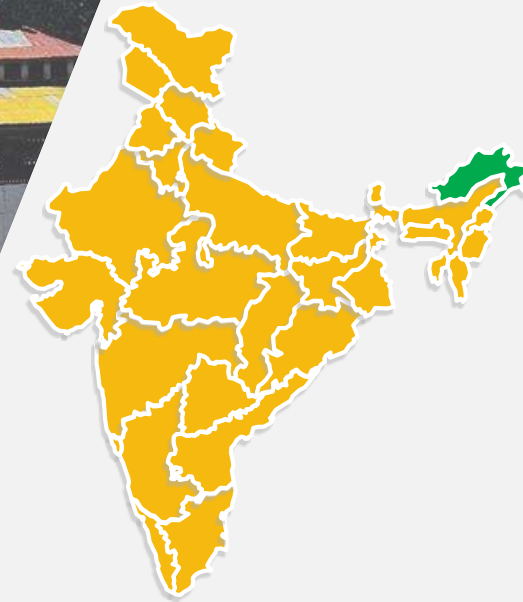
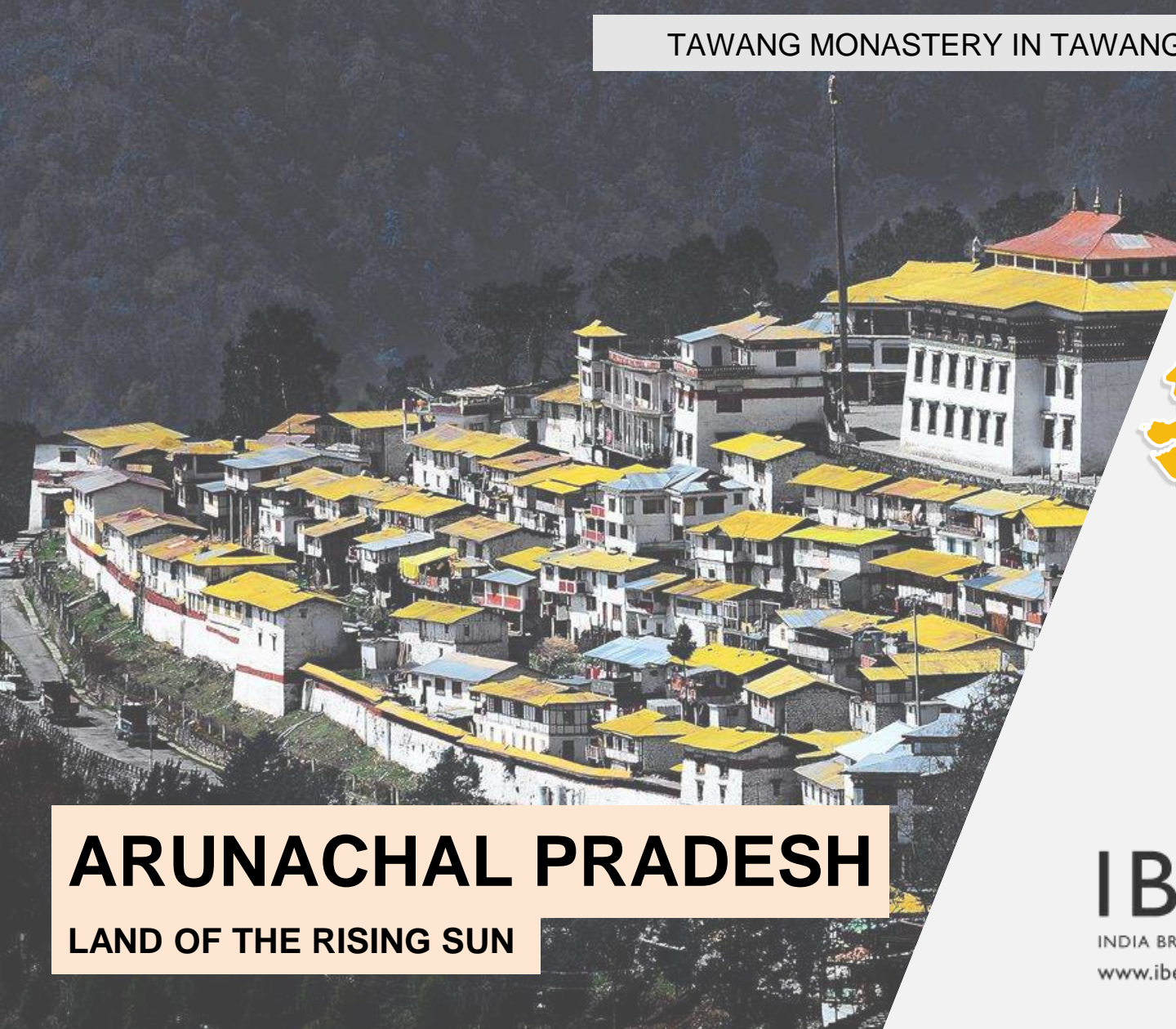


TAWANG MONASTERY IN TAWANG, ARUNACHAL PRADESH



# ARUNACHAL PRADESH

LAND OF THE RISING SUN

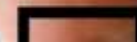
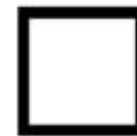
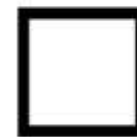


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December 2019

# Table of Content

- ▶ Executive Summary .....3
- ▶ Introduction .....4
- ▶ Economic Snapshot .....9
- ▶ Physical Infrastructure .....14
- ▶ Social Infrastructure .....20
- ▶ Industrial Infrastructure .....23
- ▶ Key Sectors .....26
- ▶ Key Procedures & Policies.....31
- ▶ Annexure.....38



## Largest state in Northeast

- Arunachal Pradesh, with an area of 83,743 sq km, is the largest state in the Northeast of India. Its diverse topography offers opportunities for non-timber based industries such as bamboo, cane and medicinal plants.

## Largest hydropower potential in India

- India's pent-up demand for electricity could be addressed by the state's potential 50,328 MW hydropower capacity. As of November 30, 2019, the installed hydropower capacity in the state stood at 116.55 MW.

## Carpet making

- The state's textile industry, including carpet making, enjoys a huge appeal. The state's carpets have received national and international fame for their creativity, design and quality.

## Growing Economy

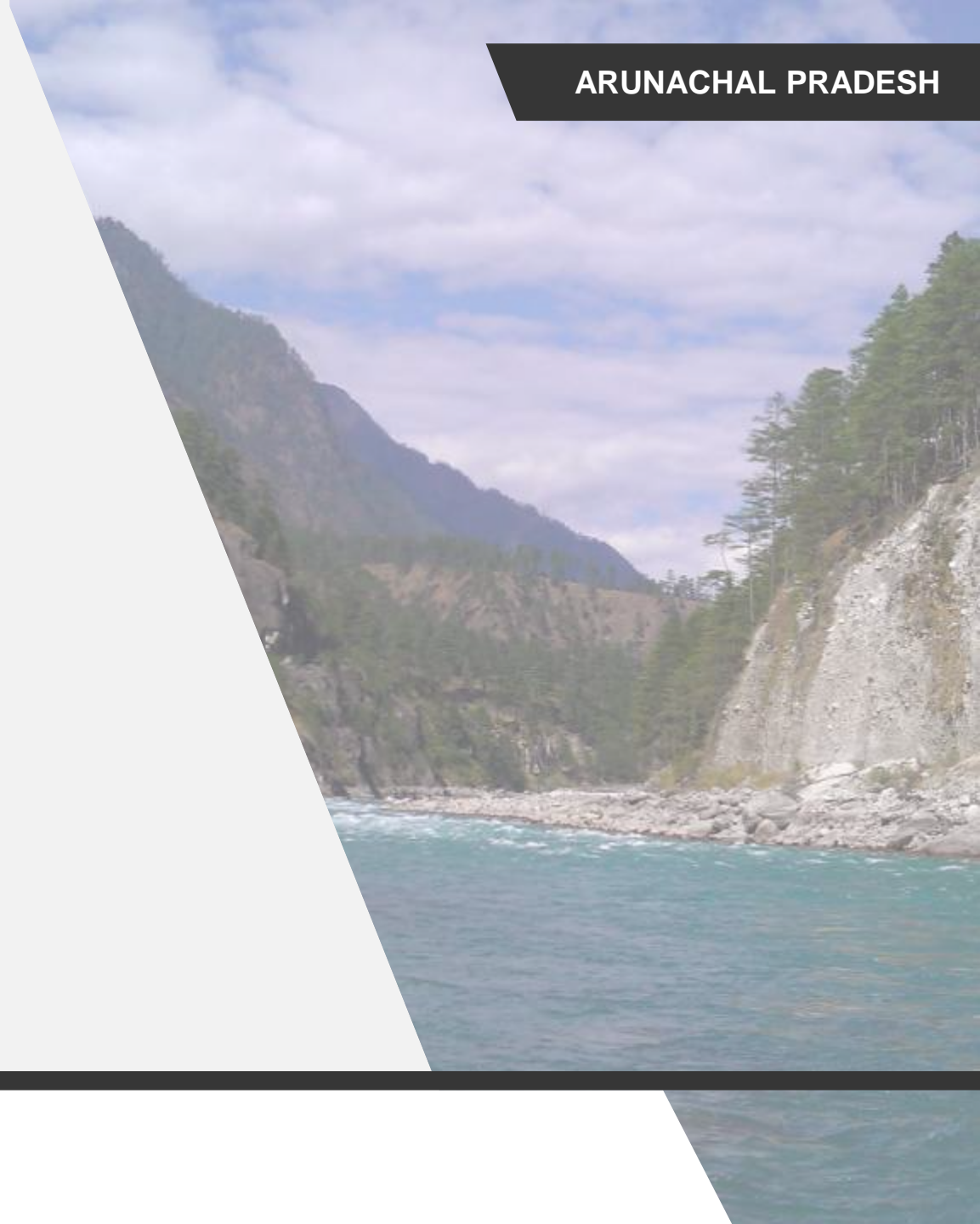
- The state's GSDP (in Rs) increased at a compound annual growth rate of 16.77 per cent between 2011-12 and 2018-19 to reach Rs 293.51 lakh crore (US\$ 4.19 billion), while the per capita GSDP increased at 11.79 per cent to Rs 154,229 (US\$ 2,393).

## Improving Logistics

- Total of eight railway lines have been sanctioned by the ministry of railways connecting various cities of the state which include Itakhola to Seijosa (18 km), Doomdooma-Namsai-Wakro (96 km), Dangri to Roing (60 km) Naharkatia to Deomali (20 km), Lekhapani-Nampong-New Khamlang-Deben (75 km) and Tinsukia to Pasighat via Kanubari (300 km).

Source: Central Electricity Authority, Arunachal Pradesh State Government, CSO

# INTRODUCTION



# ARUNACHAL PRADESH FACT FILE

- Located in the northeast of India, Arunachal Pradesh is the largest of the seven sister states. It shares borders with the neighbouring countries of Bhutan in the west, China (Tibet) in the north and northeast & Myanmar in the east and southeast. The Indian states of Assam and Nagaland border it in the south.
- The most commonly spoken languages are Assamese, Bengali & Hindi. English is the official language and primary medium of education in schools.
- Itanagar, Naharlagun, Tawang, Rupa, Bomdila, Bhalukpong, Seppa, Ziro and Daporijo are some of the major towns in the state.
- The land is mostly mountainous with the Himalayan ranges running north-south. The state is divided into five river valleys: Kameng, Subansiri, Siang, Lohit and Tirap.



| Parameters                             | Arunachal Pradesh |
|--|-------------------|
| Capital                                | Itanagar          |
| Geographical area (sq km)              | 83,743            |
| Administrative districts (No)          | 17                |
| Population density (persons per sq km) | 17                |
| Total population (million)             | 1.47              |
| Male population (million)              | 0.71              |
| Female population (million)            | 0.67              |
| Sex ratio (females per 1,000 males)    | 938               |
| Literacy rate (per cent)               | 65.38             |

Source: Government of Arunachal Pradesh, Ministry of Development of North Eastern Region, Census 2011

## High Economic Growth

- At current prices, the Gross State Domestic Product (GSDP) increased at a compound annual growth rate (CAGR) of 16.77 per cent between 2011-12 and 2018-19. The state has considerable mineral reserves that offer huge potential.
- Due to its topography, the state has varied agro-climatic conditions suitable for horticulture of flowers and aromatic and medicinal plants.

## Huge Hydropower Potential

- The hilly terrain and abundant rivers make the state a potential powerhouse of the northeast.
- The Department of Hydropower Development, Arunachal Pradesh, is wholly entrusted with the design, construction, operation and maintenance of hydropower projects in the state.

## Advantage Arunachal Pradesh

## Policy and Fiscal Incentives

- The state and central governments offer huge fiscal & policy incentives for the development of important sectors.
- In Facilitate & promote growth of the industry, employment & investment in the state has introduced State Industrial Policy 2008.

## International Trade Opportunities

- The state's location provides opportunities for international trade with South Asian countries such as Myanmar, Bhutan and China.
- Textiles and handicrafts from the state are in demand in neighbouring countries.
- In FY19, commodity exports from the state were valued at US\$ 2.23 million.

Source: Central Electricity Authority, Arunachal Pradesh State Government, CSO, DGCIS Analytics

# ARUNACHAL PRADESH IN FIGURES

## Arunachal Pradesh's Contribution to Indian Economy (2019-20)

| Parameter                                | Arunachal Pradesh | India |
|--|-------------------|-------|
| GSDP as a percentage of all states' GSDP | 0.15              | 100   |
| GSDP growth rate (%)                     | 9.95              | 9.80  |
| Per capita GSDP* (US\$)                  | 2,393             | 1,956 |

## Social Indicators

| Parameter                                | Arunachal Pradesh | India |
|--|-------------------|-------|
| Literacy rate (%)                        | 65.4              | 73.0  |
| Birth rate (per 1,000 population) (2016) | 18.9              | 20.4  |

## Investments (US\$ million)

| Parameter  | Arunachal Pradesh <sup>1</sup> | India   |
|--|--------------------------------|---------|
| Cumulative FDI equity inflows between April 2000 and June 2019 | 122                            | 436,471 |

## Physical Infrastructure in Arunachal Pradesh

| Chhattisgarh  | Arunachal Pradesh | India      |
|---|-------------------|------------|
| Installed power capacity (MW) (November 2019)           | 337.14            | 364,960.14 |
| Wireless subscribers <sup>1</sup> (mn) (September 2019) | 12.27             | 1173.74    |
| Internet subscribers <sup>1</sup> (mn) (June 2019)      | 7.07              | 665.31     |
| National highways (km) (as of March 2019)               | 2,537             | 1,32,499   |
| Airports (No) (July 2018)                               | 3                 | 129        |

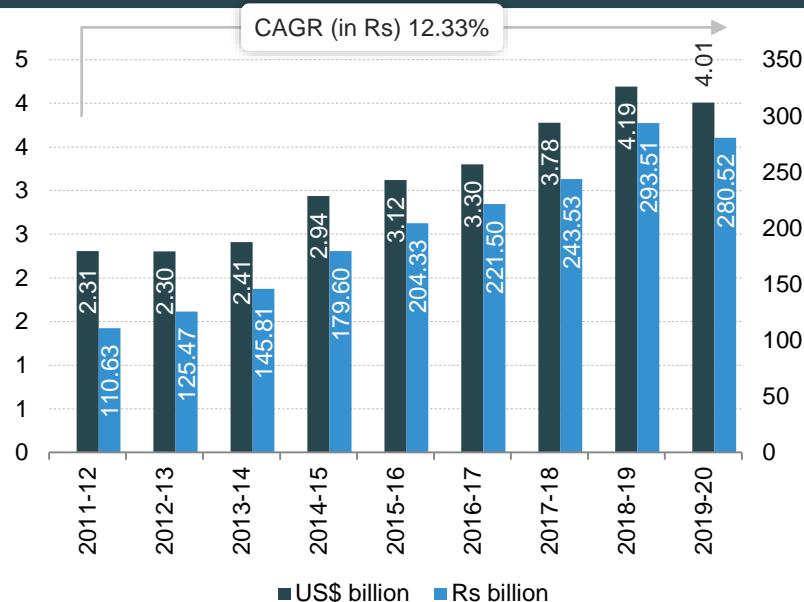
**Note:** GSDP, per capita GSDP figures are taken at current prices, <sup>1</sup>Combined figures for the Northeast states comprising Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura, Refer to annexure for sources

# ECONOMIC SNAPSHOT



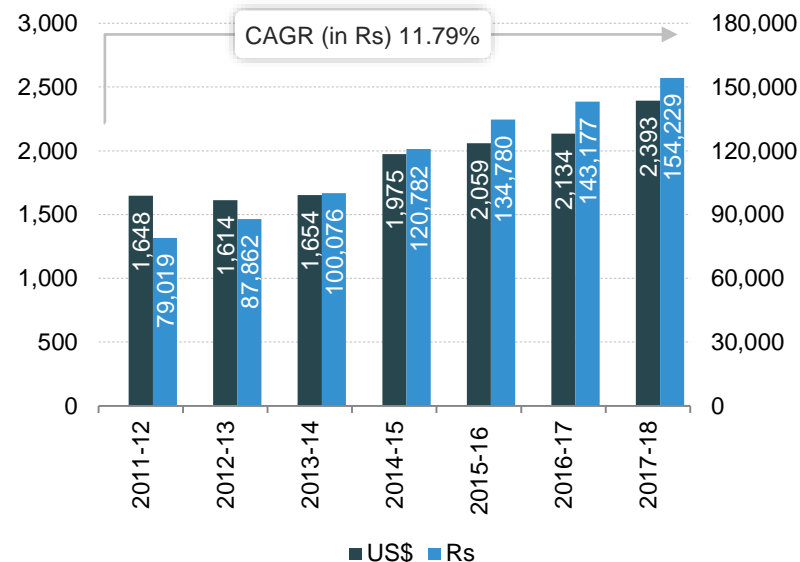


## GSDP of Arunachal Pradesh at Current Prices



- At current prices, the Gross State Domestic Product of Arunachal Pradesh reached Rs 293.51 lakh crore (US\$ 4.19 billion) in 2018-19 and Rs 280.52 lakh crore (US\$ 4.01 billion) in 2019-20.
- The state's GSDP (in Rs) increased at a compound annual growth rate of 12.33 per cent between 2011-12 and 2019-20.

## Per Capita GSDP of Arunachal Pradesh at Current Prices

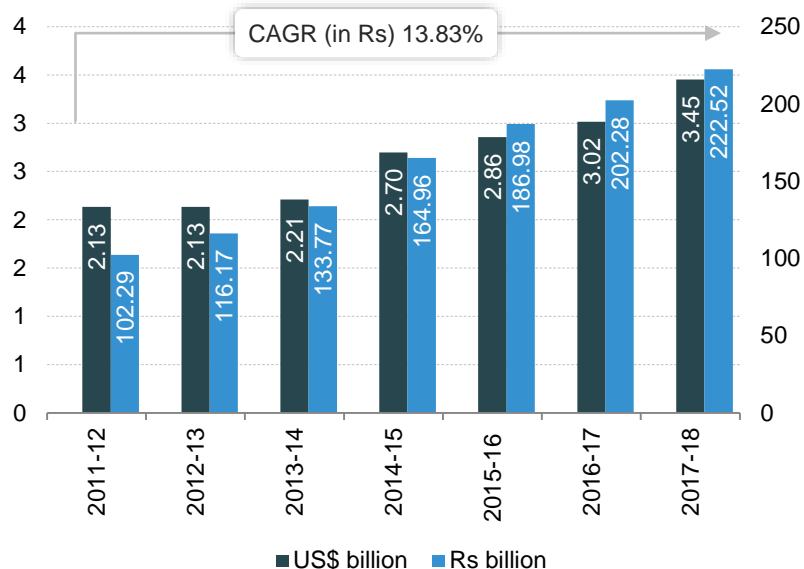


- The state's per capita GSDP in 2017-18 was Rs 154,229 (US\$ 2,393).
- The per capita GSDP (in Rs) increased a CAGR of 11.79 per cent between 2011-12 and 2017-18.

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

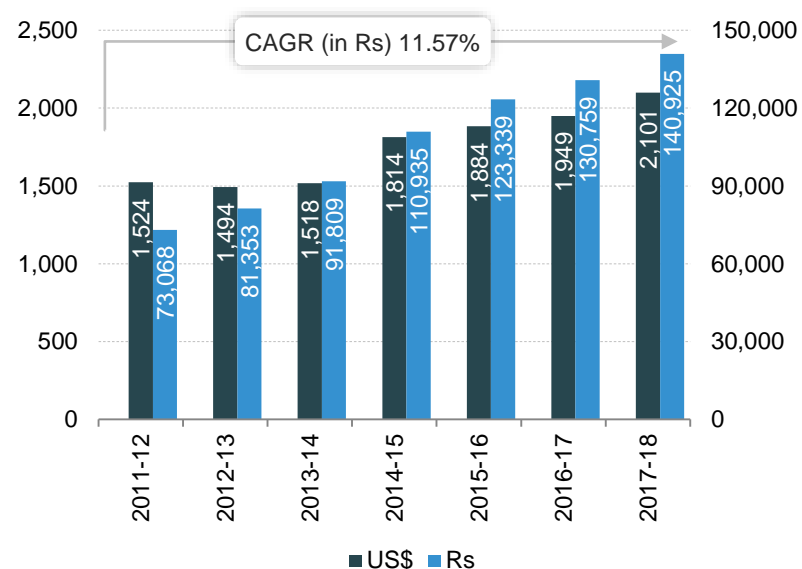
*Source: Ministry of Statistics and Program Implementation*

## NSDP of Arunachal Pradesh at Current Prices



- At current prices, the Net State Domestic Product of Arunachal Pradesh reached Rs 222.52 billion (US\$ 3.45 billion) in 2017-18.
- The state's NSDP (in Rs) increased at a compound annual growth rate of 13.83 per cent between 2011-12 and 2017-18.

## Per Capita NSDP of Arunachal Pradesh at Current Prices



- The state's per capita NSDP in 2017-18 was Rs 140,925 (US\$ 2,101).
- The per capita GSDP (in Rs) increased a CAGR of 11.57 per cent between 2011-12 and 2017-18.

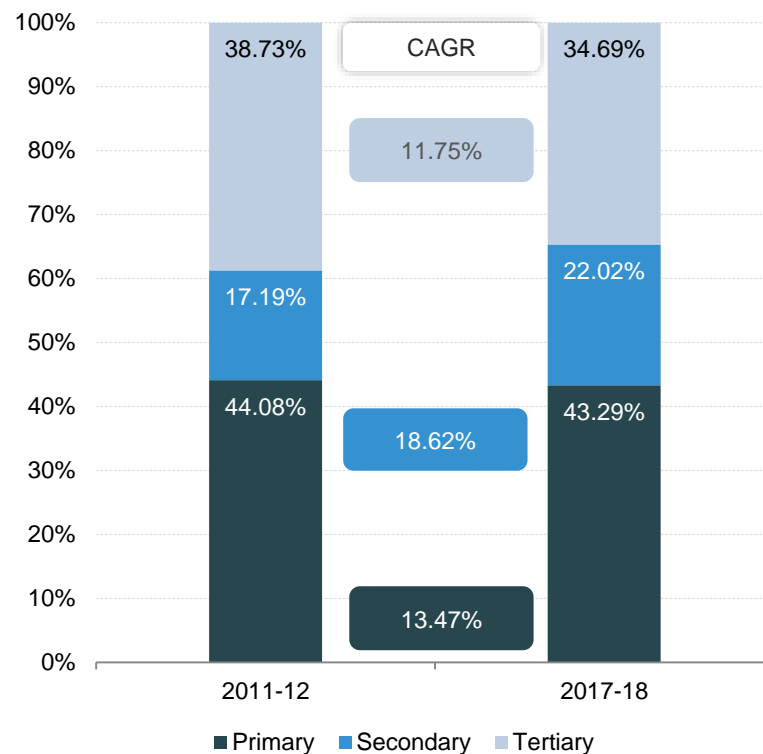
*Note: exchange rates used are averages of each year*

*Source: Ministry of Statistics and Program Implementation*

# ECONOMIC SNAPSHOT – PERCENTAGE DISTRIBUTION OF GSVA

- The primary sector was the biggest contributor to the Gross State Value Added in 2017-18 with a share of 43.29 per cent and grew at 13.47 per cent CAGR (in Rs) between 2011-12 and 2017-18.
- The secondary sector contributed the lowest (22.02 per cent) to the GSVA in 2017-18 however grew the fastest at a 18.62 per cent CAGR between 2011-12 and 2017-18.
- The tertiary sector contributed 34.69 per cent to the Gross State Value Added in 2017-18 and grew at 11.75 per cent CAGR between 2011-12 and 2017-18.

**GSVA Composition by Sector at Current Prices**

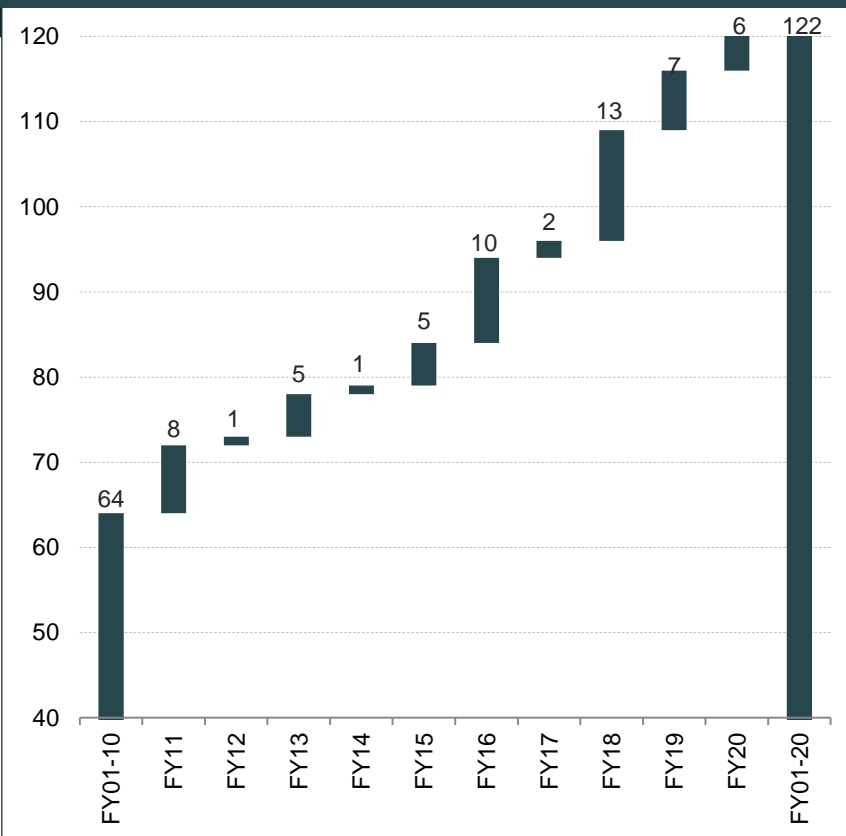


Source: Ministry of Statistics and Program Implementation

# ECONOMIC SNAPSHOT – INVESTMENTS AND FDI INFLOWS

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflows to the Northeast states<sup>1</sup> totalled to US\$ 122 million between April 2000 and June 2019.
- Northeast states contributed around 0.03 per cent share to the cumulative FDI inflows in India during April 2000 to March 2019.
- As of November 2018, the Government of Arunachal Pradesh signed memorandum of understandings (MoUs) of worth Rs 1,200 crore (US\$ 170.99 million) with 17 private companies into sectors like tourism and hospitality, oil and gas, retail, power, equipment manufacturing and sports during the 5th edition of North East Connectivity Scheme. It is expected to generate employment for about 8,000 people.

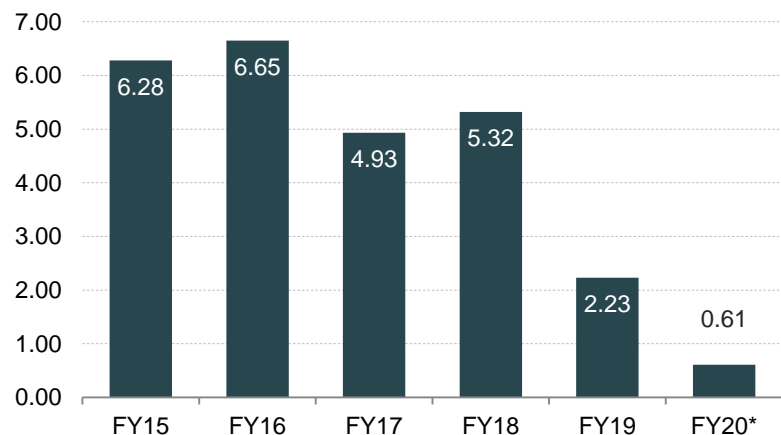
**FDI equity inflows in Arunachal Pradesh<sup>1</sup> (US\$ million) up to June 2019**



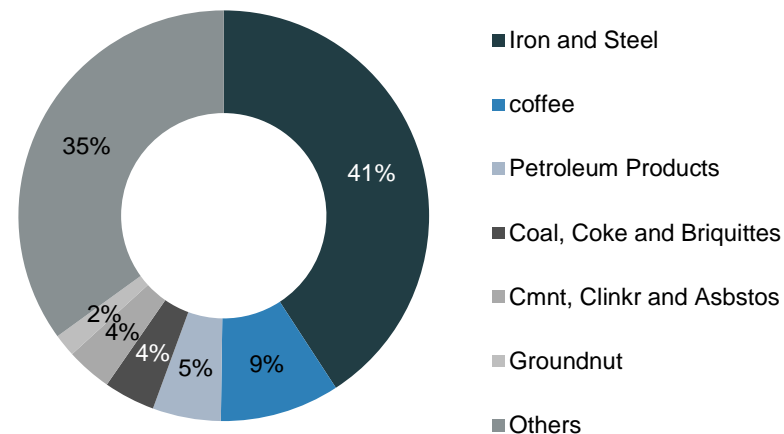
**Note:** <sup>1</sup>Including Assam, Arunachal Pradesh, Manipur, Mizoram, Nagaland and Tripura

**Source:** Department of Industrial Policy & Promotion

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



### Principal Commodities Exported in FY19



- Merchandise exports from the state reached US\$ 5.32 billion in FY18 and US\$ 2.23 million in FY19.
- Iron and Steel, coffee and Petroleum product were the most exported items from the state in FY19.

Note: \*- Till September 2019

Source: DGCIS Analytics, Media Sources

# PHYSICAL INFRASTRUCTURE



# PHYSICAL INFRASTRUCTURE – ROADS

- Arunachal Pradesh has about 12,169 km of major district roads. As of March 2019, the state had 2,537 km of national highways.
- In FY19, work on 603,007 km road length was completed and 1 habitations were connected under PMGSY.
- In December 2018, the foundation stone for national highway projects worth Rs 9,533 crore (US\$ 1.36 billion) was laid in Arunachal Pradesh. The projects include two laning of of Akajan - Likabali- Bame and the Joram - Koloriang road from 50km to 138km of National Highway (NH) 713.
- In December 2018, Arunachal Pradesh's Rural Works Department sanctioned a 65 km road project under the Pradhan Mantri Gramin Sadak Yojana (PMGSY) from Likabali to Kangku circle. It will connect more than 24 villages with about 4,000 people.



| Road infrastructure                       | Road length (km) |
|---|------------------|
| National highways (km) (as of March 2019) | 2,537            |
| Total                                     | 132449           |

| Implementation of PMGSY (During 2019-20) |         |
|--|---------|
| Habitations connected                    | 1       |
| Length completed (km)                    | 603,007 |

**Note:** PMGSY - Pradhan Mantri Gram Sadak Yojana

**Source:** NHAI, Arunachaltimes, PMGSY

# PHYSICAL INFRASTRUCTURE – AIRPORTS AND RAILWAYS

- Commercial flights in the state were started in the state in May 2018 from Pasighat airport. Tezu airport is also expected to become operational soon. A Greenfield airport in Hollongi was also announced in October 2018 to provide aviation services to state's capital Itanagar.
- On December 25, 2018, the Prime Minister of India inaugurated Bogibeel Bridge, the longest rail-cum-road bridge of 4.94 km in length, developed with an investment of Rs 59.2 billion (US\$ 843.55 million). This bridge has been built to create better access to upper Assam and eastern Arunachal Pradesh.
- Construction of Hollongi Airport, which was stuck for past 12 years, was approved by the Government of India with an allocation of Rs 30 crore (US\$ 4.1 million) for its infrastructure development.
- Ministry of Railways, government of India is planning to invest vastly in railway line projects, as out of eight projects three has been already finished.
- The Ministry of Railways is readying to build huge railway infrastructure in the state, beginning with surveying of 3 railway tracks linking Tawang. The projects are estimated to require investment of around US\$ 7.43 billion to US\$ 10.41 billion.

*Note:* ^Non-operational

*Source:* Airports Authority of India; Department of Civil Aviation, Government of Arunachal Pradesh, theshillongtimes



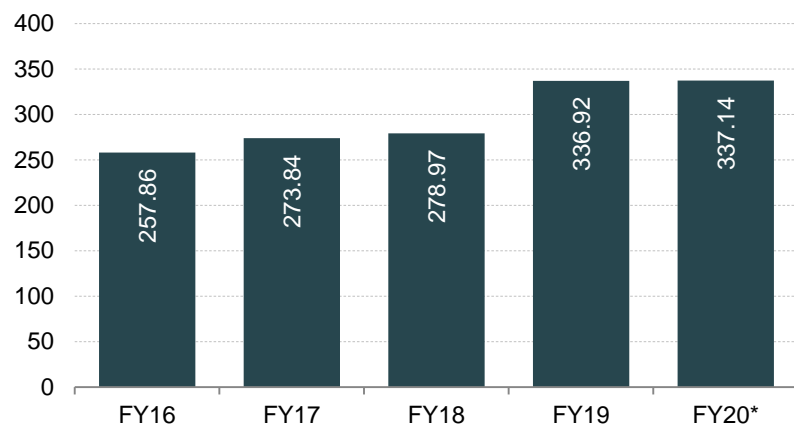
Domestic airport^



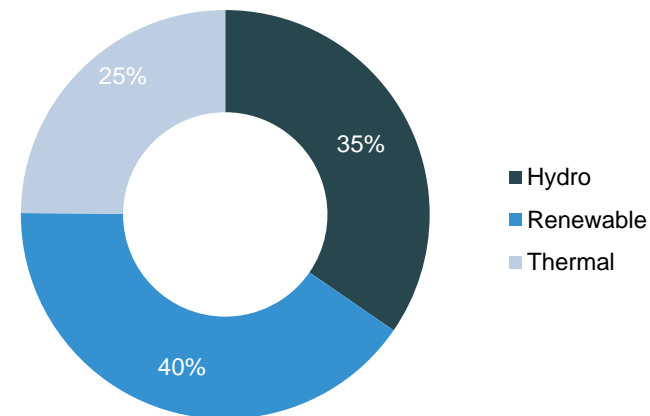
Inter-state helicopter service



### Installed Power Capacity (MW)



### Classification of installed power capacity\*



- On account of its hilly terrain and abundant rivers, Arunachal Pradesh is estimated to have hydropower potential of 50,328 MW (through mega projects). Key regions for tapping hydropower include Dibang, Tawang, Subansiri Upper, Subansiri Middle, Kameng and Lohit. The Government has invited domestic power companies in the region to develop hydropower plants.
- As of November 30, 2019, Arunachal Pradesh had a total installed power generation capacity of 337.14 MW, comprising 116.55 MW from hydro, 136.72 MW from renewable energy sources (RES) and 83.87 MW from thermal.
- As per the State Budget 2019, Hon'ble Prime Minister has allocated 110 MW Pare Hydroelectric Power Plant to the country also laid the foundation stone of 31 sub-stations under Comprehensive Scheme of Transmission & Distribution System.
- Ministry of Power had launched two new schemes, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) which electrified all the villages and Saubhagya will target to energise approximately 43,520 households in the state.

*Note: \*- as of November 2019*

*Source: Central Electricity Authority*

## Telecom Infrastructure (As of September 2019)

|  |       |
|--|-------|
| Wireless subscribers <sup>1</sup> (mn)             | 12.29 |
| Wireline subscribers <sup>1</sup> (mn)             | 0.10  |
| Internet subscribers <sup>1</sup> (mn) (June 2019) | 7.07  |
| Tele density <sup>1</sup> (%)                      | 85.72 |

## Performance of Bharat Net

|  |     |
|--|-----|
| GPs Connected in 2017-18 (up to January)       | 328 |
| Service Ready GPs (as of November 2019)        | 83  |
| GPs for which cable laid (as of December 2018) | 564 |

- According to the Telecom Regulatory Authority of India (TRAI), northeast<sup>1</sup> had 12.29 million wireless subscribers and 0.10 million wireline subscribers, as of September 2019.
- The number of internet subscribers in the northeast<sup>1</sup> states as of June 2019, stood at 7.07 million.
- The northeast<sup>1</sup> had total tele-density of 85.72 per cent as of September 2019.
- By the end of September 2019, 1.38 million subscribers had submitted requests for mobile number portability in the region<sup>1</sup>.
- As of September 2019, Reliance Jio had the largest wireless subscriber base in the region<sup>1</sup>.

**Note:** <sup>(1)</sup>Combined figures for Northeast states comprising Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura, GP – Gram Panchayat

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

- Under State Budget 2018-19, urban development was allocated Rs 552.89 crore (US\$ 85.80 million); construction of toilets in urban areas will be undertaken to declare the state as open defecation free.
- As of Jan 2019, Rs 118 crore (US\$ 16.32 million) has been released for smart city projects in Arunachal Pradesh.
- Under Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Rs 140.25 crore (US\$ 20.52 million) has been allocated to Mizoram up to January 2019.
- As per the State Budget 2019-20, Government allocated Rs 35 crore (US\$ 5 million) for the plan to procure trucks, JCBs, other sanitation equipment, acquire landfill sites etc. under the Urban Development sector also propose to allocate Rs 15 crore (US\$ 2.14 million) to Urban Development Department.
- In April 2017, the state government declared Nirjuli Village-1 in Papum Pare district as the first digital village of the state. In this digital village, cashless transactions are to be done through mobile, even in 'sabji mandis'.
- Itanagar and Pasighat have been selected under the smart cities mission of Government of India.

*Source: Department of Planning, Itanagar, Ministry of Housing and Urban Affairs - GOI*

## Atal Mission for Rejuvenation and Urban Transformation up to January 2019

| Allocation  | US\$ million |
|---|--------------|
| Total allocation for projects (including State share) | 20.52        |
| Committed Central Assistance                          | 18.46        |
| Sanctioned Central Assistance                         | 13.54        |

# SOCIAL INFRASTRUCTURE



- Arunachal Pradesh has become the first state in the country to launch a web-based educational program for all schools in collaboration with Google Inc. The system aims to bring the power of the web into the classroom & improve productivity by simplifying the teaching process.
- In November 2018, the Government of Arunachal Pradesh launched a chief minister fellowship scheme with the aim to create better leaders and make participants understand various functions of public administration. They will also be paid Rs 70,000 (US\$ 997.44) per month during the programme.
- Gross Enrolment Ratio for higher education in the state increased from 26.9 in 2010-11 to 29.7 in 2017-18.
- As per State Budget 2019-20, for development of infrastructure of government schools, government has allocated Rs 30 crore (US\$ 4.29 million).
- In 2018-19, Rs 100 crore (US\$ 15.45 million) is allocated for CM's Samast Shiksha Yojana under which district level societies will be created to improve quality of education in the state.

## Higher Education Infrastructure (2017-18)

|                                    |       |
|------------------------------------|-------|
| Universities                       | 9     |
| Colleges                           | 30    |
| Teachers                           | 1,113 |
| Pupil Teacher Ratio (Regular Mode) | 29    |

### Major higher educational institutes in Arunachal Pradesh

- North Eastern Regional Institute of Science and Technology, Nirjuli
- National Institute of Technology, Yupia
- Rajiv Gandhi University
- Jawaharlal Nehru College, Pasighat
- Industrial Training Institute (Roing, Daporijo and West Kameng district)
- College of Horticulture and Forestry

*Source: Directorate of Higher and Technical Education, Government of Arunachal Pradesh, State Budget 2018-19, AISHE 2017-18*

- To support its huge rural population, Arunachal Pradesh has a three-tier public healthcare infrastructure comprising sub-centres, primary health centres and community health centres. In addition, there are district hospitals in most districts.
- Government has introduced new health scheme Arogya Arunachal Yojana which will provide the medical coverage of Rs 5 lakh (US\$ 7,000) per family per year.
- Tomo Riba Institute of Health & Medical Sciences (TRIHMS) which is the first medical college in the state was made operationalised and college received its first batch of fifty MBBS students in 2018. In State Budget 2019-20, Rs 90 crore (US\$ 12.88 million) and Rs 40 crore (US\$ 5.72 million) is proposed to provide as Grants-in-Aid for smooth running of the Hospital and Medical College.
- Under State Budget 2019-20, Rs 30 crore (US\$ 4.29 million) has been allocated for Mukhya Mantri Rogi Kalyan Kosh.

## Health Infrastructure in Arunachal Pradesh (December 2019)

|                          |     |
|--------------------------|-----|
| Sub-centres              | 617 |
| Primary health centres   | 167 |
| Community health centres | 80  |
| District Hospitals       | 23  |
| Total                    | 887 |

## Health indicators of Arunachal Pradesh (SRS Bulletin September 2017)

|  |      |
|--|------|
| Birth rate (per thousand persons)                | 18.9 |
| Death rate (per thousand persons)                | 6.2  |
| Infant mortality rate (per thousand live births) | 36   |

Source: Government of Arunachal Pradesh <sup>1</sup> Per thousand persons, Ministry of Health & Family Welfare, State Budget 2018-19

# INDUSTRIAL INFRASTRUCTURE



- Arunachal Pradesh has 12 industrial estates located in different districts and spread over a total area of 51.9 hectare. These industrial estates have been developed in land-areas ranging from 4,540 to 202,342.8 square metres, with the primary objective of growth and development of small scale industries.
- Moreover, in order to attract more investments the government is providing financial assistance and monitoring to food processing units under scheme for Technology Up gradation / Establishment / Modernization, given the companies satisfy the some eligibility criteria.
- Announcements under State Budget 2019-20:
  - Industrial Policy 2018 to be launched to provide incentives for new investments
  - Arunachal Pradesh Industrial Policy 2019, focusing on Micro, Small and Medium Enterprises which will provide financial, technical and training support to the youths who wish to open enterprises and for this policy government has allocated Rs 10 crore (US\$ 1.43 million).
  - A mega food park will be established by Government of India in Banderdewa

## Notified industrial estates

| Location       | District    | Area (sq m) |
|----------------|-------------|-------------|
| Deomali        | Tirap       | 18,360      |
| Khonsa         | Tirap       | 4,540       |
| Pasighat       | East Siang  | 80,080      |
| Tawang         | Tawang      | 28,665      |
| Tippi          | West Kameng | 27,961.32   |
| Wanghoo        | West Kameng | 60,705      |
| Naharlagun     | Papumpare   | 32,376      |
| Chandranagar   | Papumpare   | 16,188      |
| Namsai         | Lohit       | 16,188      |
| Changlang Town | Changlang   | 11,372      |
| Khachang       | Changlang   | 20,025      |
| Bam            | West Siang  | 202,325     |

Source: Department of Industries, Government of Arunachal Pradesh



- The state government has set up District Industries Centres (DICs) across districts. These DICs play a vital role in industrial development by providing services to entrepreneurs that include identification of suitable schemes; preparation of project reports; arrangement for providing required plant, machinery and raw-materials; assistance in availing incentives and facilities provided by both central and state governments; and liaison with all development departments and financial institutions to provide assistance to prospective entrepreneurs. In addition, as of April 2015, there were 6 industrial training institutes (ITIs) in Arunachal Pradesh. Out of these, five are run by the Government and one ITI is privately controlled.
  
- Based on the availability of resources, the state has identified thrust areas for industrial development:
  - Industries based on agricultural, horticultural and plantation produce.
  - Industries based on non-timber forest produce such as bamboo, cane (rattan), medicinal plants/herbs, aromatic grass, tea and coffee.
  - Industries based on locally available raw-materials, except timber.
  - Textiles (handlooms and power-looms), handicrafts and sericulture.
  - Electronics and IT-based enterprises.
  - Mineral-based industries (such as ferro-alloys, cement, etc.).
  - Facilitation and development of industrial infrastructure, including power and communications, under public private partnership.
  - Food processing industries and engineering and allied industries (rolling mill, steel mill, etc.); and tourism

# KEY SECTORS

- ❖ Agriculture and Forest Based Industries
- ❖ Tourism
- ❖ Textiles and Handicrafts
- ❖ Mineral Based Industries



# KEY SECTOR – AGRICULTURE AND FOREST-BASED INDUSTRIES

- Agriculture is the mainstay of the economy of Arunachal Pradesh. It is mainly depended on 'jhum' cultivation. The state's agriculture and allied sectors have growth rates that are three times the national average. The state is largest producer of kiwis in India and the second largest producer of large cardamom.
- In 2018-19\* total horticulture production reached 213.87 thousand metric tonnes. In April 2017, the Arunachal Pradesh government launched the 'State Organic Mission' to make the state an organic farming hub.
- Major agro and forest-based industries in the state are related to tea, fruit, non-timber and plywood industries. Around two-thirds of the state's population is dependent on climate sensitive natural resources such as agriculture, forest, biodiversity and water availability. Non-timber based industries include bamboo, cane, rubber and medicinal plants.
- The industry is characterised by many regional players; several units have been set up by the Arunachal Pradesh Forest Corporation (APFC), a government organisation.

| Crop                  | Annual production – 2018-19 *<br>( '000 metric tonnes) |
|-----------------------|--|
| Fruits                | 125.84   |
| Vegetables            | 17.39  |
| Plantation            | 0.21   |
| Aromatics & medicinal | 0.16   |
| Spices                | 69.03  |

## Food Processing Clusters in Arunachal Pradesh

| Category                     | Districts   |
|------------------------------|---|
| Cereals Processing           | Tawang, Upper Subansiri                                 |
| Ginger Products & processing | Upper Siang, Papumpare, Lower Dibang Valley             |
| Fish & Fisheries Products    | Papumpare, West Siang, Changlang, Lower Subansiri, Ziro |
| Sugarcane Products           | Upper Siang, Papumpare, Upper Subansiri                 |
| Vegetables Processing        | Papumpare, West Kameng, Changlang                       |
| Rice Mills                   | West Kameng, East Kameng, Tawang, Siang, Namsai, Lohit  |
| Fruits Processing            | West Kameng, Papumpare                                  |

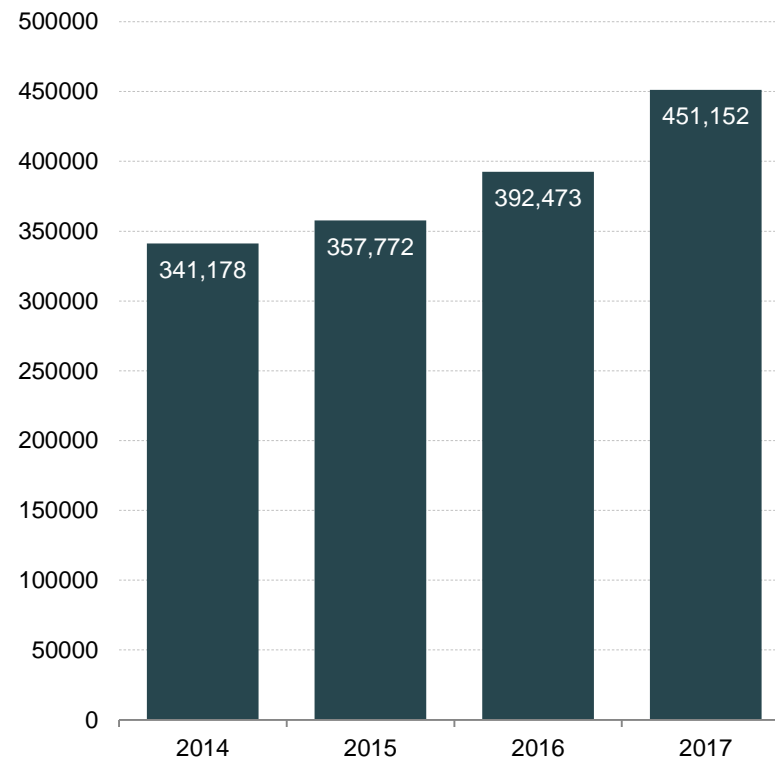
*Note: \*as per 3 rd. advance estimates*

*Source: Arunachal Pradesh State Portal, Arunachal Pradesh Review, Ministry of Food Processing Industries, Ministry of Agriculture*

# KEY SECTOR – TOURISM

- Tourism has grown rapidly in the recent years with eco and adventure tourism, cultural tourism and religious tourism being the major areas of interest. Major sports of interest to travellers include angling, boating, rafting, trekking and hiking.
- Arunachal Pradesh is an “Orchid Paradise”, accounting for 601 species of orchids, or 52 per cent of the species known in India. Various orchid centres are situated in Itanagar, Tipi, Sessa, Dirang, Jengging, Roing, which have a good germ-plasm collection of nearly 400 species of orchids as well as hybrids. An orchid research centre has been established at Tipi to promote orchid conservation, research and development.
- Tourist arrivals in the state reached 451,152 in 2017 with 444,005 domestic visitors and 7,147 foreign visitors.

**Tourists Arrivals in Arunachal Pradesh**



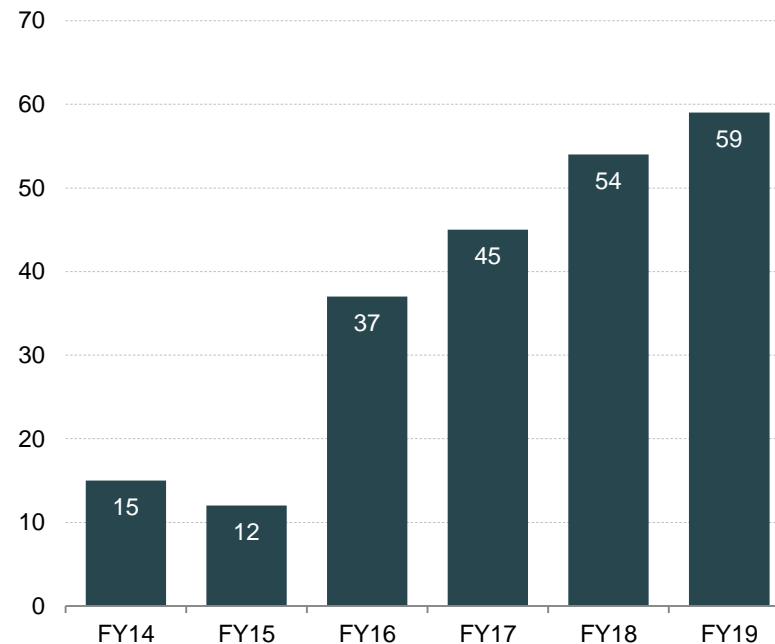
*Note: Update is expected to be released around October/November 2019 in India Tourism Statistics 2019 from Ministry of Tourism.*

*Source: Ministry of Tourism, Government of India*

# KEY SECTOR – TEXTILES AND HANDICRAFTS

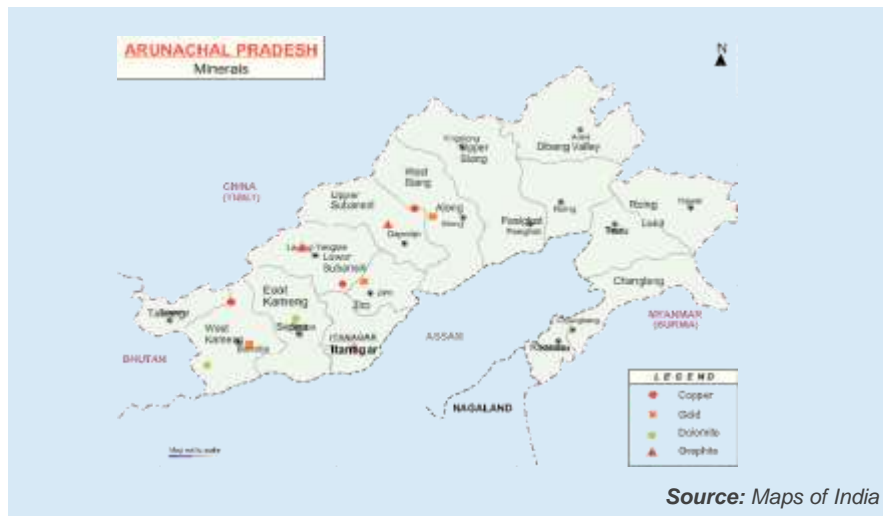
- Textile is a grass-roots industry in Arunachal Pradesh and provides employment, mainly to women. Most of the units are home-based and have a small scale of operations.
- The state boasts of an enriching array of unique and appealing handloom designs from each of its tribes. The products include skirts (gale), shirts (galuk), cotton shawls, side bags, and curtain cloth.
- Carpet making is one of the important occupations in the districts of Tawang, West Kameng, Changlang and Upper Siang. The state's carpets have received national and international repute due to their quality. The carpet weaving industry is promoted through the Government craft centre.
- Under the 'North East Region Textile Promotion Scheme', 38 sericulture projects are being implemented in for holistic development of sericulture in the state. The projects have been approved for implementation from FY19-20 with a cost of Rs 1106.97 crore (US\$ 127.4 million). Raw silk production in the state reached 54 metric tonnes (MT) in 2017-18 and 59 MT in FY19.

Raw Silk Production (MT)



Source: Department of Textile & Handicraft(s), z, Ministry of Textiles – Government of India

- Arunachal Pradesh has considerable mineral reserves & preliminary studies have highlighted economic mineral deposits in considerable quantity.
- The state has reserves/resources of coal in Namchik Namphuk Coalfields; dolomite in West Kameng district; fuller's earth in Tirap district; graphite in Lohit, Upper Siang and Upper Subansiri districts; and limestone in Dibang Valley, Lohit, Upper Siang and Upper Subansiri districts.
- Arunachal State Mineral Policy, 2014 has been prepared on the basis of the objectives of the National Mineral Policy, 2008. Creation of Arunachal Mineral Development Fund shall be in accordance with this policy for its utilisation towards mineral exploration and development of mining activities in the state.
- During Apr 2018 to Feb 2019, the total production of crude petroleum in the state stood at 38 thousand tonnes. The state also produced 4 mcm of natural gas, during the same period.

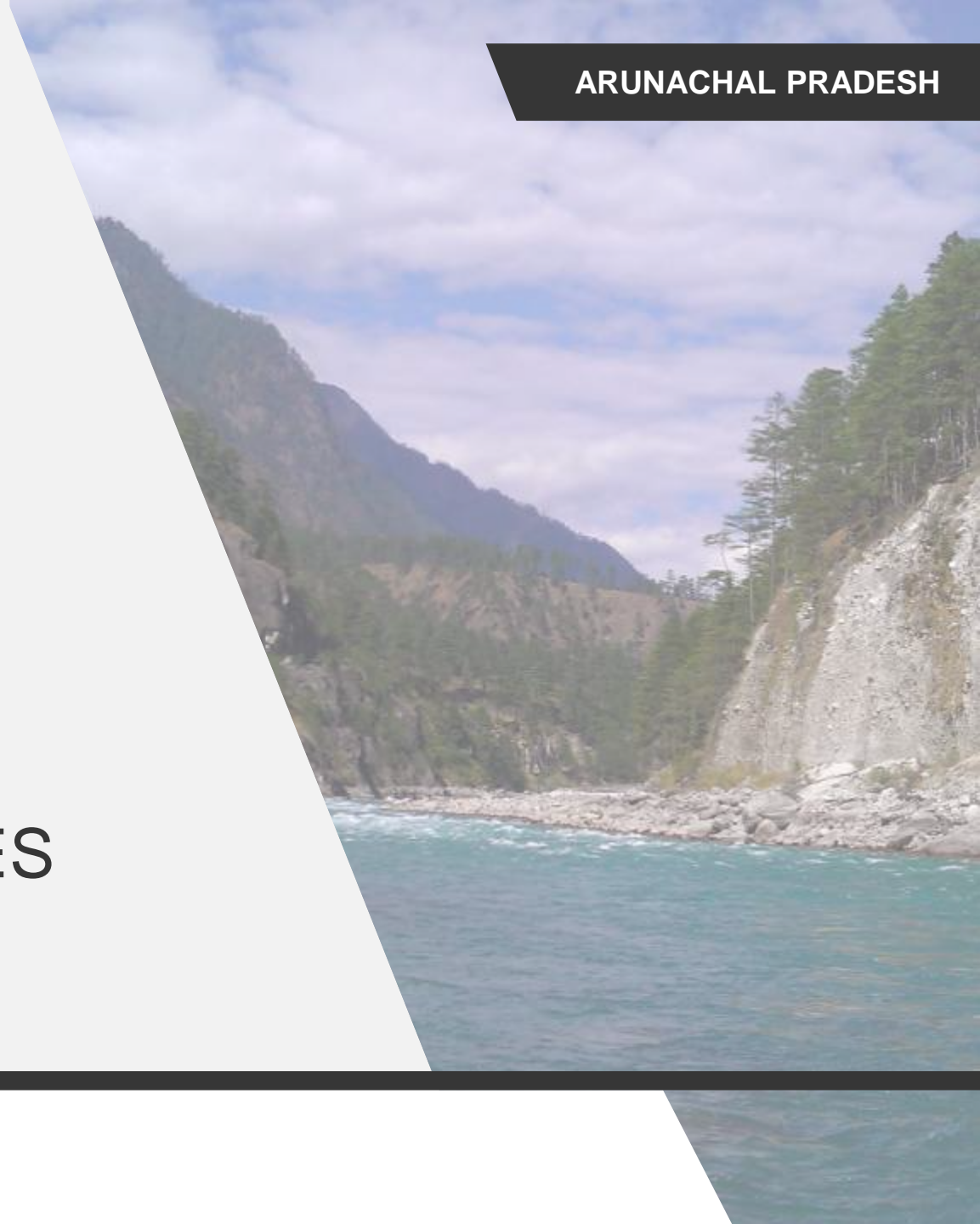


## Reserves/resources of minerals in Arunachal Pradesh

| Ore/mineral       | Reserves (million tonnes) |
|-------------------|---------------------------|
| Coal (April 2018) | 90.23                     |
| Dolomite          | 78.3                      |
| Limestone         | 482.79                    |
| Graphite          | 72.75                     |
| Fuller's earth    | 20.01                     |
| Quartzite         | 5.27                      |

Note: MCM – Million Cubic Metres  
Source: Indian Bureau of Mines

# KEY PROCEDURES AND POLICIES



# KEY APPROVALS REQUIRED

| S No | List of approvals and clearances required                                    | Concerned department of state  |
|------|--|--|
| 1    | Incorporation of company/partnership firm/co-operatives                      | Registrar of Companies   |
| 2    | Registration, Industrial Entrepreneurs Memorandum (IEM), industrial licenses | Department of Industries   |
| 3    | Permission for land use  |  |
| 4    | Allotment of land  | Arunachal Pradesh Industrial Development and Financial Corporation Limited/ Department of Industries               |
| 5    | Site environmental approvals   | Ministry of Environment and Forests, Government of India; Arunachal Pradesh State Pollution Control Board (APSPCB) |
| 6    | No-objection certificate and consent under Water and Pollution Control Act   |  |
| 7    | Registration under State's Sales Tax Act and Central and State Excise Act    | Department of Tax and Excise, Government of Arunachal Pradesh  |
| 8    | Commercial taxes   |  |
| 9    | Sanction of power  | Department of Power, Arunachal Pradesh   |
| 10   | Power feasibility  |  |
| 11   | Power connection   |  |
| 12   | Approval for construction activity and building plan                         | Respective District Municipality   |
| 13   | Water and sewerage clearance   | Department of Public Health Engineering  |
| 14   | Water connection   |  |

Source: Government of Arunachal Pradesh



# KEY INVESTMENT PROMOTION OFFICES ... (1/2)

| Agency  | Description  |
|---|--|
| Department of Industries  | <ul style="list-style-type: none"> <li>▪ The Department of Industries is the main executive and regulatory agency functioning under the state government. It oversees and monitors the overall industrial development activities in the state.</li> <li>▪ The department is engaged in various activities such as:               <ul style="list-style-type: none"> <li>• Formulating Industrial Policy and setting up of industrial estates/growth centres/ district industries centres.</li> <li>• Registering and regulating industries.</li> <li>• Providing financial assistance to small scale and other industries.</li> <li>• Distributing scarce and indigenous raw-materials to different industrial units.</li> <li>• Apprenticeship Training Programmes through ITIs and other industrial development related activities.</li> </ul> </li> </ul> |
| Arunachal Pradesh Industrial Development and Financial Corporation Limited (APIDFC) | <ul style="list-style-type: none"> <li>▪ Incorporated under the Companies Act, 1956, in August 1978.</li> <li>▪ To promote and set up finance industries in Arunachal Pradesh.</li> <li>▪ For industrial development in Arunachal Pradesh, the infrastructure facilities that are being handled by the Department of Industries of the state are expected to be handed over to APIDFC. Implement schemes of assistance of National Scheduled Castes and Scheduled Tribes Finance and Development Corporation Limited (NSFDC).</li> </ul>   |
| Arunachal Pradesh Energy Development Agency (APEDA)                                 | <ul style="list-style-type: none"> <li>▪ Established in the year 1996, the State Government Agency, Arunachal Pradesh Energy Development Agency (APEDA) is registered under the Societies Registration Act 1860.</li> <li>▪ State Designated Agency (SDA) for implementation and enforcement of the Energy Conservation Act, 2001, in coordination with the Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India.</li> <li>▪ Also the state nodal agency for projects connected with Clean Development Mechanism (CDM).</li> </ul>  |

# KEY INVESTMENT PROMOTION OFFICES ... (2/2)

| Agency   | Description  |
|--|--|
| <p>North Eastern Development Finance Corporation Limited (NEDFi)</p>           | <ul style="list-style-type: none"> <li>▪ NEDFi is promoted by leading public financial institutions: Industrial Development Bank of India (IDBI), State Bank of India (SBI), Life Insurance Corporation of India (LIC), Small Industries Development Bank of India (SIDBI), Industrial Finance Corporation of India (IFCI), Industrial Credit and Infrastructure Corporation of India (ICICI), Specified undertakings of Unit Trust of India (SUUTI), General Insurance Corporation of India (GIC) and its subsidiaries. Incorporated in August 1995, NEDFi is headquartered in Guwahati, Assam, and works under the administrative control of the Ministry of Development of North Eastern Region (DoNER), Government of India.</li> <li>▪ It services micro, small, medium and large enterprises through facilities such as project and equipment finance, working capital finance, schemes for development of entrepreneurial skills and market development for products from the Northeast.</li> </ul> |
| <p>North Eastern Handicrafts and Handloom Development Corporation (NEHHDC)</p> | <ul style="list-style-type: none"> <li>▪ North Eastern Handicrafts and Handloom Development Corporation (NEHHDC), is under the control of Ministry of Development of North Eastern Region (DoNER), Government of India.</li> <li>▪ Established in 1977, the corporation develops and promotes the region's indigenous crafts by connecting various craftsmen of the region and creates different opportunities.</li> <li>▪ Improves the accessibility of various goods by establishing and promoting sales centers in the region.</li> <li>▪ Facilitates provision of technical, financial and other related guidance for various craftsmen, weavers, etc.</li> <li>▪ To upgrade traditional skills by providing proper training.</li> </ul>   |

# CONTACT LIST

| Agency  | Contact information   |
|---|---|
| Department of Industries  | Government of Arunachal Pradesh<br>Udyog Sadan, Itanagar - 791111<br>Phone: 91-360-2212 323/ 2214 456<br>Fax: 91-360-2211 569<br>E-mail: <a href="mailto:dir-industry-arn@nic.in">dir-industry-arn@nic.in</a> |
| Arunachal Pradesh Industrial Development and Financial Corporation Limited (APIDFC) | C Sector, Near Petrol Pump<br>Itanagar - 791111<br>Phone: + 91-360-2211 763, 2212 012   |
| Arunachal Pradesh Energy Development Agency (APEDA)                                 | Urja Bhawan<br>Post Box No 124,<br>Itanagar - 791111<br>Arunachal Pradesh<br>Phone: 91-360-2211 160, 2217870<br>E-mail: <a href="mailto:apedita@sancharnet.in">apedita@sancharnet.in</a>                      |
| North Eastern Development Finance Corporation Ltd (NEDFi)                           | NH-52A, Main Road, E-Sector,<br>Itanagar - 791111,<br>Arunachal Pradesh<br>Phone/Fax: 91-360-2217 694   |

# COST OF DOING BUSINESS IN ARUNACHAL PRADESH

| Cost parameter                                       | Cost estimate  | Source  |
|--|--|---|
| Hotel costs (per room per night)                     | US\$ 8 to US\$ 75  | State Tourism website                                     |
| Power cost (per kWh)                                 | Commercial: US 6.0 cents to US 8.5 cents<br>Industrial: US 7.5 cents to US 9.0 cents | Department of Power, Government of Arunachal Pradesh      |
| Labour cost (agriculture)<br>(minimum wages per day) | Unskilled: US\$ 4.7 to US\$ 5.29<br>Skilled: US\$ 5.30 to US\$ 6.28                  | Ministry of Labour and Employment,<br>Government of India |
| Water (per 1,000 litres)                             | Commercial and industrial: US 20 cents   | Industry sources  |

## Objectives

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](#)

Public Private  
Partnership Policy 2011

- Leverage State and Central Government funds to support private investment.
- Prepare a shelf of projects to be offered for PPP and take them forward with the assistance of the owner departments through a transparent selection process.

[Read more](#)

State Industrial Policy  
2008

- Facilitate and promote growth of the industry, employment and investment in the state.
- To attract investments from domestic and foreign companies.

[Read more](#)

Hydro Power Policy 2008

- Harness hydropower potential of the state in a manner that is consistent with the provisions of the Electricity Act, 2003, and the National Electricity Policy and other policies formulated in the Act.
- Accelerate the speed of hydropower development through participation of both the central public sector undertakings and private power developers, and also by formulating public private partnerships.
- Help creation of social and development infrastructure through hydropower development.

[Read more](#)

Small Hydro Power  
(SHP) Policy 2007

- Facilitate and promote growth of small hydropower plants through private participation, thereby increasing employment opportunities in the state.

[Read more](#)

Agriculture Policy 2001

- To promote advancement and high economic growth in the state and provide various job opportunities to the unemployed in rural regions by the means of agriculture as well as allied sectors.
- To deal with various problems related with agriculture and provide some effective ways to repair them.

[Read more](#)

# ANNEXURE



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

| Data   | Sources   |
|--|---|
| GSDP (state)                                 | Central Statistics Office, MOSPI                        |
| Per capita GSDP figures                      | Central Statistics Office, MOSPI                        |
| GSDP (India)                                 | Central Statistics Office, MOSPI                        |
| Installed power capacity (MW)                | Central Electricity Authority                           |
| Wireless subscribers (No)                    | Telecom Regulatory Authority of India                   |
| Internet subscribers (Mn)                    | Telecom Regulatory Authority of India                   |
| 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 of Industrial Policy & Promotion             |

# 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\$ |
|------|----------------------------|
| 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                      |
| 2019 | 69.89                      |

Source: Reserve Bank of India, Average for the year



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