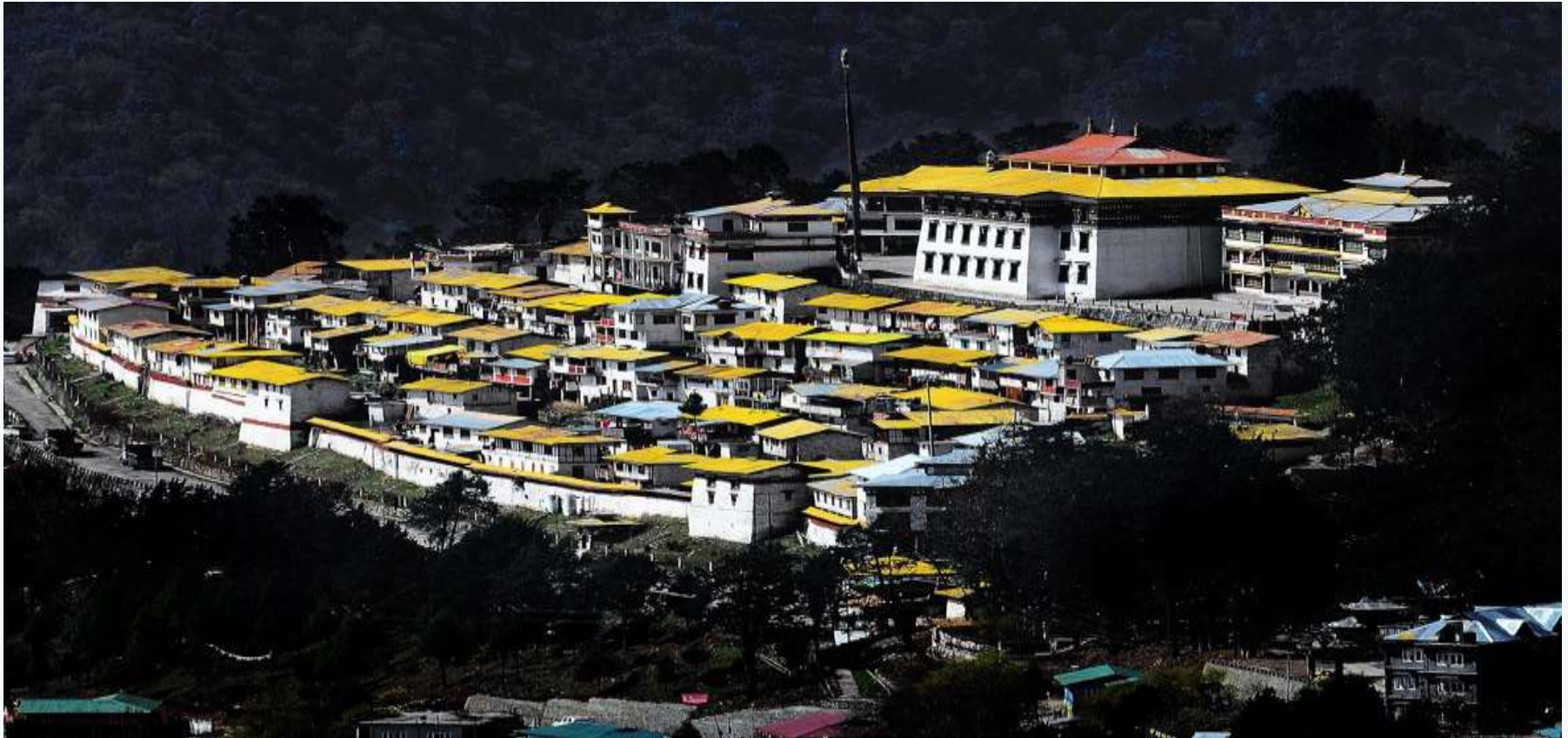


ARUNACHAL PRADESH



TAWANG MONASTERY IN TAWANG, ARUNACHAL PRADESH

September 2022

For updated information, please visit www.ibef.org

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Executive summary

1

Largest state in Northeast

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



2

Largest hydropower potential in India

- India's pent-up demand for electricity could be addressed by the state's potential 50,328 MW hydropower capacity.
- As of August 31, 2022, the installed hydropower capacity in the state stood at 544.55 MW.



3

Carpet making

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



4

Growing Economy

- At current prices, Arunachal Pradesh's GSDP is estimated to reach Rs. 29,372 crore (US\$ 3.69 billion) in 2022-23. The state's per capita GSDP was Rs. 215,461 (US\$ 2,824.89) in 2021-22.



5

Improving Logistics

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



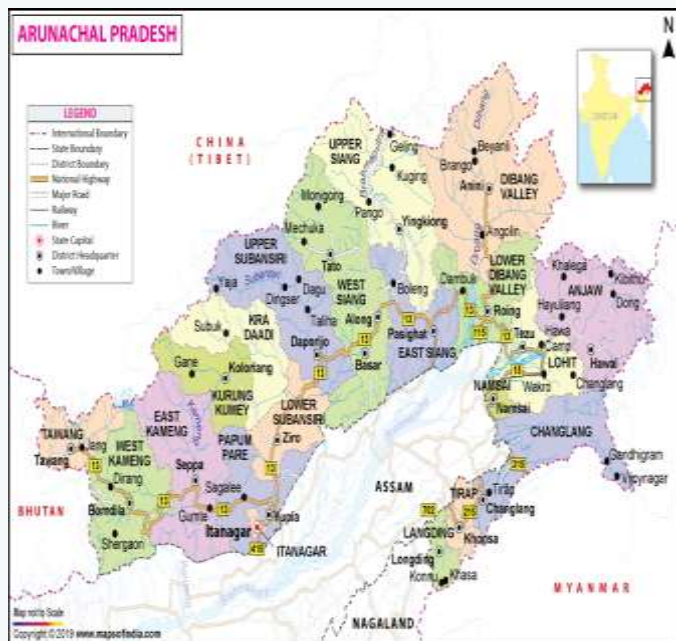
Note: MW- Megawatt, sq km- square kilometer

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

INTRODUCTION

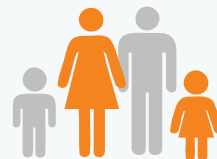


Arunachal Pradesh fact file



Itanagar

Capital



17 persons per sq. km.
Population density



1.57 million
total population



83,743 sq.km.
geographical area



0.67 million
female population



0.71 million
male population



65.38%
literacy rate



Administrative districts: **25** (females per 1,000 males)

938
Sex ratio

Key Insights

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

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

State advantage

2 HUGE HYDROPOWER POTENTIAL

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

1 HIGH ECONOMIC GROWTH

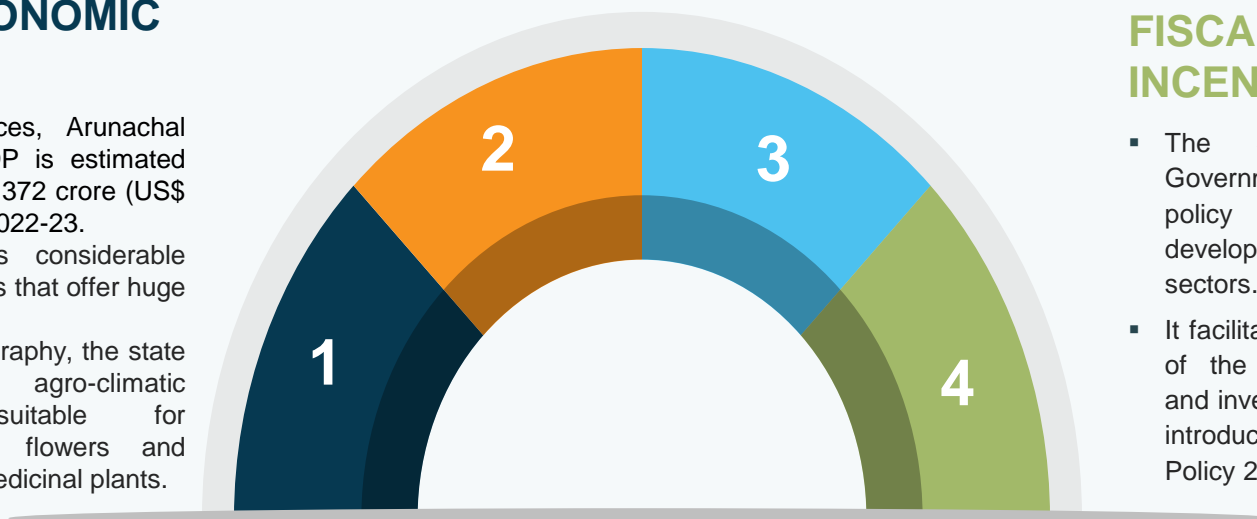
- At current prices, Arunachal Pradesh's GSDP is estimated to reach Rs. 29,372 crore (US\$ 3.69 billion) in 2022-23.
- The state has considerable mineral reserves that offer huge potential.
- Due to its topography, the state has varied agro-climatic conditions suitable for horticulture of flowers and aromatic and medicinal plants.

3 INTERNATIONAL TRADE OPPORTUNITIES

- The state's location provides opportunities for international trade with South Asian countries such as Myanmar, Bhutan and China.
- Textiles and handicrafts from the state are in demand in neighbouring countries.
- In FY21, commodity exports from the state were valued at US\$ 0.5 million.

4 POLICY AND FISCAL INCENTIVES

- The State and Central Government offer huge fiscal & policy incentives for the development of important sectors.
- It facilitate and promote growth of the industry, employment and investment in the state has introduced State Industrial Policy 2008.



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

Note: A- Advance Estimates

Arunachal Pradesh in figures


Arunachal Pradesh's Contribution to Indian Economy (2021-22)


 **GSDP as a percentage of all states' GSDP**
India: 100 | Arunachal Pradesh: 0.22

 **GSDP growth rate (%)**
India: 17.24% | Arunachal Pradesh: 10.74%


 **Per capita NSDP (US\$)**
India: 1,970 | Arunachal Pradesh: 2,578

Social Indicators

 **Literacy rate (%)**
India: 74.04 | Arunachal Pradesh: 65.38


 **Birth rate (per 1,000 population) (2018)**
India: 20.0 | Arunachal Pradesh: 17.9


Investments (US\$ million)


 **Cumulative FDI equity inflows (From October 2019-June 2022) (US\$ million)**


India: 158,879.33 | Arunachal Pradesh: 5.55


Physical Infrastructure in Arunachal Pradesh

 **Installed power capacity (MW) (as of August 2022)**
India: 405,773.22 | Arunachal Pradesh: 772.76

 **Wireless subscribers (million) (as of March 2022)**
India: 1,142.09 | Arunachal Pradesh: 1.27

 **Internet subscribers (million) (as of March 2022)**
India: 824.89 | Arunachal Pradesh: 0.79

 **National highway length (km) (as of March 2022)**
India: 140,995 | Arunachal Pradesh: 2,537.4

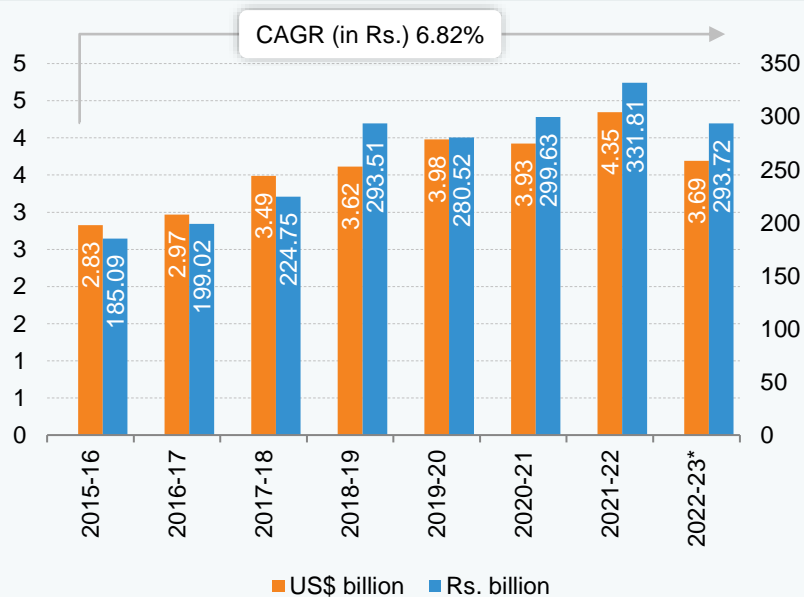
 **Airports (No.)**
India: 129 | Arunachal Pradesh: 3

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



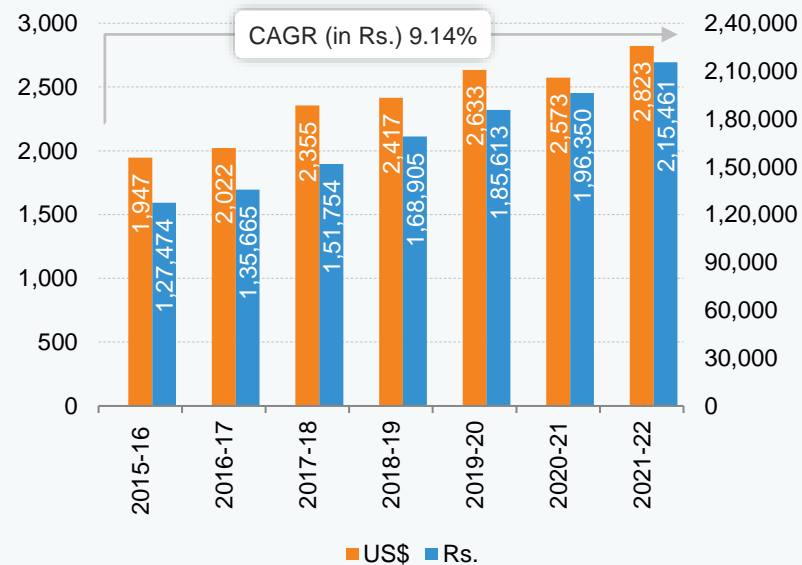
Economic snapshot – GSDP

GSDP of Arunachal Pradesh at Current Prices



- At current prices, Arunachal Pradesh's GSDP is estimated to reach Rs. 29,372 crore (US\$ 3.69 billion) in 2022-23
- The state's GSDP (in Rs.) is estimated to increase at a compound annual growth rate (CAGR) of 6.82 % between 2015-16 and 2022-23.

Per Capita GSDP of Arunachal Pradesh at Current Prices



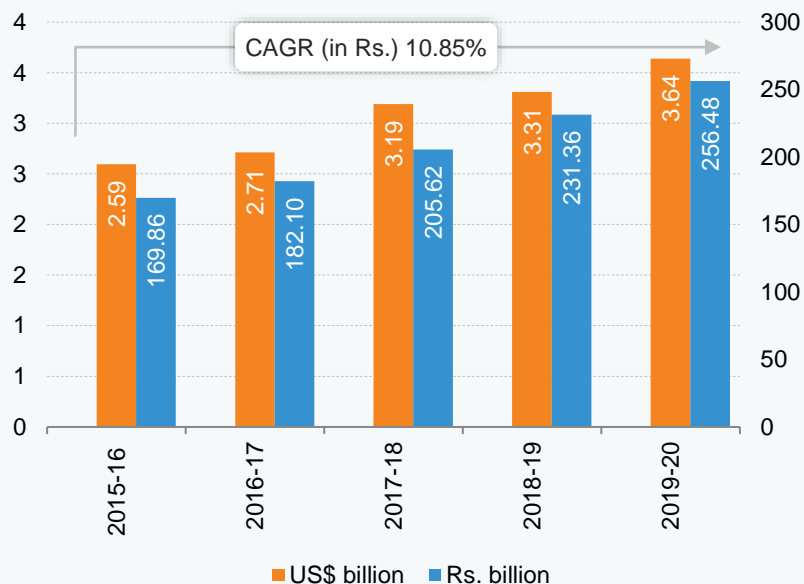
- The state's per capita GSDP was Rs. 215,461 (US\$ 2,823) in 2021-22.
- Per capita GSDP (in Rs.) increased at a CAGR of 9.14% between 2015-16 and 2021-22.

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

Source: Ministry of Statistics and Program Implementation, Department of Finance, Planning & Investment – Arunachal Pradesh

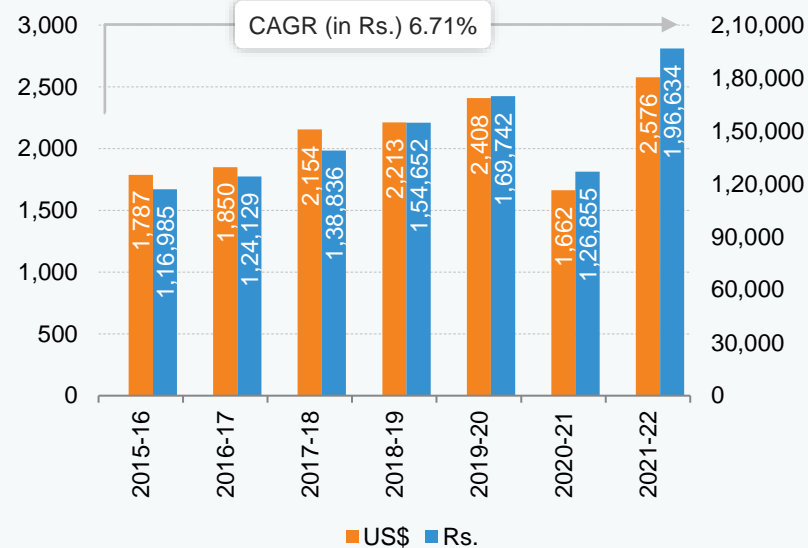
Economic snapshot – NSDP

NSDP of Arunachal Pradesh at Current Prices



- At current prices, the Net State Domestic Product (NSDP) of Arunachal Pradesh reached Rs. 256.48 billion (US\$ 3.64 billion) in 2019-20.
- The state's NSDP (in Rs.) increased at a compound annual growth rate (CAGR) of 10.85% between 2015-16 and 2019-20.

Per Capita NSDP of Arunachal Pradesh at Current Prices



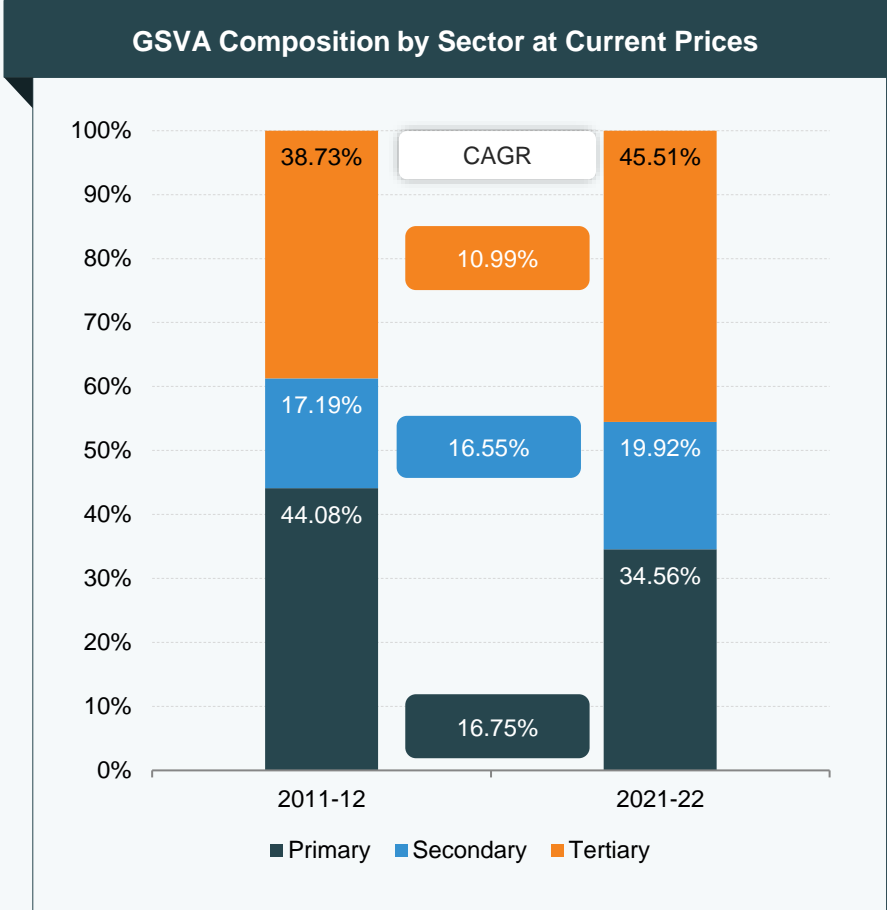
- The state's per capita NSDP was Rs. 1,96,634 (US\$ 2,576) in 2021-22.
- Per capita NSDP (in Rs.) increased at a CAGR of 6.71% between 2015-16 and 2021-22.

Note: exchange rates used are averages of each year

Source: Ministry of Statistics and Program Implementation

Economic snapshot – Percentage distribution of GSVA

- The tertiary sector was the biggest contributor (45.51%) to Gross State Value Added (GSVA) in 2021-22 and its share increased at a 16.75% CAGR between 2011-12 and 2021-22.
- The primary sector contributed 34.56% to the GSVA in 2021-22 and increased at a 16.75% CAGR between 2011-12 and 2021-22.
- Contribution of the secondary sector was the lowest (19.92%) to the GSVA in 2021-22; however, it grew at 16.55% CAGR between 2011-12 and 2021-22.

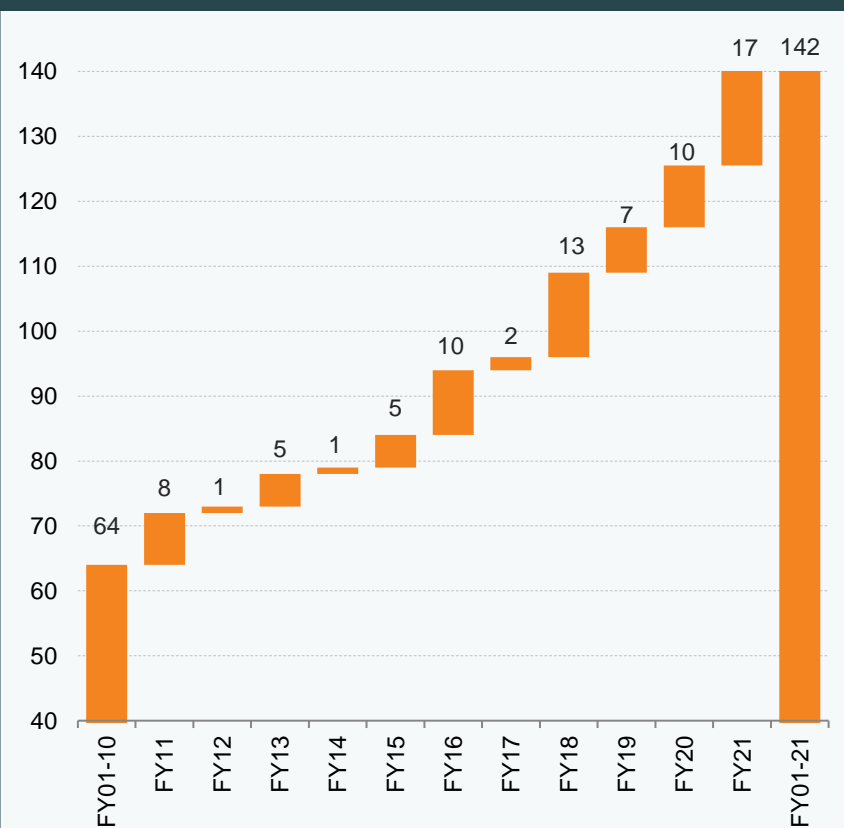


Source: Ministry of Statistics and Program Implementation

Economic snapshot – Investments and FDI inflows

- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflows to the northeast states¹ totalled US\$ 142 million between April 2000 and March 2021.
- The state attracted FDI inflow worth US\$ 5.55 million between October 2019-June 2022.
- In January 2020, one investment intentions worth Rs. 60 crore (US\$ 8.51 million) were filed in the state.
- Stepping up its efforts to attract investors, the Arunachal Pradesh government identified eight sectors in the industrially backward state in November 2020.
 - Sectors included were agro-forest and food processing, tourism, power and renewable energy, textiles and handlooms, pharmaceuticals, polymer-based industries and natural resource-based industries.

FDI equity inflows in Arunachal Pradesh¹ (US\$ million)

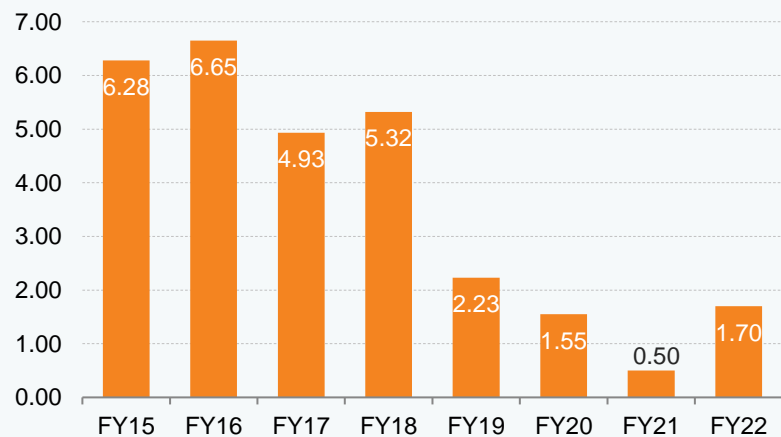


Note: ¹Including Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura

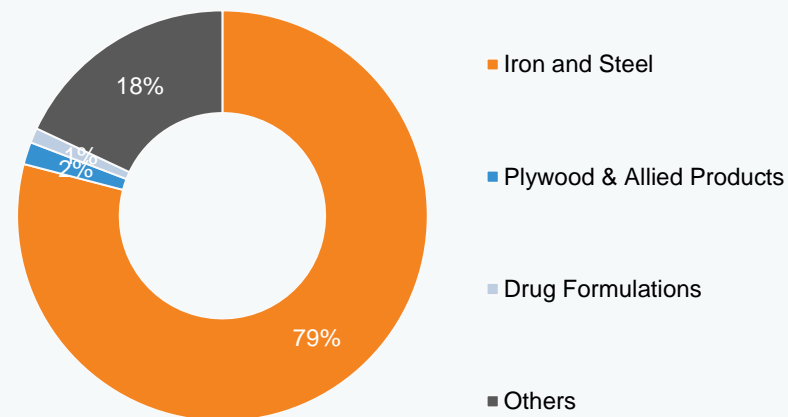
Source: Department for Promotion of Industry and Internal Trade (DPIIT)

Economic snapshot – Export

Merchandise Export from Arunachal Pradesh (US\$ million)



Principal Commodities Exported in FY22



- Merchandise export from the state reached US\$ 1.7 million in FY22.
- Iron & steel, plywood & allied products and drug formulations were the most exported items from the state in FY22.

Source: DGCIS Analytics, Media Sources

PHYSICAL INFRASTRUCTURE



Physical infrastructure – Roads

- Arunachal Pradesh has about 12,169 kms of major district roads. As of March 2019, the state had 2,537 km of national highways.
- In FY 2022-23, construction of 2,000 km of road per year was announced by the State Government.
- In State Budget 2022-23, Rs. 60 crore (US\$ 7.54 million) has been allocated for maintenance of PMGSY roads.
- Under State Budget 2020-21, Chief Minister Comprehensive State Road Plan 2019-24 has been approved. The aim is to improve 150 kms of capital complex road and upgrade important inter-state and inter-district roads to the specification of State Highway (SH).
- In February 2021, the Union Government approved construction of roads measuring 598 km with an estimated cost of ~Rs. 1,100 crore (US\$ 148.29 million).
- In FY21, the Ministry of Road Transport and Highways has sanctioned four projects of 52.4 kms worth Rs. 1,139.12 crore (US\$ 156.69 million) for Arunachal Pradesh. All projects will be undertaken on the Engineering, Procurement and Construction (EPC) mode.
- In March 2021, Chief Minister Mr. Pema Khandu announced that the state government will take up construction of the proposed 2-lane East-West Industrial Corridor Highway project with the central government. The highway project, which would pass via nine districts of the state, will be 966.78 kms in length.
- In August 2021, Chief Minister Mr. Pema Khandu announced that the 2,396-kilometre-long Trans Arunachal Highway (TAH) connecting 16 districts in Arunachal Pradesh, is being constructed by four agencies—the state Public Works Department (PWD), Ministry of Road Transport and Highway (MoRTH), National Highway Infrastructure Development Corporation Ltd. (NHIDCL) and the Border Roads Organisation (BRO).



Source: Maps of India

Road infrastructure	Road length (kms)
National highways (as of March 2019)	2,537
Total	136,440

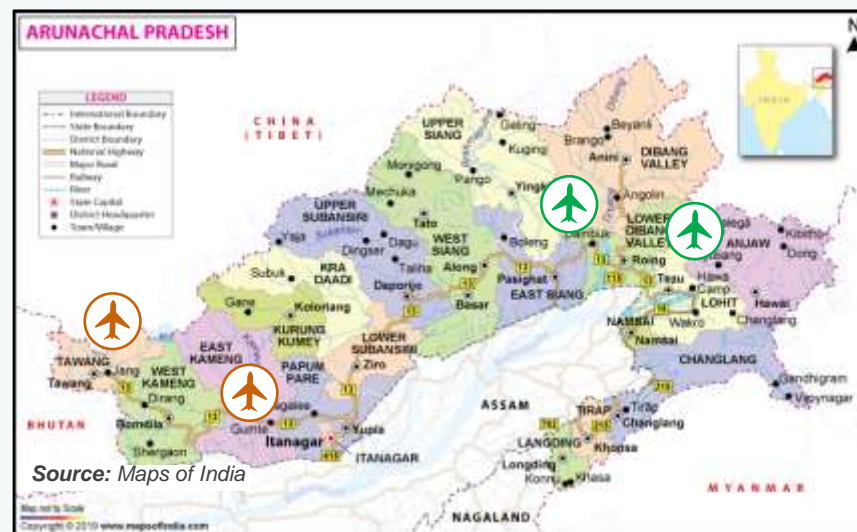
Implementation of PMGSY (During 2019-20)	
Habitations connected	1
Length completed (kms)	603,007

Note: PMGSY - Pradhan Mantri Gram Sadak Yojana

Source: NHAI, Arunachaltimes, PMGSY

Physical infrastructure – Airports and railways

- Commercial flights in the state were started in the state in May 2018 from Pasighat airport. A Greenfield airport in Hollongi was also announced in October 2018 to provide aviation services to state's capital Itanagar.
- Construction of Hollongi Airport, which was stuck for past 12 years, was approved by the Government of India with an allocation of Rs. 30 crore (US\$ 4.1 million) for its infrastructure development.
- In October 2020, the Airports Authority of India (AAI) announced that the greenfield airport at Hollongi, which is 15 km from Itanagar in Arunachal Pradesh, is likely to be constructed for Rs. 650 crore (US\$ 87.97 million) by November 2022.
- Ministry of Railways, Government of India is planning to invest vastly in railway line projects, as out of eight projects three has been already finished.
- The Ministry of Railways is readying to build huge railway infrastructure in the state, beginning with surveying of 3 railway tracks linking Tawang. The projects are estimated to require investment of around US\$ 7.43 billion to US\$ 10.41 billion.
- As of August 2020, four new flight routes connecting Tezu to and from Imphal and Guwahati have been approved by the Ministry of Civil Aviation under the 4th round of the Regional Connectivity Scheme (RCS).
- In May 2021, Flybig's first flight arrived at the Pasighat airport in Arunachal Pradesh from Guwahati. Direct flight connectivity with Guwahati, which has daily flights with major cities in the country, can boost tourism in the state.



Domestic Airport[^]



Inter-state Helicopter Service

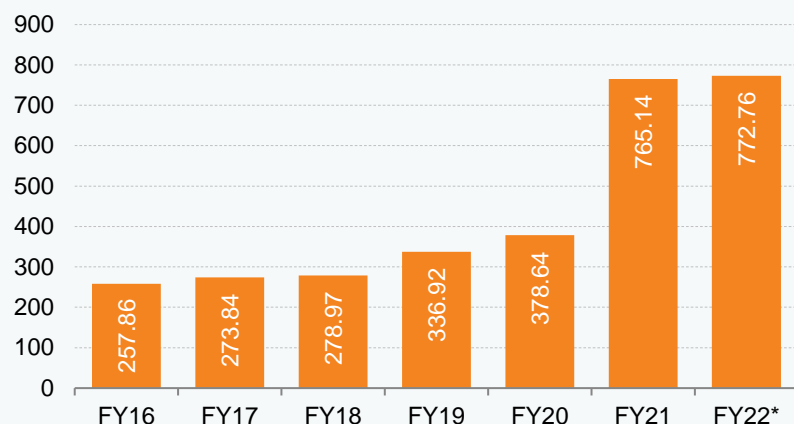
- On August 20, 2021, commercial flight operations started from Tezu Airport in Arunachal Pradesh. An ATR 72 aircraft of Flybig Airlines flew to Assam's capital, Guwahati. With this, Tezu became the second Advanced Landing Ground in Arunachal Pradesh to start commercial flight operations after Pasighat (in the district of East Siang), which commenced flights to Guwahati in May 2021.
- In March 2022, the Government has given 'in-principle' approval to set up a Greenfield airport in Hollongi (Itanagar), Arunachal Pradesh.

Note: [^]Non-operational

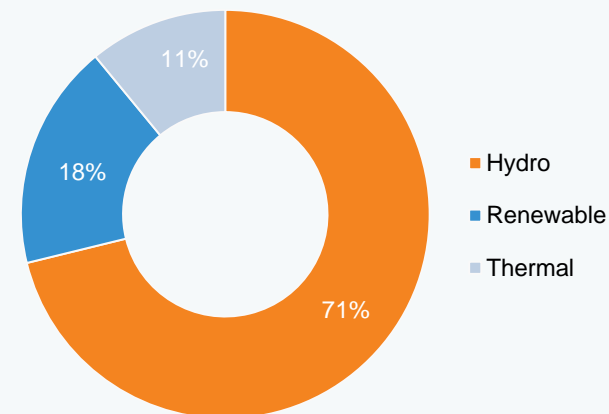
Source: Airports Authority of India; Department of Civil Aviation, Government of Arunachal Pradesh, theshillongtimes

Physical infrastructure – Power

Installed Power Capacity (MW)



Classification of Installed Power Capacity in FY21



- On account of its hilly terrain and abundant rivers, Arunachal Pradesh is estimated to have hydropower potential of 50,328 MW (through mega projects). Key regions for tapping hydropower include Dibang, Tawang, Subansiri Upper, Subansiri Middle, Kameng and Lohit. The Government has invited domestic power companies in the region to develop hydropower plants.
- As of August 31, 2022, Arunachal Pradesh had a total installed power-generation capacity of 772.76 MW. The state has significantly scaled up its capacity by capitalising on its hydropower potential.
- Government of India launched “Comprehensive Scheme for Strengthening of Transmission and Distribution System” to provide reliable and stable power connectivity to all the districts of Arunachal Pradesh. Under State Budget 2020-21, Rs. 10 crore (US\$ 1.42 million) has been allocated to the scheme.
- Ministry of Power had launched two new schemes, Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) which electrified all the villages and Saubhagya Scheme, which will target to provide energy to approximately 43,520 households in the state.
- Under the State Budget 2021-22, Rs. 1,165.06 crore (US\$ 159.08 million) has been allocated to the power sector.
- In August 2021, the Government of Arunachal Pradesh signed a deal with the North Eastern Electric Power Corporation (NEEPCO) Ltd. for the development two hydropower projects of 90 MW New Melling project in Tawang district and 120 MW Nafra project in West Kameng district.

*Note: MW- Megawatt, *- until July 2022*

Source: Central Electricity Authority, State Budget 20-21, News Article

Physical infrastructure – Telecom

Telecom Infrastructure		Performance of Bharat Net	
Wireless subscribers (million) (as of March 2022)	1.27	GPs Connected in 2017-18 (up to January)	328
Wireline subscribers (million) (as of March 2022)	1.28	Service Ready GPs (as of November 2020)	415
Internet subscribers (million) (as of March 2022)	0.79	GPs for which cable laid (as of December 2018)	564
Tele-density (%) (as of March 2022)	82.83		

- According to the Telecom Regulatory Authority of India (TRAI), Arunachal Pradesh had 1.27 million wireless subscribers and 0.5 million wireline subscribers as of March 2022.
- The number of internet subscribers in Arunachal Pradesh stood at 0.79 million, as of March 2022.
- Arunachal Pradesh had a total tele-density of 82.83%, as of March 2022.
- By June 2021, 1.60 million subscribers had submitted requests for mobile number portability in the region¹.
- As of June 2021, Bharati Airtel had the largest wireless subscriber base in the region¹.

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

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

Physical infrastructure – Urban

- In the State Budget of 2022-23, the government has established a dedicated assets management fund for upkeep of infrastructural projects.
- In the State Budget of 2022-23, the government has allocated Rs. 15 crore (US\$ 1.89 million) for the CM's Rural Housing Scheme
- Itanagar and Pasighat have been selected under the smart cities mission of Government of India.
- Under Jal Jeevan Mission (JJM), every rural household is to be provided with a Functional Household Tap Connection (FHTC) ensuring adequate and safe drinking water on a regular basis, including such remote villages by 2023.
- Under the State Budget 2021-22, Rs. 1,152.58 crore (US\$ 14.19 million) has been allocated for water supply, sanitation housing and urban development.
- In 2019-20, 200 trucks and tippers were distributed for proper Solid Waste Management of major urban centres.

Atal Mission for Rejuvenation and Urban Transformation up to March 2019


Allocation	US\$ million
Total allocation for projects (including state share)	19.03
Committed Central Assistance	17.16
Sanctioned Central Assistance	3.43

- In November 2020, India's first solar-based Integrated Multi-Village Water Supply Project (IMVWSP) was dedicated to the people of Arunachal Pradesh by Union Jal Shakti Minister Mr. Gajendra Singh Shekhawat. The solar-based lift water supply project for 39 villages in Lower Dibang Valley district (Northeastern Arunachal Pradesh) was commissioned at a cost of Rs. 28.50 crore (US\$ 3.85 million)
- A sum of Rs. 4 crore (US\$ 0.57 million) was allocated for providing public amenities in 25 townships across the state and Rs. 10 crore (US\$1.42 million) for installation of open Gyms in parks and gardens in 34 townships.

Source: Department of Planning, Itanagar, Ministry of Housing and Urban Affairs – GOI, News Article




Social infrastructure – Education

Higher Education Infrastructure (2019-20)			Major higher educational institutes in Arunachal Pradesh	
Universities	10		North Eastern Regional Institute of Science and Technology, Nirjuli	
Colleges	39	National Institute of Technology, Yupia		
Teachers	2,004	Rajiv Gandhi University		
Pupil-Teacher Ratio (Regular Mode)	20	Jawaharlal Nehru College, Pasighat		
		Industrial Training Institute (Roing, Daporijo and West Kameng district)		
		College of Horticulture and Forestry		

- Arunachal Pradesh has become the first state in the country to launch a web-based educational program for all schools in collaboration with Google Inc. The system aims to bring the power of the web into the classroom & improve productivity by simplifying the teaching process.
- Under the State Budget 2022-23, Rs. 1,357.07 crore (US\$ 170 million) has been allocated to the education sector.
- Gross Enrolment Ratio for higher education in the state increased from 26.9 in 2010-11 to 35.4 in 2019-20.
- The state government has dedicated 2021 as the 'Year of Education' with a planned investment of Rs. 1,000 crore (US\$ 137.55 million) for the sector. The government will launch 'Mission Shiksha' to improve the standard of education in the next two years with six focus areas, including infrastructure development of schools, technology intervention through information and communication technology and digital initiatives.
- In March 2021, Arunachal Pradesh Chief Minister Mr. Pema Khandu, along with the Union MoS for Sports & Youth Affairs Mr. Kiren Rijju, inaugurated 'Nyubu Nyvgam Yerko' school, a formal institution for indigenous language and knowledge system in Rang village. Mr. Pema Khandu said, "this would be the first-of-its-kind school in the state that would go a long way in promoting and preserving indigenous traditions, culture and language".

Source: Directorate of Higher and Technical Education, Government of Arunachal Pradesh, State Budget 2021-22, AISHE 2019-20

Social infrastructure – Health

Health Infrastructure in Arunachal Pradesh (April 2020)			Health indicators of Arunachal Pradesh (SRS Bulletin May 2020)	
Sub-centres	617		Birth rate (per thousand persons)	17.9
Primary health centres	167	Death rate (per thousand persons)	6.0	
Community health centres	80	Infant mortality rate (per thousand live births)	37	
District Hospitals	23			

- To support its huge rural population, Arunachal Pradesh has a three-tier public healthcare infrastructure comprising sub-centres, primary health centres and community health centres. In addition, there are district hospitals in most districts.
- Under the State Budget 2022-23 , Rs. 96.65 crore (US\$ 12.16 million) has been allocated to the medical, public health and family welfare sector.
- In August 2021, Speaker of the State Legislative Assembly Mr. P D Sona laid the foundation stone for a 40-bed hospital and dedicated a portable ultrasound machine and portable lab for the Shi-Yomi area residents.
- In May 2021, the Arunachal Pradesh government released Rs. 66.0 crore (US\$ 9.1 million) from the State Disaster Response Fund (SDRF) to the health department and all deputy commissioners of the district for COVID-19 related expenses. Out of total released fund, an amount of Rs. 29.2 crore (US\$ 4.0 million) was earmarked for clearing pending liabilities of COVID-19-related expenditures at TRIHMS and Rs. 17.6 crore (US\$ 2.4 million) for procurement of Rapid Antigen Test (RAT) kits.

Source: Government of Arunachal Pradesh ¹ Per thousand persons, Ministry of Health & Family Welfare, State Budget 2021-22

INDUSTRIAL INFRASTRUCTURE



Industrial infrastructure...(1/2)

- In the State Budget 2022-23, the government announced the construction of major infrastructure projects like District Secretariat at Ziro, Outdoor stadium at Yupia and Ziro.
- Arunachal Pradesh has 12 industrial estates located in different districts and spread over a total area of 51.9 hectare. These industrial estates have been developed in land-areas ranging from 4,540 to 202,342.8 square metres, with the primary objective of growth and development of small-scale industries.
- Moreover, in order to attract more investments the Government is providing financial assistance and monitoring to food processing units under the scheme for Technology Upgradation, Establishment and Modernization provided the companies satisfy the eligibility criteria.
- Announcements under State Budget 2020-21:
 - Industrial and Investment Policy 2020 launched to provide incentives for new investments.
 - Arunachal Pradesh Industrial Policy 2020, focusing on Micro, Small and Medium Enterprises, will provide financial, technical and training support to youths who wish to open enterprises - Government has allocated Rs. 10 crore (US\$ 1.43 million) for this.

Notified industrial estates

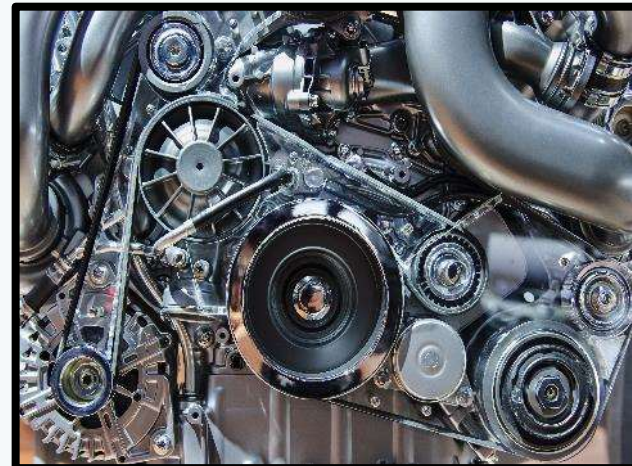
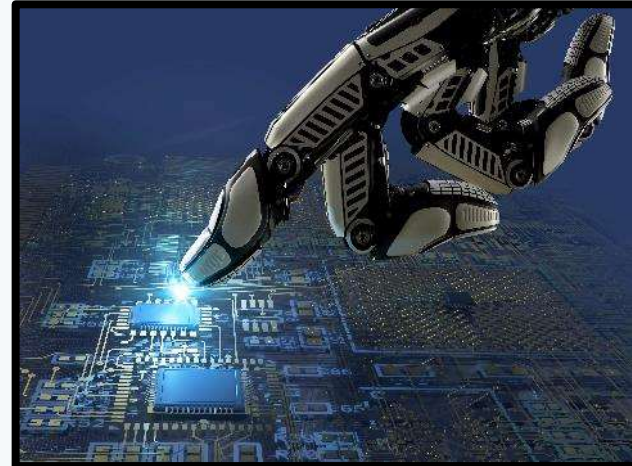
Location	District	Area (sq m)
Deomali	Tirap	24,848
Charju	Tirap	4,533
Niglok Ngorlung	East Siang	2,355,270
Pasighat	East Siang	80,047
Tawang	Tawang	28,652
Tippi	West Kameng	105,218
Wanghoo	West Kameng	60,703
Dirang	West Kameng	28,328
Naharlagun	Papumpare	32,375
Chandranagar	Papumpare	16,187
Namsai	Lohit	6,435
Changlang Town	Changlang	11,372
Khachang	Changlang	20,234
Bame	West Siang	202,343

Source: Department of Industries, Government of Arunachal Pradesh

Industrial infrastructure...(2/2)

- The state Government has set up District Industries Centres (DICs) across districts. These DICs play a vital role in industrial development by providing services to entrepreneurs that include identification of suitable schemes; preparation of project reports; arrangement for providing required plant, machinery and raw-materials; assistance in availing incentives and facilities provided by both central and state governments; and liaison with all development departments and financial institutions to provide assistance to prospective entrepreneurs. In addition, there were five government industrial training institutes (ITIs) in Arunachal Pradesh as of April 2021.
- Based on the availability of resources, the state has identified thrust areas for industrial development:
 - Industries based on agricultural, horticultural and plantation produce.
 - Industries based on non-timber forest produce such as bamboo, cane (rattan), medicinal plants/herbs, aromatic grass, tea and coffee.
 - Industries based on locally available raw-materials, except timber.
 - Textiles (handlooms and power-looms), handicrafts and sericulture.
 - Electronics and IT-based enterprises.
 - Mineral-based industries (such as ferro-alloys, cement, etc.).
 - Facilitation and development of industrial infrastructure, including power and communications, under public private partnership.
 - Food processing industries and engineering and allied industries (rolling mill, steel mill, etc.); and tourism

KEY SECTORS



Key sector – Agriculture and forest based industries

- Under the state budget 2022-23, the state government has allocated Rs. 100 crore (US\$ 12.58 million) each for Atmanirbhar Krishi Yojana (agriculture) and Atmanirbhar Bagwani Yojana (horticulture).
- Agriculture is the mainstay of the economy of Arunachal Pradesh. It is mainly depended on 'jhum' cultivation. The state's agriculture and allied sectors have growth rates that are three times the national average. The state is largest producer of kiwis in India and the second-largest producer of large cardamom.
- In 2021-22*, the total horticulture production reached 193 thousand metric tonnes. In April 2017, the Arunachal Pradesh Government launched the 'State Organic Mission' to make the state an organic farming hub.
- Major agro and forest-based industries in the state are related to tea, fruit, non-timber and plywood industries. Around two-thirds of the state's population is dependent on climate sensitive natural resources such as agriculture, forest, biodiversity and water availability. Non-timber based industries include bamboo, cane, rubber and medicinal plants.
- The industry is characterised by many regional players; several units have been set up by the Arunachal Pradesh Forest Corporation (APFC), a Government organisation.
- In August 2021, the Arunachal Pradesh cabinet has approved two credit-linked schemes to facilitate a Rs. 300 crore (US\$ 41.10 million) investment in agro-based sectors to strengthen the state's economy through agriculture and horticulture.

Crop	Annual production – 2019-20* (‘000 metric tonnes)
Fruits	125.84
Vegetables	17.39
Plantation	0.21
Aromatics & medicinal	0.16
Spices	46.99

Food Processing Clusters in Arunachal Pradesh

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

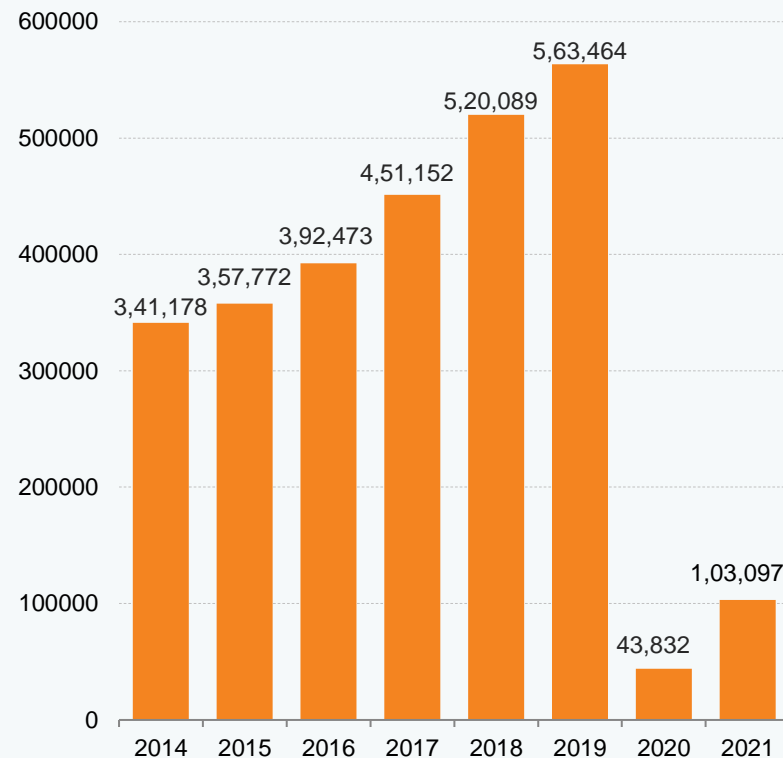
*Note: *as per advance estimates*

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

Key sector – Tourism

- In the State Budget 2022-23, the government has allocated Rs. 60.98 crore .(US\$ 7.67 million) for the tourism department
- Tourism has grown rapidly in the recent years with eco and adventure tourism, cultural tourism and religious tourism being the major areas of interest. Major sports of interest to travellers include angling, boating, rafting, trekking and hiking.
- Arunachal Pradesh is an “Orchid Paradise”, accounting for 601 species of orchids, or 52% of the species known in India. Various orchid centres are situated in Itanagar, Tipi, Sessa, Dirang, Jengging, Roing, which have a good germ-plasm collection of nearly 400 species of orchids as well as hybrids. An orchid research centre has been established at Tipi to promote orchid conservation, research and development.
- The state won the Best Emerging Tourist Destination in India award for 2019 and also the Best Emerging Green Destination for 2019.
- Tourist arrivals in the state was recorded at 103,097 in 2021, with 102,915 domestic and 182 foreign visitors.
- On October 15, 2020, Arunachal Pradesh CM Mr. Pema Khandu announced re-opening of the state to tourists under a new health safety protocol, which includes carrying a COVID-19 negative certificate not more than 72 hours old, having pre-booked tours by only local operators and staying outside town areas.
- In April 2021, the state Department of Tourism hosted ‘Trans-Arunachal Drive 2021’, an initiative to boost adventure tourism. Eminent journalists, bloggers and tour operators took part in the 12-day drive along the Trans Arunachal highway from Namsai to Tawang.

Tourists Arrivals in Arunachal Pradesh

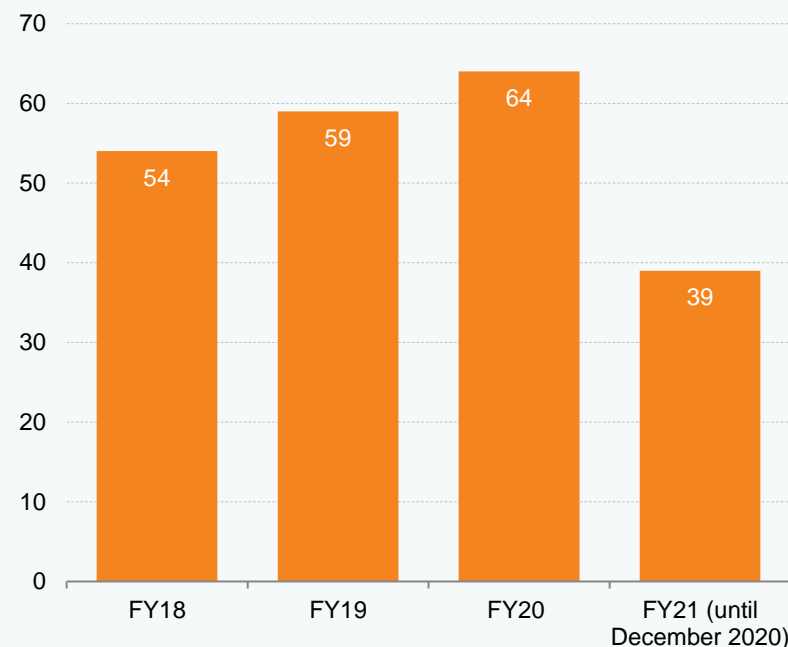


Source: Ministry of Tourism, Government of India

Key sector – Textiles and handicrafts

- Textile is a grass-roots industry in Arunachal Pradesh and provides employment, mainly to women. Most of the units are home-based and have a small scale of operations.
- The state boasts of an enriching array of unique and appealing handloom designs from each of its tribes. The products include skirts (gale), shirts (galuk), cotton shawls, side bags, and curtain cloth.
- Carpet making is one of the important occupations in the districts of Tawang, West Kameng, Changlang and Upper Siang. The state's carpets have received national and international repute due to their quality. The carpet weaving industry is promoted through the Government craft centre.
- Under the 'North East Region Textile Promotion Scheme', 38 sericulture projects are being implemented in for holistic development of sericulture in the state. The projects have been approved for implementation from FY20 with a cost of Rs. 1,106.97 crore (US\$ 127.4 million). Raw silk production in the state reached 59 metric tonnes (MT) in FY19.
- As of September 2020, Khadi and Village Industries Commission (KVIC) opened the first training and production centre for Silk in the tribal village of Chullyu

Raw Silk Production (MT)



- Government introduced a Gap-filling scheme in the Eri and Muga cultures worth Rs. 5 crore (US\$ 676,568.00) under the state budget 2020-21 to tap potential and increase quality silk production in the state

Source: Department of Textile & Handicraft(s) Ministry of Textiles - Government of India, State Budget 2020-21

Key sector – Mineral-based industry

- The state has reserves/resources of coal in Namchik Namphuk Coalfields; dolomite in West Kameng district; fuller's earth in Tirap district; graphite in Lohit, Upper Siang and Upper Subansiri districts; and limestone in Dibang Valley, Lohit, Upper Siang and Upper Subansiri districts.
- Arunachal State Mineral Policy, 2014 has been prepared on the basis of the objectives of the National Mineral Policy, 2008. Creation of Arunachal Mineral Development Fund shall be in accordance with this policy for its utilisation towards mineral exploration and development of mining activities in the state.
- As per the Geological Survey of India (GSI), the state could be India's prime producer of vanadium, a high-value metal used in strengthening steel and titanium. Concentrations of vanadium were found in the Depo and Tamang areas of Papum Pare district of the state. This was the first report of a primary deposit of vanadium in India with an average grade of 0.76% vanadium pentoxide.
- In FY21*, the state recorded total production of crude petroleum at 41 thousand tonnes and natural gas at 9 MCM.
- In March 2021, Atomic Minerals Directorate for Exploration and Research, a constituent unit of the Department of Atomic Energy (DAE), announced that it is carrying out detailed geological investigations for uranium in parts of Arunachal Pradesh.



Source: Maps of India

Reserves/resources of minerals in Arunachal Pradesh

Ore/mineral	Reserves (million tonnes)
Coal (July 2019)	90.23
Dolomite (November 2017)	77.83
Limestone (March 2016)	482.79
Graphite (March 2018)	72.75
Fuller's Earth (June 2019)	20.01
Quartzite (March 2016)	5.27

Note: MCM - Million Cubic Metres, * - until December 2020

Source: Indian Bureau of Mines, Ministry of Petroleum and Natural Gas



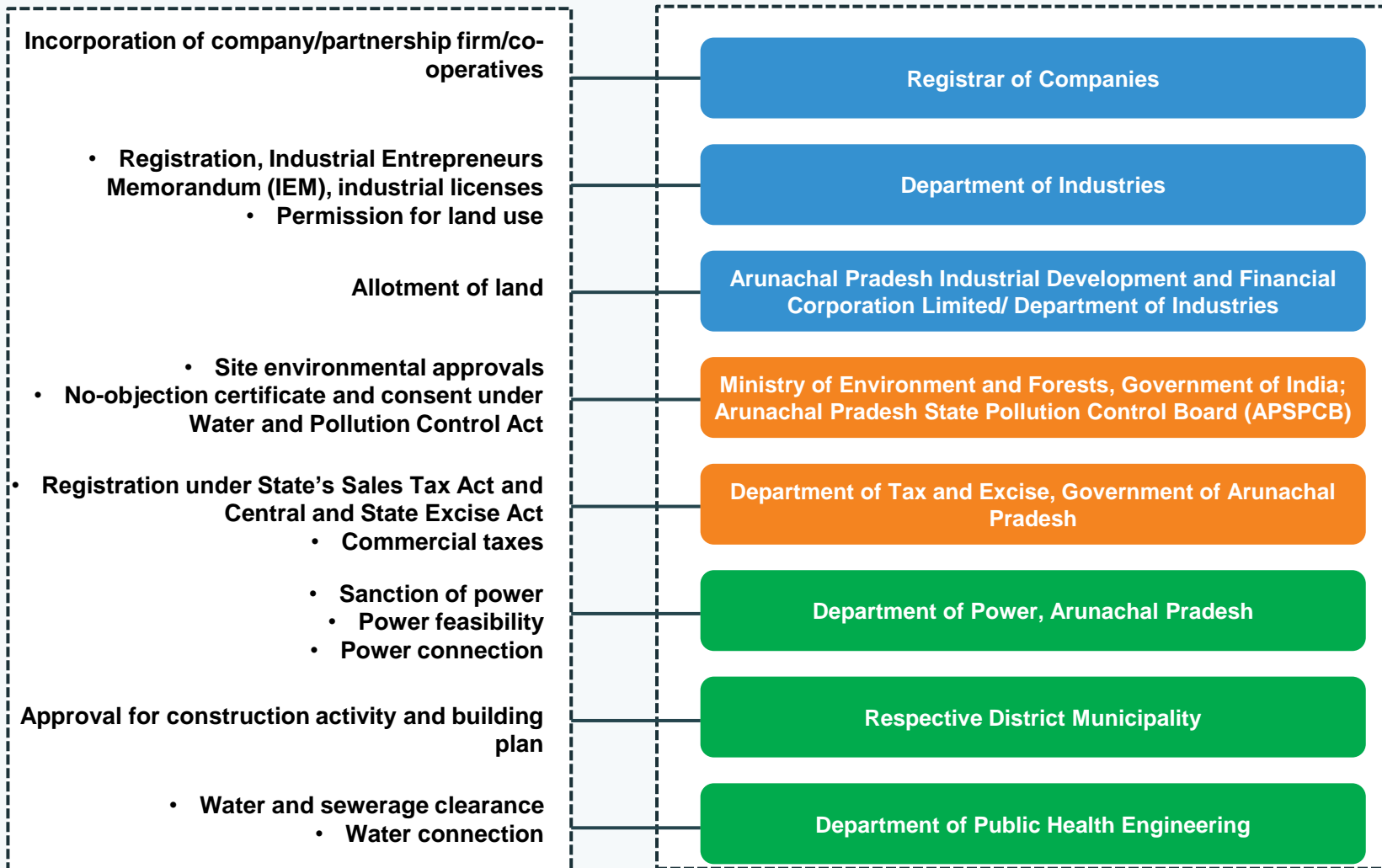
PROCEDURE

POLICIES

Key approvals required

Approvals and clearances required

Departments to be consulted






Source: Government of Arunachal Pradesh

Key investment promotion offices...(1/2)

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

Key investment promotion offices...(2/2)

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

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

Cost of doing business in Arunachal Pradesh

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

State acts and policies

1

Arunachal Pradesh Teachers Transfer and Posting Policy,2020

- To rationally streamline the transfer and posting of teachers in various categories of school.
- To provide employment opportunities to educated and deserving youths.

[Read more](#)

2

State Industrial Policy 2020

- To increase Gross State Domestic Product by way of facilitating growth of various economic activities including Manufacturing and Service sectors.
- To create income and employment, especially in rural areas.

[Read more](#)

3

North East Industrial Development Scheme 2017

- To promote industrialisation in the states in the North Eastern Region
- To improve productivity in Government departments through computerisation

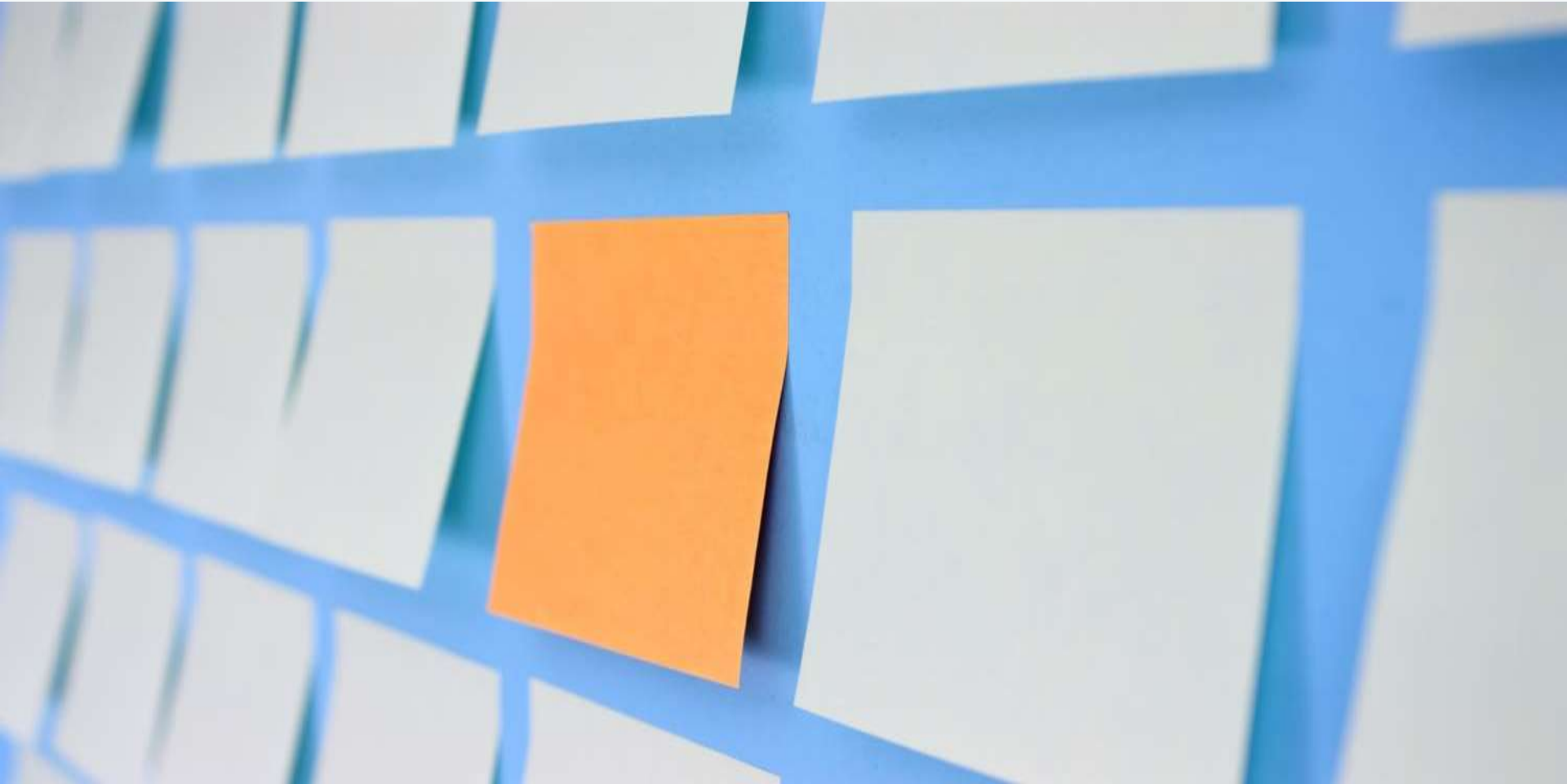
[Read more](#)

4

Public Private Partnership Policy 2011

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

[Read more](#)



Sources

Data	Sources
GSDP (state)	Central Statistics Office, MOSPI
Per capita GSDP figures	Central Statistics Office, MOSPI
GSDP (India)	Central Statistics Office, MOSPI
Installed power capacity (MW)	Central Electricity Authority
Wireless subscribers (No)	Telecom Regulatory Authority of India
Internet subscribers (million)	Telecom Regulatory Authority of India
National highway length (km)	NHAI, Roads and Building Department-Government of India
Airports (No)	Airports Authority of India
Literacy rate (%)	Census 2011
Birth rate (per 1,000 population)	SRS Bulletin May 2020
Cumulative FDI equity inflows (US\$ million)	Department for Promotion of Industry and Internal Trade

Exchange rates

Exchange Rates (Fiscal Year)

Year	Rs. Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20
2021-22	74.42

Exchange Rates (Calendar Year)

Year	Rs. Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021	73.93
2022*	79.82

Note: *- As on September 2022

Source: Foreign Exchange Dealers' Association of India

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