

ARUNACHAL PRADESH



Arunachal Pradesh, the “Land of Dawn-Lit Mountains,” is the largest northeastern State which spans across a massive 83,743 sq. km, with vast untapped economic potential. It has a forest cover of 79.33%, making it one of the world's 12 mega biodiversity hotspots. It is divided into five river valleys - the Kameng, the Subansiri, the Siang, the Lohit, and the Tirap. The state shares borders with Myanmar (520 km), and Bhutan (217 km) and comprises 28 districts, reflecting its cultural diversity.

Its strategic location makes it a gateway to South-Asian countries. Rich species of flora and fauna, in addition to a wide range of wide agro-climatic conditions, make the state a prominent hotspot of biodiversity in the country. Arunachal Pradesh boasts of immense hydropower potential, estimated at 58,000 MW, positioning it as a strategic player in India's energy sector. Arunachal Pradesh's proactive policies, abundant natural resources, and strategic initiatives make it a hub for sustainable development and investment. By leveraging its biodiversity, hydropower capacity, and infrastructure progress, the state is emerging as a key destination for economic growth and opportunity.

STATE SNAPSHOT



Area: **83,743 sq. km**

No of Districts
28



Population: **15 Lakhs**

EODB Rank 2019: **29th**



Literacy Rate: **66.95%**

Power Capacity: **773 MW**



GSDP Current Prices (2024-25):
Rs 47,823 crores (base year 2011-12)

ARUNACHAL PRADESH STATE INDUSTRIAL DEVELOPMENT & INVESTMENT POLICY, 2025

- Capital Investment Subsidy: 50% subsidy for new/expanding units investing Rs. 5–25 lakh, up to Rs. 15 lakhs.
 - a) Priority Sector Bonus: An additional 10% of subsidy for Priority Sectors over the incentive value as deducted.
 - b) Local Employment Bonus: An additional 10% of subsidy for units employing atleast 50% (or 5 employees) of their skilled workforce from amongst APST/ permanent residents of Arunachal Pradesh.
 (NOTE: Maximum Value of Subsidy remains Rs. 15 Lakhs)
- Capital Investment Subsidy: 50% subsidy for new/expanding units investing Rs. 25–50 lakh, up to Rs. 30 lakh.
 - a) Priority Sector Bonus: An additional 10% of subsidy for Priority Sectors over the incentive value as deducted.
 - b) Local Employment Bonus: An additional 10% of subsidy for units employing atleast 50% (or 10 employees) of their skilled workforce from amongst APST/ permanent residents of Arunachal Pradesh.
 (NOTE: Maximum Value of Subsidy remains Rs. 30 Lakhs)
- Capital Interest Subvention (CIS)
 - a) New/expanding units investing Rs. 5–25 lakh - 6% interest subvention upto 10 lakhs, for 5 years, for Priority Sector-8 % CIS upto 15 lakhs for 5 years.



- b) For investment above Rs. 25 lakhs- 5% interest subvention upto 20 lakhs, 6% for Priority Sector, upto 25 lakhs for 5 years,
- Working Capital Interest Subvention: 5% interest subvention, for GST-registered units in Arunachal Pradesh for 5 years upto 50 lakhs, not exceeding 100% of the investment in plant/machinery or building/assets, with a minimum 1% interest payable by the unit.
 - Power subsidy: Bulk electricity consumers: Rs. 1/- per unit up to 100% of plant and machinery investment (132Kv and above); Micro, Small, Medium Enterprises: Rs 2/- per unit up to Rs 75 Lakhs for 5 years (11 kV/33 kV lines)
 - Land is economically available at low rates and lease for 33 years, extendable by another 33 years.
 - Private land lease - will be governed under the provisions of the Arunachal Pradesh (Land Settlement and Records) Act, 2000 (APLSR) read with relevant amendments from time to time.
 - SGST reimbursement (100% Net SGST), up to 250% of Investment for Micro, 200 % for Small, 180 % for medium and large; for a period of 7 year. Tax reimbursement is conditional on maintaining 70% production for 5 years,
 - Stamp Duty & Registration Fees: 100% reimbursement for new units allotted land in Govt. Industrial Estates/Parks/Growth Centres after commercial production starts.
 - Transport Subsidy (Air Freight): Air freight will be reimbursed @50% for transporting finished goods from Arunachal Pradesh within India, up to ₹5 Lakh per unit annually for 5 years. Units can avail either Transport Subsidy or Export Subsidy, not both.
 - Exports Incentives: 60% transport cost reimbursement (air and sea) -up to ₹5 lakh/year for 5 years for finished goods exports from Arunachal Pradesh. Additionally, ₹50,000/year for 2 years is reimbursed for export sample shipments. Units can avail either Transport Subsidy or Export Subsidy, not both.

UTTAR POORVA TRANSFORMATIVE INDUSTRIALISATION SCHEME (UNNATI SCHEME, 2024)

- Capital Subsidy: 30% of the investment in P&M or construction of building & durable physical assets up to Rs. 5 Cr in Zone A and 50% and 7.50 Cr for Zone B.
- Interest Subsidy : Interest subvention of 3% for Zone A and 5% for Zone B on loan up to the principal amt of Rs. 250 crore on eligible P&M for 7 years.
- Manufacturing & Services Linked Incentive : 100% of the Net payment of GST for 10 years up to 75% of eligible value of investment in P&M for Zone A and 100% of eligible value of investment in P&M for Zone B

All twenty eight districts in Districts are listed as Zone B (Industrially Backward Districts); subsidies ply accordingly

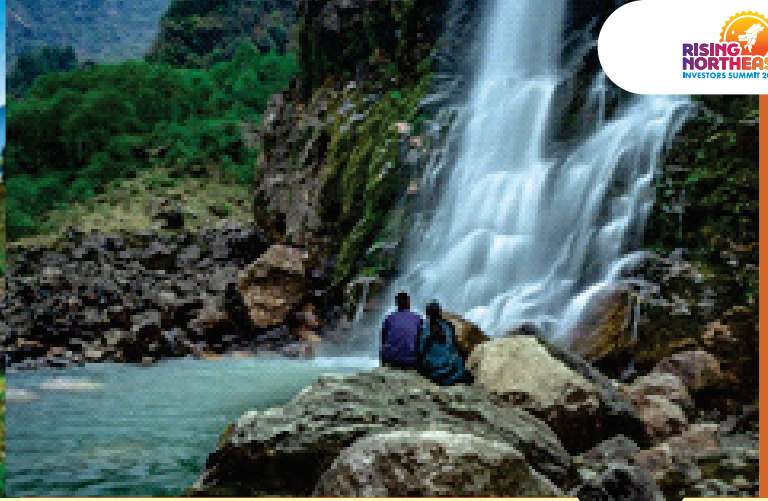


CONNECTIVITY

- 13 National Highways. 4,844 km of roads - constructed in the last 3 years, targeting to achieve 5000 km.
- Built roads ~50,555 kms averaging nearly 2,838 kms roads per year.
- 4 operational Domestic airports though Hpllongi, Pasighat, Tezu and Ziro airport value of investment in P&M for Zone A and 100% of eligible value of investment in P&M for Zone B
- Helicopter service in all major towns. 7 operational Advanced Landing Grounds (ALGs) in Vijoynagar (Changlang), Mechuka (Shi-Yomi), Walong (Anjaw), Tuting (Upper Siang), Ziro (Lower Subansiri), Aalo (West Siang) and Pasighat (East Siang).
- Arunachal Pradesh has 3 Railway Stations – Naharlagun, Gumto and Bhalukpong. Naharlagun railway station (15 km from Itanagar) handles trains connecting Arunachal with New Delhi and Guwahati, including a Shatabdi train.
- Arunachal Pradesh is expanding its railway network to enhance logistics and last-mile connectivity, with key routes and a world-class station at Pasighat to boost industrial access and improved access to the Niglok Industrial Zone.
- Last mile connectivity~250+, 4G Towers. Robust 4G network connectivity to 1683 remote villages, including at Kibithoo, India's 'first village.

WHY ARUNACHAL PRADESH ?

- Longest international border (1,817 km) in Northeast India- opportunities for smooth export and import related activities.
- Arunachal has one of the highest land banks toward becoming the food bowl of India.
- Total cultivable land availability of 18 Lakh Ha; vast scope for horizontal & vertical expansion of cropped area. 20,000 Ha under organic cultivation with potential of 3 Lakh Ha.
- 9 Industrial areas (526.5Acres available).
- Over 58,160 MW of Hydropotential; 8 major river basins to harness its hydroelectric potential.
- 40% of India's total hydropower potential & over 9% of India's small hydropower potential.
- Huge potential in Hydrocarbon Sector due to favourable infrastructure and large oil and gas reserves.
- Process of granting exploration & mining licenses has been smoothened for investors.
- Niche and exotic tourism experiences with potential for scalability & outreach to global market.
- Government of India has launched "Comprehensive Scheme for Strengthening of Transmission and Distribution System" to provide reliable and stable power connectivity to all the districts of Arunachal Pradesh.
- Arunachal Pradesh Innovation and Investment Park is the State Investment promotion agency of the state to facilitate investments.



FOCUS SECTORS:

TOURISM

- Natural beauty, turbulent streams and rivers, lofty mountains & snow-clad peaks; tremendous potential for development of wildlife, adventure, cultural and eco-tourism.
- Religious tourism- birthplace of the 6th Dalai Lama & has India's Largest Monastery, Tawang Monastery and Parshuram Kund.
- Other major attractions - Ropeway between Tawang Monastery & Anni Gompa, Nuranang Falls (Jung Falls), and the Khinmey Nyingma Monastery.
- 8 wildlife sanctuaries and 2 national parks.
- Ecotourism Policy to develop the infrastructure and promote Arunachal Pradesh as the premier ecotourism destination.
- Potential for film tourism, corporate tourism, wellness tourism & other innovations (wine testing, orchid tourism, etc.).
- Tourist arrivals in the state was recorded at 103,097 in 2021, with 102,915 domestic and 182 foreign visitors.
- To provide ease of travel by facilitating smooth entry into the State. online eILP Portal (eilp.arunachal.gov.in).

HYDROPOWER

- Over 40% of India's hydropower potential, which translates to over 58,160 MW capacity.
 - 9% of India's small hydropower potential.
 - 8 major river basins receiving regular high annual rainfall leading to better yield from projects.
 - The identified projects already cleared under comprehensive river basin study .
 - Low human density in project areas resulting in limited displacement.
 - Comprehensive transmission system for evacuation of power under progress and availability of distribution network as well.
 - Separate policies for hydropower and small hydro.
 - 2000 MW Lower Subansiri Hydropower Project -on progress.
 - Cabinet approved for India's largest 2880MW Dibang hydropower project.
- Upcoming Development of 13 hydro power projects with a total capacity of around 12,000 MW.



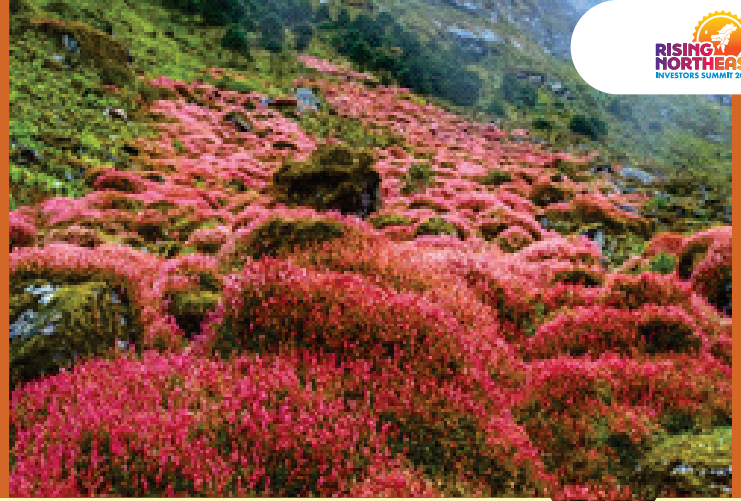


AGRI-HORTI & FOOD PROCESSING

- >70% of the population are engaged in agricultural activities.
- Sustainable food supply of the state is based on the rich crop biodiversity.
- 20,000 Ha under organic cultivation with potential of 3 Lakh Ha.
- Arunachal has about 103,723 MT of surplus agriculture produces for seven key crops, that is available for processing and value addition Kiwi, Orange, Apple, Pineapple, Large Cardamon, Ginger, Turmeric. Huge surplus provides the opportunity to set up processing industries in the state.
- Mega Food Park at Dolikota of Papum Pare district with 75 acres of land - harnessing the potential of the Food Processing sector & providing employment to ~4,000 people.
- Largest producer of Kiwis (approximately 56% of the total kiwi production) in India.
- 'Naara-Aaba' from Ziro - first ever organic Kiwi wine in the country launched in 2017.
- Second largest producer of Large Cardamom in India.
- Arunachal Wakro Oranges earned the Geographical Indication (GI) Tag.
- Second Largest area under Oil Palm in the NER.
- Other important crops include pineapples, apples, ginger, etc.

HYDROCARBONS AND MINERALS

- Most important mineral resource of Arunachal- petroleum & natural gas; chief occurrence reported in Ningru and Doom Dooma areas.
- 18% share of India's total Hydrocarbon reserve in the surrounding area, 73% of the resources under 'yet to discover' category in the surrounding belt.
- 18 Oil Fields.
- Arunachal has a potential of 2-4 MMT PA oil refinery potentials.
- A 61.4 km long natural gas pipeline is proposed from Kumchai Oil Field to Kusijan.
- Kumchai oil field alone has about 2800 million Cubic Meter of natural gas.
- The state also has large mineral reserves of coal (90 million MT in Namchik, Namphuk and Miaobum Coalfields), dolomite (West Kameng district), fuller's earth (Tirap district), graphite (Lohit, Upper Siang and Upper Subansiri districts), limestone (Dibang Valley, Lohit, Upper Siang and Upper Subansiri districts), and quartzite (West Kameng district) that can be commercially exploited for economic viability.



EMERGING SECTORS

FLORICULTURE

- Estimated number of 5,000 flowering plants, 602 orchids, 500 medicinal plants species, 400 ferns, 48 gymnosperms.
- Equally high number of unexplored algae, fungi, lichens, and bryophytes.
- Holds about 60% of the Indian variety of orchids.
- Sessa Orchid Sanctuary - a natural home for 200 species of Orchid & other wild flora and fauna.

AAYUSH

- North Eastern Institute of Ayurveda & Folk Medicine Research (NEIAFMR) in Pasighat - set up under the Ministry of Aayush.
- NEIAFMR will have an Ayurveda college and a 60 bedded attached Hospital.
- Investment of 53.72 crores to develop new infrastructure within the campus.
- The Govt. Ayurvedic Pharmacy - set up to facilitate availability of quality Ayurvedic medicines.
- Established Drugs Testing Laboratories to ensure supply of good quality medicine to Government pharmacies, hospitals, and primary health centres.
- Varied agro-climatic conditions - favourable for growth of aromatic and medicinal plants are an added advantage.





RISING NORTHEAST

INVESTORS SUMMIT 2025



For more information contact:

Shri Tabe Haidar	Mr. Deepjyoti Barpujari	Ms. Kime Bune
Joint Director, Planning & Investment & CEO Arunachal Pradesh Investment and Innovation Park	FICCI	Invest India
+919436045851 +917085738088	+91 8723818123	+91 9205730052
apisconsultant21@gmail.com	deepjyoti.borpujari@ficci.com	kime.bune@investindia.org.in



सत्यमेव जयते
Ministry of Development of
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Government of Arunachal Pradesh



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