

DO-DRUL CHORTEN STUPA IN GANGTOK, SIKKIM



SIKKIM

THE LAND OF PEACE AND TRANQUILITY

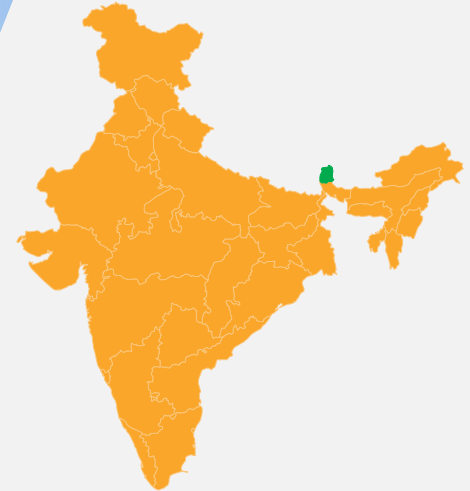
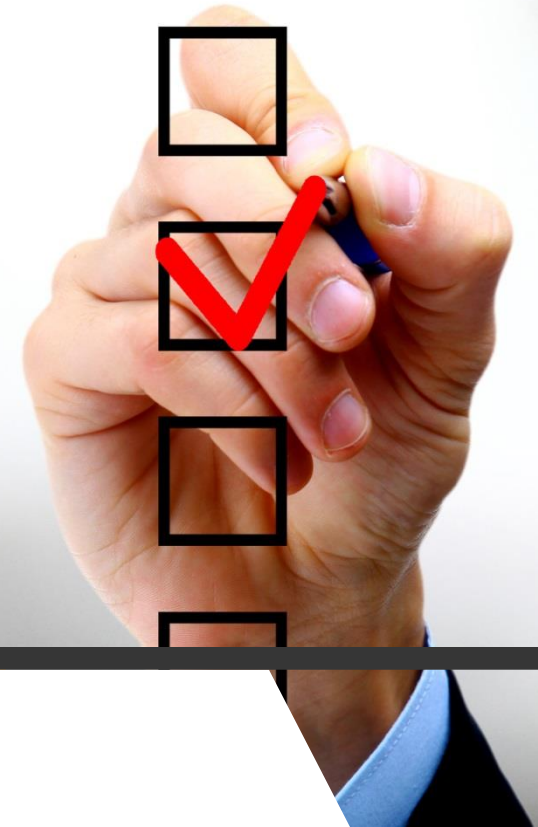
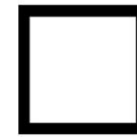


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EXECUTIVE SUMMARY

Strong floriculture sector

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

Strong potential of medicinal plants industry

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

Second-largest producer of cardamom

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

Presence of world's third highest peak

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

Agrarian economy

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

Source: Ministry of Agriculture, Government of India

INTRODUCTION



High economic growth and stable political environment

- Sikkim's GSDP grew at a compound annual growth rate (CAGR) of 11.05 per cent between 2011-12 and 2016-17.
- Large production of cardamom and flowers has opened up immense possibilities for the state economy.
- Rail and air connectivity as well as optical-fibre networks are being developed in the state.

Conducive agro-climatic conditions

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

Advantage Sikkim

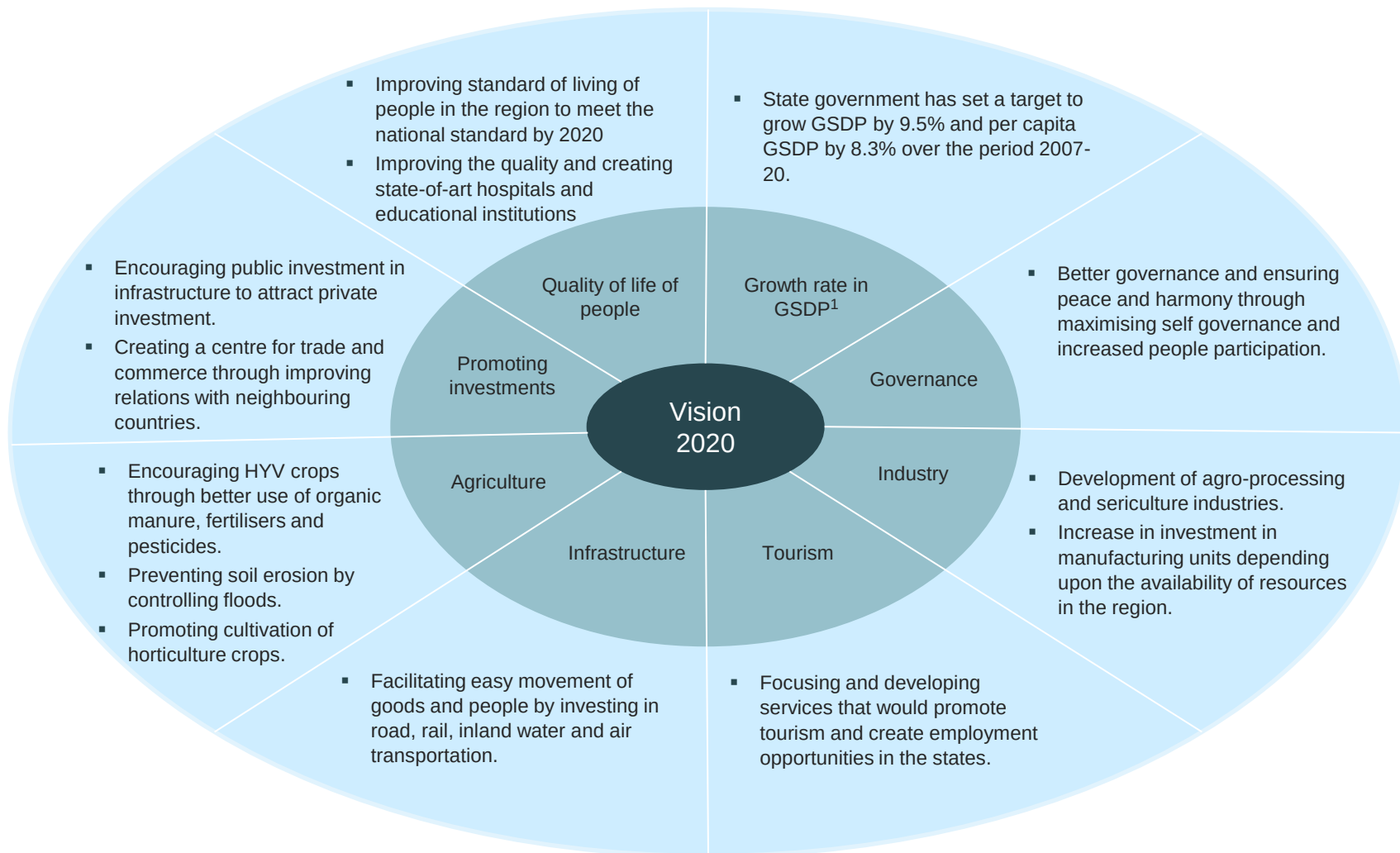
Rich labour pool

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

Policy and institutional support

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

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



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



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

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

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

Source: Sikkim State Portal, Census 2011

Sikkim's Contribution to Indian Economy (2016-17)

Parameter	Sikkim	India
GSDP as a percentage of all states' GSDP	0.12	100.0
GSDP growth rate (%)	11.20	10.83
Per capita GSDP (US\$)	4,343.02	1,750.29

Social Indicators

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

Industrial Infrastructure

Parameter	Sikkim	India
Operational PPP projects (No) (May 2018)	30	9,066

Physical Infrastructure in Sikkim

Parameter	Sikkim	India
Installed power capacity (MW) (April 2018)*	962.14	343,788.39
Wireless subscribers ¹ (No) (as of March 2018)	58,507,306	1,183,408,611
Internet subscribers ¹ (Mn) (as of December 2017)	17.38	445.96
National highway length (km)	463	122,432

Investments (as of December 2017)

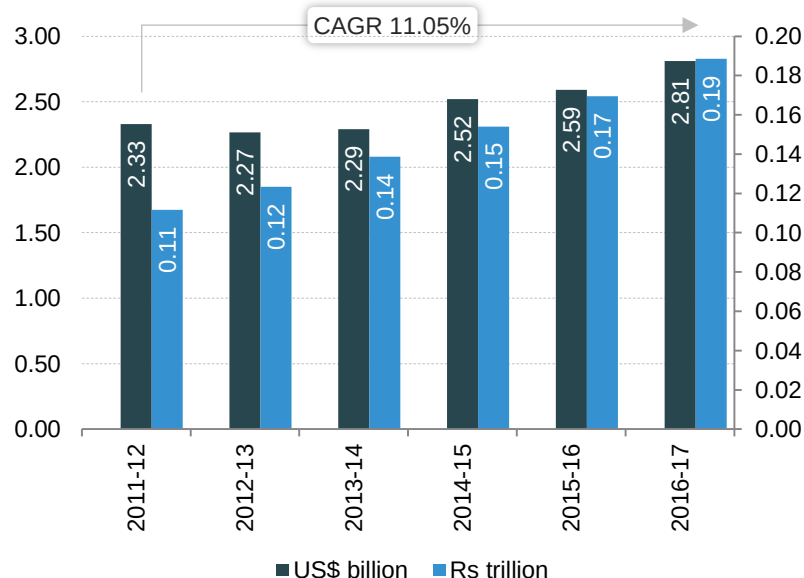
Parameter	Sikkim	India
Cumulative FDI equity inflows since April 2000 (US\$ billion)	4.19 ¹	367.93

Note: GSDP, per capita GSDP figures are taken at current prices, Exchange Rate used is average of 2016-17, i.e. USD = 67.09, ¹For West Bengal including Sikkim
PPP:-Public-Private Partnership, ¹Including West Bengal and Andaman & Nicobar Islands, ²Projects Under Construction

ECONOMIC SNAPSHOT

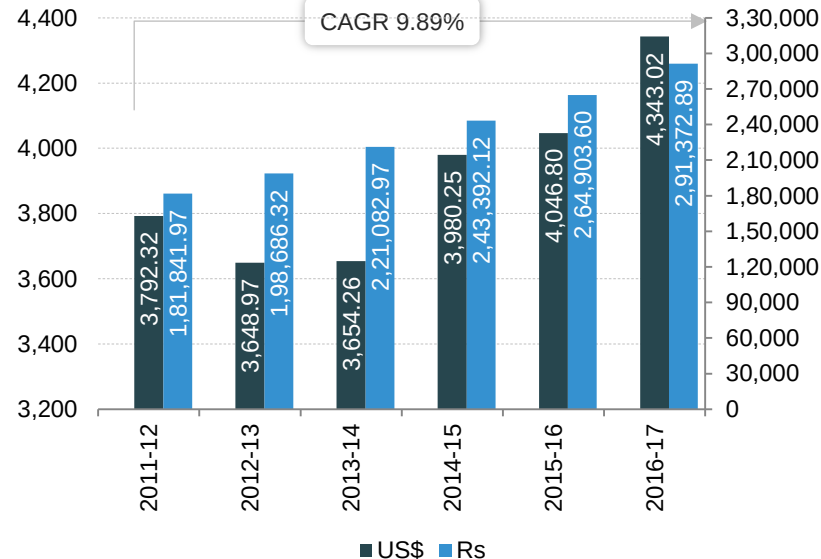


GSDP of Sikkim at current prices (in US\$ billion)



- At current prices, Sikkim's Gross State Domestic Product (GSDP) was Rs. 0.19 trillion (US\$ 2.81 billion) in 2016-17.
- GSDP expanded at a CAGR of 11.05 per cent between 2011-12 and 2016-17.

GSDP per capita of Sikkim at current prices (US\$)

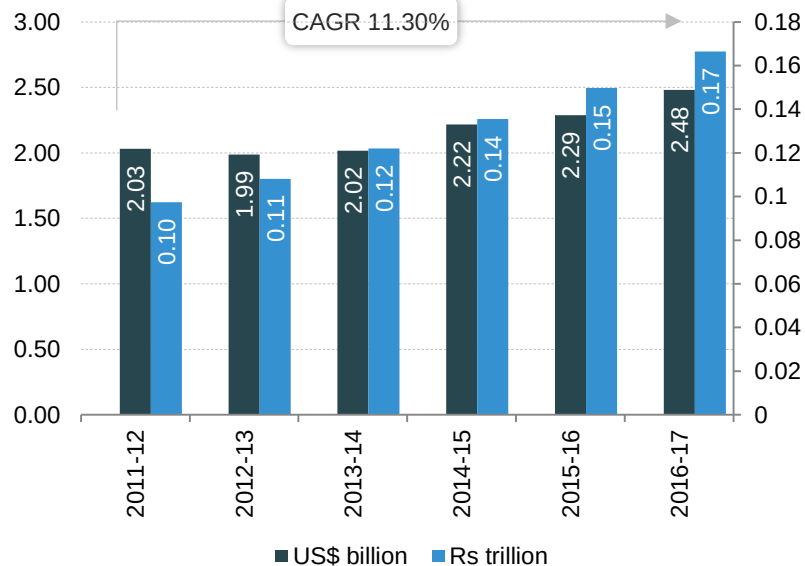


- The state's per capita GSDP was Rs. 291,372.89 (US\$ 4,343.02) in 2016-17 as compared to Rs. 181,841.97 (US\$ 3,792.32) during 2011-12.
- Per capita GSDP increased at a CAGR of 9.89 per cent between 2011-12 and 2016-17.

Note: GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 44

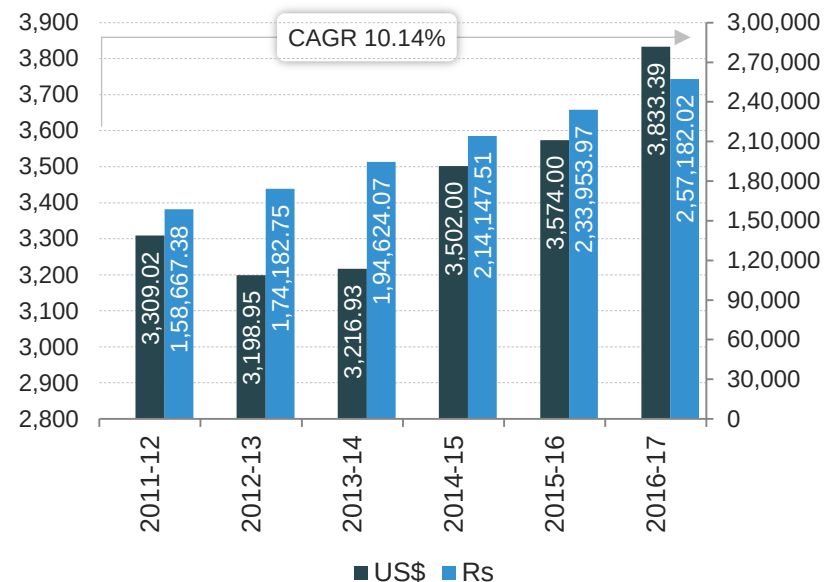
Source: Ministry of Statistics and Program Implementation

NSDP of Sikkim at current prices (in US\$ billion)



- At current prices, Sikkim's Net State Domestic Product (NSDP) was Rs. 0.17 trillion (US\$ 2.48 billion) during 2016-17.
- NSDP of the state expanded at a CAGR of 11.30 per cent between 2011-12 and 2016-17.

NSDP per capita of Sikkim at current prices (US\$)



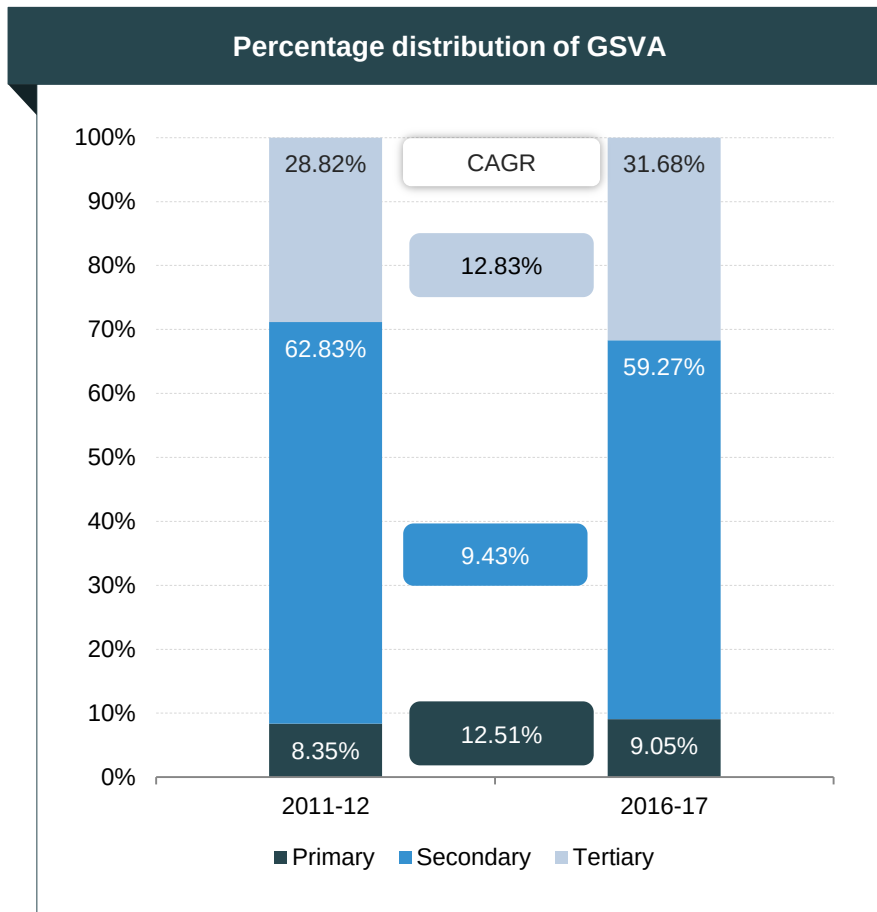
- Sikkim's per capita NSDP was Rs. 257,182.02 (US\$ 3,833.39) in 2016-17 as compared to Rs.158,667.38 (US\$ 3,309.02) during 2011-12.
- Per capita NSDP of Sikkim increased at CAGR of 10.14 per cent between 2011-12 and 2016-17.

Note: GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 44

Source: Ministry of Statistics and Program Implementation

ECONOMIC SNAPSHOT – PERCENTAGE DISTRIBUTION OF GSVA

- The overall performance of the economy of the state during 2016-17 was encouraging.
- At a CAGR of 12.83 per cent, the tertiary sector witnessed the fastest growth among the three sectors during 2011-12 to 2016-17. The growth has been driven by trade, hotels, real estate, finance, insurance, transport, communications and other services.
- In 2016-17, the secondary sector contributed 59.27 per cent to the state's GSVA at current prices. It was followed by the tertiary sector at 31.68 per cent and primary sector at 9.05 per cent.
- The secondary sector grew at a CAGR of 9.43 per cent between 2011-12 and 2016-17. The primary sector grew at a CAGR of 12.51 per cent between 2011 and 2016-17.



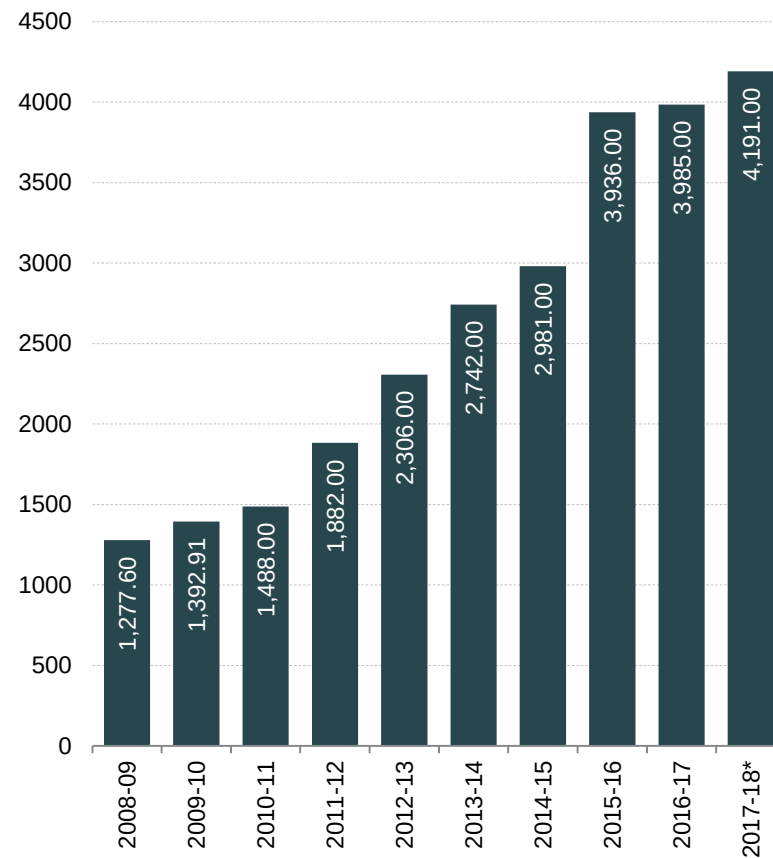
Note: GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 44

Source: Ministry of Statistics and Program Implementation

ECONOMIC SNAPSHOT – FDI INFLOWS & INVESTMENTS

- According to the Department of Industrial Policy & Promotion (DIPP), FDI inflows in West Bengal, along with Sikkim and Andaman & Nicobar Islands, during April 2000 to December 2017, totalled US\$ 4.19 billion.
- West Bengal contributes around 1% to the total FDI inflows of the country.
- During Bengal Global Summit, a total investment of US\$3.48 billion was allocated to the mining and the fisheries sector of the state.
- The state government has received investment proposals worth US\$ 33.83 billion during the two-day Bengal Global Business Summit, which was organised in January 2017.

Cumulative FDI inflows in West Bengal¹ (in US\$ million)



Note: ¹Includes West Bengal, Sikkim and Andaman & Nicobar Islands, *from April 2017 to Dec2017

Source: Department of Industrial Policy & Promotion (DIPP)

PHYSICAL INFRASTRUCTURE



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

Fund Allocation and Expenditure

	CRF (US\$ million)		EI & ISC (US\$ million)	
	Accrual	Release@	Accrual	Expenditure
2014-15	0.74	0.24	NA	NA
2015-16	0.81	NA	NA	NA
2016-17	1.96	1.46	NA	NA
2017-18	1.96	0.65	1.55	0.45^

Road type	Length (km) (2015-16)
National highways (NH) (February 2018)	463
State highways	701.09
District roads	1,080.85
Other district roads	334.51

In 2018, National Highway & Infrastructure Development Corporation Limited will construct 250km new road from NH31C near Bagrakote and ends at Gangtok. This project was approved by centre in 2015.

Note: @ Funds to some states have been released more than accrual of a state from the unspent balance of previous years of that States, ^ Up to December, 2017, NA – Data not available.

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

PHYSICAL INFRASTRUCTURE – RAILWAYS AND AIRPORTS

- Indian Railway Construction Company approved the construction of rail connectivity between Sevoke in West Bengal to Rangpo in Sikkim.
- Total length of rail track between Savor and Rangoon will be 52.7 km. Rail connectivity between Rangpo-Siliguri is also under construction.
- Furthermore, it is expected that the airport construction which includes navigational aids and passenger terminal would be completed by June 2017, and once full operational, the airport would be capable of handling ATR-72 type of aircraft.
- In May 2018, Indian Railways has plan several projects worth of Rs 40,000 crore (US\$ 6.21 billion) to construct rail links which will connect capital cities of northeast states such as Manipur, Mizoram, Meghalaya, Sikkim and Nagaland.
- Construction of much anticipated airport at Pakyong has started adding to Sikkim's infrastructural achievements. Helicopter services are available from Bagdogra (West Bengal) to Gangtok.



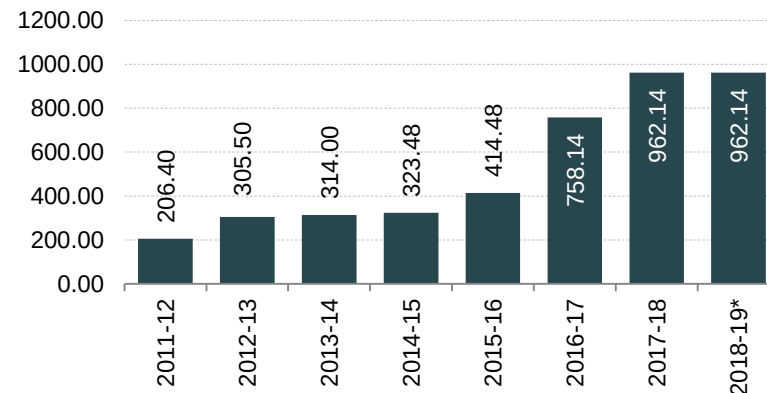
Source: North-East Region Rail Infrastructure presentation; Ministry of Railways, Sikkim Times, June 2013, Assorted news articles

- In April 2018, Sikkim had a total installed power generation capacity of 962.14 MW, of which 151.03 MW was under central utilities, 399.00 MW was under private utilities & 412.11 MW was under state utilities. Of the overall installed power generation capacity of in the state, thermal power contributed 87.03 MW, while hydropower and renewable power contributed 823.00 MW & 52.12 MW, respectively.
- Power generation in the state increased 120.6 per cent year-on-year to reach 8,336.59 MW during April-January 2017-18. All villages of the state have been electrified.
- Sarda Energy and Minerals Limited (SEML) plans to add hydroelectric capacity of over 125MW over the upcoming 2-3 years in Sikkim and Chhattisgarh.
- Budget allocation, during 2018-19, for the energy and power sector is estimated to be Rs. 284.81 crore (US\$ 44.19 million).

Note: * As of April 2018

Source: Central Electricity Authority

Installed power capacity (MW)



Hydro Electric Potential Development Status (in terms of Installed capacity (in MW)) (April 2018)

Total Identified capacity (above 25 MW)	4,248
Capacity under operation	2,169.0
Capacity under construction	1,133.0
Capacity to be taken up under construction	946.0

- The state recorded tele-density¹ of 91.02 per cent in March 2018.
- Virtual Private Network (VPN) and 3G-services are available in the state.
- Forty five common service centres have been constructed across the state. The centres provide an internet-based interface for implementing various government programmes and schemes.
- Vodafone launched its services in Lachung as the first private telecom operator in the region. With this expansion, it has now covered more than 91 per cent of population in Sikkim.
- Postal services are available through India Post and other private courier services.

Telecom Infrastructure (As of March 2018)

Wireless subscribers ¹	58,507,306
Wireline subscribers ¹	277,267
Internet subscribers ⁽¹⁾⁽²⁾	17,380,000

Source: Telecom Regulatory Authority of India,¹Denotes West Bengal, including Sikkim,

Major telecom operators in Sikkim

- Bharat Sanchar Nigam Limited (BSNL)
- Reliance Communications
- Bharti Airtel
- Tata Teleservices
- Vodafone
- IDEA Cellular

Note: ¹Includes West Bengal, ²As of December 2017

Source: Telecom Regulatory Authority of India

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

Note: 2017-18* - Up to November 2017, ^ Status as of April, 2018
Source: Ministry of Urban Development, Government of India

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

	Total Allocation	Committed	Sanctioned
Fund under AMRUT Program^	6.22	5.60	5.60
Total number of AMRUT cities		1	

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

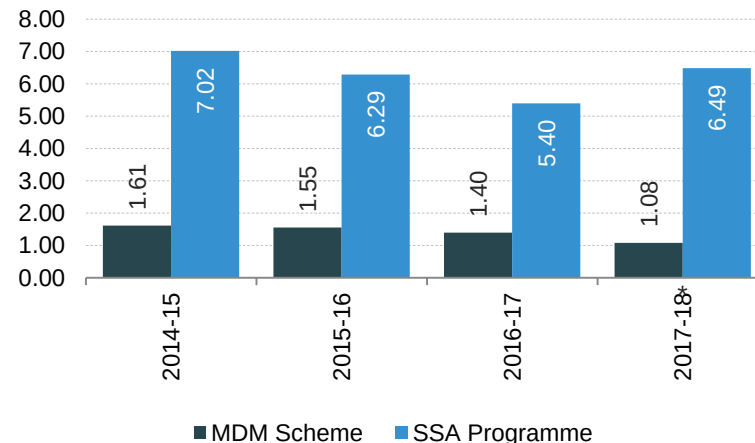
Year	Funds sanctioned (US\$ million)
2014-15	3.35
2015-16	2.10
2016-17	2.09
2017-18*	1.18

SOCIAL INFRASTRUCTURE



- Sikkim has a literacy rate of 81.42 per cent; the male and female literacy rates were 86.55 per cent and 75.61 per cent, respectively.
- 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.
- The proposal of establishing a state university by forming a cluster of different colleges, was also approved by RUSA (Rashtriya Uchhatar Shiksha Abhiyan) in 2015-16. Allocation of US\$ 100.3 million was made for human resource development department in state budget 2017-18.
- Sikkim is the first state to partner with United Nation Educational and Scientific Organization (UNESCO) MGIEP (Mahatma Gandhi Institution of Education for Peace and Sustainable Development) for implementation of Sustainable Development Goal (SDG) in Primary Text Books.
- Sikkim has secured third rank in the category of Elementary Education in the country as per the Educational Development Index (EDI) released by the Ministry of Human Resource Development in 2014. The EDI was measured based on four constituents of Access, Infrastructure, Teachers and Outcome.

Funds released for Primary Education (US\$ million)



Literacy rates (%)

Literacy rate	81.42
Male literacy	86.55
Female literacy	75.61

- Distance education is available for students via SMU and Indira Gandhi National Open University (IGNOU).

*Note: * As of December 2017*

Source: NEDFI Databank, Budget 2017-18

- Sikkim has an impressive health infrastructure, one of the best in the country. The state has witnessed declining critical health indicators such as disease prevalence, mortality rates, morbidity, etc. over the past years.
- Health tourism is being promoted in the state to utilise its medical infrastructure and boost the economy. The state has 28 primary health centres, 197 sub-centres, two community health centres and five district hospitals as of June 2018.
- The Department of Health and Family Welfare is instrumental and responsible for implementation of various national programs in the areas of health and family welfare as well as prevention and control of communicable diseases in the state.
- Sir Thutob Namgyal Memorial (STNM) Hospital has introduced latest technology for Laparoscopic Machine in surgery department. Now onwards patients will be able to undertake medical treatment of various cases like hernia, gallbladder stone and appendix with advanced techniques and innovative methodology.

Health infrastructure (as of June 2018)

Sub centres	197
Primary health centres	28
Community health centres	2
District hospitals	5
Sub district hospitals	1

Source: Ministry of Health & Family Welfare, NHRM

Health indicators as (SRS-2016)

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

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

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

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

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

INDUSTRIAL INFRASTRUCTURE



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

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

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

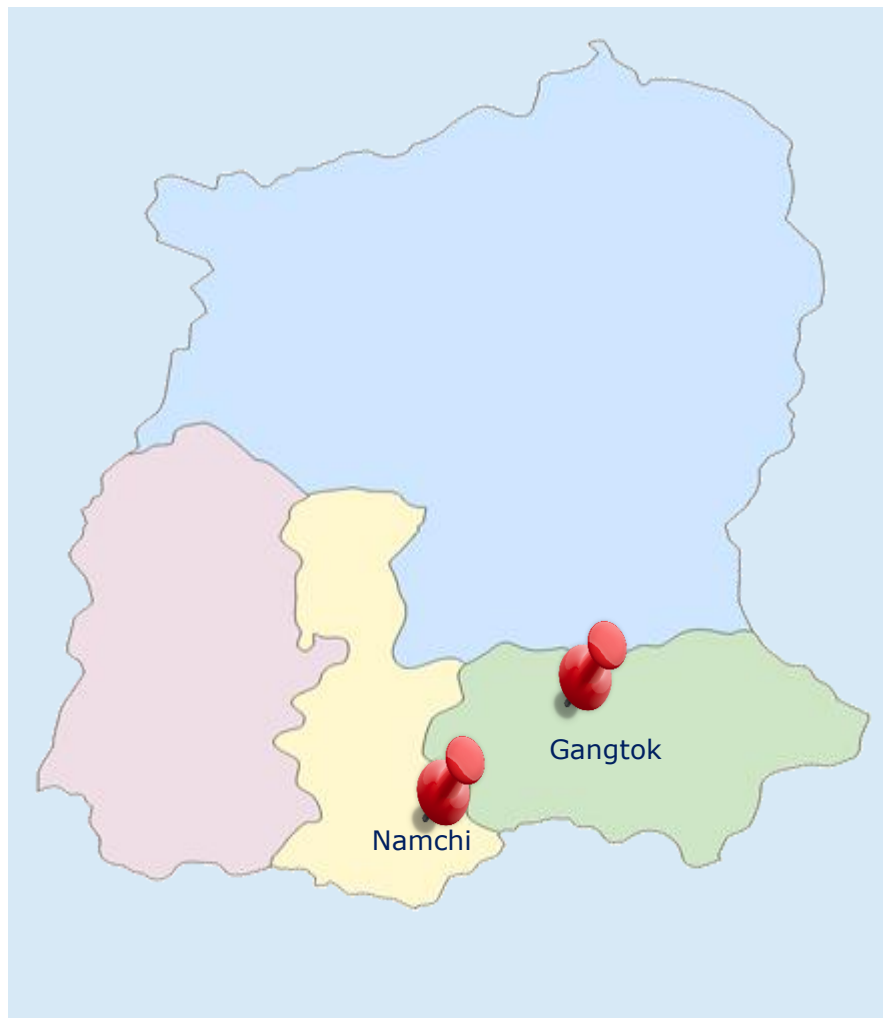
- Sikkim has identified agro-based industries, horticulture & floriculture, minor forest-based industries, animal husbandry & dairy products, tourism-related industries, IT including knowledge-based industries, precision oriented high value-low volume products, hydro-power, tea, education and hospitality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

*Note: * As on January 2018.*

Smart cities in Sikkim

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

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



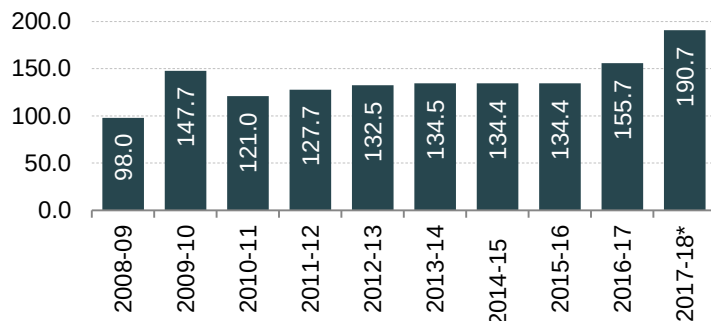
KEY SECTORS

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

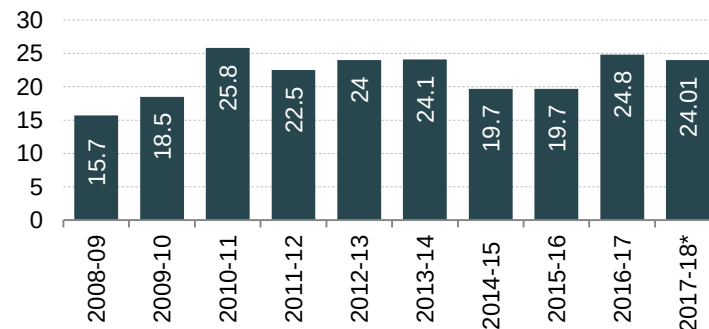


KEY SECTORS – AGRO & FOOD PROCESSING AND HORTICULTURE... (1/3)

Production of vegetables (in '000 MT)



Production of fruits (in '000 MT)



- Agriculture is vital to the progress of Sikkim as more than 64 per cent of the population depends on it for their livelihoods. The Sikkim AGRISNET is an internet-based agriculture information centre to promote scientific agricultural methods and convert research into practice in the agricultural sector.
- Sikkim has a suitable climate for agricultural and horticultural products. It supports multiple crops; viz., rice, wheat, maize, millet, barley, urad, pea, soya bean, mustard and large cardamom.
- The surveyed arable land in Sikkim is 109,000 ha, of which only 9.5% is used; this provides a vast untapped potential for development.
- The state government is also laying emphasis on improving organic farming in the state. The state was certified as the first fully organic state in India, by the Central Ministry of Agriculture and Farmers' Welfare as well as other recognized agencies of the country.
- There are large areas of fallow land available, having the potential to be converted into productive farms for cash crops. Egg production in the state stood at 101.57 lakh units in 2015-16 and 980 lakh units in 2016-17. Meat production in the state was recorded at 5.84 thousand tonnes in 2015-16. Milk production in the state increased from 66.74 thousand tonnes in 2015-16 to 127 thousand MT in 2016-17.

Note: MT: Metric Tonnes, 2017-18* - As per 1st advance estimates

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

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

- The primary sector contributed around 9.05 per cent to Sikkim's GSDP in 2016-17. Agriculture provides livelihood to more than 64 per cent of the people of Sikkim, either directly or indirectly. Sikkim is the top producer of large cardamom, contributing over 80 per cent to India's total production.
- The area under production for fruits and vegetables during 2017-18 was 18,330 hectares and 25,540 hectares respectively
- The state government is targeting to launch new agricultural schemes for making farming more profitable and allowing the youth to determine agriculture as a budding source of livelihood. Implementation of such schemes is expected to result in increase in the area utilization for the cultivation & production of various crops. The state government is also laying emphasis on improving organic farming in the state.
- As per budget 2018-19, allocation of Rs. 484.52 crore (US\$ 67.42 million) is made for the development of the agriculture & allied services sector. Sikkim will become self sufficient in terms of food grains production within next 5 years.

Crop	Production – 2017-18 ('000 tones)
Fruits	24.01
Vegetables	190.72
Flowers	16.59
Spices	67.14

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

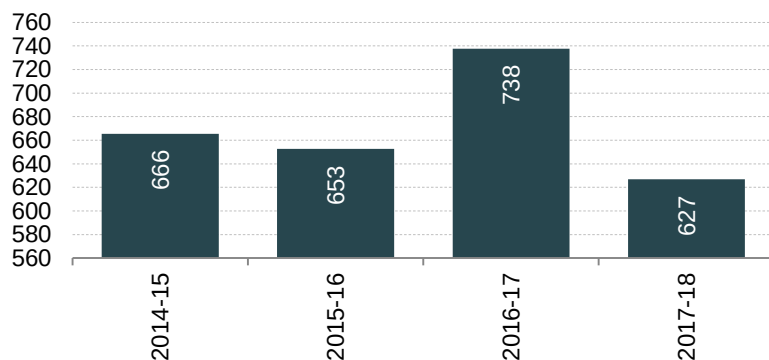
- Budget 2018-19 states that total vegetables requirement to feed the entire population of the state (Including tourist and floating population) is 95,000 metric tonnes per annum

Note: Exchange rate as per slide number 44

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

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

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



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

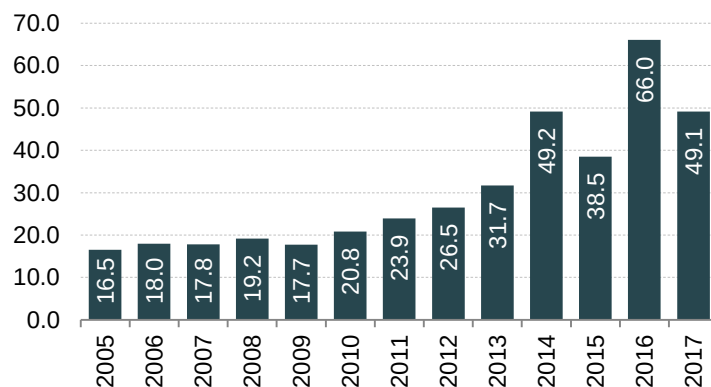


- In 2003, the state government took the decision to become a fully organic state through a declaration in the legislative assembly. In January 2016, Sikkim became the first fully organic state in India. Around 75,000 hectares of agricultural land in the state was gradually converted to certified organic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

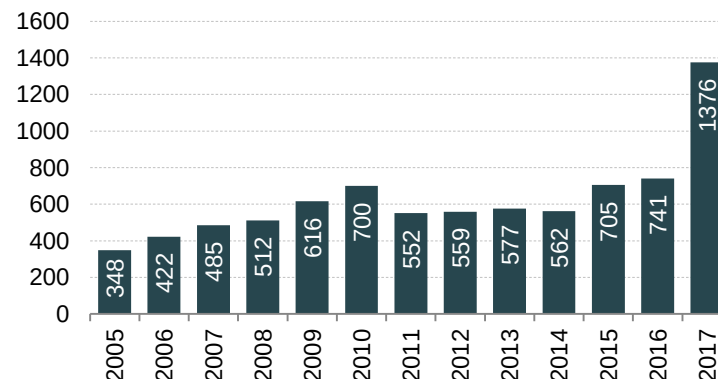
Source: Ministry of Agriculture and Family Welfare.

KEY SECTORS – TOURISM... (1/2)

Foreign tourists arrivals in Sikkim (in '000)



Domestic tourists arrival in Sikkim (in '000)



- An extraordinary increase in the number of tourists in the state has been witnessed over the past few years owing to the efforts that the state government is making for promoting tourism in the state.
- Sikkim is setting up a fossil park in Mamley (south Sikkim), where rare one billion-year-old Stromatolite fossils occur. GSI plans to set up a geological museum in Sikkim, displaying fossils, rock samples, etc., from various parts of India. This would attract palaeontology enthusiasts across the world.
- Foreign tourists* would be allowed to visit certain location of the country, which were earlier considered as Restricted Area Permit regime.
- Tourist arrival (domestic and foreign tourist) in the state has increased from 99,000 in 1994 to more than 1.4 million in 2017.

Note: 2017* - Up to 18th June 2017,* excluding China and Pakistan

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

KEY SECTORS – TOURISM... (2/2)

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

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

KEY SECTORS – FLORICULTURE & SERICULTURE...

(1/2)

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

Source: Indian Horticulture Database 2014-National Horticulture Board

KEY SECTORS – FLORICULTURE & SERICULTURE...

(2/2)

- Mulberry, muga, eri, oak-tussar & silk are cultivated in Sikkim.
- The Sericulture Directorate is responsible for development of sericulture in Sikkim. The Directorate is maintaining three sericulture farms, one each in east, south & west district.
- Forest Department has two sericulture farms, one at Rorathang (east Sikkim) and the other at Mamring & Namthang (south district).
- The sericulture potentiality of Sikkim state has been explored jointly by the State Department & Central Silk Board, through launching a flagship programme titled Catalytic Development Programme.
- Over the years with consorted efforts from the both ends (state & central governments), considerable success have been achieved by the state sericulture industry in generating employment.
- 2017-18 target for raw silk production of Sikkim is 17 metric tonnes.

Year	Raw Silk production (MT)
2013-14	0.20
2014-15	8
2015-16	6
2016-17	9

Source: Central Silk Board, Directorate of Sericulture, Sikkim

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

- Pharmaceutical is an emerging industry in Sikkim due to tax incentives offered by the state government as well as low manufacturing and labour costs.
- Sikkim is home to 14 major pharma companies, which have significant investments in the state. These include Cipla, Sun Pharma, Zydus Cadila, Alembic, IPCA, Alkem Lab, Intas Pharma, Torrent Pharma & Unichem.
- The North-East Industrial and Investment Promotion Policy, 2007 and the pollution free atmosphere are highly beneficial for pharma investments in Sikkim. Some of the policy incentives are:
 - 100% excise duty exemption on finished products.
 - 100% income tax exemption.
 - 30% capital investment subsidy on investments in plant and machinery.
- Sikkim is the only state which offers excise benefits and major players of the pharmaceutical industry have set up their manufacturing units in the state. Few of these are Cipla, Sun Pharma, Zydus Cadila, Alembic, IPCA, Alkem Lab, Intas Pharma, Torrent Pharmaceuticals, Unichem.

Source: Sikkim Human Development Report 2014, News articles

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



Cipla

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



**Sun Pharmaceutical
industries limited**

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



Zydus Cadila

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

KEY PROCEDURES & POLICIES



KEY APPROVALS REQUIRED

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

CONTACT LIST

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Energy and Power Department	Energy & Power Department Gangtok, Sikkim Website: www.sikkimpower.org E-mail: pbsubba@sikkimpower.org
Sikkim Industrial Development & Investment Corporation Limited (SIDICO)	Bhanu Path, Gangtok-737103, Sikkim Phone: 91-3592-202287, 202637, 209622, Fax: 91-3592-202287 Website: www.sidico.org E-mail: mdsidico@rediffmail.com
Directorate of Handloom and Handicrafts	Director, D.H.H, Gangtok East Sikkim Phone: 91-3592-203 126/202 926

COST OF DOING BUSINESS IN SIKKIM

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

Objectives

Sikkim Tourism Policy 2017

- To develop tourism as a key sector in Sikkim's economy.
- To promote low impact sustainable tourism for the state.
- To deliver a consistent high level of satisfaction and hospitality to tourists.

[Read more](#)

Sikkim Ecotourism Policy 2011

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

[Read more](#)

Sikkim Policy on Organic Farming 2010

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

[Read more](#)

North East Industrial and Investment Promotion Policy (NEIIPP) 2007

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

[Read more](#)

IT Policy of Sikkim 2006

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

[Read more](#)

Upcoming Policies

- New Sikkim Tourism Policy

ANNEXURE



ANNEXURE...(1/2) - SOURCES

Data	Sources
GSDP (state)	Directorate of Economics and Statistics of Sikkim
Per capita GSDP figures	Directorate of Economics and Statistics of Sikkim
GSDP (India)	Ministry of Statistics and Program Implementation
Installed power capacity (MW)	Central Electricity Authority, as of April 2018
Wireless subscribers (No)	Telecom Regulatory Authority of India, as of March 2018
Internet subscribers (Mn)	Telecom Regulatory Authority of India, as of December 2017
National highway length (km)	NHAI, Roads and Building Department - Government of India
Literacy rate (%)	Census 2011
Birth rate (per 1,000 population)	SRS Bulletin, September 2017
Cumulative FDI equity inflows (US\$ billion)	Department of Industrial Policy & Promotion, April 2000 to December 2017
Operational PPP projects (No)	Ministry of Finance, Government of India

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

Exchange Rates (Fiscal Year)

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

Exchange Rates (Calendar Year)

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

Source: Reserve bank of India, Average for the year

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