

DO-DRUL CHORTEN STUPA IN GANGTOK, SIKKIM



SIKKIM

THE LAND OF PEACE AND TRANQUILITY

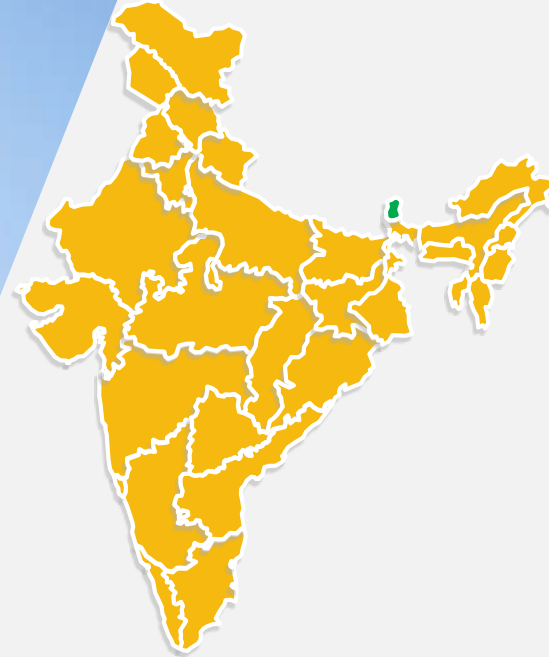
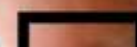
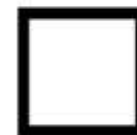


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EXECUTIVE SUMMARY

Strong floriculture sector

- Sikkim is home to around 5,000 species of flowering plants, 515 rare orchids, 60 primula species & 36 rhododendron species. This makes it one of the leading states in the Northeast region in terms of production & supply of cut flowers to mainland consumer markets.

Strong potential of medicinal plants industry

- Of the 6,000 medicinal plants in India, over 424 plants (including the famous *Artemisia vulgaris* that is used as an antiseptic) are grown in Sikkim. Moreover, it is all set to be recognised and certified by the Government of India under National Medicinal Plant Board (NMPB) proposed under the 12th Five Year Plan.

Second-largest producer of cardamom

- The state is considered as a huge cardamom epicentre of the world, producing around 80 per cent of large cardamom in the country. Additionally, India is the world leader of the crop, producing over 50 per cent of the global yield.

Presence of world's third highest peak

- Sikkim has mighty snow-capped peaks including the Kanchenjunga, the world's 3rd highest peak, which attracts a large number of tourists from across the globe.

Agrarian economy

- The state's economy is largely agrarian, based on the terraced farming of rice & the cultivation of crops such as maize, millet, wheat, barley, oranges, tea & cardamom.
- Sikkim produces more cardamom than any other Indian state & is home to the largest cultivated area of cardamom

Source: Ministry of Agriculture, Government of India

INTRODUCTION



High economic growth and stable political environment

- Sikkim's GSDP grew at a Compound Annual Growth Rate (CAGR) of 12.18 per cent between 2011-12 and 2017-18.
- Large production of cardamom and flowers has opened up immense possibilities for the state economy.
- Rail and air connectivity as well as optical-fibre networks are being developed in the state.

Conducive agro-climatic conditions

- Sikkim has favourable agro-climatic conditions, which support agriculture, horticulture & forestry; there is potential for development in related areas
- As per the state budget 2016-17, Sikkim got certified as the first fully organic state in India by the Central Ministry of Agriculture and Farmers' Welfare as well as other recognized agencies of the country.

Advantage Sikkim

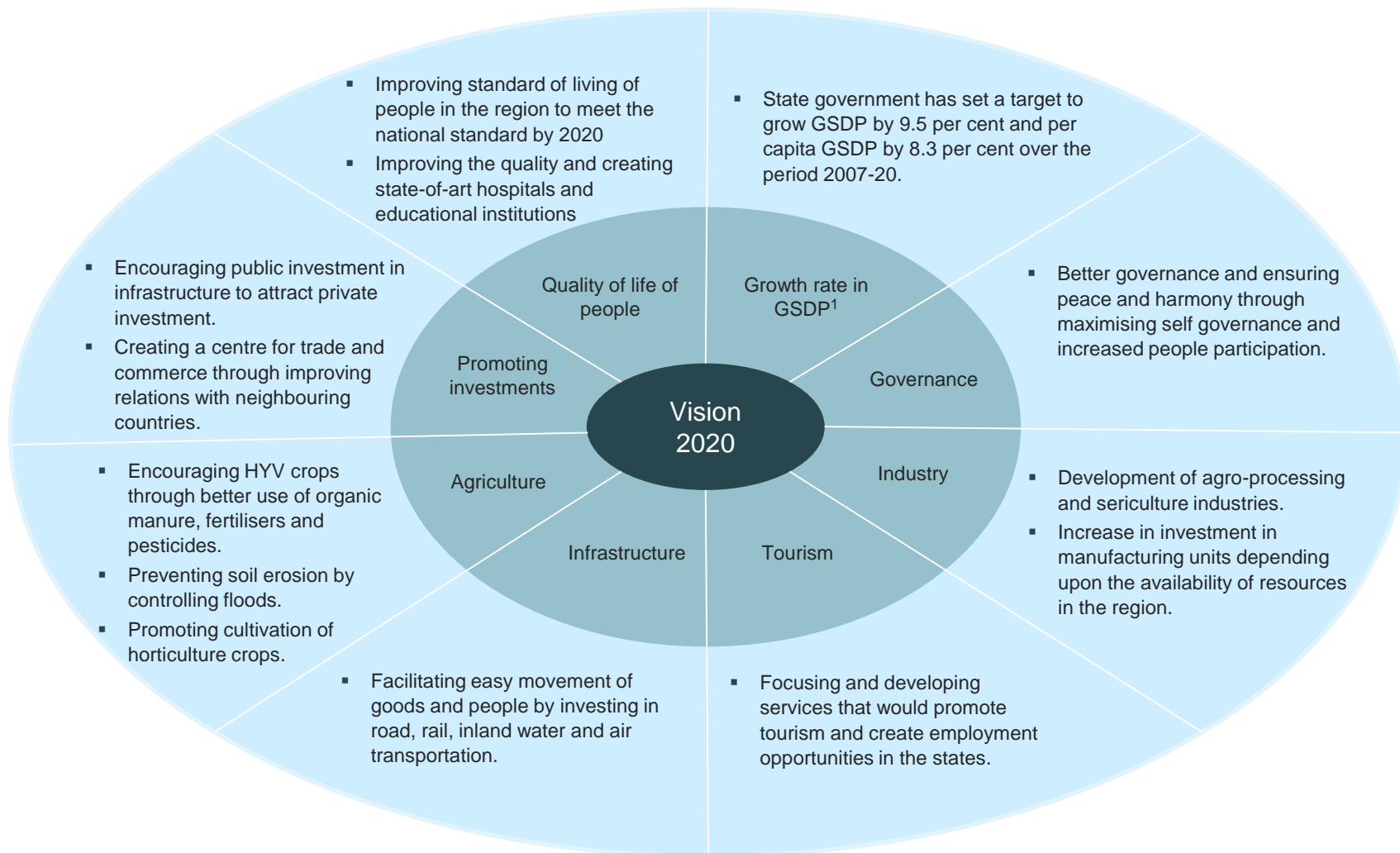
Rich labour pool

- Sikkim has a high literacy rate of around 81.42 per cent.
- The state has a skilled and educated labour force.
- With the establishment of Sikkim Manipal University and the Sikkim University, the quality and quantity of employable graduates in the state has steadily improved.
- Skilled labour contributes in the modernization of the state through the development of services sector.

Policy and institutional support

- The state follows the North East Industrial Investment Promotion Policy, 2007, which provides several incentives and concessions for investment.
- Institutional support is provided through various central & state government agencies viz., North East Council, Ministry of Development of North Eastern Region & Commerce and Industries Department.

Source: Central Electricity Authority, GSDP: Gross State Domestic Product;



Source: NER Vision 2020, HYV: High Yielding Variety, ¹GSDP is at fixed costs at 2006-07 prices



- Sikkim is surrounded by vast stretches of Tibetan Plateaus in the north, the Chumbi Valley of Tibet & the Kingdom of Bhutan in the east, the Kingdom of Nepal in the west & Darjeeling district of West Bengal in the south
- Sikkim has 4 districts – East Sikkim, West Sikkim, North Sikkim & South Sikkim. The district capitals are Gangtok, Gyalshing, Mangan & Namchi respectively

- Nepali, Bhutia, Lepcha, Limboo, Magar, Rai, Gurung, Sherpa, Tamang, Newari & Sunuwar (Mukhia) are the commonly spoken languages. Hindi & English are also widely spoken. Sikkim has 10 mountain peaks, 84 glaciers, 315 glacial lakes (including the Tsomgo, Gurudongmar & Khecheopalri), 5 hot springs & 8 mountain passes – making it an ideal tourist location. The Teesta & the Rangeet are the 2 major rivers with nearly hundred tributaries.

Parameters	Sikkim
Capital	Gangtok
Geographical area (lakh sq. km)	7,096
Administrative districts (No)	4
Population density (persons per sq. km)	86
Total population (million)	0.61
Male population (million)	0.32
Female population (million)	0.29
Sex ratio (females per 1,000 males)	890
Literacy rate (%)	81.42

Source: Sikkim State Portal, Census 2011

Sikkim's Contribution to Indian Economy (2017-18)

Parameter	Sikkim	India
GSDP as a percentage of all states' GSDP	0.13	100.0
GSDP growth rate (%)	11.13	9.96
Per capita GSDP (US\$)	5,286.32	1,977.60

Social Indicators

Parameter	Sikkim	India
Literacy rate (%)	81.42	73.0
Birth rate (per 1,000 population)	16.6	20.4

Industrial Infrastructure

Parameter	Sikkim	India
Operational and Maintenance stage	11	1877

Physical Infrastructure in Sikkim

Parameter	Sikkim	India
Installed power capacity (MW) (As of November 2019)	965.51	365,980.54
Wireless subscribers^ (Mn) (As of October 2019)	57.11	1,183.40
Internet subscribers^ (Mn) (As of June 2019)	28.43	665.71
National highway length (km) (As of March 2019)	463	132,499
Airport	1	129

Investments (as of June 2019)

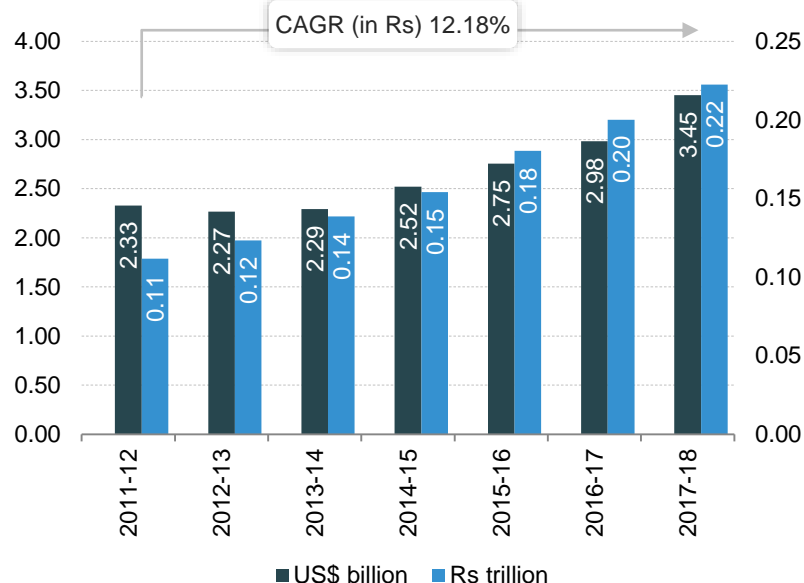
Parameter	Sikkim	India
Cumulative FDI equity inflows since April 2000 (US\$ billion)*	5.59	436.47

Note: GSDP, per capita GSDP figures are taken at current prices, 8- Including West Bengal and Andaman and Nicobar, ^- including West Bengal
PPP -Public-Private Partnership

ECONOMIC SNAPSHOT

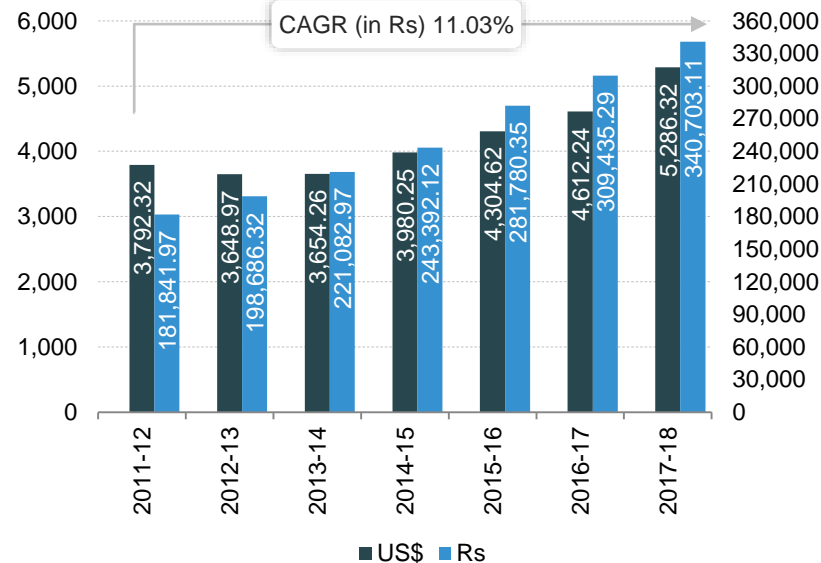


GSDP of Sikkim at current prices



- At current prices, Sikkim's Gross State Domestic Product (GSDP) was Rs 0.22 trillion (US\$ 3.45 billion) in 2017-18.
- GSDP expanded at a CAGR of 12.18 per cent between 2011-12 and 2017-18.

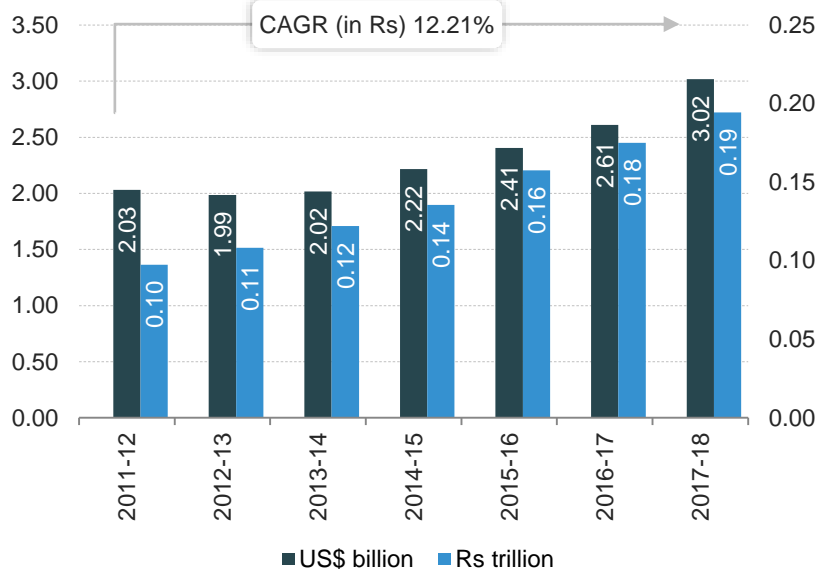
GSDP per capita of Sikkim at current prices



- The state's per capita GSDP was Rs 340,703.11 (US\$ 5,286.32) in 2017-18 as compared to Rs 181,841.97 (US\$ 3,792.32) during 2011-12.
- Per capita GSDP increased at a CAGR of 11.03 per cent between 2011-12 and 2017-18.

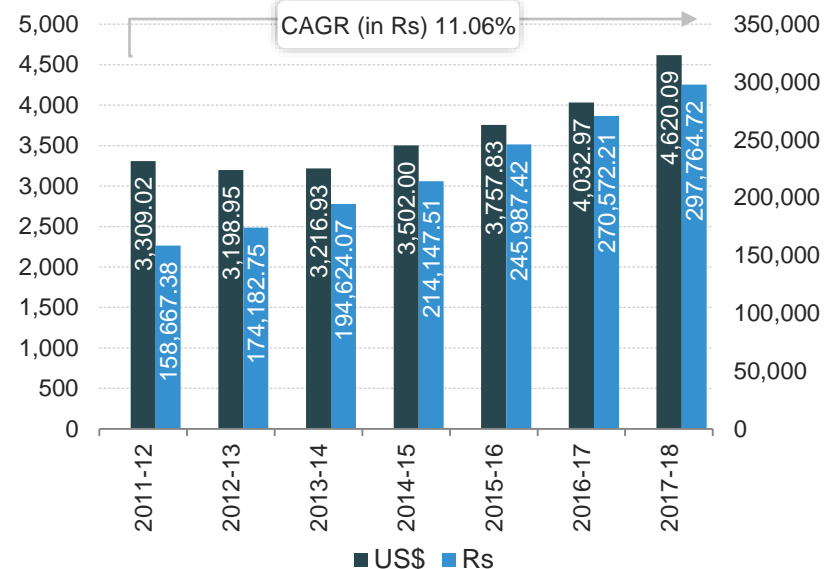
Note: GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 46, Updated data for GSDP may be available by September 2019 from MOSPI
Source: Ministry of Statistics and Programme Implementation

NSDP of Sikkim at current prices



- At current prices, Sikkim's Net State Domestic Product (NSDP) was Rs 0.19 trillion (US\$ 3.02 billion) during 2017-18.
- NSDP of the state expanded at a CAGR of 12.21 per cent between 2011-12 and 2017-18.

NSDP per capita of Sikkim at current prices

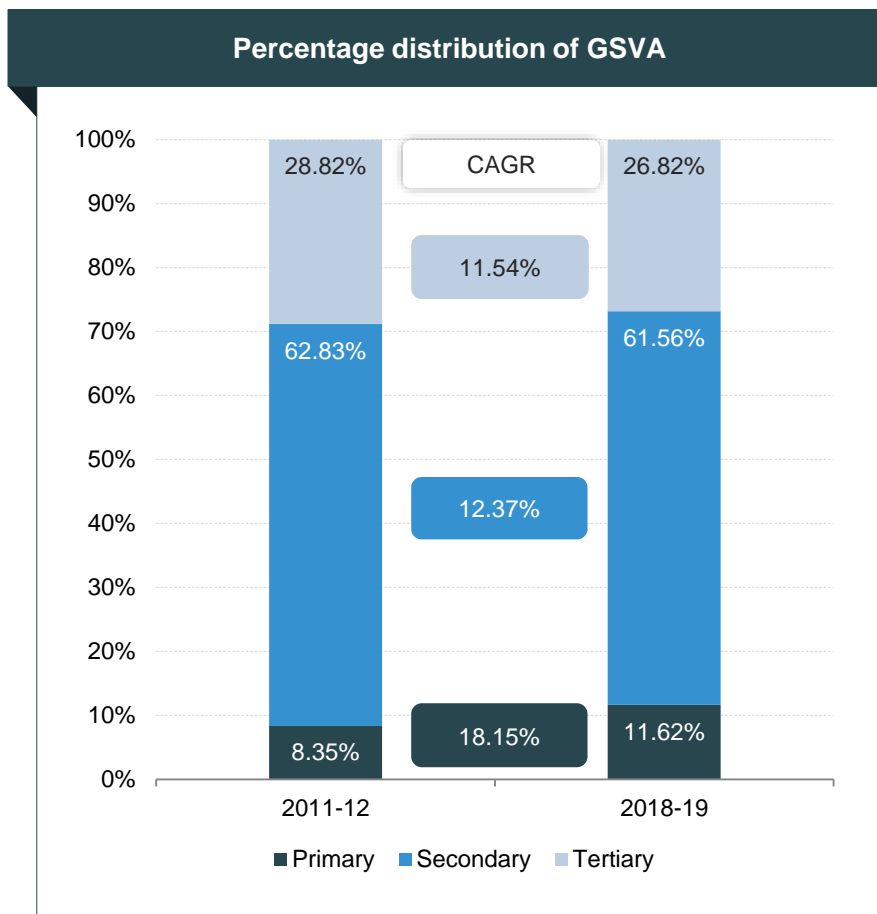


- Sikkim's per capita NSDP was Rs 297,764.72 (US\$ 4,620.09) in 2017-18 as compared to Rs 158,667.38 (US\$ 3,309.02) during 2011-12.
- Per capita NSDP of Sikkim increased at CAGR of 11.06 per cent between 2011-12 and 2017-18.

Note: GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 46, Updated data for GSDP may be available by September 2019 from MOSPI
Source: Ministry of Statistics and Programme Implementation

ECONOMIC SNAPSHOT – PERCENTAGE DISTRIBUTION OF GSVA

- The overall performance of the economy of the state during 2018-19 was encouraging.
- In 2018-19, the secondary sector contributed 61.56 per cent to the state's GSVA at current prices. It was followed by the tertiary sector at 26.82 per cent and primary sector at 11.62 per cent.
- At a CAGR of 18.15 per cent, the primary sector witnessed the fastest growth among the three sectors between 2011-12 and 2018-19. The growth has been driven by livestock, mining and quarrying, fishing and aquaculture and crops subsectors.
- The secondary sector grew at a CAGR of 12.37 per cent between 2011-12 and 2018-19. The tertiary sector grew at a CAGR of 11.54 per cent between 2011 and 2018-19.



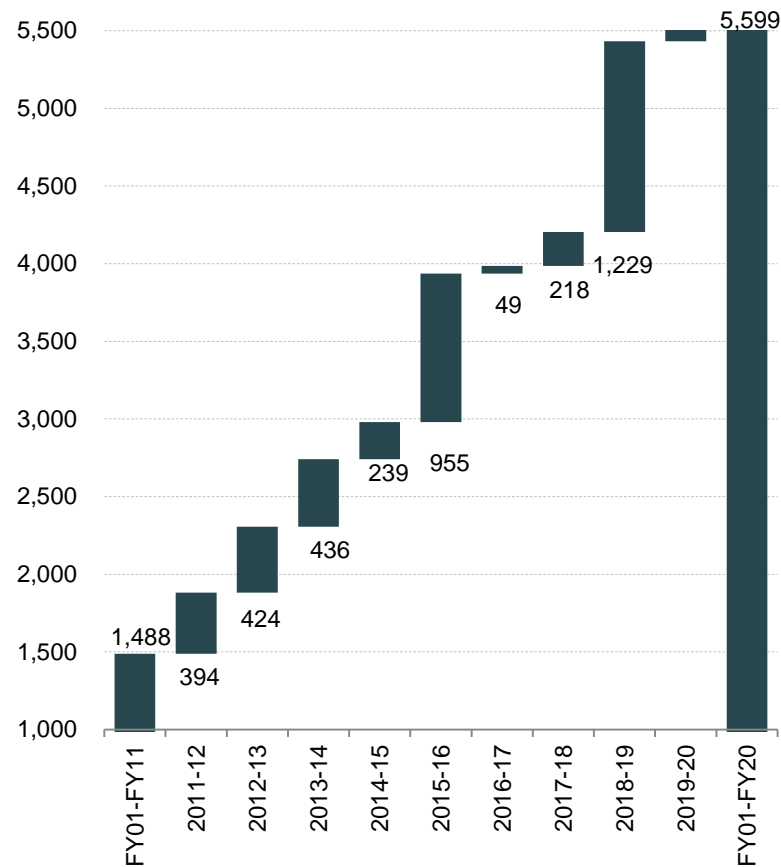
Note: GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 46, Updated data for GSDP may be available by September 2019 from MOSPI

Source: Ministry of Statistics and Programme Implementation

ECONOMIC SNAPSHOT – FDI INFLOWS & INVESTMENTS

- According to the Department of Industrial Policy & Promotion (DIPP), FDI inflows in Sikkim (Including West Bengal and Andaman & Nicobar Islands), totalled US\$ 5.59 billion between April 2000 and June 2019.
- Sikkim^ contributes around one per cent to the total FDI inflows of the country.
- Government of India has introduced North East Industrial Development Scheme 2017 under which all new industrial units located in eight north-eastern states in manufacturing and services sector of the state will be eligible for various incentives.

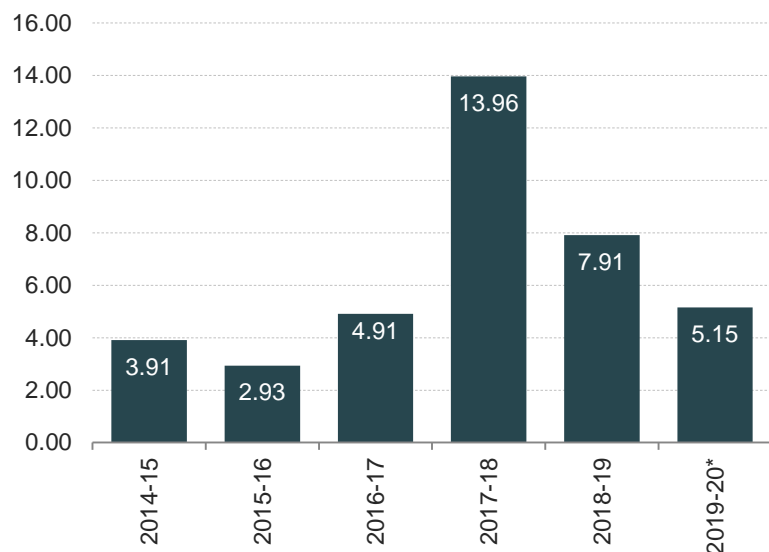
FDI inflows in Sikkim^
April 2000 – June 2019 (in US\$ million)



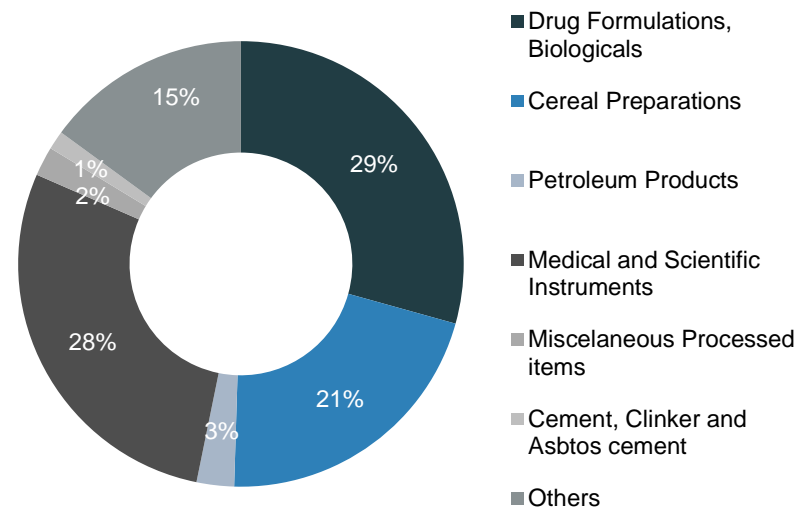
Note: ^Including West Bengal and Andaman & Nicobar Islands,

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

Merchandise Exports from Sikkim (US\$ million)



Principal Commodities Exported in 2019-20*



- Merchandise exports from Sikkim have increased from US\$ 3.91 million in 2014-15 to US\$ 7.91 million in 2018-19. During April-September 2019, the exports stood at US\$ 5.15 million from the state.
- Drug Formulations and Biologicals are the largest export items from the state, accounting for nearly 29 per cent of total exports in 2019-20*, followed by Medical and Scientific Instruments (28 per cent) and Cereal Preparations (21 per cent).

Note: *- till September 2019

Source: DGCIS Analytics

PHYSICAL INFRASTRUCTURE



- Sikkim had a total road network of 2,425.45 km. The state is connected to West Bengal & the rest of India through National Highway (NH)-31A. The Sikkim Nationalised Transport (SNT) operates 114 buses (covering 43 routes), 64 trucks & 33 tankers across the state. As per budget 2018-19, more than 2,977 km new roads have been constructed since 1994.
- Bus/truck terminus will be constructed at all district headquarters & other major stations. 600 km of major district roads to be made intermediate lane & efforts to black topped with permanent bridges.
- The state government proposed an allocation of Rs 278.59 crore (US\$ 43.23 million) for roads and bridges department during 2018-19.
- The state government has proposed a vision for the development of roads and bridges until 2020.

Road type	Length (km) (2018-19)
National highways (NH) (March 2019)	463
State highways	701.09
District roads	1,085.26
Other district roads	382.39

Fund Allocation and Expenditure

	CRF (US\$ million)		EI & ISC (US\$ million)	
	Allocation	Expenditure	Accrual	Expenditure
2014-15	0.77	0.24	NA	NA
2015-16	0.79	NA	NA	NA
2016-17	1.96	1.40	NA	NA
2017-18	1.88	1.25	0.98	1.09
2018-19	2.76	NA	1.11	NA

Note: NA – Data not available. data is expected to be updated from Sikkim Economic Survey 2018-19

Source: Public Works Roads and Bridges Department, Government of Sikkim, mhupa.gov.in, Ministry of Road Transport & Highways

- Indian Railway Construction Company approved the construction of rail connectivity between Sevoke in West Bengal to Rangpo in Sikkim.
- Total length of rail track between Savor and Rangoon will be 52.7 km. Rail connectivity between Rangpo-Siliguri is also under construction.
- As of May 2018, Indian Railways has planned several projects worth of Rs 40,000 crore (US\$ 6.21 billion) which will involve construction of rail links connecting capital cities of northeast states such as Manipur, Mizoram, Meghalaya, Sikkim and Nagaland.
- The Northeast Frontier Railway (NFR) zone with IRCON international Limited, has proposed to construct the 44.98 km long Sivok Rangpo railway line, that will enable travelling between Sivok in West Bengal to Rangpo in Sikkim in less than two hours.



Source: North-East Region Rail Infrastructure presentation; Ministry of Railways, Sikkim Times, June 2013, Assorted news articles

- In September 2018, Prime Minister of India inaugurated Pakyong airport in Sikkim, the state's first airport, which is expected to significantly boost the state's connectivity . In 2018-19, passenger and aircraft movements reached 18,963 and 328, respectively and in November 2019 it touched 3,749 and 60, respectively.
- The greenfield airport has been constructed by Airports Authority of India over 201 acres of area at an estimated cost of Rs 605 crore (US\$ 90.24 million). It is located around 30 km from the state's capital – Gangtok.
- Spicejet will be operating flights from the airport under Government of India's Ude Desh Ka Aam Nagrik (UDAN) regional connectivity scheme. Spicejet operated Sikkim's first commercial flight from Pakyong to Kolkata on October 04, 2018.
- The airport has a capacity to handle 50 in-bound and 50 out-bound passengers. It is expected to handle over 0.5 million passengers per annum (mppa).

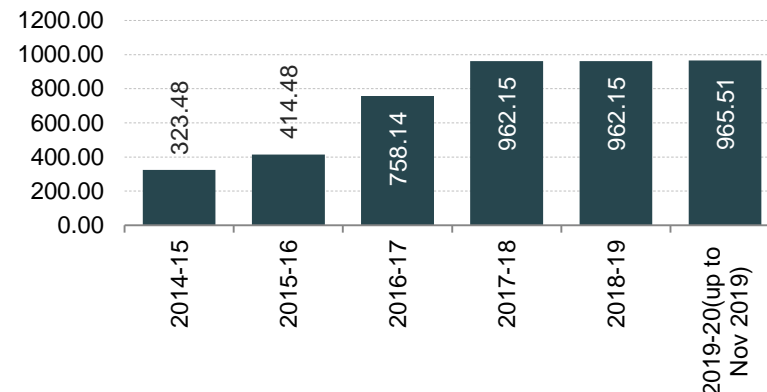
Note: NA – Not available.

Source: Public Works Roads and Bridges Department, Government of Sikkim, mhupa.gov.in, Ministry of Road Transport & Highways

- As of November 2019, Sikkim had a total installed power generation capacity of 965.51 MW, of which 154.33 MW was under central utilities, 399.07 MW was under private utilities & 412.11 MW was under state utilities. Of the overall installed power generation capacity in the state, thermal power contributed 90.33 MW, while hydropower and renewable power contributed 823 MW & 52.18 MW, respectively.
- Energy requirement for the state of Sikkim stood at 293 MU as of October 2019.
- Sarda Energy and Minerals Limited (SEML) plans to add hydroelectric capacity of over 125 MW over the upcoming 2-3 years in Sikkim and Chhattisgarh.

Note: MW – Megawatt, GWH – Gigawatt Hour, MU- Million Units
Source: Central Electricity Authority (CEA)

Installed power capacity (MW)



Hydro Electric Potential Development Status (in terms of Installed capacity (in MW)) (June 2019)

Total Identified capacity (above 25 MW)	4,248
Capacity under operation	2,169
Capacity under construction	1,133
Schemes allotted by the state for development	1188

- The state (includes West Bengal) recorded tele-density of 86.49 per cent in October 2019.
- Virtual Private Network (VPN) and 3G-services are available in the state.
- Forty-five common service centres have been constructed across the state. The centres provide an internet-based interface for implementing various government programmes and schemes.
- Vodafone launched its services in Lachung as the first private telecom operator in the region. With this expansion, it has now covered more than 91 per cent of population in Sikkim.
- Postal services are available through India Post and other private courier services.

Telecom Infrastructure^ (As of October 2019)

Wireless subscribers	57,111,244
Wireline	189,170
Internet subscribers (in million) (as of June 2019)	28.43

Source: Telecom Regulatory Authority of India

Major telecom operators in Sikkim

- Reliance Jio
- Bharat Sanchar Nigam Limited (BSNL)
- Bharti Airtel
- Vodafone Idea

Note: ^ includes West Bengal

Source: Telecom Regulatory Authority of India

- To extend financial support to the state government and to provide water supply facilities in towns having population less than 20,000, the centrally sponsored Accelerated Urban Water Supply Programme (AUWSP) was launched that has been merged with Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT).
- Under this, US\$ 8.7 million has been allocated for development of water supply systems and sewerage in Mangan, Namchi, Jorethang, Melli and Rangpo. The Sikkim Water Security & Public Health Engineering Department (WS & PHED) provides water supply to Gangtok, six major notified towns, 41 other urban towns and 92 notified rural marketing centres.
- As per state budget 2018-19, out of 736 Home stay sanctioned earlier, more than 90 per cent have been completed and made operational. All eligible habitation as per 2001 census in the state shall be connected by PMGSY roads by the year 2019.
- The total budget allocation for urban development and housing during 2018-19 is Rs 136.23 crore (US\$ 21.14 million).

Classification of AMRUT Cities in Sikkim (Funds allocated, committed and sanctioned by central) (US\$ million)

	Total Allocation	Committed	Sanctioned
Fund under AMRUT Program (<i>Status as of Feb 12, 2019</i>)	5.73	5.16	1.55
Total number of AMRUT cities		1	

Funds Sanctioned to Sikkim under Asian Development Bank assistance to improve urban services (US\$ million)

Year	Funds sanctioned (US\$ million)
2014-15	3.35
2015-16	2.10
2016-17	2.09
2017-18	1.18

Source: Ministry of Urban Development, Government of India

SOCIAL INFRASTRUCTURE



- The Sikkim Manipal University (SMU), a partnership between the Government of Sikkim and Manipal Education and Medical Group (MEMG), provides technical, healthcare and science education. It is rated as one of the top universities in the country.
- Sikkim is the first state to partner with United Nation Educational and Scientific Organization (UNESCO) MGIEP (Mahatma Gandhi Institution of Education for Peace and Sustainable Development) for implementation of Sustainable Development Goal (SDG) in Primary Text Books.
- To promote education, any student getting admitted on their own merit into the Indian Institute of Technology (IIT), Indian Institute of Management (IIM), Indian Institute of Foreign Trade (IIFT), Indian Institute of Science (Bangalore), Tata Institute of Fundamental Research (TIFR) and Indian Agriculture Research Institute (IARI) and Film and Television Institute of India (FTII) will be given a monthly stipend of Rs 12,000 (US\$ 167) for their entire period of their study.
- As of August, the Government of Sikkim based on evaluations will provide an annual award of Rs 3 lakh (US\$ 4,185) each to the five top quality achievers in Secondary and Senior Secondary level examinations on securing a National level rank within top 50.

Higher Education Statistics (2018-19)

Universities	7
Colleges	19
Gross Enrolment Ratio	53.9
Pupil teacher Ratio	27 *

Literacy rates (%)

Literacy rate	81.42
Male literacy	86.55
Female literacy	75.61

Source: NEDFI Databank, Budget 2017-18

- Sikkim has an impressive health infrastructure, one of the best in the country. The state has witnessed declining critical health indicators such as disease prevalence, mortality rates, morbidity, etc. over the past years.
- Health tourism is being promoted in the state to utilise its medical infrastructure and boost the economy. The state had 28 primary health centres, 198 sub-centres, two community health centres and five district hospitals, as of December 2019.
- The Department of Health and Family Welfare is instrumental and responsible for implementation of various national programs in the areas of health and family welfare as well as prevention and control of communicable diseases in the state.
- Sir Thutob Namgyal Memorial (STNM) Hospital has introduced latest technology for Laparoscopic Machine in surgery department. Now onwards patients will be able to undertake medical treatment of various cases like hernia, gallbladder stone and appendix with advanced techniques and innovative methodology.

Health infrastructure (as of December 2019)

Sub centres	198
Primary health centres	28
Community health centres	2
District hospitals	5
Sub district hospitals	1

Source: Ministry of Health & Family Welfare, NHRM

Health indicators (2016)

Birth rate (per thousand persons)	16.6
Death rate (per thousand persons)	4.7
Infant mortality rate (per thousand live births)	16

- According to Global Childhood Report 2019, Sikkim was the best state under Protective Contexts.

Source: Central Bureau of Health Intelligence, Government of India, Sample Registration System (SRS) Bulletin, NHRM

SOCIAL INFRASTRUCTURE – HEALTH ... (2/2)

- As per the Budget 2018-19, Drug Testing Laboratory is being constructed at Chuwatar at a cost of Rs 880 Lakh (US\$ 1.37 million).
- As per the new Budget, Tuberculosis hospitals at Gyalshing and Mangan and Blood Bank at Mangan will be completed in FY2018-19.
- Construction of new district hospitals at Mangan at a cost of Rs 20 crore (US\$ 3.10 million) has been initiated.
- Sikkim government is also setting up Sowa Rigpa at National Institute of Tibetology, Deorali at a cost of Rs 10.50 crore (US\$ 1.63 million).
- Government of Sikkim would provide free health care services with various improvements in infrastructure and improvised provision of complete health services. Moreover, government is coming up with 1,000 bedded multi-specialty hospital.

Source: Central Bureau of Health Intelligence, Government of India, State Budget 2016-17

INDUSTRIAL INFRASTRUCTURE



- Brewing, distilling, tanning and watchmaking are the main industries located in the southern regions of Sikkim.
- A small mining industry exists in the state, extracting minerals such as copper, dolomite, talc, graphite, quartzite, coal, zinc and lead.
- Sikkim has identified Rangpo-Gangtok, Melli-Jorethang, Jorethang-Rishi & Ranipool-Gangtok as industrial corridors with provision for giving land to investors on a lease basis.
- Sikkim is a leading north-eastern state in hydroelectric power development with 28 different projects identified under PPP mode.
- The units that are engaged in the manufacturing sector are mainly dealing with pharmaceuticals, chemicals, liquors, foam mattresses, food products, iron rods, etc.

Prime Minister's Employment Generation Programme (PMEGP) Schemes, fund allocation and utilisation in Sikkim

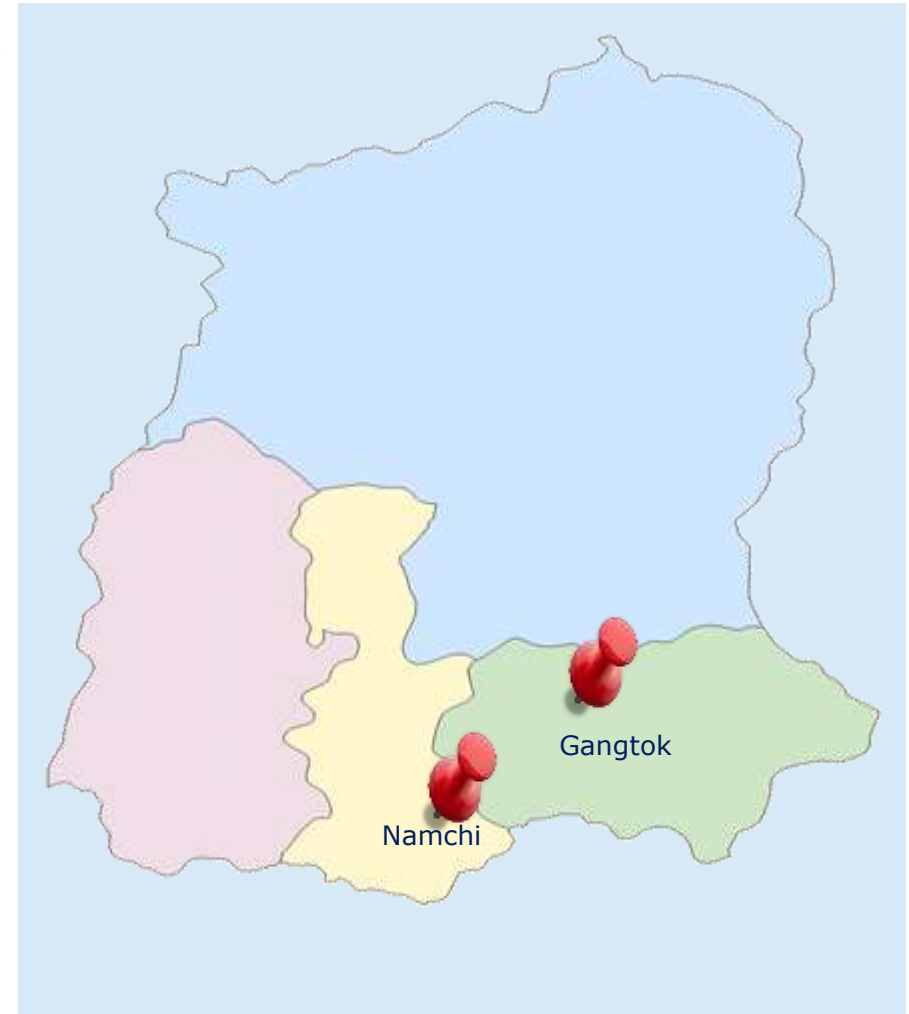
Year	Allocated (US\$ million)	Utilized (US\$ million)	Employment generated
2014-15	0.84	0.05	54
2015-16	0.35	0.29	397
2016-17	0.13	0.06	201
2017-18(As on Jan 2018)	0.31	0.04	168

- Sikkim has identified agro-based industries, horticulture & floriculture, minor forest-based industries, animal husbandry & dairy products, tourism-related industries, IT including knowledge-based industries, precision oriented high value-low volume products, hydro-power, tea, education and hospitality as thrust sectors.
- The Information Technology (IT) Department, Government of Sikkim is in the process of setting up a state-of-the-art IT Park and National Institute of Electronics and Information Technology (NIELIT) at Pakyong.

Smart cities in Sikkim

Cities	Population	Literacy Rate
Namchi	12,190	88.10%
Gangtok	100,286	89.33%

- The central government announced plans to develop Namchi and Gangtok as two of the 100 smart cities in India.
- From the state of Sikkim, Gangtok has been included under AMRUT (Atal Mission for Rejuvenation and Urban Transformation).



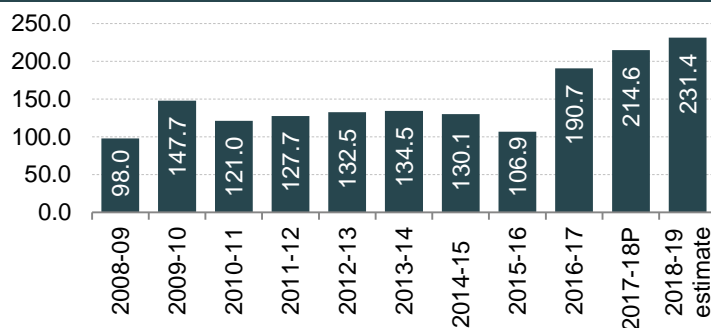
KEY SECTORS

- ❖ Agro & Food Processing and Horticulture
- ❖ Tourism
- ❖ Floriculture & Sericulture
- ❖ Pharmaceuticals

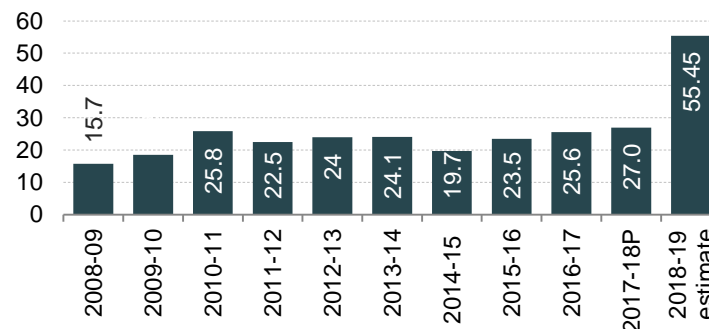


KEY SECTORS – AGRO & FOOD PROCESSING AND HORTICULTURE... (1/3)

Production of vegetables (in '000 MT)



Production of fruits (in '000 MT)



- Agriculture is vital to the progress of Sikkim as more than 64 per cent of the population depends on it for their livelihoods. The Sikkim AGRISNET is an internet-based agriculture information centre to promote scientific agricultural methods and convert research into practice in the agricultural sector.
- Sikkim has a suitable climate for agricultural and horticultural products. It supports multiple crops; viz., rice, wheat, maize, millet, barley, urad, pea, soya bean, mustard and large cardamom.
- The surveyed arable land in Sikkim is 109,000 ha, of which only 9.5 per cent is used; this provides a vast untapped potential for development.
- The state government is also laying emphasis on improving organic farming in the state. The state was certified as the first fully organic state in India, by the Central Ministry of Agriculture and Farmers' Welfare as well as other recognized agencies of the country. In August 2019, Sikkim was declared as world's first 100 per cent organic state by UN Food and Agriculture (FAO).
- There are large areas of fallow land available, having the potential to be converted into productive farms for cash crops. Egg production in the state stood at 63.28 lakh units in 2017-18. Meat production in the state was recorded at 4.40 thousand tonnes in 2017-18. Milk production in the state increased to 4.40 thousand tonnes in 2017-18.

Note: MT: Metric Tonnes, P – Provisional

Source: Indian Horticulture Database 2014-National Horticulture Board, Department of Agriculture Cooperation and Farmers Welfare

KEY SECTORS – AGRO & FOOD PROCESSING AND HORTICULTURE... (2/3)

- The primary sector contributed around 16.06 per cent to Sikkim's GSDP in 2017-18. Agriculture provides livelihood to more than 64 per cent of the people of Sikkim, either directly or indirectly. Sikkim is the top producer of large cardamom, contributing over 80 per cent to India's total production.
- The area under production for fruits and vegetables during 2018-19* was 19.54 hectares and 38.80 hectares respectively
- The state government is targeting to launch new agricultural schemes for making farming more profitable and allowing the youth to determine agriculture as a budding source of livelihood. Implementation of such schemes is expected to result in increase in the area utilization for the cultivation & production of various crops. The state government is also laying emphasis on improving organic farming in the state.
- As per budget 2018-19, allocation of Rs 484.52 crore (US\$ 67.42 million) is made for the development of the agriculture & allied services sector. Sikkim will become self sufficient in terms of food grains production within next 5 years.

Crop	Production – 2018-19* ('000 tones)
Fruits	55.45
Vegetables	231.39
Flowers	16.50
Spices	106.27

Sector	Allocation (2018-19) (US\$ million)
Crop husbandry	24.30
Soil & water conservation	2.40
Animal husbandry	9.22
Dairy development	0.12
Fisheries	0.93
Forestry & wild life	19.28
Plantations	1.36
Food, storage & warehousing	2.94
Cooperation	2.62
Other agricultural programmes	4.25

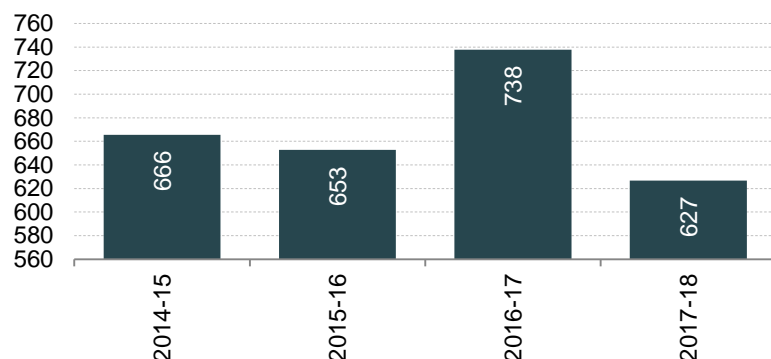
- Budget 2018-19 states that total vegetables requirement to feed the entire population of the state (Including tourist and floating population) is 95,000 metric tonnes per annum

Note: Exchange rate as per slide number 46, * - As per 3rd advanced estimate

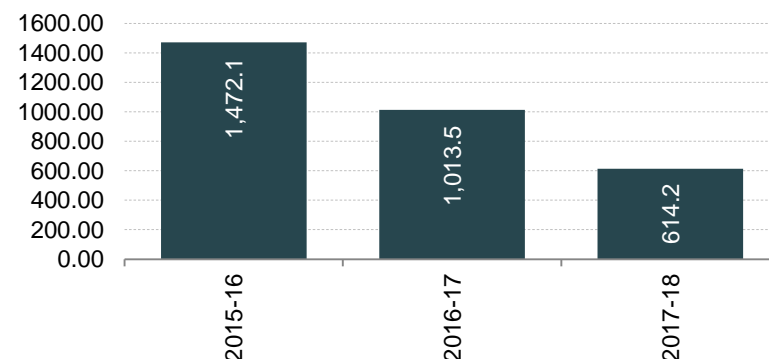
Source: ENVIS Centre: Sikkim Annual Report; Sikkim Agrisnet; Spices Board, State Budget 2018-19, Department of Agriculture Cooperation and farmers Welfare

KEY SECTORS – AGRO & FOOD PROCESSING AND HORTICULTURE... (3/3)

Allocation to Krishi Vigyan Kendras (in US\$ '000)



Allocation under PKVY scheme (in US\$ '000)

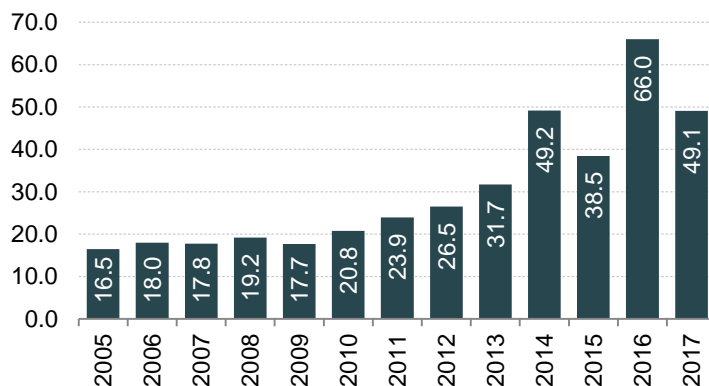


- In 2003, the state government took the decision to become a fully organic state through a declaration in the legislative assembly. In January 2016, Sikkim became the first fully organic state in India. Around 75,000 hectares of agricultural land in the state was gradually converted to certified organic land by implementing practices and principles as per guidelines laid down in National Programme for Organic Production.
- The Indian Council of Agricultural Research (ICAR) has established three Krishi Vigyan Kendras (KVKs) in Sikkim to impart training to farmers in various aspects of agriculture including organic farming
- Paramparagat Krishi Vikas Yojana (PKVY) is a sub-scheme under National Mission of Sustainable Agriculture (NMSA) through which assistance is provided for Organic Farming clusters. The state has around 150 clusters and the government plans to develop 200 more clusters in 2017-18.
- State Irrigation Plan (SIP) for the period of 5 years from 2017-18 to 2021-22 has been approved to surface minor irrigation and Repair, Restoration and Renovation (RRR) of existing water bodies to support Sikkim Organic Mission.

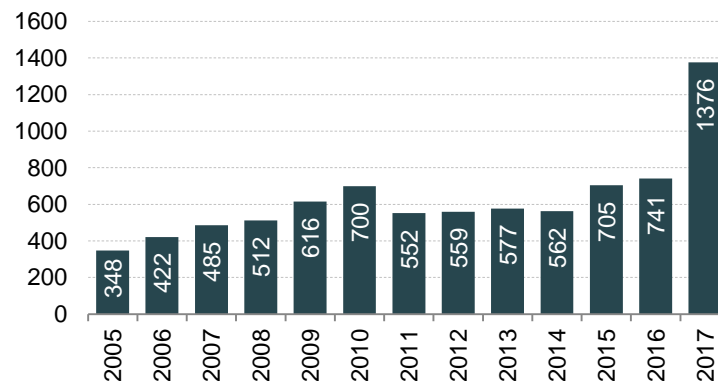
Source: Ministry of Agriculture and Family Welfare.

KEY SECTORS – TOURISM... (1/2)

Foreign tourists arrivals in Sikkim (in '000)



Domestic tourists arrival in Sikkim (in '000)



- An extraordinary increase in the number of tourists in the state has been witnessed over the past few years owing to the efforts that the state government is making for promoting tourism in the state.
- Sikkim is setting up a fossil park in Mamley (south Sikkim), where rare one billion-year-old Stromatolite fossils occur. GSI plans to set up a geological museum in Sikkim, displaying fossils, rock samples, etc., from various parts of India. This would attract palaeontology enthusiasts across the world.
- Tourist arrival (domestic and foreign tourist) in the state has increased from 99,000 in 1994 to more than 1.4 million in 2017.
- The newly constructed Pakyong airport is expected to provide a significant boost to tourism in the state.
- On January 30, 2019, Union Minister for Tourism inaugurated the first project under the Swadesh Darshan Project at the Zero Point, Gangtok, Sikkim. The project was developed in Rs 98.05 crore (US\$ 14.02 million).

Source: Ministry of Tourism- Government of India, Sikkim Tourism, Government of Sikkim

KEY SECTORS – TOURISM... (2/2)

- Tourism in Sikkim has emerged as the new profession of the Sikkimese people with its vast natural potential. Promotion of village tourism, homestay, cultural tourism, trekking tourism, ecotourism, wellness tourism, flori-tourism and adventure tourism has given fillip to the tourism trade in the state where a large of number of people are engaged under different employment opportunities.
- Sikkim has been featured and ranked 17th in the New York Times “52 best places to go in 2017”.
- The government is aiming at developing a number of tourist infrastructures in the state so as to provide the tourists with village tourism, nature tourism, culture tourism, etc.
- Sikkim has the perfect blend of natural wealth and topography, which ranges from tropical to temperate to alpine. The state is richly endowed with thick forests, flora and fauna, lakes, glaciers and mountain peaks, which makes it a tourist paradise.
- Creation of tourist complexes, ecotourism, adventure tourism, ethnic-culture tourism, health farms, hotels, convention centres, tourist travel services, etc., are various avenues for investment in the tourism sector.
- Cho-Lhamu lake situated in Sikkim is the highest lake in the country and sixth highest in the world. It is expected that recognition of this lake will boost tourism in the state.
- During 2018-19, an allocation of Rs 96.99 crore (US\$ 15.05 million) is made for the tourism and civil aviation departments.
- Ministry of Tourism, Government of India, awarded the capital city of Sikkim, Gangtok, with the title of 'Cleanest Tourist Destination' in the country.
- In August 2019, under first PPP initiative between the government and the tourism sector, Temi Tea Estate will be inaugurated as Eco Adventure Resort in September.

Source: Department of Tourism, Government of Sikkim, state budget 2018-19

KEY SECTORS – FLORICULTURE & SERICULTURE...

(1/2)

- Sikkim's geographical & environmental conditions are quite conducive for development of floriculture at a higher altitude. The state is also considered to be the Kingdom of flowers and is an innovator in cultivating Gladiolus.
- Sikkim is the natural home to more than 600 different types of orchids, over 100 primulas & rhododendrons. A number of cut flowers & bulbs are supplied by the farmers to areas in Delhi, Kolkata, Kalimpong, Uttaranchal & Bihar.
- The existing industry is at a nascent stage & has the potential to be developed & promoted towards an export-oriented business. The Sikkim government has announced a technical collaboration with floriculturists from the Netherlands & Thailand to develop the state's potential in floriculture & market cut flowers from the state globally.
- Sikkim's most important commercial flowers are Cymbidium Orchids, Gladiolus, Carnation, Gerbera, Asiatic, Oriental Lilies & Anthurium, among others, that can be grown for domestic & export markets.
- During 2018-19[^], production of cut flowers & loose flowers in the state is expected to reach 0.09 thousand metric tonnes and 16.50 thousand metric tonnes, respectively.
- During the year 2017-18 total funds allocated under National Horticulture Mission For North Eastern Himalayan States for the promotion of horticulture were Rs 35,330 crore (US\$ 5.45 billion) of which Sikkim has been allocated Rs 3,050 crore (US\$ 470.86 million).

Note: ^ - As per 3rd Advanced estimate

Source: Indian Horticulture Database 2014-National Horticulture Board

KEY SECTORS – FLORICULTURE & SERICULTURE...

(2/2)

- Mulberry, muga, eri, oak-tussar & silk are cultivated in Sikkim.
- The Sericulture Directorate is responsible for development of sericulture in Sikkim. The Directorate is maintaining three sericulture farms, one each in east, south & west district.
- Forest Department has two sericulture farms, one at Rorathang (east Sikkim) and the other at Mamring & Namthang (south district).
- The sericulture potentiality of Sikkim state has been explored jointly by the State Department & Central Silk Board, through launching a flagship programme titled Catalytic Development Programme.
- Over the years with consorted efforts from the both ends (state & central governments), considerable success have been achieved by the state sericulture industry in generating employment.

Raw silk production in Sikkim (million tonnes)

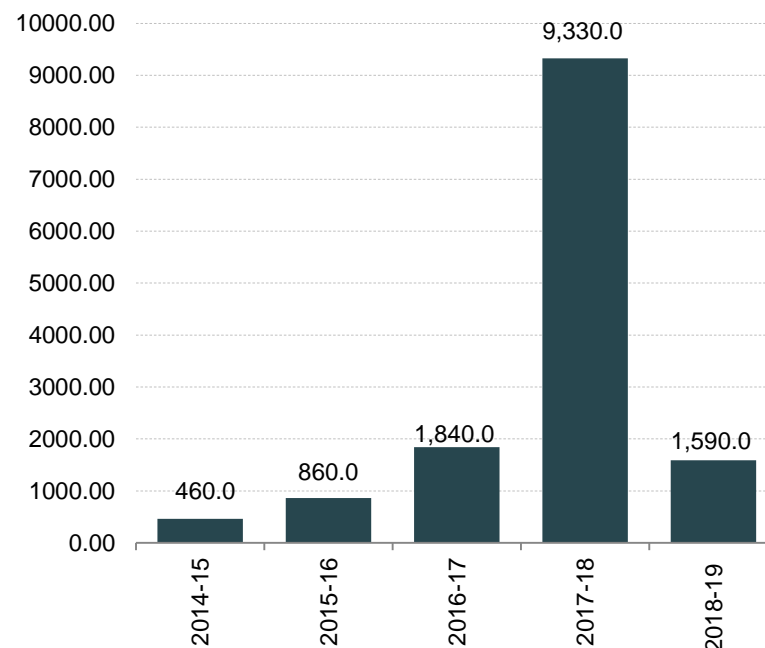
Year	Production
2013-14	0.20
2014-15	8
2015-16	6
2016-17	9
2017-18	0.001
2018-19	0.4

Source: Central Silk Board, Directorate of Sericulture, Sikkim

KEY SECTORS – PHARMACEUTICALS... (1/2)

- Pharmaceutical is an emerging industry in Sikkim due to tax incentives offered by the state government as well as low manufacturing and labour costs. Sikkim is home to 14 major pharma companies, which have significant investments in the state. These include Cipla, Sun Pharma, Zydus Cadila, Alembic, IPCA, Alkem Lab, Intas Pharma, Torrent Pharma & Unichem.
- The North-East Industrial Development Scheme, 2017 is highly beneficial for pharmaceutical investments in Sikkim. Some of the policy incentives provided under the scheme are:
 - New industrial units are provided Central Capital Investment Incentive for Access to Credit (CCIIAC) at 30 per cent of investment in plant and machinery with an upper limit of Rs 5 crore (US\$ 0.75 million).
 - Industrial units set up under the scheme are allowed to claim reimbursement of central share of income tax for the first five years of operations
 - New industrial units can claim reimbursement of Goods and Services Tax (GST) paid on finished products manufactured in the state up to the extent of Central GST and Integrated GST for a period of five years from date of commencement of production.

**Export of drug formulations, biologicals
(US\$ '000)**



- During 2017-18, drug formulation and biological exports from the state stood at US\$ 9.33 million. The exports stood at US\$ 1.59 million during 2018-19.

Source: Sikkim Human Development Report 2014, North-East industrial Development Scheme 2017, News articles, DGCIS Analytics

KEY SECTORS – PHARMACEUTICALS... (2/2)



Cipla

- Cipla is one of the world's largest generic pharmaceutical companies with presence in over 170 countries. It exports raw materials, intermediates, prescription drugs, over the counter (OTC) & veterinary products, among others.
- The Cipla has 2 plants locations in Rangpo and Rorathang in the state.



**Sun Pharmaceutical
industries limited**

- India-based Sun Pharmaceutical Industries Limited is a global pharmaceutical company headquartered in Mumbai, Maharashtra. It manufactures and sells pharmaceutical formulations and Active Pharmaceutical Ingredients (APIs) mainly in India and the US.
- The company offers formulations in therapeutic areas such as cardiology, psychiatry, neurology, gastroenterology and diabetology. There are 13,000 employees in the company.



Zydus Cadila

- India-based Cadila Healthcare is a pharmaceutical company headquartered in Ahmedabad, Gujarat. It is the 5th largest pharmaceutical company in India & is a significant manufacturer of generic drugs. The company has a workforce of 13,181 employees worldwide.
- Cadila Healthcare has global operations in four continents spread across the US, Europe, Japan, Brazil, South Africa & 25 other emerging markets.

KEY PROCEDURES & POLICIES



KEY APPROVALS REQUIRED

List of approvals and clearances required	Department
Incorporation of company	Registrar of Companies
Registration, Industrial Entrepreneurs Memorandum, industrial licences	
Permission for land use	Commerce and Industries Department
Allotment of land	
Site environmental approval	Sikkim Pollution Control Board
No-objection Certificate and consent under Water and Pollution Control Act	
Registration under States Sales Tax Act and Central and State Excise Act	Excise Department, Sales Tax Department, Commercial Taxes Division, Finance, Revenue & Expenditure Department
Commercial taxes	
Sanction of power	
Power feasibility	Energy and Power Department
Power connection	
Approval for construction activity and building plan	Building & Housing Department, Public Works Department
Water and sewerage clearance	
Water connection	Water Security & Public Health Engineering Department

CONTACT LIST

Agency	Contact information
Commerce and Industries Department	Government of Sikkim Gangtok-737101, Sikkim Phone: 91-3592-202 670 Website: sikkimindustries.gov.in E-mail: industriesdept@yahoo.co.in
Energy and Power Department	Energy & Power Department Gangtok, Sikkim Website: www.sikkimpower.org E-mail: pbsubba@sikkimpower.org
Sikkim Industrial Development & Investment Corporation Limited (SIDICO)	Bhanu Path, Gangtok-737103, Sikkim Phone: 91-3592-202287, 202637, 209622, Fax: 91-3592-202287 Website: www.sidico.org E-mail: mdsidico@rediffmail.com
Directorate of Handloom and Handicrafts	Director, D.H.H, Gangtok East Sikkim Phone: 91-3592-203 126/202 926

COST OF DOING BUSINESS IN SIKKIM

Cost parameter	Cost estimate	Source
Hotel costs	US\$ 30-150 per room per night	Industry sources
Office space rent (2,000 sq ft)	US\$ 500-2,500 per month	Industry sources
Residential space rent (2,000 sq ft)	US\$ 100-500 per month	Industry sources
Labour cost (minimum wages per day)	Unskilled: US\$ 1.8 Skilled: US\$ 2.8	Ministry of Labour and Employment, Government of India

Objectives

Sikkim Tourism Policy 2018

- To develop tourism as a key sector in Sikkim's economy.
- To promote low impact sustainable tourism for the state.
- To make Sikkim a prime round the year destination for nature, adventure and culture based tourism

[Read more](#)

Sikkim Ecotourism Policy 2011

- To establish Sikkim as an ultimate and unique ecotourism destination, offering memorable and high quality learning experiences to visitors to contribute to poverty alleviation and promote nature conservation.
- To promote ecotourism in a sustainable manner based on the Global Sustainable Tourism Criteria.

[Read more](#)

Sikkim Policy on Organic Farming 2010

- To make the state's farming more respectable, sustainable as well as remunerative.
- To extend the conserved traditional agricultural knowledge in the state.
- To minimize the use of agrochemicals as well as other hazardous materials in various agro-based plants.

[Read more](#)

North East Industrial Development Scheme 2017

- To promote industrialisation in the states in the North Eastern Region
- To improve productivity in government departments through computerisation.

[Read more](#)

IT Policy of Sikkim 2006

- To promote the Northeast as an attractive investment destination through several concessions and incentives.

[Read more](#)

ANNEXURE



ANNEXURE...(1/2) - SOURCES

Data	Sources
GSDP (state)	Directorate of Economics and Statistics of Sikkim
Per capita GSDP figures	Directorate of Economics and Statistics of Sikkim
GSDP (India)	Ministry of Statistics and Program Implementation
Installed power capacity (MW)	Central Electricity Authority, as of November 2019
Wireless subscribers (No)	Telecom Regulatory Authority of India, as of October 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
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 and Internal Trade
Operational PPP projects (No)	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
Q1 2018-19	67.04
Q2 2018-19	70.18
Q3 2018-19	72.15

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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