

CHAPTER 17

TRADE & COMMERCE

17.1 BANKING

A sound Banking System is a pre-requisite for accelerated economic growth. The growth of industry and trade has necessitated the development of banks and financial institutions. Banks encourage the habit of savings and channelise the savings through the form of credit for investment. In the Union Territory of Andaman and Nicobar Islands there were 37 bank offices of all scheduled commercial banks as on March 2008. Of these SBI accounted 18. Besides this there were 18 Nationalised Bank Offices and 1 scheduled commercial bank. Rural Bank Offices were 17 and Semi Urban Bank Offices were 20. The details of performance of all banks in the Islands are given below:

Statement 17.1

Deposits and Credit of Scheduled Commercial Banks of Andaman and Nicobar Islands as on 31st March 2008

(Rs. in lakhs)

Year	State Bank of India		Nationalised Banks		Other Scheduled Commercial Banks	
	Deposit	Credit	Deposit	Credit	Deposit	Credit
2006	39288	12024	44522	12863	3661	492
2007	45235	14459	48176	12614	7534	881
2008	52200	18700	51100	15000	7700	1100

Year	All scheduled Commercial Banks		Semi-Urban		Rural		Credit Deposit Ratio (%)
	Deposit	Credit	Deposit	Credit	Deposit	Credit	
2006	87471	25378	77889	21856	23056	6099	29.01
2007	100945	27955	66591	19987	20880	5392	27.70
2008	111000	34800	85600	26500	25400	8300	31.35

(Source: RBI Quarterly Statistics – March 2008)

In Andaman and Nicobar Islands credit deposit ratio is only 31.35% which is very low as compared to All India ratio 74.16%. The Rural Deposit of these Islands is in increasing trend by 10.16%.

Statement 17.2

Deposits & Credit during 2008.

(Amount in crore)

Banks	No. of offices	Deposits	Credit
SBI	18	522	187
Nationalised Bank	18	511	150
Other scheduled commercial bank	1	77	11

District-wise Bank offices and their aggregate deposits and gross Bank credit as on March, 2008 are as follows:

Statement 17.3

District wise Deposits & Credit of Banks during 2008.

Bank	Unit	Andaman District	Nicobar District	Total
SBI Offices	Nos	16	2	18
1. Deposit	Rs in crores	465	58	522
2. Credit	Rs in crores	181	6	187
Nationalised Bank	Nos	17	1	18
1. Deposit	Rs in crores	486	25	511
2. Credit	Rs in crores	146	4	150
Other scheduled commercial bank	Nos	1	-	1
1. Deposit	Rs in crores	77	-	77
2. Credit	Rs in crores	11	-	11

(Source: RBI Quarterly Statistics – March 2008)

17.2 COOPERATION

Though the cooperative movement in the Andaman and Nicobar Islands dates back to 1926 when A&N Cooperative Societies Rules were framed under the Cooperative Act, the major development in the movement took place with the influx of settlers brought under various Rehabilitation schemes of the Govt. of

India after independence. There are 1199 Coop. Societies with 83955 members as on 31.03.2008. The details of Coop. Societies, sector wise, are as follows.

Statement 17.4
Sector-wise No of Co-Operative Societies, member ship and Share capital in A & N Islands

Sector	2006-07			2007-08		
	Socie- ties (Nos)	Memb- ership (No.)	Share capital (Rs. in lakh)	Socie- ties (Nos.)	Memb- ership (No.)	Share capital (Rs. in lakh)
1. Credit (PACS)						
a. Agriculture	46	10909	49.345	46	1099	498.345
b. Non- Agriculture (T&C)	26	21191	115.14	26	21191	115.14
2. Consumer	42	26012	32.465	42	26012	32.465
3. Labour	67	1622	7.818	81	1868	10.298
3. Marketing	49	3818	91.224	50	3831	91.354
4. Plantation	21	463	4.97	21	463	4.97
5. Industrial	150	2678	24.533	150	2678	24.533
6. Housing	65	2268	33.468	65	2268	33.468
7. Multipurpose	71	1888	24.391	71	1888	24.391
8. Milk/Poultry/ Livestock	49	279	2.57	49	279	2.57
9. Transport	62	913	38.935	62	913	38.935
10. Fisheries	75	4495	16.793	77	4523	17.073
11. Vegetable	05	106	1.295	05	106	1.295
12. Unemployed	252	2982	35.00	252	2982	35.00
13. others	200	4016	22.689	202	4044	22.969
Total	1180	83640	500.636	1199	83955	503.806

The Coop Societies in the Islands can be classified into three categories based on the volume of business and area of cooperation viz. Apex Societies, Central/Regional level Societies are Primary Societies.

Apex Societies

The five apex Cooperative Societies functioning are A&N Cooperative Supply and Marketing Federation Ltd., Port Blair, A&N State Cooperative Bank Ltd., Port Blair, A&N State Cooperative Union, Port Blair and A&N Apex Housing Cooperative Society Ltd., Port Blair.

Central Cooperative Societies

There are 5 Central Cooperative Societies viz. Ellen Hinengo Ltd., Car Nicobar, Manula Mathai Ltd., Nancowry (presently defunct), District Cooperative Union, Car Nicobar, Consumers Cooperative Stores Ltd, Port Blair and Central Cooperative Welfare Society Ltd., Port Blair.

The Consumers Cooperative Stores Ltd., Port Blair is the biggest wholesale store in the consumer sector with its 52 retail outlets functioning in almost every part of the Islands with Rs.40 crores transaction. It is also a distributor of Gas Cylinders to the public on behalf of Indian Oil Corporation.

The Central Cooperative Welfare Society Ltd. established in 1948 deals with hardware and textile through its 10 branches. The Society is the stockist of hardware and building materials and NTC fabrics for the supply of uniforms cloth to various Govt. Departments concerned.

The Ellen Hinengo Ltd. & Manula Mathai Ltd. are tribal cooperatives, manned and managed completely by tribal members. The cooperative movement plays a predominant role in the development of tribal community of Andaman and Nicobar Islands especially the Nicobarese. Coconut and arecanut are the main produce which are marketed through the Cooperative Societies. Every village in Car Nicobar and Nancowry has a Cooperative Society called Panan Hinengo. These Panan Hinengoes 15 in Car Nicobar and 15 in Nancowry are affiliated to Central Societies namely Ellen Hinengo Ltd. in Car Nicobar and Manula Mathai Ltd in Nancowry. Since the MML is presently in defunct stage, the Tribal Development Cooperative Society Ltd is dealing with all the activities of MML including procurement of copra under Price Support Scheme. The Government of India has extended Price Support Scheme for procurement of copra during 2008 at Rs.36.20 per kg to this Union Territory. The Ellen Hinengo Ltd., Car Nicobar, A&N Cooperative Supply & Marketing Federation and Tribal Development Cooperative Society Ltd., Nancowry were appointed agent by NAFED. They have procured 11534.461 MT copra with a total value of

Rs.4175.47 lakhs. Besides marketing of copra and arecanut these Tribal Cooperatives distribute essential commodities in that area. The EHL is also having its own sea going vessels.

Under credit sector, the Andaman and Nicobar State Cooperative Bank Ltd at apex level with 35 branches and 46 Primary Cooperative Societies at grass root level functions in different parts of the Islands to meet the financial requirement of its members.

The educated unemployed youth of these Islands have also formed 252 Cooperative Societies for earning their lively-hood.

17.3 ECONOMICS CENSUS - 2005

The Fifth Economic Census 2005 conducted in the union territory of Andaman & Nicobar Islands had revealed that 13488 enterprises were corroborated with different economic activities other than crop production and plantations were existing in these islands. Out of those enterprises 13369 forming 99.12 percent were engaged in Non Agricultural activities and remaining 119 forming 0.88 percent were engaged in Agricultural activities other than crop production. Of the total enterprises, 9141 constituting 67.77 percent were functioning in rural areas and the remaining 4347 contributing towards 32.33 percent were functional in urban areas.

Own account enterprises which were owned and operated with the help of household laborers only numbering to 5903 constituted about 43.76 percent of the total enterprises. Establishments which were employed with one or more hired workers on a fairly regular basis, numbering to 758 forming 56.24 percent of the remaining enterprises. Out of the 7585 establishments 3537 were private and 210 were Government / PSU establishments. The number of enterprises and employment are given below.

Statement 17.5
Number of Enterprises and employment therein

Type of Enterprises	Rural Number	%	Urban Number	%	Combined Number
Agricultural Activities					
1. All Establishment	79	(-)77.62	40	37.93	119
(a) Own Account Establishment	19	(-)92.12	28	27.27	47
(b) Establishment	60	(-)46.43	12	71.43	72
2. Persons usually working	529	(-)40.83	132	67.09	661
(a) Own Accounts Establishment	27	(-)93.16	112	194.74	139
(b) Establishment					
(i) Total	502	0.60	20	(-)51.22	522
(ii) Hired	474	1.28	18	(-)45.45	492
Non Agricultural Activities					
1. All Establishment	9062	6.34	4307	(-)10.66	13369
(a) Own Account Establishment	4433	(-)23.45	1423	(-)28.13	5856
(b) Establishments	4629	69.50	2884	1.51	7513
2. Persons Usually Working	28808	(-)21.10	23745	(-)5.61	52553
(a) Own Account Establishment	5884	(-)52.18	1652	(-)41.73	7496
(b) Establishments					
(i) Total	22964	(-)5.14	22093	(-)1.03	45057
(ii) Hired	20659	(-)10.22	20576	1.85	41235
Agricultural & Non Agricultural activities					
1. All Establishment	9141	3.00	4347	(-)10.37	13488
(a) Own Account Establishment	4452	(-)26.19	1451	(-)27.52	5903
(b) Establishments	4689	(-)64.93	2896	1.68	7585
2. Persons Usually Working	29337	(-)21.57	23877	(-)5.38	53214
(a) Own Account Establishment	5871	(-)53.77	1764	(-)38.60	7635
(b) Establishment					
(i) Total	23466	(-)5.02	22113	(-)1.11	45579
(ii) Hired	21133	(-)9.99	20594	1.77	41727

It has been observed that out of 9141 enterprises existing in the rural areas 9062 constituting 99.12 percent belonged to the non agricultural which the remaining 79 enterprises constituting 0.88 percent were in agricultural sector. Out of the 9062 non agricultural enterprises located in the rural areas, 4433 forming 49 percent were own account enterprises and the rest numbering 4629 constituting 51 percent were establishment. Out of the total 13988 own account enterprises and establishments, 9141 constituting 67.77 were located in the rural areas and the remaining 4347 constituting 32.23 percent were located in urban areas. Like wise of the total of 7585 establishments 4689 were located in rural areas and 2896 in the urban areas.

As regards urban areas, out of 4307 non agricultural enterprises 1423 forming 33.04 percent were own account enterprises and 2884 constituting 66.96 percent were establishment. Of 40 agricultural enterprises 28 forming 70 percent were own account enterprises and the remaining 12 forming 30 percent was establishments.

About 75.42 percent numbering 4452 own account enterprises were located in the rural areas and the remaining 24.52 percent numbering 1451 were located in the urban areas. Similarly of the total 7585 establishments 4684 forming 61.82 percent were located in the rural areas and the remaining 2896 forming 38.18 percent in the urban area.

Out of the total 13343 non agricultural enterprises 5856 forming 43.80 percent were own account enterprises and the remaining 7513 forming 56.20 percent were establishments. In case of agricultural enterprises out of the total of 119 enterprises 47 constituting 39.50 percent were own account enterprises and the remaining 72 forming 60.50 percent were establishments.

A total of 53214 persons were employed in 13488 enterprises and out of them 52553 forming 98.76 percent was in non agricultural sector and the remaining 661 forming 1.24 percent was in agricultural sector , 44.62 percent of the total employment was 98.76 percent in rural and was more than 9.63 percent in urban area. The distribution of non agricultural employment between rural and the urban areas was 62 percent and 38 percent respectively. In agricultural sector as a whole, the number of persons employed by urban enterprises was estimated to 19.97 percent of the total agricultural employment.

Hired workers constituted a sizeable percentage of the total number of persons working in the enterprises. They numbered 41727 comprising of 91.54 percent of the total employment. Of the 41727 hired workers 20594 forming 49.35 percent were employed in the urban enterprises. In rural areas 21133 forming 50.65 percent were hired workers.