



BIHAR

THE LAND OF BUDDHA

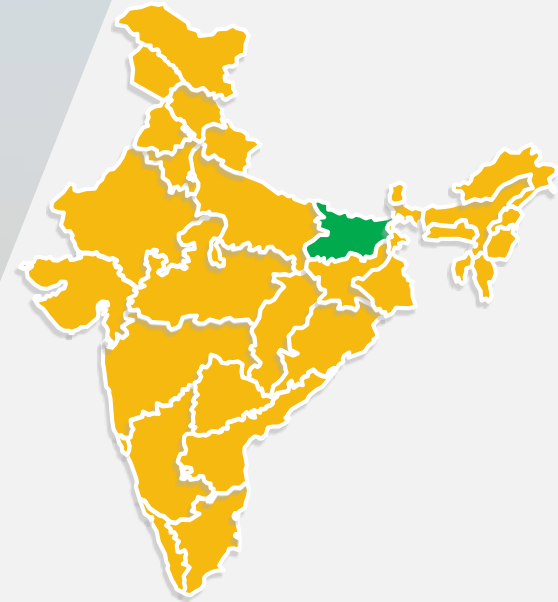
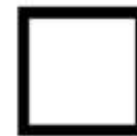
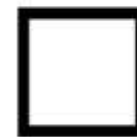


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Fastest growing state in India

- The Gross State Domestic Product (GSDP) of Bihar grew at a CAGR of 15.04 per cent (In Rs) between 2011-12 and 2017-18.

Fastest per capita income growth

- Bihar has witnessed strong growth in per capita net state domestic product. At current prices, per capita NSDP of the state grew at a CAGR of 10.16 per cent (in Rs) per cent during 2011-12 to 2017-18.

Leader in the production of fruits and vegetables

- Bihar is the fourth largest producer of vegetables & the eighth largest producer of fruits in India.

Strong agriculture sector

- Bihar has high agricultural production making it one of the strongest sectors of the state. About 80 per cent of the state's population is employed in agriculture, which is much higher as compared to India's average. The state has developed as the number one state in the eastern region in terms of agricultural production.

Third largest mobile subscriber base

- With 85.23 million mobile subscribers in September 2019, Bihar* accounted for the third largest mobile subscriber base among all Indian states.

Note: * - includes Jharkhand,

Source: Central Statistics Office, Ministry of Statistics and Programme Implementation, Ministry for Integrated Development of Horticulture, NSDP- Net State Domestic Product

INTRODUCTION





- Bihar is located in the eastern part of India. The state is surrounded by Nepal in the north, West Bengal in the east, Uttar Pradesh in the west & Jharkhand in the south.
- The state has a number of rivers; the most important of which is the Ganges.
- Patna, Gaya, Bhagalpur, Muzaffarpur & Darbhanga are some of the key cities in Bihar.

- The most commonly spoken languages in the state are Hindi, English, Urdu, Bhojpuri, Maithili & Angika.
- The 4 agro-climatic seasons and fertile soil of Bihar support cultivation of a wide range of crops.

Parameters	Bihar
Capital	Patna
Geographical area (sq km)	94,163
Administrative districts (No)	38
Population density (persons per sq km)	1,106
Total population (million)	104.1
Male population (million)	54.3
Female population (million)	49.8
Sex ratio (females per 1,000 males)	918
Literacy rate (%)	61.8

Source: Government of Bihar website, Census 2011

High Economic Growth with flourishing industries

- The per capita GSDP of Bihar increased at a CAGR of 15.04 per cent, between 2011-12 and 2019-20.
- Food processing, dairy, sugar, manufacturing & healthcare are some of the fast growing industries in the state. The state has planned initiatives for the development of other sectors such as education & tourism.

Policy incentives

- As per the women empowerment policy, the state is increasing its focus on women empowerment by ensuring availability of resources (education & employment) for women, which would in turn lead to increased contribution from women in development of the economy
- In May 2017, the state government has given around 3.65 lakh government employees & 6 lakh pensioners a revised pay scale from the month of May as per the 7th pay scale recommendations

Advantage Bihar

Rich labour pool

- The state has a large base of cost-effective industrial labour, making it an ideal destination for a wide range of industries.
- The state has institutes of national importance such as National Institute of Technology & Indian Institute of Technology, which provide skilled manpower to industries.

Location advantage

- The state enjoys a unique location specific advantage because of its proximity to the vast markets of eastern & northern India, access to ports such as Kolkata & Haldia & to raw material sources & mineral reserves from the neighbouring states.

Bihar's Contribution to Indian Economy (2019-20)

Parameter	Bihar	India
GSDP as a percentage of all states' GSDP	3.76	100.0
GSDP growth rate (%)	14.50	10.00
Per capita GSDP (US\$)	655.42	1977.60

Social Indicators

Parameter	Bihar	India
Literacy rate (%)	61.8	73.0
Birth rate (per 1,000 population)	26.8	20.4

Industrial Infrastructure

Parameter	Bihar	India
PPP projects under construction (no)	11	466
PPP projects operational and maintenance stage (no)	10	901

Physical Infrastructure in Bihar

Parameter	Bihar	India
Installed power capacity (MW) (As on 30th November 2019)	5,205.30	364,960.14
Wireless subscribers* (No) (as of September 2019)	85,237,145	1173,747,973
Internet subscribers* (million No) (as of June'19)	41.64	665.31
National Highway length (km) (As on March 2019)	5,358	132,499
Airports (No)	5	129

Investments

Parameter	Bihar	India
Cumulative FDI* inflows April 2000-June 2019 (US\$ million)	113	436,471

Note: * includes Jharkhand, PPP: Public-Private Partnership, SRS: Sample Registration System

- Knowledge and religious hubs to be built & will attract 100,000 tourists per year by 2022.
- Construct mega religious theme parks (Buddhism & Jainism).
- Eight centres for educational, cultural & religious tourism planned.
- Planned roadmap for improved connectivity; luxury hotels to be constructed through PPP mode.
- Tourism service centres to be set up.

- Agriculture to play a significant role with opportunities in food processing & agro-based industries.
- Use quality seeds & fertilisers & upgraded technology
- Provide institutional credit & crop insurance.
- Develop infrastructure with focus on roads & energy sector.



- Build medical institutions, create awareness & bring about technological advancements.
- Introduce radiology & pathology services in every district.
- Government hospitals across 36 districts to be provided with CT scan services.
- All government hospitals likely to commence dialysis services.

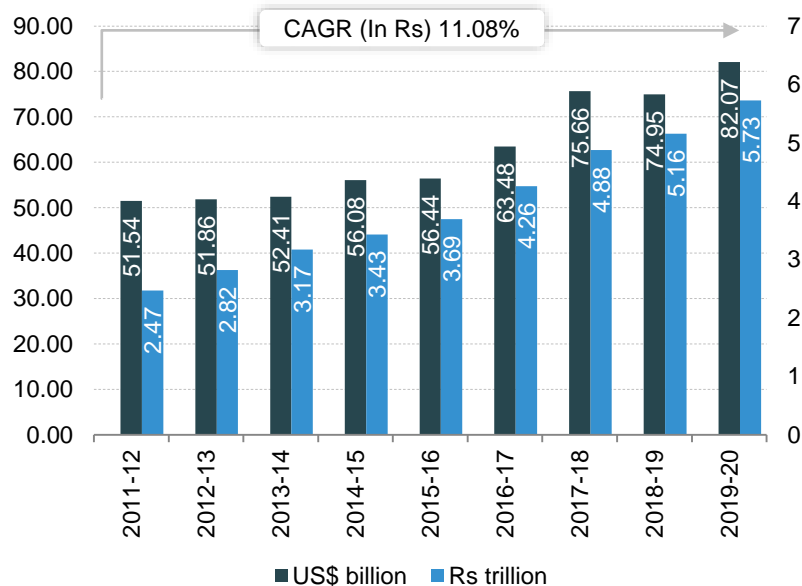
- Achieve zero dropout rate in secondary education.
- Increase spending on building schools and colleges with easy access and upgraded infrastructure.
- Launch policy initiatives to ensure compulsory enrolments
- Open vocational training institutes.

Source: Confederation of Indian Industry

ECONOMIC SNAPSHOT

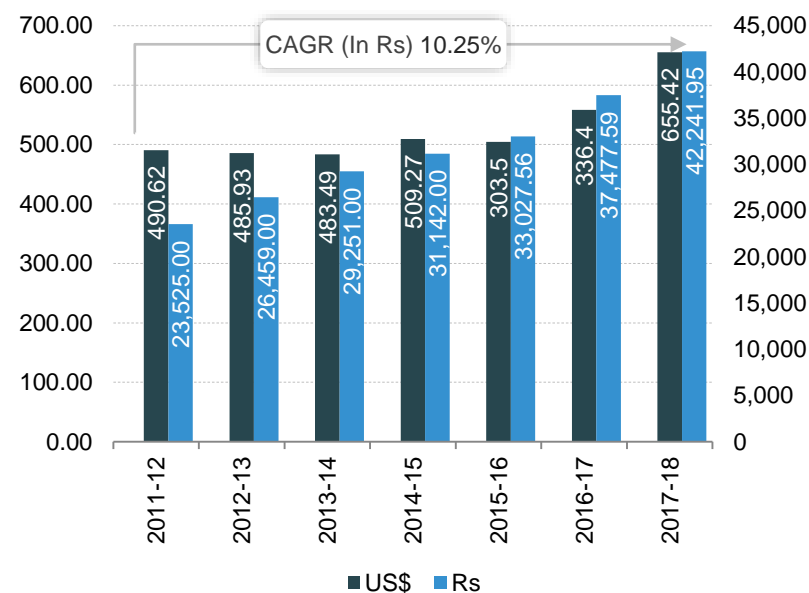


GSDP of Bihar at current prices



- In 2018-19, Bihar's GSDP at current prices was around Rs 5.73 trillion (US\$ 82.07 billion).
- The state's GSDP grew at a CAGR (in Rs) of 11.08 per cent between 2011-12 and 2019-20.

Bihar's per capita GSDP at current prices

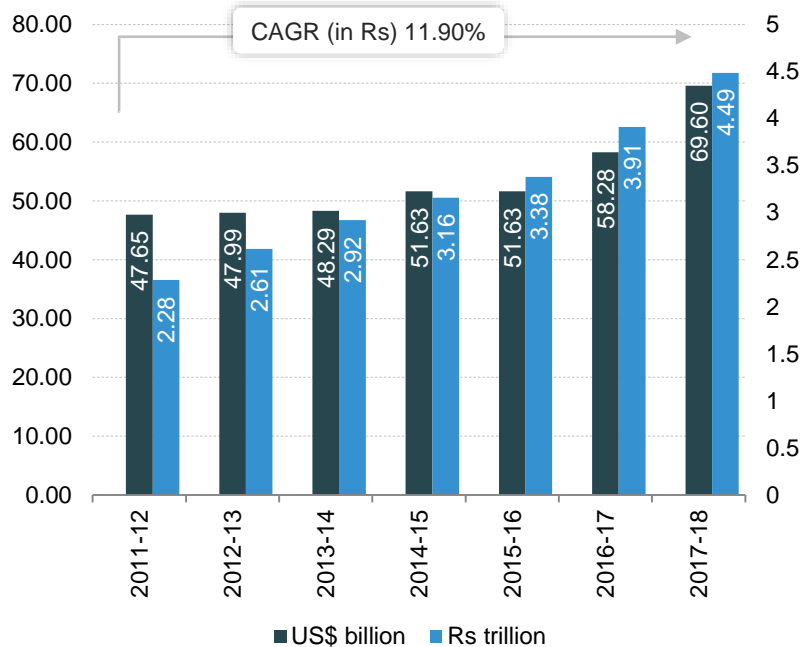


- The per capita GSDP of Bihar increased from Rs 23,525 (US\$ 490.62) in 2011-12 to Rs 42,241.95 (US\$ 655.42) in 2017-18.
- The per capita GSDP of Bihar increased at a CAGR of 10.25 per cent (in Rs), between 2011-12 and 2017-18.

Note: Conversion rate – As per slide 45

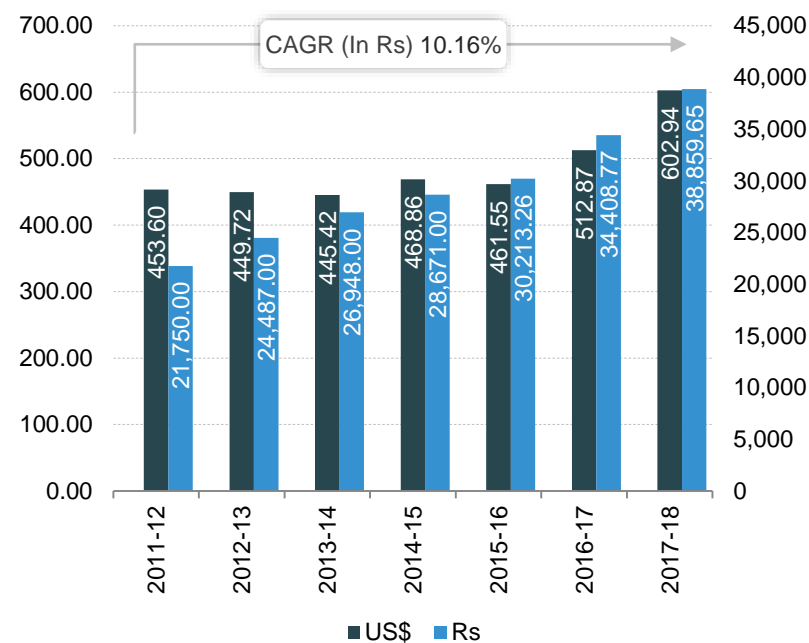
Source: Central Statistics Office

Bihar's NSDP at current prices



- In 2017-18, NSDP of Bihar was Rs 4.49 trillion (US\$ 69.60 billion).
- Average NSDP growth rate in the state was about 11.90 per cent (in Rs) between 2011-12 and 2017-18.

Per capita NSDP of Bihar at current prices



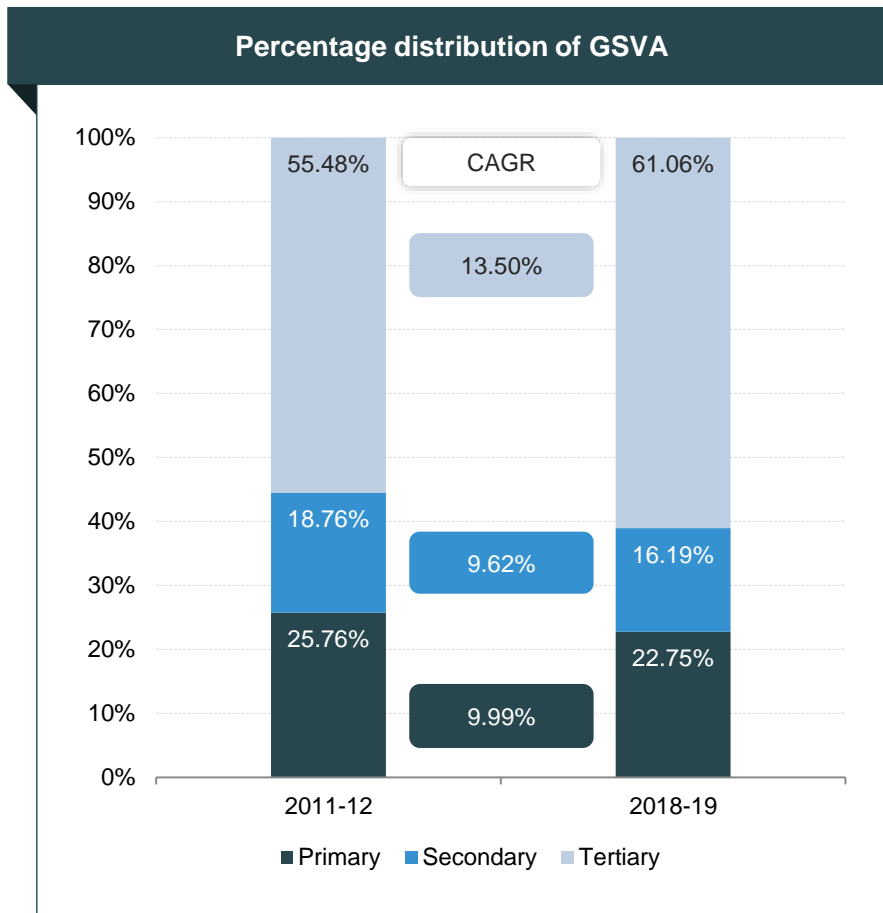
- Bihar's per capita NSDP increased from Rs 21,750 (US\$ 453.60) in 2011-12 to Rs 38,859.65 (US\$ 602.94) in 2017-18.
- Robust growth across secondary & tertiary sectors resulted in growth in average per capita NSDP of Bihar at a CAGR of around 10.16 per cent (in Rs) between 2011-12 and 2017-18.

Note: Conversion rate – As per slide 45

Source: Central Statistics Office

ECONOMIC SNAPSHOT – PERCENTAGE DISTRIBUTION OF GSVA

- The tertiary sector contributed 61.06 per cent to the GSVA of Bihar (at current prices) in 2018-19, followed by primary sector & secondary sector contributing 22.75 per cent and 16.19 per cent, respectively.
- Between 2011-12 and 2018-19, tertiary sector was the fastest growing sector in the state, witnessing growth at a CAGR of 13.50 per cent, followed by primary sector, which witnessed growth at a CAGR of 9.99 per cent, during 2011-12 and 2018-19.
- In the state of Bihar, the secondary sector witnessed growth at a CAGR of 9.62 per cent, between 2011-12 and 2018-19.
- The growth is led by various activities like construction, electricity supply, trade and repair services, etc.



Source: Central Statistics Office

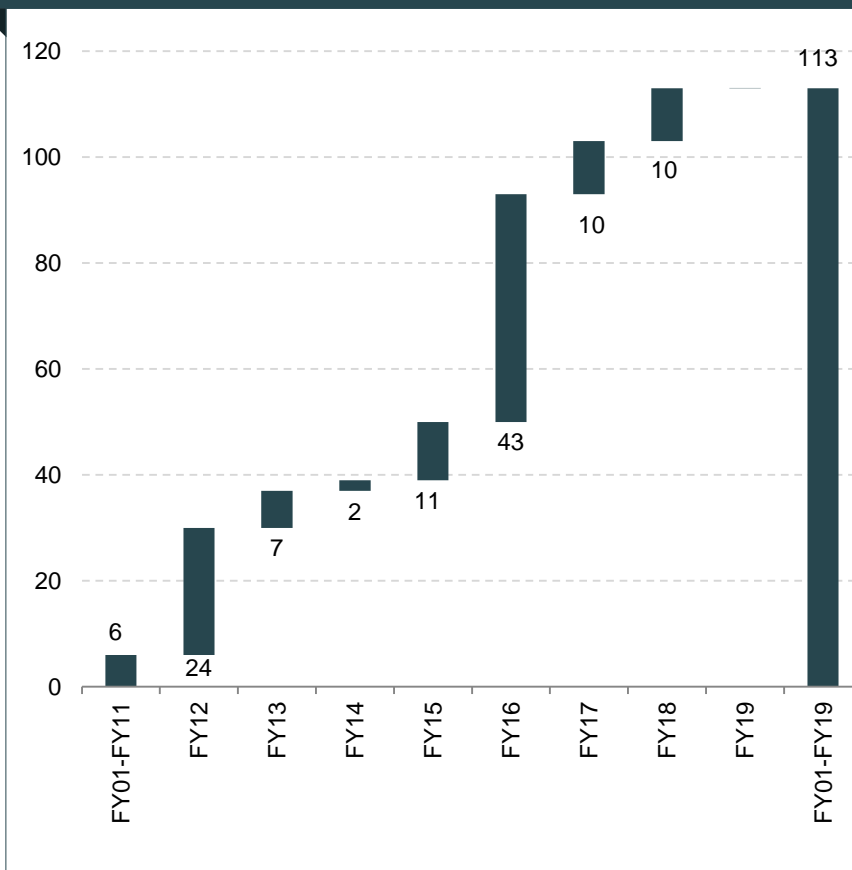
ECONOMIC SNAPSHOT – FDI INFLOWS & INVESTMENTS

Investment intentions in terms of IEMs filed

Year	Number	Proposed investments (US\$ million)
2016	19	898.99
2017	7	72.77
2018	9	1,122.25
2019(As of Oct 19)	7	94.86

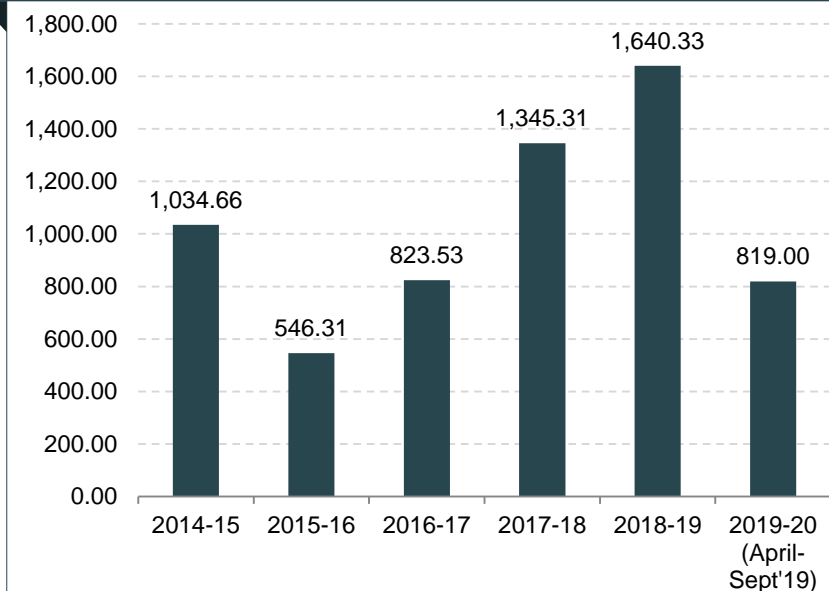
- Total FDI for Bihar & Jharkhand, between April 2000 and March 2019, stood at US\$ 113 million.
- In 2019-20 (as of Oct 19), seven investments were filed in the state and the amount of investments proposed was Rs 663 crore (US\$ 94.86 million).

FDI* Inflows in Bihar in April 2000 – March 2019 (US\$ million)

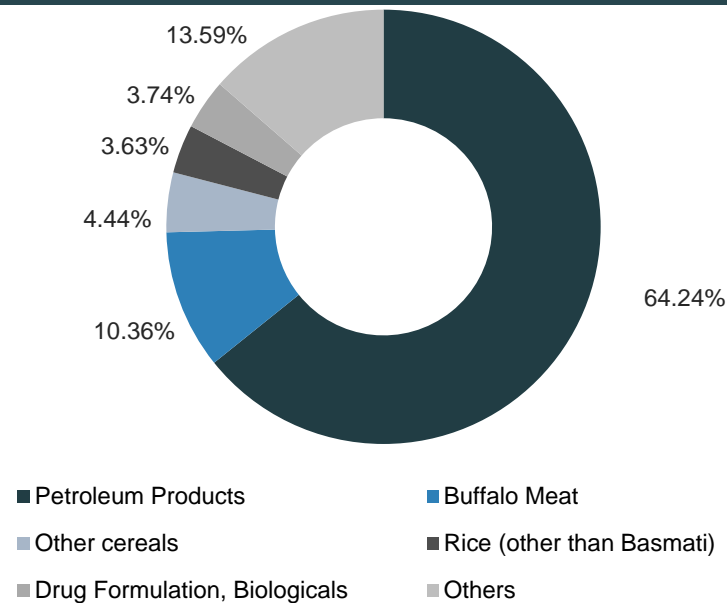


Note: * - Including Jharkhand, IEMs – Industrial Entrepreneur Memoranda, conversion rate: US\$ = Rs 69.89.
Source: Department for Promotion of Industry and Internal Trade

Export Trend (US\$ million)



Composition of Major Item Exported from Bihar 2019-20 (up to Sept 19)



- Total merchandise exports from the state stood at US\$ 1,640.33 million during 2018-19. During 2019-20 (up to Sept 19), the exports stood at US\$ 819 million.
- Major items exported from the state of Bihar are petroleum products, buffalo meat, other cereals, rice (other than basmati), etc.

Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce and Industry

PHYSICAL INFRASTRUCTURE



- Bihar has 5,358 km of national highways & 4,005.6 km of state highways. Besides, the state has 11,145.3 km of major district roads.
- As of June 2018, 48,062.33 km of road works have been completed in Bihar under Pradhan Mantri Gram Sadak Yojana.
- As of April 2018, work on NH2 in Bihar has been started. Total cost of the project is estimated as Rs 882 crore (US\$ 136.85 million).
- Under BSHP – 2, construction of ROB (part of SH 83 - Baghi-Barbiga Road) is expected to complete in January 2019. Total cost of the project was Rs 32.74 crore (US\$ 5.08 million)

Roads in Bihar

Type of road	Length (km) (2018-19)
National highways(as of March 2019)	5,358
State highways	4,005.6
Major district roads	11,145.3

Note: 2017, NH – National Highway, ROB – Road Over Bridges, BSHP – Bihar State Highway Project, conversion rate: US\$ = Rs 64.45

Source: Economic & Highways, State Budget 2015-16, Road Construction Dept., Bihar Rajya Pul Nirman Nigam Ltd

PHYSICAL INFRASTRUCTURE – RAILWAYS

- Hajipur in Bihar is the headquarter of the East-Central Railway. The state's main railway junctions are at Patna, Gaya, Muzaffarpur, Katihar & Samastipur.
- Several link-lines, such as Muzaffarpur-Samastipur-Barauni-Katihar & Muzaffarpur-Chapra-Siwan, have been converted to broad gauge from metre gauge.
- The Government of India has signed agreements with Alstom and General Electric for production of electric and diesel locomotives. Two greenfield locomotive factories are in the process of being established in Bihar. One locomotive factory is already operational in Madhepura while the other is being set up.



Source: Economic Survey 2014-15

- Bihar has one domestic airport in Patna & one international airport in Bodh Gaya. Several domestic airlines connect Patna to Delhi, Kolkata, Mumbai, Lucknow, Bengaluru, Hyderabad & Ranchi.
- The airport in Bodh Gaya is used for international connectivity with Bangkok (Thailand), Colombo (Sri Lanka), Yangon (Myanmar), Dhaka (Bangladesh), Paro (Bhutan) & Kuala Lumpur (Malaysia).
- Total number of passenger and freight handled at Patna airport in 2017-18 were 3,111,273 and 6,879 MT respectively.
- During 2019-20 (up to October 19), Patna and Gaya handled 18,280 and 1,310 aircraft movements, respectively. Patna and Gaya handled 26,83,095 and 70,537 passengers respectively in same period. Patna airport handled 7,803MT freight traffic during same period.

Airport indicators in 2019-20 (Up to October'19)

Parameter	Patna	Gaya
Aircraft movement (nos.)	18,280	1,310
Passenger traffic (nos.)	26,83,095	70,537
Freight handled (MT)	7,803	0

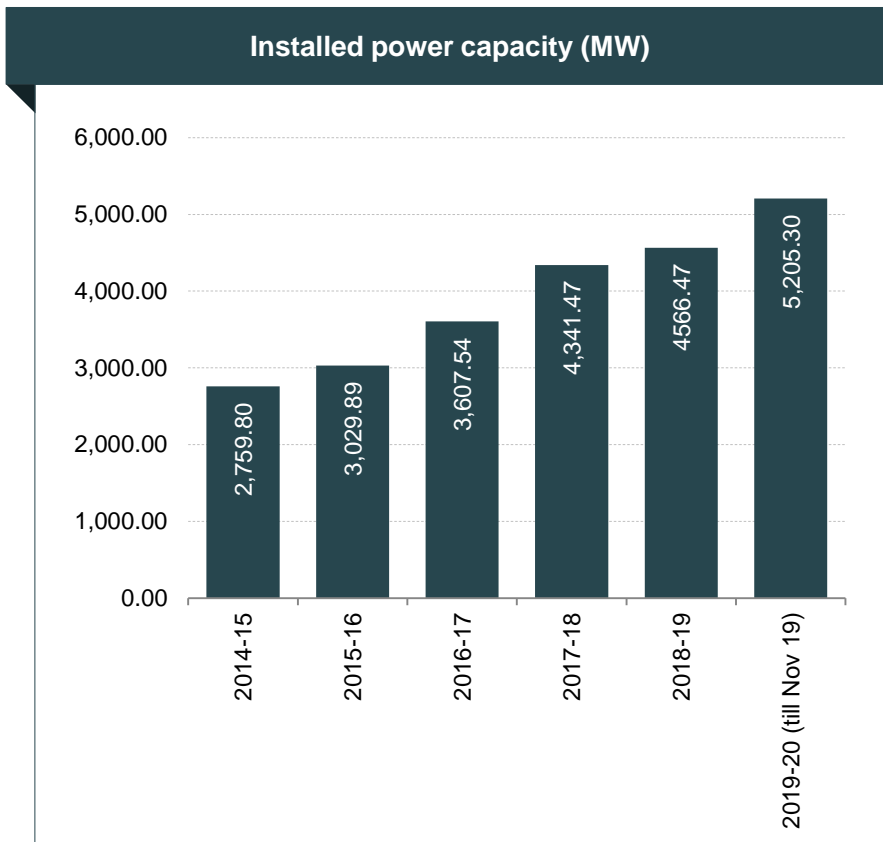
Source: Airport Authority of India

- The 1,620 km stretch of the river Ganges that flows between Allahabad in Uttar Pradesh & Haldia in West Bengal has been declared 'National Waterway 1', & is being developed by the Inland Waterways Authority of India.
- Patna has a low-level fixed terminal on National Waterway-1 for handling containers. The National Inland Navigation Institute has been set up in Patna to train vessel crews.
- As per National Waterways Act, 2016, 111 waterways have been declared as National Waterways (NWs) including the 5 existing NWs. The techno-economic feasibility for the newly declared 106 NWs has been initiated. Under this new scheme, 6 NWs have been planned in the state of Bihar.
- In January 2018, approval for implementation of the Jal Marg Vikas Project (JMVP) was given under which plan for development of NW-1, ferry services, ship repair facilities, roll-on roll-off (RO-RO) services, state-of-the-art terminals at Kalughat & Gaighat will be developed in the state of Bihar. The projects are likely to create direct & indirect employment for more than 50,000 people in the state

S. No	National Waterways	Approximate length (km) (of April 2018)	State
1	NW-1	1,620	UP, Bihar, Jharkhand & West Bengal
2	NW-37	296	Bihar & UP
3	NW-40	354	Bihar & UP
4	NW-54	86	UP & Bihar
5	NW-58	236	Bihar
6	NW-81	35	Bihar
7	NW-94	141	Bihar

Source: Bihar Report Card 2015, Press Information Bureau

- The BSEB is a vertically integrated agency & is responsible for generation, transmission & distribution of electricity in Bihar
- As of November 2019, Bihar had a total installed power generation capacity of 5,205.30 MW, of which 4,583.05 MW was contributed by central utilities, 70.70 MW by state utilities & 551.55 MW by private utilities.
- During the same time period, of the total thermal power plant capacity, coal-based plants accounted for the largest share with capacity contribution of 4,754.05 MW.
- Hydropower plants accounted for a power generation capacity of 110 MW. Besides, 341.25 MW of installed power generation capacity came from renewable sources.



*Note: BSEB - Bihar State Electricity Board,
Source: Central Electricity Authority*

- The Office of Controller of Communication Accounts (CCA) regulates and monitors the telecom department in the state.
- According to Telecom Regulatory Authority of India (TRAI), Bihar* had nearly 85.23 million wireless subscribers and 183,407 wire-line subscribers, as of September 2019.
- The tele-density in Bihar* stood at 59.72 per cent, as of September 2019.
- By the end of Sept 2019, 18.53 million subscribers had submitted requests for mobile number portability in Bihar*.

Telecom Infrastructure* (As of Sept 2019)

Wireless subscribers	85,237,145
Wireline subscribers	183,407
Tele density (in%)	60.15
Internet subscribers (million No.) (As of June'19)	41.64

Performance status of Bharat Net Project (As of December 2018)

Service ready GPs (As of December 19)	6,975
Pipe laid (km) (As of Nov 17)	12,971
Optical Fibre Cable laid (km)	16,187
GPs for which cable laid	5,874

*Note: * - includes Jharkhand,*

Source: Telecom Regulatory Authority of India

Smart Cities in Bihar

Cities	Population	Area (sq km)	Literacy rate
Bhagalpur	412,209	2,569	63.14%
Biharsharif	297,268	23.5	74.80%
Muzaffarpur	396,590	3,172	83.08%
Patna	2,049,156	3202	83.37%

- Non metro markets like Patna & other tier II cities have grown rapidly in regard to consumption, thus becoming main target markets, posing a huge potential of transforming themselves into new business centres in comparison with metro cities.
- 4 cities of Bihar namely, Bhagalpur, Bihar Sharif, Patna & Muzaffarpur are to be developed as smart cities. Apart from that 27 cities of Bihar were selected for infrastructure development under AMRUT scheme.
- As on April 2018, under the AMRUT scheme, total amount of Rs 2,469.77 crore (US\$ 383.21 million) were allocated to the state of Bihar.
- As of October 2018, 100 per cent household electrification has been achieved in the state under the Saubhagya Scheme.

Urban Infrastructure in Bihar

Scheme	Estimated cost US\$ million
Solid Waste Management for Danapur, Khagaul and Phulwari	1.92
Khagaul Water Supply Scheme	2.18
Danapur Water Supply Scheme	11.44
Phulwarisharif Water Supply Scheme	4.09
Patna Water Supply Scheme	70.83
Solid Waste Management for Patna	6.13
Purchase of buses for Patna Urban Transport	6.62
Bodhgaya Water Supply Scheme	5.56
Bodhgaya Sewerage Scheme	15.92
Purchase of buses for Bodhgaya Urban Transport	1.12

Source: Department of Urban Development and Housing, GOB, AMRUT - Atal Mission for Rejuvenation and Urban Transformation

SOCIAL INFRASTRUCTURE



- The literacy rate of the state was recorded as 61.8 per cent. Male literacy rate in the state is 71.2 per cent and female literacy rate is 51.5 per cent.
- The total number of students enrolled in primary & upper primary (up to class VIII) schools rose to 21.6 million in 2014-15 from 17.7 million in 2007-08. The enrolment of girls in the state is progressing, with the rate of re-enrolment of girls increasing at a faster rate than that of the boys. However, the dropout rates have witnessed a decline over the past years.
- The prestigious IIT was established in Patna in August 2008. The institute offers B.Tech programmes in 3 disciplines: Computer Science & Engineering, Electrical Engineering & Mechanical Engineering. PhD programmes are offered in Engineering, Science & Humanities & Social Sciences. The state government is coming up with various initiatives for increasing employment prospects in the state under the Bihar Skill Development Mission. The scheme has been allotted a budget of US\$ 2.9 million.
- As per the State Budget 2019-20, government proposed to allocate Rs 35,942 crore (US\$ 5.142 billion) towards education sector.
- Under the Mukhyamantri Balak-Balika Cycle Yojana, every student will get an amount for a cycle which has been increased from Rs 2,500 to Rs 3,000 (US\$ 35.77 to 42.92).
- Under the Mukhyamantri Balika Poshak Yojana, will provide uniform for female students in class 9 to 12 which has been increased from Rs 1,000 to Rs 1,500 (US\$ 14.30 to 21.46).

Reputed technical institutes in Bihar

- Indian Institute of Technology, Patna
- National Institute of Technology, Patna
- National Institute of Fashion Technology, Patna

Reputed medical institutes in Bihar

- Indira Gandhi Institute of Medical Sciences, Patna
- Jawaharlal Nehru Medical College, Bhagalpur
- Patna Medical College, Patna

Source: Economic Survey of Bihar 2015-16, Medical Council of India, University Grants Commission, Bihar Government Budget 2019-20, IIT - Indian Institute of Technology

- As of December 2019, the health centres under various categories had reached 12,889 in the state, of which 2,108 are primary health centres and 10,534 are sub centres. There were 134 district hospitals, 68 community health centres and 44 sub-district hospitals in the state.
- In 2019-20, the total budgeted expenditure for health services in the state is 9,622.76 crore (US\$ 1.33 billion).
- Under the State Budget 2019-20, Central government and State government initiated the construction of 11 new medical colleges for which Rs 5,540 crore (US\$ 792.67 million) has been approved.
- Till 2021, a total of 23 medical universities, 9 nursing colleges, 38 GNM and 101 ANM schools are planned to be established in the state, under the government & private sector. In order to improve the medical knowledge & develop super speciality facilities in the state, the Government of Bihar is working towards implementation of Bihar Health Service Investment Incentive Policy.

Government initiatives in the health sector

- Increase in sanctioned manpower in departments such as medical, public health and family welfare.
- Higher level of personnel appointments and training.
- Involving private sector in support services related to cleaning, pathology and radiology.
- Free drug distribution and indoor treatment

Health indicators (As of September 2018)

Average Number of outpatient visits per day	309
Birth rate	26.8
Death rate	6.0
Infant mortality rate	38

Life expectancy at birth (years)

Male (2012-16)	68.9
Female (2012-16)	68.5

Health infrastructure (December 2019)

District hospitals	134
Community Health Centres	68
Sub district hospitals	45
Primary health centres	2,108
Sub centres	10,534

Source: Sample Registration System (SRS) Bulletin, State Budget 2019-20,

INDUSTRIAL INFRASTRUCTURE



- The central government of India approved the formation of an AKICDC (Amritsar-Kolkata Industrial Corridor Development Corporation), development work of which started in 2014. The BIADA is responsible for promoting and assisting rapid development of industries in the industrial areas and estates.
- Operations of BIADA are divided into 4 regions – Patna, Muzaffarpur, Darbhanga, Bhagalpur – to facilitate quick services to entrepreneurs. The total developed land by BIADA is of 5,184 acres; of which industrial units have been allotted 3,438 acres (66 per cent). BIADA of Patna had attained the maximum share of 3,144.82 acres.

Centres	Industries
Patna	Major agricultural centre of trade, exporting grain, sugarcane, sesame & medium-grained rice; has also emerged as a manufacturing hub in Bihar, with the highest number of industrial units.
Tirhut	Has the 2nd highest number of industrial units in the state; food/beverage processing & manufacturing units located here.
Muzaffarpur	Important trade centre for cloth; famous for exporting fruits, particularly mango & litchi.
Barauni	Has major industrial units including those of Indian Oil Corporation; capacity of the existing thermal power station has undergone major renovation & modernisation.
Bhagalpur	Famous globally for tussar silk; trading of agricultural produce & cloth is an important economic activity; other major industries include rice, sugar milling & wool weaving.
Gaya	Major weaving centre; important tourist hub.

Region	Acquired land (acre)	Land reserved for infrastructure, administrative block, road etc. (acre)	Allotted land (acre)	Total vacant land (acre)
Patna	2700.38	270.39	2,303.60	44.87
Bhagalpur	1347.29	75.36	391.33	29.23
Darbhanga	725.61	157.43	273.07	28.20
Muzaffarpur	411.96	56.16	449.68	20.11

Source: Economic Survey of Bihar, 2015-16 BIADA - Bihar Industrial Area Development Authority, Labour Bureau Government of India

KEY SECTORS

- Agriculture and Allied Sectors
- Sugar
- Tourism



KEY SECTORS – AGRICULTURE AND ALLIED SECTORS...(1/2)

- Bihar is one of the largest producers of vegetables & fruits in the country, making it a suitable place for setting up units in the food processing sector. The state is one of the leading producers of fruits such as banana, mango, guava, litchi & vegetables such as onion, tomato, potato and eggplant in the country.
- The Food Park scheme in Bihar has been declared to be the most admired scheme by the Ministry of Food Processing Industry in the history of food processing in India.
- According to State Budget 2019-20, Rs 1,430 crore (US\$ 204.60 million) has been allocated for farmers in drought-prone regions as agriculture input subsidy also allocated Rs 1,692 crore (US\$ 242.09 million) towards the recently announced Mukhyamantri Harit Krishi Sanyantra Yojana.
- Under the State Budget 2019-20, Rs 253 crore (US\$ 36.19 million) has been allocated towards Rashtriya Krishi Vikas Yojana.
- In 2019-20, Bihar has allocated 3.3 per cent of its expenditure towards agriculture and allied activities
- Total horticulture production in the state for 2018-19[^] was 21,204.97 thousand MT with 1,185.36 thousand hectares of area under production.
- Under National Horticulture Mission (NHM), a sum of Rs 22.50 crore (US\$ 3.21 million) was allocated to the state for 2018-19. As of June 2018, Rs 9 crore (US\$ 1.28 million) has been released.

Note: [^] - As per 1st Advance Estimates 2018-19, ^{**} - Production 2017-18

Source: Economic Survey of Bihar, 2017-18, Horticulture Database 2018-19, National Horticulture Board, Department of Agriculture Co-operation & Farmers Welfare

Production in Bihar (2018-19)* (1st Advance Estimates (Kharif only))

Crop	Annual production ('000 MT)
Rice	6,787.8
Wheat**	5,741.0
Nutri / Coarse cereals	666.2
Pulses	62
Total Foodgrains	7,516.0
Sugarcane	12,991.6
Fruits	5,142.85
Vegetables	15,974.72
Honey	9.09
Potato	6,377.71

Leading districts of crop production

Rice	Rohtas, Aurangabad, West Champaran, Gaya
Maize	Madhepura, Khagaria, Saharsa, Katihar, Bhagalpur
Wheat	Rohtas, East Champaran, Muzaffarpur, Siwan
Pulses	Patna, Aurangabad, Bhojpur

KEY SECTORS – AGRICULTURE AND ALLIED SECTORS...(2/2)



**Bihar State
Cooperative Milk
Producers' Federation
(COMFED)**

- COMPFED is an organised milk processing cooperative which collects milk through district level cooperative unions, and processes and markets the same.
- It supports members with interventions across technology, supply chain, marketing, training, etc.
- COMPFED covers five districts directly and 26 districts through six district level cooperative unions.
- Around 11,000 women have been already trained under its training management program
- In April 2018, the State Government of Bihar inaugurated six plants of Bihar State Milk Cooperative Federation.



Usher Agro Ltd

- Usher Agro Limited is one of the largest basic food grain (rice and wheat) processing companies in India. The company established its rice processing mill in Buxar, Bihar in 2003.
- The company's product list consists of rice, bran, wheat and husk which are sold under the brand name of 'Rasoi Raja'.

- Sugar, the largest agro-based industry in the state, plays a prominent role in Bihar's economy. The northern part of the state is climatically well suited for producing good quality sugarcane with minimum inputs as compared to other states.
- In order to promote the sugarcane industry, the state government grants various rebates and concessions, some of which include - VAT reduction on denatured spirit and ethanol from 12.5 to 4.0 per cent and eradication of literage fees on liquor and ethanol.
- Sugarcane is grown in approximately 6 percent of the total area under cultivation in Bihar. Sugarcane production in the state for 2018-19 (P) stood at 182.85 lakh MT.
- During sugar season 2019-20, 11 sugar mills were operating in the state of Bihar. During 2019-20, 220.50 lakh MT sugar is estimated to be produced in Bihar.

Sugarcane prices (US\$/quintals) – as of 2017-18

Super variety	4.81
General variety	4.50
Low variety	4.11

Note: P – Provisional

Source: Economic Survey of Bihar, 2016-17, Bihar Report Card, 2015 Sugarcane Industries Department, Government of Bihar

KEY SECTORS – SUGAR ... (2/2)



K. K. Birla Group

- K K Birla Group's sugar company, Upper Ganges Sugar & Industries Limited (UGSIL), has two units in Bihar: Bharat Sugar Mills at Sidhwalia [crushing capacity of 5,000 tonnes per day (TPD)] and Hasanpur Sugar Mills at Hasanpur (crushing capacity of 3,000 TPD).
- The Sidhwalia unit has an 18 MW cogeneration power plant.



Riga Sugar Co Ltd

- The company belongs to the Dhanuka Group and was incorporated in 1980.
- It manufactures ethyl alcohol, molasses and sugar at Sitamarhi. The plant has a crushing capacity of 5,000 tonnes per day.

Vishnu Sugar Mills Ltd

- The company is promoted by the Bajoria family and was incorporated in 1932.
- It manufactures molasses and sugar at Gopalganj in Bihar.

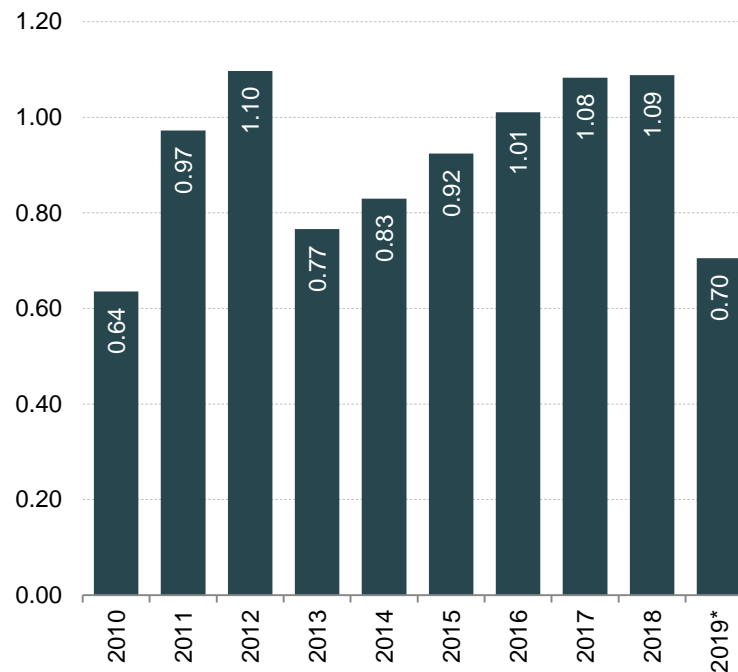


Eastern Sugar & Industries Ltd

- The company was incorporated in 1964.
- It manufactures molasses and sugar at Purba Champaran, in Bihar.
- The plant has a crushing capacity of 2,500 tonnes per day.

- The state has a rich cultural heritage as it is associated with pilgrimages and historical monuments related to religious gurus such as the Buddha, Mahavir and Guru Gobind Singh. Tourism in the state revolves around Buddhism (Bodhgaya, Rajgir, Nalanda), Jainism (Bisram, Mandar hill, Champanagar) and Sufism.
- The state government has established the Bihar State Tourism Development Corporation with the prime objective of developing hotels, transports, railways, swimming pools, health tourism, etc. and running them on a commercial basis for the benefit of tourists.
- The government has planned two mega religious tourism circuits (Buddhism & Jainism), two mega theme parks based on the life of Buddha and Mahavir (to be constructed at Bodh Gaya and Rajgir) and eight mega centres for educational, cultural and religious tourism [Bodh Gaya, Rajgir, Patna city, Vaishali, Nalanda, Vikramasila, Ashok Dham, Yoga Sansthan (Munger)].
- The foreign tourist arrival in Bihar in the year 2018 was around 1.09 million. Domestic tourist arrival in the state stood at 33.62 million during the same time.
- In 2019 (till September), foreign tourist arrival reached 0.70 million and domestic tourist stood at 16.94 million.

Arrival of foreign tourists in Bihar (in million)



*Note: P – Provisional, *- till September 2019*

Source: Ministry of Tourism, Government of Bihar

Goals and actions set up by the Bihar State Council under the Bihar@2022 vision document for improving the tourism sector are as follows:

Goals to achieve by 2022

- Construction of 2 mega religious tourism circuits of Buddhism & Jainism
- Construction of 2 mega theme parks based on the lives of Buddha and Mahavir at Rajgir & Bodh Gaya
- Construction of 8 mega centres for religious, educational & cultural education at Bodh Gaya, Patna, Rajgir, Vaishali, Ashok Dham, Nalanda, Vikramasila, Yoga Sansthana & Munger
- By 2022, the state is targeting 100 lakh Indian & foreign tourists every year

Action points

- Establishment of schools within a 1 km radius of every habitation in order to increase access to schools irrespective of the capacity to pay.
- Fast track upgradation of the infrastructure of state schools & ensuring availability of sufficient teachers
- Policy initiatives & awareness campaigns in order to ensure higher enrolment & zero dropout
- Establishment of centres of excellence in all primary schools in rural areas.
- Improvement of hygiene in schools & colleges

Source: Ministry of Tourism, Government of Bihar

KEY PROCEDURES & POLICIES



SINGLE-WINDOW APPROVAL MECHANISM

- Bihar Single Window Clearance Act, 2006 & the Bihar Industrial Incentive Policy, 2011, promote industrial growth by giving rapid clearances, issuing licenses & certificates & providing an overall investor-friendly environment in the state.
- The industries department of the state and the DIC act as nodal agencies for investments.
- Proposals for investments greater than US\$ 21.7 million are routed through the Chief Minister & the cabinet for approval.

Investment handled	Body	Chairman	Nodal agency
US\$ 2.17 million to US\$ 21.7 million	State-Level Investment Promotion Board	Industries Development Commissioner	Industries Development (Udyog Mitra)
Below US\$ 2.17 million	District-Level Committee	District Collector	DIC

DIC - District Industries Centre

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

Agency	Description	Contact information
Industries Department, Government of Bihar	<ul style="list-style-type: none"> ▪ It is the state-level nodal body under the single-window regime for investments of above US\$ 2.17 million. ▪ Its primary functions involve coordinating applications from investors, processing applications & facilitating the process of obtaining clearances from various departments. ▪ The department, headed by the Principal Secretary, supervises District Industry Centres (DIC), industrial area development authorities & industrial premises in the state. 	<p>Vikas Bhawan Bailey Road, Patna - 800 001, Bihar. Phone: 91-612-2215 211 Fax: 91-612-2217 991 Website: http://industries.bih.nic.in/</p>
District Industry Centre (DIC)	<ul style="list-style-type: none"> ▪ This is the district-level nodal agency for investments below US\$ 2.17 million. ▪ DIC supports entrepreneurs in identifying local resources, supply of raw materials & equipment, arrangement of credit facilities, marketing, quality control, etc. 	<p>District Industries Centre, Patna Phone - 0612-2270865 Fax: 0612-2218900</p>
Bihar Industrial Area Development Authority (BIADA)	<ul style="list-style-type: none"> ▪ It was constituted with a mission to promote industrialisation & create awareness about the state's Industrial Policy. It supports entrepreneurs in setting up industries and availing incentives offered by the state government. ▪ The organisation runs under the guidelines & policies of the Board of Directors, having directors nominated by the State Government under the chairmanship of the principal secretary, Department of Industries, Government of Bihar. 	<p>1st Floor, Udyog Bhawan, East Gandhi Maidan, Patna - 800 004, Bihar Phone: 91-612-2675 991, 2675 002, 2675 352 Fax: 91-612-2675 889 E-mail: biada@rediffmail.com, Website: http://www.biadabihar.in/</p>

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

Agency	Description	Contact information
Bihar State Finance Corporation	<ul style="list-style-type: none"> ▪ It is the main state-level institution that provides term lending facilities to industrial entrepreneurs. ▪ The corporation has entered into an agreement with Small Industries Development Bank of India (SIDBI), under which joint financing will be done by SIDBI and BSFC in the proportion of 90:10. Under this scheme, a minimum of US\$ 0.3 million loan can be provided to one unit. 	Fraser Road, Patna - 800 001, Bihar Phone: 91-612-2332 785 E-mail: bsfcpatna@gmail.com Website: http://bsfc.bih.nic.in/
Bihar State Electricity Board (BSEB)	<ul style="list-style-type: none"> ▪ The board is responsible for the synchronised development of generation, transmission and distribution of power in the state. 	Vidyut Bhawan, Bailey Road, Patna - 800 001, Bihar. Phone: 91-0612-2504 036 Fax: 91-0612-2504 968 Website: http://bseb.bih.nic.in/
Bihar State Pollution Control Board	<ul style="list-style-type: none"> ▪ The purpose of the organisation is prevention & control of pollution through inspection of treatment plants, standards application, research & development activities, etc. ▪ Headquartered at Patna, the organisation has seven zonal offices. 	Beltron Bhawan, Shastri Nagar Jawahar Lal Nehru Marg, Patna - 800 023, Bihar Phone: 91-0612-2281 250 Fax: 91-0612-2281 050 Email: bspsb@vsnl.net, Website: http://bspcb.bih.nic.in/

KEY APPROVALS REQUIRED

Approvals and clearances required	Departments to be consulted	Estimated time
Incorporation of company	Registrar of Companies	NA
Registration, Industrial Entrepreneurs Memorandum (IEM), Industrial Licenses	Nodal Agency (Industries Department)	NA
Allotment of land	Bihar Industrial Area Development Authority	Seven to 21 days (up to 90 days for acquisition of non-industrial land)
Permission for land use	Revenue and Land Reforms Department, Government of Bihar	30 days (45 days for conversion of non-industrial land for use)
Registration under Factories Act and Boilers Act	Offices of Inspector of Factories, Inspector of Boilers	Up to 120 days
Site environmental approval, no objection certificate and consent under Water and Pollution Control Acts	Bihar State Pollution Control Board and Ministry of Environment and Forests, Government of Bihar	60 days
Approval of construction activity and building plan	Urban Development and Housing Department, Government of Bihar	Seven days
Sanction of power	Bihar State Electricity Board	Up to 30 days
Sanction of water	Water Resources Department, Government of Bihar	Up to 30 days
Fire service clearance	State Fire Service Headquarters, Government of Bihar	Up to 15 days
Registration under state's Sales Tax Act, and Central and State Excise Act	Sales Tax Department, Central and State Excise Departments	Seven days

NA: Not Available

COST OF DOING BUSINESS IN BIHAR

Cost parameter	Cost estimate	Source
Industrial land (per acre), as of January 2017	US\$ 1,715,111 in Patliputra, US\$ 252,222 in Muzaffarpur	Bihar Industrial Area Development Authority
Labour (minimum wages per day)	US\$ 2.3 to US\$ 5.7	Ministry of Labour and Employment, Government of India
Office space rent (per sq ft per month)	US 50 cents to US\$ 1.2	Industry sources
Residential rent (2,000 sq ft per month)	US\$ 175 to US\$ 350	Industry sources
Five-star hotel room (per night)	US\$ 100-200	Leading hotels in the state
Commercial and industrial electricity (per kwh)	Industrial: US 10.3 cents to US 11.1 cents Commercial: US 9.8 cents to US 11.2 cents	Bihar State Electricity Board

Objectives

IT/ITeS Investment Promotion Vision 2017

- To enhance the contribution of the sector to the GSDP of the state to 15 per cent.
 - To promote Brand Bihar as one of the top five investment destination and create employment for 20,000 people in the next five years.
- [Read more](#)

Bihar Policy for Promotion of New and Renewable Energy Sources 2017

- To develop all forms of new and renewable energy sources, including biomass- and biogas-based projects, cogeneration projects, mini/micro/small hydro projects (up to 25 MW), wind power projects, solar projects, municipal solid waste-based projects, and other renewable resources-based projects.
- [Read more](#)

Bihar Industrial Investment Promotion Policy-2016

- Attract on-ground investment of Rs 15,000 crore (US\$ 2.15 billion)
 - Create high-end infrastructure facilities to attract investments in the state
- [Read more](#)

Bihar State Hydro-Power Policy – 2012

- To enhance the overall generation capacity of the state, including hydro power.
 - To obtain optimal thermal-hydro generation mix in a 60:40 ratio.
 - To encourage participation of independent power producers by offering them the best policy framework and support.
- [Read more](#)

Bihar Women Empowerment Policy 2015

- As per the women empowerment policy, the state is increasing its focus on women empowerment by ensuring availability of resources (education and employment) for women, which would in turn lead to increased contribution from women in development of the economy.
- [Read more](#)

STATE ACTS, POLICIES & INCENTIVES ... (2/2)

Food Processing Policy

- To address the infrastructure, technology, skills & marketing constraints being faced by the food processing units for rice, maize, pulses, honey, makhana, fruits & vegetables & others by facilitating the setting up of new food processing units.
- To aid the expansion and upgradation of the existing units. [Read more](#)

Bihar Industrial Incentive Policy – 2011

- To promote balanced industrial development and enable industries to contribute towards the social and economic development of the state. [Read more](#)

Investment subsidies for NRIs

- The state government has offered incentive packages in the form of various tax concessions, capital and interest subsidies, reduced power tariffs, etc. to attract foreign funds in the region.

Incentives for NRIs

- Bihar Foundation organized a two-day global meet of Non-Resident Bihari's on 18–19 February 2012 with an aim to attract NRIs from across the world so that they can share their views on the state and its development. NRIs from Bihar who have been successful in their respective fields were invited to the event to share their experiences.

Availability of finance for NRIs

- The government is taking steps to provide adequate facilities to enable NRIs to start small scale industries in the state.

Incentives for new investments in plant and machinery

- Companies investing US\$ 18.7 million or more in plant and machinery during the period from 1 April 2013 to 31 March 2015 would be entitled to deduct an investment allowance of 15 per cent of the investment.
- Incentives to semiconductor wafer fabrication manufacturing facilities including zero customs duty for plant and machinery.

Incentives for waste to energy projects

- The Government would provide low interest-bearing fund from the National Clean Energy Fund to IREDA to lend to viable renewable energy projects. 'Generation-based incentive' has been reintroduced for wind energy projects and a sum of US\$ 150 million has been allocated for this purpose.

ANNEXURE



ANNEXURE...(1/2) - SOURCES

Data	Sources
GSDP (state)	Directorate of Economics & Statistics of Bihar, Central Statistics Office
Per capita GSDP figures	Directorate of Economics & Statistics of Bihar, Central Statistics Office
GSDP (India)	Directorate of Economics & Statistics of Bihar, Central Statistics Office
Installed power capacity (MW)	Central Electricity Authority, as of November 2019
Wireless subscribers (No)	Telecom Regulatory Authority of India, as of September 2019
Internet subscribers (Mn)	Telecom Regulatory Authority of India, as of June 2019
National highway length (km)	NHAI & Roads and Building Department, as of January 2019
Airports (No)	Airports Authority of India
Literacy rate (%)	Census 2011
Birth rate (per 1,000 population)	SRS Bulletin
Cumulative FDI equity inflows (US\$ billion)	Department for Promotion of Industry and Internal Trade, April 2000 to June 2019
Operational PPP projects (No)	DEA, Ministry of Finance, Government of India
PPP projects under construction (no)	DEA, Ministry of Finance, Government of India

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

Exchange Rates (Fiscal Year)

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

Exchange Rates (Calendar Year)

Year	INR Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.38

Source: Reserve Bank of India, Average for the year

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