



Foreword

I am happy to know that NEC Secretariat has come up with the NE Vision Plan 2047, a comprehensive roadmap that charts a credible and forward-looking pathway for the North Eastern Region as India approaches the centenary of Independence. The Plan reflects a deep appreciation of the region's diversity, strategic location, and development aspirations, while laying out a structured approach to translate these strengths into long-term and sustainable progress.

The Ministry of Development of North Eastern Region has evolved into a proactive enabler of growth — aligning central support with state priorities, strengthening coordination across institutions, and helping ensure that development planning leads to meaningful outcomes on the ground. This Vision Plan builds on that evolution. It brings together economic analysis, sectoral opportunities, and implementation imperatives into an integrated framework that can guide decision-making over the coming decades.

A key strength of the Plan is its balanced treatment of the North East as both a collective economic region and a set of eight distinct states. Part II provides a regional highlighting opportunities for deeper economic integration and shared competitiveness. Complementing this, Part III dedicates a detailed chapter to each state, examining its economic context, identifying ten priority development areas, and recommending how each state can align with the four regional value chains most suited to its strengths. This dual framing ensures that regional ambition is matched with state-specific pathways.

Equally important is the Vision's focus on people. The dedicated chapter on Human Resource Development brings together an understanding of the region's education and skilling ecosystem and highlights the steps needed to equip the region's youth for high-value employment, foster entrepreneurship, facilitate smooth workforce transitions, and strengthen talent retention. By foregrounding these priorities, the Plan places human capital at the centre of long-term growth.

As we look ahead, MDoNER remains committed to fostering a development environment where institutions are strengthened, partnerships deepen, and every stakeholder has a meaningful role in moving the region forward. Together, we can ensure that the aspirations outlined in this Vision translate into steady and tangible progress for the people of the North East.

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चंचल कुमार
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**CHANCHAL KUMAR
SECRETARY**



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FOREWORD

It is with great satisfaction that the NE Vision Plan 2047 is presented — a document that represents comprehensive and structured long-term planning efforts undertaken for the North Eastern Region. The Ministry of Development of North Eastern Region occupies a distinctive institutional position — anchoring coordination between eight state governments, multiple central ministries, and a wide network of development and financing institutions. This Plan has been designed to support that mandate. It establishes a shared analytical reference, outlines long-term objectives, and offers structured recommendations to strengthen alignment and planning consistency across governments and sectors.

A central strength of the NE Vision Plan 2047 is the way it organises the region's long-term priorities into a coherent administrative and planning architecture. The report brings together themes that sit at the core of NER's regional development — including coordinated logistics and core infrastructure, the region's structural advantage mix, border development and frameworks for improving efficiency and integration across states. These components provide a systematic basis through which institutions can align policies, infrastructure decisions, and administrative processes, ensuring that actions taken across jurisdictions reinforce each other rather than proceeding in isolation.

The intent is to offer a platform through which collective aspirations can be translated into aligned, strategically sequenced, and mutually supportive interventions. Themes such as urbanisation as a growth driver, human resource development and employment generation, and sustainability and resilience are embedded as essential components of the region's transformation. These dimensions align with MDoNER's ongoing work to strengthen institutional systems, improve implementation quality, and enhance policy coherence across agencies and states.

The NE Vision Plan 2047 provides the overarching framework necessary to organise policies, programmes, and institutional processes in a consistent and coordinated manner. Used as a living document — informing decisions, guiding coordination, and shaping implementation — it can help advance a more integrated, efficient, and outcome-oriented development trajectory for the North Eastern Region.

(CHANCHAL KUMAR)

Date: Friday, 20th March, 2026
Place: New Delhi

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FOREWORD

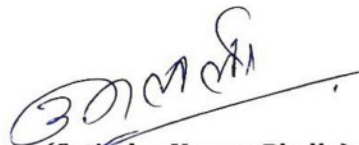
The NE Vision Plan 2047 marks a significant milestone in charting a long-term development trajectory for the North Eastern Region. It embodies a collective aspiration shaped through extensive engagement with all eight State Governments, NITI Aayog, Members of the North Eastern Council, and representatives from the Ministry of Development of North Eastern Region. Through structured consultations, state level workshops, and a participatory drafting process, the Vision has emerged as a shared articulation of the region's priorities and the pathways required to advance them.

This vision document owes its master refinement to the visionary leadership of Hon'ble Union Minister DoNER Shri Jyotiraditya M. Scindia ji, who took out time from his busy schedule to review the draft almost every month for the last eight months and I find no words to express my gratitude for his invaluable contribution. My sincere thanks to Sh Chanchal Kumar, Secretary DoNER and Sh Angshuman Dey, JS DoNER for their inputs and guidance in finalization of this document. I also acknowledge the excellent role played by the teams of eight NE States led by their respective Secretary (Planning), Director(NER) NITI Aayog, my team at NEC Secretariat, the team NEDFi and the professionals of Ernst & Young engaged by NEDFi in drafting this document.

As the statutory regional planning body, the NEC is uniquely placed to view the North East as a connected economic and ecological space. The Vision Plan reflects this orientation. It highlights the systems that create optimal synergy across the region and places them within a framework capable of generating the critical mass required for accelerated growth. The Vision's emphasis on multimodal connectivity, cross-border economic opportunities, and environmental resilience reflects the kind of integrated development logic the Council has consistently advanced.

At its core, the Vision articulates a future in which the North East emerges as a people-centric, globally integrated, and environmentally resilient growth frontier of India. The Vision's long-term orientation recognises that the regional and global landscape will evolve rapidly—shaped by emerging and disruptive technologies, shifting economic patterns, and geopolitical volatility. In recognition of this, the Plan includes a dedicated chapter on an evolving agenda and the additional steps required to refine, adjust, and advance this Vision over the coming decades.

As the region moves forward, the NEC remains committed to strengthening cooperative mechanisms, deepening inter-state collaboration, and ensuring that regional initiatives proceed with coherence and purpose. Through sustained partnership and shared endeavour, the North Eastern Region can progress confidently toward a Viksit North East shaped by the aspirations and participation of all eight states.


(Satinder Kumar Bhalla)



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Executive summary

Viksit Bharat 2047 represents Government of India's vision to transform the nation into a developed economy by the centenary of its independence, anchored by a national GDP of US\$30 trillion and a per capita income of approximately US\$18,000 amongst other social and environmental metrics. To contribute to achieving this national ambition, the North Eastern Region seeks to reposition itself from a historical position at the periphery to a globally integrated, people-centric, and environmentally resilient growth frontier of India. Attaining economic convergence with the goals for the country would imply that the region must target an aggregate GSDP of INR 200 lakh crore with each of the eight states exceeding a per capita income threshold of INR 30 lakh by 2047.

While the North Eastern Region's economic growth rates in the period FY12-25 exceeded the national average, this momentum was driven by higher allocations from Government of India and has not yet translated into sustainable productivity transformation required for long-term prosperity and wellbeing. The region's per capita income remains approximately 20% below the national mean due to a multitude of legacy and continuing factors. These include transportation and logistics constraints, a dominant public sector that inadvertently crowds out private enterprise, suboptimal infrastructure, and a significant lack of urban agglomerations with the necessary scale and scope to drive enterprise competitiveness and attract/retain skilled human capital in the numbers required. The region's economy remains characterized by export of low-value primary commodities and a service sector anchored largely in public administration and local retail rather than private enterprise competing for national and international markets.

To bridge this disparity, NE Vision 2047 proposes a transition from focusing on state level tactical financial allocation to a strategy that enables the region to attain critical mass and sustainable outcomes in multiple sectors through a three-pronged investment engine that requires approximately INR 69.0 lakh crore (Present Value) over the next 22 years.

The first prong is Core Infrastructure (INR 45.2 lakh cr PV), prioritizing future-ready, multimodal connectivity – particularly rail-led networks – and reliable utilities to facilitate mobility, improve enterprise competitiveness, and enhance quality of life.

The second prong is Integrated Urbanization (INR 16.8 lakh cr PV), leveraging a transformative shift to 55% urbanization in the region by 2047 with a suitable and evolving mix of built form, land uses, institutions, employers, and residents. This prong involves developing million-plus cities (or simulating them), led by Guwahati emerging a metropolis, with competitive offerings to attract and retain talent. Agglomerations with scale and scope drive higher productivity essential for nationally and internationally competitive enterprises across industrial and service sectors.

The third prong is comprised of 15 Key Advantage Sectors (INR 7.0 lakh cr PV), including Tourism, Food Processing, Pharmaceuticals, Spices, Tea, Digital / IT Hubs, High-Mix Manufacturing, Textiles, Bamboo, Fisheries, Pineapple, Rice, Rubber, Kiwi, and Minerals, which are projected to grow combined at an accelerated 17.8% CAGR to anchor the region's GSDP outcomes.





The three prongs are designed to evolve and strengthen an increasingly harmonious and resilient fabric of human and ecological wellbeing by offering greater growth opportunities (economic, educational, professional, recreational and spiritual), better human development indicators, and suitable environmental considerations for preserving the region's biodiversity, regenerating its forests, and improving its water quality and resources.

A defining feature of this vision is the integration of environmental resilience and cultural stewardship with foundational economic drivers. Leveraging its 58 GW hydropower potential and vast biodiversity, the region is positioned to become India's green growth hub, utilizing sustainable industrial models that leverage maximum rural processing while prioritizing urban secondary processing and finishing where scale and scope are required, to ensure both equitable development and competitive products. Furthermore, the Act East Policy could leverage the region's 5,484 km of international borders into a strategic opportunity for trade with ASEAN and BBIN nations, supported by the Vibrant Villages Programme to ensure border settlements remain economically and socially viable while connected to the rest of the nation and secure.

The scale of investment and acceleration in economic activity required to attain the vision necessitates fundamental shifts in sources of capital and governance. The state will have to shift from government being the primary direct investor to government becoming an investment enabler that fosters private sector participation. The capital expenditure financing architecture would have to evolve from the recent 50:40:10 (Centre:State:Private) ratio to a required 30:30:40

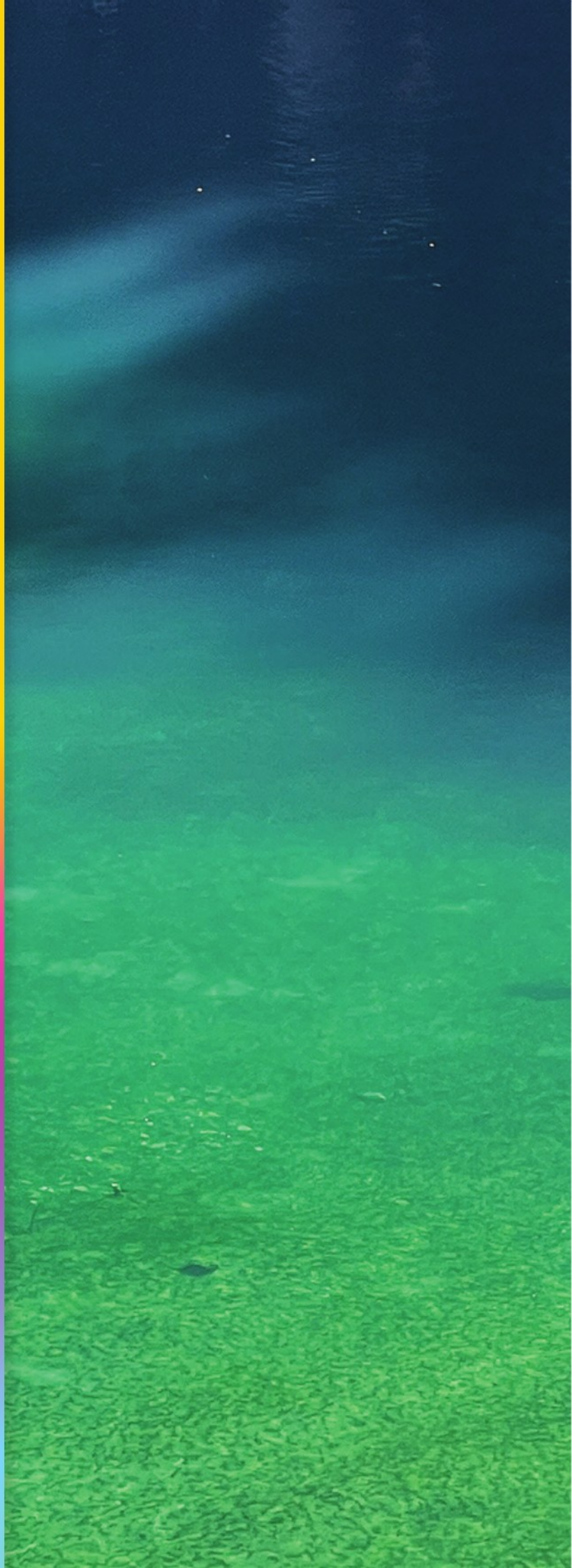
through 2047, necessitating improving the regional investment climate through policy predictability, streamlining of regulatory and compliance requirements, digital integration, and better bankability of public infrastructure and industrial projects.

The vision also envisages that to attain optimal synergies and critical mass for being nationally and internationally competitive, states would have to have better collaboration in planning with their neighbouring states in core infrastructure, ensuring that regional value chains are optimized, and even nodes, whether for rural produce, urban agglomerations, industrial activity, or multimodal logistics, are optimally decided for strengthening the region with the right mix of give and take. This would require a renaissance in regional planning, a mandate that the North Eastern Council (NEC) should pursue more proactively, as bilateral and multilateral efforts between states would be too complex and inefficient while likely sacrificing lasting synergies for expediency and short-term convenience.

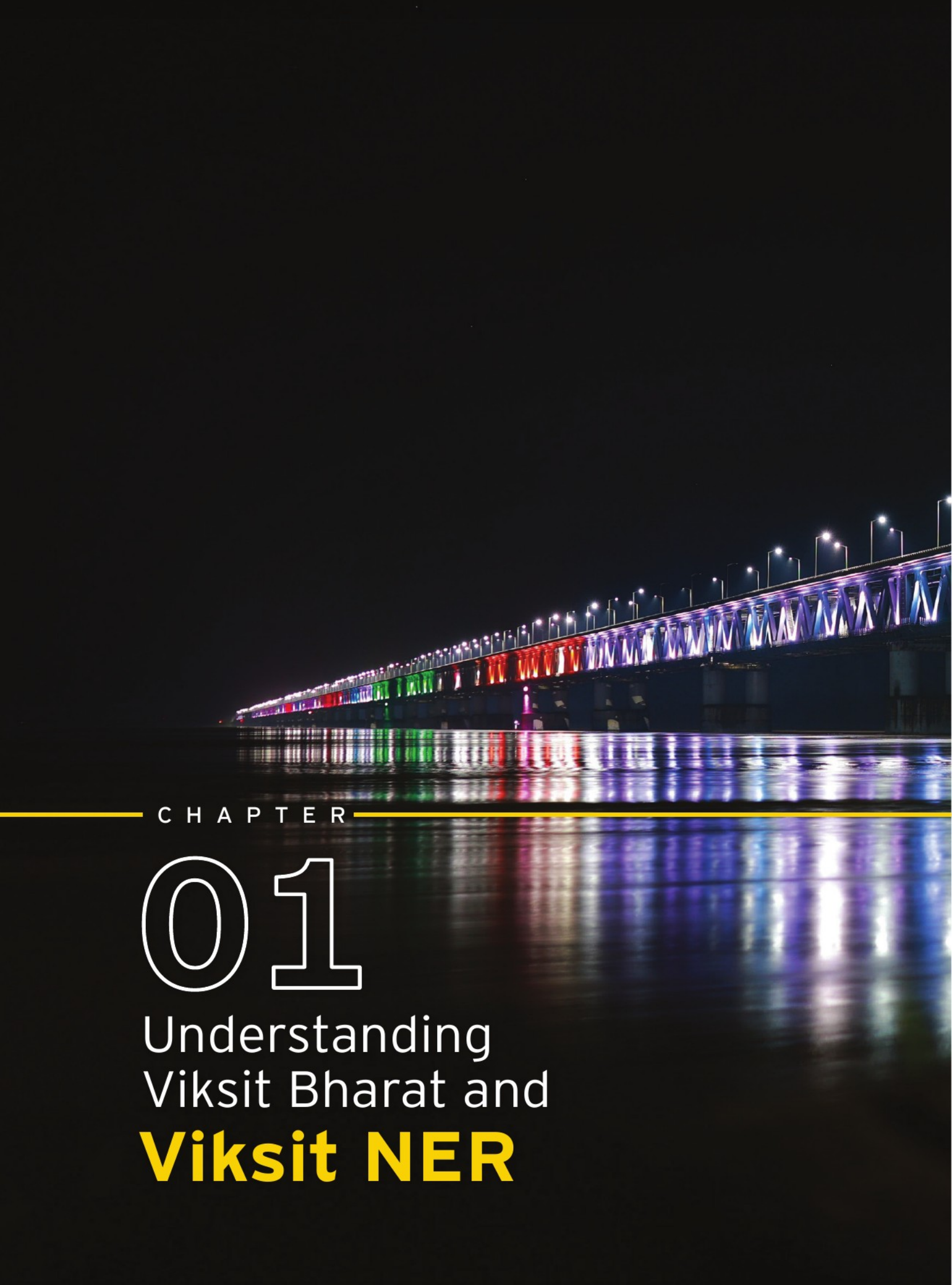
Just as NEC could assume the driving role for regional planning and providing planning/design coordination with central line ministries, the Ministry of Development of North Eastern Region (MoDoNER) could play a vital coordinating role in execution, assisting in ensuring alignment between central and state priorities, while providing a robust monitoring mechanism to ensure the region's natural and human capital are productively mobilized with the right prioritization and in the right sequence to achieve Viksit status at the earliest.

PART-1

Introduction and context







CHAPTER

01

Understanding
Viksit Bharat and
Viksit NER



Viksit Bharat 2047 represents India's commitment to transition from a developing to a developed nation within a generation. This vision, anchored in NITI Aayog's target of US\$30 trillion GDP and US\$18,000 per capita income, demands efforts across all states, including the Northeast. NE Vision Plan 2047 is framed against benchmarks that do more than set economic targets; they shape the kind of economy and standard of living the region should aspire to achieve. The World Bank's high-income reference point and NITI

Aayog's Viksit Bharat benchmarks provide a clear economic horizon in terms of productivity, competitiveness and income outcomes. Over and above these definitions of a developed economy, the inclusion of the UN Sustainable Development Goals and the Human Development Index reflect a deliberate choice to hard-wire equity, human capacity, sustainability and institutional resilience into that journey.

1.1 Navigating the Vision Document: Structure and strategic architecture

How the Vision Document is structured

The NE Vision Plan 2047 is organized as a three-layer architecture designed to translate the national aspiration of *Viksit Bharat* into implementable regional- and state- level pathways for the Northeast. The structure deliberately moves from conceptual diagnosis to regional strategy and scale-building and finally to state-specific goals, recognizing both the shared constraints across the region and the significant heterogeneity among states.

This architecture reflects a core strategic judgement: while the Northeast has demonstrated periods of growth and institutional progress, sustained convergence cannot be achieved through isolated state action or uniform policy replication. Instead, it requires coordinated regional platforms, sectoral value-chain integration and differentiated state strategies aligned to each state's development phase, ecological sensitivities, as well as competitive and comparative advantages. The sequencing enables Vision 2047 to be neither over-ambitious nor prescriptive but grounded in structural realities while providing credible pathways from diagnosis to goals.

Part I: Foundation chapters - Establishing the why and the what

Chapter 1: Understanding Viksit Bharat and Viksit NER establishes the parameters for the Vision. It clarifies how national development objectives – income levels, human development outcomes and competitiveness benchmarks – translate into expectations for the Northeast and why convergence has sluggishly despite sustained public investment and growth momentum. This situates the region's challenge in structural terms: productivity growth has mostly lagged income aspirations, industrial breadth and depth remain uneven, services expansion has been largely skewed towards public administration and spatial and institutional constraints continue to shape

economic outcomes. This document's role is not to prescribe solutions, but to anchor the Vision in a shared analytical understanding of the development gap that Vision 2047 seeks to address.

Chapter 2: NE Vision Plan 2047 translates this diagnosis into a coherent development philosophy and strategic direction. It articulates the Vision's guiding principles – competitive integration, spatial concentration where viable, ecological stewardship and institutional coordination – while recognizing trade-offs between growth, sustainability and social cohesion. This chapter functions as the strategic compass for the rest of the report, clarifying objectives, sequencing and the logic through which subsequent chapters provide paths to operationalize the Vision.

Part II: Inter-state Visioning - Building scale and regional systems (Chapters 3-10)

Chapters 3 to 10 constitute the regional strategy layer of the Vision. Their collective purpose is to identify what must be addressed at a Northeast-wide scale to overcome fragmentation, reduce transaction costs and enable sustained private participation – outcomes that individual states, acting alone, may be structurally constrained from achieving.

- **Chapter 3: Cross-NER themes and strategies** establishes the need for region-wide coordination by identifying cross-cutting imperatives – including multi-state sectoral prioritization, enterprise competitiveness, creation of critical mass through clustering and connectivity, a spatially differentiated industrialization model, cross-sector synergy and sequencing, investment climate transformation and a regional brand architecture that converts environmental and cultural strengths into market value.
- **Chapter 4: Northeast India - The regional advantage mix** identifies the Northeast's core comparative advantages across topography,



connectivity, natural capital, human capital, culture and institutional frameworks. It differentiates true strengths from structural constraints, avoiding overstatement of competitiveness. The chapter provides the analytical foundation for regional value-chain prioritization and coordinated investment under Vision 2047.

- **Chapter 5: Regional value chains and integration opportunities** translates the regional advantage assessment into actionable value-chain pathways, demonstrating how coordination, functional specialization and scale can convert dispersed production into competitive regional systems, while recognizing that sectors will progress at differing speeds and levels of depth.
- **Chapter 6: Vibrant Villages Programme and border development** integrates border development and national security objectives with economic viability, recognizing that strategic presence must be reinforced by sustainable livelihoods, service delivery and regional economic integration for border investments to be durable.
- **Chapter 7: Urbanization as a growth driver** positions urbanization as a critical enabler of productivity growth and employment quality, while explicitly recognizing environmental, spatial and demographic constraints that necessitate selective, compact and well-planned urban concentration rather than uniform urban expansion.
- **Chapter 8: Increasing efficiency and integration across the region** focuses on reducing transaction costs and fragmentation through regulatory alignment, coordinated logistics and infrastructure planning and shared institutional platforms, addressing persistent frictions that deter private investment and regional integration.
- **Chapter 9: Human resource development and employment** addresses workforce development as both a constraint and an outcome of structural transformation, recognizing that skills formation, migration management and job creation must evolve in tandem with sectoral and spatial strategies.
- **Chapter 10: Sustainability, environment and resilience** frames environmental stewardship and resilience as foundational conditions for long-term growth, acknowledging that ecological preservation, climate adaptation and disaster resilience are central to the Northeast's development viability rather than external constraints.

Together, these chapters operationalize Vision 2047 at a **regional systems level**, creating enabling conditions rather than assuming automatic spillovers from investment or infrastructure alone.

Part III: Intra-state Visioning – Differentiated state pathways (Chapters 11-18)

The Intra-state Visioning translates regional strategies into state-specific development pathways for each of the eight Northeast states. Rather than adopting uniform prescriptions, each chapter follows a common analytical structure that enables comparison while allowing for differentiation based on endowments, constraints and development stages.

Each state's analysis and strategy establish the socio-economic profile and unique identity of the state, identifies priority areas aligned with both regional value chains and state-specific strengths, benchmarks comparative advantage across regional, national and international contexts and analyzes sectoral structure to assess productivity constraints and transformation potential. Each state has forward-looking strategic considerations for Vision 2047 such that proposed priorities are realistic, sequenced and consistent with the state's position within the broader regional trajectory. This approach allows states to pursue distinct yet complementary growth strategies, while remaining integrated into a shared regional framework.

From Vision to systems and pathways

The Vision document is designed as a reinforcing system rather than a linear plan. Foundational chapters establish clarity on the development challenge and strategic direction; regional chapters create scale, coordination and investable platforms; and state chapters keep implementation priorities grounded in local realities. Overlaps across value chains, urbanization, human capital and sustainability are intentional, reflecting alignment rather than duplication.

This architecture enables different stakeholders to engage effectively: central ministries can act on regional strategies, states can anchor planning in their chapters while leveraging regional systems and private investors can identify opportunities that are both locally grounded and regionally scalable. Collectively, this design seeks to convert the Northeast's dispersed potential into a coherent economic system capable of delivering income convergence, employment quality and environmental resilience in line with Viksit Bharat 2047.

1.2 Government of India's Viksit Bharat Vision

Viksit Bharat 2047, as articulated by the Government of India, envisions transforming India into a developed nation by the centenary of independence. NITI Aayog has operationalized this vision through concrete economic targets: achieving a GDP of US\$30 trillion and per capita income of ~US\$18,000 by 2047. This trajectory necessitates sustained annual growth rates of 7%-10% and fundamental shifts in productivity, human capital and structural transformation across sectors.¹

The vision rests on five interconnected pillars: accelerated economic growth with distributional equity, enhanced human development outcomes, technological and infrastructural modernization, environmental sustainability and inclusive governance. Critically, Viksit Bharat is not merely a national aggregate but requires state-level convergence – eliminating inter-regional disparities and overcoming historical constraints on the Northeast's integration into national growth trajectories. Viksit Bharat, therefore, is not a derivative but a necessary element for realizing the national vision.

1.3 Institutional benchmarks: A complementary framework

World Bank: Income classification as a development threshold

The World Bank employs Gross National Income (GNI) per capita as the primary metric for classifying economies, with Upper-Middle Income status defined as GNI per capita between US\$4,496 and US\$13,935 and High-Income status above US\$13,935 (classifications for FY26).² These classifications matter because they correlate strongly with productivity levels, fiscal capacity and sovereign credit ratings – factors that determine investment flows and borrowing costs.

For India to achieve High Income status by 2047, consistent with NITI Aayog's per capita income target of US\$18,000, requires not only national growth acceleration but also bridging the sub-national income gap. Northeast states, currently positioned in the Lower-Middle and Upper-Middle Income ranges, can close this gap through structural transformation – enhancing the contribution proportion of secondary and tertiary sectors, enhancing factor productivity and integrating into national and global value chains.

NITI Aayog: Translating national ambition into state-level action

NITI Aayog's dual mandate – setting national targets and coordinating state-level development strategies – positions it as the institutional bridge between Vision 2047 and implementation. The US\$30 trillion GDP target implies an economy nearly eight times its

current size, achievable only through improved contributions from all states. This necessitates differentiated growth strategies: high-performing states sustaining momentum while emerging regions like the Northeast play catch-up with higher growth.

NITI Aayog's SDG India Index and state-level performance dashboards provide transparent, comparable metrics that enable evidence-based policymaking. For the Northeast, this framework translates into specific targets across infrastructure, employment generation, skill development and digital connectivity – converting broad national goals into actionable state priorities.

United Nations: SDGs and HDI as Additional Development Constraints

The UN's 2030 Agenda for Sustainable Development, comprising 17 Goals and 169 targets³, represents an additional constraint that India has chosen to adopt – ensuring that Vision 2047 extends beyond aggregate economic growth. While World Bank income classifications measure economic output, SDGs explicitly target inclusive development: reducing disparities, ensuring quality employment and translating growth into wellbeing across all population segments. This is not a normative marker of developed versus developing status, but a strategic choice to pursue balanced, durable prosperity.

The Human Development Index (HDI) – a composite measure of life expectancy, education and living

¹ Consulate General of India, New York, USA. (2024). India Business Newsletter – July 24 [PDF].

https://www.indiainnewyork.gov.in/pdf/India_Business_Newsletter_July_24.pdf

² Metreau, E., Young, K. E., & Eapen, S. G. (2025, July 1). Understanding country income: World Bank Group income classifications for FY26 (July 1, 2025–June 30, 2026). World Bank Data Blog. <https://blogs.worldbank.org/en/opendata/understanding-country-income--world-bank-group-income-classifica>

³ United Nations. (n.d.). Sustainable Development Goals. <https://sdgs.un.org/goals>



standards – similarly extends beyond income metrics. Economies with HDI scores above 0.80 demonstrate "very high human development"⁴, reflecting not merely output but capability and quality of life. India's current HDI of 0.685 (2023)⁵ places it in the "medium human development" category; crossing into the "very high" tier correlates strongly with employment quality, social protection systems and equitable access to health and education – outcomes that determine whether growth is sustainable and broadly shared.

For the Northeast, this distinction carries operational weight. Several NER states outperform national averages in literacy and health indicators, yet this human capital advantage has in many cases not translated proportionately into economic outcomes. Addressing structural constraints in employment generation, infrastructure and market access becomes essential – not simply to meet income thresholds, but to enable development that is comprehensive and resilient. The SDG framework anchors this aspiration, ensuring development priorities remain focused on inclusive outcomes rather than aggregate metrics alone.

India SDG targets: An aspirational layer beyond economic thresholds

India's adoption of SDGs through the SDG India Index represents a deliberate institutional choice – overlaying inclusive development goals onto national growth ambitions to enable longer-term, regionally balanced progress. NITI Aayog's state-level SDG tracking, including for the Northeast, operationalizes this commitment: setting differentiated targets that acknowledge varying baselines while maintaining common aspirational benchmarks. This framework creates a performance incentive structure that rewards not only economic acceleration but also progress on social and environmental dimensions.

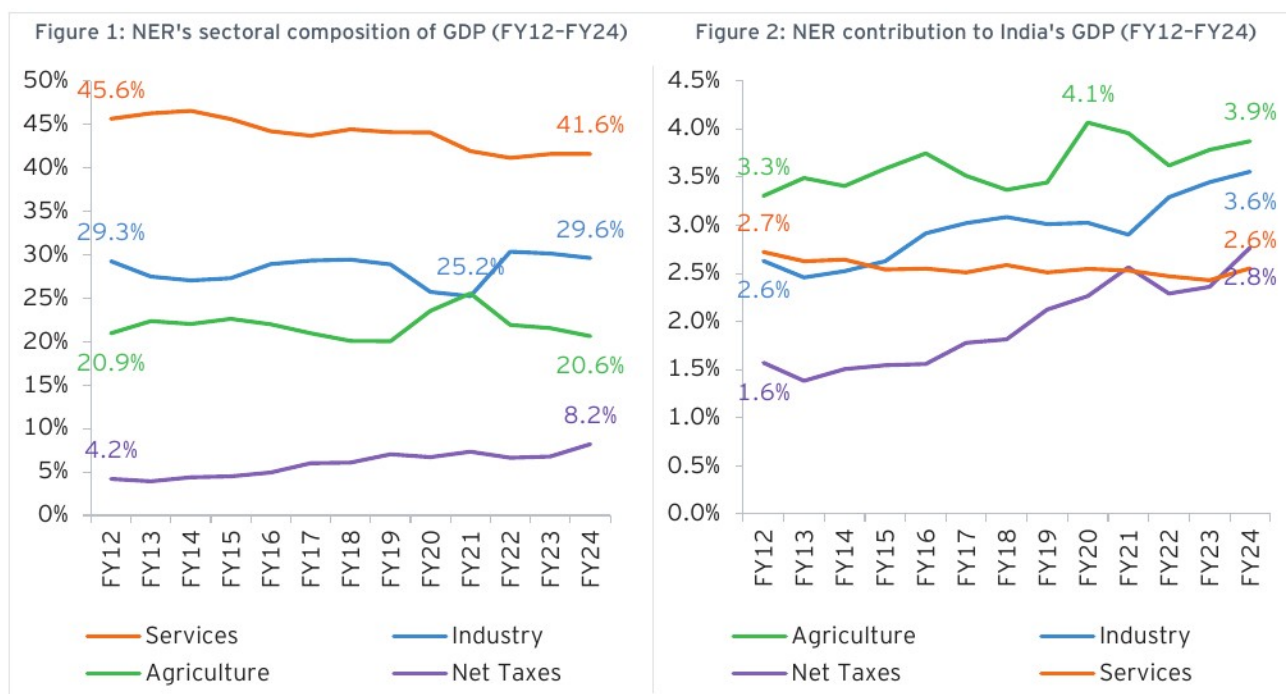
For the Northeast, treating SDGs as an additional constraint establishes accountability across economic growth (SDG 8), infrastructure (SDG 9), inequality reduction (SDG 10) and sustainable urbanization (SDG 11) domains where NER states have faced persistent performance gaps. Aligning these targets with Vision 2047 timelines creates intermediate milestones for 2030, enabling course corrections and sustaining policy focus. This would allow the Northeast's development trajectory to reflect not just higher incomes but improved quality of life, reduced inequalities and durable prosperity – a transformation story grounded in comprehensive human development, not merely economic convergence.

⁴ United Nations Development Programme. (2025). Human Development Report 2025: Technical notes [PDF]. https://hdr.undp.org/sites/default/files/2025_HDR/HDR25_Technical_Notes.pdf

⁵ United Nations Development Programme, India. (2025, May 6). India's human development continues to make progress, ranks 130 out of 193 countries [Press release]. <https://www.undp.org/india/press-releases/indias-human-development-continues-make-progress-ranks-130-out-of-193-countries>

1.4 Northeast economic structure and sectoral dynamics (FY12-FY24)

Higher than national growth momentum despite persistent structural constraints



Centre for Monitoring Indian Economy Pvt. Ltd. (n.d.). States of India [Database]. <https://statesofindia.cmie.com>
Source: MoSPI, EY Analysis

Between FY12 and FY24, the Northeast delivered higher than national economic growth rate momentum marked by accelerated formalization and improved performance in agriculture and industry. The doubling of tax contributions over the period signals deeper integration with national fiscal systems, improved compliance and an expanding formal economic base. This is a positive structural shift, strengthening state fiscal capacity and enabling co-financing of development investments aligned with *Viksit Bharat*.

However, this momentum has not yet translated into a commensurate transformation in productivity, diversification or private-sector depth in many cases. Agriculture remains largely primary and low-value, industrial growth is driven disproportionately by resource extraction rather than manufacturing and services continue to be anchored in public administration rather than competitive private activity. The resulting structure – formalization without faster improvements in scale of enterprise and output growth without faster productivity enhancement – moderates the pace of improvement in competitiveness and income convergence towards achieving *Viksit NER* by 2047.

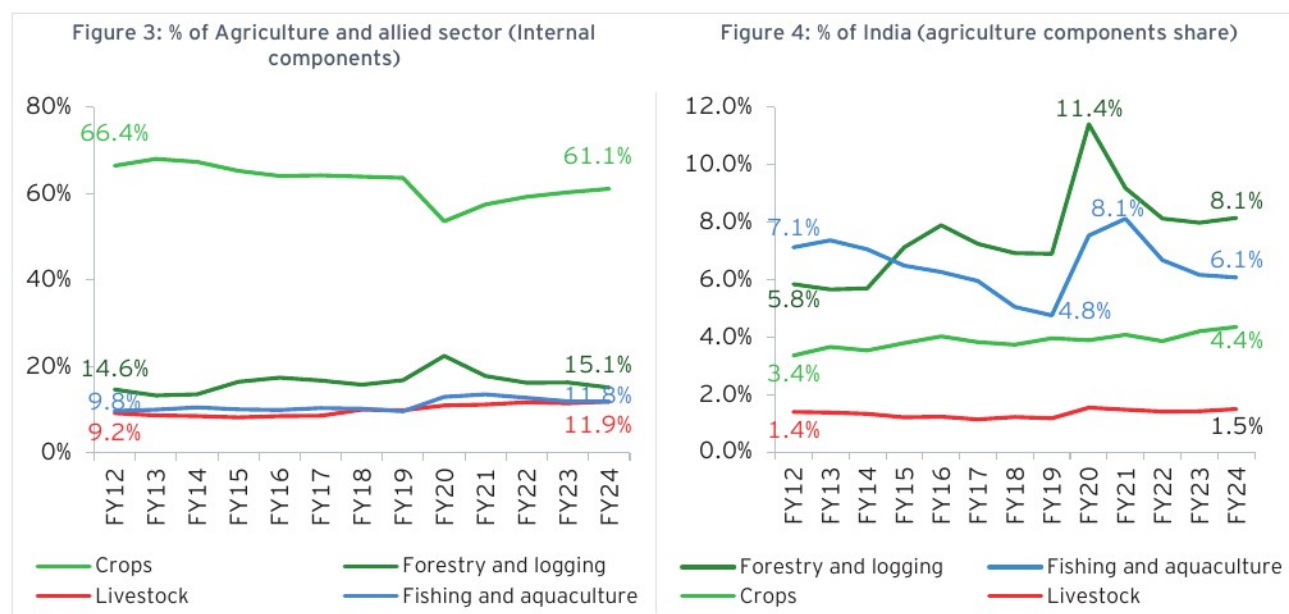
Cross-sectoral signals: Formalization with imbalance

Three structural signals stand out.

1. **Rapid formalization** – driven by GST, digital payments and enterprise registration – has expanded the region's fiscal base and improved labor market quality.
2. **Agriculture and industry have gained relative output share** in an economy that is growing faster than the nation, which is indicative of a healthy sequence of growth and signs that the NER may avoid premature deindustrialization.
3. **Positive shifts coexist with persistent imbalances** as reflected in subcritical mass manufacturing scale at industry and enterprise level, low agricultural value addition and services dominated by government expenditure. These indicate deeper constraints in connectivity, credit access, market depth and private investment confidence.



Agriculture: Resource advantage, low value capture

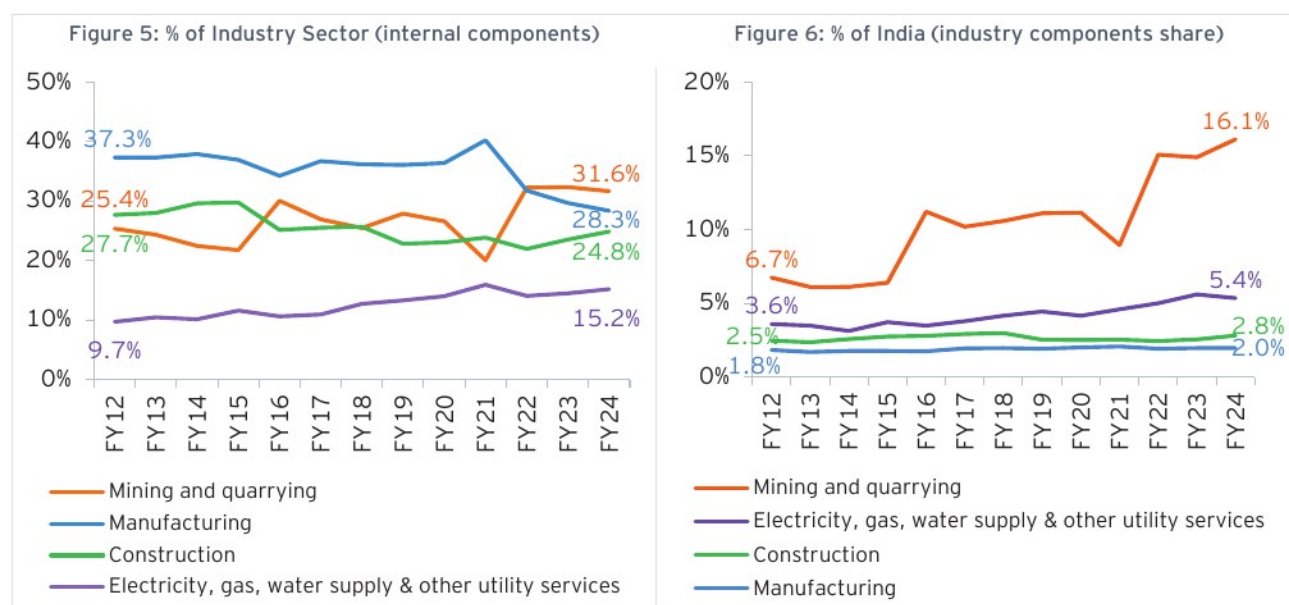


Centre for Monitoring Indian Economy Pvt. Ltd. (n.d.). States of India [Database]. <https://statesofindia.cmie.com>
Source: MoSPI, EY Analysis

The Northeast's share (relative to India) in national forestry and logging output has risen from 5.8% in FY12 to 8.1% in FY24, reflecting strong natural endowments and increasing commercial use. Crops, accounting for over 60% of regional agricultural output, have also materially improved national contribution from 3.4% in FY12 to 4.4% in FY24. Ameliorating constraints of fragmented landholdings, limited irrigation coverage and weak processing linkages will enable the region to translate agro-climatic advantages into higher output and incomes.

The strategic focus should be not acreage expansion but higher per hectare productivity and value-chain development. Processing capacity near production zones, cold-chain and logistics infrastructure, certification for organic and GI products and stronger Farmer Producer Organisations are essential. Without these, agriculture may remain subsistence-oriented and unable to support the income levels required for convergence by 2047.

Industry: Extraction-led growth without manufacturing depth



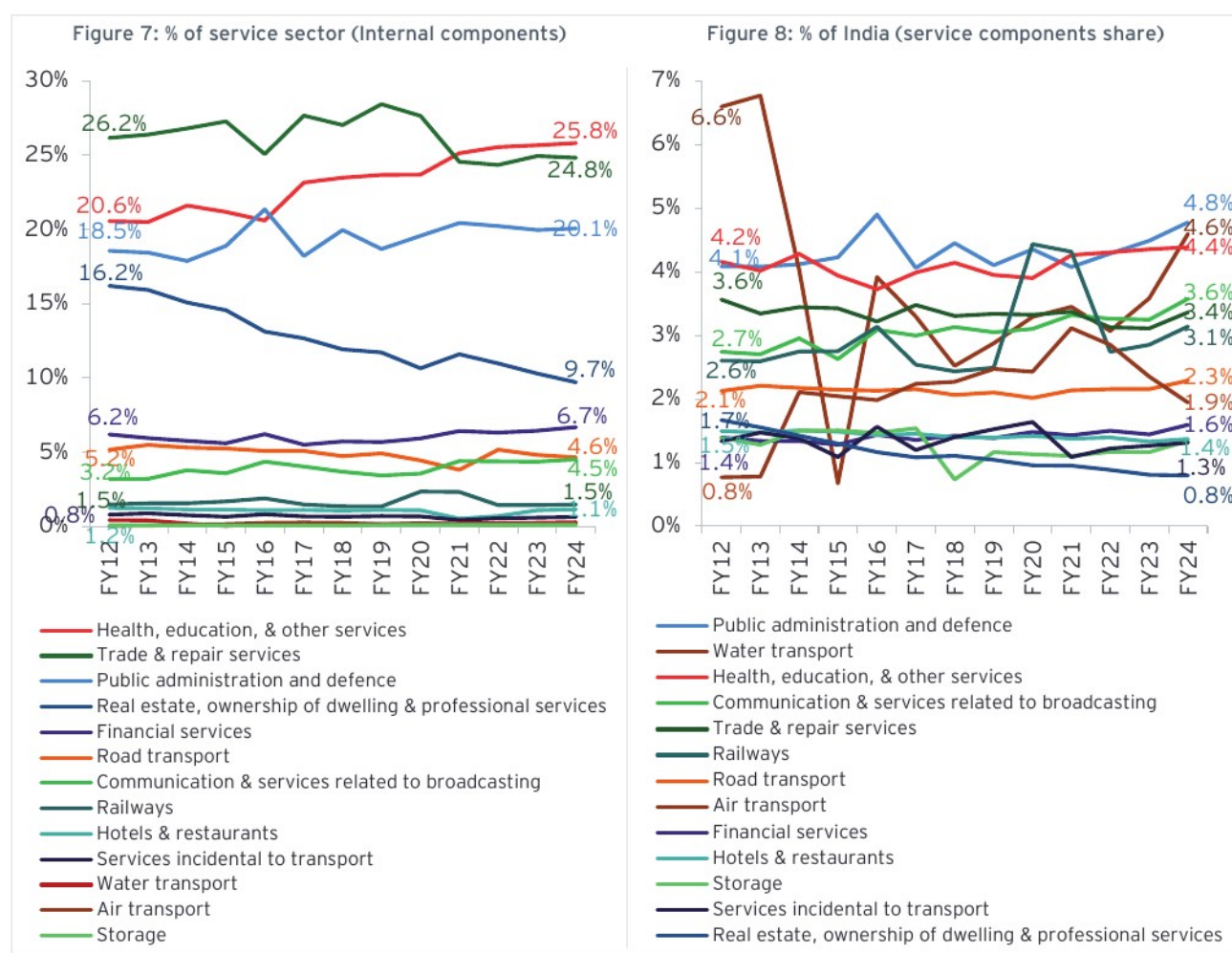
Centre for Monitoring Indian Economy Pvt. Ltd. (n.d.). States of India [Database]. <https://statesofindia.cmie.com>
Source: MoSPI, EY Analysis



Industrial growth has been driven primarily by mining and quarrying, where NER's national output share rose sharply between FY12 and FY24. This reflects both resource endowments and policy liberalization. However, manufacturing – a key driver of productivity, formal employment and technology diffusion – has shown marginal increase in contribution to national manufacturing output – reflective of still cautious private investment and scope for higher industrial clustering.

High logistics costs, unreliable power, limited access to institutional credit and skill mismatches continue to deter manufacturing scale and scope. Addressing these requires strategically conceptualized industrial infrastructure, streamlined land and regulatory processes and targeted skilling aligned with industry demand. Increasing manufacturing density would be necessary for the Northeast to achieve sustained productivity growth and improve quality of employment and this should be a key element of NER's urbanization strategy.

Services: Public-sector anchoring, private-sector gap



Centre for Monitoring Indian Economy Pvt. Ltd. (n.d.). States of India [Database]. <https://statesofindia.cmie.com>
Source: MoSPI, EY Analysis

Services are dominated by public administration, social services and government-supported activities, reflecting the region's historical and strategic context as well as the greater thrust on government spending in the region in the past 12-14 years. While this has provided income stability, it has often not resulted in productivity growth or enhanced innovation. Private services – such as finance, real estate, logistics, professional and business services – remain underdeveloped in many cases due to factors including

limited urban density, shallow credit markets and outmigration of skilled professionals.

Expanding private services requires urbanization-led market creation, stronger digital and physical connectivity, tourism-led demand expansion and improved credit penetration through fintech and risk-sharing mechanisms. Greater economic density is essential to unlock agglomeration benefits that drive service sector productivity.



Strategic implications for Viksit NER (2030-2047)

Three strategic priorities emerge. First, productivity and value addition – not output growth alone – must anchor development strategy. Second, much greater private sector enterprise investment and participation across agriculture, manufacturing and services are necessary to attain targets. Third, strategic sectoral interventions must prioritize industries and services

where NER holds, or could potentially hold, a sustainable source of competitive advantage; while systematically addressing gaps in infrastructure, skills and market linkages to achieve Viksit Bharat targets on per capita income, employment quality and human development outcomes. Current momentum provides a foundation, but without coordinated action on infrastructure, skills, credit and market integration, structural transformation will remain slower than required.

1.5 Cross-NER studies provide foundation and architecture for regional transformation

Strategic overview: From fragmentation to regional economic systems

To understand the structural dynamics shaping NER's development trajectory, a series of cross-regional studies was commissioned across key economic sectors. These studies examine sectoral performance, productivity trends and value chain integration, while identifying binding constraints and growth opportunities that cut across state boundaries. By adopting a region-wide analytical lens, the studies illuminate common challenges – such as infrastructure deficits, market fragmentation and skills gaps – as well as sector-specific strengths that can anchor accelerated growth. The findings provide an empirical foundation for prioritizing interventions aligned with Viksit Bharat objectives, ensuring that policy choices are grounded in evidence rather than assumptions. This section synthesizes insights from these sectoral assessments, offering a roadmap for strategic action.

First, Regional Value Chain Profiles provide a standardized understanding of where the Northeast's true economic strengths lie and how they differ across states. Using common sector templates, these studies examine:

- Sector highlights and context
- Strategic infrastructure and investment requirements
- Market snapshots
- NER-specific varieties and value-added product opportunities
- Export potential and market access
- Government policy and support ecosystems

Second, Cross-NER studies on value addition

address the region's most persistent structural weakness: the loss of processing margins and skilled employment outside the Northeast. These studies focus on:

- Retaining processing margins within NER
- Creating skilled jobs and reducing dependence on external processors
- Improved positioning through brand development
- Eliminating unnecessary intermediaries to gain better customer insight and margin control
- Strategic concentration on high-mix differentiated products rather than volume, with focus on fewer categories but with greater scale and scope for improved competitiveness.

The emphasis is on shifting the region away from commodity-led growth toward differentiated, market-integrated value chains. By identifying where shared processing hubs, cold chains, skills and branding can achieve earliest viability with greatest economic impact at the regional level, these studies convert abstract productivity goals into coordinated investment pathways.

Third, the Cross-NER Export Strategy responds to the Northeast's marginal participation in national and global trade despite its geographic and ecological advantages. This strand examines:

- Building MSME export capacity through cluster-based production and quality readiness
- Integrated logistics combining cold storage, processing hubs and multimodal connectivity
- Differentiated market positioning based on ecological authenticity, certifications and traditional value
- Cross-border facilitation through digitized (ICPs) and institutionalized compliance capacity

Export competitiveness is treated not only as a trade objective, but as a catalyst for broader transformation – raising quality standards, improving logistics efficiency and integrating NER producers into higher-value markets essential for income convergence under Vision 2047.

Fourth, Cross-NER High-Level Task Force (HLTF) studies enable analytical insights being translated into coordinated action. These assessments track progress and resolve bottlenecks across eight thematic HLTFs:

1. Agriculture and horticulture
2. North-East Economic Corridor
3. Handlooms and handicrafts
4. Investment promotion
5. Logistics cost, infrastructure and connectivity
6. Self-reliance in milk, eggs, fish and meat production
7. Sports promotion
8. Tourism

By providing a regional view of implementation, HLTF studies align state initiatives with central priorities and reduce policy fragmentation across sectors that are inherently interdependent.

Finally, Cross-NER studies on border development and Vibrant Villages integrate economic transformation with security and national integration objectives. This includes:

- Study and state inputs on Vibrant Villages Programme Phases I and II
- Assessment against five objectives: enhanced living standards; economic and livelihood growth; integrated social development; security and national integration; and saturation and convergence

These studies recognize that sustainable border security depends on economically viable communities and that border investments must connect into wider regional markets, infrastructure networks and livelihood systems rather than remain isolated interventions.

Taken together, Cross-NER studies move the Northeast from fragmented planning to **coordinated strategy and execution**. They enable scale, improve productivity and create the institutional predictability required to crowd in private investment. Most importantly, they operationalize Viksit NER by converting dispersed potential into a functioning regional economic system – capable of delivering income growth, employment quality and resilience consistent with Vision 2047.



1.6 Structural stages of economic transition in the Northeast

Figure 9: GSDP shares by states



	Agriculture	Industry	Services	Net Taxes
Tripura	36.4%	18.7%	41.6%	3.4%
Nagaland	26.4%	11.6%	59.2%	2.9%
Arunachal Pradesh	22.6%	26.8%	43.4%	7.1%
Meghalaya	21.2%	17.2%	53.5%	8.1%
Manipur	20.1%	9.8%	64.6%	5.5%
Assam	19.2%	32.8%	38.0%	10.1%
Mizoram	16.4%	32.6%	46.9%	4.2%
Sikkim	7.7%	58.5%	28.7%	5.1%

Centre for Monitoring Indian Economy Pvt. Ltd. (n.d.). States of India [Database]. <https://statesofindia.cmie.com>

Source: MoSPI, GSDP 2024

The Northeast exhibits distinct stages of structural transformation, reflecting varying degrees of agricultural dependence, industrial depth and fiscal capacity. Understanding these patterns is critical for sequencing policy interventions under the Viksit NER and Vision 2047 framework.

Early-stage economies: Agriculture dominance and low industrial depth

Tripura, Nagaland and Arunachal Pradesh display characteristics of early-stage economies, where agriculture continues to account for a disproportionately high share of output – 36.4% in Tripura, 26.4% in Nagaland and 22.6% in Arunachal Pradesh. Such high shares indicate that large segments of the workforce remain engaged in low-productivity or subsistence farming, constraining household income growth and suppressing demand-led expansion.

Industrial activity remains limited, with industry shares of GSDP ranging from 11.6% in Nagaland to 26.8% in Arunachal Pradesh, reflecting underdeveloped manufacturing ecosystems, low private capital mobilization and reliance on extractive or primary activities rather than value-added production. Net tax shares below 7.1% further highlight constrained fiscal capacity, limiting the ability of these states to co-finance infrastructure, skills and institutional

investments necessary for transformation. These economies face a dual imperative: raising agricultural productivity to release labor and simultaneously building infrastructure and industrial capacity capable of absorbing workers into higher-productivity employment.

Mid-transition economies: Services-led growth with uneven industrialization

Meghalaya, Manipur, Assam and Mizoram occupy an intermediate position, with agriculture shares at 16%–21% and services emerging as the dominant contributor to output. Services account for 38% of GSDP in Assam and up to 64.6% in Manipur. However, this expansion is driven largely by public administration, education and health rather than productivity-enhancing private services such as logistics, finance, or business services.

Industrial performance across this group is uneven. Assam's industry share of 32.8%, supported by petroleum, tea processing and emerging manufacturing, contrasts sharply with Manipur's 9.8%, underscoring intra-regional disparities in industrial capability. Assam's higher net tax share (10.1%) illustrates the fiscal benefits of industrial depth, enabling greater public investment capacity. Nevertheless, these states still face risks of premature de-industrialization if services continue expanding

without a strong manufacturing base, potentially locking them into low-productivity growth paths with limited quality employment creation.

Mature economy outlier: Sikkim's industry-led transformation

Sikkim stands apart as a structural outlier, with agriculture accounting for only 7.7% of output and industry dominating at 58.5%. This profile resembles that of mature industrializing economies and is driven primarily by pharmaceutical manufacturing clusters enabled through targeted policy incentives and regulatory facilitation. The resulting industrial concentration has accelerated income growth and enhanced fiscal efficiency, with a net tax share of 5.1% despite the state's economic formalization and small population, suggesting that there are successful strategies for rapid development paths with low tax to GDP ratios and greater private sector participation.

Sikkim's example, however, highlights trade-offs associated with narrow industrial specialization and

policy-dependent competitiveness. While potentially replicable across smaller states in the Northeast, it also demonstrates the central role of manufacturing depth in achieving income convergence and fiscal autonomy under *Viksit Bharat*.

Three structural imperatives emerge. First, industrial deepening is among the highest priorities for sustainable income convergence – manufacturing provides productivity gains, employment absorption capacity and fiscal buoyancy that services alone cannot deliver at early and mid-development stages. Second, agricultural productivity enhancement must coincide with labor transition; premature labor exit from agriculture would perpetuate low-wage informal employment. Third, balanced sectoral evolution aligned with development stage is ideal – services expansion should follow, not precede, progress towards industrial maturity to avoid entrenching dual economies that limit aggregate productivity growth.

1.7 Binding constraints and strategic responses for income convergence

From growth to convergence

Despite growth rates that have exceeded the national average for over a decade and moderating population growth, the Northeast's per capita income remains about 20% below India's mean, underscoring a core challenge: growth without productivity transformation does not deliver convergence. Structural constraints – weak urbanization, fragmented logistics, public-sector dominance, out-migration, absence of sizeable urban agglomerations and binding environmental limits – interact to suppress productivity gains. Addressing these requires spatially targeted, sequenced interventions that build urban scale, enable private value creation and reconcile economic transformation with ecological and social realities.

Income gap persistence: productivity, not growth, as the core constraint

The persistence of the income gap reflects low output per worker driven by sectoral composition skewed toward low-productivity agriculture, limited manufacturing depth and services dominated by public administration rather than tradable or business services. Sustaining current growth rates driven by central government spending is insufficient; convergence requires raising productivity through structural change. This requires accelerating value

addition in primary sectors, scaling manufacturing where viable and strengthening urban economies to unlock agglomeration-driven productivity gains.

Connectivity and logistics bottlenecks: The "Chicken's Neck" dependency

Dependence on the Siliguri Corridor as the principal gateway to and from mainland India raises logistics costs and creates systemic vulnerability, while weak intra-regional connectivity, limited cold chains and poor multimodal integration fragment markets. These constraints directly deter private investment and export-oriented activity. One strategic response lies in diversifying connectivity, strengthening eastward and cross-border trade routes and building regionally integrated logistics and cold-chain systems that reduce transaction costs and improve reliability. Another strategic approach is to shift the trade mix from raw materials towards a higher proportion of value-added products and finished goods, thereby increasing the value of throughput for similar volume and weight. This strategic approach can also be applied to the border areas where collection and processing centers for various products can be located at strategic points serving multiple border villages, creating synergistic dependency while streamlining transportation and logistics.



Public-sector dominance: Strategic imperatives versus investment crowding-out

High public-sector shares reflect historical circumstances as well as current strategic and security needs but inadvertently crowd out private investment by providing higher than market entry level wages, absorbing skilled labor, dampening entrepreneurship and constraining fiscal flexibility. A strategic priority should be to increase the proportion of private sector participation in the northeastern economy to make it more competitive. Rather than contracting the public sector, the priority is to invite and enable private enterprises to be nationally and globally competitive by reducing their operational risk and improving their ease of doing business – reliable power, digital connectivity, streamlined regulation and targeted incentives – so private firms can offer viable wage and career pathways and boost private sector employment multi-fold while reducing distortions from the public sector.

Out-migration and urban weakness: Human capital erosion

Sustained out-migration of educated youth weakens human capital, suppresses urban demand and limits the formation of innovation and entrepreneurship ecosystems. Small, thin urban centers fail to generate the labor-market depth needed to retain talent. Reversing this cycle requires building livable, opportunity-rich urban centers – with quality housing, services and digital infrastructure – that can attract and retain skilled workers and anchor higher-productivity employment.

Absence of large urban agglomerations: Scale and scope economics foregone

The lack of large urban agglomerations deprives the region of scale and scope economies that drive productivity, innovation and income growth. Without cities of sufficient size, firms may not be able to

specialize, services may remain shallow and investment attraction could remain weak. Furthermore, smaller agglomerations may find it challenging to attract the best talent with narrower pool of opportunities frequently not able to accommodate careers for multiple family members. A deliberate strategy of urban concentration, prioritizing a limited number of scalable urban nodes, is essential to unlock agglomeration benefits – even if this entails difficult trade-offs in spatial equity. Another strategy of high frequency rail connectivity between smaller agglomerations can simulate a larger agglomeration as accomplished in the Ruhr Valley in Germany and in the Bay Area in California.

Environmental and social sensitivities: Legitimate development constraints

High forest cover, fragile ecosystems and customary land tenure systems constrain conventional land-intensive development models. These are not obstacles to growth but design constraints that necessitate alternative pathways – compact urban forms, value addition in forest-based products, eco-tourism and green manufacturing – that generate incomes while preserving ecological and social capital.

Strategic approach: Sequenced, spatially targeted transformation

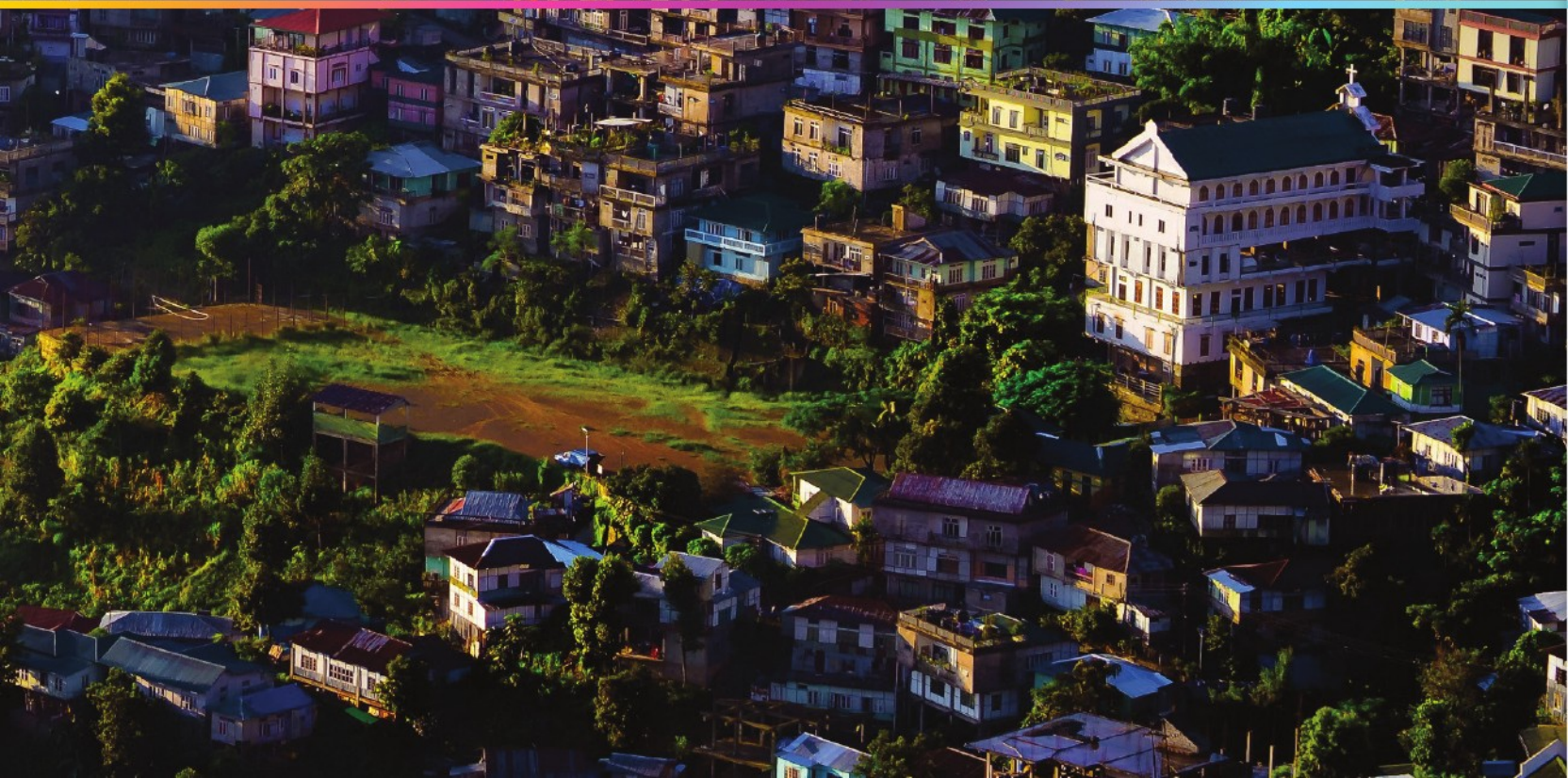
Income convergence requires a sequenced strategy: raise agricultural productivity and value capture first, build manufacturing and processing scale next and enable services growth anchored in strong urban economies. Spatial targeting – focusing investment in connectivity corridors, processing hubs and selected urban centers – creates economic density, attracts private capital and initiates a virtuous cycle of job creation, migration retention and productivity growth. Compact, environmentally conservative urbanization enables this transformation to be sustainable and socially inclusive.

An aerial photograph of a hillside town. In the foreground, a dense cluster of multi-story buildings is visible. A prominent church with a tall, ornate spire stands out on the left. The town is built on a steep slope, and the background shows a forested hillside partially shrouded in mist or fog. The sky is a mix of blue and white, suggesting a clear but slightly hazy day.

CHAPTER

02

NE Vision Plan
2047



2.1 Vision Statement and key components

NE Vision 2047

“To position the North-eastern Region as the people-centric, globally-integrated and environmentally-resilient growth frontier of Viksit Bharat.”

1. Integration of cross-NER strategic priorities with state-specific agendas

NE Vision 2047 is designed as a unified framework that harmonizes regional priorities with the unique needs of individual states. This dual approach means that while NER moves forward collectively, each state retains flexibility to pursue its distinct economic and social objectives. Integration prevents fragmentation and promotes synergy across states, enabling shared infrastructure and coordinated policy execution.

2. Three foundational enabling themes

The vision rests on the following three critical enablers that are mutually reinforcing and create the conditions for sectoral expansion across NER:

- i. Connectivity and logistics infrastructure: Addressing geographic constraints through robust transport and digital networks to facilitate production, trade and mobility.
- ii. Integrated urbanization: Developing integrated urban clusters to accelerate the economy towards developed status by enabling critical mass with its efficiencies of scale and scope.
- iii. Sustainability and environmental resilience: Embedding climate-conscious practices to protect ecological assets, enable higher density settlements with lower resource intensity and support long-term viability.

3. Building an integrated regional ecosystem

Given NER's distinct connectivity challenges, creating a cohesive ecosystem is essential. The strategy emphasizes value addition to primary sector products, shifting from raw material exports to finished goods and processed products. This approach enhances competitiveness, diversifies income sources and positions NER as a contributor to regional and global trade rather than remaining a supplier of primary products and intermediates.

4. Achieving competitive scale and critical mass

To compete nationally and globally, NER must attain scale in priority sectors by leveraging ecosystems across multiple states. This involves pooling resources, sharing infrastructure and fostering collaborative innovation. Critical mass is important at both the unit level and regional level. Achieving critical mass will enable economies of scale and scope, attract investment and create sectoral hubs that can compete effectively in domestic and international markets.

5. Macro-to-micro strategic alignment

The Viksit NER vision establishes a cascading strategic framework. First, we define overarching imperatives that set directional ambition. These imperatives then inform macro-math frameworks, which serve two critical functions: they establish quantitative targets for developed economy status and provide states with evidence-based benchmarks – analyzing past growth patterns to determine the required growth rates needed collectively and individually to reach targets. This analysis subsequently focuses state-level strategy development toward achieving realistic, trajectory-informed outcomes.

6. Collaborative governance and stakeholder integration

NE Vision 2047 adopts a participatory governance model, incorporating inputs from key stakeholders such as state governments, NITI Aayog, NEC and members of the NE Vision Plan 2047 Committee. Recommendations from prior studies and High-Level Task Force (HLTF) proceedings are synthesized with feedback from the Ministry of Development of North Eastern Region (Ministry of DoNER). This inclusive approach encourages transparency, stakeholder buy-in and methodological rigor in formulating the vision and strategic paths to attain it.



2.2 State-wise per capita GSDP targets

Macro math strategic framework to attain Viksit NER by FY47

The Macro Math framework for NE Vision plan encapsulates an analytical framework for attaining Viksit NER by 2047. The core objective is that each of the eight NER states independently surpasses the INR30 lakh per capita GSDP threshold (crossing US\$18,000 per capita GDP as per Viksit Bharat benchmarks) by FY47, while collectively enabling the region to achieve an aggregate GSDP of ~INR200 lakh crore. The framework is designed to balance the growth curves of both the fastest growing and trailing states, recognizing the heterogeneity of starting conditions across states and the economic interdependence within the region.

This target is also consistent with a top-down derivation anchored in the national aspiration. Aligned with the Viksit Bharat aspiration of a US\$30 trillion economy by 2047, NER if representing ~4% of national GDP will amount to ~US\$1.1-1.2 trillion regional GDP.

Dividing this projected regional output by the projected total NER population of 61.4 million yields a per capita income that crosses ₹30 lakh. Both the bottom-up state-level growth modelling and the top-down national share approach therefore reconcile to the same benchmark of over ₹30 lakh per capita for NER by 2047, ensuring internal consistency within the macro framework

The framework begins with state-specific growth arithmetic, wherein the compound annual growth rate (CAGR) required for each state is calculated based on its current per capita GSDP and the FY47 target. This avoids uniform target-setting and instead creates differentiated growth paths aligned to each state's economic base. States with lower starting incomes are mapped to growth rates that allow them to cross the Viksit threshold by 2047, reflecting the requisite catch-up dynamics. The higher-base states that may already cross the Viksit threshold are encouraged to run as fast as they can with a minimum 100 basis points higher growth rate than Business as Usual growth. This approach anchors the Viksit aspiration in quantifiable metrics, enabling progress to be ambitious yet measured and monitored over the 22-year horizon.

It is important to note that Assam, Tripura and Meghalaya together account for more than 75% of the

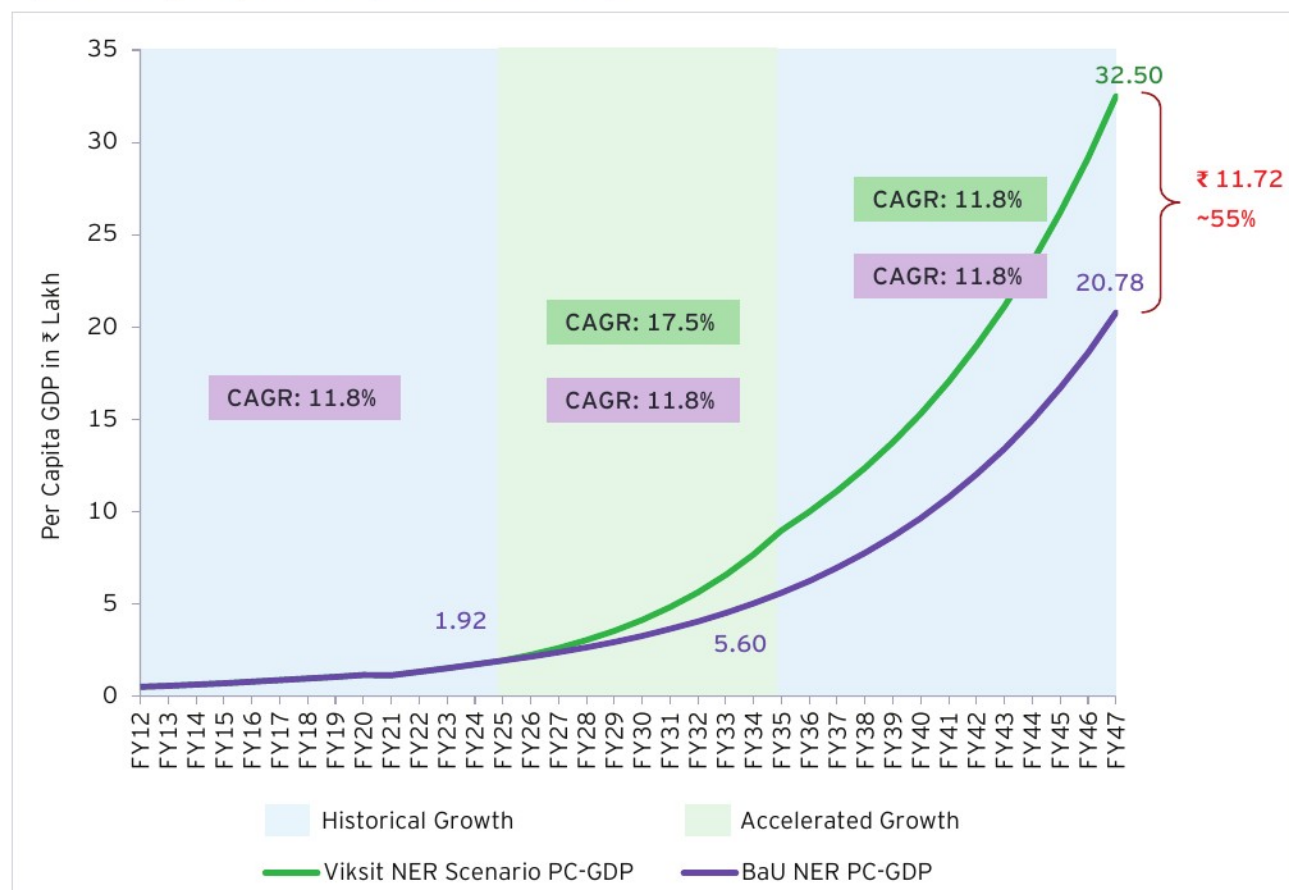
region's economic output. Given their scale, the trajectory of these three states largely determines whether regional targets are achievable. Accordingly, the framework requires these economies to grow at least 100 basis points faster than the minimum regional requirement. This is neither a punitive condition nor a preferential status, but a strategic choice: accelerated growth in the economic core generates spillovers through expanded markets, stronger infrastructure networks, deeper supply chains and greater investor confidence, which in turn raise growth potential in smaller states.

This growth-anchoring logic reflects established regional development patterns, where prosperity first consolidates in larger economic nodes before diffusing outward. Just as a rising tide lifts all boats but smaller boats can maneuver more deftly, minimum requisite growth in these three largest states will extend positive neighborhood effects to the remaining states in the region. Furthermore, faster than minimum necessary expansion in Assam, Tripura and Meghalaya creates the incremental momentum necessary to absorb shocks while sustaining region-wide convergence toward the Viksit threshold.

Sectoral transformation is operationalized through a 15-sector regional priority framework, from which each state must adopt at least six sectors within its development strategy. This design allows for sufficient overlap to enable regional coordination and value-chain integration, while preserving flexibility for states to prioritize sectors aligned with their comparative advantages. By avoiding both excessive uniformity and excessive fragmentation, the framework promotes complementary specialization across states, strengthening the overall regional economic system rather than encouraging zero-sum competition.

Overall, the Macro Math framework resolves a fundamental policy tension: how to combine state autonomy with regional coordination. It is clear about outcomes, clear income thresholds and aggregate targets, yet flexible about pathways, allowing states to design their strategies while having a clear understanding of the required target in mind. By grounding long-term aspirations in explicit growth arithmetic, the framework enables evidence-based policymaking and sustained execution discipline, which are essential for transformation over the Viksit 2047 timeline.

Figure 10: NER per capita GSDP trajectories and Viksit targets



Note: Weighted average: Population FY25 and FY35 as per Census of India, FY25 NA for Manipur, Mizoram, Nagaland, Sikkim, and thereby the NER aggregate. Historical 10-year CAGR/Business as Usual (BaU) scenario is computed from FY14 FY24, as FY25 data remains unpublished by MoSPI, Gol (as of latest update on 01.08.2025)., USD to ₹ conversion rates assume 3% annual depreciation of ₹ vs USD: 87 (2025), 116.92 (2035), 166.70 (2047). Census of India Projections 2011-2036. For 2036-2047 projections, For 2037-47 projections applying 0.6% growth rate compounding annually.

Source: World Bank 2024, UN, NITI Aayog.

Table 1: State-wise per capita GSDP targets

S. No	State	FY25 PCGSDP (INR lakh)	BaU FY47 PCGSDP (INR lakh)	Viksit FY47 PCGSDP (INR lakh)
1.	Arunachal Pradesh	2.78	17.32	31.03
2.	Assam	1.76	20.99	31.21
3.	Manipur*	1.45	11.08	31.19
4.	Meghalaya	1.74	12.04	31.05
5.	Mizoram*	2.96	33.97	36.95
6.	Nagaland*	1.91	11.31	31.25
7.	Sikkim*	7.90	109.84	119.46
8.	Tripura	2.12	21.18	31.30

The per capita GSDP profile of NER in FY25 reveals a wide dispersion, ranging from INR1.45 lakh in Manipur to INR7.90 lakh in Sikkim. This heterogeneity reflects differences in sectoral composition, infrastructure development, governance capacity and historical policy choices. Importantly, it also defines the region's

growth opportunity. Lower-income states possess significant catch-up potential where productivity gains from infrastructure and technology adoption and sectoral diversification can sustain high growth rates over extended periods.



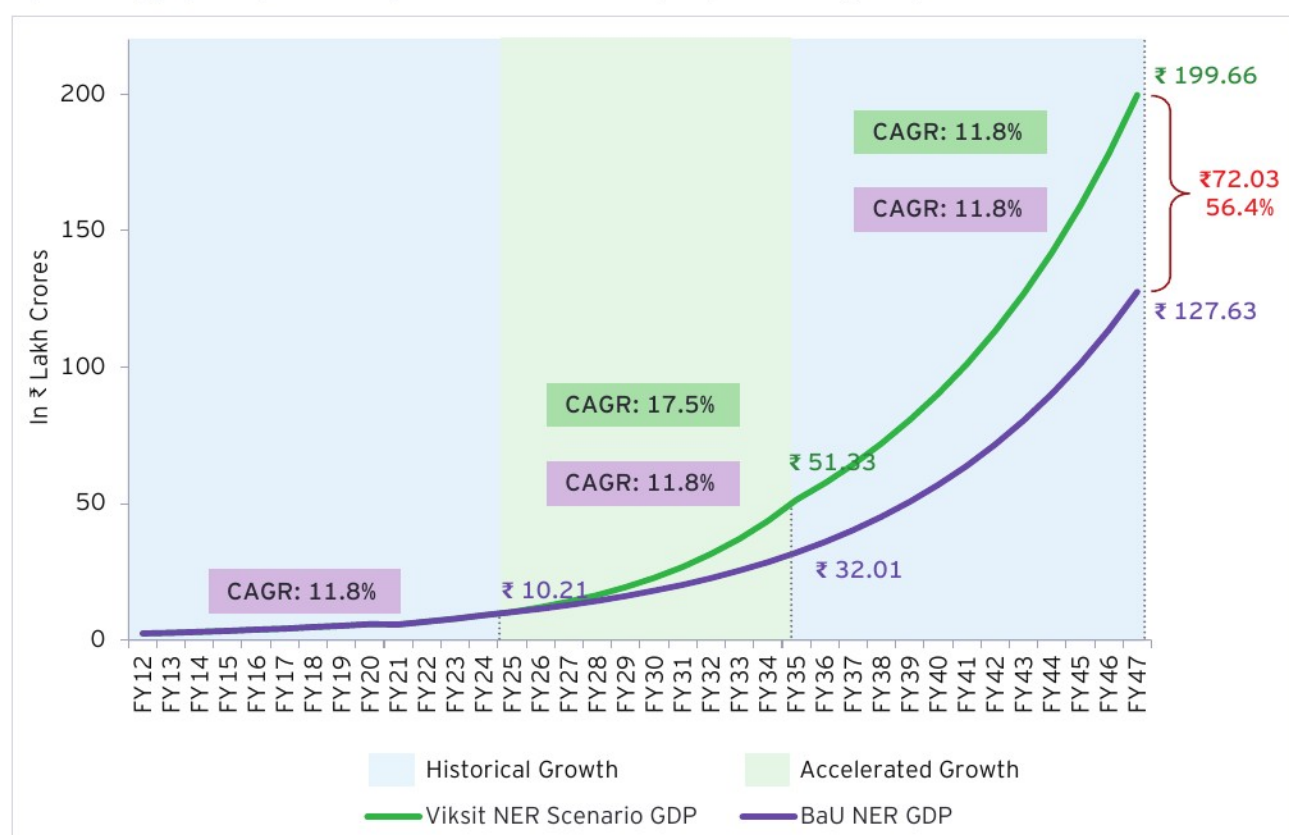
Two distinct development trajectories emerge from the data. Under a Business-as-Usual (BAU) scenario, where historical growth of 11.8% CAGR is maintained, per capita incomes across the region rise to around INR20-21 lakh by FY47. This outcome represents substantial progress and confirms that the region already possesses growth momentum. However, it falls materially short of the high-income threshold and Viksit benchmark, implying that continuity alone is insufficient to close the prosperity gap.

The Viksit trajectory requires a calibrated acceleration, with real growth rates ranging between 11.8% and 17.5% CAGR. While ambitious, such growth rates are consistent with experiences of regions undergoing structural transformation. By FY47, the difference between BAU and Viksit outcomes exceeds INR11 lakh per capita, translating into significantly higher fiscal capacity, better public service delivery and improved household welfare. Sikkim and Mizoram emerge as high performers, reflecting stronger starting positions and focused sectoral strategies, while other states cluster just above the INR31 lakh mark. The convergence of outcomes despite divergent starting points highlights the internal consistency of the growth framework.

Achieving these trajectories is fundamentally contingent on structural transformation. Productivity must shift from subsistence agriculture toward higher-value manufacturing and services, supported by food processing, tourism, logistics, digital services and clean energy. Demographic factors play a critical role in sustaining high growth, provided investments in skills, health and urban livability are aligned with emerging sectors. Infrastructure and institutional quality act as binding constraints. Without reliable connectivity, power and regulatory efficiency, it is difficult for private investment and productivity gains to scale rapidly. Similarly, fiscal sustainability requires crowding in private capital while progressively strengthening states' own revenue bases as GDPs expand.

The Viksit outcome is challenging but feasible, provided growth is accelerated in a structured, coordinated and sustained manner. By FY47, successful execution would reposition NER from a peripheral growth region to a high-income, integrated economy contributing meaningfully to national prosperity while preserving its environmental and cultural foundations.

Figure 11: Aggregate regional GDP growth: Business as Usual (BaU) vs. Viksit trajectory



Source: MOSPI. Note: \$ to ₹ conversion rates assume 3% annual depreciation of ₹ vs USD: 87 (2025), 116.92 (2035), 166.70 (2047). Census of India Projections 2011-2036. For 2036-2047 projections, For 2037-47 projections applying 0.6% growth rate compounding annually.

The aggregate GSDP trajectory for NER highlights the scale of acceleration required to achieve Viksit status by FY47. NER GSDP is currently at INR10.2 lakh crore in FY25. Under a BaU scenario, where the region sustains its historical 11.8% CAGR, aggregate GSDP rises to about INR127.6 lakh crore by FY47. This represents a substantial expansion – over 12 times the FY25 level – reflecting NER’s growth momentum. However, this trajectory requires a 56% boost (INR72 lakh crore) to attain the scale required to meet the

Viksit aspiration. The Viksit NER scenario targets an aggregate GSDP of ~INR200 lakh crore by FY47.

The gap between BaU and Viksit NER scenario captures the economic opportunity at stake. This additional output translates into higher employment, stronger fiscal capacity, improved public services and greater resilience to shocks. Conversely, it also represents the opportunity cost of inaction – foregone income, infrastructure and livelihoods if the region remains on a historical trajectory.

Table 2: Phased PC-GSDP growth pathway

S. No.	State/region	FY15-25 CAGR*	10-year real GSDP CAGR	10-year nominal GSDP CAGR	FY25 PC-GSDP (INR Lakh)	Accl. FY35 PC-GSDP (INR Lakh)	FY47 PC-GSDP (INR Lakh)
1.	Arunachal Pradesh	9.4%	12.0%	16.0%	₹2.78	₹11.28	₹31.03
2.	Assam	12.6%	13.2%	17.2%	₹1.76	₹8.03	₹31.21
3.	Manipur*	10.4%	18.4%	22.4%	₹1.45	₹10.25	₹31.19
4.	Meghalaya	9.9%	16.8%	20.8%	₹1.74	₹10.76	₹31.05
5.	Mizoram*	12.4%	9.4%	13.4%	₹2.96	₹9.71	₹36.95
6.	Nagaland*	9.1%	16.8%	20.8%	₹1.91	₹11.76	₹31.25
7.	Sikkim*	13.4%	10.4%	14.4%	₹7.90	₹28.26	₹119.46
8.	Tripura	11.7%	12.2%	16.2%	₹2.12	₹8.86	₹31.30
9.	NER**	11.8%	13.5%	17.5%	₹1.92	₹8.97	₹32.50

Note: Different 10- Year Real GSDP CAGR used for each of the 8 NER states, USD to ₹ conversion rates assume 3% annual depreciation of ₹ vs USD: 87 (2025), 116.92 (2035), 166.70 (2047) **: Weighted average: Population FY25 and FY35 as per Census of India, FY47 population assumes CAGR 0.6% from FY2036 47 Columns in saffron are ₹, in green are USD, in yellow are CAGRs

Source: MoSPI

The per capita GSDP (PC-GSDP) trajectory for NER combines front-loaded economic acceleration with longer-term normalization, while explicitly accounting for population dynamics. Rather than extrapolating a single growth rate to FY47, the framework deliberately adopts accelerated GDP growth in the first 10 years (FY25-35), followed by 12 years of growth at historical rates (FY35-47), with population growth aligned to Census projections and then stabilizing.

In the first decade (FY25-35), states are assumed to achieve higher-than-historical real GSDP growth – at the regional level, about 13.5% CAGR, with individual states ranging from 9%-18%. This acceleration phase reflects classic catch-up economics: lower starting income levels allow rapid productivity gains through infrastructure expansion, human capital investment

and sectoral diversification. During this phase, PC-GSDP for NER rises sharply from around INR1.9 lakh in FY25 to nearly INR9.0 lakh by FY35, creating the economic base required for sustained long-term prosperity.

From FY35 onwards, growth transitions into a 12-year consolidation phase, where real GSDP growth reverts to the region’s historical average of 11.8%. This moderation reflects economic maturation, as easy productivity gains are gradually exhausted and growth becomes increasingly led by efficiency and innovation, rather than investment-driven. Compounding effects over this longer period are powerful, lifting regional PC-GSDP to about INR32.5 lakh by FY47. Population growth follows Census of India projections up to FY36,



after which it is assumed to stabilize at 0.6% annually through FY47.

In nominal terms, the FY47 regional PC-GSDP is INR32.5 lakh per capita / US\$19,500 per capita, based on assumption of 3% annual Rupee depreciation. This should place NER firmly in the high-income range globally, with significantly higher real living standards for citizens of the region.

Overall, the PC-GSDP framework demonstrates that achieving Viksit-level incomes by FY47 is not driven by perpetual high growth, but by a strategically timed acceleration in the first 10 years, followed by return to historical growth rates on a higher base. This sequencing supports ambition without over-reliance on unrealistic long-term growth assumptions, anchoring the Viksit NER vision in sound economic logic.

2.3 Cross-NER enabling themes

The NE Vision Plan for 2047 rests on three cross-sectoral enabling themes that have a foundational impact on the region's growth. Core infrastructure, specifically connectivity, logistics and utilities, integrated urbanization and sustainability and environmental resilience are the backbone of NER's Viksit growth trajectory. These three enabling themes are the prerequisites by choice for accelerated growth and sustainable regional prosperity.

Integrated urbanization

Integrated urbanization is central to the Northeast's transition to developed status – not as an end in itself, but as a spatial and institutional platform that raises human productivity, expands economic choice and connects people to opportunity.

Empirical evidence underscores its importance. In India, each percentage-point increase in a district's urban population share is associated with a 2.7% increase in district GDP. Although cities occupy only ~3% of national land area, they generate ~60% of GDP⁶, driven by agglomeration economies that raise firm productivity, wages, innovation and the depth of specialized skills across industry and services.

For the Northeast, the question is not whether to urbanize, but how. Given ecological sensitivity, forest cover and distinct cultural systems, a strategy of selective and accelerated urbanization focusing on a limited number of cities and urban clusters offers the highest economic returns while containing sprawl. This selectivity is a design choice, allowing the region to capture agglomeration benefits without undermining environmental or social foundations.

When structured correctly, integrated urbanization is inherently people-centric. Mixed-use land planning that combines residential, commercial, industrial and institutional functions – supported by efficient transport, digital connectivity and access to natural

spaces – reduces distance between jobs, services and communities. This proximity lowers transaction costs, strengthens labor market matching and enables knowledge spillovers, making cities attractive not only to firms but also to skilled workers and entrepreneurs.

Urban ecosystems that integrate economic activity with livability are better positioned to retain local talent and reduce distress migration. Tourism, within this framework, is not a primary driver but a secondary gain – emerging from early infrastructure investments and cities that function well for residents before appealing to visitors.

Realizing these gains requires coordination across land use, infrastructure investment, skills development and regulation, rather than siloed interventions. Without such integration, urbanization risks producing density without productivity or growth without inclusion. For the Northeast, the strategic opportunity lies in building cities that are globally competitive in efficiency yet locally grounded in ecological and cultural context – creating a durable, people-centric foundation for long-term growth.

Sustainability, environment and resilience

In the Northeast, sustainability and environmental resilience are integral. The region's extensive forest cover, rich biodiversity and ecosystem services provide ecological security while also enabling economic differentiation. Forests regulate water flows, stabilize soils, sequester carbon and support livelihoods through non-timber forest products, making the integration of conservation priorities with development planning essential to sustaining both natural capital and economic activity.

Climate vulnerability heightens the importance of resilience-led development. Exposure to extreme weather events, shifting rainfall patterns, seismic risk

⁶ NITI Aayog and Asian Development Bank, *Cities as Engines of Growth: Executive Summary*, May 18, 2022, https://www.niti.gov.in/sites/default/files/2022-05/Mod_CEoG_Executive_Summary_18052022.pdf

and landslides requires a development approach that strengthens disaster preparedness, invests in climate-adaptive infrastructure and avoids amplifying existing risks. Early action on adaptation reduces long-term economic losses, protects productive assets and improves the reliability of infrastructure and services across urban and rural areas.

Sustainability in NER also derives from culturally rooted and market-oriented practices. The region's expanding base of organic and certified production, supported by traditional low-input agriculture and favorable agro-climatic conditions, enables access to premium markets while preserving ecological integrity. Extending sustainable practices to urban planning, industrial siting, tourism management and infrastructure design – while recognizing indigenous knowledge systems and clearly defining conservation boundaries allows development and environmental stewardship to reinforce each other, positioning NER's environmental assets as sources of resilience and competitive advantage.

NER possesses vast untapped renewable energy resources, with 56 GW of large hydropower potential

and 6.5 GW of pumped storage potential⁷; although its current installed renewable capacity is modest at 4.8 GW⁸, this natural endowment is comparable in scale to the entire power systems of mid-sized European economies such as Estonia, Iceland and Lithuania.⁹

These natural endowments, combined with the region's strategic location and an energy-deficient neighborhood, position NER as a critical pillar of India's green growth strategy. Early capacity creation allows the region to monetize surplus generation through inter-regional and cross-border energy exports in the near to medium term, generating revenues and strengthening regional energy security, while improving power reliability and cost – a key enabler for attracting private enterprise.

As economic activity, urbanization and per capita incomes rise from a low base, domestic electricity demand in NER will scale rapidly, gradually absorbing this surplus and ensuring energy availability does not constrain growth. A renewables-led pathway underpins sustainable GDP expansion, reduces long-term exposure to fossil fuel volatility and supports climate-aligned development.



⁷ Press Release: Press Information Bureau: Hydro Potential in the Country

⁸ Press Information Bureau, Ministry of Development of North-East Region, *Renewable energy in North Eastern Region*, 7 Apr. 2022, <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1814441>

⁹ International Renewable Energy Agency (IRENA) *Renewable Capacity Statistics 2025*, [Renewable Energy Capacity Statistics 2025](#)



Table 3: Renewable energy capacity and potential - NER (State-wise, MW)

State	Energy source	Installed capacity	Resource potential	Untapped potential	% Untapped
Arunachal Pradesh	Hydro	1,115	51,054	49,939	97.8%
	Small Hydro	141	2,065	1,924	93.2%
	Solar	15	470	455	96.8%
	Bio Power	0	18	18	100%
	Total	1,271	53,607	52,336	97.6%
Assam	Hydro	350	963	613	63.7%
	Small Hydro	34	202	167	82.7%
	Solar	299	19,170	18,870	98.4%
	Bio Power	2	322	320	99.4%
	Total	685	20,657	19,972	96.7%
Manipur	Hydro	105	6,150	6,000	97.6%
	Small Hydro	5	99	94	94.9%
	Solar	17	2,290	2,273	99.3%
	Bio Power	0	62	62	100%
	Total	127	8,601	8,429	98.0%
Meghalaya	Hydro	322	20,260	19,938	98.4%
	Small Hydro	55	230	175	76.1%
	Solar	4	14,670	14,665	100%
	Bio Power	14	69	55	79.7%
	Total	395	35,229	34,833	98.9%
Mizoram	Hydro	60	7,477	7,417	99.2%
	Small Hydro	45	168	123	73.2%
	Solar	31	610	578	94.8%
	Bio Power	0	3	3	100%
	Total	136	8,258	8,121	98.3%
Nagaland	Hydro	75	3,250	3,175	97.7%
	Small Hydro	33	182	149	81.9%
	Solar	3	190	187	98.4%
	Bio Power	0	54	54	100%
	Total	111	3,676	3,565	96.9%
Sikkim	Hydro	2,282	60,510	58,228	96.2%
	Small Hydro	55	266	212	79.7%
	Solar	7	250	242	96.8%
	Bio Power	0	5	5	100%
	Total	2,344	61,031	58,687	96.2%
Tripura	Solar	29	9,110	9,080	99.7%
	Small Hydro	16	47	31	66.0%
	Bio Power	0	34	34	100%
	Total	45	9,191	9,145	99.5%

NITI Aayog, India Climate & Energy Dashboard (ICED), <https://iced.niti.gov.in>

The renewable energy landscape of NER is characterized by a substantial resource base alongside limited on-ground deployment, as reflected by the pronounced gap between installed capacity and estimated resource potential across all states and technologies. Across the region and renewable source types, installed capacity represents only a small fraction of the identified renewable potential, indicating that renewable energy development remains at a nascent stage despite significant natural endowments.

The central challenge and extraordinary strategic opportunity for renewable energy in NER is the conversion of massive potential into installed capacity. Rather than viewing current capacity gaps as constraints, this is a greenfield advantage – enabling the region to leapfrog outdated infrastructure and deploy best-in-class technologies. With targeted policy frameworks and strategic investments, NER is uniquely positioned to transform its abundant natural resources into a model for sustainable economic development nationwide.

Core infrastructure: Connectivity, logistics and utilities

Core infrastructure – encompassing connectivity, logistics and utilities – represents the single most critical intervention required to unlock sustained economic and social development in NER. Unlike sector-specific interventions, which address individual markets or industries, infrastructure creates the foundational conditions for broad-based growth: it expands market access, reduces transaction costs, enables private investment and improves quality of life across urban and rural areas alike.

By prioritizing core infrastructure, NER can systematically unlock its competitive advantages, integrating remote areas into high-growth value chains. This creates the essential platform needed for sustained and inclusive development across NER. Connectivity infrastructure determines the extent of NER's participation meaningfully in national and international value chains. Poor road and rail networks impose high logistics costs, lengthening supply chains and hampering competitiveness of locally produced goods.

A strategic emphasis on rail-led connectivity offers compelling advantages over road-dependent expansion: rail infrastructure delivers higher freight throughput per unit of land consumed, reduces surface disruption in ecologically sensitive terrain and

generates substantially lower carbon emissions per ton/km transported. In a region where land acquisition has unique considerations and environmental concerns are crucial, rail's lower land footprint and reduced ecological impact make it a viable pathway to scale. Expanding rail connectivity to key production and consumption centers can compress transit times, lower logistics costs and position the NER as a viable hub for cross-border trade with Southeast Asia, transforming geographic proximity into strategic advantage.

Logistics infrastructure – comprising freight terminals, warehousing, cold chains and multimodal hubs – translates connectivity into economic value. Without adequate storage and handling facilities, even improved transport networks may not prevent post-harvest losses, enable just-in-time manufacturing, or support perishable exports. Investing in integrated logistics parks and cold chain networks will reduce spoilage, extend market reach for agricultural producers and attract food processing and light manufacturing investment. These facilities must be co-located with transport corridors to maximize efficiency and minimize handling costs, creating self-reinforcing clusters of economic activity.

Utilities infrastructure, water supply, sanitation, solid waste management and power sustain the economic activity that connectivity and logistics enable. Industrial and commercial investors require assured water availability, reliable waste disposal and consistent power supply; their absence constrains both the scale and sophistication of investment. Urban utilities improve liveability, reduce disease burden and enhance workforce productivity, while rural utilities – particularly clean water and sanitation – deliver public health gains that lower healthcare costs and improve educational outcomes. Water and waste management also carry direct environmental implications: inadequate systems pollute water bodies, degrade land and undermine the region's tourism and ecological assets.

Mobilizing the capital required for this infrastructure agenda demands a balanced Center-State-Private participation model. Risk-mitigation and incentive instruments can crowd in private operators for warehousing, cold storage, waste management and urban water services. Enabling healthy private sector participation in provision and operations of public infrastructure creates more capital for core infrastructure delivering scale and efficiency, ultimately accelerating development while accommodating public capital fiscal constraints.



2.4 15 Key advantage sectors



The identification of the 15 NER advantage sectors reflects a focused competitive strategy, anchored in the principle that regions accelerate growth fastest by concentrating resources where topography, endowments and emerging capabilities intersect with scalable market demand. Rather than pursuing broad-based industrialization across all sectors, the framework prioritizes domains where NER holds structural advantages that are difficult to replicate elsewhere, while still ensuring diversification to manage economic risk. Thus, the selection of the 15 advantage sectors is based on the potential for highest material contribution to NER's GDP in FY47.

They are as follows:

1. Tourism
2. Food Processing
3. Pharmaceuticals
4. Spices
5. Tea
6. Digital / IT Hubs
7. High-Mix Manufacturing
8. Textiles
9. Bamboo
10. Fisheries
11. Pineapple
12. Rice
13. Rubber
14. Kiwi
15. Minerals

These sectors collectively span agriculture, industry and services, creating a balanced growth portfolio. At a strategic level, they can be understood across four economic thrusts: natural-resource-based value chains, agro-processing and high-value horticulture, manufacturing and industrial clustering and services-led growth anchored in human capital and natural assets.

Natural resource-led value chains

Sectors such as plantation crops (bamboo, rubber, tea), fisheries, spices (turmeric and ginger) and minerals leverage NER's exceptional ecological conditions – high rainfall, biodiversity, forest cover, minerals and clean water systems. The region's advantage lies not in raw material production alone, but in value addition. Bamboo transitions from low-value traditional use to engineered products, textiles and industrial inputs; tea and spices shift from bulk commodity sales to premium, branded and GI-linked products; fisheries evolve from subsistence activity to organized aquaculture, processing and cold-chain-supported distribution.

The economic rationale is to move up the value curve, reduce post-harvest losses, stabilize farmer incomes and create rural non-farm employment. These sectors provide strong backward linkages to livelihoods while supplying inputs to food processing, pharmaceuticals and tourism.

High-value horticulture and food processing

Pineapple, kiwi and other specialty fruits, along with food processing represent a deliberate move away from low-margin commodity agriculture toward high-value, market-differentiated produce. NER's ability to grow niche fruits, often counter-seasonal, organic by default and with distinctive taste profiles creates pricing power in domestic and export markets.

Beyond fresh fruit sales, systematic value addition through processing into juices, concentrates, dried fruits, preserves, purees and extracts can multiply farmer revenue three-to-fivefold while extending shelf life from days to months, transforming perishable commodities into stable, transportable products accessible to distant markets. Food processing acts as the bridge between farm and market, capturing value otherwise lost through spoilage and intermediaries.

Together, these sectors strengthen rural-urban economic linkages, support cluster-based development and create scalable enterprises that integrate small producers into formal value chains.

Manufacturing and industrial diversification

Pharmaceuticals, textiles and high-mix manufacturing (furniture, fashion and electronics) anchor the industrial strategy. Pharmaceuticals build on demonstrated success in Sikkim and the region's clean environmental conditions, biodiversity and policy credibility. Textiles combine traditional handloom strengths with modern design, branding and market access, preserving cultural capital while expanding incomes. High-mix manufacturing reflects a pragmatic industrial positioning, focusing on specialized, lower-volume, higher-value manufacturing rather than competing with mass-manufacturing hubs elsewhere in India. These sectors generate formal employment, technology absorption and export potential, while deepening the region's industrial base beyond construction-led growth.

Services and knowledge-led growth

Digital/IT hubs and tourism represent the region's strongest long-term growth multipliers. Digital services allow NER's educated youth to participate in

national and global markets without geographic disadvantage, benefiting from lower costs and improved quality of life. Tourism monetizes the region's natural beauty, cultural diversity, creative economy and ecological uniqueness, creating demand across hospitality, transport, handicrafts, food processing and local services. Crucially, tourism through eco and sustainable tourism also reinforces conservation incentives and community participation, making growth more inclusive and environmentally aligned.

Strategic coherence and regional integration

The 15 advantage sector framework balances focus with diversification. Each state is expected to prioritize a subset (minimum six), enabling specialization without fragmentation, while cross-state value chains and clusters generate economies of scale. Sectoral synergies – tourism supporting food and handicrafts, digital services enabling market access, processing industries stabilizing agriculture - create a self-reinforcing regional growth system rather than isolated sectoral silos.

2.5 Proposed advantage sector projections

Table 4: Proposed advantage sector projections

					Revenue in ('000 Crore ₹)				
S. No	Industry	FY25 (% of NER GDP)	FY47 (% of NER GDP)		S. No	Industry	FY25 (% of NER GDP)	FY47 (% of NER GDP)	
1	Tourism	₹40.0 (3.9%)	₹1,950.4 (9.8%)		9	Bamboo	₹9.0 (0.9%)	₹103.4 (0.5%)	
2	Food Processing	₹87.0 (8.5%)	₹1,110.2 (5.6%)		10	Fisheries	₹7.8 (0.8%)	₹93.4 (0.5%)	
3	Pharmaceuticals	₹21.8 (2.1%)	₹745.2 (3.7%)		11	Pineapple	₹4.4 (0.4%)	₹83.4 (0.4%)	
4	Spices	₹87.0 (8.5%)	₹626.8 (3.1%)		12	Rice	₹5.7 (0.6%)	₹66.7 (0.3%)	
5	Tea	₹46.1 (4.5%)	₹633.5 (3.2%)		13	Rubber	₹0.9 (0.1%)	₹51.7 (0.3%)	
6	Digital/IT Hubs	₹43.5 (4.3%)	₹555.1 (2.8%)		14	Kiwi	₹1.2 (0.1%)	₹12.5 (0.1%)	
7	High Mix Manufacturing	₹34.8 (3.4%)	₹361.7 (1.8%)		15	Minerals	Revenue estimates not projected due to high price volatility (e.g., lithium prices fell ~80% within 12-18 months; 40-50% annual swings common)		
8	Textiles	₹15.7 (1.5%)	₹363.4 (1.8%)			Total	₹37.0 (3.6%)	₹774.5 (3.9%)	
	Total	₹360.2 (35.2%)	₹5,982.9 (30.0%)			Grand Total	₹404.8 (39.6%)	₹6,757.4 (33.9%)	

Note: Global and India market size determined by market research, industry projection reports and EY Analysis. NER determined by sector specific proxy variables where direct disaggregated data unavailable; Spices in Proposed Advantage Sectors includes Ginger, Turmeric, Large Cardamom etc. thus not separately projected.



Collectively, the 15 advantage sectors currently generate INR4.05 lakh crore, numerically about 39.6% of NER's GDP in FY25 and are projected to expand to INR67.6 lakh crore by FY47, even as their proportion to GDP moderates to 33.9% in a significantly larger economy. The apparent decline in top line proportional contribution is economically intuitive and reflects healthy diversification, not weakening of the advantage sectors and may not actually result in a decline in their contribution to GDP with greater GVA capture from revenue. These sectors provide the momentum through investment, job creation and value addition, which enables growth in non-focus sectors via higher household incomes and business demand. In absolute terms, however, the advantage sectors grow nearly 17-fold, underscoring their central role in anchoring the INR200 lakh crore regional GSDP ambition.

The minerals sector has been identified as one of Northeast India's key advantage sectors toward Viksit NER 2047, recognizing the region's substantial endowments across its eight states. Five states of NER - Assam, Arunachal Pradesh, Meghalaya, Manipur, and Nagaland - identified as particularly rich in critical minerals.¹⁰ These include coal (estimated at 1,739 million tonnes across the region),¹¹ limestone (over 6,600 million tonnes in Meghalaya alone),¹² graphite, rare earth elements (REEs), vanadium, lithium, uranium, and base metals in economically significant concentrations.¹³ However, unlike other advantage sectors where we have projected revenue trajectories from current baselines to 2047 targets, we have not quantified revenue estimates for minerals due to challenges in extreme price volatility characteristic of mineral markets.

Lithium carbonate prices, for instance, declined by ~80% from a peak of ~US\$80,000 per tonne in late 2022 to ~US\$13,000 per tonne by early 2024 - a precipitous decline within just 12-18 months.¹⁴ Such volatility persists across other minerals, with price fluctuations frequently ranging between 40-50% annually. Thus, assigning specific revenue figures to

specific minerals over a 23-year horizon would be highly speculative. Rather than present potential that is misleading and distorts investment decisions by creating unrealistic financial expectations, we acknowledge minerals as a strategic advantage sector based on demonstrable resource availability, value chain development potential, and employment generation capacity. This approach maintains analytical integrity while highlighting the sector's undeniable importance to North East India's comprehensive development strategy.

Within the framework, the top seven sectors – tourism, food processing, pharmaceuticals, spices, tea, digital/IT hubs and high-mix manufacturing – form the core economic engines. Together, they expand from INR3.6 lakh crore (35.2% of GDP) in FY25 to INR59.9 lakh crore (30.0%) by FY47. These sectors are already present on a scale and can be rapidly brought to globally competitive scale through infrastructure investment, regulatory support, strategic alignment and increased private sector participation. Tourism alone could rise from INR40,000 crore to INR19.5 lakh crore, reflecting its capacity to become NER's signature growth driver while simultaneously stimulating demand for food products, handicrafts, transport, construction and local services.

The remaining seven emerging advantage sectors – textiles, bamboo, fisheries, pineapple, rice, rubber and kiwi – play a complementary role. Though smaller as contributors to NER's GDP in FY47, they can still become globally competitive sectors through focus on value-addition and attaining critical mass. They could grow from INR0.4 lakh crore to INR7.7 lakh crore, helping diversify income sources, deepen rural participation and reduce vulnerability to sector-specific shocks. These sectors are particularly important for distributed growth, as they generate employment close to production locations and strengthen agri-based and resource-based value chains rather than concentrating activity only in urban centers.

¹⁰Ministry of Mines, Government of India, "Geological Potential of North East India - Handbook," 2025. The GSI report specifically identifies Assam, Arunachal Pradesh, Meghalaya, Manipur, and Nagaland as having rich REE and critical mineral reserves

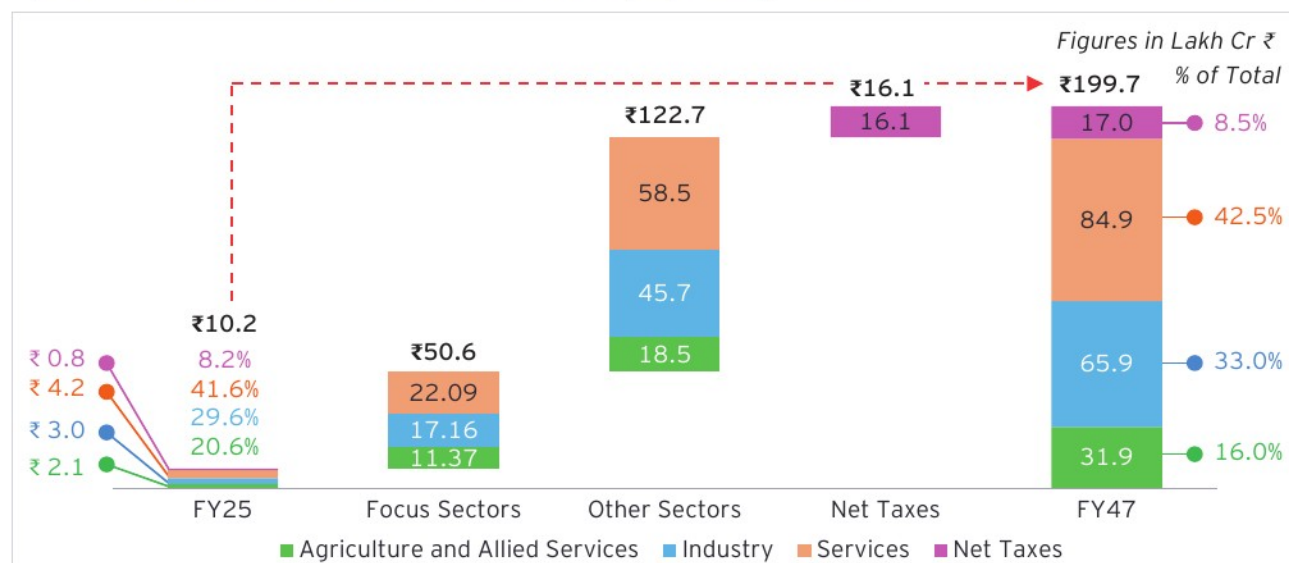
¹¹Ministry of Coal, Government of India, "Coal Resources in North Eastern States" - Press Information Bureau Release, April 2022. Available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1813250>

¹²Geological Survey of India (GSI) findings on Meghalaya limestone reserves, as quoted in The Diplomat, July 2025

¹³Ministry of Mines, Government of India, "Geological Potential of North East India - Handbook," 2025
https://mines.gov.in/admin/storage/ckeditor/Handbook_PDF_21_1751282675.pdf

¹⁴ Oxford Institute for Energy Studies, "Lithium Price Volatility: Where Next for the Market?" Energy Insight 145, February 2024. Available at: <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2024/02/Insight-145-Lithium-Price-Volatility.pdf>

Figure 12: Growth architecture to FY47: Focus sectors catalysing economy-wide momentum



Gross State Domestic Product (GSDP) = Gross Value Added (GVA) + Net Taxes. GVA as a percentage of total turnover is expected to increase, driven by high local value addition across all levels; contingent on sustained domestic input sourcing and productivity improvements. Renewable Energy GVA contribution excludes capital expenditure considerations. Growth of Focus sectors creates further growth for remaining and adjacent sectors and services.

Sectoral growth dynamics: Focus sectors anchoring the FY47 GSDP outcome¹⁵

The chart illustrates growth composition from the FY25 baseline to the FY47 GSDP target, driven by differentiated growth engines supplementing general growth of the economy and anticipated taxes with their estimated contributions provided separately.

The starting point is FY25 GDP of ₹10.2 lakh crore, reflecting current scale and sectoral distribution of NER's economy. Projections to FY47 are built using a dual-CAGR framework:

- **Advantage sectors:** Selected high-potential sectors across agriculture, industry, and services projected to grow at a 17.8% CAGR. These act as growth poles, benefiting from targeted policy push, investments, productivity improvements, and value-chain strengthening.
- **The rest of the economy** grows at a 12.7% CAGR, capturing spillover effects from the focus sectors such as supply-chain expansion, induced consumption, services growth, and capital formation. These are not independent of the focus sector engine; rather, they rise with it.

Over the 22-year period, there is an expected additional ₹50.6 lakh crore from the focus sectors, ₹122.7 lakh crore from remaining sectors, and ₹16.1 lakh crore from net taxes that rise from a FY25 base of ₹0.8 lakh crore to ₹17.0 lakh crore in FY47.

The FY47 column projects NER's GDP of ₹199.7 lakh crore. The structure reflects the expected long-term economic shift:

- deeper industrialization in terms of scale and scope of enterprise with thrust on value addition to primary sector
- sustained service-sector expansion but with a shift in composition
- greater value additional to agriculture, greater proportion of horticulture and animal husbandry, as well as substantial improvement in per hectare productivity
- proportionate increase in contribution from net taxes.

¹⁵ Gross State Domestic Product (GSDP) = Gross Value Added (GVA) + Net Taxes. GVA as a percentage of total turnover is expected to increase, driven by high local value addition across all levels; contingent on sustained domestic input sourcing and productivity improvements. Renewable Energy GVA contribution excludes capital expenditure considerations. Growth of Focus sectors creates further growth for remaining and adjacent sectors and services. Source: MDoNER, RBI, EY Analysis, PRS Analysis



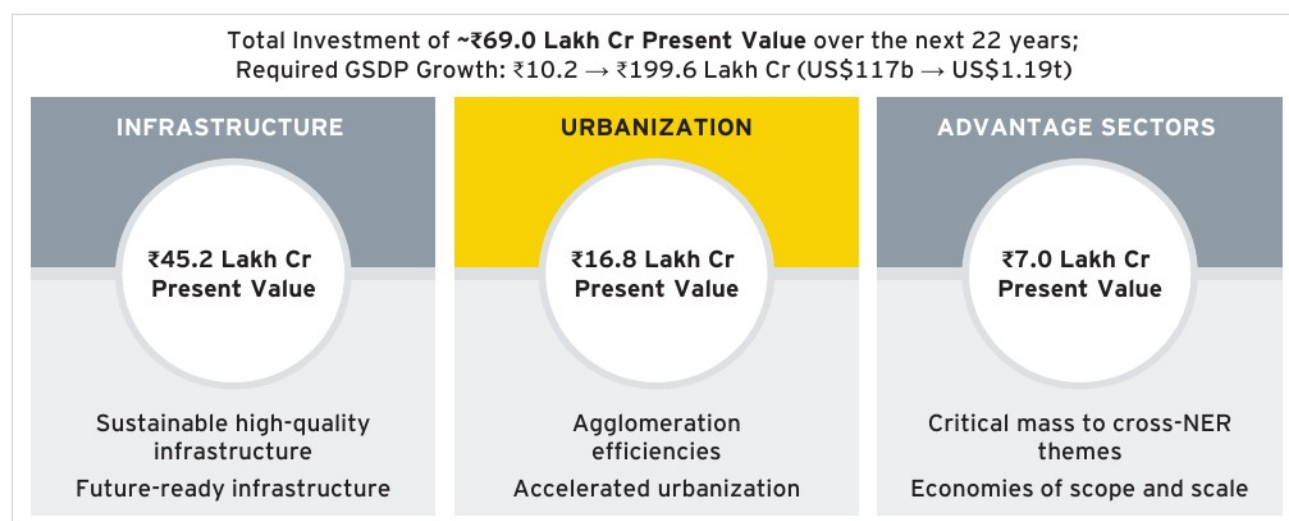
2.6 NER core infrastructure investment

Achieving the NER's transition to Viksit status by FY47 requires investments commensurate with the scale of economic expansion envisaged. To support the increase in GSDP from INR10.2 lakh crore in FY25 to INR199.6 lakh crore by FY47, the framework estimates a total investment requirement of INR69.0 lakh crore in present value terms over the next 22 years in the highlighted areas. Present value investment targets establish the baseline capital requirement to achieve development objectives under today's cost structure, providing a consistent basis for

prioritization and resource allocation across competing interventions in NER.

Meeting this investment threshold is foundational for Viksit NER. Conversely, underinvestment could perpetuate binding constraints that compound over time, limiting NER's ability to capture its inherent advantages to accelerate the economy to achieve high income status. Adequate investment targets are therefore not merely a fiscal exercise but enable NER to realize its full economic potential.

Figure 13: Three gears of the investment engine



The investment strategy is organized around three mutually reinforcing gears – infrastructure (including renewable energy), urbanization and the 15 advantage sectors – which together create the conditions for sustained broad-based growth.

Infrastructure has a recommended investment target of present value allocation of INR45.2 lakh crore (translating to INR132.4 lakh crore cumulatively in nominal terms). These investments focus on high-quality, future-ready physical, digital and social infrastructure. The emphasis is on sustainability, reliability, resilience and scalability, recognizing that infrastructure quality directly determines productivity, investment attractiveness and long-term maintenance costs. Front-loading of infrastructure investment is critical, as it removes binding constraints, enables private investments to follow and has the highest impact on regional GDP in early years.

Urbanization has a recommended investment target of INR16.8 lakh crore in present value terms (INR26.0 lakh crore cumulatively in nominal terms). This reflects a deliberate strategy to accelerate integrated urbanization enabling NER to capture agglomeration benefits while avoiding congestion and informal growth. Investments are directed toward land development, housing,

municipal infrastructure, urban transport including rapid transit and core services in key cities. As populations and economic activity concentrate, well-functioning urban centers become engines of productivity, labor market deepening and service sector expansion, reinforcing overall growth momentum.

The advantage sectors represent the catalytic third gear, has a recommended investment target of INR7.0 lakh crore of present value (INR20.3 lakh crore cumulatively in nominal terms). While modest in quantum relative to infrastructure and urbanization, investments in sector-specific infrastructure, skills, R&D and enabling facilities helps create critical mass, enabling economies of scale and scope across the region. These advantage sectors can also generate downstream demand and consumption effects, strengthening growth in other sectors and the overall broader economy.

The goal for investments in NER is to transition the role of the government – from a majority direct investor to more of an investment enabler. As core infrastructure and urban systems are established, public intervention increasingly shifts toward credit enhancement, incentives and viability gap funding, improving project bankability rather than substituting

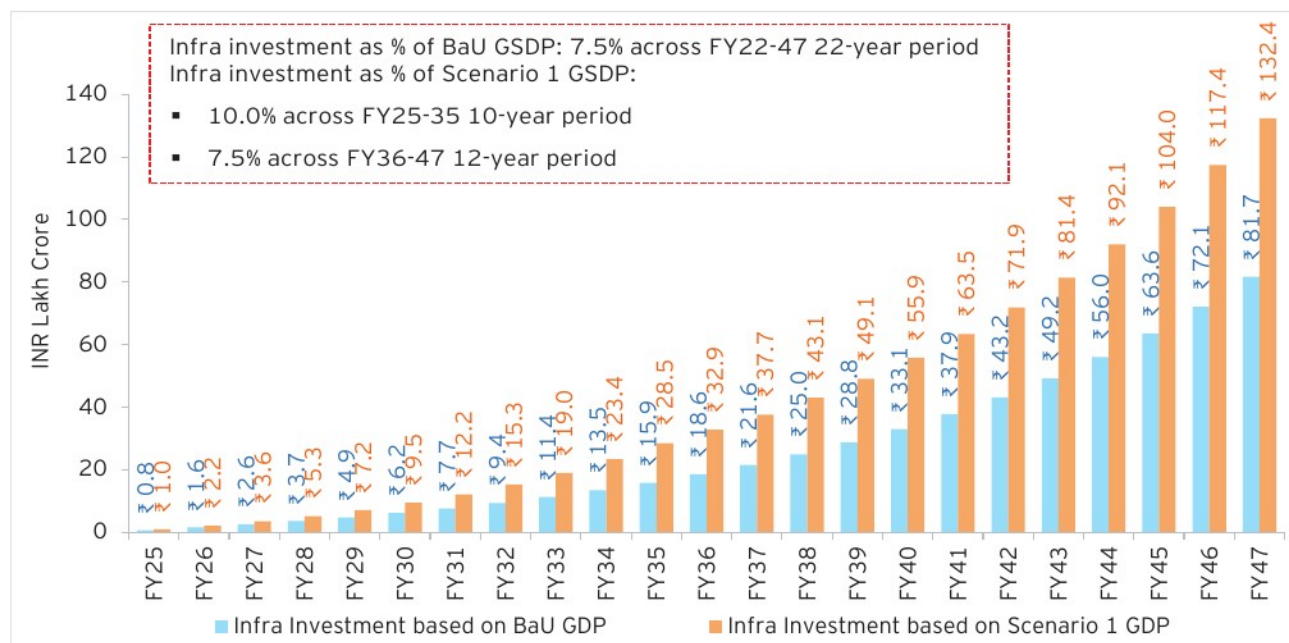
for private enterprise. This evolution is essential given the limits of public balance sheets and the need for efficiency in productive investments.

Consistent with this shift, the financing structure is expected to evolve from the current estimated 50:40:10 split (Centre: State: Private) toward 30:30:40 by FY47. The rising share of private investment reflects improved market conditions, reduced risk perceptions and expanding economic opportunities created by public investments. This transition is critical for fiscal sustainability, as long-

term growth at the envisaged scale cannot be supported by public capital alone.

This strategic investment engine provides the financial and structural backbone for NER's long-term transformation. Infrastructure enables markets, urbanization amplifies productivity and targeted sectoral investments anchor competitiveness. Together, these gears create a virtuous cycle in which public investment unlocks private capital, scale effects reinforce growth, and NER moves decisively toward a self-sustaining development trajectory consistent with Viksit status by 2047.

Figure 14: Infrastructure investment strategy



NER's recommended core infrastructure investment projections operate under two distinct economic scenarios, each reflecting different growth trajectories and their corresponding infrastructure requirements. The BaU scenario maintains 7.5% of GDP as infrastructure investment consistently across the 22-year period from FY22 -47. This aligns with historical patterns of moderate economic expansion. In absolute terms, this translates to infrastructure spending growing from ~INR0.8 lakh crore in FY25 to INR81.7 lakh crore by FY47.

The more ambitious Scenario 1 presents a two-phase investment strategy designed to accelerate infrastructure development during critical growth periods. During the initial FY25-35 decade, infrastructure investment rises to 10% of GDP, recognizing that emerging economies require disproportionately higher infrastructure spending to close capacity gaps and enable rapid industrialization. This aggressive investment phase channels resources toward roads, ports, power generation, digital networks and urban infrastructure that create multiplicative economic benefits. Following this

foundational period, the investment intensity moderates to 7.5% of GDP from FY36-47, as the infrastructure stock matures and maintenance rather than expansion becomes the priority.

The divergence between scenarios becomes increasingly pronounced over time. By FY47, Scenario 1 projects infrastructure investment reaching INR132.4 lakh crore compared to INR81.7 lakh crore under the BaU scenario, representing a 62% gap. This higher investment path reflects the strategic logic that infrastructure is not merely a cost but an enabler of economic transformation.

The economic rationale underlying Scenario 1's front-loaded investment approach: Infrastructure projects typically exhibit long gestation periods and generate returns over decades through improved economic efficiency rather than direct revenue. Early, aggressive investment creates network effects and agglomeration benefits that compound over time, potentially justifying the higher initial capital commitment through accelerated GDP growth in subsequent years. This approach aligns with successful development models observed in East Asian economies that

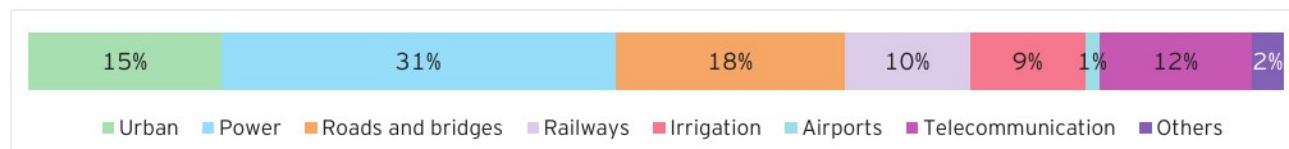


prioritized infrastructure as a precondition for industrial take-off rather than a consequence of it.

The NER's preferred infrastructure allocation through FY48 is constructed through systematic reference to

the National Infrastructure Pipeline, which provides both actual sectoral investment shares for FY13-19 and projected shares for FY20-25.

Figure 15: Historical allocation in National Infrastructure Pipeline for FY13-19E



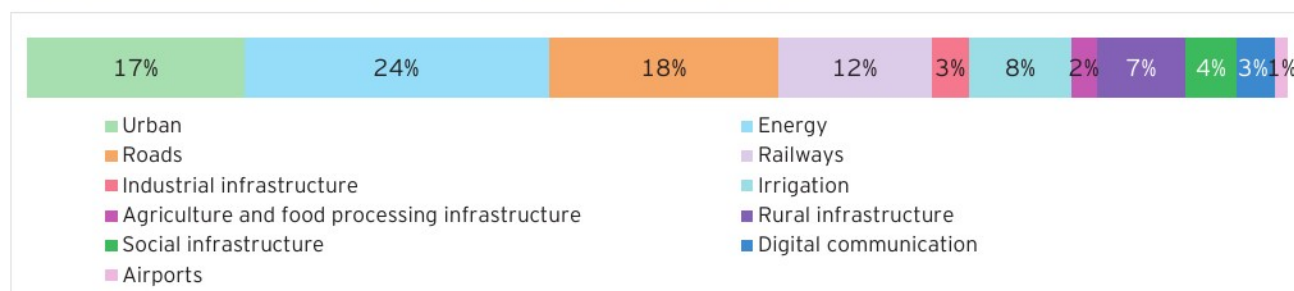
Source: Report of the NIP Task Force, 2020

These two NIP datasets reveal the Government of India's empirical prioritization of infrastructure sectors at the national level – what has been invested and what is planned. The NER allocation exercise begins with these national priorities as the anchor, then applies deliberate, reasoned adjustments where

region-specific constraints or opportunities justify departure from national averages. The resulting framework is an adaptation that maintains fidelity to national strategic logic while addressing bottlenecks unique to the NER context.

National infrastructure priorities: Evolution and maturity

Figure 16: Projected allocation in National Infrastructure Pipeline for 2020-25



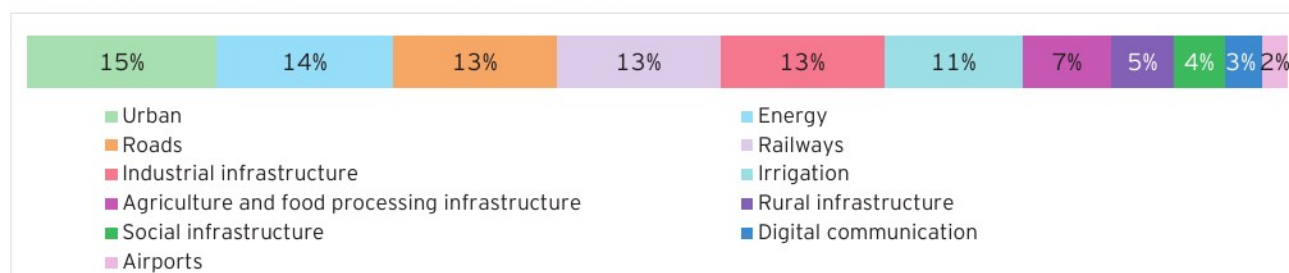
Source: Report of the NIP Task Force, 2020

National NIP priorities reflect India's development stage and infrastructure maturity trajectory. Historically, power commanded the largest share at 31%, driven by electrification imperatives and generation capacity deficits, followed by roads and bridges at 18%, supporting national highway expansion and rural connectivity programs. Urban infrastructure captured 15%, responding to rapid urbanization, while railways (10%), telecommunications (12%) and irrigation (9%) received mid-tier allocations.

Projected allocations for FY20-25 show sectoral maturation: power declines to 24% as surplus generation capacity emerges, urban infrastructure rises to 17% reflecting smart city priorities and railways increase to 12% as freight and passenger mobility gain emphasis. Telecommunications fall to 7% given higher digital penetration and irrigation decreases to 8% as major canal systems near completion. This shift from generation-heavy to distribution, connectivity and urban amenity-focused investment defines the national baseline against which NER's allocation must be understood and justified.

The NER investment allocation approach

Figure 17: Preferred projected allocation for NER through FY48



Source: Report of the NIP Task Force, 2020

The NER's preferred allocation is a strategic recalibration that directs resources toward bottlenecks that left unaddressed would prevent the region from capturing returns even from nationally prioritized investments. Where national NIP data reveals power as the top priority (31% actual, 24% projected) and roads second (18% in both periods), the NER allocation reduces energy to 14% and roads to 13%. This reflects the rationale that without prior investment in railways (elevated to 13% versus 10%–12% nationally), industrial infrastructure (13% versus 3% nationally) and irrigation (13% versus 8%–9% nationally) and other core infrastructure segments, the region's difficult terrain, sparse settlement patterns and agricultural base would render even nationally scaled power and road investments insufficient to unlock productivity or private capital.

Sectors where NER diverges from national priorities

Railways (13% vs. 10%–12% nationally): Nationally, rail commands a mid-tier priority behind power, roads and urban infrastructure. For NER, rail receives 13%, a deliberate elevation that acknowledges a structural deficit: the region's freight costs remain prohibitively high, undermining competitiveness in bulk commodities and intermediate goods where NER holds latent advantage. Without rail density approaching national norms, neither investments in urban agglomerations nor industrial zones achieve bankability for private sector participation in enterprise.

Industrial infrastructure (13% vs. 3% nationally): This allocation addresses a distinct constraint: the region lacks investable industrial land with reliable utilities, a gap that no amount of macro connectivity can compensate for. NER's allocation acknowledges it must be directly provisioned to attract the private investment that national policy anticipates will follow public infrastructure.

Irrigation (11% vs. 8%–9% nationally): The region's rainfall variability and dependence on single-season cropping leave agricultural productivity systematically

below potential. Multi-season irrigation infrastructure directly raises farm incomes and reduces migration pressures, justifying allocation above the declining national priority for this sector.

Agriculture and food processing (7% vs. 2% nationally): NER produces vegetables, fruits and organic goods with national and export demand, but lacks cold chains, processing units and quality certification infrastructure. NER's allocation recognizes that without public anchoring, perishability and distance to markets render such investments unviable, preventing the transformation of production advantage into value capture.

Sectors where NER aligns with national priorities

Urban infrastructure (15% vs. 15%–17% nationally): While NER's urbanization lags the national average, its capital cities and district hubs face identical pressures – congestion, inadequate water and sanitation and weak municipal finance – that justify nationally consistent treatment.

Roads (13% vs. 18% nationally): The seemingly lower allocation reflects NER's lower population partially offset by challenging mountainous terrain, where construction costs per km are higher than in the plains. Investment prioritizes strategic corridors – interstate highways linking states, border roads enabling trade with Bangladesh, Myanmar and Bhutan, tourism circuits and farm-to-market routes connecting high-value agricultural zones to processing centers. This targeted approach maximizes economic impact – reducing logistics costs, opening export routes and enabling tourism – while tertiary connectivity develops subsequently as activity grows.

Energy (14% vs. 24%–31% nationally): While significantly below national emphasis, the reduction reflects regional circumstance: major hydropower potential is expected to be developed through central or private investment, while regional allocation focuses on distribution reliability, grid strengthening and decentralized renewables where last-mile challenges remain acute.



2.7 Inter-state thematic Visioning

Vision 2047 for the Northeast is organized around four cross-cutting strategic themes that address the region's core development imperatives in a mutually reinforcing manner. The central insight is that sustained economic transformation in NER depends on coordinated action across spatial, sectoral, institutional and human dimensions, alongside alignment across states. Fragmented or stand-alone interventions, even when well designed, may not deliver the scale, productivity gains or momentum required for convergence with national development benchmarks.

Cross-NER coordination and competitiveness

This theme articulates why region-wide coordination is essential for unlocking higher economic returns than isolated state-level action. While the eight Northeastern states differ in topography and economic structure, they share common constraints – distance from major markets, limited firm scale and shallow industrial ecosystems – that are best addressed through multi-state sectoral prioritization. Coordinated sectoral choices help avoid fragmented capacity creation while enabling each state's comparative advantages to feed into larger regional value chains.

Enterprise competitiveness anchors this approach. Improved access to finance, technology adoption, market linkages and exposure to competitive procurement and export environments enables firms to scale, formalize and generate sustained employment. Creating critical mass through clustering and connectivity – particularly in selected urban nodes and industrial corridors – supports agglomeration economies, while a spatially differentiated industrialization model enables alignment with terrain, settlement patterns and population density. Cross-sector synergy and sequencing strengthen outcomes by aligning infrastructure, skills and regulatory reforms, supported by investment climate improvements and a coherent regional brand that converts environmental and cultural assets into market value.

Efficiency and regional integration

To unlock sustained productivity growth and regional competitiveness by 2047, the Northeast must operate as a cohesive economic system rather than as eight adjacent economies. Regulatory divergence, logistics inefficiencies and fragmented infrastructure raise transaction costs and constrain firm productivity, limiting the region's ability to compete in national and global markets.

The productivity gap in NER is a greater reflection of underutilization and fragmentation rather than asset scarcity. Integration creates scale in fragmented topography by consolidating freight volumes,

coordinating investments and harmonizing standards, thereby improving asset utilization, lowering per-unit costs and enhancing returns. Common digital and data platforms act as the operating system of integration, reducing transaction frictions, enabling system-level optimization and supporting predictable, rules-based cooperation. Together, efficient movement systems, productive asset management and innovation-to-market mechanisms translate connectivity into throughput and competitiveness.

Human resource development and employment

Human capital is both a driver and an outcome of structural transformation in the Northeast. The region has made steady progress in education and digital adoption and its demographic profile offers a potential advantage as new sectors emerge. Translating this potential into quality employment requires closer alignment between workforce capabilities and evolving sectoral and spatial strategies.

Skills formation must anticipate economic transitions across manufacturing, services, logistics, tourism and knowledge-based activities. Employment generation is treated as the outcome of enterprise growth and productivity improvement, supported by a responsive education and training ecosystem, stronger enterprise ecosystems and pragmatic migration management. Facilitating mobility where opportunities lie outside the region, while strengthening conditions for retention and return as local economies diversify, enables human capital to support long-term regional growth rather than being structurally displaced.

Border development and economic viability

The Northeast's extensive international borders represent strategic and economic assets whose full potential depends on linking infrastructure and service provision with livelihoods, market access and regional value chains. Strategic presence alone does not ensure durability; economic viability is essential to sustaining populations, services and security objectives in border areas.

Border development is therefore framed as an integrated economic strategy. Infrastructure created for strategic access can support commercial connectivity when designed for dual use, while improved trade facilitation and logistics enable formal cross-border commerce within security frameworks. Differentiated approaches recognize that border villages vary in ecological sensitivity, demographic vulnerability and economic potential. By linking strategic presence with sustainable livelihoods and regional integration, border development reinforces both national security and inclusive regional growth.