



**DO-DRUL CHORTEN STUPA IN GANGTOK, SIKKIM**

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# Executive summary

1

## Strong floriculture sector

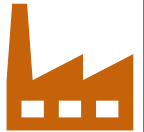
- Sikkim is home to around 5,000 species of flowering plants, 515 rare orchids, 60 primula species and 36 rhododendron species. This makes it one of the leading states in the Northeast region in terms of production and supply of cut flowers to mainland consumer markets.



2

## 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.



3

## Second-largest producer of cardamom

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



4

## Presence of world's third-highest peak

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



5

## Agrarian economy

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



*Source: Ministry of Agriculture, Government of India, News articles*

# INTRODUCTION



# Advantage – Sikkim

## 2. CONDUCTIVE AGRO-CLIMATIC CONDITIONS

- Sikkim has favourable agro-climatic conditions, which support agriculture, horticulture and 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.

## 1. HIGH ECONOMIC GROWTH AND STABLE POLITICAL ENVIRONMENT

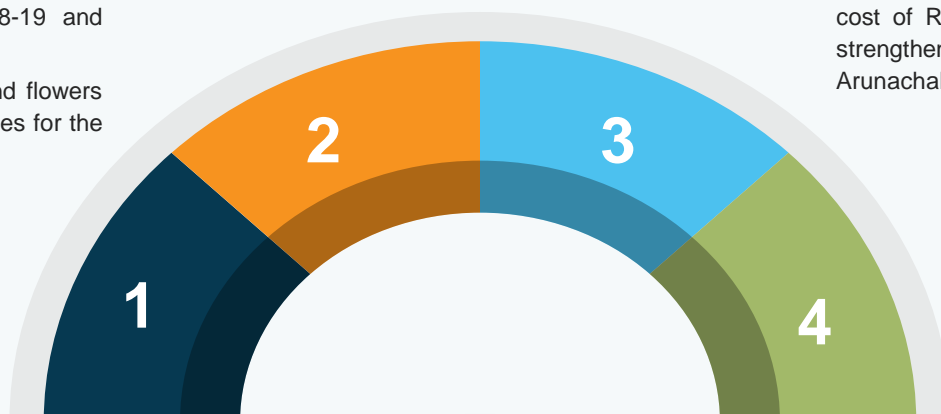
- Sikkim's GSDP is estimated to increase at a CAGR of 10.60% between 2018-19 and 2024-25.
- Large production of cardamom and flowers has opened up immense possibilities for the state economy.

## 3. RICH LABOUR POOL

- Sikkim has a high literacy rate of around 81.42%.
- 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

## 4. POLICY AND INSTITUTIONAL SUPPORT

- The Union Budget 2021, allocated funds worth Rs. 581 crore (US\$ 80.14 million) to the central pool of resources for the north eastern region and Sikkim.
- In March 2021, the cabinet approved an estimated cost of Rs. 9,129.32 crore (US\$ 1.26 billion) to strengthen transmission and distribution in Arunachal Pradesh and Sikkim.



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

# North East region vision 2020

## 1. QUALITY OF LIFE OF PEOPLE

- Improving standard of living of people in the region to meet the national standard by 2020
- Improving the quality and creating state-of-art hospitals and educational institutions

## 2. PROMOTING INVESTMENTS

- Encouraging public investment in infrastructure to attract private investment.
- Creating a centre for trade and commerce through improving relations with neighbouring countries.

## 3.AGRICULTURE

- Encouraging HYV crops through better use of organic manure, fertilisers and pesticides.
- Preventing soil erosion by controlling floods.
- Promoting cultivation of horticulture crops.

## 4. INFRASTRUCTURE

- Facilitating easy movement of goods and people by investing in road, rail, inland water and air transportation.

## 8. INDUSTRY

- Development of agro-processing and sericulture industries.
- Increase in investment in manufacturing units depending upon the availability of resources in the region.

## 7. GROWTH RATE IN GSDP<sup>1</sup>

- State Government has set a target to grow GSDP by 9.5% and per capita GSDP by 8.3% over the period 2007-20.

## 6. GOVERNANCE

- Better governance and ensuring peace and harmony through maximising self governance and increased people participation.

## 5. TOURISM

- Focusing and developing services that would promote tourism and create employment opportunities in the states.



*Note: HYV: High Yielding Variety, <sup>1</sup>GSDP is at fixed costs at 2006-07 prices*


*Source: NER Vision 2020*

# Sikkim fact file




  
**Gangtok**  
Capital

  
**7,096 sq.km.**  
geographical area

  
**81.42%**  
literacy rate

  
**86** persons per sq km  
Population density

  
**0.30** million  
female population

  
administrative districts: **4**

  
**0.65** million  
total population (P)

  
**0.34** million  
male population (P)

**890**  
Sex ratio  
(females per 1,000 males)

## Key Insights


- Sikkim is surrounded by vast stretches of Tibetan Plateaus in the north, the Chumbi Valley of Tibet and the Kingdom of Bhutan in the east, the Kingdom of Nepal in the west and Darjeeling district of West Bengal in the south
- Sikkim has 4 districts - East Sikkim, West Sikkim, North Sikkim and South Sikkim. The district capitals are Gangtok, Gyalshing, Mangan and Namchi respectively
- Nepali, Bhutia, Lepcha, Limboo, Magar, Rai, Gurung, Sherpa, Tamang, Newari and Sunuwar (Mukhia) are the commonly spoken languages. Hindi and English are also widely spoken. Sikkim has 10 mountain peaks, 84 glaciers, 315 glacial lakes (including the Tsomgo, Gurudongmar and Khecheopalri), 5 hot springs and 8 mountain passes - making it an ideal tourist location. The Teesta and the Rangeet are the 2 major rivers with nearly hundred tributaries.

*Note: P- Projected for the year 2023*

*Source: Sikkim State Portal, Census 2011*

# Sikkim in figures


## Sikkim's Contribution to Indian Economy (2020-21)


 **GSDP as a percentage of all states' GSDP**  
India: 100.0 | Sikkim: 0.17

 **GSDP growth rate (%)**  
FY25 India: 7 | FY25 Sikkim: 11

 **Per capita GSDP\* (US\$)**  
FY25 India: 2410.9 | Sikkim: 7,106.88

## Social Indicators


 **Literacy rate (%)**  
India: 74.04 | Sikkim: 81.42


 **Birth rate (per 1,000 population)**  
2023 India: 16.1 Estimated | Sikkim: 15.6

## Industrial Infrastructure


 **Operational and Maintenance stage**  
India: 1,877 | Sikkim: 11

## Physical Infrastructure in Sikkim

 **Installed power capacity (MW) (as of August 2024)**  
India: 4,50,759.56 | Sikkim: 799.21

 **Wireless subscribers (million)**  
December 2023 India: 1,164.64 | December 2022 Sikkim: 0.94

 **Internet subscribers (million) (as of March 2023)**  
India: 881.25 | Sikkim: 0.79

 **National highway length (kms)**  
India: 146,145 (Jan 2024) | Sikkim: 709 (Mar 2022)

 **Airports (No.)**  
India: 148 | Sikkim: 1

*Note: \*GSDP, per capita GSDP figures are taken at current prices*

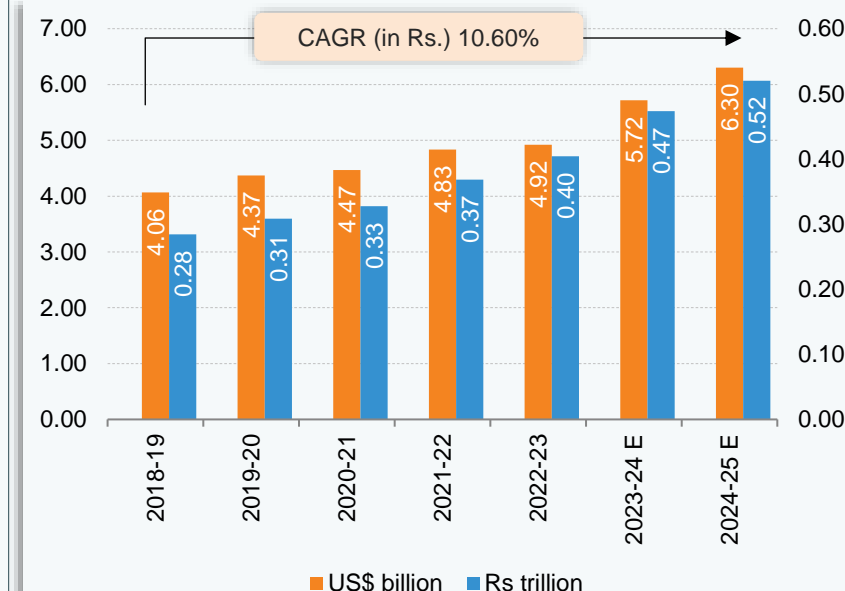


# ECONOMIC SNAPSHOT



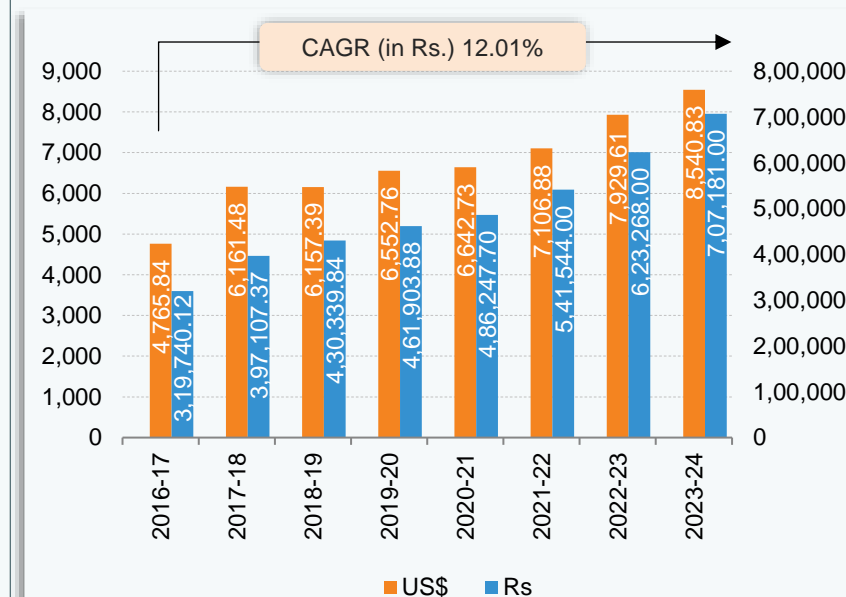
# Economic snapshot – GSDP

**GSDP of Sikkim at current prices**



- At current prices, Sikkim's Gross State Domestic Product (GSDP) is estimated at Rs. 0.52 trillion (US\$ 6.30 billion) in 2024-25.
- GSDP is estimated to expand at a CAGR of 10.60% between 2018-19 and 2024-25.

**GSDP per capita of Sikkim at current prices**



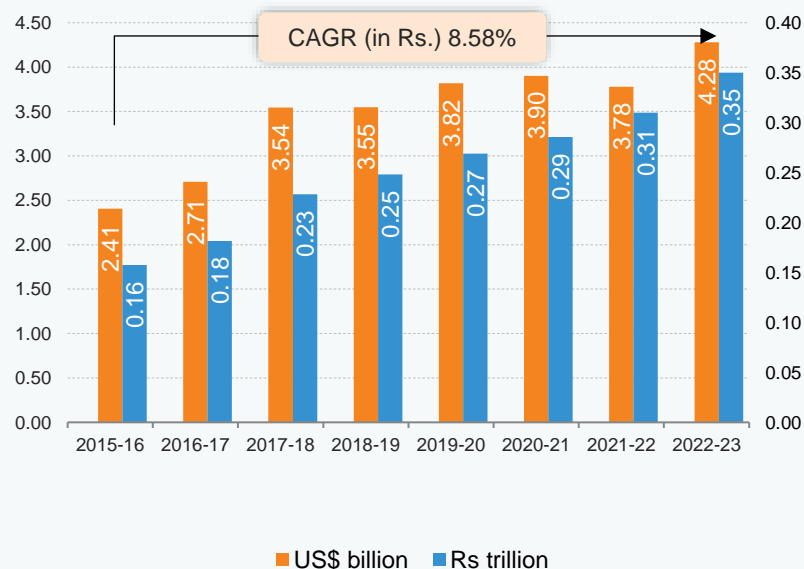
- The state's per capita GSDP was Rs. 7,07,181 (US\$ 8,540.83) in 2023-24.
- Per capita GSDP increased at a CAGR of 12.01% between 2016-17 and 2023-24.

**Note:** GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 46, \*Estimate

**Source:** Ministry of Statistics and Programme Implementation

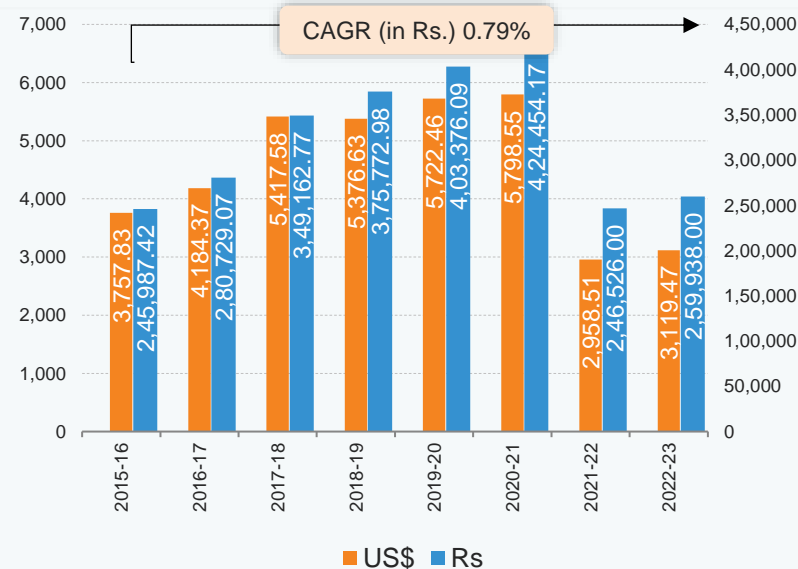
# Economic snapshot – NSDP

**NSDP of Sikkim at current prices**



- At current prices, Sikkim's Net State Domestic Product (NSDP) was Rs. 0.35 trillion (US\$ 4.28 billion) in 2022-23.
- The state's NSDP expanded at a CAGR of 8.58% between 2015-16 and 2022-23.

**NSDP per capita of Sikkim at current prices**

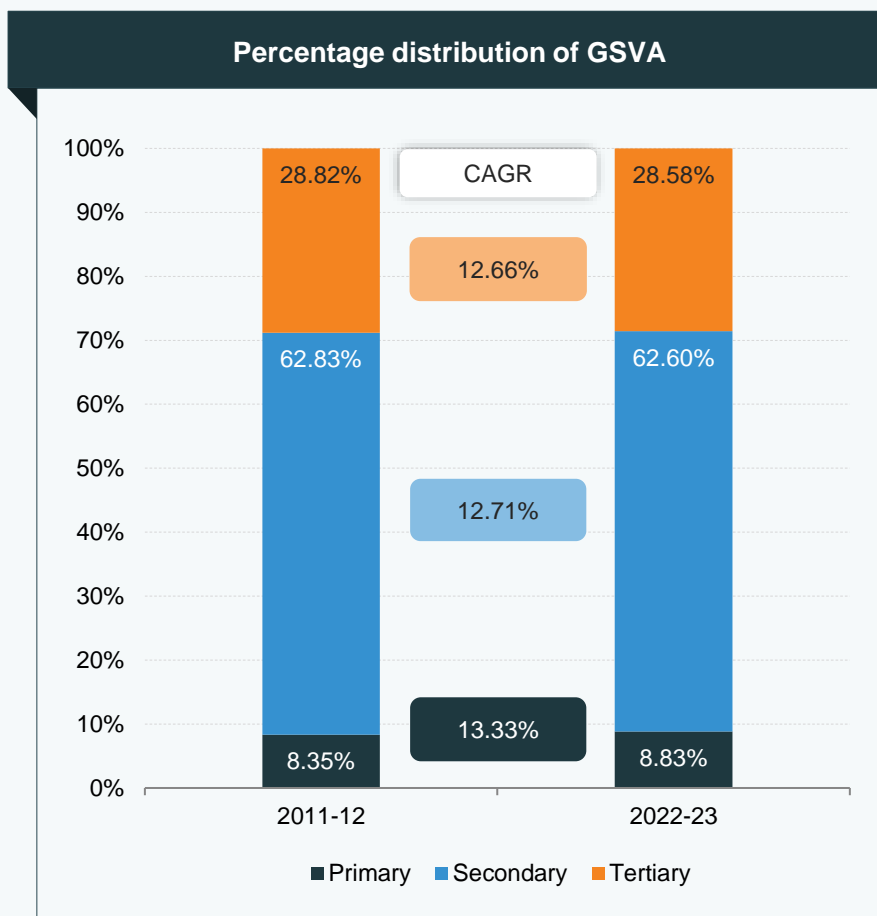


- Sikkim's per capita NSDP was Rs. 2,59,938 (US\$ 3,119.47) in 2022-23.
- Per capita NSDP of Sikkim increased at CAGR of 0.79% between 2015-16 and 2022-23.

**Note:** GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 46  
**Source:** Ministry of Statistics and Programme Implementation

# Economic snapshot – Percentage distribution of GSVA

- In 2022-23, the secondary sector contributed 62.60% to the state's GSVA at current prices. It was followed by the tertiary sector at 28.58% and the primary sector at 8.83%.
- At a CAGR of 12.66%, the primary sector witnessed the fastest growth among the three sectors between 2011-12 and 2022-23. The growth was driven by livestock, mining and quarrying, fishing and aquaculture and crop subsectors.
- The secondary sector increased at a CAGR of 12.71% between 2011-12 and 2022-23. The tertiary sector expanded at a CAGR of 12.66% between 2011 and 2022-23.



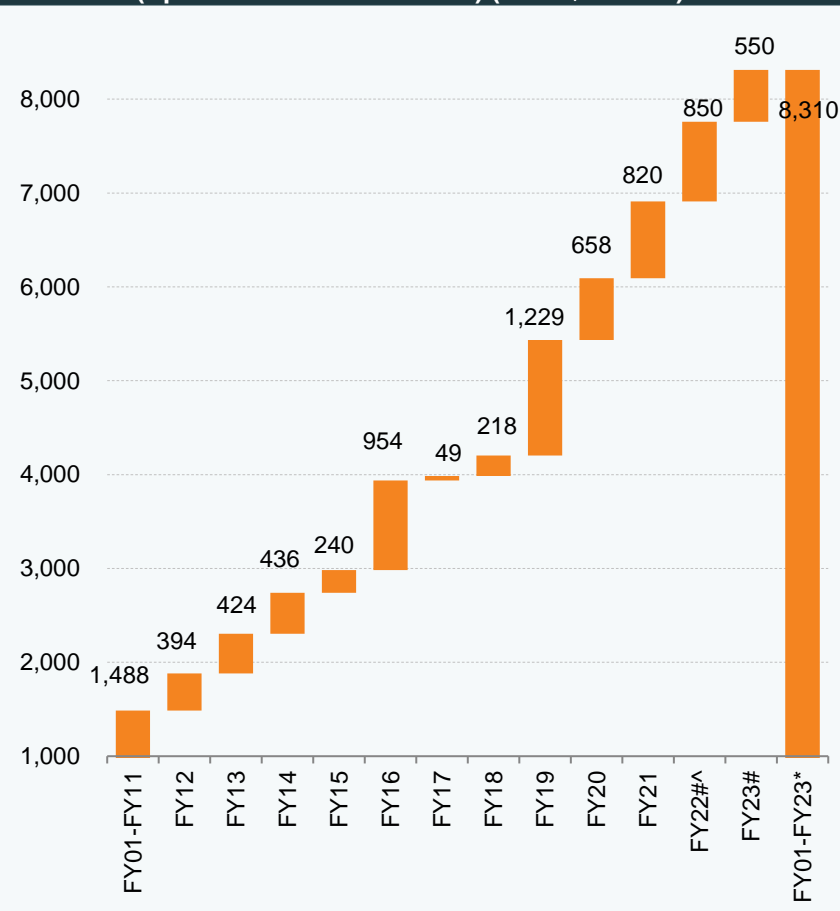
**Note:** GSDP, per capita GSDP figures are taken at current prices, Exchange Rate as per slide 46

**Source:** Ministry of Statistics and Programme Implementation

# Economic snapshot – FDI inflows and investments

- According to Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflow in West Bengal, along with Sikkim and Andaman and Nicobar Islands, was ~US\$ 6,351 million between April 2000 and September 2020.
- Between October 2019 and September 2020, FDI inflows in Sikkim^ stood at US\$ 451 million. During FY02-FY23 (upto December 2022), the FDI in the state stood at US\$ 8,310 million.
- Sikkim^ contributes ~1% to the total FDI inflows of the country.
- Government of India has introduced Northeast Industrial Development Scheme 2017 under which all new industrial units located in eight north-eastern states in manufacturing and services sector of the state will be eligible for various incentives.
- In April 2021, the South Korean delegation—comprising senior officials of the Embassy of the Republic of Korea, Korean Trade-Investment Promotion Agency (KOTRA), Korea Start-up Centre, K-Sure and Korea India Research & Innovation Center (KRRI)—met Sikkim state minister of tourism & civil aviation and commerce & industries Mr. Bedu Singh Panth to explore feasibility of investments in multiple sectors in the state.

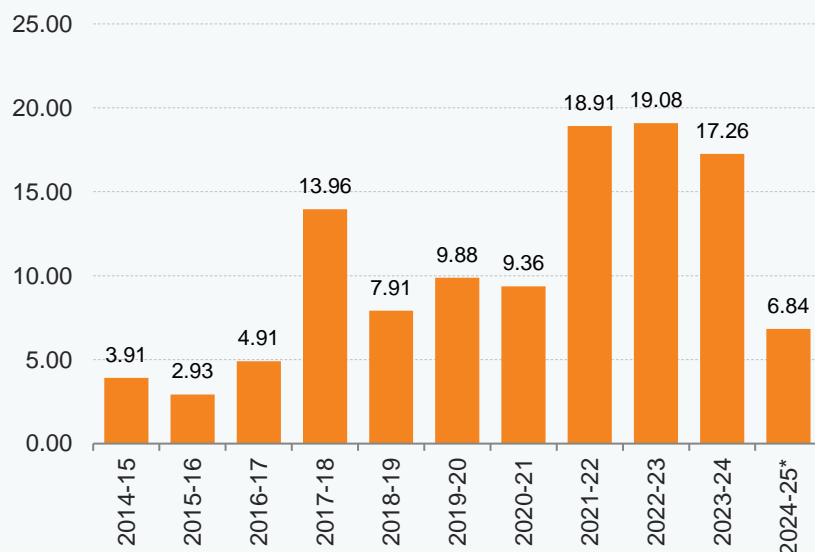
**FDI inflows in Sikkim^**  
(April 2000-December 2022) (in US\$ million)



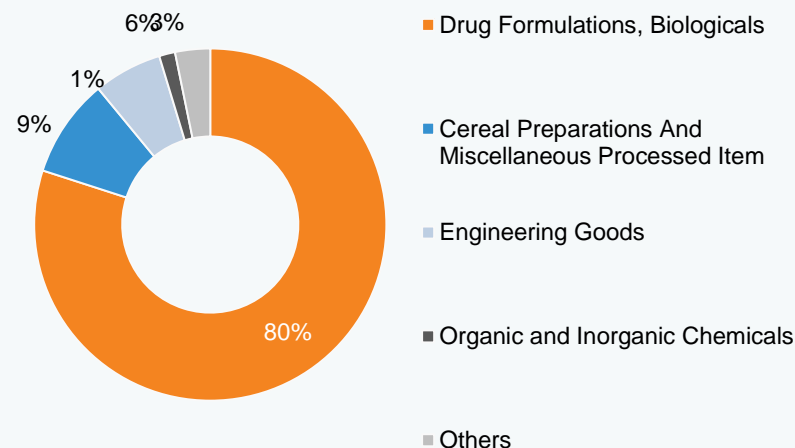
**Note:** ^Includes West Bengal and Andaman and Nicobar Islands, \*-until December 2022 (Provisional), # Provisional upto December 2022, #^ Provisional  
**Source:** Department for Promotion of Industry and Internal Trade (DPIIT)

# Economic snapshot – Export trends

Merchandise Exports from Sikkim (US\$ million)



Principal Commodities Exported in FY25\*



- Total merchandise exports from Sikkim stood at US\$ 17.26 billion in FY24 and US\$ 6.84 billion in FY25\*.
- Drug formulations, Cereal Preparations and Miscellaneous Processed Item, Engineering Goods and Organic and Inorganic Chemicals accounted for a majority share in the overall exports from the state.
- In FY24, total exports of drug formulation products from Sikkim stood at US\$ 12.95 million (~75%).

*Note: \*-Until August 2024*

*Source: Niryat.gov.in*





# Physical infrastructure – Roads

- Sikkim had a total road network of 3,668.78 km. The state is connected to West Bengal and the rest of India through National Highway (NH)-31A. The Sikkim Nationalised Transport (SNT) operates 114 buses (covering 43 routes), 64 trucks and 33 tankers across the state. As per budget 2018-19, more than 2,977 km new roads have been constructed since 1994.
- In state Budget 2024-25 construction of an Alternate Highway will be undertaken at a cost of Rs. 2,503 crore (US\$ 300.12 million).
- In the state Budget 2023-24, the government allocated funds worth Rs. 756 crore (US\$ 91.30 million) for development of Roads and Bridges.
- Bus/truck terminus will be constructed at all district headquarters and other major stations. 600 km of major district roads to be made intermediate lane and 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.
- In September 2021, Chief Minister of Sikkim, Mr. Prem Singh Tamang wrote to Prime Minister Mr. Narendra Modi requesting to build 51 bridges and repair and reconstruct some bridges in the state.

Road type	Length (km)
National highways (NH) (March 2022)	512
State highways	732.61
District roads	1,126.31
Other district roads	549.68
Village roads	748.18

## Fund Allocation and Expenditure

	CRF (US\$ million)		EI and ISC (US\$ million)	
	Allocation	Expenditure	Accrual	Expenditure
2014-15	0.77	0.24	NA	NA
2015-16	0.79	NA	NA	NA
2016-17	1.96	1.40	NA	NA
2017-18	1.88	1.25	0.98	1.09
2018-19	2.76	NA	1.11	NA

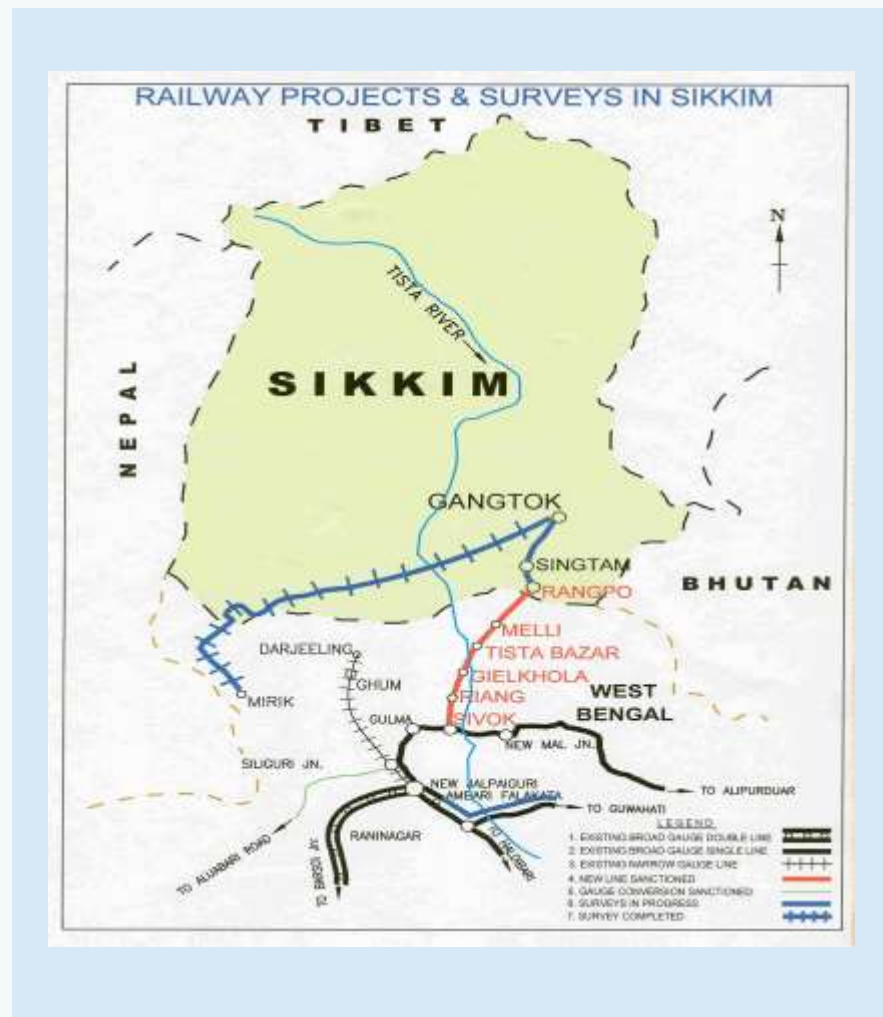
**Note:** NA - Data not available

**Source:** Public Works Roads and Bridges Department, Government of Sikkim, [mhupa.gov.in](http://mhupa.gov.in), Ministry of Road Transport and Highways



# Physical infrastructure – Railways

- 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.
- Railway official announced that mining work has been completed in 10 out of 14 tunnels of the Sivok-Rangpo Rail Project (SRRP). The Railways has also established a new target deadline of August 2025 for the completion of the project.
- As of May 2018, Indian Railways has planned several projects worth of Rs. 40,000 crore (US\$ 6.21 billion) which will involve construction of rail links connecting capital cities of northeast states such as Manipur, Mizoram, Meghalaya, Sikkim and Nagaland.
- The Northeast Frontier Railway (NFR) zone with IRCON international Limited, has proposed to construct the 44.98 km long Sivok Rangpo railway line, that will enable travelling between Sivok in West Bengal to Rangpo in Sikkim in less than two hours by December 2022.



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

# Physical infrastructure – Airports

## Airport Indicators

### Pakyong Airport Statistics

Airport	Aircraft movements (in no)				Passengers (in no.)			
	2021-22	2022-23	2023-24	2024-25*	2021-22	2022-23	2023-24	2024-25*
Pakyong	754	324	170	188	44,740	15,707	8,417	11,111

- In September 2018, Prime Minister of India inaugurated Pakyong airport in Sikkim, the state's first airport, which is expected to significantly boost the state's connectivity. In 2023-24, passenger and aircraft movements were 8,417 and 170, respectively.
- The greenfield airport has been constructed by Airports Authority of India over 201 acres of area at an estimated cost of Rs. 605 crore (US\$ 90.24 million). It is located around 30 km from the state's capital - Gangtok.
- Spicejet will be operating flights from the airport under Government of India's Ude Desh Ka Aam Nagrik (UDAN) regional connectivity scheme. Spicejet operated Sikkim's first commercial flight from Pakyong to Kolkata on October 04, 2018.
- The airport has a capacity to handle 50 in-bound and 50 out-bound passengers. It is expected to handle over 0.5 million passengers per annum (mppa).

\*April to August 2024

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

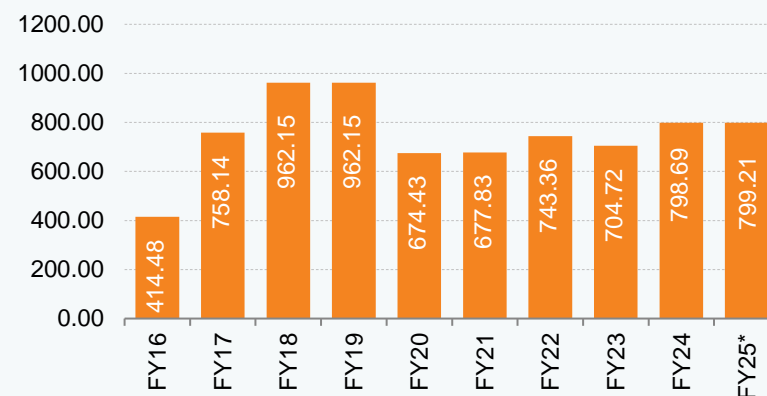
# Physical infrastructure – Power

- As of August 2024, Sikkim had a total installed power generation capacity of 799.21 MW, of which 167.54 MW was under central utilities, 415.11 MW was under state utilities and 216.56 MW was under the private sector. Of the total installed power generation capacity, 103.54 MW was contributed by thermal and 695.67 MW by renewable energy.
- Energy requirement for Sikkim stood at 459 MU as of March 2020.
- Sarda Energy and Minerals Limited (SEML) plans to add hydroelectric capacity of over 125 MW over the upcoming 2-3 years in Sikkim and Chhattisgarh.
- In March 2021, CCI (Competition Commission of India) approved the acquisition of ~35% equity stake in Teesta Urja Ltd. by Greenko Mauritius. Teesta Urja is a special purpose vehicle established to carry out a 1,200 MW hydropower project in North Sikkim.
- On January 13, 2021, NHPC Limited signed an agreement for implementation of the 'Approved Resolution Plan' for the takeover of 120 MW Rangit-IV HE Project of Jalpower Corporation Limited (JPCL) in Sikkim.
- In September 2021, the Cabinet Committee of Economic Affairs approved a comprehensive scheme for strengthening transmission and distribution system in Arunachal Pradesh and Sikkim.

**Note:** MW - Megawatt, GWH - Gigawatt Hour, MU- Million Unit, \* As of August 2024

**Source:** Central Electricity Authority (CEA)


**Installed Power Capacity (MW)**



**Hydro Electric Potential Development Status (in terms of installed capacity (in MW)) (April 2021)**

Total identified capacity (>25 MW)	4,248
Capacity under operation	2,169
Capacity under construction	613
Capacity yet to be taken up under construction	929

# Physical infrastructure – Telecom

Telecom Infrastructure (2023)			Major telecom operators in Sikkim
Wireless subscribers (million)	0.94		
Wireline subscribers (thousands)	6		
Internet subscribers (millions) (March 2023)	0.79		
Teledensity (in %) (March 2023)	132.90		
Performance status of Bharat Net Project			
Service-ready GPs (September 2023)	198		

- According to the Telecom Regulatory Authority of India (TRAI), as of December 2022, Sikkim had 0.94 million wireless and 6,000 wireline subscribers.
- By end of June 2021, 31.43 million subscribers had submitted requests for mobile number portability in state^.
- 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% of population in Sikkim.
- Postal services are available through India Post and other private courier services.
- In August 2021, the Department of Telecom, under the Government of India, through the Bharat Sanchar Nigam Limited (BSNL) officially declared Sikkim as an independent telecom circle. The newly formed Sikkim Telecom Circle started functioning from Gangtok w.e.f. September 01, 2021. This will allow the state to control its own telecom policies and implement telecom projects faster; therefore, increase funding for the telecom sector in Sikkim, resulting in a wider network coverage.

*Source: Telecom Regulatory Authority of India*

# Physical infrastructure – Urban

- 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).
- In the state Budget 2023-24, the government allocated funds worth Rs. 565 crore (US\$ 68.24 million) for Urban development.
- 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 and Public Health Engineering Department (WS and 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% 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 water supply, sanitation, housing & urban development in 2020-21 is Rs. 294.79 crore (US\$ 40.24 million).

**Note:** AMRUT - Atal Mission for Rejuvenation and Urban Transformation

**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	5.73	5.16	1.55
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 – Education


Higher Education Statistics (2020-21)			Literacy rates (%)	
Universities	8		Literacy rate	81.42
Colleges	23		Male literacy	86.55
Gross Enrolment Ratio	39.9		Female literacy	75.61
Pupil teacher Ratio	24			

- 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.
- In the state Budget 2023-24, the government allocated funds worth Rs. 1,884 crore (US\$ 227.54 million) for Education, Sports, Arts, and Culture.
- 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 Textbooks.
- To promote education, any student getting admitted on their own merit into the Indian Institute of Technology (IIT), Indian Institute of Management (IIM), Indian Institute of Foreign Trade (IIFT), Indian Institute of Science (Bangalore), Tata Institute of Fundamental Research (TIFR) and Indian Agriculture Research Institute (IARI) and Film and Television Institute of India (FTII) will be given a monthly stipend of Rs. 12,000 (US\$ 167) for their entire period of their study.
- According to a report by All India Survey on Higher Education (AISHE) 2019-20, Sikkim topped the list, with gross enrolment ratio (GER) of 75.8% in higher education.

*Source: NEDFI Databank, Budget 2023-24, News Article*



# Social infrastructure – Health...(1/2)

Health indicators (2020)			Health infrastructure (2022)	
Birth rate (per thousand persons)	15.6		Sub centres	147
Death rate (per thousand persons)	4.1		Primary health centres	24
Infant mortality rate (per thousand live births)	5.0		Community health centres	2

- 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.
- In the state Budget 2023-24, the government allocated funds worth Rs. 706 crore (US\$ 85.27 million) for Health and Family Welfare.
- Health tourism is being promoted in the state to utilise its medical infrastructure and boost the economy. The state had 28 primary health centres, 198 sub-centres, two community health centres and five district hospitals, as of May 2020.
- 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.
- According to Global Childhood Report 2019, Sikkim was the best state under Protective Contexts.
- In June 2021, the Chief Minister of Sikkim Mr. Prem Singh Tamang laid the foundation stones for a 300-bed district hospital at Singithang Ground.

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



## 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 2018-19*



# Industrial infrastructure...(1/2)

- 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 and 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.
- Sikkim has identified agro-based industries, horticulture and floriculture, minor forest-based industries, animal husbandry and dairy products, tourism-related industries, IT including knowledge-based industries, precision oriented high value-low volume products, hydro-power, tea, education and hospitality as thrust sectors.

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

Year	Employment generated
2014-15	54
2015-16	397
2016-17	201
2017-18	168
2018-19	440
2019-20	304

- 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.

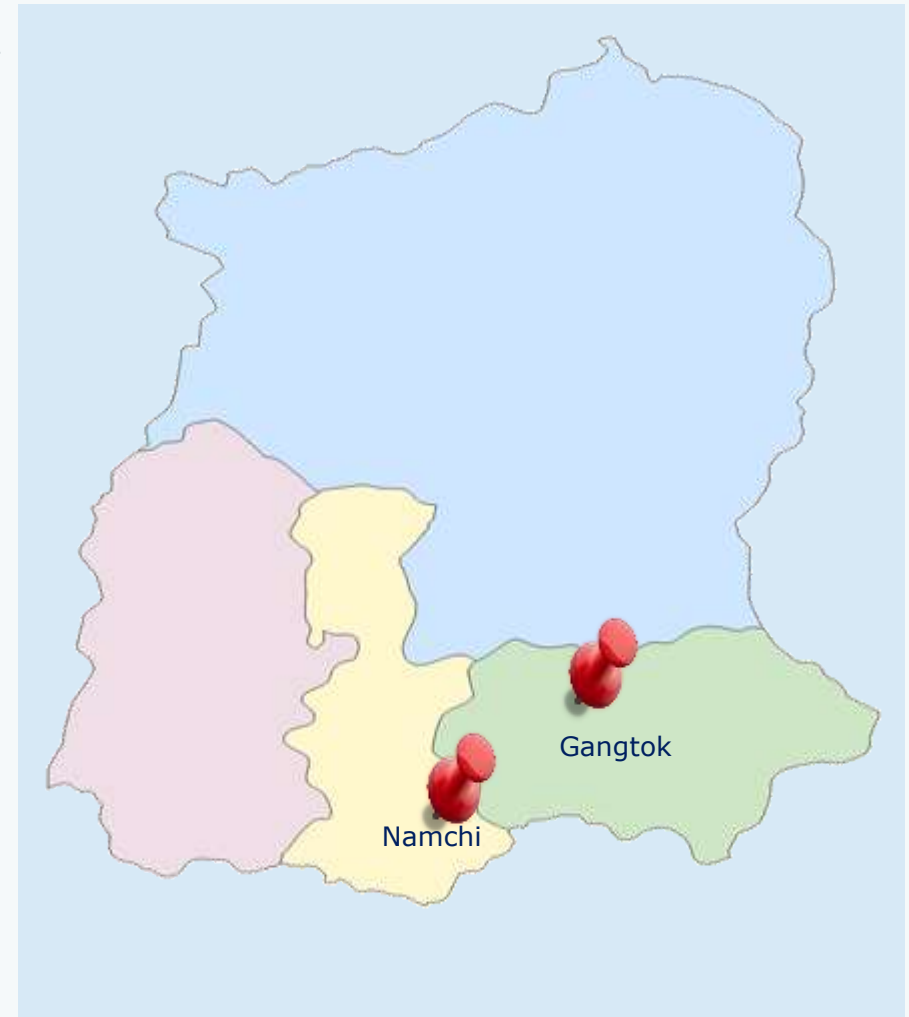
**Source:** Ministry of Micro, Small and Medium Enterprises Annul Report 2019-20

# Industrial infrastructure...(2/2)

## Smart cities in Sikkim

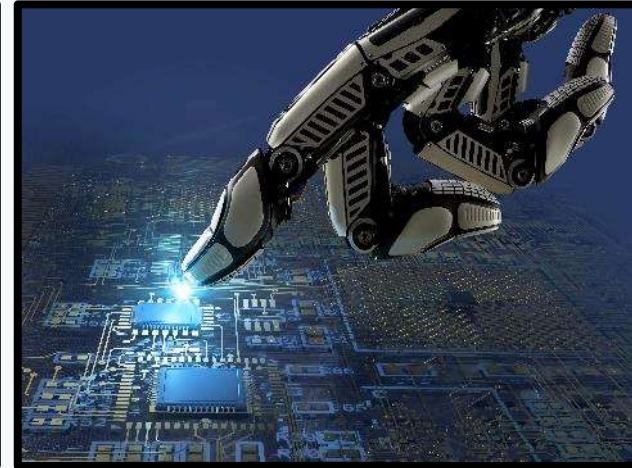
Cities	Population	Literacy Rate
Namchi	12,190	88.10%
Gangtok	100,286	89.33%

- 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).



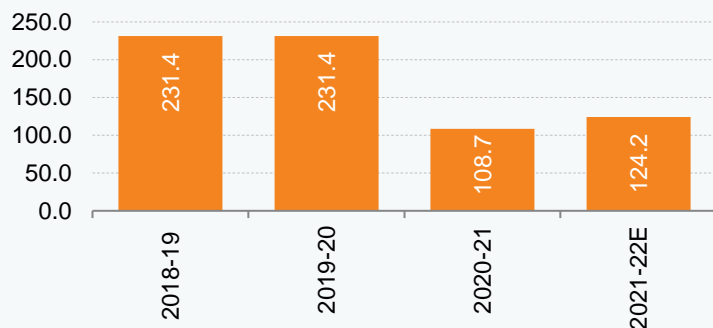


# KEY SECTORS

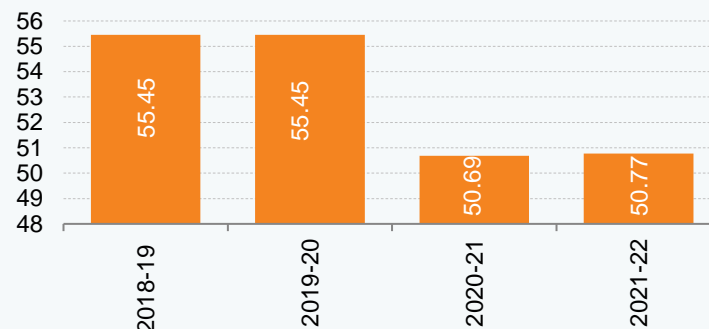


# Key sectors – Agro and food processing and horticulture...(1/3)

Production of vegetables (in '000 MT)



Production of fruits (in '000 MT)



- Agriculture is vital to the progress of Sikkim as more than 64% 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. In August 2019, Sikkim was declared as world's first 100% organic state by UN Food and Agriculture (FAO).
- In the state Budget 2023-24, the government allocated funds worth Rs. 775 crore (US\$ 93.60 million) for Agriculture and Allied Activities.

**Note:** MT: Metric Tonnes, E- Estimate

**Source:** National Horticulture Database, Department of Agriculture Cooperation and Farmers Welfare

# Key sectors – Agro and food processing and horticulture...(2/3)

- The primary sector contributed around 16.06% to Sikkim's GSDP in 2017-18. Agriculture provides livelihood to more than 64% of the people of Sikkim, either directly or indirectly. Sikkim is the top producer of large cardamom, contributing over 80% to India's total production.
- In 2021-22E, the total production of horticulture crops in the state was expected to be 295.05 thousand metric tonnes and the area under production was 83.89 thousand hectares. In 2021-22E, the total production of vegetables and fruits was estimated at 124.50 thousand metric tonnes and 50.77 thousand metric tonnes, respectively.
- As per the budget 2020-21, Rs. 611.11 crore (US\$ 82.38 million) was allocated to develop the agriculture and allied services sector. Sikkim will become self-sufficient in terms of food grains production within the next five years.

## Area and production of horticulture crops (2021-22E)

Year	Area ('000 Ha)	Production ('000 MT)
Fruits	20.16	50.77
Vegetables	21.05	124.50
Spices	42.44	102.94
Honey	-	0.53

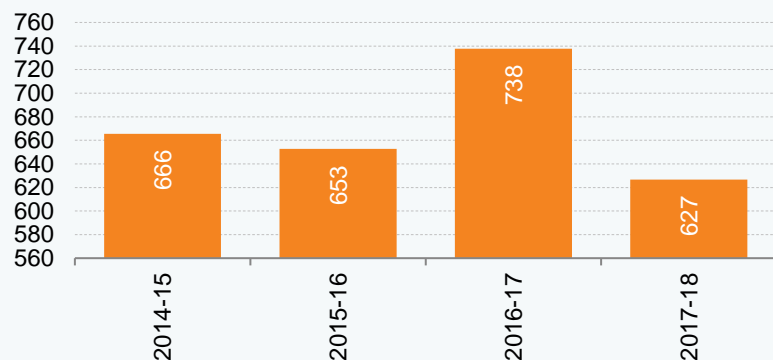
Sector	Allocation (2020-21) (US\$ million)
Crop husbandry	35.41
Soil and water conservation	4.59
Animal husbandry	8.67
Dairy development	1.76
Fisheries	1.96
Forestry and wildlife	19.45
Plantations	0.88
Food, storage and warehousing	2.79
Cooperation	2.55
Other agricultural programmes	4.33

**Note:** Exchange rate as per slide number 46, E- Estimate

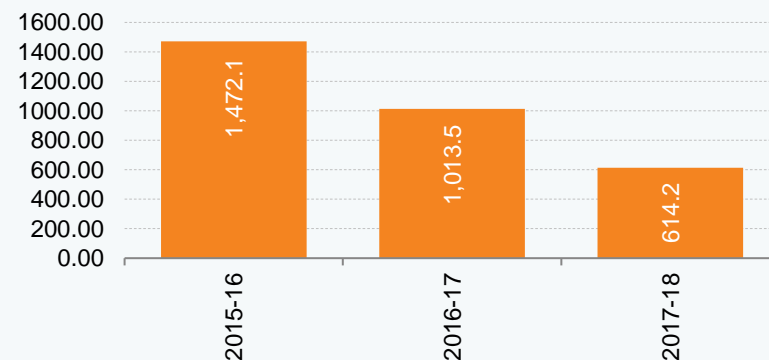
**Source:** ENVIS Centre: Sikkim Annual Report; Sikkim Agrisnet; Spices Board, State Budget 2018-19, Department of Agriculture Cooperation and farmers Welfare

# Key sectors – Agro and food processing and horticulture...(3/3)

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



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



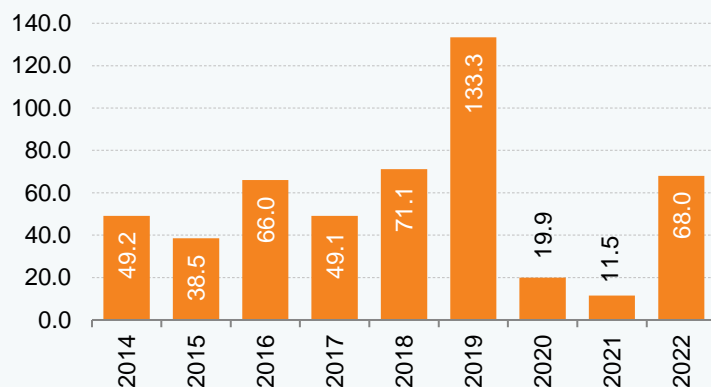
- In 2003, the state Government took the decision to become a fully organic state through a declaration in the legislative assembly. In January 2016, Sikkim became the first fully organic state in India. Around 75,000 hectares of agricultural land in the state was gradually converted to certified organic 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.

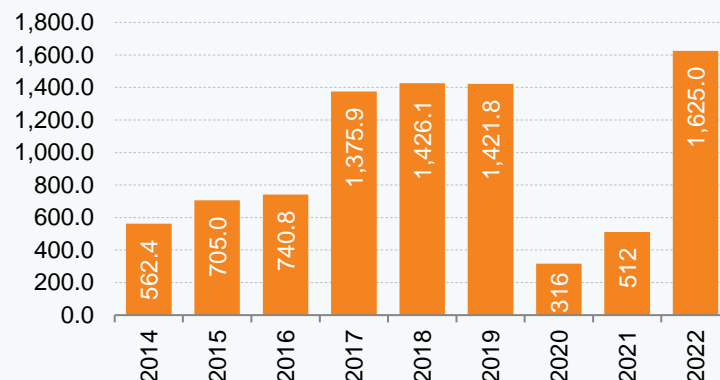


# Key sectors – Tourism...(1/2)

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.
- In 2022 16.25 lakh domestic tourist and 0.68 lakh foreign tourist visited Sikkim.
- 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.
- Tourist arrival (domestic and foreign tourists) in the state increased from 99,000 in 1994 to >1.4 million in 2019.
- The newly constructed Pakyong airport is expected to provide a significant boost to tourism in the state.
- On January 30, 2019, Union Minister for Tourism inaugurated the first project under the Swadesh Darshan Project at the Zero Point, Gangtok, Sikkim. The project was developed in Rs. 98.05 crore (US\$ 14.02 million).

Note: P - Provisional

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 a strategic locational advantage and is home to 315 glacier lakes and the world's third-highest mountain peak—Mount Kanchenjunga.
- 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.
- In the 2020-21 budget, Rs. 74.74 crore (US\$ 10.18 million) was allocated to develop the tourism sector.
- Ministry of Tourism, Government of India, awarded the capital city of Sikkim, Gangtok, with the title of 'Cleanest Tourist Destination' in the country.
- In January 2021, Chief Minister Mr. Prem Singh Golay launched 'Visit Sikkim 2022', a declaration on year-long tourism promotion and marketing for Sikkim. He emphasised on having tourists in Sikkim for the whole year, instead of otherwise practised season-based tourism endeavour.

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

# Key sectors – Floriculture and sericulture...(1/2)

- Sikkim has ~26% of the country's biodiversity with exquisite species of flora and fauna.
- Sikkim's geographical and 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 and rhododendrons. A number of cut flowers and bulbs are supplied by the farmers to areas in Delhi, Kolkata, Kalimpong, Uttaranchal and Bihar.
- The existing industry is at a nascent stage and has the potential to be developed and promoted towards an export-oriented business. The Sikkim Government has announced a technical collaboration with floriculturists from the Netherlands and Thailand to develop the state's potential in floriculture and market cut flowers from the state globally.
- Sikkim's most important commercial flowers are Cymbidium Orchids, Gladiolus, Carnation, Gerbera, Asiatic, Oriental Lilies and Anthurium, among others, that can be grown for domestic and export markets.
- In 2019-20, the production of cut flowers and loose flowers in the state was 0.09 thousand metric tonnes and 16.50 thousand metric tonnes, respectively.

*Source: Indian Horticulture Database 2014-National Horticulture Board*

## Key sectors – Floriculture and sericulture...(2/2)

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

### Raw silk production in Sikkim (million tonnes)

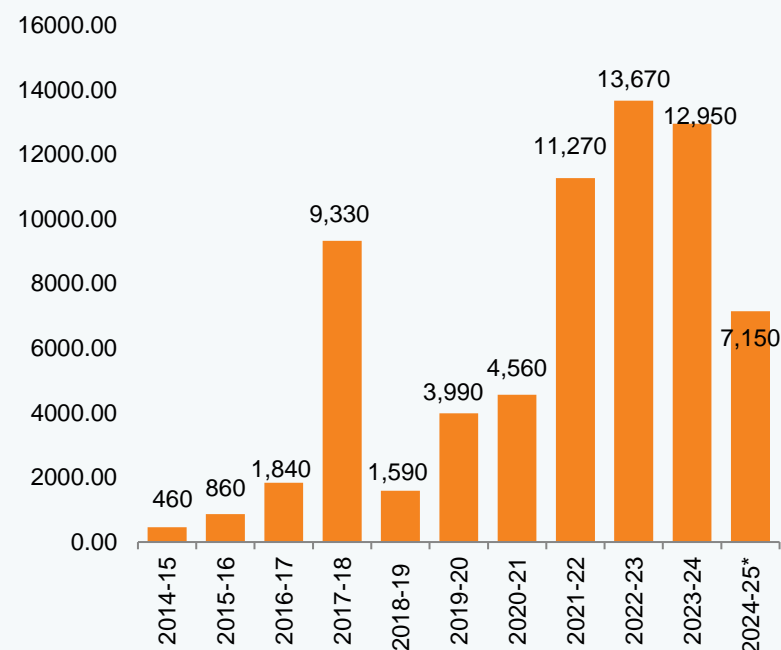
Year	Production
2014-15	8
2015-16	6
2016-17	9
2017-18	0.001
2018-19	0.4
2019-20	1
2020-21	0.08
2021-22	0.03
2022-23 (P)	0.4

*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 and Unichem.
- The North-East Industrial Development Scheme, 2017 is highly beneficial for pharmaceutical investments in Sikkim. Some of the policy incentives provided under the scheme are:
  - New industrial units are provided Central Capital Investment Incentive for Access to Credit (CCIIAC) at 30% of investment in plant and machinery with an upper limit of Rs. 5 crore (US\$ 0.75 million).
  - Industrial units set up under the scheme are allowed to claim reimbursement of central share of income tax for the first five years of operations
  - New industrial units can claim reimbursement of Goods and Services Tax (GST) paid on finished products manufactured in the state up to the extent of Central GST and Integrated GST for a period of five years from date of commencement of production.

**Export of drug formulations, biologicals  
(US\$ '000)**



- The exports stood at US\$ 7.15 million in FY25\* & 12.95 million in FY24.

**Source:** Sikkim Human Development Report 2014, North-East industrial Development Scheme 2017, News articles, DGCIS Analytics

**Note:** \*Until September 2024

## 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) and 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**

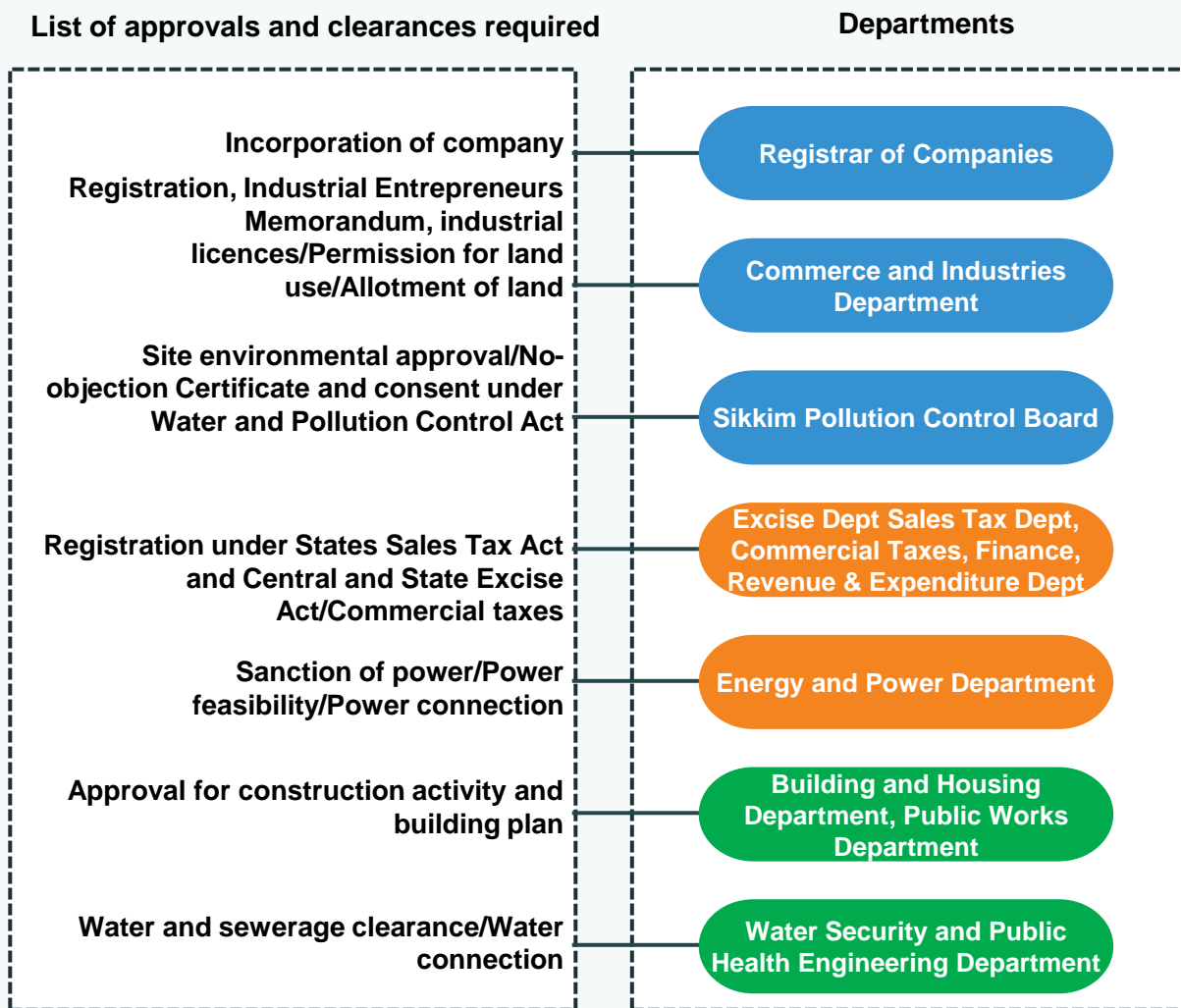
- India-based Cadila Healthcare is a pharmaceutical company headquartered in Ahmedabad, Gujarat. It is the 5th largest pharmaceutical company in India and is a significant manufacturer of generic drugs. The company has a workforce of 13,181 employees worldwide.
- Cadila Healthcare has global operations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



**PROCEDURE**



**POLICIES**

# Key approvals required





# Contact list

Agency		Contact information
 <p>GOVERNMENT OF SIKKIM DEPARTMENT OF COMMERCE &amp; INDUSTRIES</p>	Commerce and Industries Department	<p>Government of Sikkim Gangtok-737101, Sikkim Phone: 91-3592-202 670 Website: <a href="http://www.sikkimindustries.in">www.sikkimindustries.in</a> E-mail: <a href="mailto:industriesdept@yahoo.co.in">industriesdept@yahoo.co.in</a></p>
	 <p>ENERGY &amp; POWER DEPARTMENT Government of Sikkim</p>	<p>Energy and Power Department Gangtok, Sikkim Website: <a href="http://www.sikkimpower.org">www.sikkimpower.org</a> E-mail: <a href="mailto:pbsubba@sikkimpower.org">psubba@sikkimpower.org</a></p>
-	Sikkim Industrial Development and Investment Corporation Limited (SIDICO)	<p>Bhanu Path, Gangtok-737103, Sikkim Phone: 91-3592-202287, 202637, 209622, Fax: 91-3592-202287 Website: <a href="http://www.sidico.org">www.sidico.org</a> E-mail: <a href="mailto:mdsidico@rediffmail.com">mdsidico@rediffmail.com</a></p>
-	Directorate of Handloom and Handicrafts of Handloom and Handicrafts	<p>Director, D.H.H, Gangtok East Sikkim Phone: 91-3592-203 126/202 926</p>

# 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

# State acts and policies

1

## Information Technology, Electronics and Telecommunication Policy - Sikkim 2020

- To develop IT, electronics and telecommunication sector as the critical sector for growth, employment and transformation of the state

[Read more](#)

2

## Sikkim Tourism Policy 2018

- To develop tourism as a key sector in Sikkim's economy.
- To promote low impact sustainable tourism for the state.
- To make Sikkim a prime round the year destination for nature, adventure and culture-based tourism

[Read more](#)

3

## 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.

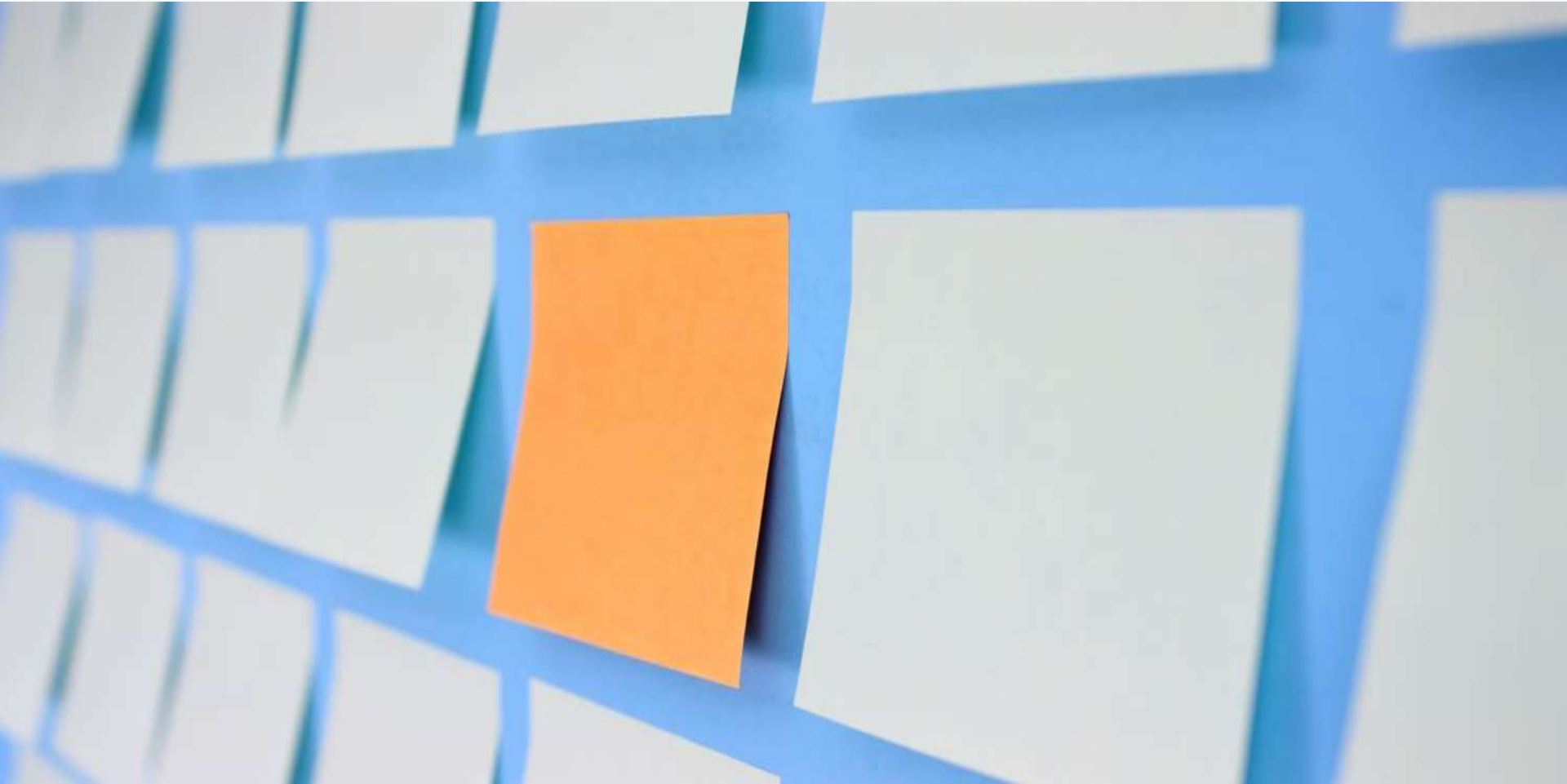
[Read more](#)

4

## 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](#)



# 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
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
Literacy rate (%)	Census 2011
Birth rate (per 1,000 population)	SRS Bulletin, September 2017
Cumulative FDI equity inflows (US\$ billion)	Department for Promotion of Industry and Internal Trade
Operational PPP projects (No)	Ministry of Finance, Government of India

# 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
2022-23	78.60
2023-24	82.80
2024-25**	83.77

**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
2023	82.61
2024*	83.40

*Note: \*- Until September 2024, \*\*- April- September 2024*

*Source: Foreign Exchange Dealers' Association of India*

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