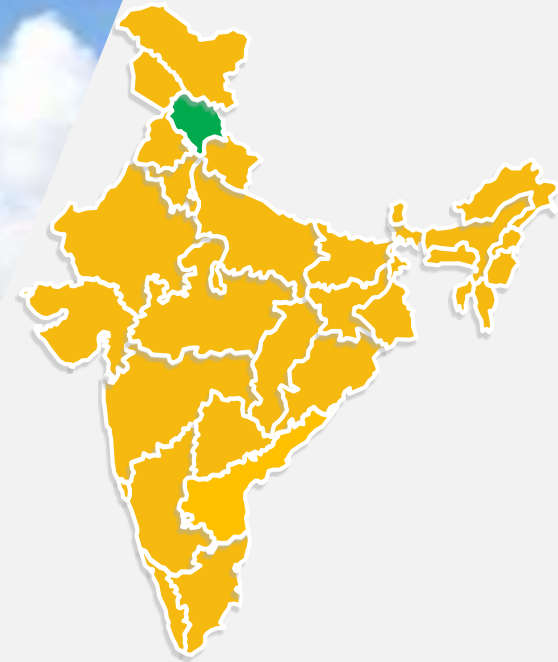


NAKO LAKE IN KINNAUR VALLEY, HIMACHAL PRADESH



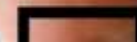
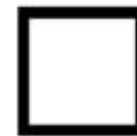
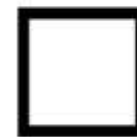
# HIMACHAL PRADESH

THE ABODE OF THE GODS



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# EXECUTIVE SUMMARY

Strong economic growth	<ul style="list-style-type: none"><li>▪ Himachal Pradesh is one of the fastest-growing states in India. Its per capita Gross State Domestic Product (GSDP) was estimated at Rs 176,967.23 (US\$ 2,857.08) during 2018-19.</li></ul>
Tourists paradise	<ul style="list-style-type: none"><li>▪ Himachal Pradesh, known as the Land of Gods, is famous for its topographic diversity and pristine natural beauty. Domestic tourist inflows in the state reached 160.94 lakh in 2018 while foreign tourist arrivals reached 3.56 lakhs.</li></ul>
India's hydro-power hub	<ul style="list-style-type: none"><li>▪ With a hydro power potential of 27,436 MW (of which just 10,547.17 MW has been harnessed), Himachal Pradesh accounts for 12.66 per cent of the country's total hydro power potential. All villages of Himachal Pradesh have been electrified.</li></ul>
Increasing agricultural productivity	<ul style="list-style-type: none"><li>▪ Government's emphasis on improving productivity has yielded positive results in the state. Production of food grains is targeted at 1.67 million metric tonnes in 2018-19. Horticulture production in the state reached 2374.57 thousand metric tonnes in 2018-19, as per third advance estimates.</li></ul>
Heritage	<ul style="list-style-type: none"><li>▪ Himachal Pradesh has a rich heritage of handicrafts. These include woollen and pashmina shawls, carpets, silver and metal ware, embroidered chappals, grass shoes, Kangra and Gompa style paintings, wood work, horse-hair bangles, wooden and metal utensils and various other house hold items.</li></ul>

*Source: Himachal Pradesh Economic Survey 2018-19, Department of Agriculture Cooperation and Farmers Welfare*

# INTRODUCTION



- Himachal Pradesh is located in the northern region of India. The state is surrounded by Jammu & Kashmir on the North, Punjab on the West and the South-West, Haryana on the South, Uttar Pradesh on the South-East and China on the East.
- Being a sub-Himalayan state, Himachal Pradesh has a varied climate that changes with altitude. The climate ranges from warm and sub-humid tropical at low altitudes to cold and icy at high altitudes. There are three main seasons: winter from October to March, summer from April to June and rainy from July to September.
- Agriculture contributes nearly 45 per cent to the net state domestic product. It is the main source of income as well as employment in Himachal. About 93 per cent of the state population depends directly upon agriculture.



Parameters	Haryana
Capital	Shimla
Geographical area (sq km)	55,673
Administrative districts (No)	12
Population density (persons per sq km)	123
Total population (million)	6.86
Male population (million)	3.48
Female population (million)	3.38
Sex ratio (females per 1,000 males)	971
Literacy rate (%)	82.8

Source: Government of Himachal Pradesh website, Economic Survey of Himachal Pradesh

## High economic growth and stable political environment

- GSDP (in Rs) grew at a Compounded Annual Growth Rate (CAGR) of 11.09 per cent between 2011-12 and 2018-19.
- With a stable political environment and a single-party government, the state Government is committed towards creating a progressive business environment.

## Rich labour pool and infrastructure support

- The state has a large base of skilled labour, making it a favourable destination for knowledge-based sectors. It also has a large pool of semi-skilled and unskilled labour.
- According to the 2011 census, the overall literacy rate of the state was around 82.8 per cent
- Himachal Pradesh has a strong hydropower base, with a potential capacity of 27,436 MW.

## Advantage Himachal Pradesh

## Pharmaceuticals and food processing hub

- Himachal Pradesh has attracted investments in the pharmaceuticals, IT and engineering industries.
- Agriculture plays a significant role in the state's economy. Himachal Pradesh has a robust food processing sector.

## Policy and incentives

- The state offers a wide range of policy and fiscal incentives for businesses under the Industrial Policy, 2017.
- Himachal Pradesh has well drafted sector specific policies for biotechnology and pharmaceuticals, solar power and startups.

*Note: GSDP: Gross State Domestic Product*

*Source: Himachal Pradesh Economic Survey 2017-18*

## Himachal Pradesh's Contribution to Indian Economy (2018-19)

Parameter	Himachal Pradesh	India
GSDP as a percentage of all states' GSDP	1.08	100.0
GSDP growth rate* (%)	11.2	11.5
Per capita GSDP (US\$)	2,857.08	1,982.65

## Social Indicators

Parameter	Himachal Pradesh	India
Literacy rate (%)	82.8	73.0
Birth rate (per 1,000 population) (2017)	16.0	20.4

## Industrial Infrastructure

Parameter	Himachal Pradesh	India
Number of PPP projects (No)	110	1824

## Physical Infrastructure in Himachal Pradesh

Parameter	Himachal Pradesh	India
Installed power capacity (MW) (As of November 2019)	4,096.47	364,960.14
Wireless subscribers (mn) (September 2019)	10.76	1,173.74
Internet subscribers (mn) (June 2019)	5.36	665.31
National highway length (km)	2,607	1,32,499
Airports (No)	3	129

## Investments (US\$ billion)

Parameter	Himachal Pradesh**	India
Cumulative FDI equity inflows between April 2000 – June 2019	2.15	436.71

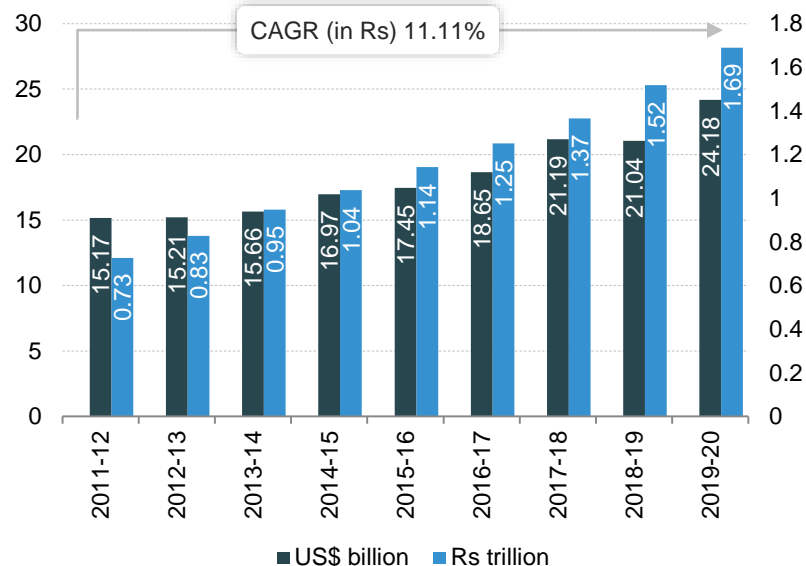
**Note:** \*in Rs terms, GSDP, per capita GSDP figures are taken at current prices, Exchange Rate used is average of 2017-18, i.e. USD = 64.45, \*\* - Including Chandigarh, Punjab and Haryana, For sources refer to annexure

# ECONOMIC SNAPSHOT



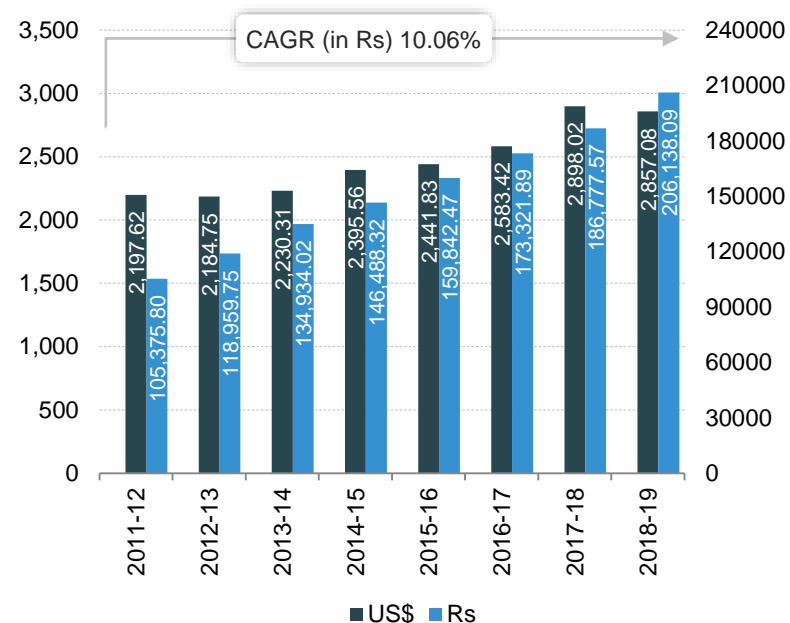


## GSDP of Himachal Pradesh at Current prices



- At current prices, the Gross State Domestic Product of Himachal Pradesh reached Rs 1.6 trillion (US\$ 24.18 billion) in 2019-20.
- The state's GSDP (in Rs) increased at a Compound Annual Growth Rate of 11.11 per cent between 2011-12 and 2019-20.

## Per Capita GSDP of Himachal Pradesh at Current prices

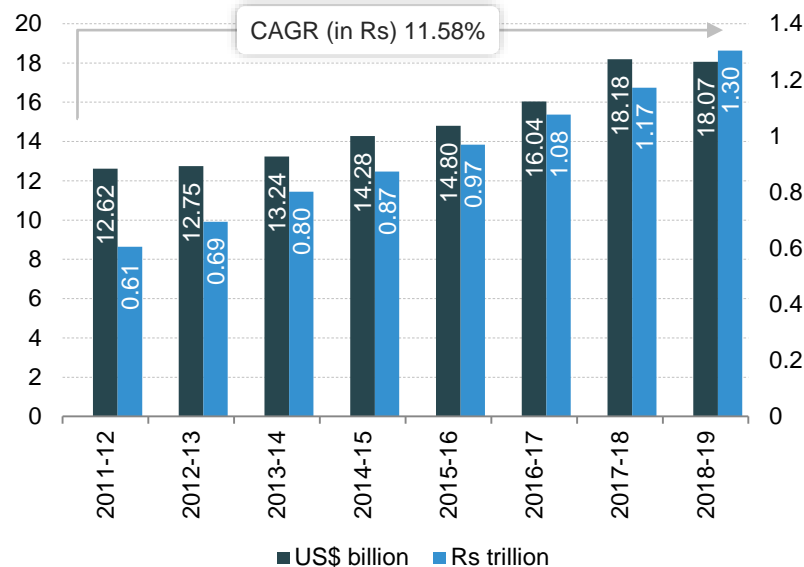


- The state's per capita GSDP in 2018-19 was Rs 206,138.09 (US\$ 2,857.08).
- The per capita GSDP (in Rs) increased a CAGR of 10.06 per cent between 2011-12 and 2018-19.

*Note: exchange rates used are averages of each year*

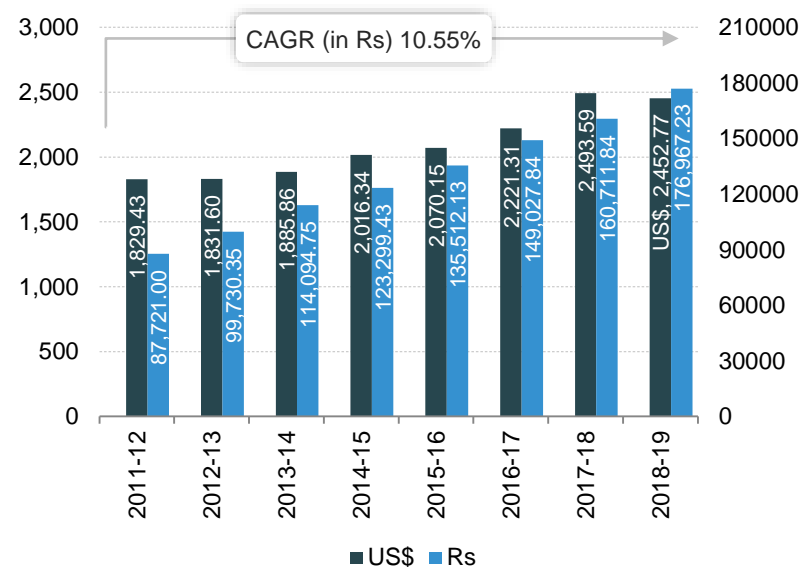
*Source: Directorate of Economics & Statistics of Himachal Pradesh, MOSPI*

## NSDP of Himachal Pradesh at Current prices



- At current prices, the total Net State Domestic Product of Himachal Pradesh reached Rs 1.30 trillion (US\$ 18.07 billion) in 2018-19.
- The state's NSDP (in Rs) increased at a compound annual growth rate of 11.58 per cent between 2011-12 and 2018-19.

## Per Capita NSDP of Himachal Pradesh at Current prices



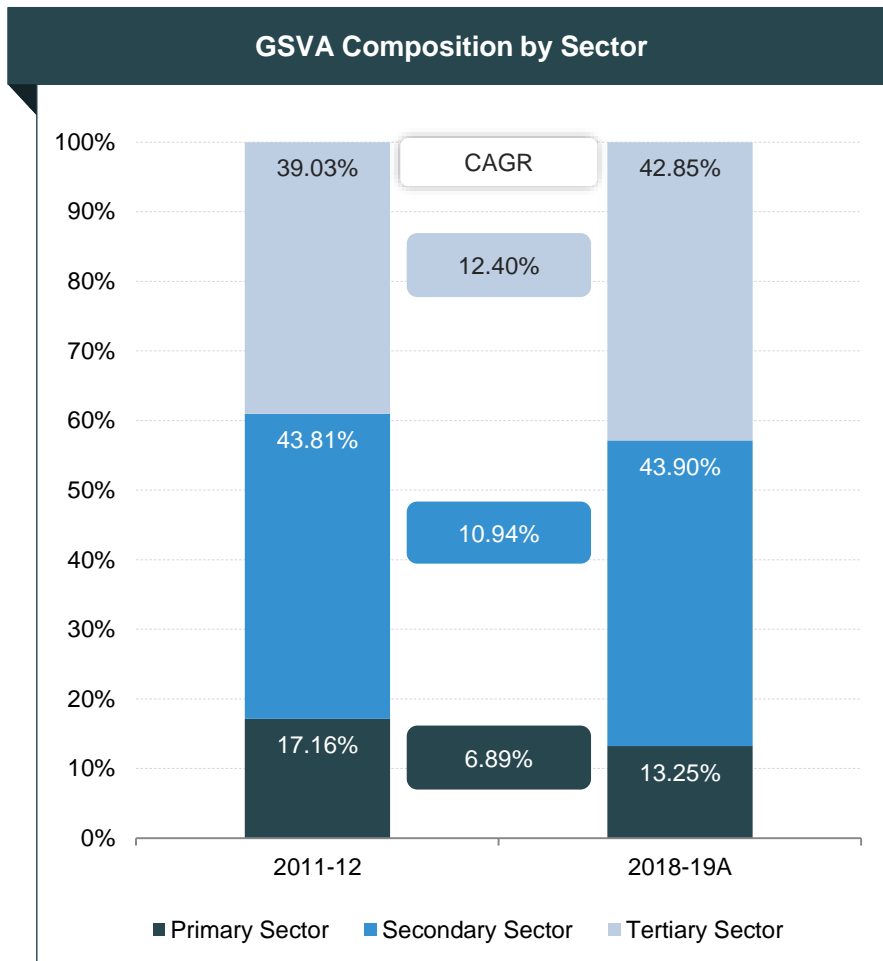
- The state's per capita NSDP in 2018-19 was Rs 176,967.23 (US\$ 2,452.77).
- The per capita NSDP (in Rs) increased a CAGR of 10.55 per cent between 2011-12 and 2018-19.

*Note: exchange rates used are averages of each year*

*Source: Directorate of Economics & Statistics of Himachal Pradesh, MOSPI*

# ECONOMIC SNAPSHOT – PERCENTAGE DISTRIBUTION OF GSDP

- During 2018-19, the secondary sector accounted for 43.90 per cent share in the over GSVA of the state, followed by tertiary sector and primary sector with contributions of 42.85 per cent and 13.25 per cent, respectively.
- The tertiary sector witnessed the fastest growth at a CAGR of 12.40 per cent between 2011-12 and 2018-19.
- Secondary sector in the state expanded at a CAGR of 10.94 per cent between 2011-12 and 2018-19. Primary sector grew at a CAGR of 6.89 per cent during the same time.

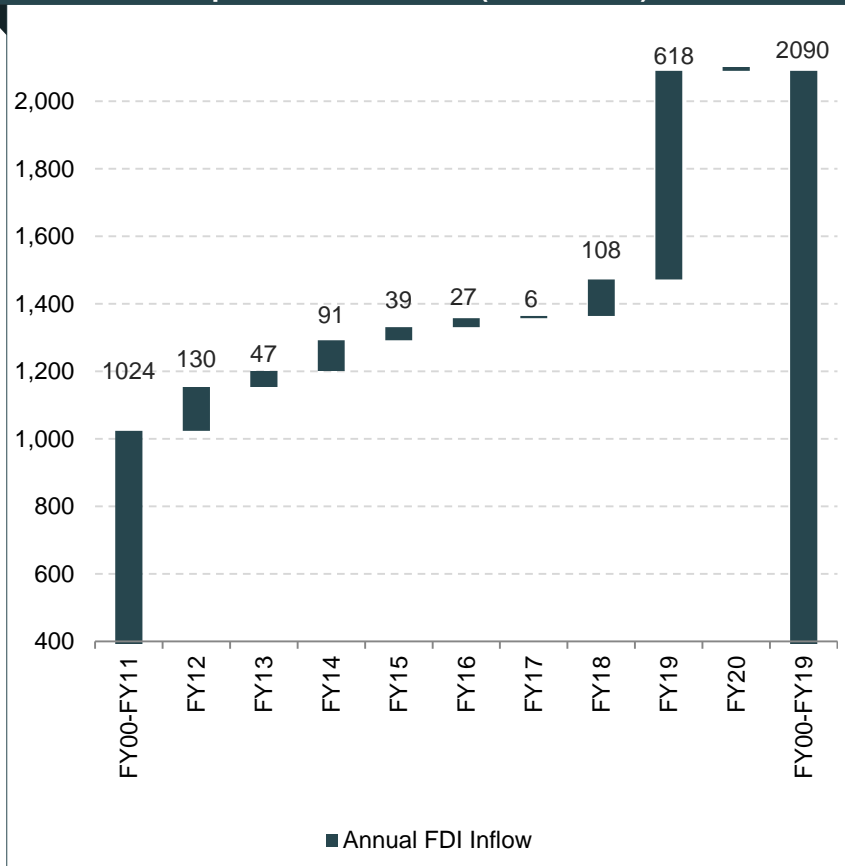


*Note: A- advance estimate*

*Source: Directorate of Economics and Statistics of Himachal Pradesh*

# ECONOMIC SNAPSHOT – FDI INFLOWS & INVESTMENTS

**FDI Inflows in Himachal Pradesh^  
April 2000-June 2019 (US\$ million)**



**Note:** ^ - including Chandigarh, Punjab and Haryana

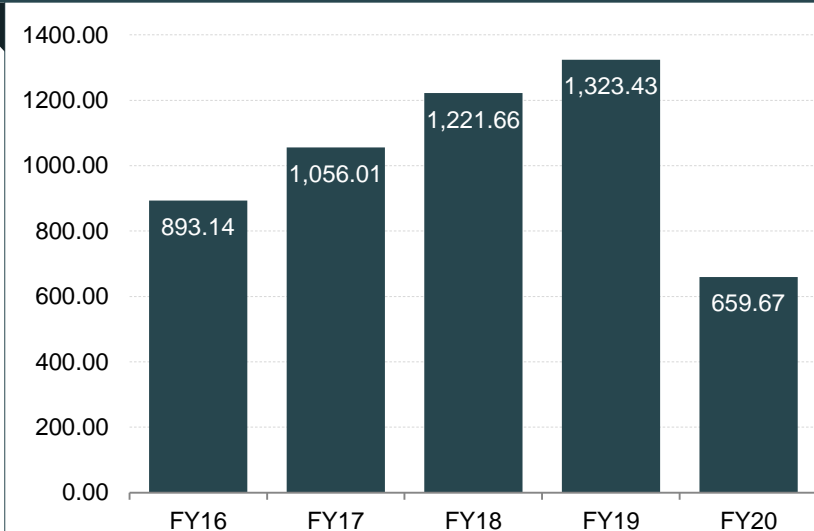
**Source:** Department for Promotion of Industry & Internal Trade (DPIIT)

## Proposed Investments

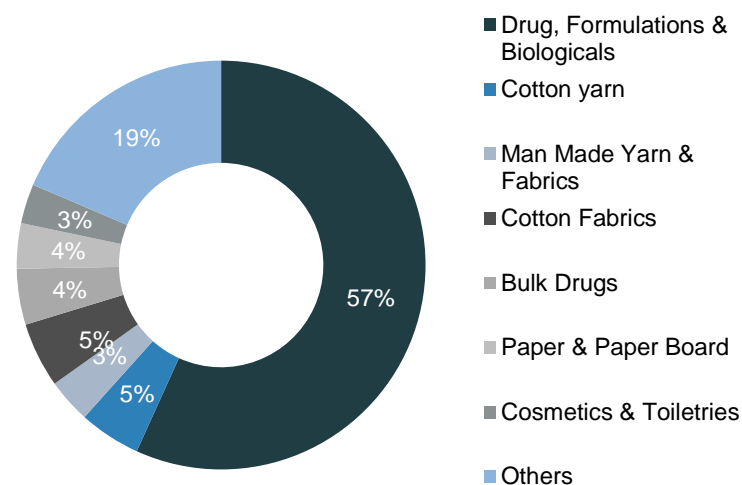
Year	IEMs filed	Proposed investments (in US\$ million)
2016	9	147.5
2017	6	17.6
2018	17	75.78
2019 (up to Oct 19)	12	39.92

- According to the Department for Promotion of Industry & Internal Trade (DPIIT), during April 2000 to June 2019, FDI inflows in the state^ totalled to US\$ 2.15 billion.
- During 2019 (up to October 2019), 12 investment intentions were filed in Himachal Pradesh with a proposed investment of Rs 279 crore (US\$ 39.92 million).
- The state government will organise a global investors meet in June 2019 to show Himachal Pradesh as a model industrial hub.

## Merchandise Exports from Himachal Pradesh (US\$ million)



## Major Commodities Exported in FY20\*



- Total merchandise exports from Himachal Pradesh were US\$ 1,323.43 million in FY19. Between Apr-Sept 2019, merchandise exports from the state stood at US\$ 659.67 million.
- Drug, Formulations and Biologicals account for a majority of the share in the overall exports of the state and reached US\$ 374.53 million in FY20\*.
- Cotton Yarn and Man Made Yarn & Fabrics products are the other major products that account for a significant share in Himachal Pradesh's export basket.

*Note: \*- up to September 2019*

*Source: DGCIS Analytics*

# PHYSICAL INFRASTRUCTURE



- Since much of the state is hilly, roads play a vital role in transportation.
- Starting from scratch, around 37,913 kilometres of motorable roads have been constructed by the state government till December 2018. The state had 2,642 km of national highways as of February 2018.
- As per State Budget 2019-20, Rs 3,921 crore (US\$ 561.02 million) have been allocated for construction and maintenance of roads
- As of December 2018, 10,308 villages in the state were connected by roads.
- As per the State Budget 2019-20, an outlay of Rs 600 crore (US\$ 85.84 million) will be made under Mukhya Mantri Gram Sadak Yojana.
- Under State Budget 2019-20, construction of 750 kilometres of new motorable roads, tarring of 1,500 kilometres roads, construction of small bridges/culverts over 850 kilometres road length and 50 bridges has been set as a target. 50 villages will be connected with roads during 2019-20.



Source: Maps of India

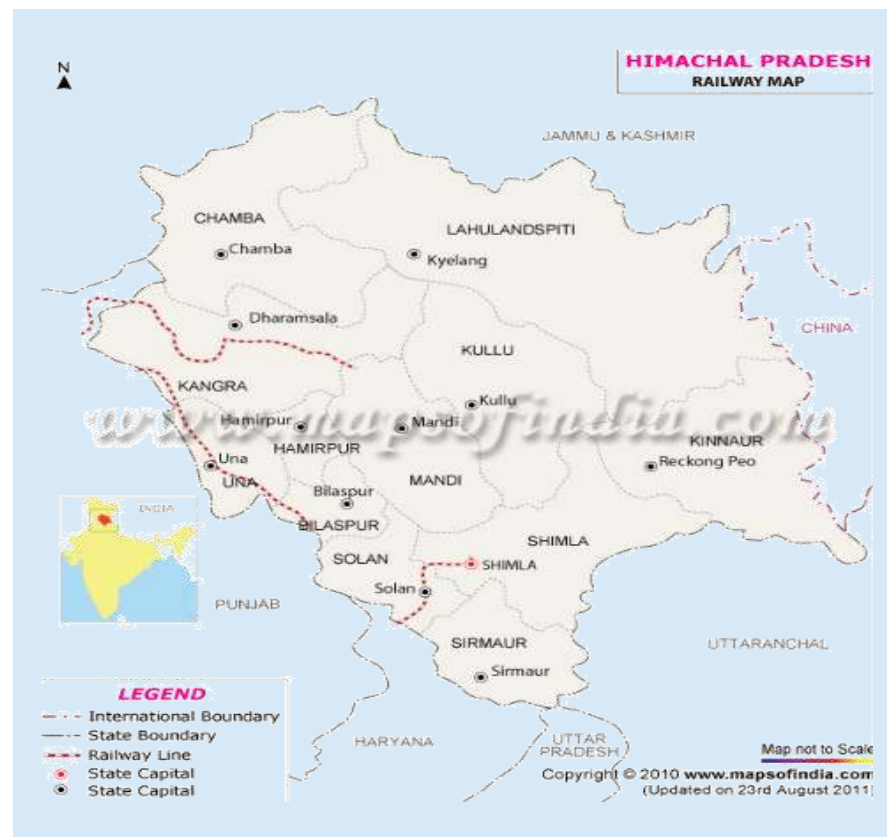
## Pradhan Mantri Gram Sadak Yojana (PMGSY) in 2019-20

Target Habitations	115
Target Length (km)	3,015
Habitations Connected	60

Source: Himachal Pradesh Economic Survey, 2018-19, State Budget 2019-20

# PHYSICAL INFRASTRUCTURE – RAILWAYS

- Himachal Pradesh falls under the Northern Railways network.
- The state has three railway lines (two narrow and one broad gauge). The two narrow gauge lines are of 113 km and 96 km, which connect Jogindernagar with Pathankot and Shimla with Kalka, respectively. The broad gauge line is 33 km long, which connects Nangal dam and Charuru in Una district, as of December 2018.
- A provision of Rs 422 crore (US\$ 65.18 million) has been made in 2018-19 for expansion of the railway network in the state.
- The Bilaspur-Manali-Leh railway line will be made operational by 2022. The Keylong station in Himachal, which will be a part of this line, will be India's first railway station under a tunnel.



Source: Himachal Pradesh Economic Survey, 2018-19



# PHYSICAL INFRASTRUCTURE – AIRPORTS

- There are 3 airports in Himachal Pradesh – at Kullu (Bhuntar), Kangra (Gaggal) & Shimla (Jubbar Hatti).
- The state government has identified 3 sites at Kandaghat in the Solan district & Nadaun in the Hamirpur district to establish an international airport in the state.
- The state government has taken an initiative to introduce heli-taxi services, which are expected to improve connectivity and open up remote areas for tourists.

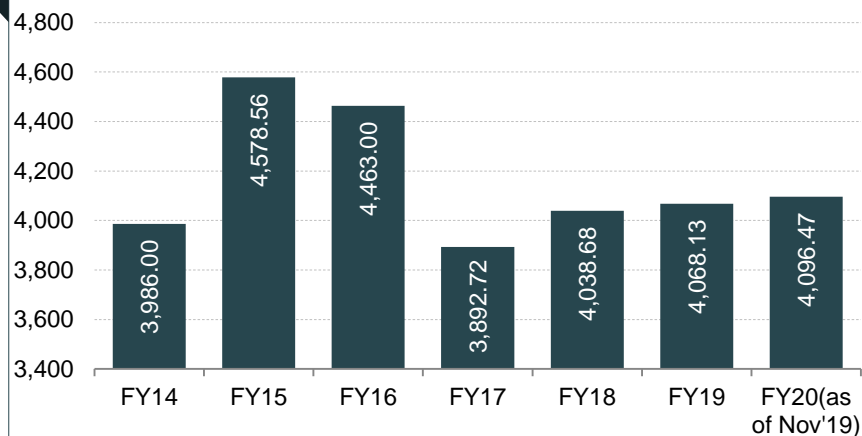


## Airport indicators (As of October 2019)

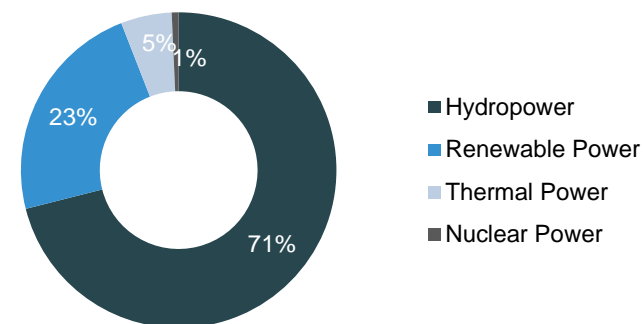
Airport	Passengers	Aircraft Movements
Bhuntar	16,904	799
Gaggal (Kangra)	1,05,443	2,034
Shimla	5,680	876

Source: Himachal Pradesh Economic Survey, 2018-19, AAI

### Installed power capacity (MW)



### Break-up of Installed Capacity (as of November 2019)



- Himachal Pradesh is naturally suited for hydropower generation and accounts for around 25.9 per cent of India's total hydropower potential. Out of the 27,436 MW hydro power potential, 24,000 MW is harnessed. As per Economic Survey 2018-19, 20,912 MW of this is already allocated under various sectors.
- Himachal Pradesh is one of the few states in India where power delivered to consumers is entirely metered.
- As of November 2019, Himachal Pradesh had a total installed power generation capacity of 4,096.47 MW. Hydro power accounted for 2910.48 MW of total installed power generation capacity, followed by renewable power (943.34 MW) and thermal power (213.70 MW). Under thermal power, coal accounted for 151.69 MW and gas accounted for 62.01 MW of total installed power.

Source: Central Electricity Authority, Himachal Pradesh Economic Survey 2018-19, State Budget 2019-20.

## Telecom Statistics (As of September 2019)

Wireless subscribers	10,766,921
Wire-line subscribers	105,488
Tele-density (%)	149.16
Internet subscribers(As of June 2019) (mn)	5.36

## Performance of Bharat Net (As of November 2019)

Service Ready GPs	241
GPs for which Cable laid (As of July 2018)	223

- At 149.16 per cent in September 2019, the state had the second highest tele density in India after Delhi.
- According to the Telecom Regulatory Authority of India (TRAI), Himachal Pradesh had 10.76 million wireless subscribers and 105,488 wire-line subscribers as of June 2019.
- The major telecom operators in Himachal Pradesh are: Bharat Sanchar Nigam Limited (BSNL), Bharti Airtel, Vodafone idea, Cellular Services

**Note:** GP-Gram Panchayat

**Source:** Telecom Regulatory Authority of India; Department of Telecommunications- Ministry of Communications & Information Technology

# PHYSICAL INFRASTRUCTURE – URBAN

- Under State Budget 2018-19, Rs 487 crore (US\$ 75.22 million) has been allocated for Urban Development department.
- In May 2017, the state government signed an MoU with Skyway Technologies, a Belarus based company, for constructing the world's 1st suspended 'skyway' transportation system in Dharamshala. The project is expected to be completed in the next three years.
- As per the State Budget 2019-20, under the Mukhya Mantri Swajal Yojana, households belonging to economically weaker sections will be provided pipe length up to 50 meters at a 50 per cent subsidy for supply of tap water.
- In Himachal Pradesh, Dharamshala and Shimla have been selected to be developed as smart cities under the smart city scheme of the central Government. Under the smart city scheme, 24 hours persistent water and power supply would be provided to the city.
- Under the AMRUT (Atal Mission for Rejuvenation and Urban Transformation) Mission, Shimla has been selected. Up to January 2019, Rs 304.52 crore (US\$ 42.21 million) has been allocated to the state under the mission.
- As of July 2018, 12 projects were being implemented under the Smart Cities mission, while Rs 216 crore (US\$ 32.22 million) has been released to the state government under the mission.

Cities under Smart Cities Mission	Population	Area (sq km)
Dharamshala	22,580	29.51
Shimla	269,578	5131

*Source: JNNURM, Ministry of Urban Development, Rajyasabha, State Budget 2018-19, State Budget 2019-20*

# SOCIAL INFRASTRUCTURE



# SOCIAL INFRASTRUCTURE – EDUCATION

Institutes	Student Intake (2018-19)	No of educational institutions (functional)	December 2018
Degree level	3,430	Primary	10,714
B-Pharmacy	900	Middle	2,102
Diploma level	6,500	High schools	929
Government, Private ITIs	49,319	Senior secondary schools	1,841
		Degree colleges	138

- Under the State Budget 2019-20, government has proposed an outlay of Rs 7,598 crore (US\$ 1.08 billion) on education sector.
- As per the State Budget 2019-20, under the ongoing Atal Aadarsh Vidya Kendra Yojana, 15 new Atal Aadarsh Vidya Kendras will be established by FY20.
- Himachal Pradesh is placing special emphasis on girl education, with the implementation of National Programme for Education of Girls at Elementary Level in 8 educationally backward blocks, where rural literacy rates were below the national average. The state government is also providing girls free education up to university level, which includes vocational and professional courses.
- As per state's economic survey 2018-19, there are 10,714 primary schools, 2,102 middle schools, 929 high schools and 138 degree colleges functioning in the state.
- The “Swayamsidham Project”, that aims to provide teachers with online solutions for their problems and deliver academic support to school heads through the web portal, is being executed in around 2,153 schools of Himachal Pradesh.

Source: Himachal Pradesh Economic Survey 2018-19, State Budget 2019-20

# SOCIAL INFRASTRUCTURE – HEALTH

Facility	Number (As of December 2019)
Sub centres	2,208
Community Health Centres	115
Primary Health Centres	640
Sub District Hospital	98
District Hospital	17
<b>Total Institutions</b>	<b>3,078</b>

## Health indicators (SRS bulletin, September 2017)

Birth rate <sup>1</sup>	16.0
Death rate <sup>1</sup>	6.8
Infant mortality rate <sup>2</sup>	25.0

- A provision of Rs 2,181 crore (US\$ 336.89 million) has been made for health and family welfare under state budget 2018-19. Rs 263 crore (US\$ 40.62 million) was allocated for Ayurveda.
- According to the State Budget 2019-20, 500 Health Sub Centres and 125 Primary Health Centres will be upgraded to Health and Wellness Centres.
- Under the State Budget 2019-20, MGNREGA workers, who have completed minimum 50 days of wage employment will be provided free health insurance cover.
- As of December 2019, the state had 2,208 sub centres, 640 primary health centres, 115 community health centres, 98 sub district hospitals and 17 district hospitals.
- As per state budget 2018-19, In 2017-18, the state government introduced a new scheme- “Mukhayamantri Shaya Rog Nivaran Scheme”, which aims to eradicate Tuberculosis from the state by 2021.
- In June 2017, the central government has given a nod to Post Graduate Institute of Medical of Education & Research (PGIMER) for setting up a PGI satellite centre at Baddi, Himachal Pradesh.

*Source: State Budget 2018-19, Ministry of Health & Family Welfare; Sample Registration System (SRS) Bulletin 2014, <sup>1</sup>Per thousand persons, <sup>2</sup>Per thousand live births*

# INDUSTRIAL INFRASTRUCTURE





- As of December 2018, the state recorded 49,058 working units, of which, the large industrial units were recorded to be 140 whereas the medium scale units were 522.
- For development of industrial infrastructure, the state government has planned the following under the state budget 2018-19:
  - No electricity duty on new small and medium industries for first five years
  - New e-stamping system to be launched
  - All tenders above Rs 500,000 (US\$ 7,723) will be carried out on e-Procurement portal
  - Lease on industrial plots increased from to be given for 90 years, up from 30 years at present
  - Industrial areas of Kandrori and Pandoga to be completed on priority

Infrastructure	Description
Industrial areas	Set up at Baddi, Barotiwala, Parwanoo, Kala Amb, Paonta Sahib, Mehatpur, Tahliwal, Amb, Sansarpur Terrace, Golthai, etc.
Baddi Barotiwala Nalagarh Industrial Area	The industrial area has been promoted by the Ministry of Commerce and Industries, Government of India. It has emerged as a hub for textiles, pharmaceuticals and packaging industries.
Biotechnology Park	The government has proposed to set up a biotechnology park at Nalagarh.
Nanotechnology Park	A nanotechnology park is proposed to come up on a 400-acre area near the Biotechnology Park at Aduwal near Nalagarh.
Inland Container Depot (ICD)	An ICD is being developed at Baddi for the benefit of exporting industries through the Container Corporation of India. A Memorandum of Understanding (MoU) has been signed between the Himachal Pradesh government and Container Corporation of India.

- In an effort to provide infrastructure support to entrepreneurs, the Himachal Pradesh government has developed 41 industrial areas and 15 industrial estates.

Name and location	Primary industry	Description
Baddi	Pharmaceuticals/textiles	Located in the Solan district, the Baddi industrial area has several pharmaceutical, textile, auto ancillary, paper and printing units.
Barotiwala	Multi-industry	Located in the Solan district; hub for small scale industries.
Parwanoo	Light engineering	Located in the Solan district; the city is an industrial cluster for high-density polyethylene (HDPE) pipe companies.
Chambaghat	Electronics	Located on the Shimla-Kalka highway in the Solan district, the industrial area has prominent companies such as Himachal Futuristic Communications Limited and Shivalik Bimetal Controls Limited.
Paonta Sahib	Pharmaceuticals/chemicals	Located in the Sirmour district, the industrial area has a number of pharmaceutical and chemical companies.
Tahliwal and Gagret	Electronics	Located in the Una district, it has prominent telecommunications companies.
Amb Industrial Area	Engineering/auto	Amb has prominent engineering and automotive companies such as International Cars and Motors Limited.
Sansarpur Terrace	Engineering	Located in the Kangra district, it has some of the leading engineering companies of North India.
Golthai	Multi-industry	Located in the Bilaspur district, it has been identified as a mini growth centre.

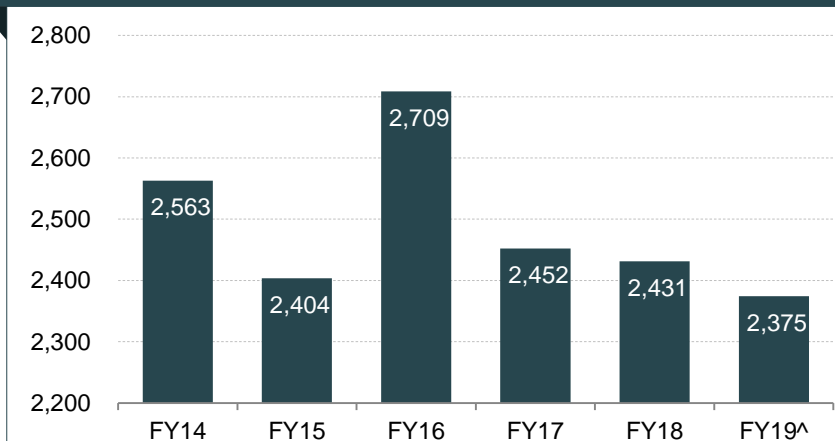
# KEY SECTORS

- ❖ Agriculture and Allied Industries
- ❖ Pharmaceuticals
- ❖ Tourism

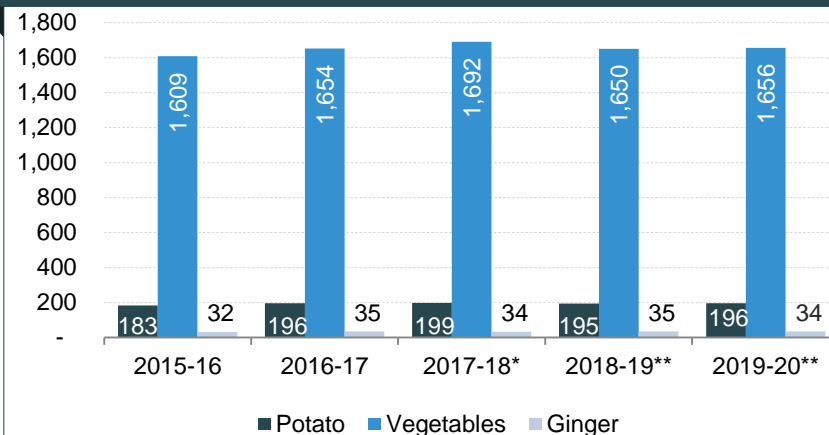


# KEY SECTOR – AGRICULTURAL AND ALLIED INDUSTRIES... (1/3)

Horticulture Production ('000 metric tonnes)



Production of commercial crops (in '000 tonnes)



- Agriculture is a key livelihood for the people of Himachal Pradesh and holds a significant share in the state's economy. Major food crops in the state are rice, maize, wheat, barley, jowar, pulses, bajra and potato. The four agro-climatic conditions in the state support cultivation of multiple crops, vegetables and fruits around the year. The state government is focusing on increasing productivity levels besides diversification towards high-value crops.
- The foodgrain production is targeted at 1.67 million metric tonnes in 2018-19. Horticulture production in 2018-19 is estimated at 2,374.57 thousand metric tonnes, as third advance estimates.

**Note:** \*\*target, MT – Metric tonnes, \*1<sup>st</sup> advance estimates, ^- third advance estimate

**Source:** Himachal Pradesh Economic Survey 2017-18, Department of Agriculture Cooperation and Farmers Welfare, Ministry of Food Processing Industries

# KEY SECTOR – AGRICULTURAL AND ALLIED INDUSTRIES... (2/3)

- With suitable agro-climatic conditions, Himachal Pradesh has realised the importance of commercial crops, including off-season vegetables, potatoes and ginger. The state is one of the largest producers of off season vegetables and exotic fruits and the second largest producer of apples and almonds in the country.
- The food processing industry primarily focuses on the areas of traditional processing of agricultural and horticultural raw materials.
- Agri-procurement has lately been an investment area for corporate entities.
- Under the State Budget, government has allocated 6.1 per cent of its total budget towards the agriculture and allied activities.
- Presence of good food processing infrastructure has attracted major companies to invest in the state. There are 12 cold chains and one dedicated food park in Himachal Pradesh.

## Food Processing Clusters in Himachal Pradesh

Category	Districts
Dairy products and analogues	Shimla, Mandi, Bilaspur, Kullu, Kangra, Solan, Hamirpur, Una, Sirmaur
Spices	Mandi, Bilaspur, Shimla
Prepared Foods	Kangra, Mandi, Hamirpur
Cereals and cereal products	Solan, Hamirpur, Kangra, Kullu, Kangra
Ready to eat	Hamirpur, Solan, Kangra
Pickle, Jam Squash	Solan, Kangra, Una

Source: Ministry of Food Processing Industries

# KEY SECTOR – AGRICULTURAL AND ALLIED INDUSTRIES... (3/3)

## Key players



**Cremica Group**

- Cremica Group is a prominent player in food retail and food services industries in India. The company's business activities include Cremica Frozen Foods, EBI Foods, Mrs Bector's Desserts and Cremica Agro India. The company is commissioning a plant at Tahliwal Industrial Area, Una, for manufacturing biscuits and Indian snack foods. It is a 100 per cent automated facility, with an annual manufacturing capacity of 150,000 MT.



**ADANI**

**Adani Agrifresh Ltd**

- Adani Agrifresh, a 100 per cent subsidiary of Adani Enterprises, has set up three controlled-atmosphere storage units at Rampur, Sainj and Rohru in Himachal Pradesh, with an investment of US\$ 40 million and a combined capacity of 18,000 metric tonnes of apples per year. The subsidiary is involved in the procurement, storage and transportation of fresh fruits and vegetables. The company directly buys fruits from about 4,000 farmers.



**Nestle India**

- Nestlé has been operating in India for almost a century, with seven production facilities across the country. The company produces chocolates and confectionaries, prepared dishes and cooking aids, beverages and milk products and nutrition.
- The company has a factory in Tahliwal, Una, Himachal Pradesh.



**Dabur India Ltd**

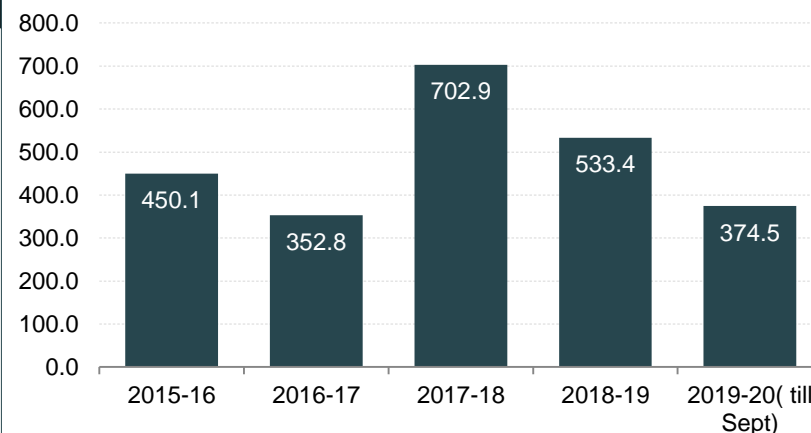
- Dabur is one of the country's largest consumer goods companies.
- The company produces several products, including honey and amla, in Baddi.

Source: Company Websites & Annual Reports

# KEY INDUSTRIES – PHARMACEUTICALS ... (1/2)

- Himachal Pradesh is one of the fastest-growing regions in the pharmaceutical industry in India, driven by incentives announced by the state Government in its Industrial Policy, 2004. Baddi is one of the largest pharmaceutical hubs in Asia and the world.
- The Department of Environment, Science & Technology (DEST), Government of Himachal Pradesh, proposes to develop a Biotechnology Park (BTP) spread over an area of 35 acres at Aduwal in Solan under PPP mode in the state
- The Ayurvedic Department has three ayurvedic pharmacies at - Jogindernagar District Mandi, Majra District Sirmaur & Paprola District Kangra. The 4 herbal gardens of the state are located at - Jogindernagar (Mandi), Jungle Jhalera (Bilaspur), Neri (Hamirpur) & Dumreda (Shimla).
- During 2018-19, exports of drug formulations and biologicals from the state stood US\$ 533.4 million and have reached US\$ 374.6 million between Apr-Sept 2019.

## Exports of drug formulations and biologicals



## Some of the key players

- Ranbaxy Laboratories Ltd
- Cipla Ltd
- Dr Reddy's Laboratories Ltd
- Panacea Biotec Ltd

Source: Himachal Pradesh Economic Survey 2015-16

## Key players

**RANBAXY**

Trusted medicines. Healthier lives

**Ranbaxy Laboratories  
Ltd (Sun Pharma)**

- Ranbaxy is one of the leading pharmaceutical companies in India, with business operations in 43 countries and manufacturing facilities in eight countries.. In 2008, Japanese conglomerate Daiichi Sankyo became the largest shareholder in Ranbaxy, which is now its global generic arm. In March 2015, Sun Pharma acquired Ranbaxy Laboratories.
- It has a manufacturing facility at Paonta Sahib, Sirmaur

**Cipla**

Caring for life

**Cipla Ltd**

- Cipla has one of the largest product portfolios, with over 1,000 products.
- It established a manufacturing facility in Baddi in 2005. The unit manufactures bulk drugs, tablets and capsules, creams, aerosols/inhalation devices and injections/sterile solutions.

**DR. REDDY'S**

LIFE. RESEARCH. HOPE

**Dr Reddy's  
Laboratories Ltd (DRL)**

- Established in 1984, Dr Reddy's ranks among the top 15 generics players in the world.
- Dr Reddy's has a finished dosage facility in Baddi.

**Panacea Biotec**

Innovation in support of life

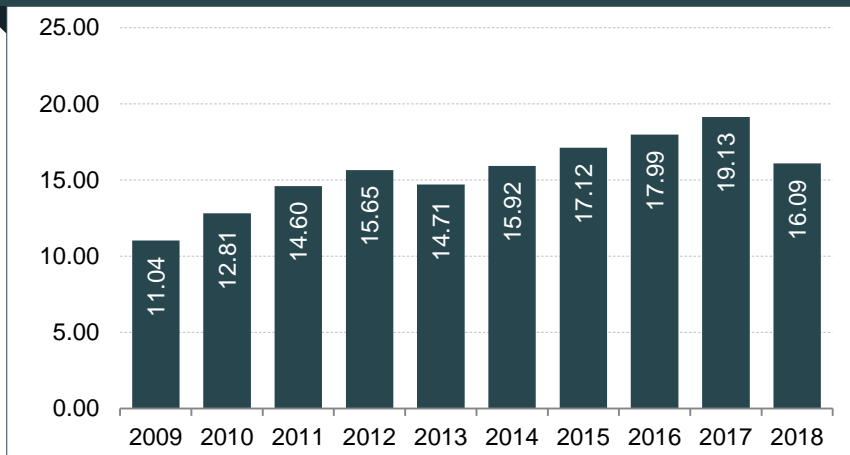
**Panacea Biotec Ltd**

- Panacea is one of India's prominent pharmaceutical and biotech companies involved in research, manufacturing and marketing of pharmaceutical formulations. The company has around 2,700 employees, including 130 scientists.
- Panacea's pharmaceutical and vaccine formulations facility is located in Baddi, with a production capacity of 600 million doses per annum. The production is likely to be increased to one billion doses per annum after the addition of the third line.

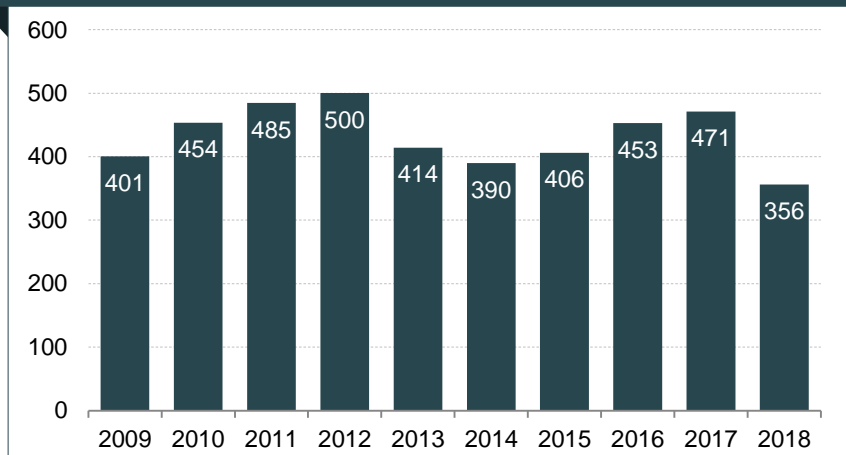


# KEY INDUSTRIES – TOURISM

Number of domestic tourists (million)



Number of foreign tourists (in '000s)



- Tourism is one of the most important sectors for the state economy in terms of foreign exchange earnings and creation of employment opportunities. Himachal Pradesh is endowed with topographic diversity, historical monuments and religious shrines. As of 2018, there were 3,066 registered hotels in the state. Top tourist destinations in the state include Kullu, Shimla, Kangra, Solar, Chamba and Spiti.
- The tourism sector of Himachal Pradesh contributes to 6.6 per cent in the state GDP. Domestic tourist inflows in the state reached 16.09 million in 2018 while foreign tourist arrivals reached 356,000.
- Sustainable Tourism Policy, 2013 was formulated for promoting sustainable tourism without damaging the ecology and environment.
- Under Swadesh Darshan Scheme, 14 tourism development projects have been sanctioned for the state for which Rs 99.76 crore (US\$ 14.27 million) have been sanctioned as project Integrated Development of Himalayan Circuit in Himachal Pradesh.

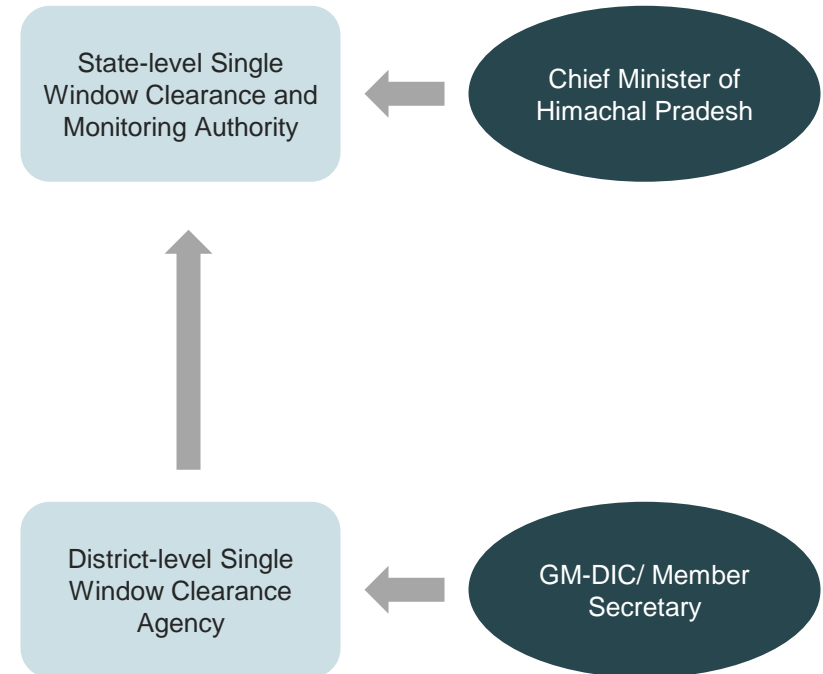
Source: Ministry of Tourism, Government of India, Himachal Pradesh Economic Survey 2018-19

# KEY PROCEDURES & POLICIES



- Single-Window Clearance Mechanism (SWM) was established in 2004. It has a two-tier structure.
  - District Single Window Clearance Committee for each district in the state is chaired by General Manager/Member Secretary, with senior-most officers of departments concerned in the district as members.
  - State-level agency with Chief Minister of Himachal Pradesh as Chairman and various heads of departments as members.
  - Approval for proposals with investments of over US\$ 1.09 million, power requirement of above 1 MW and industries in the negative list (such as forest-based and mining); as defined by central and state Governments, are decided by the state-level Single-Window Clearance Agency.
  - In the budget 2015-16, the Government announced its plans to revamp the State Level Single Window Clearance & Monitoring Authority.
  - According to the budget speech 2015-16, approval for establishing industries in the state would be granted within a period of 45 days from the date of submission of common application form, which should be complete in all respect and fulfilling all necessary requirements.

## SWM structure in Himachal Pradesh



*Source: Industries Department, Government of Himachal Pradesh, State Budget 2015-16; GM: General Manager, DIC: District Industrial Centre*

# SINGLE-WINDOW CLEARANCE MECHANISM ... (2/2)

- Single-window Clearance and Monitoring Agency: State-level Nodal Agency

Purpose	Composition
<ul style="list-style-type: none"> <li>▪ Provides first approval to medium and large scale investment proposals between 30–60 days of submission.</li> <li>▪ Projects above US\$ 1.09 million, power requirements above one MW and industries in the negative list (such as forest-based and mining) as defined by the central and state governments are approved by the agency.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Chief Minister of Himachal Pradesh is Chairman of the agency; other members include heads of the departments of town and country planning, labour, electricity, water, director of industries and industrial adviser.</li> </ul>

- District Industry Centre (DIC): District-level Committee for Single-window Clearance

Purpose	Composition
<ul style="list-style-type: none"> <li>▪ Provides sanctions and clearances for setting up small scale industrial units.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Convened by the General Manager, DIC or member secretary, Single-window Clearance and Monitoring Agency.</li> </ul>

*Source: Industries Department, Government of Himachal Pradesh ; MW: Mega-Watt, DIC: District Industrial Centre*

# KEY INVESTMENT PROMOTION OFFICES

Agency	Description
Single-Window Clearance Agency	<ul style="list-style-type: none"> <li>▪ Agency for speedy clearance and in-principle approval to large and medium scale projects.</li> <li>▪ Time frame for approval is 45 days.</li> <li>▪ Since inception in 2004, 104 meetings have been held, and 1,023 projects, with an investment of US\$ 11.77 billion, have been approved up to December 2014.</li> </ul>
Himachal Pradesh State Small Industries and Export Corporation	<ul style="list-style-type: none"> <li>▪ Supply of raw materials through appropriate depots.</li> <li>▪ Supply of machinery on hire-purchase.</li> <li>▪ Provision of assistance in export and marketing.</li> </ul>
Himachal Pradesh Financial Corporation	<ul style="list-style-type: none"> <li>▪ To provide medium and long-term loans as well as working capital loans to small and medium scale units under various schemes.</li> <li>▪ To provide loans for expansion, modernisation and rehabilitation of existing units.</li> </ul>
Directorate of Industries	<ul style="list-style-type: none"> <li>▪ Registration of Small Scale Industries (SSI) and recommendation of medium and large scale industries to the appropriate authority.</li> <li>▪ Technical and general consultancy.</li> <li>▪ Recommendation for financial assistance to financial institutions/banks for margin money and loans.</li> <li>▪ Industrial infrastructure development.</li> <li>▪ Collection and maintenance of data relating to industrial units.</li> <li>▪ Allotment of industrial plots, sheds and shops in districts.</li> <li>▪ Liaison with and provide feedback to the central and state Governments.</li> <li>▪ Administration of all incentives to industries given by the central and state Governments.</li> </ul>

Source: Department of Industries, Government of Himachal Pradesh; State Budget 2015-16

## Himachal Pradesh Industries Department

Udyog Bhawan

Shimla

Phone: 91-177-2813414

E-mail: [dirindus-hp@nic.in](mailto:dirindus-hp@nic.in)

Website: <http://himachal.nic.in/industry/welcomelat.htm>

## Himachal Pradesh State Industrial Development Corporation Limited

4th & 5th Floor, New Himrus Building

Cart Road

Shimla

Phone: 91-177-2624751, 2621426

Fax: 91-177-2624278

E-mail: [hpsidc@sancharnet.in](mailto:hpsidc@sancharnet.in)

Website: <http://www.hpsidc.nic.in>

# KEY APPROVALS REQUIRED ... (1/2)

Approvals and clearances required	Departments to be consulted
<b>Prior to setting up the unit</b>	
Registration	District Industry Centre for SSI or Large and Medium Industries
Allotment of land/shed	State Department of Industries/Infrastructure Corporation
Permission for land use	District Authorities, Department of Town and Country Planning
No Objection Certificate under Water and Air Act	Himachal Pradesh State Pollution Control Board
Approval for construction activity and building plan	Town and Country Planning Authority
Site environmental approval	State Pollution Control Board and Ministry of Environment and Forests
Provisional trade tax registrations	Central and State Excise Departments
Registration under Central Sales Tax Act	Central and State Excise Departments

Source: Commissionerate of Industries, Government of Himachal Pradesh

# KEY APPROVALS REQUIRED ... (2/2)

Approvals and clearances required	Departments to be consulted
<b>Before commencement of production</b>	
No Objection Certificate under Water and Air Act	Himachal Pradesh State Pollution Control Board
No Objection Certificate	Fire Department and Directorate of Factories and Boilers
Permanent trade tax registration	Central and State Excise Departments
Registration under Central Sales Tax Act	Central and State Excise Departments
<b>After commencement of production/activity</b>	
Registration	Department of Industries and respective sector departments such as Information Technology/Biotechnology, etc.

Source: Commissionerate of Industries, Government of Himachal Pradesh



# COST OF DOING BUSINESS IN HIMACHAL PRADESH

Parameter	Cost estimate
Industrial land (per sq ft)	Baddi Industrial Area: US\$ 15–50 Other Industrial Areas: US\$ 12–35
Office space rent (per sq ft per month)	US 10 cents to US\$ 8
Residential rent (1,600 to 2,500 sq ft house)	US\$ 100–200 per month
Hotel costs (per room, per night)	US\$ 20–200
Power (per kWh)	Small and medium industries: US 8.3–8.7 cents Large industries: US 7.5–8.7 cents
Labour (minimum wage per day)	US\$ 4.5–7
Water (per kl)	Domestic: US 18 cents Commercial: US 32.6 cents

*Source: Directorate of Industries, Ministry of Labour and Employment, Government of India, Himachal Pradesh Irrigation and Public Health Department, Himachal Pradesh State Electricity Board Ltd, Industry sources*

## Objectives

Himachal Pradesh Industrial Investment Policy, 2019

- To achieve environmentally sustainable and balanced industrial growth leading to more employment opportunities, income generation and overall economic development of the state. [Read more](#)

Himachal Pradesh Tourism Policy 2019

- To make tourism sustainable with prime focus on socio-economic growth and employment generation [Read more](#)

IT Policy 2009

- Action plan to harness potential benefits offered by the IT sector.
- To use IT for heralding world class e-tourism in the state. [Read more](#)

Hydro Policy-2006

- To focus on capacity addition, energy security, access and availability, affordability, efficiency, environment and local employment. [Read more](#)

Himachal Pradesh State Water Policy 2013

- To ensure the planning, development and management of water resources. The policy directs that the use of water should be optimised and an awareness of water as a scarce resource should be fostered. [Read more](#)

Himachal Pradesh Private Universities Act, 2009

- To help in establishment and regulation of private universities in the state for higher education and to regulate their functioning and for matters connected therewith or incidental thereto. [Read more](#)

Himachal Pradesh Solar Power Policy, 2016

- The policy was framed with the objective of increasing the portion of renewable energy in total energy consumption by the state.
- To provide 24X7 power among remote and rural areas of the state through distributed supply of solar power for meeting the basic needs of people living in the mountains. [Read more](#)

# ANNEXURE



# ANNEXURE...(1/2) - SOURCES

Data	Sources
GSDP (state)	Directorate of Economics & Statistics of Himachal Pradesh
Per capita GSDP figures	Directorate of Economics & Statistics of Himachal Pradesh, Central Statistics Office
GSDP (India)	Central Statistics Office
Installed power capacity (MW)	Central Electricity Authority, As of November 2019
Wireless subscribers (No)	Telecom Regulatory Authority of India, As of September 2019
Internet subscribers (Mn)	Telecom Regulatory Authority of India, As of June 2019
National highway length (km)	NHAI, Roads and Building Department-Government of India
Airports (No)	Airports Authority of India
Literacy rate (%)	Census 2011
Birth rate (per 1,000 population)	SRS Bulletin September 2017
Cumulative FDI equity inflows (US\$ billion)	Department for Promotion of Industry & Internal Trade
Operational PPP projects (No)	DEA , Ministry of Finance, Government of India

# ANNEXURE...(2/2) - EXCHANGE RATES

## Exchange Rates (Fiscal Year)

Year INR	INR Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89

## Exchange Rates (Calendar Year)

Year	INR Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36

Source: Reserve Bank of India, Average for the year

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