

Sikkim

NOVEMBER
2011

THE LAND OF PEACE AND TRANQUILITY



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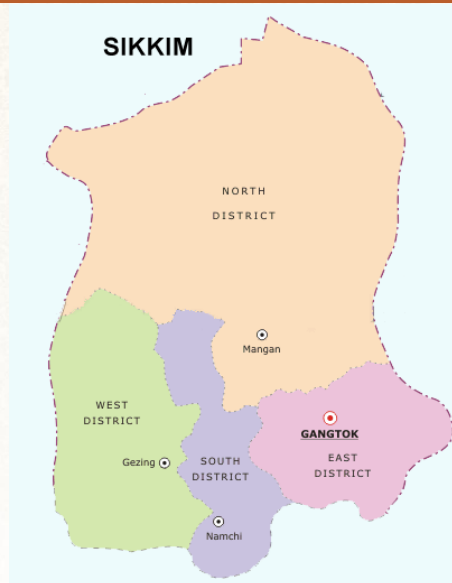
Contents

- ❖ Sikkim – An Introduction
- ❖ Infrastructure Status
- ❖ Business Opportunities
- ❖ Doing Business in Sikkim
- ❖ State Acts & Policies



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Sikkim Factfile



- Sikkim is surrounded by vast stretches of Tibetan Plateaus in the North, the Chumbi Valley of Tibet and the Kingdom of Bhutan in the East, the Kingdom of Nepal in the West and Darjeeling district of West Bengal in the South.
- Nepali, Bhutia, Lepcha, Limboo, Magar, Rai, Gurung, Sherpa, Tamang, Newari, Sunuwar (Mukhia) are the commonly spoken languages. Hindi and English are also widely spoken.

- Gyalshing, Namchi, Mangan, Jorethang, Singtam, Rangpo, Pakyong, Rhenock, Meli, Chungthang and Soreng are some of the key cities and towns in the state.
- Sikkim has 28 mountain peaks, 84 glaciers, 227 lakes, five hot springs, and eight mountain passes – making it an ideal tourist location. The Teesta and the Rangeet are the two major rivers with nearly hundred tributaries.

Parameters	Sikkim
Capital	Gangtok
Geographical area (sq km)	7,096
Administrative districts (No)	4
Population density (persons per sq km)*	86
Total population (million)*	0.60
Male population (million)*	0.32
Female population (million)*	0.28
Sex ratio (females per 1,000 males)*	889
Literacy rate (%)*	82.2

Sources: Government of Sikkim Website, www.sikkim.gov.in,

*Provisional Data – Census 2011

Sikkim in Figures ... (1/2)

Parameter	Sikkim	All-States	Source
Economy			
GSDP as a percentage of all states' GSDP	0.06	100	CMIE, as of 2009-10, current prices
Average GSDP growth rate (%)*	14.8	15.5	CMIE, 2004-05 to 2009-10, current prices
Per capita GSDP (US\$)	1,215.7	1,302.4	CMIE, as of 2009-10, current prices
Physical Infrastructure			
Installed power capacity (MW)	201.4	173,626.4	Central Electricity Authority, as of March 2011
GSM cellular subscribers (No)	7,088,382^	618,284,322	Cellular Operators Association of India, as of September 2011
National Highway length (km)	62	70,934	Ministry of Road Transport & Highways, Annual Report 2010-11
Social Indicators			
Literacy rate (%)	82.2	74.0	Provisional Data – Census 2011
Birth rate (per 1,000 population)	18.1	22.5	SRS Bulletin, 2009

^Figures for the Northeastern region comprising Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura

SRS: Sample Registration System

*Calculated in Indian Rupee Terms

Sikkim in Figures ... (2/2)

Parameter	Sikkim	All-States	Source
Investment			
FDI equity inflows (US\$ billion)	1.6*	132.9	Department of Industrial Policy & Promotion, April 2000 to April 2011
Outstanding Investments (US\$ billion)	18.6	7,449.3	CMIE (2009-10)
Industrial Infrastructure			
PPP projects (No)	31	808	www.pppindiadatabase.com

*Including West Bengal and Andaman & Nicobar Islands
PPP: Public Private Partnership

Advantage Sikkim ... (1/2)

Natural Resources

Sikkim is naturally endowed with rich flora and fauna. Its climate and topographical conditions support industries such as agriculture, horticulture, food processing, tourism and non-timber forest produce.

Policy and Fiscal Incentives

The state follows the North East Industrial Investment Promotion Policy, 2007, which provides several incentives and concessions for investment in the state.

Institutional Support

The state provides excellent institutional support through various central and State Government agencies viz., North East Council, Ministry of Development of North Eastern Region, Commerce and Industries Department.

Advantage Sikkim ... (2/2)

Facilitating Infrastructure

Sikkim is well connected by roads. Telecommunication connectivity compares with the national standards. Optical-fibre connectivity is being developed. Rail and air connectivity are also being developed in the state.

Rich Labour Pool

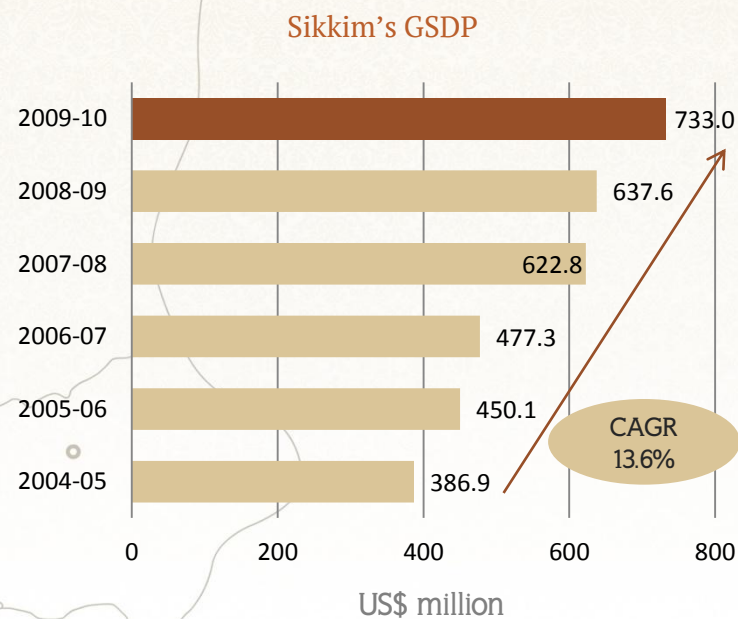
Sikkim has a high literacy rate of 82.2 per cent; with the establishment of Sikkim Manipal University and the Sikkim University, the quality and quantity of employable graduates has improved in the state.

Stable Political Environment

The state has a stable political set up with a single-party government. The State Government is committed towards creating a progressive business environment.

Economic Snapshot – GSDP

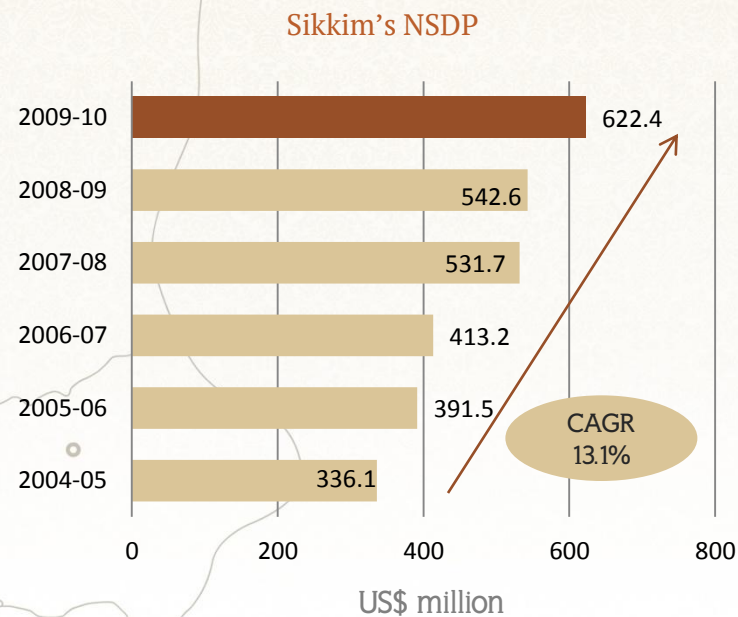
- At current prices, the total Gross State Domestic Product (GSDP) of Sikkim was about US\$ 733.0 million in 2009-10.
- The average GSDP growth rate between 2004-05 and 2009-10 was about 13.6 per cent.



Source: CMIE

Economic Snapshot – NSDP

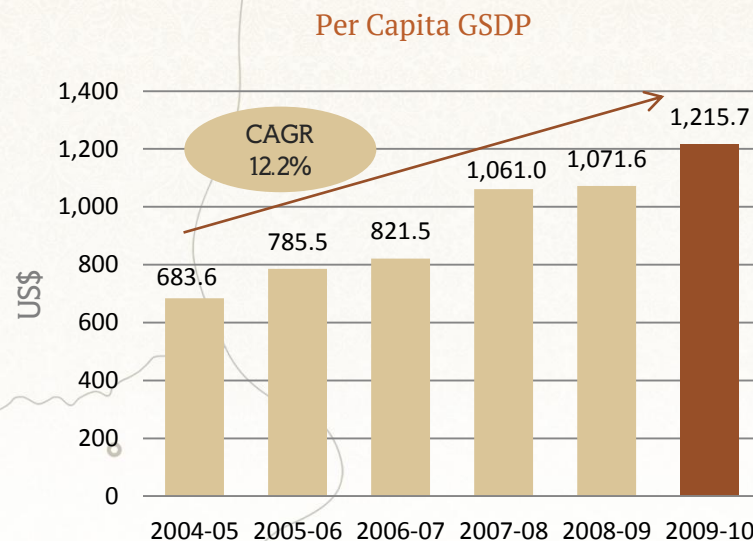
- At current prices, the total Net State Domestic Product (NSDP) of Sikkim was about US\$ 622.4 million in 2009-10.
- The average NSDP growth rate between 2004-05 and 2009-10, was about 13.1 per cent.



Source: CMIE

Economic Snapshot – Per Capita GSDP

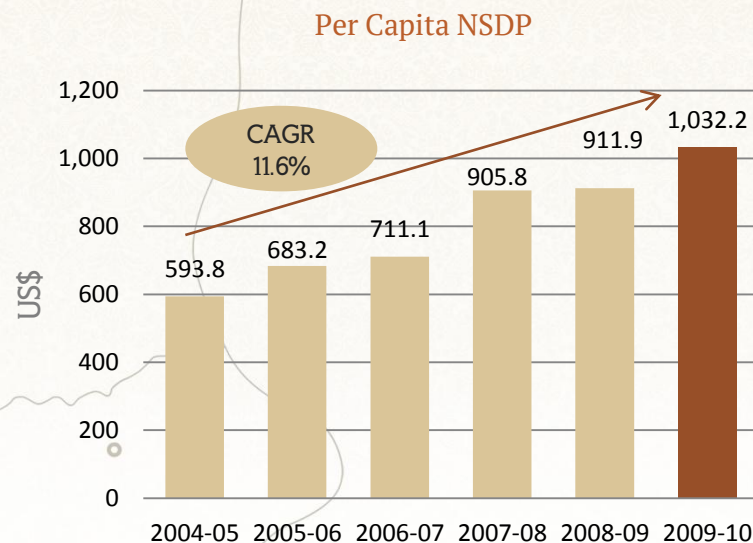
- The state's per capita GSDP in 2009-10 was US\$ 1,215.7 as compared to US\$ 683.6 in 2004-05.
- Per capita GSDP has increased at a CAGR (Compound Annual Growth Rate) of 12.2 per cent between 2004-05 and 2009-10.
- Trade, tourism, transportation and agriculture have been the key drivers of the increase in per capita GSDP.



Source: CMIE

Economic Snapshot – Per Capita NSDP

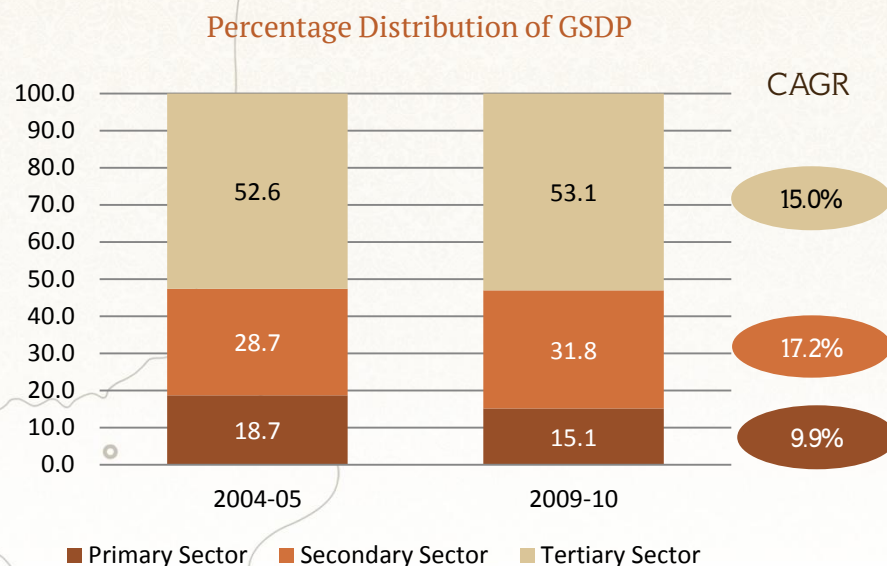
- The state's per capita NSDP in 2009-10 was US\$ 1,032.2 as compared to US\$ 593.8 in 2004-05.
- The per capita NSDP increased at an average rate of 11.6 per cent between 2004-05 and 2009-10.



Source: CMIE

Economic Snapshot – Percentage Distribution of GSDP

- At a CAGR of 17.2 per cent, the secondary sector has been the fastest growing among the three sectors from 2004-05 to 2009-10. It was driven by manufacturing, construction and electricity, gas & water supply.
- In 2009-10, the tertiary sector contributed 53.1 per cent to the state's GSDP at current prices. It was followed by the secondary sector at 31.8 per cent and primary sector at 15.1 per cent.
- The tertiary sector grew at a CAGR of 15.0 per cent between 2004-05 and 2009-10. The growth has been driven by trade, hotels, real estate, finance, insurance, transport, communications and other services.
- The primary sector grew at a CAGR of 9.9 per cent between 2004-05 and 2009-10.

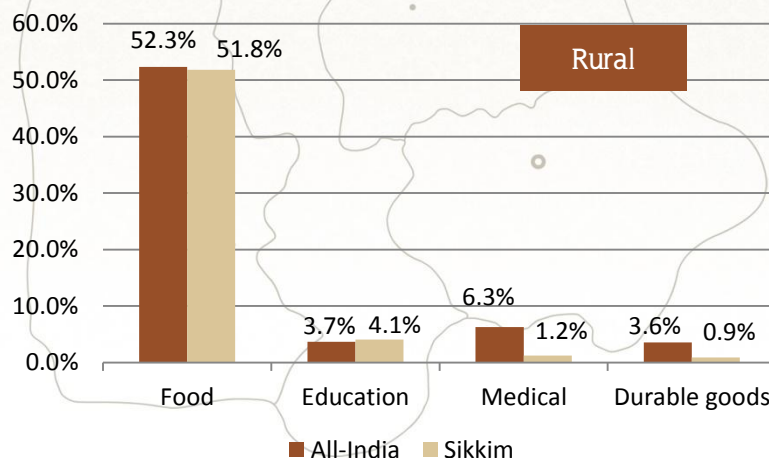


Source: CMIE

Economic Snapshot – Consumer Expenditure on Household Goods and Services

- Sikkim is ahead as compared to all-India in share of per capita expenditure on education.
- With regards to share of expenditure on food, the state is comparable to the all-India level.

Share of Average Monthly Per Capita Expenditure on Household Goods and Other Services



Source: Household Consumer Expenditure in India, 2007-08 NSS 64th Round

Economic Snapshot – Agriculture Production

- Agriculture and allied sectors contributed around 15 per cent to the GSDP of Sikkim in 2009-10.
- Maize, rice, orange, oil seeds, pulses, wheat, tea and spices are the key agricultural products of the state. In 2009-10, the total food grain production in the state was 106,570 tonnes.
- Sikkim is one of the top producers of large cardamom, contributing 85 per cent to the total produce of the country.
- Sikkim aims to make the state's farming fully organic by 2015. Organic farming demonstrations have been made in over 3,000 hectares (ha) of land and bio-fertilisers have been introduced in 5,340 ha. A bio-fertiliser manufacturing unit has also been set up.
- The Sikkim AGRISNET is an internet-based agriculture information centre to promote scientific agricultural methods and convert research into practice in the agricultural sector.

Crop	Annual Production as of 2009-10 ('000 metric tonnes)
Maize	64.6
Rice	20.9
Mandarin Orange	17.1
Oil-seeds	8.2
Pulses	6.0
Buck Wheat	5.0
Cardamom Large	2.7

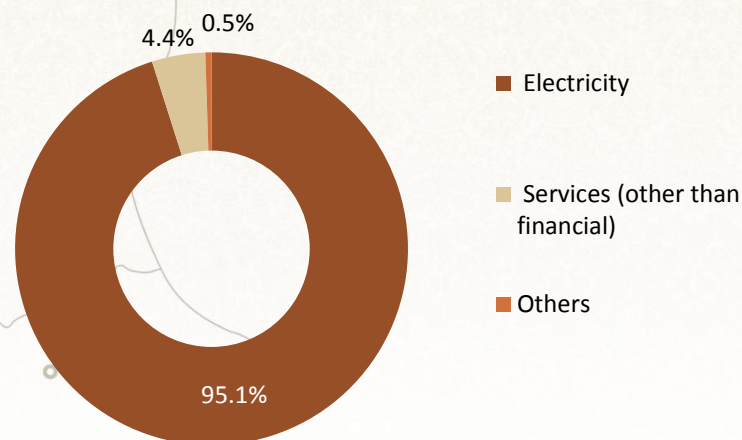
Source: Sikkim Agrisnet, Annual Progress Report 2009-10

Economic Snapshot – Investments

- According to the Department of Industrial Policy & Promotion, the cumulative FDI inflows from April 2000 to April 2011 amounted to US\$ 1,611* million.
- In 2009-10, the outstanding investments in the state were US\$ 18.6 billion.
- Of the total outstanding investments, the electricity sector had the highest share of investments at 95.1 per cent.

*Including West Bengal and Andaman & Nicobar Islands

Break up of Outstanding Investments by Sector (2009-10)



Others include food & beverages and chemicals

Source: CMIE

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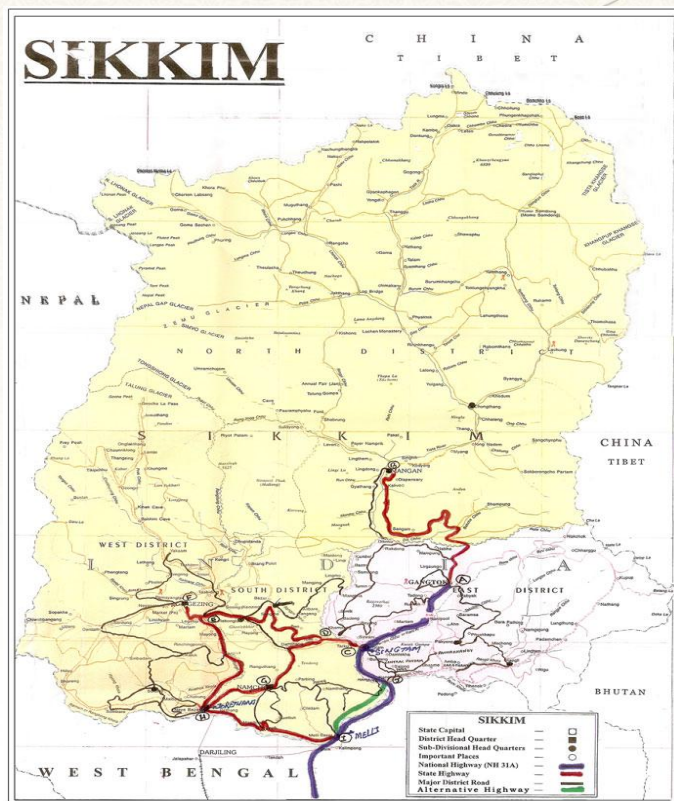
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Physical Infrastructure – Roads, Railways and Airports



Source: Public Works Roads and Bridges Department, Government of Sikkim

- Sikkim has a total road length of 2,624 km. The state is connected to West Bengal and rest of India through National Highway (NH)-31A.
- The state Public Works Department (PWD) and the Border Roads Organisation (BRO) maintain the roads. The Sikkim Nationalised Transport (SNT) operates 80 buses (covering 43 routes) and 94 trucks/tankers across the state.
- Rail connectivity is being created between Rangpoo and Siliguri in West Bengal. Airport construction is underway in Pakyong; helicopter services are available from Bagdogra (West Bengal) to Gangtok.

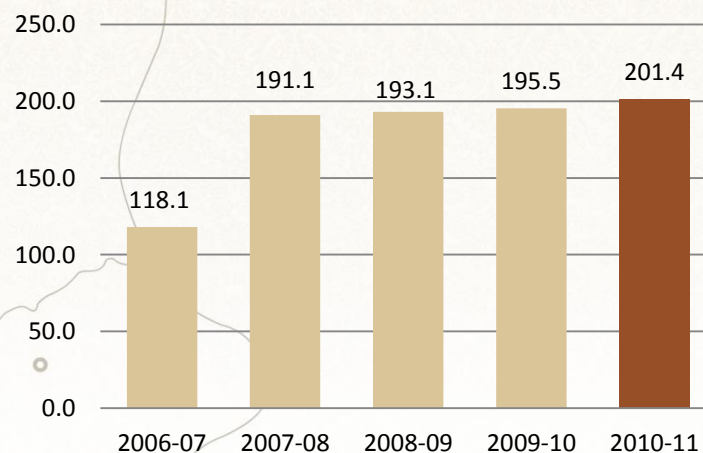
Road Type	Length (km)
National Highways (NH)	62
State Highways	186
District Roads	1,720
Border Roads (Including NH)	718

Sources: Ministry of Road Transport & Highways, Annual Report 2010-11, State Profile of Sikkim 2010-11

Physical Infrastructure – Power

- As of March 2011, Sikkim had a total installed power generation capacity of 201.4 MW. It consisted of 149.3 MW under central utilities and 52.1 MW under state utilities.
- Of the total installed power generation capacity, 79.1 MW was contributed by thermal power, 75.2 MW was contributed by hydro power and renewable power contributed 47.1 MW of capacity.
- About 24 HEPs (Hydroelectric Power Plants) are being set up under Public Private Partnership (PPP) mode.
- Sikkim has a peak hydroelectric capacity of 8,000 MW with a firm base of 3,000 MW, providing a huge potential for development.

Installed Power Capacity (MW)



Source: Central Electricity Authority

Physical Infrastructure – Telecom

- Sikkim is among the states with the highest tele-density in the country.
- As of December 2010, the state had 47 telephone exchanges with 117,886 Bharat Sanchar Nigam Limited (BSNL) telephone connections.
- Virtual Private Network (VPN) and 3G-services have been introduced in Sikkim by state-run telecom company, Bharat Sanchar Nigam Limited (BSNL).
- Forty “Community Information Centres” have been constructed across the state. They provide Internet-based interface for implementing various government programmes and schemes.
- Postal services are available through India Post and other private courier services.

Telecom Infrastructure (December 2010)

GSM Cellular Subscribers^	7,088,382*
Telephone Exchanges	47
BSNL Telephone Connections	117,886
Wireless Subscribers^	6,416,888
Wire-line Subscribers^	277,540

Sources: Cellular Operators Association of India, Department of Telecommunications, Annual Report 2010-11

^Including Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim

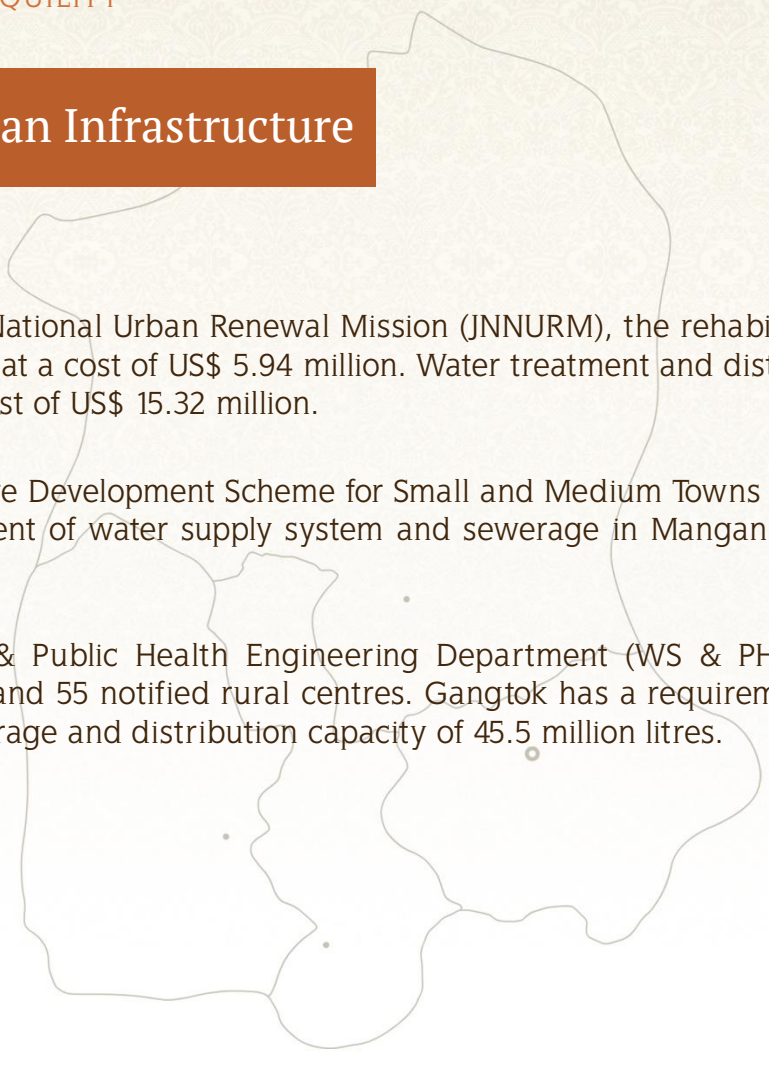
*As of September 2011

Some of the Major Telecom Operators in Sikkim

Bharat Sanchar Nigam Limited (BSNL)
Reliance Communications
Bharti Airtel
Tata Teleservices
Vodafone Essar

Source: Companies Website

Development Projects: Urban Infrastructure

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- Under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), the rehabilitation of sewerage systems of Gangtok is being undertaken at a cost of US\$ 5.94 million. Water treatment and distribution system upgradation is also being undertaken at a cost of US\$ 15.32 million.
 - Under the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT), US\$ 8.7 million has been allocated for development of water supply system and sewerage in Mangan, Namchi, Jorethang, Melli and Rangpo.
 - The Sikkim Water Security & Public Health Engineering Department (WS & PHED) provides water supply to Gangtok, eight urban towns and 55 notified rural centres. Gangtok has a requirement of 27 million litres per day and the WS & PHED has a storage and distribution capacity of 45.5 million litres.

Development Projects: Key Public Private Partnership Projects ... (1/2)

Project Name	Sector	PPP Type	Project Cost (US\$ million)	Stage
Bermelee Khola HEP	Energy	BOOT	4.7	Construction
Bhasmey Hydro Power Plant	Energy	BOOT	32.1	Construction
Chujachen Hydro Power Plant	Energy	BOOT	98.8	Construction
Dikchu Hydro Power Plant	Energy	BOOT	110.7	Construction
Hee Khola HEP Power Plant	Energy	BOOT	5.3	Construction
Infrastructures for Evacuation of Power from IPP Projects	Energy	BOOT	22.1	EOI
Jorathang Loop Power Project	Energy	BOOT	59.8	Construction
Kalez Khola HEP Power Plant	Energy	BOOT	10.6	Construction
Kissim Khola HEP Power Plant	Energy	-	3.3	Construction
Linza HEP Power Plant	Energy	BOOT	155.0	Construction
Panan Hydro Power Project	Energy	-	199.3	Construction
Rangit - II Power Plant	Energy	BOOT	59.24	Construction

Source: pppindiadatabase.com

BOOT: Build-Own-Operate-Transfer, EOI: Expression of Interest, IPP: Independent Power Producers

Development Projects: Key Public Private Partnership Projects ... (2/2)

Project Name	Sector	PPP Type	Project Cost (US\$ million)	Stage
Rangit-IV Hydro Power Plant	Energy	BOOT	89.7	Construction
Ringyang Hydro Power Plant	Energy	BOOT	2.0	Construction
Rongnichu Stroage Hydro Power Plant	Energy	-	94.8	Construction
Rorathang Power Plant	Energy	BOOT	33.2	Construction
Sada - Mangder Hydro Power Project	Energy	BOOT	76.8	Construction
Talem HEP Power Plant	Energy	BOOT	151.5	Construction
Taramchu Hydro Power Plant	Energy	BOOT	36.1	Under Biding
Teesta - VI Power Plant	Energy	BOOT	664.3	Construction
Teesta -I Hydro Power Plant	Energy	BOOT	267.3	Construction
Teesta -II Power Project	Energy	BOOT	289	Construction
Teesta -III Hydro Power Project	Energy	-	1306.5	Construction
Upper Rimbi HEP	Energy	BOOT	13.1	Construction

Source: pppindiadatabase.com

BOOT: Build-Own-Operate-Transfer, HEP: Hydroelectric Power Plant

Social Infrastructure – Education

- Sikkim has a literacy rate of 82.2 per cent according to the provisional data of Census 2011; the male literacy rate is 87.3 per cent and the female literacy rate is 76.4 per cent.
- 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.
- Distance education is available for students through SMU and Indira Gandhi National Open University (IGNOU).

Literacy Rates (%)	
Literacy Rate	82.2
Male Literacy	87.3
Female Literacy	76.4

Source: Census 2011 (provisional data)

Educational Infrastructure (2008-09)	
Universities [^]	11
Colleges*	12
Primary Schools	912
Secondary Schools	117
Senior Secondary Schools	53

Sources: Department of School Education and Literacy and Department of Higher Education, Annual Report, 2009-10, Sikkim in Brief 2011,

[^]As of 2007-08, including Deemed Universities, Institutions of National Importance

*As of 2006-07

Primary Education Statistics	
Gross Enrollment Ratio (2007-08)	Lower Primary: 148.0 Upper Primary: 74.6
Drop Out Ratio (Lower Primary, 2007-08) (in per cent)	Girls: 12.5 Boys: 26.2

Source: Department of School Education and Literacy and Department of Higher Education, Annual Report, 2009-10

Social Infrastructure – Health

- Sikkim has an impressive health infrastructure, one of the best in the country.
- The state fares better than the national average in almost all health indicators.
- Health tourism is being promoted in the state to utilise its medical infrastructure and boost the economy.
- The state had 24 Primary Health Centers, 147 Primary Health Sub-Centers, 4 Community Health Centres and 4 District Hospitals as of March 2008.

Health Infrastructure (As of March 2008)

Primary Health Sub-Centres	147
Primary Health Centres	24
Community Health Centres	4
District Hospitals	4

Source: Ministry of Health and Family Welfare, Government of India

Health Indicators (2009)

Population-To-Bed Ratio [^]	600
Birth Rate*	18.1
Death Rate*	5.7
Infant Mortality Rate**	34

Sources: NEDFi Databank, Sample Registration System 2009

*Per thousand persons

**Per thousand live births

[^]2007-08

Cultural Infrastructure

- There are three ethnic communities in Sikkim: Lepcha, Bhutia and Nepali. Buddhism and Hinduism are the two main religions followed in the state. It has nearly 200 monasteries, of which the most well known Buddhist circuits are the Pemayangste, Tashiding, Rumtek, Enchey, Phensang, Ralong, Phodang and Tolung.
- Important festivals in the state are Bumchu, Dasain, Losar, Losoong, Maghe Sankranti, Namsoong, Pang-Labhsol, Saga Dawa, Sakewa, Sonam Lochar, Tamu Lochar, Tendong Lho Ram Faat, Tihar, Trungkar Teschu.
- Sikkim has the steepest rise in altitude over the shortest distance; its temperature varies from tropical and temperate in the Southern districts to alpine and tundra in the Northern peaks. Sikkim has lush forests, lakes, hot-springs, glaciers and mountain peaks. Trekking, river-rafting, mountain biking, mountaineering, yak riding and bird watching are the popular adventure sports in Sikkim.
- The state is richly endowed with rare and exotic flora and fauna, which includes 4,500 different flowering plants, 550 types of orchids, 36 varieties of rhododendrons, 28 bamboo species, over 144 mammals, 552 species of birds and 600 different butterflies – making it a nature lover's paradise.

Industrial Infrastructure

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- Sikkim has identified Rangpo-Gangtok, Melli-Jorethang, Jorethang-Rishi and Ranipool-Gangtok as industrial corridors with provision for giving the land to the investors on a lease basis.
 - Sikkim is a leading Northeastern state in hydroelectric power development with PPPs with 24 different projects identified.
 - The State Government has invited Expression of Interest (EOI) from interested parties to invest in PPP projects related to tourism infrastructure.
 - Sikkim has identified agro-based industries, horticulture and floriculture, minor forest-based industries, animal husbandry and 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.

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Key Industries

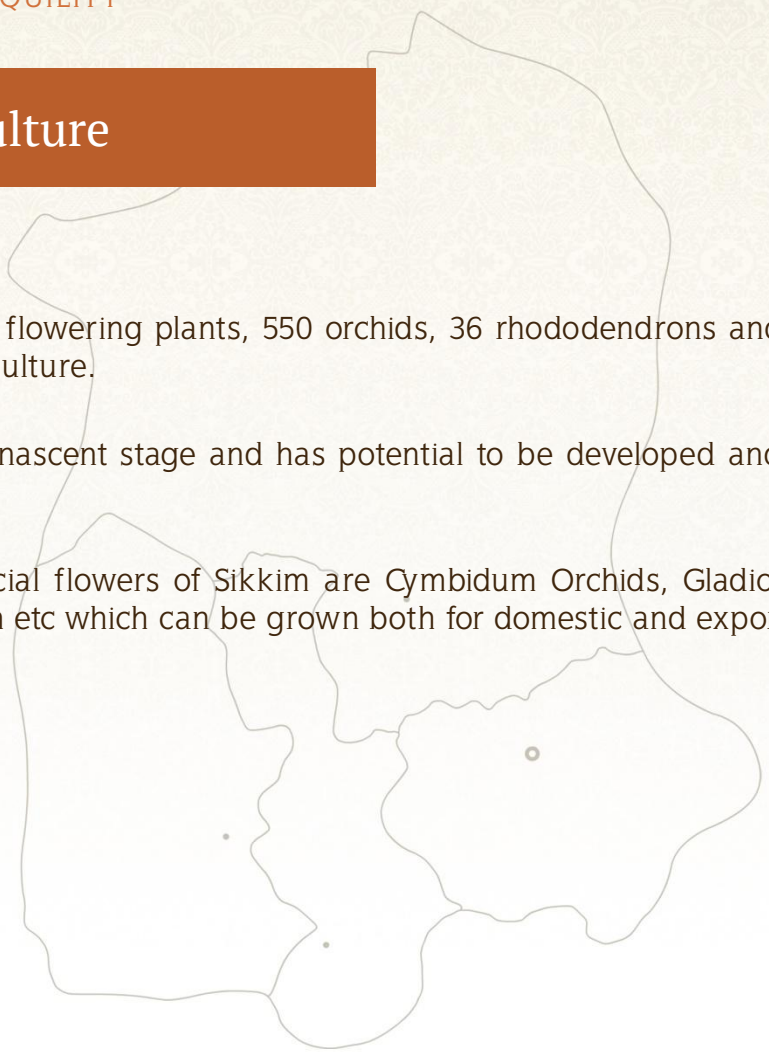
- The Commerce and Industries Department of Sikkim is involved in promotion of trade and industry in the state.
- The Sikkim Industrial Development & Investment Corporation Limited (SIDICO) is the state-level institution engaged in promoting, financing and developing the tiny and Small Scale Industries (SSI) sector in the state.
- Eco-tourism, handicrafts and handlooms, silk reeling and processing, precision engineering, electronics, IT, medicinal plants, floriculture, tea, spices, honey and biotechnology are thrust areas identified by the state.
- Being a potentially eco-fragile location, the people of Sikkim support promotion of pollution-free industries.

Key Industries in Sikkim

- Tourism
- Agriculture
- Agro-Processing
- Handlooms and Handicrafts
- Hydroelectric Power
- Tea
- Minerals
- Sericulture
- Horticulture

Key Industries – Floriculture

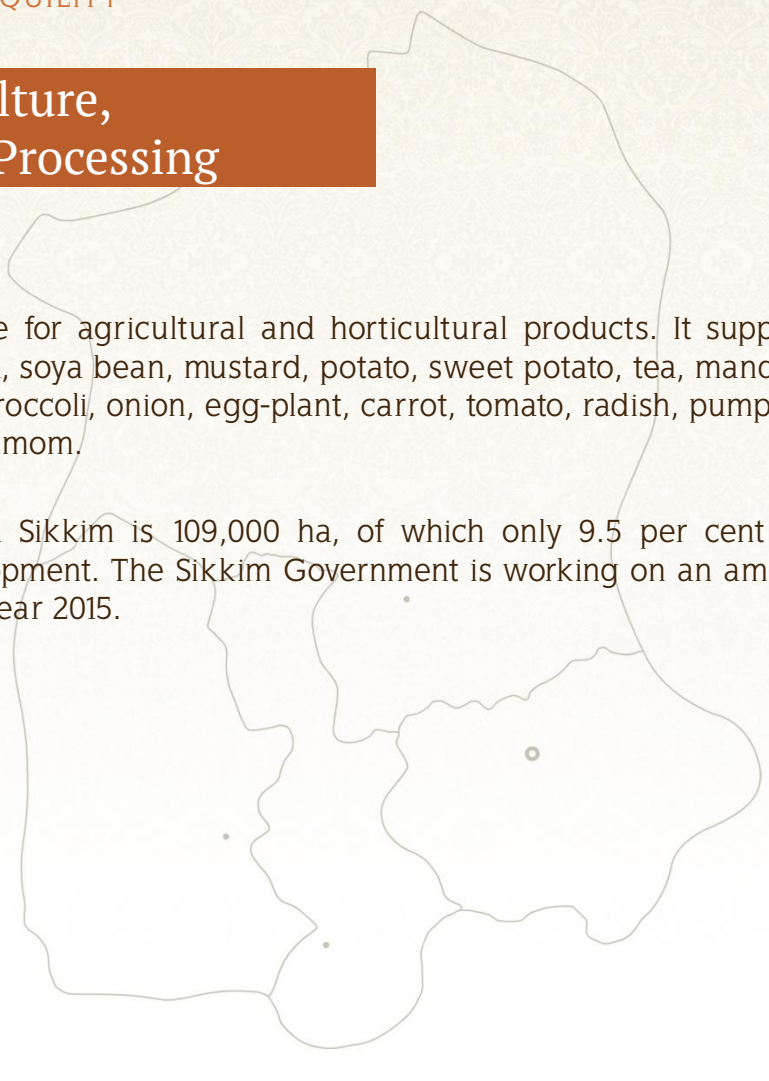
- Sikkim has 4,500 varieties of flowering plants, 550 orchids, 36 rhododendrons and nine tree ferns, presenting an avenue for investment in floriculture.
- The existing industry is at a nascent stage and has potential to be developed and promoted towards an export-oriented business.
- The most important commercial flowers of Sikkim are Cymbidium Orchids, Gladiolus, Carnation, Zerbera, Asiatic and oriental Lilies, Anthurium etc which can be grown both for domestic and export market.



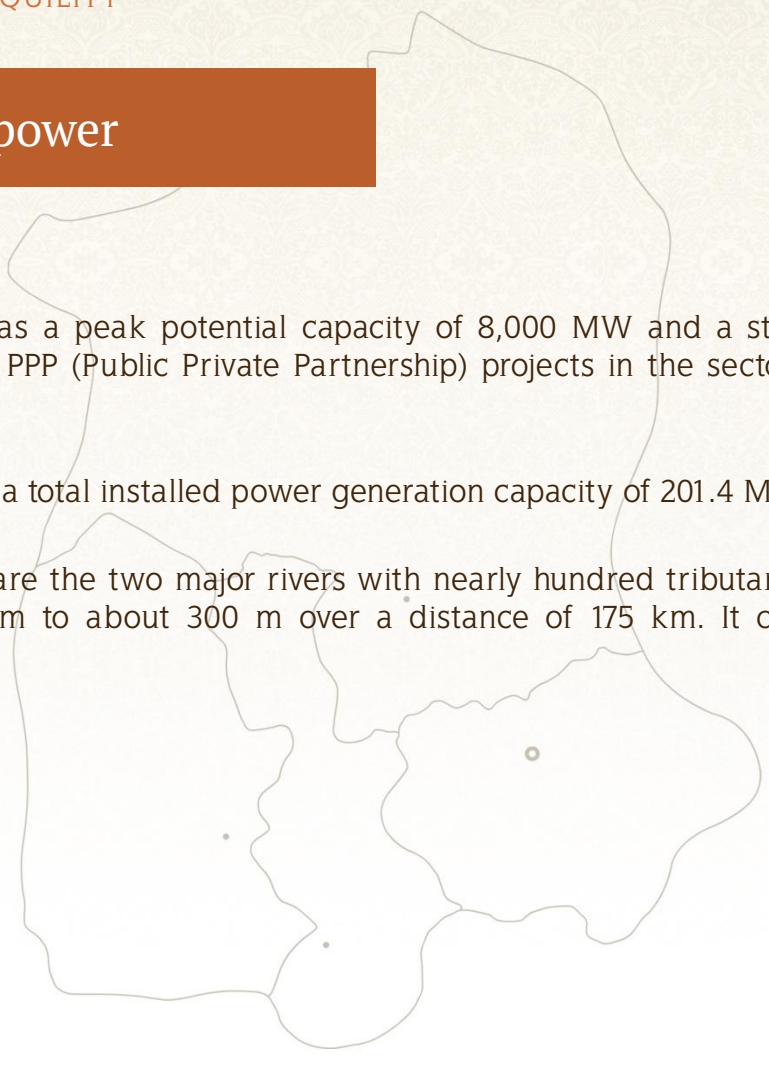
Key Industries – Medicinal Plants and Bamboo

- The agro-climatic conditions in the state support a wide variety of exotic flora and fauna that have utility in the medicine sector.
- About 22 different medicinal and aromatic plants are cultivated under contract farming for the National Medicinal Plants Board, the Department of Ayurveda and the Ministry of Health and Family Welfare, Government of India.
- The state is rich in biodiversity and over 400 species of medicinal plants and herbs are found throughout the state.
- The state has identified medicinal plants and bamboo as one of the priority sectors for investment.
- Sikkim has 28 varieties of bamboo, offering potential for developing the handicrafts, construction, medicine, packaging and food processing industries.

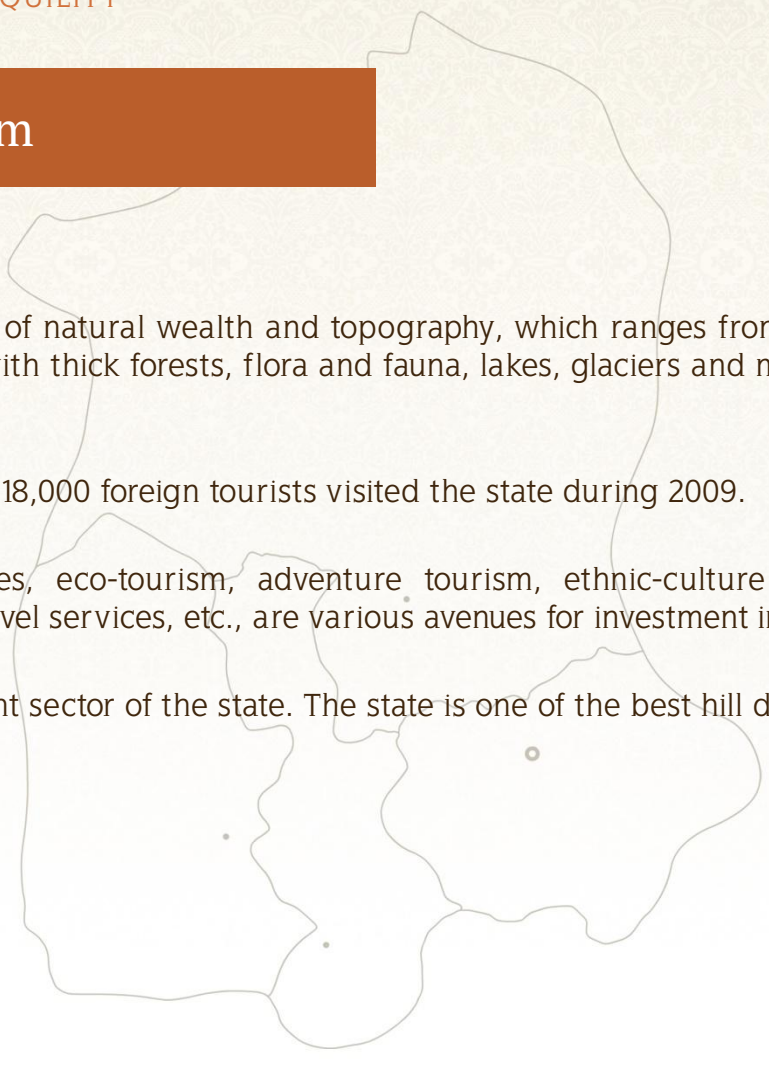
Key Industries – Agriculture, Horticulture and Food Processing

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- Sikkim has a suitable climate for agricultural and horticultural products. It supports multiple crops, viz., rice, maize, millet, barley, urd, pea, soya bean, mustard, potato, sweet potato, tea, mandarin orange, banana, jackfruit, papaya, passion-fruit, litchi, broccoli, onion, egg-plant, carrot, tomato, radish, pumpkin, turmeric, coriander, chilly, ginger, garlic 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 Sikkim Government is working on an ambitious plan to achieve 100 per cent organic farming by the year 2015.

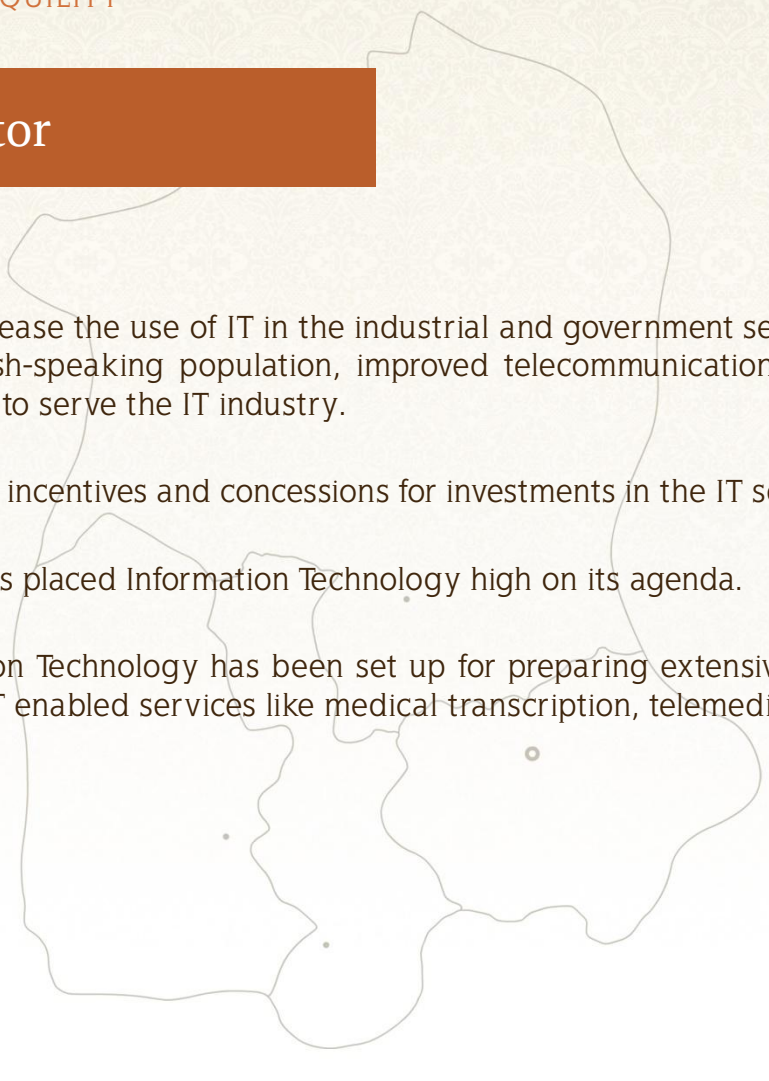
Key Industries – Hydropower

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- It is estimated that Sikkim has a peak potential capacity of 8,000 MW and a steady 3,000 MW hydroelectric power. The state has invited PPP (Public Private Partnership) projects in the sector and 31 projects are already being set up in the state.
 - As of March 2011, Sikkim had a total installed power generation capacity of 201.4 MW.
 - The Teesta and the Rangeet are the two major rivers with nearly hundred tributaries. The Teesta descends from an elevation of about 3600 m to about 300 m over a distance of 175 km. It could be harnessed for power generation in six stages.

Key Industries – Tourism

- 
- 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.
 - About 548,000 domestic and 18,000 foreign tourists visited the state during 2009.
 - Creation of tourist complexes, eco-tourism, adventure tourism, ethnic-culture tourism, health farms, hotels, convention centres, tourist travel services, etc., are various avenues for investment in the tourism sector.
 - Tourism is one of the important sector of the state. The state is one of the best hill destinations at the global level.

Key Industries – IT Sector

- 
- Sikkim's IT policy aims to increase the use of IT in the industrial and government sectors. With a high literacy rate, affordable cost, strong English-speaking population, improved telecommunications connectivity and favourable climate, Sikkim is well poised to serve the IT industry.
 - The IT policy provides several incentives and concessions for investments in the IT sector.
 - The Government of Sikkim has placed Information Technology high on its agenda.
 - The Department of Information Technology has been set up for preparing extensive projects, particularly aiming at e-governance; promoting IT enabled services like medical transcription, telemedicine, computerised braille etc.

Key Industries – Sericulture

- Mulberry, muga, eri, oak-tussar and 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 and West District.
- Forest Department has two Sericulture Farms, one at Rorathang (East Sikkim) and other at Mamring and Namthang (South District).

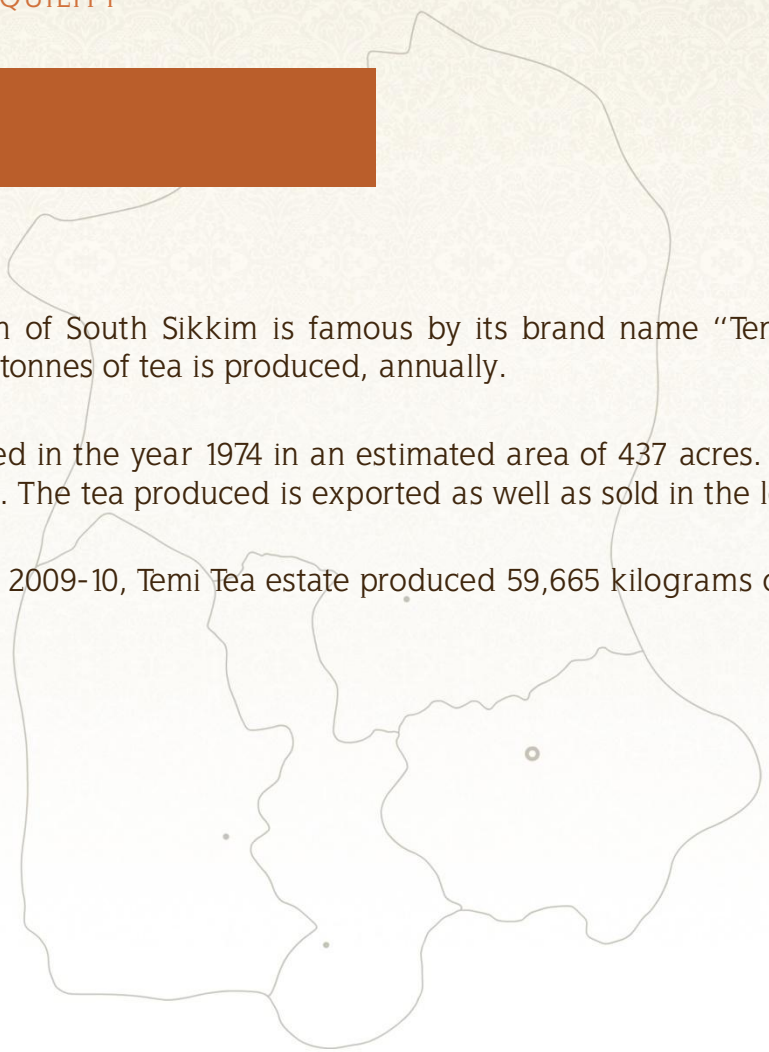


Key Industries – Handloom and Handicrafts

- Carpet weaving, blanket making, handloom, cane and bamboo, thanka painting, lepcha hat-making and angora shawl-weaving are the various handlooms and handicraft activities practised in Sikkim.
- Sikkim's handicrafts are being promoted in various national and international trade fairs and have found ready buyers.
- The industry has a great potential to generate income and employment in the state. Hence, in order to give a boost to the sector, the Government of Sikkim has been making several efforts, which include providing training to upgrade the quality and designs of the products; bringing expertise and professionals for their marketing and supply, etc.

Key Industries – Tea

- Tea grown in the Temi region of South Sikkim is famous by its brand name “Temi” tea. The tea has its unique flavour and about 100 metric tonnes of tea is produced, annually.
- Temi Tea estate was established in the year 1974 in an estimated area of 437 acres. The garden employs about 400 regular and seasonal workers. The tea produced is exported as well as sold in the local and national markets.
- During the harvesting season 2009-10, Temi Tea estate produced 59,665 kilograms of saleable tea.



Key Industries – Minerals and Mining

- Sikkim has significant, untapped natural resource reserves of coal, lime stone, marble, quartzite, graphite, and garnet.
- Contour mapping and survey of minerals is being carried out by the Department of Mines, Minerals and Geology of the Government of Sikkim.



Key Industries – Electronics and Precision Engineering ... (1/2)

- Electronics and precision engineering has been identified as a thrust area by the Sikkim Government owing to the presence of state-run precision engineering industry.
- Sikkim Precision Industries Limited, Sikkim Jewels Limited and Sikkim Time Corporation are the state-run precision engineering facilities. The success of these industries and the boost it has provided to the economy has encouraged the Sikkim Government to support and promote similar industry.



Key Industries – Electronics and Precision Engineering ... (2/2)

Sikkim Time Corp (SITCO)

- SITCO was established in 1976 to assemble mechanical watches for Hindustan Machine Tools (H.M.T.). The company diversified into mechanical crown watches, semiconductors, digital and analog watches and speakers. SITCO employs over 350 persons. It entered into an agreement with BPL, Bengaluru, to manufacture speakers for television and other applications.

Sikkim Jewels Ltd (SJL)

- SJL was established in 1972 to produce watch jewels, cup jewels and rotor magnets. The company has emerged as a leading player in this segment and has become a preferred supplier to H.M.T. Limited, Titan Industries Limited, Allwyn Watches Limited, Jaipur Meters and Electricals Limited, VXL India Limited and Andhra Pradesh Electricals and Equipment Corporation.

Sikkim Precision Industries Ltd (SPIL)

- SPIL was set up in 2001 and employs over 100 persons. SPIL manufactures TO-202 package power devices and has an installed capacity of 10 million per annum.

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Key Approvals Required

List of Approvals and Clearances Required	Department
Incorporation of Company	Registrar of Companies
Registration, Industrial Entrepreneurs Memorandum, Industrial Licences	Commerce and Industries Department
Permission for Land Use	
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
Commercial Taxes	
Sanction of Power	Energy and Power Department
Power Feasibility	
Power Connection	
Approval for Construction Activity and Building Plan	Public Works Department
Water and Sewerage Clearance	Water Security & Public Health Engineering Department
Water Connection	

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
Cost of Land (per acre)	US\$ 50,000 to US\$ 75,000 in Gangtok	Industry Sources
Hotel Costs	US\$ 10 to US\$ 50 per room per night	State Tourism Website
Office Space Rent (2,000 sq ft)	US\$ 75 to US\$ 200 per month	Industry Sources
Residential Space Rent (2,000 sq ft)	US\$ 50 to US\$ 100 per month	Industry Sources
Labour Cost (minimum wages per day)	Unskilled: US\$ 2.2 Skilled: US\$ 2.9	Ministry of Labour and Employment, Government of India

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State Acts & Policies

Sikkim Tourism Policy 2010

Objectives

- To build Sikkim as an attractive tourist location and promote the sector as an economic growth engine.
- To promote sustainable development of tourism and encourage the private sectors to develop tourism related infrastructure & services without disturbing ecology and environment.

[Read more](#)

North East Industrial and Investment Promotion Policy (NEIIPP) 2007

Objective

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

[Read more](#)

IT Policy of Sikkim 2006

Objectives

- To employ IT to provide better governance and generate employment.
- To improve productivity in the government departments through computerization.

[Read more](#)

Annexure

Exchange Rates

Year	INR equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.28
2007-08	40.24
2008-09	45.91
2009-10	47.41
2010-11	45.57

Average for the year

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