# EXECUTIVE SUMMARY

<table>
<thead>
<tr>
<th>Strong tourism sector</th>
<th>Jammu &amp; Kashmir (J&amp;K) is a global tourist destination. In addition to traditional recreational tourism, a vast scope exists for adventure, pilgrimage, spiritual &amp; health tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader in agro-based industry</td>
<td>A vast natural resource base has enabled J&amp;K to develop land for cultivating major fruits. The state’s share in the overall apple production in India was 74.42 per cent in 2016-17, with the overall production of apples in the state reaching around 1.726 million MT.</td>
</tr>
</tbody>
</table>
| Strong horticulture sector | With varied agro-climatic conditions, the scope for horticulture is significantly high in the state. There is considerable scope for increasing the horticulture produce, which is exported.  
Department of Floriculture of the state has submitted a policy for floriculture development to the state government. The policy will aim at promoting investments and fiscal incentives. |
| Vibrant floriculture sector | J&K has an ideal climate for floriculture and an enormous assortment of flora and fauna.  
The state has Asia’s largest tulip garden.  
The state recorded production of 30.09 thousand metric tonnes of flowers during 2016-17, of which 29.70 thousand metric tonnes were loose flowers and 0.39 thousand metric tonnes were cut flowers. |
| Lowest power tariffs | The average rate of electricity for industrial consumers in J&K ranges from US$ 0.05–0.086, while that for commercial consumers ranges from US$ 0.05–0.06; these rates are relatively lower than those in most other Indian states. |
| World famous handicrafts industry | Over the years, handicrafts industry of the state witnessed huge growth. Production of handicrafts in the state stood at US$ 394.99 million in 2016-17. |

*Source: Ministry of Tourism, Ministry of Agriculture*
ADVANTAGE JAMMU & KASHMIR

Paradise on earth
- J&K is naturally pollution free and provides a salubrious environment.
- The natural beauty & picturesque locations have made it a favoured destination for tourists. Jammu is famous for its temples, while the Kashmir Valley is known for its lakes & gardens.

Policy incentives
- J&K has an industrial policy that offers attractive incentives along with a single-window clearance mechanism.
- Land is allotted at concessional rates in industrial areas on lease for 90 years.
- The cost of setting up operations is comparatively lower than other states.

Rich labour pool
- J&K’s inhabitants are skilled weavers & designers of textile products. This provides a basis for setting up more textile units.
- The traditional skills of the people in craftsmanship can be utilised to meet the demands of industrial processes.

Horticulture and floriculture
- J&K has agro-climatic conditions best suited for horticulture & floriculture. Horticulture is the mainstay of the rural economy, providing employment to thousands.
- The floriculture industry supplies flowers to domestic & international markets.

2017 (up to October)
7.31 million tourist arrivals in the state

2020E
J&K expects to witness 22.7 million tourist arrivals
Develop fisheries to provide rural employment.

Promote organic farming to help control degradation of natural resources by avoiding large-scale use of chemicals.

To make the state self-sufficient in energy supply and reduce dependence on other states.

Develop better roads in the mountain regions for farmers to market their products.

Sustainable and balanced industrial growth with focus on employment generation by attracting large companies.

Optimal utilisation of natural resources, 60% of which are commercially viable.

Address the issue of shrinking natural water resources due to pollution, encroachment and siltation.

Conserve forests from depletion due to population expansion.

Create an environment to attract private investment in job-oriented projects.

Encourage development of small and medium-scale sectors.

Develop eco-tourism in the state apart from developing the state as adventure, heritage and religious tourist destination.

Promote rural tourism to provide employment to rural people who are dependent on agriculture for income.

Develop vocational training centres to impart skilled training to women in various crafts and traditional trades.

Create training facilities for agriculture and cottage industries.

Develop transportation network to enhance rural connectivity.

Reform institutional machinery to create public transport facilities.

Investment promotion

Tourism

Agriculture

Transport

Skill Development

Industries

Environment

Infrastructure

Vision

Source: Government of Jammu & Kashmir
Jammu & Kashmir is the northernmost state of India. The state shares borders with Himachal Pradesh and Punjab, and the neighbouring countries of Pakistan, China and Afghanistan. J&K consists of three regions: Jammu, the Kashmir Valley and Ladakh. The important cities and towns are: Jammu, Srinagar, Gulmarg, Pahalgam, Leh and Udhampur.

The climate of J&K varies considerably with its topography. The climate is primarily temperate. Jammu is known as the winter capital of the state while Srinagar is known as the summer capital.

- Urdu, Kashmiri and Dogri are J&K's official languages; Hindi, Pahari and Ladakhi are also spoken in some parts of the state.
- Important rivers flowing through J&K include the Indus, the Chenab, the Jhelum, the Tawi and the Ravi.

### Parameters

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Jammu &amp; Kashmir</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital cities</td>
<td>Summer capital – Srinagar \nWinter capital – Jammu</td>
</tr>
<tr>
<td>Geographical area (sq km)</td>
<td>222,236</td>
</tr>
<tr>
<td>Administrative districts (No)</td>
<td>22</td>
</tr>
<tr>
<td>Population density (persons per sq km)</td>
<td>124</td>
</tr>
<tr>
<td>Total population (million)</td>
<td>12.5</td>
</tr>
<tr>
<td>Male population (million)</td>
<td>6.6</td>
</tr>
<tr>
<td>Female population (million)</td>
<td>5.9</td>
</tr>
<tr>
<td>Sex ratio (females per 1,000 males)</td>
<td>889</td>
</tr>
<tr>
<td>Literacy rate (%)</td>
<td>68.74</td>
</tr>
</tbody>
</table>

**Source:** Planning & Development Department, Government of Jammu & Kashmir, Census 2011
## JAMMU & KASHMIR IN FIGURES … (1/2)

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Jammu &amp; Kashmir</th>
<th>All states</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSDP as a percentage of all state’s GSDP</td>
<td>0.84</td>
<td>100.00</td>
<td>Directorate of Economics &amp; Statistics of Jammu &amp; Kashmir, Central Statistics Office</td>
</tr>
<tr>
<td>Per capita GSDP (US$)</td>
<td>1,728.50</td>
<td>1,966.20</td>
<td>Directorate of Economics &amp; Statistics of Jammu &amp; Kashmir, Central Statistics Office</td>
</tr>
<tr>
<td><strong>Physical Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installed power capacity (MW)</td>
<td>3,424.82</td>
<td>340,526.58</td>
<td>Central Electricity Authority, as of March 2018</td>
</tr>
<tr>
<td>Wireless subscribers (No)</td>
<td>12,559,117</td>
<td>1,151,936,422</td>
<td>Telecom Regulatory Authority of India, as of January 2018</td>
</tr>
<tr>
<td>Internet subscribers (No)</td>
<td>5,020,000</td>
<td>445,960,000</td>
<td>Telecom Regulatory Authority of India, as of December 2017</td>
</tr>
<tr>
<td>National Highway length (km)</td>
<td>2,601</td>
<td>122,432</td>
<td>NHAI &amp; Roads and Building Department</td>
</tr>
<tr>
<td>Airports (No)</td>
<td>3</td>
<td>125</td>
<td>Airports Authority of India</td>
</tr>
</tbody>
</table>
### JAMMU & KASHMIR IN FIGURES … (2/2)

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Jammu &amp; Kashmir</th>
<th>All states</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy rate (%)</td>
<td>68.7</td>
<td>73.0</td>
<td>Census 2011</td>
</tr>
<tr>
<td>Birth rate (per 1,000 population)</td>
<td>15.7</td>
<td>20.4</td>
<td>SRS Bulletin</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDI equity inflows (US$ billion)</td>
<td>0.006</td>
<td>367.932</td>
<td>Department of Industrial Policy &amp; Promotion, April 2000 to December 2017</td>
</tr>
<tr>
<td><strong>Industrial Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPP projects under construction</td>
<td>6</td>
<td>794</td>
<td>DEA, Ministry of Finance, Government of India, January 2018</td>
</tr>
</tbody>
</table>

*Note: PPP: Public-Private Partnership, SRS: Sample Registration System, 1completed & operational*
At current prices, GSDP of J&K has been estimated at Rs 1.41 trillion (US$ 21.86 billion) in 2017-18.

The state’s GSDP grew at a CAGR of 10.30%, during 2011-12 to 2017-18. The state is expected to grow at 11.71 per cent (in Rs) by 2018-19 to reach Rs 1.57 trillion (US$ 24.42 billion).

**Note:** E – Estimate, F – Forecast, *CAGR in Rs is up to 2017-18

In 2017-18, J&K’s NSDP is estimated at around Rs 1.19 trillion (US$ 18.51 billion).

The state’s NSDP increased at a CAGR (in Rs) of 10.02% from 2011-12 to 2017-18.

The state’s NSDP is expected to reach Rs 1.34 trillion (US$ 20.73 billion) in 2018-19.

**Note:** *CAGR is up to 2017-18, E – Estimate, F – Forecast. *CAGR in Rs till 2017-18

J&K’s per capita GSDP\(^*\) in 2017-18 is estimated at around Rs 1577.86 (US$ 1,319.4) in comparison with Rs 101,693 (US$ 1577.86) in 2011-12.

- The per capita GSDP increased at an average rate of 8.64% between 2011-12 and 2017-18.
- The per capita GSDP is expected to reach Rs 111,905 (US$ 1,736.31) in 2018-19.

**Note:** Per Capita GSDP\(^*\) - calculated using GSDP million US$/Population in million, \(^*\)CAGR in Rs is up to 2017-18, \(^\#\)At constant Census 2011 population

J&K’s per capita NSDP\(^a\) in 2017-18 was estimated at Rs 86,108.00 (US$ 1,336.04) as against Rs 53,173 (US$ 1134.24) in 2011-12.

The per capita NSDP of J&K increased at a CAGR (in Rs) of 8.37 per cent between 2011-12 and 2017-18.

The per capita NSDP for 2017-18 is forecasted to grow 10.32 per cent in 2018-19 to reach Rs 94,992 (US$ 1,473.89).

**Note:** *Per Capita NSDP - Geometric mean of YoY calculation from 2011-12 to 2017-18, E - Estimate, F - Forecast, *CAGR in Rs is up to 2017-18

At current prices, the services sector contributed 58.30% to J&K’s GSVA in 2016-17, followed by the industry (22.52%) and agriculture and allied industries (19.18%) sectors.

Agriculture and allied sectors witnessed fastest growth among the three sectors, during 2011-12 to 2016-17, witnessing growth at a CAGR of 13.81%.

Industry sector expanded at a CAGR of 6.88% from 2011-12 to 2016-17, driven by manufacturing, construction, electricity, gas and water supply.

Services sector increased at a CAGR of 13.25% between 2011-12 and 2016-17.

The Kashmir region is known for its horticulture industry. The industry plays a vital role in the state’s economic development. In 2016-17, total production of fruits in the state stood at around 2.12 million metric tonnes.

The state is a leading producer of apples and walnuts; the total apple production, in 2016-17, stood at around 1.73 million metric tonnes.

Wood from Kashmir willows is used to make cricket bats. Moreover, Kashmiri saffron is renowned globally and generates export revenues for the state.

Rice, maize and wheat are the major cereals produced in the state. In 2016-17, J&K’s total food grain production stood at 1.61 million tonnes.

The state produced 2.23 million tonnes of dry fruits in 2016-17 over an area of 338.5 thousand hectares.

In the State Budget 2018-19, the revenue expenditure proposed by the state government for agriculture sector and allied activities is US$ 367.72 million.

The State Government is promoting organic production of crops. It aims to minimise the use of fertilisers to Leh and Kargil districts so that all crops cultivated there are on organic lines.

<table>
<thead>
<tr>
<th>Crop</th>
<th>Annual production in 2016-17 ('000 tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple</td>
<td>1,730</td>
</tr>
<tr>
<td>Rice</td>
<td>619.9</td>
</tr>
<tr>
<td>Honey</td>
<td>1.15</td>
</tr>
<tr>
<td>Wheat</td>
<td>473.0</td>
</tr>
<tr>
<td>Spices</td>
<td>0.96</td>
</tr>
<tr>
<td>Onion</td>
<td>65.27</td>
</tr>
<tr>
<td>Total pulses</td>
<td>8.1</td>
</tr>
<tr>
<td>Total oilseeds</td>
<td>43.1</td>
</tr>
<tr>
<td>Vegetable</td>
<td>1,386.37</td>
</tr>
</tbody>
</table>

According to the DIPP, cumulative FDI inflows, during April 2000 to December 2017, were valued at US$ 6 million.

The electricity and services sectors are the major contributors in the economic growth of the state.

Moreover, due to the state being mineral rich, there exist numerous business opportunities in various sectors - mainly, agriculture, handloom, handicrafts, etc.

The cabinet approved US$ 305.53 million package for refugees from Pakistan-occupied Kashmir. The financial aid will be provided to 36,384 families, who are mostly living in Jammu region, after their displacement from PoK post-independence.

**Note:** * - Till December 2017

**Source:** Department of Industrial Policy & Promotion
ECONOMIC SNAPSHOT – JAMMU & KASHMIR EXPORT TRENDS

- J&K exports superior quality carpets, embroiderical clothes, woolen shawls and other valuable crafts. In addition to this, the handicraft sector also contributes considerably towards accumulating foreign exchange earnings.

- Such craft products being produced in the state in addition with the crewel, namda, wood carving, papier-mâché, jewelry, kani shawls and chain stich, have a significant share in the overall production and exports of the state.

- With an increase in the horticultural production in 2016-17, exports from the state stood at US$ 1,004.01 million, in value terms.

- The state is a major exporter of walnut & its international market share is about 7%.

- Export of fruits from the state, has occupied a prominent place in its trade but it is showing a fluctuating trend over the years.

- The total volume of fruits exported during the financial year 2014-15 (ending November 2014) was 0.68 million MT, which was comparatively less from the previous year. The reason behind such low growth is considered to be the introduction of Market Intervention Scheme (MIS), under which “C” grade apples are procured at a support price of US$ 10 cents per kg. for processing into juice concentrates in the locally established juice processing units.


- Handicraft exports from Kashmir increased 8.6 per cent to US$ 177.79 billion in 2016-17.

- The tourism sector has also been a source of employment generation in the state since the sector has the capacity to create direct and indirect large scale employment for different sections.

General Highlights of Jammu and Kashmir Budget 2018-19:

- Total expenditure: US$ 12,405.47 million
- Capital expenditure: US$ 4,499.23 million.
- Total receipts: US$ 12,405.47 million
- Revenue receipts: US$ 9,927.25 million.
- Capital receipts: US$ 2,478.22 million
- Revenue surplus: US$ 2,021.01 million
- Own tax revenue estimated: US$ 1,729.07 million
- Share of Central Taxes: US$ 2,005.56 million.
- Centrally sponsored scheme: US$ 1,609.98 million.
- Prime Ministers Development programme: US$ 1,282.05 million.

Source: Government of Jammu & Kashmir, Department of Finance, State Budget 2018-19
ANNUAL BUDGET 2018-19 … (2/2)

- **Social Infrastructure:**
  - Budgeted Allocation of US$ 1,017.44 million for the education sector.
  - Budgeted Allocation of US$ 431.75 million proposed for health and medical education.
  - Budgeted Allocation of US$ 231.28 million for social welfare.

- **Infrastructure sector:**
  - Budgeted allocation of US$ 1,279.12 million for power development
  - Budgeted allocation of US$ 187.94 million for public health engineering
  - Budgeted allocation of US$ 122.91 million for public works

- **Economic Sector:**
  - Budgeted allocation of US$ 146.52 million for agriculture production
  - Budgeted allocation of US$ 102.45 million for forest department.
  - Budgeted allocation of US$ 49.42 million for industries and commerce.

*Source: Government of Jammu & Kashmir, Department of Finance, State Budget 2018-19*
The total road length in J&K is about 37,024 km. The central Government has attached high priority to developing & upgrading J&K’s road network.

The Border Roads Organization (BRO) is going to take up upgradation of Jammu-Poonch highway into a four-lane expressway. The Detailed Project Report of the project has been submitted to Ministry of Road, Transport and Highways and it is expected that the work will begin in 2019.

With a construction period of around 42 months, the major project of 4-laning of Ramban-Banihal section of NH-44 was secured by HCC (Hindustan Construction Company), at a cost of US$ 272.38 million. The project is in works and is expected to be completed by 2019.

In addition to this project, HCC will also take up new project of an access road tunnel to Sawalkote Hydroelectric Power Project. Moreover, various projects that are in progress in the state include the construction of T48 & T49 tunnels from Dharam to Qazikund.

The JKSRTC provides public transportation in the state.

### Road Surface

<table>
<thead>
<tr>
<th>Road Surface</th>
<th>Road length (km) As of June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>National highways</td>
<td>2,601</td>
</tr>
<tr>
<td>State highways¹</td>
<td>79</td>
</tr>
<tr>
<td>Total road length¹</td>
<td>37,024</td>
</tr>
</tbody>
</table>

Note: ¹As of December 2015
Source: Ministry of Road Transport & Highways, NHAI - National Highways Authority of India, JKSRTC - Jammu & Kashmir State Road Transport Corporation
In an effort to boost tourism in 3 regions, J&K’s Government is planning to construct several ropeways in the state.

Several new projects, such as cable car projects from Peerko to Mahamaya, Mahamaya to Shahabad in Bahu Fort & 1 at Patnitop, are in the pipeline. These projects are expected to be completed in next 2 years.

The State Cable Car Corporation has approved the installation of passenger ropeways, which would facilitate the movement of tourists across the Tawi River.

Nashri Road tunnel, India’s longest road tunnel is functional in the state. The tunnel has cut down the travelling distance between Jammu & Kashmir by 38 km.

The Government is planning to build 2 highways in order to provide all-weather connectivity from Jammu to the Kashmir valley. The 1st project of 4-laning of Ramban-Banihal section of National Highway-1A (now NH-44) in Jammu & Kashmir will cost US$ 271 million.

Another project is related to 4-laning of Udhampur- Ramban section of National Highway. The 40.07-km road project will cost US$ 293 million.

There are 3,892 eligible habitations under PMGSY in the state. As of January 2018, out of the total eligible habitations, 2,202 have been cleared, 1,480 have been connected and 722 are yet to be connected.

Various new national highways declared by the Ministry of Road Transport & Highways, Government of India include the following:

- NH-301: Kargil-Zanskar road
- NH-701: Baramulla-Rafiabad-Kupwara-Tangdhara road
- NH-444: The highway starting from its junction with NH-44 near Srinagar connecting Badgam, Pulwama, Shopian, Kulgam and terminating at its junction with new NH No. 44 near Qazigund in the State of J&K.
- NH-144A: The highway starting from its junction with NH-44 near Jammu connecting Aknoor, Nowshera, Rajouri and terminating at Poonch in the State of J&K.
- NH-144: The highway starting from its junction with NH No. 44 Domail connecting Katra, Reasi and terminating at Pouni in the State of J&K.

Highways with numbers NH-301, NH-444, NH-144A and a section of NH-144, in addition to the old national highway i.e. NH-1B connecting Batote and Kishtwar, have been assigned to the Public Works Department (PWD) of Jammu & Kashmir by the Ministry of Road Transport & Highways, Government of India.

In April 2017, the National Highway Infrastructure Development Corporation (NHIDCL) started work on developing five tunnels for a cost of US$ 3.42 billion. The tunnels will have all weather access, and will be completed by 2024.

In April 2017, the central government inaugurated Asia's longest 'Chenani-Nashri Highway Tunnel' on Jammu-Srinagar Highway, which is located between Udhampur and Ramban in the northern State of Jammu & Kashmir.

Due to its predominantly mountainous terrain, J&K is linked with the country’s rail network up to the Udhampur district.

The Government of India is planning to develop a 345 km long railway line for joining the Kashmir valley and Indian Railways network, so as to provide an alternate and reliable transportation system to the people of J&K state.

In 2014, the construction of Chenab Bridge was announced, which would be built over the Chenab river, and would be the highest of its kind in the world (35 metres higher than the tip of the Eiffel Tower in Paris). It is expected to be completed by March 2019.

Work on connecting Srinagar and Baramullah is underway. The Katra–Qazigund (148 km) and Qazigund–Baramullah (119 km) rail links have been taken up for construction as national priority projects. The work on the Udhampur–Katra (25 km) section of the rail link has been completed.

In 2015, the first phase of the project between Qazigund and Banihal, was under progress and the entire project is expected to be completed by 2017-18. The tunnel is expected to be operational by 2019. The total cost associated with the projects is US$ 147.3 million and the entire construction of the railway line includes a 11-km tunnel between the Pir Panjal range.

Socioeconomic impact of J&K’s railway projects:

- The rail links would provide all-weather and reliable connectivity to J&K, including remote areas, from the rest of the country.
- With the completion of approach roads, more than 73 villages would get connected, thereby providing road connectivity to about 147,000 people. Of the 262 km of approach roads to be constructed, 145 km have been completed and 29 villages have been connected.
- These projects provide direct employment to about 7,000 local people and indirect employment to thousands for their day-to-day requirements; this would help mitigate militancy.
- One member from each family, who has lost more than 75% of their land to projects, would receive a job in railways. Until now, over 300 jobs have been given under the programme.

In May 2017, the government hired Konkan Railways to construct the world’s tallest railway bridge over the river Chenab. The 1.315 km-long track is being built at a height of 359 metre, and will cost around US$ 1.78 billion. The project is expected to be completed by May 2019.

### Udhampur to Baramulla Railway Line

<table>
<thead>
<tr>
<th>Item</th>
<th>Udhampur-Katra</th>
<th>Katra-Qazigund</th>
<th>Qazigund-Baramulla</th>
</tr>
</thead>
<tbody>
<tr>
<td>Route length (km)</td>
<td>25</td>
<td>129</td>
<td>119</td>
</tr>
<tr>
<td>Bridges</td>
<td>38</td>
<td>62</td>
<td>811</td>
</tr>
<tr>
<td>Tunnels Length (km)</td>
<td>10.90</td>
<td>103.00</td>
<td>0</td>
</tr>
<tr>
<td>Longest tunnel (km)</td>
<td>3.15</td>
<td>10.96</td>
<td>-</td>
</tr>
<tr>
<td>Stations</td>
<td>3</td>
<td>11</td>
<td>15</td>
</tr>
</tbody>
</table>

*Source: Economic Survey of J&K, 2017-18*
The air travel in the state connects all the three regions of the state which include: Srinagar, Jammu and Leh. The Sheik-ul-Alam Airport at Srinagar is a major international airport. Jammu and Leh are the domestic airports in the state. The state also has an airport in Kargil, which is served by Djkota service.

During April 2017-February 2018, Srinagar airport recorded a total of 2,227,863 passengers, of which 15,719 were international passengers and 2,212,144 were domestic passengers.

Jammu airport recorded a total of 1,316,139 domestic passengers during April 2017-February 2018.

The number of flights handled by Srinagar and Jammu airports were recorded to be 15,543 and 10,852 respectively in 2016-17.

The domestic airlines and destinations connecting the Srinagar airport include GoAir (Goa, Pune, Delhi, Jammu, Mumbai, Patna, Chandigarh, Bengaluru), Air India (Delhi, Jammu, Leh), JetKonnect (Delhi, Bengaluru, Leh) and SpiceJet (Mumbai, Bengaluru, Delhi, Jammu).

In December 2017, the Central Government sanctioned construction of a new international standards airport in Samba, Jammu. The Civil Aviation Ministry is going to finalise the land for the airport.

Source: Airport Authority of India, Economic Survey 2014-15
PHYSICAL INFRASTRUCTURE – AIRPORTS.. (2/2)

- Major projects in the pipeline include:
  - Setting up a state government aviation complex at Satwari Airport in Jammu.
  - Building airstrips at Kishtwar, Rajouri and Surankot.
  - Extension of Nehru helipad and augmentation of its technical infrastructure.

- In April 2017-February 2018, the total number of passengers recorded in Srinagar, Leh and Jammu were 2,227,863, 649,844 and 1,316,139 respectively.

- In April 2017-February 2018, the total number aircraft movements recorded in Srinagar, Jammu and Leh were 16,408, 12,982 and 5,588 respectively.

- In April 2017-February 2018, the total freight recorded in Srinagar, Jammu and Leh amounted to 6,700 tonnes, 1,681 tonnes, 1,424 tonnes respectively.

### Airport indicators in J&K

#### Number of passengers (nos.)

<table>
<thead>
<tr>
<th>Airports</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Srinagar</td>
<td>2,040,808</td>
<td>2,310,829</td>
<td>2,101,762</td>
<td>2,227,863</td>
</tr>
<tr>
<td>Jammu</td>
<td>952,641</td>
<td>1,117,252</td>
<td>1,159,937</td>
<td>1,316,139</td>
</tr>
<tr>
<td>Leh</td>
<td>403,243</td>
<td>408,541</td>
<td>563,800</td>
<td>649,844</td>
</tr>
</tbody>
</table>

#### Aircraft movements (nos.)

<table>
<thead>
<tr>
<th>Airports</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Srinagar</td>
<td>14,828</td>
<td>16,268</td>
<td>15,543</td>
<td>16,408</td>
</tr>
<tr>
<td>Jammu</td>
<td>10,065</td>
<td>10,766</td>
<td>10,852</td>
<td>12,982</td>
</tr>
<tr>
<td>Leh</td>
<td>3,462</td>
<td>3,434</td>
<td>4,904</td>
<td>5,588</td>
</tr>
</tbody>
</table>

#### Freight (Tonnes)

<table>
<thead>
<tr>
<th>Airports</th>
<th>2014-15</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Srinagar</td>
<td>5,636</td>
<td>5,396</td>
<td>4,882</td>
<td>6,700</td>
</tr>
<tr>
<td>Jammu</td>
<td>1,685</td>
<td>1,685</td>
<td>2,242</td>
<td>1,681</td>
</tr>
<tr>
<td>Leh</td>
<td>1,339</td>
<td>1,442</td>
<td>1,665</td>
<td>1,424</td>
</tr>
</tbody>
</table>

*Note:¹ Up to February 2018  
Source: Airports Authority of India,*
- State-owned power is generated by the JKSPDCL. PDD is responsible for all functions related to transmission and distribution in the state.
- As of March 2018, J&K had a total installed power generation capacity of 3,424.82 MW, comprising 1,842.93 MW under central utilities, 1,525.03 MW under state utilities and 56.86 MW under private utilities.
- Of the total installed power generation capacity, 2,369.48 MW was contributed by hydropower, 810.47 MW by thermal power, 176.89 MW by renewable power and 67.98 MW by nuclear power.
- Industrial units are allowed to install their captive-power generation plants, which are exempted from paying electricity duty.
- The village electrification programme in J&K has been pursued diligently. Out of the 6,337 inhabited villages in the state, 91 are yet to be electrified as of January 2018.
- With the government’s approval hydro power projects, worth US$ 15 billion, in the state have been fast tracked.
- In State Budget 2018-19 an amount of US$ 12.79 billion was allocated for power development as revenue expenditure.

*Note: JKSPDCL - Jammu & Kashmir State Power Development Corporation Limited, PDD - Power Development Department*

*Source: Central Electricity Authority*
The identified hydro power potential for the state is 16,475 MW out of the estimated 20,000 MW. The Chenab basin comprises of 11,283 MW, Jhelum basin consists of 3,084 MW, Ravi basin comprises of 500 MW and the Indus basin accounts for 1,608 MW.

Power generation in the state during April-March 2018 reached 14,935.63 GW.

Jammu and Kashmir's location in the Himalayas makes it as a potential source of hydropower. As of January 2018, the state’s hydro power potential has been estimated at 16,475 MW by the Central Electricity Authority.

During 2016-17, the peak demand for power in the state grew 4.16% to 2,650MW from 2,544 in 2015-16.

In State Budget 2018-19, the government announced inclusion of electricity under Goods and Services Tax (GST). The move is expected to provide a boost to power investments in the state and push industrial activity.

In January 2017, the state government received US$95.33 million under Deen Dayal Upadhaya Gramin Joyti Yojana (DDUGJY) for strengthening of infrastructure in power sector and electrification of un-electrified households in rural areas.

### Upcoming state sector power projects

<table>
<thead>
<tr>
<th>Project name</th>
<th>Capacity (MW)</th>
<th>Operational Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratle</td>
<td>850</td>
<td>2017-18</td>
</tr>
<tr>
<td>Kishanganga</td>
<td>330</td>
<td>January 2018</td>
</tr>
</tbody>
</table>
According to the Telecom Regulatory Authority of India, J&K had around 12.56 million wireless subscribers and 115,041 wire-line subscribers with a teledensity of 100.15%, as of January 2018. As of December 2017, the state of J&K had 5.02 million internet subscribers.

BSNL is one of the major service providers of basic telephony and value added services in J&K telecom circle. There are five secondary switching areas: Jammu, Srinagar, Udhampur, Rajouri and Leh.

As of March 2017, the state has 1,702 post offices, of which 9 are head offices, 257 are sub post offices and the remaining 1,436 are appointed to Extra Departmental Branch Offices (EDBOs). Three post offices are seasonal post offices that work only for two months i.e. during Amarnath Yatra period. By the end of November 2017, 3,20,602 subscribers had submitted requests for mobile number portability in Jammu & Kashmir.

### Telecom infrastructure (As of January 2018)

<table>
<thead>
<tr>
<th>Services</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless subscribers</td>
<td>12,559,117</td>
</tr>
<tr>
<td>Wire-line subscribers</td>
<td>115,041</td>
</tr>
<tr>
<td>Internet subscribers¹</td>
<td>5,020,000</td>
</tr>
<tr>
<td>Teledensity (in%)</td>
<td>100.15</td>
</tr>
<tr>
<td>Post offices²</td>
<td>1,702</td>
</tr>
</tbody>
</table>

### Performance status of NOFN project (As of November 2017)³

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of GPs in Phase-I</td>
<td>388</td>
</tr>
<tr>
<td>Pipe Laid (Km)³</td>
<td>427</td>
</tr>
<tr>
<td>OFC Laid (Km)</td>
<td>459</td>
</tr>
<tr>
<td>No. of GPs where OFC laid</td>
<td>211</td>
</tr>
</tbody>
</table>

### Major telecom operators in Jammu & Kashmir

- Bharat Sanchar Nigam Limited (BSNL)
- Bharti Airtel
- Aircel Limited
- Vodafone Essar
- IDEA Cellular
- Reliance
- Idea

---

Note: ¹As of December 2017, ²As of March 2017, ³As of July 2017, GP-Gram Panchayat
Source: Telecom Regulatory Authority of India, India Post, Ministry of Communications and Information Technology
Among the hilly states of India, J&K is the most urbanised state, with 81 notified urban areas and 86 statutory towns. As per Census 2011, the total urban population in the state was 27.37%. The district of Srinagar ranked first with the highest urban population of 98.6%, followed by Jammu district having 50% of urban population. Hence, Srinagar and Jammu cities are the focal points of urbanisation in the state.

As per State Budget 2018-19, Government of Jammu & Kashmir allocated Rs 200 crore (US$ 30.89 million) under NABARD for taking up major Water Supply Schemes.

Also, as per State Budget 2018-19, there are 1,069 ongoing water supply scheme under National Rural Development Program (NRDP) which are at various stages of execution. The government allocated Rs 50 crore (US$ 7.72 million) for expediting completion of the schemes.

In April 2017, the state government directed for the early completion of the works to the tune of US$ 21.35 million taken up under the Atal Mission For Rejuvenation & Urban Transformation (AMRUT) scheme. The development works are to include construction of sewerage systems, development of green areas and other infrastructural developments, which includes the prestigious Tawi River Front (TRF) project.

In April 2017, the centre released US$ 2.97 billion out of the US$ 11.89 billion allocated for development of the state under the Prime Minister’s Development Project (PMDP). The PMDP will provide a major development push for Jammu & Kashmir with projects such as AIIMS for Jammu and Srinagar, support for district as well as sub-district hospitals and primary health centres, IIM at Jammu with an out campus at Srinagar, IIT, upgrading of NIT at Srinagar and additional girls’ hostels in higher educational institutions.

<table>
<thead>
<tr>
<th>Component</th>
<th>Approved cost sanctioned by SLSC (in US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water supply</td>
<td>11.69</td>
</tr>
<tr>
<td>Road</td>
<td>12.7</td>
</tr>
<tr>
<td>Solid waste management</td>
<td>1.82</td>
</tr>
<tr>
<td>Sewerage</td>
<td>9.85</td>
</tr>
</tbody>
</table>

## DEVELOPMENT PROJECTS: PUBLIC-PRIVATE PARTNERSHIP (PPP) PROJECTS

### January 2018

<table>
<thead>
<tr>
<th>SR No</th>
<th>Project Name</th>
<th>Type of PPP</th>
<th>Sub Sector</th>
<th>Status</th>
<th>US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Road Upgradation (Chenani-Nashri) Project</td>
<td>Build-Operate-Transfer (BOT) Annuity</td>
<td>Roads and bridges</td>
<td>Under construction</td>
<td>390.98</td>
</tr>
<tr>
<td>2</td>
<td>Two-laning of Srinagar - Sonamarg - Gumri section</td>
<td>Design-Build-Finance-Operate-Transfer (DBFOT)</td>
<td>Roads and bridges</td>
<td>Under construction</td>
<td>410.63</td>
</tr>
<tr>
<td>3</td>
<td>4 laning of Qazigund - Banihal Section Road</td>
<td>Design-Build-Finance-Operate-Transfer (DBFOT) Annuity</td>
<td>Roads and bridges</td>
<td>Under construction</td>
<td>308.41</td>
</tr>
<tr>
<td>4</td>
<td>Jammu-Udhampur NH-1A Road Project</td>
<td>Design-Build-Finance-Operate-Transfer (DBFOT) Annuity</td>
<td>Roads and bridges</td>
<td>Under construction</td>
<td>281.52</td>
</tr>
<tr>
<td>5</td>
<td>Road Upgradation (Srinagar-Banihal) Project</td>
<td>Build-Operate-Transfer (BOT) Annuity</td>
<td>Roads and bridges</td>
<td>Under construction</td>
<td>170.89</td>
</tr>
<tr>
<td>6</td>
<td>Setting up of 850 MW hydel power unit at Kishtwar in Doda district</td>
<td>Build-Own-Operate-Transfer (BOOT)</td>
<td>Renewable Energy (Grid)</td>
<td>Under construction</td>
<td>853.68</td>
</tr>
</tbody>
</table>

*Source: Ministry of Corporate Affairs, Government of India*
Education is one of top priorities of the state government.

J&K is the only state where education is free up to the university level.

Seasonal schools have been opened for people in the hilly areas and underprivileged population.

Jammu district has 960 primary schools, 300 middle schools, 108 high schools and 62 higher secondary schools.

J&K has a literacy rate of 68.74%, the male literacy rate is 78.26% and female literacy rate is 58.01%.

In State Budget 2018-19, the state government allocated US$ 1,017.44 million as revenue expenditure for education sector.

**Literacy rates (%)**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Literacy rate</td>
<td>68.74</td>
</tr>
<tr>
<td>Male literacy</td>
<td>78.26</td>
</tr>
<tr>
<td>Female literacy</td>
<td>58.01</td>
</tr>
</tbody>
</table>

**Premier institutions in J&K**

- National Institute of Technology
- University of Jammu
- University of Kashmir
- Sher-e-Kashmir University of Agricultural Sciences and Technology of Jammu
- Sher-e-Kashmir University of Agricultural Sciences and Technology of Kashmir
- Shri Mata Vaishno Devi University
- Islamic University of Science & Technology
- Baba Ghulam Shah Badshah University

**Note:** *As of June 2014 - University Grants Commission*

**Source:** Economic Survey of Jammu & Kashmir, 2014-15, State Budget 2015-16
2 central universities have been set up to boost the educational infrastructure in the state, 1 in Kashmir division & another in Jammu division. They have instruction & research facilities in emerging sectors such as IT, biotechnology & nano sciences.

For 2016-17, 34,130 children were proposed to be covered by 1,317 nomadic seasonal centres. Also, 97 residential schools under KGBV for girls have been opened with an enrolment of 4,232.

In February 2017, the 27th Senior National Tennis Ball Cricket championship was organised in Srinagar, comprising 20 states & teams.

In June 2017, the Haryana government has offered up to 10% concession in the cut-off percentage to students hailing from Jammu & Kashmir who want to study in Haryana.

Jammu and Kashmir’s Department of Libraries and Research is planning to tie up with National Digital Library of India (NDLI) to provide free access to the state’s students to around 15 million downloadable e-books and journals.

Source: Economic Survey 2016
As of February 2018, J&K had 31 district hospitals, 741 primary health centres, 2,848 sub-centres and 135 community health centres.

The central Government sanctioned US$ 52 million for constructing super-specialty hospitals in the cities of Jammu and Srinagar and as of March 2015, these hospitals were fully operational.

With the initiative of National Rural Health Mission (NRHM) in the state, the Government of India released US$ 227.45 million of which US$ 34.22 million has been provided.

In the State Budget 2018-19, an allocation of US$ 545.10 million was made for health and medical education.

### Health infrastructure (as of March 2018*)

<table>
<thead>
<tr>
<th>Health infrastructure</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>District hospitals</td>
<td>31</td>
</tr>
<tr>
<td>Primary health centres</td>
<td>741</td>
</tr>
<tr>
<td>Sub-centres</td>
<td>2,848</td>
</tr>
<tr>
<td>Community health centres</td>
<td>135</td>
</tr>
</tbody>
</table>

*Source: NRHM

### Health indicators (2016)

<table>
<thead>
<tr>
<th>Health indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth rate (1)</td>
<td>15.7</td>
</tr>
<tr>
<td>Death rate (1)</td>
<td>5.0</td>
</tr>
<tr>
<td>Infant mortality rate (2)</td>
<td>24</td>
</tr>
</tbody>
</table>

*Source: NRHM

### Life expectancy at birth (years)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Life expectancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male (March 2014)</td>
<td>66.5</td>
</tr>
<tr>
<td>Female (March 2014)</td>
<td>69.3</td>
</tr>
</tbody>
</table>


**Note:**

(1) Per thousand persons, (2) Per thousand live births, * As of February 14th 2018

**Source:** NRHM
The benchmarks set by the Ministry of Health & Family have been mentioned below and the health institutions that conduct the deliveries on the basis of these benchmarks are considered as the delivery points:

- District hospitals that conduct more than 50 or more deliveries a month;
- FRU (First Referral Units) that conduct 20 deliveries per month;
- PHC (Primary Health Centres) that conduct 10 deliveries per month; and
- Sub-centre that conduct more than 3 deliveries per month

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Health Institution (2014-15)</th>
<th>Number</th>
<th>Delivery points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>District hospitals</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>2</td>
<td>First Referral Units (FRU)</td>
<td>76</td>
<td>53</td>
</tr>
<tr>
<td>3</td>
<td>CHSs (Non-FRU)</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>PHC 24x7</td>
<td>199</td>
<td>44</td>
</tr>
<tr>
<td>5</td>
<td>Normal PHC</td>
<td>199</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Sub centre</td>
<td>2,720</td>
<td>33</td>
</tr>
</tbody>
</table>

The above table describes the status of various health institutions that are functioning as delivery points as per the standards of Government of India.

To improve healthcare facilities in the state, an inspection drive of all district and major hospitals is going to be launched, as of December 2017.

CULTURAL INFRASTRUCTURE

- J&K’s culture is influenced by the South Asian and Central Asian cultures. The state is known for its rich cultural heritage and scenic beauty. Jammu’s numerous shrines attract thousands of pilgrims every year. The beautiful valley of Kashmir is visited by tourists from all over the world. Ladakh, also known as ‘Little Tibet’, is renowned for its pristine mountains and Buddhist culture.

- Archery & polo are the famous sports in the state. Music forms include Kashmiri Sufiyan music, Chakri, Jeenda-ji, Kukoo, Benthe, Dogri Lok Geet, Gojri Folk songs, Ladakhi folk songs and Bakhan. The annual masked dance festival, along with archery and weaving, forms an integral part of the Ladakhi life.

- The thrust of sports sector & youth services over the past years was to encourage physical activities such as the development of playfields, promotion of adventure sports, organizing of youth and cultural festivals in the state, etc.

- As per the state budget 2017-18, Government of Jammu & Kashmir has proposed to set up a school for sufiyana and folk music. An allocation of US$ 745,000 has been made for the purpose.

- Further, for the Sports, Education, Art & Culture sectors, a capital outlay of US$ 214.35 million has also been proposed by the state government.

- In order to recreate the aspects in relation with the tradition and culture of the Kashmiri pandits in the state, the 1st pilot cultural village would be occupied by the Kashmiri pandits.

- Traditional dance forms include Dumhal, Jagarna, Geetru, Karak, Jabro, Gwatri, Rouf, Roul, Surma, Kud Pahari & Dogri. Jammu’s Dogra culture & tradition are similar to those of neighbouring Punjab & Himachal Pradesh. The traditional festivals of Lohri & Vaisakhi are celebrated in the state. During 2012-2017, the central Government has promised a package of US$ 128 million over a period of 5 years to boost sports in J&K. Towns with population of more than 50,000 would be provided with an indoor stadium as well as football & hockey grounds.

- The 1st state sponsored football academy opened in Srinagar, where 100 local boys in the age group of 13-18 years will be trained by a team of professional footballers of Jammu & Kashmir. These 100 boys have been selected after a 6 day selection trail in which over 1,000 aspirants had participated.

- A month north Kashmir range level sports festival was held in November-December 2017 in the state. Various events for sports such as cricket, volleyball, football, kho-kho, kabbadi, etc. under different categories were held.

INDUSTRIAL INFRASTRUCTURE: INDUSTRIAL ESTATES

- Electronic Complex, Rangreth
- Khonmoh Industrial Complex
- Zainakote and Zakura Industrial Estates
- Software Technology Park, Rangreth
- Agri Processing Zone for Apples
- Pulwama Industrial Complex
- Agri Processing Zone for Walnuts
- Integrated Infrastructure Development Project, Udhampur
- Industrial Growth Centre, Samba
- Textiles Park, Kathua
- Industrial Growth Centre, Budgam
- Bari Brahmana Industrial Complex
- Gangyal Industrial Estate
- Export Promotion Industrial Park, Kartholi

Source: J&K SIDCO State Industrial Development Corporation
Food processing & agro-based industries (excluding conventional grinding and extraction units) thrive in the state due to an excellent climate for horticulture & floriculture.

Handicrafts, the state’s traditional industry, has been receiving priority attention from the Government in view of its large employment base and exports potential.

J&K is famous for its small-scale & cottage industries such as carpet weaving, silks, shawls, basketry, pottery, copper, silverware, papier-mâché & walnut wood.

J&K SIDCO is the nodal agency for promotion & development of medium & large-scale industries in the state.

To boost infrastructure, J&K has approved funding of about US$ 1.8 billion. Additionally, US$ 66.88 million worth of expenditure was incurred under Pradhan Mantri Gram Sadak Yojana during 2016-17. In 2017-18, up to June, a total of US$ 49.54 million has been released.

The Department of Industrial Policy and Promotion (DIPP) extended the Special Incentive Package. This includes 100% premium reimbursement under Central Comprehensive Insurance Subsidy Scheme to all units on expansion over the next five years. The DIPP also allowed capital investment subsidy of 15% on investment in plant and machinery; the subsidy is applicable for five years from the date of commencement of production.

In February 2018, the government of Dubai, DP World and the state government have signed a Memorandum of Understanding (MoU) to develop trade infrastructure in the state.

Key industries
- Horticulture
- Floriculture
- Handlooms and handicrafts
- Tourism
- Mineral-based industry
- Gems and jewellery
- Sericulture
- IT
- Pharmaceuticals

Note: SIDCO – State Industrial Development Corporation
Horticulture is the mainstay of the state’s rural economy, providing direct and indirect employment to thousands. Total production of horticulture crops in the state in 2016-17 stood at 3.65 million tonnes.

In 2016-17, the total area utilised for production of vegetables in the state was 63.26 thousand hectare. There are around 7 lakh families comprising of about 33 lakh people which are directly or indirectly associated with horticulture. The state is a leading producer of apples, walnuts, pears, almonds and apricots, and has huge potential for exports of processed food and allied services. J&K has around 3% share of total fruit production in India. Total apple production in the state was around 1.726 million metric tonnes in 2016-17.

In 2016-17, the total area for production of spices was around 4.92 thousand hectares whereas the area for production of flowers was 49.58 thousand hectares. J&K has been an important and significant player in the foreign exchange in regards to exports of dry fruits to the other states and countries around the world.

The state has suitable agro-climatic conditions for a variety of flowers. The floriculture industry supplies flowers to both domestic and international markets. J&K has Asia’s largest tulip garden, established by the State Floriculture Department.

Production of fruits, vegetables, flowers, spices and honey is expected to reach 2,241.16 thousand tonnes, 1,424.52 thousand tonnes, 30.09 thousand tonnes, 0.96 thousand tonnes and 1.16 thousand tonnes, respectively, in 2017-18.

In State Budget 2018-19, the government allocated US$ 21.96 million as revenue expenditure for horticulture in Jammu and Kashmir.

Under the Mission of Integrated Development of Horticulture (MIDH) during 2016-17, the state of J&K was allotted US$ 7.14 million by the Government of India. In 2017-18, the allocation under MIDH increased to US$ 7.62 million.

Key initiatives by the state government to develop horticulture and floriculture industries include:

- Organising buyer-seller meets.
- Arranging air-cooled railway coaches for transportation of soft fruits.
- Introduction of cardboard cartons for packaging apples at a computerised data dissemination facility and a dynamic website for promoting horticulture marketing.
- Exhibitions across metros in the country as well as other major market promotion events such as Agro Tech and India International Trade Fair.
- Implementation of the APMR Act.
- Establishment of an additional terminal market in south Kashmir.
- Establishment of 18 fruits and vegetables satellite markets in the state, eight in the Kashmir division and three in the Jammu division.

Note: APMR – Agriculture Produce Marketing Regulation
The following strategies have been laid out to further develop the sector and encourage players:

- **Apple Insurance Scheme:** The state government has decided to construct a chain of compressed air stores in each district to introduce modern pre- and post-harvest technologies.

- **Development of olive cultivation:** In J&K, olives can be grown in Poonch, Rajouri, Doda, Udhampur, Ramban, Reasi and Kathua districts. The state is working towards increasing the yield in these areas.

- **Walnut cultivation:** With assistance from the APEDA, a hi-tech greenhouse has been set up at Zakura. The greenhouse is being used for raising budded/grafted walnuts. Moreover, another hi-tech greenhouse has been set up at Siot, Rajouri.

- **Provision of cold storage in the valley:** The Government plans to provide cold storage facilities to growers across districts in the state to help in preservation of fruits.

- **Under the VAT Act,** the finance minister proposed to place commodity “Tree Spray Oil” in zero% tax rate so that the commodity can be treated as an agriculture product.

*Note: APEDA - Agricultural and Processed Food Products*  
The state government has taken various measures to improve the healthcare sector in the state, such as:

- Rashtriya Swasthya Bima Yojana, successfully launched in two districts and extended to 10 more districts.
- 66,004 BPL families registered to receive benefits under the scheme.
- Nursing Council Act notified to revitalize nursing education in the state.
- 1,484 drug samples and 885 food samples tested by the Drug & Food Control wing of the health department.
- 47,364 inspections conducted for enforcing drug and food mechanisms in the state.
- Awareness programmes/camps organised in different areas of the state to educate ladies, adolescents and children regarding iodine deficiency disorders, reasons, symptoms, precautions and their prevention thereof.
- 11 health institutions being considered for NABH accreditation by Quality Council of India, New Delhi.
- 198 primary healthcare centres operate round the clock throughout the year.

In October 2016, the Indian Institute of Integrative Medicine (IIIM- a part of CSIR) opened a cGMP (current Good Manufacturing Practices) compliant plant in Jammu. The plant will help in extraction, formulation and packaging of medicinal plant based phyto-pharmaceutical drugs.

KEY INDUSTRIES – HEALTHCARE…(2/2)

- The State Health Department was conferred with the following awards during the last two years.
  - First prize in Population Stabilisation.
  - 2nd prize in OPD in health institutions.
  - 3rd prize for increase in patient care and surgeries.
  - AYUSH appreciation for valuable services.
  - State Award on Best Practices and Innovations.
- Establishment of five new Medical Colleges (three in Jammu and two in Kashmir) have been approved to be set up. The colleges are expected to start operations in 2018.
- Two state cancer institutes (one each in Jammu and Srinagar) have been approved to be set up.
- Three tertiary cancer care Institutes for districts of Kishtwar, Udhampur and Kupwara have been approved to be established.
- Super Specialty Hospital Jammu at a cost of US$ 20 million was completed and commissioned. IPD services in five disciplines and OPD in eight disciplines has been started.
- Super Specialty Hospital Srinagar at a cost of US$ 20 million is nearing completion.
- The state achieved the first position in reducing the Infant Mortality Rate (IMR) in the country and was conferred an award by Mrs Sumitra Mahajan, Speaker of Lok Sabha in July 2017.

Handicraft is J&K’s traditional industry and occupies an important place in the economy of the state. Kashmiri silk carpets are famous globally and earn substantial foreign exchange. Wood from Kashmir, popularly known as Kashmir willow, is used to make high-quality cricket bats. The cottage handicrafts industry provides direct and gainful employment to around 340,000 artisans.

The state has established the Jammu & Kashmir Handicrafts Sales & Export Promotion Corporation and Jammu and Kashmir State Handloom Development Corporation to promote development and growth of the handicraft sector. The handicrafts and handloom sectors have engaged a number of people as artisans and weavers. The total number of handicrafts and handloom establishments in the state are 60,397.

Carpets, woollen shawls and papier-mâché are recognised as leading items of production in the state. In 2016-17, production of carpets, woollen shawls and papier-mâché stood at US$ 122.45 million, US$ 130.35 million and US$ 24.49 million.

The woollen shawls, carpet and papier-mâché are also recognised as leading items of export in the state. In H1 2017-18, exports of carpets, woollen shawls and papier-mâché stood at US$ 30.42 million, US$ 19.58 million and US$ 1.05 million.

<table>
<thead>
<tr>
<th>Funds released under various Handicraft Schemes (2016-17)- US$ thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambedkar Hastshilp Yojana</td>
</tr>
<tr>
<td>Design</td>
</tr>
<tr>
<td>Human Resource Development</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Some of the initiatives taken for the handicrafts sector include:

- The Directorate of Handicrafts department also encourage the sale of handicraft goods by organising exhibitions within and outside the state. During the year 2014-15, the Directorate of Handicrafts has organised 5 craft exhibitions within & outside the state.
- The state also organises an exhibition at international level annually.
- Pashminas, kani shawls and soznis from Kashmir have been awarded geographical indication status.
- A Pashmina testing and quality certification centre was set up at the Craft Development Institute campus in Srinagar to certify Pashminas for geographical indication registration.
- Self-employment scheme was started for individual artisans to provide easy and soft credit facilities to help start independent ventures.
- In January 2015, Handicrafts Expo was organized by the Department of Handicrafts, Jammu & Kashmir to promote the handicraft exports in the state.
- Handicraft exports from the state increased 8.6 per cent to US$ 177.81 million in 2016-17.

KEY INDUSTRIES – HANDLOOM … (1/2)

- Kashmiri embroidery, also known as Kashida, had its patronage in Persian and Mughal rulers. From rugs to shawls, from bags to kurtis, all kind of apparel and home décor features intricate Kashida work.

- The approximate number of handlooms in the state are 38,000. The state has 3,741 handloom units, which produce Loies, Puttos, tweed, blankets, Raffal, Pashmina and Dusoti Khad.

- There are 523 registered handloom industrial cooperative societies in the state and have a membership of 15,275 weavers.

- There are 100 training centres under the department which provides training in various trades including making readymade garments, Pashmina spinning, Kani shawl weaving, etc.

- During 2017-18, fabric production in the state reached 9.498 million meters, valued at US$ 33.3 million.

<table>
<thead>
<tr>
<th>Industries</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18 (upto Oct)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of fabric produced (million meters)</td>
<td>10.95</td>
<td>13.911</td>
<td>9.498</td>
</tr>
<tr>
<td>Value (US$ million)</td>
<td>38.38</td>
<td>48.78</td>
<td>33.30</td>
</tr>
<tr>
<td>Number of trainees trained/enrolled</td>
<td>1,399</td>
<td>1,404</td>
<td>1,494</td>
</tr>
<tr>
<td>Number of cooperative societies organised</td>
<td>6</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Membership (No)</td>
<td>70</td>
<td>128</td>
<td>99</td>
</tr>
<tr>
<td>Number of looms modernised</td>
<td>173</td>
<td>185</td>
<td>59</td>
</tr>
<tr>
<td>No of weavers covered under Mahatma Gandhi Bunker Bima Yojana</td>
<td>733</td>
<td>1169</td>
<td>80</td>
</tr>
<tr>
<td>No of weavers covered under Health Insurance Scheme</td>
<td>0</td>
<td>0</td>
<td>80</td>
</tr>
</tbody>
</table>

Note: (1) Data for 2014-15 is until November 2014
There are 84 centres that provide training in making readymade garments and handloom weaving. During 2015-16, financial assistance of US$ 12.22 thousand was provided to the handloom weavers in the state. As of September 2015, the state had 60,397 handicraft/handloom establishments, of which 46,054 were rural and 14,343 were urban.

As per state budget 2016-17, the state government placed all types of local handloom and handmade carpets in the category of zero rated tax, during 2016-17.

Some of the initiatives in the handloom sector include:

- The rate of stipend and loan ceiling under the Handicrafts Micro Enterprise Scheme has been enhanced.
- Out of 109 handloom training centres, 84 centers are exclusively imparting training in readymade garments and handloom weaving.
- 4,200 individuals need to be trained for four months under CCM.
- 100 individuals would be trained for a year under DCTED.
- Mega cluster for Kashmir carpets in Srinagar and adjoining areas is under implementation; 4,000 artisans would be trained by the Indian Institute of Carpet Technology within four years.

**Financial assistance to the handloom weavers (in US$ million)**

- 2012-13: 0.22
- 2013-14: 0.09
- 2014-15: 0.23
- 2015-16: 0.01

**Note:**

CCM - Certificate Course in Carpet Manufacturing. DCTED – Diploma in Carpet Technology and Entrepreneurship Development

**Source:** Economic Survey of J&K, 2014-15
During 2016-17, Jammu and Kashmir produced US$ 4.2 million worth of minerals. Limestone production in the state increased 83.15 per cent to 674,000 metric tonnes in April-September 2017.

A number of cement-based industries, units for manufacturing plaster of Paris, and marble and granite cutting units have been established in the state.

The Department of Geology and Mining is authorised to receive a royalty on the extraction of major as well as minor minerals as per rates fixed by the central Government (for major minerals) and the state government (for minor minerals).

Production of coal and limestone in the state stood at 12 thousand tonnes and 825 thousand tonnes in 2016-17, respectively. Value of non metallic minerals in the state was recorded to be US$ 3.89 million in 2016-17.

The state government plans to generate US$ 9.30 million during 2016-17 from nonferrous mining and metallurgical industries.

Major achievements in the sector include:

- Exploration was conducted for new minerals such as lead, zinc, china clay and iron ore.
- The Department of Geology and Mining has been exploring groundwater and drilling tube wells for drinking and irrigation purposes.
- Until now, around 370 tube wells have been drilled for drinking water and irrigation facilities.
- J&K has received six offers for the extraction of rare sapphire in Kishtwar district’s Padder area. The extraction and exploration would be done in collaboration with Jammu and Kashmir Minerals Limited.

### Estimated available mineral resources (2015-16)

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Reserves</th>
<th>Occurrence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limestone</td>
<td>6,081 million tonnes</td>
<td>All districts of Valley, Kathua, Udhampur, Rajouri, Poonch, Kargil and Leh</td>
</tr>
<tr>
<td>Gypsum</td>
<td>150 million tonnes</td>
<td>Baramullah, Kathua, Ramban and Doda</td>
</tr>
<tr>
<td>Marble</td>
<td>400 million cubic metres</td>
<td>Kupwara, Leh and Kargil</td>
</tr>
<tr>
<td>Granite</td>
<td>5.2 million cubic metres</td>
<td>Kargil, Leh, Ganderbal, Baramullah, Poonch and Doda</td>
</tr>
<tr>
<td>Bauxite</td>
<td>8.60 million tonnes</td>
<td>Udhampur and Ramban</td>
</tr>
<tr>
<td>Coal</td>
<td>9.50 million tonnes</td>
<td>Udhampur, Rajouri (Kalakot)</td>
</tr>
<tr>
<td>Lignite</td>
<td>8.00 Million tonnes</td>
<td>Nichome, Handwara, Distt Kupwara</td>
</tr>
<tr>
<td>Magnesite</td>
<td>7.00 million tonnes</td>
<td>Udhampur</td>
</tr>
<tr>
<td>Slates</td>
<td>9.60 million cubic metres</td>
<td>Poonch, Kathua, Doda and Baramullah</td>
</tr>
<tr>
<td>Sapphire</td>
<td>2 km mineralised zone</td>
<td>Doda (Paddar)</td>
</tr>
<tr>
<td>Quartzite</td>
<td>2 million tonnes</td>
<td>Anantnag, Baramullah and Kupwara</td>
</tr>
<tr>
<td>Dolomite</td>
<td>12.37 million tonnes</td>
<td>Rajouri, Udhampur, Reasi</td>
</tr>
<tr>
<td>China Clay</td>
<td>28 million tonnes</td>
<td>Doda, Udhampur</td>
</tr>
</tbody>
</table>

**Source:** Economic Survey of J&K, 2014-15
KEY INDUSTRIES – TOURISM … (1/3)

- Total tourist arrivals to the state reached 7.3 million in 2017*.
- Jammu is famous for its temples, while the Kashmir Valley is known for its scenic beauty. The tourism sector in the state has a huge employment potential for skilled persons as well as for people without any specialised skills such as guides, sledgewallas, ponywalls, etc.
- Major tourist attractions include Chashma Shahi Springs, Shalimar Bagh and the Dal Lake in Srinagar; Gulmarg, Pahalgam and Sonamarg in the Kashmir Valley; and Ladakh, Vaishno Devi temple and Patnitop near Jammu.
- The state government has established 19 tourism development authorities at places with good tourism potential.
- Ladakh festival in September and Sindhu Darshan in June are popular events in the state.
- Indian Railway Catering and Tourism Corporation (IRCTC) proposed the plan for introducing special train, which will run every 15 days in the districts for children in order to promote tourism in the valley.
- In order to attract tourists, the government has developed new destinations such as the valleys of Dodhpathri, Lolaab & Gurez. The tourism board has also revived the heritage events in Kashmir & Leh-Ladakh, river rafting, light & sound show in Sonmarg, along with various new trekking trails to tap the beauty of 2,200 natural lakes, that remain unexplored by tourists.

The Department of Tourism of J&K has launched aero ballooning to boost the influx of tourists.

There are various destinations in the state that are being developed under the Tourism Development Authorities of these areas. The state government has decided to further work on the development and promotion of these areas in order to increase the number of footfall in these areas.

Source: * up to October 2017
Source: Ministry of Tourism
In State Budget 2018-19, the Government of Jammu & Kashmir allocated US$ 89.19 million* for the tourism in the state. In addition, the state government decided to extend exemption across the lodging services offered by guest houses, hotels and lodges.

Key strategies to develop the tourism sector include:

- Infrastructure development through public investment and enhancing private investment by providing incentives.
- Opening up new destinations with high tourism potential.
- Focused and regulated development of major tourist destinations by tourism development authorities.
- Promoting the state’s USPs through a proactive publicity campaign.
- Development of tourism product areas such as heritage, adventure, pilgrim and eco tourism.
- Regulation of tourist trade for facilitating tourists.

Following were the focus areas for 12th Five-Year Plan:

- Developing heritage, pilgrimage, adventure and conventional tourism.
- Developing golf circuit and ropeways.
- Providing enhanced incentives to make tourism more vibrant and attractive.
- Providing wayside amenities en route to various destinations.
- Providing proper sanitation at tourist destinations, especially for those that do not fall under the purview of the Urban Development Department.

In 2016-17, projects worth US$ 6.26 million and US$ 84.84 million were sanctioned under PRASAD scheme and Swadesh Darshan scheme, respectively.

*Calculated by adding Revenue Expenditure and Capital Expenditure

### State Plan

<table>
<thead>
<tr>
<th>Year</th>
<th>Allocation (US$ million)</th>
<th>Expenditure (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>19.41</td>
<td>23.69</td>
</tr>
<tr>
<td>2012-13</td>
<td>19.37</td>
<td>21.43</td>
</tr>
<tr>
<td>2013-14</td>
<td>15.15</td>
<td>5.79</td>
</tr>
<tr>
<td>2014-15</td>
<td>14.94</td>
<td>9.04</td>
</tr>
<tr>
<td>2015-16</td>
<td>16.22</td>
<td>-</td>
</tr>
</tbody>
</table>

### Central Financial Assistance (CFA)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of sanctioned project</th>
<th>Cost of sanction</th>
<th>CFA received</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>26</td>
<td>27.96</td>
<td>7.79</td>
</tr>
<tr>
<td>2012-13</td>
<td>24</td>
<td>18.92</td>
<td>7.1</td>
</tr>
<tr>
<td>2013-14</td>
<td>13</td>
<td>12.36</td>
<td>14.66</td>
</tr>
<tr>
<td>2014-15</td>
<td>-</td>
<td>-</td>
<td>5.83</td>
</tr>
</tbody>
</table>

KEY INDUSTRIES – SERICULTURE

- Kashmir is well known for its quality of silk and traditional silk-weaving industry. Sericulture is an agro-based labour intensive cottage industry, providing gainful employment to about 30,000 families in rural areas of the state.

- J&K’s Sericulture Development Department organises cocoon auction markets in the state to facilitate farmers to sell their cocoon produce at competitive rates. The state produces around 1,022 MT of cocoons, annually, which help in generating huge income for the state through silk production.

- During 2015-16, a new mulberry variety PPR-1 was released in temperate regions of Jammu & Kashmir for the purpose of commercial exploitation. These mulberries have high efficiency for rooting, enriched and improved leaf yield and provide high sprouting advantage.

- The Department has envisaged an ambitious vision programme in the form of a document for the next twenty years to cover about 500,000 farmers in the activity of sericulture to take the cocoon production to newer heights of upto 25,000MT.

- About 150,000 metres of silk cloth is produced per annum in J&K. Raw silk production in the state was recorded to be 145 MT during 2016-17.

- As per state budget 2016-17, total non-tax revenues from the sericulture industry for 2016-17 was estimated to be around US$ 0.11 million. Under the schemes of CHDS and NHDP, the total financial assistance provided to the silk industry during 2013-15 and the current year 2015-16 was recorded to be US$ 0.37 million.

- Production of spun yarn in the state during 2015-16 (up to September 2015) was recorded to be 27.17 million kg. As per the state budget 2016-17, the state government proposed to place all types of silk yarn and cotton in the category of zero rated tax, during 2016-17.

IT is a sunrise industry in the state and is emerging as an important sector in transforming the socioeconomic lives of the people.

This sector provides direct employment to 2.2 million youth and 8.0 million individuals indirectly. By the end of 2020, the sector is expected to provide employment to 20 million youth directly and 50 million indirectly.

The state government has taken certain initiatives under the IT policy to develop this industry. Moreover, the state industrial policy provides an attractive environment for increased investment in the IT industry.

The state government is interested in inviting major Indian and overseas players in the sector to spur IT growth in J&K. The projects, which are being implemented, include setting up of 1,109 CSCs named ‘e-Khidmat centres’ for delivery of services to remote villages.

A Software Technology Park (STP) has been established at Rangreth in Srinagar.

A task force in the IT sector is being constituted, with experts from companies functioning in the state.

The state government plans to set up an IT park at Ompura in Budgam district to boost delivery of modern IT facilities.

The Government of Jammu and Kashmir is focussing on promoting e-commerce in the state and is planning to develop e-commerce platforms for trading products to make local products available worldwide.

Note: CSCs – Common Service Centres
Major achievements by the IT Department during 2014-15:

- **State Data Centre (SDC):** State Data centre was incorporated in J&K under National e-Governance Plan (NeGP) and the prime function of SDC is to act like a central repository for the departmental applications and databases. It is projected to be an intermediary between secured Government Intranet, State Wide Area Network (SWAN) and Common Service Centre (CSC) network in open public domain.

- **Mobile-Governance:** Looking into its success, the JKPULSE application has been extended to all the development works of PHE, PDD and PWD departments after desired customisations.

- **Establishment of IT Parks:** The Department has established IT-Park at Ompura, Budgam to further IT activities in the State. Till date four local companies have been allotted land there. The overall site plan preparation is under process.

- **State Wide Area Network (SWAN):** The SWAN is a core infrastructure project of NEGP, Government of India to implement e-Governance infrastructure across the states of India. The Department of IT has floated the RFP of the same and is in final stages; once the project is sanctioned from the Government the implementation would get initiated. Along with Jammu & Kashmir SWAN is operational in 34 states of India.

- **e-Public Distribution System:** The IT department through its implementation agency JaKeGA has implemented the digitisation of the Ration cards and with coordination from CAPD Department, the data entry of the records is almost complete and till date more than 97% data has been digitised.

*Note: CSCs – Common Service Centres*

Computerised Personal Information System (CPIS): The objective of this system is to utilise the human resources of the state in order to fulfil the primary development needs, justifying the pattern of staffing and finally rearranging the staff for enhancing the service delivery.

Automation of Prisons: This has helped in reducing the delays in processing the information. This initiative also provides efficient, convenient and transparent services by automating the processes and functions.

Automation of Jammu Development Authority (JDA): The project includes provision for web based online solution to Jammu Development Authority including the Public Interface Module. The entire project is tendered by the IT department and funded by the Government of India.

e-Public Distribution System: The Consumer Affairs and Public Distribution (CAPD) department coordinated with the state government in order to complete the data entry of the digitised ration cards and about 97% of data has been digitised.

Other initiatives being taken are as follows:

• Digital signatures are being used for various projects such as e-procurement and e-tendering.
• 5,000 educated unemployed youth are to be trained in collaboration with universities.
• Extension of CPIS to various departments.
• Exploring the possibility of expanding services offered by community information centres.
• Wi-Fi facility at important tourist locations in the state.
• Wi-Fi facility at the civil secretariats in Jammu and Srinagar

Note: CSCs – Common Service Centres
Indian Telephone Industries Ltd is a pioneering venture in the field of telecommunications. The company was founded in 1948; this premier public sector undertaking has contributed to 50.0% of the present national telecom network. The company generated revenues of US$ 38.76 million in Q3 FY2017-18.

- The company manufactures the entire range of telecom equipment.
- The company has its manufacturing unit in Srinagar.

NHPC Ltd (formerly known as National Hydroelectric Power Corporation Ltd) was incorporated in 1975 as a private limited company for integrated and efficient development of hydroelectric power. NHPC has plants and projects in other sources of energy such as geothermal, solar, tidal and wind. The company has four power stations in the state at Salal, Uri-I, Dulhasti and Sewa-II.


Krishi Rasayan Group is involved in the basic manufacturing of formulations and export of agrochemicals. The company’s revenues were US$ 225 million in 2014-15.

- The company has a factory at Samba in Jammu.
Zamindara Rice & General Mills was established in 1978 at Ranbir Singh Pura, Jammu.

The company has been recognised over the years for supplying of high quality basmati rice to its customers in the state.

Sutlej Textiles and Industries is a part of the K K Birla Group; the company entered the state when Chenab Textile Mills of J&K merged with Sutlej Textiles in 1997.

Sutlej is an integrated company in the textiles industry. Its product range includes yarn, fabrics, home furnishing and garments.

Chenab Textile Mills, a unit of Sutlej Textiles and Industries Ltd, is located in Kathua, J&K; it manufactures cotton yarn and man-made fibre yarn.

The company recorded revenues of US$ 91.7 million in Q3 FY 2017-18.


Cadila Pharmaceuticals Ltd is an integrated healthcare solutions provider catering to over 45 therapeutic areas. The company has a manufacturing facility at Samba in Jammu.

During 2016-17, the company recorded a revenue of US$ 1.46 billion and US$ 503.5 million during third quarter of 2017-18.
APCC, a high-power clearance committee, has been set up to rapidly clear projects under the chairmanship of the Chief Secretary of the State. The committee serves as a single-window clearance system for projects related to all cases of export-oriented units and prestigious units.

- The entire procedure is completed within a maximum time-frame of two months.

**Note:** APCC – Apex Projects Clearance Committee
# KEY NODAL AGENCIES FOR SINGLE-WINDOW CLEARANCE

<table>
<thead>
<tr>
<th>Agency</th>
<th>Description</th>
</tr>
</thead>
</table>
- Established in 1967, its purpose is to act as a catalyst to inspire and accelerate industrial development.  
- Since its inception, Jammu and Kashmir SIDCO has acted as a prime mover in the state for promotion of industrial ventures. It plays the role of ‘institutional entrepreneur’.  
- The corporation’s activities include supporting modernisation, brand promotion, rehabilitation of sick units and export promotion.  
- Jammu and Kashmir SIDCO acquires land, constructs internal roads and affluent disposal facilities, and provides for supply of water and power in the industrial estate.  
- The corporation offers a variety of financial assistance programmes for setting up new units and for expansion, diversification and modernisation of existing units. |
| Directorate of Industries and Commerce: District-level committee for single-window clearance | - The directorate provides sanctions and clearances to set up small scale industrial units in the state.  
- The General Manager (GM) is the key nodal officer for sanctions. |
- Primary objective is to provide consultancy services to existing and potential micro, small and medium scale industrial units. |
| Jammu and Kashmir State Financial Corporation (JKSFC) | - Established to act as a regional development bank with the aim of promoting industries and boosting economic development in the state.  
- Offers term finance to existing units for their expansion, diversification, renovation, modernisation and procurement of quality control equipment and energy saving devices. |
<p>| Micro, Small and Medium Enterprises (MSME) – Development Institute, Jammu/Srinagar | - Formerly known as Small Industries Service Institute, it provides a comprehensive range of industrial extension services, including identification of suitable line of production and marketing of the product. |</p>
<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jammu &amp; Kashmir State Industrial Development Corporation (Jammu and Kashmir SIDCO)</td>
<td>Drabu House, Rambagh, Srinagar - 190 015. Phone: 91-194-2430 036, 2434 402 Fax: 91-194-2430 036 Email: <a href="mailto:info@jksidco.org">info@jksidco.org</a> Website: <a href="http://www.jksidco.org/">http://www.jksidco.org/</a></td>
</tr>
<tr>
<td>Micro, Small and Medium Enterprises (MSME) – Development Institute, Jammu/Srinagar</td>
<td>Industrial Estate, Digiana, Jammu - 180 010 (Jammu and Kashmir) Phone: 91-191-2431077, 2435425 Fax: 91-191-2431077 E-mail: <a href="mailto:dcdi-jammu@dcmsme.gov.in">dcdi-jammu@dcmsme.gov.in</a> Website: <a href="http://www.msmedijammu.gov.in">www.msmedijammu.gov.in</a></td>
</tr>
</tbody>
</table>
## COST OF DOING BUSINESS IN JAMMU & KASHMIR

**Cost parameter** | **Cost estimate** | **Source**
--- | --- | ---
Hotel costs (per room per night) | US$ 15-200 | Leading hotels in the state
Office space rent (per sq ft per month) | US$ 0.4-2.0 | Industry sources
Residential rent (2,000 sq ft house) | US$ 200-700 per month | Industry sources
Power cost (per kWh) | Commercial: US$ 0.05-0.086  Industrial: US$ 0.05-0.06 | Jammu and Kashmir State Electricity Regulatory Commission
Labor costs | US$ 6.3-9.3 | Labour Bureau, Government of India, April 2015
<table>
<thead>
<tr>
<th>Policy Description</th>
<th>Objectives</th>
</tr>
</thead>
</table>
| New Industrial Policy, 2016                                                        | - To attract large investments and generate high employment opportunities in the state for the production of goods as well as services.  
- To ensure the upliftment of the weavers, artisans as well as traders across the handloom and handicrafts sector.                                                                                                                                                                      |
<p>| New &quot;Contractual&quot; Recruitment Policy, 2015                                         | - Formulated to make appointments against gazetted and non-gazetted vacancies on contractual basis.                                                                                                                                                                                                                                        |
| Incentives for Development Large/Medium/Small Scale and Tiny Sector Industries      | - To catalyse the industrial development in Jammu &amp; Kashmir, the state government has sanctioned incentives for the development of large/medium/small and tiny industries in the industrially backward areas of the state.                                                                                                                         |
| Group Janta Personal Accidental Insurance Policy, 2015                             | - Securing a policy for its employees to cover accidental deaths and disabilities under the scheme.                                                                                                                                                                                                                                         |</p>
<table>
<thead>
<tr>
<th>State Act and Policy</th>
<th>Objectives</th>
</tr>
</thead>
</table>
- To create environmental consciousness among citizens. |
| Skill Development Policy 2012–17 | - To engage private players through initiatives such as ‘Udaan’ and ‘Himayat’.  
- To move from a state owned institutional framework to a larger non-Governmental effort.  
- To triple the existing training facilities. |
| Securitisation and Reconstruction of Financial Assets and Enforcement of Securities (SARFAESI) Act | - The Act aims to help banks in debt recovery, which would increase the credit-deposit ratio of banks. |
| Policy for Development of Small Hydro Energy for Power Generation | - To introduce investment-friendly incentives, attract private sector interest in the hydel projects, devise measures to support the private sector in mobilizing financing and facilitate the establishment of a domestic manufacturing base for small hydel technology in the state. |
## STATE ACTS AND POLICIES … (3/3)

<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Objectives</th>
</tr>
</thead>
</table>
| The Jammu and Kashmir State Forest Policy 2011 | - To conserve forest resources for the ecosystem.  
- To meet the population’s need for forest produce.  
- To alleviate poverty through developmental activities. |
| Jammu and Kashmir Water Resource Regularisation & Management Act 2010 | - To ensure judicious and optimum utilisation of the state’s water resources.  
- To advance reforms in the water sector. |
| Sher-e-Kashmir Employment & Welfare Programme for the Youth 2009 | - To address issues related to unemployment among the state’s educated youth. |
| Jammu & Kashmir IT Policy 2004 | - To bring SMART governance in the state by using IT in the Government processes.  
- To increase the use of IT in all sectors and make it a sunrise industry.  
- To encourage and accelerate investments and growth in IT hardware, software, internet, training, IT-enabled services, telecom, e-commerce and related sectors in the state. |
## Exchange Rates (Fiscal Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.95</td>
</tr>
<tr>
<td>2005–06</td>
<td>44.28</td>
</tr>
<tr>
<td>2006–07</td>
<td>45.29</td>
</tr>
<tr>
<td>2007–08</td>
<td>40.24</td>
</tr>
<tr>
<td>2008–09</td>
<td>45.91</td>
</tr>
<tr>
<td>2009–10</td>
<td>47.42</td>
</tr>
<tr>
<td>2010–11</td>
<td>45.58</td>
</tr>
<tr>
<td>2011–12</td>
<td>47.95</td>
</tr>
<tr>
<td>2012–13</td>
<td>54.45</td>
</tr>
<tr>
<td>2013–14</td>
<td>60.50</td>
</tr>
<tr>
<td>2014–15</td>
<td>61.15</td>
</tr>
<tr>
<td>2015–16</td>
<td>65.46</td>
</tr>
<tr>
<td>2016–17</td>
<td>67.09</td>
</tr>
<tr>
<td>2017–18</td>
<td>64.45</td>
</tr>
</tbody>
</table>

## Exchange Rates (Calendar Year)

<table>
<thead>
<tr>
<th>Year</th>
<th>INR Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>44.11</td>
</tr>
<tr>
<td>2006</td>
<td>45.33</td>
</tr>
<tr>
<td>2007</td>
<td>41.29</td>
</tr>
<tr>
<td>2008</td>
<td>43.42</td>
</tr>
<tr>
<td>2009</td>
<td>48.35</td>
</tr>
<tr>
<td>2010</td>
<td>45.74</td>
</tr>
<tr>
<td>2011</td>
<td>46.67</td>
</tr>
<tr>
<td>2012</td>
<td>53.49</td>
</tr>
<tr>
<td>2013</td>
<td>58.63</td>
</tr>
<tr>
<td>2014</td>
<td>61.03</td>
</tr>
<tr>
<td>2015</td>
<td>64.15</td>
</tr>
<tr>
<td>2016</td>
<td>67.21</td>
</tr>
<tr>
<td>2017</td>
<td>65.12</td>
</tr>
</tbody>
</table>

*Source: Reserve bank of India, Average for the year*
India Brand Equity Foundation (IBEF) engaged Aranca to prepare this presentation and the same has been prepared by Aranca in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this presentation to ensure that the information is accurate to the best of Aranca and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

Aranca and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither Aranca nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.