



BRIEF INDUSTRIAL PROFILE OF LAHAUL & SPITI DISTRICT

2016-17



Micro, Small & Medium Enterprises Development Institute

Govt. of India, Ministry of MSME

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Foreword

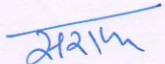
Brief Industrial Profile of District Lahul & Spiti has been updated to analyse the different resources, infrastructure, and present status of the industrial set up and future prospects of industry. It contains information on different aspects related to MSMEs development of the area. The information will be valuable for policy makers, planners, developmental agencies involved in the development of industry and other economic activities in the district and state as well. The report shall also be of much use to prospective entrepreneurs, existing MSMEs, associations and the concerned organisations.

I appreciate the efforts put in by EI division of this Institute for preparing/updating this report.

I also express my gratitude to the General Manager, District Industries Centre, Lahul & Spiti and other district level officers, who have extended their co-operation and assistance to the survey team in updating out this report.

I hope that this report will serve as brief guide to the entrepreneurs who are interested in investment opportunities and will also be useful to the agencies connected with the development of MSMEs in the district.

Place: Solan
Date: 13/06/2016


(C. V. Saraf)
Director

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1. General Characteristics of the District

Lahaul-Spiti district consists of the two formerly different districts of Lahaul and Spiti. The present administrative centre is Keylong in Lahaul. Before the two districts were merged, Kardang was the capital of Lahaul, and Dhankar the capital of Spiti.

Lahaul & Spiti district came into existence on 1st July, 1960 with the headquarter at Keylong. This district covers an area of 13,833 Sq. Km. and is the largest district of Himachal Pradesh. The district is thinly populated having population of only 31,564 as per the population census of 2011. The economy of the district is predominantly agriculture based. About 80% of the population is engaged in agriculture and its allied activities. Potato, Peas, Hops and Seabakthorn fetch good price to the inhabitants in the district. Beside agriculture, animal husbandry also plays an important role in the life of the people in Lahaul & Spiti. The entire area of Lahaul & Spiti remains under snow from November to April each year. The climate is dry temperate, which is suitable for cultivation of apples, dry fruits and hops. Due to the geographical factors and bulk of workforce being engaged in agriculture and its allied activities, the district is industrially most backward in the state.

1.1 Location & Geographical Area

Lahaul & Spiti district is located in the northeastern part of the state and is bounded by district kullu in the south, Kangra in the southwest, Chamba in the west, Jammu & Kashmir state in the north and Tibet in the east. Lahaul & Spiti district consist of three sub divisions viz. Udaipur, Lahaul and Spiti with the headquarters at Udaipur, Keylong and Kaza. It is the largest district of the State on the basis of area. Lahaul and Spiti is known for its unexplored beauty and Tibetan Monasteries The district is declared as tribal area and is covered under Integrated Tribal Development Programme.

Lahaul and Spiti are two different valleys in Greater Himalaya. These two valleys are quite different in character. Spiti Valley is more barren and have more difficult terrain, with an average elevation of 4,270 m (14,009 ft). It is enclosed between high mountain ranges, with the Spiti river flowing in the southeast to meet the Sutlej River.

Kunzum Pass is the entrance of Spiti valley from Lahaul. It is connected to Manali through Rohtang Pass. Lahaul & Spiti is also known as mountain desert as it remain cut from other parts of the country for almost half the year. During that period navigation to or from the valley can only be made through choppers. There are very limited flights available.

Generally the Lahaulis are of Tibetan and Indo-Aryan descent and follow Budh religion. Most people here speak Lahauli.

Lahaul Valley is situated to the south of Ladakh, thus derived its name from the word LhoYul meaning "Southern Country". To the north of Lahaul is the valleys of Zaskar and Ladakh across Shingola (5090 Mtrs) and Baralacha la (5450 Mtrs) passes respectively. To its south is situated the Kullu valley across the Rohtang Pass (3195Mtrs) and the Bara Bangahal (Kangra) across the Asakh pass (5051Mtrs) . In the west are the Pangi and Churah areas of Chamba. In the east of Lahaul valley is the Spiti Valley. Spiti valley share the border with Tibet.

The valley is situated in north of the Pir Panjal ranges the weather remains very pleasant in the summers. This is the best season to visit this valley. The temperature remains between 15-30°C. One can enjoy bright sun wandering within lush green valley. There is little or no rain in monsoons. The climate remains dry & invigorating. The days are hot and night are extremely cold. During winter it snows heavily and the temperature goes way down below minus. There is an average annual snow fall of about 7 feet. The valley remains cut from the rest of the world during this period.

1.2 Topography

The Lahaul & Spiti is located between 76°46' and 78°41' east longitudes and between 31°44' and 32°59' north altitudes. The Lahaul Valley is situated to the south of Ladakh, thus derived its name from the word LhoYul meaning "Southern Country". To the north of Lahaul is the valleys of Zaskar and Ladakh across Shingola (5090 Mtrs) and Baralacha la (5450 Mtrs) passes respectively. To its south is situated the Kullu valley across the Rohtang Pass (3195Mtrs) and the Bara Bangahal (Kangra) across the Asakh pass (5051Mtrs) . In the west are the Pangi and Churah areas of Chamba. In the east of Lahaul valley is the Spiti Valley. Spoto valley share the border with Tibet.

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1.3 Availability of Minerals

The district Lahaul & Spiti is not having major mineral. At present only one mineral i.e. aggregate found in the district but as yet no commercial exploitation of this mineral has been made. In the district there is very little scope for setting up minerals based MSEs in the district.

1.4 Forest

The Lahaul & Spiti district is spread over an area of 13,835 sq. Kms. out of which, approximately 10,133 sq. Kms. land is covered by forest as per the

record of Forest department of the Govt. of H.P. The Lahaul and Spiti district has been divided into two forest divisions viz. Lahaul forest division with the headquarter at Keylong and Spiti forest division with the headquarter at Kaza. The climate of major parts of the district is not conducive for growing the natural trees due to which the major forest resources in the district are not available. However some timber trees are available in the lower parts of the district and the people of the area have already started planting buel (local name) which meets the need for fuel and fodder for the cattle. Saru trees are also available which acts as the means of fuel and its leaves are also used as dhoop on the special occasions. On the other side the district is rich in minor forest produce such as patish, karu, kalazira, dhoop, panza, hyphopia etc. The Spiti block being a cold desert has a negligible forest.

1.5 Administrative set up

Administratively the district has been divided into 3 sub divisions. There are 2 tehsils namely, Lahaul at Keylong & Spiti at Kaza, 1 sub tehsil namely, Udaipur and 2 blocks namely, Lahaul & Spiti in the district. There are 41 Panchayats and 280 inhabited villages in the district.

The chief administrative authority within the district vests in the Deputy Commissioner, who more due to single line administration is not only District Magistrate and Collector but for all intents and purposes is also the head of all the district level offices. In addition to the usual and traditional role as Deputy Commissioner he has multifarious duties. As Deputy Commissioner, he is the executive head of the District looking after development, Panchayats, local bodies and civil administration. As District Magistrate, he is responsible for the maintenance of law and order and is the head of Police and prosecuting agency in the district. As Collector he is at the apex of the revenue administration and is responsible for the collection of land-revenue and all dues recoverable as arrears of land-revenue. He is also revenue-appraisal authority. He ensures the

successful execution of plan-schemes and co-ordinates the functions of all development departments and in fact due to the peculiar circumstances and situation of the area his functions are largely those of a Development Officer. In order to avoid procedural delays and in the interest of early disposal of work, he has been given special and enhanced powers. He has been declared Head of Department for all offices functioning in the district. In addition to the above the Deputy Commissioner has been invested with so many other administrative and financial powers. He can effect transfers of non-gazetted staff within the district in respect of staff of all the departments.

2 DISTRICT AT A GLANCE

S. No.	Particulars	Units	Statistics
1.	Geographical Features		
A)	Geographical Data		
i)	Latitude	North	31°44'-32°59'
ii)	Longitude	East	76°46'-78°41'
iii)	Geographical Area	Sq. K.M.	13,845
B)	Administrative Units		
i)	Sub-division	Nos.	3
ii)	Tehsils	Nos.	2
iii)	Sub-Tehsils	Nos.	1
iv)	Blocks	Nos.	2
v)	Gram Panchayats	Nos.	41
vi)	Inhabited Villages (31/03/2015)	Nos.	280
vii)	Assembly Area	Nos.	1
2.	Population (2011 Census)		
A)	Sex-wise		
i)	Male	Nos.	16,588
ii)	Female	Nos.	14,976
B)	Rural population		
i)	Male	Nos.	16,588
ii)	Female	Nos.	14,976
C)	Urban Population		
i)	Male	Nos.	00
ii)	Female	Nos.	00
3.	Agriculture (2011-12)		
A)	Land Utilization (by village paper)		
i)	Total Area	Hectares	9,11,206
ii)	Forest Area	Hectares	1,37,376
iii)	Barren and uncultivable land	Hectares	5,41,314
iv)	Non Agriculture uses	Hectares	16,857
v)	Permanent Pastures & other grazing land	Hectares	2,11,474

vi)	Culture able waste	Hectares	568
vii)	Current fallows	Hectares	108
viii)	Misc.	Hectares	113
ix)	Net area sown	Hectares	3,396
x)	Area Sown more than once	Hectares	121
xi)	Total Cropped Area	Hectares	3517
4.	Livestock & Poultry (2012 Census)		
A.	Cattle		
i)	Cows	Nos.	10,594
ii)	Buffaloes	Nos.	3
B.	Other Livestock		
i)	Houses & Ponies	Nos.	1028
ii)	Donkeys	Nos.	1803
iii)	Mules	Nos.	14
iv)	Sheeps	Nos.	36,014
v)	Goats	Nos.	8,196
vi)	pigs	Nos.	6
vii)	Camels	Nos.	50
viii)	Yaks	Nos.	1267
ix)	Others	Nos.	0
C.	Poultry	Nos.	2,026
5.	Transport (2014-15)		
i)	Total Road Length	Kms.	1,250
ii)	Motor able Single Lane	Kms.	978
iii)	Motor able Double Lane	Kms.	260
iv)	Jeep able & Less than Jeep able	KMs.	12
6.	Public Health (2014-15)		
i)	Allopathic Hospitals	Nos.	1
ii)	Community Health Centre	Nos.	3
iii)	Primary Health Centre	Nos.	16
iv)	Dispensaries	Nos.	0
v)	Ayurvedic Institution	Nos.	22

7.	Post Officers (2014-15)		
i)	Head Post Office	Nos.	1
ii)	Sub Post Offices	Nos.	7
iii)	Branch Post Offices	Nos.	38
iv)	Total Post Offices	Nos.	46
8.	Percentage of Total Workers (Census 2011)		
i)	Total Workers	%	61.13
ii)	Main Workers	%	48.12
iii)	Marginal Workers	%	13.01
iv)	Non-Workers	%	38.87
9.	Education (2014-15)		
i)	Primary Schools	Nos.	202
ii)	Middle Schools	Nos.	36
iii)	High/Sr. Sec. Schools	Nos.	35
iv)	Govt. Degree Colleges	Nos.	1
v)	Pvt. Degree Colleges	Nos.	0

3 Industrial Scenario of District Kinnaur

3.1 Existing Status of Industrial Area in the District Kinnaur

As on 31/03/2016

S. No.	Name of Ind. Area	Constructed/Covered			Allotted			Vacant			Closed		
		Plots	Sheds	Shop	Plots	Sheds	Shop	Plots	Sheds	Shop	Plots	Sheds	Shop
1.	Ind. Area, Keylong	0	10	0	0	0	0	0	0	0	0	0	0
Total		0	10	0	0	0	0	0	0	0	0	0	0

Source: Directorate of Industries, Govt. of H.P.

3.2 Industry at a Glance

3.2.1 MSMEs registered under Entrepreneur Memorandum

As on 31/08/2015

S. No.	Head	Unit	Particulars
1.	Registered (MSEs) Industrial Units	Nos.	590
2.	Registered Medium Scale Units	Nos.	00
3.	Registered Large Scale Units	Nos.	00
4.	Employment MSEs Sector	Nos.	1,637
5.	Employment Medium Sector	Nos.	00
6.	Employment Large Sector	Nos.	00
7.	No. of Industrial Areas	Nos.	01

Source: Directorate of Industries, Govt. of H.P.

3.2.2 MSMEs registered under Udyog Aadhaar Memorandum (UAM)

As on 08/07/2016

Udyog Aadhaar Regd.	Micro	Small	Medium
2	2	0	0

Source: www.udyogaadhaar.gov.in

3.3 Trend of Units Registered

As on 31/08/2015

YEAR	NUMBER OF REGISTERED UNITS	EMPLOYMENT	INVESTMENT (lakh Rs.)
Up to 1984-85	25	46	1.54
1985-86	26	60	5.92
1986-87	18	43	1.64
1987-88	16	36	3.15
1988-89	17	24	2.72
1989-90	15	22	1.50
1990-91	13	27	3.18
1991-92	20	22	5.07
1992-93	21	30	6.25
1993-94	33	56	8.15
1994-95	33	90	13.68
1995-96	24	34	9.38
1996-97	35	69	16.57
1997-98	15	31	13.58
1998-99	17	30	11.34
1999-00	17	27	2.17
2000-01	12	25	10.44
2001-02	8	20	4.39
2002-03	6	22	13.94
2003-04	3	9	1.34
2004-05	4	16	5.08
2005-06	3	6	30.88
2006-07	4	22	9.54
2007-08	1	3	2.25
2008-09	4	17	9.54
2009-10	5	28	21.88
2010-11	5	17	3.52
2011-12 to 2015-16 (up to 31/08/2015)	190	805	155.64
Total	590	1637	374.00

Source: Directorate of Industries, Govt. of H.P.

In the district total numbers of 590 Micro, Small Enterprises have been set up in the district as on 31/08/2015.

3.3.1 Existing Micro & Small Enterprises in the District

As per total registered MSEs in the district till 31/08/2015, it may be observed that the largest numbers of units were set up under the enterprises woolen, silk & artificial thread based clothes then followed by agro based enterprises, steel fabrication and repairing services, wood & wooden based furniture, respectively in the district.

3.4 Large & Medium Scale/Public Sector Undertakings

Due to topographic reasons there is no large & medium scale an enterprise has come up in the district as on 31/08/2015.

3.4.1 Major Exportable Items:-

There is no major exportable item produced in district.

3.4.2 Growth Trends:-

Due to the some topographical conditions prevailing in the district, there is no one Large and Medium scale enterprises in the district. However, slow & steady growth has been witnessed by the Micro and Small Enterprises in the district over years. From the table on year wise trend of registered units in the district it is evident that the district has witnessed per year registration of new micro small enterprises as far as the type of industrial units that have come up in the district is concerned, it can be observed that the largest number of enterprises in this district are woolen, silk & artificial thread based clothes. As far as other industries in the district are concerned, it is evident from the table on Industrial Areas (I.A.) that I.A. Keylong has 10 industrial sheds are in production.

3.4.3 Vendorisation/Ancillarisation of the Industry:-

Presently, there is very little scope for vendorisation/ancillarisation as there is a negligible large/Public sector undertaking in the district.

3.5 Service Enterprises

The major service enterprises registered in the district are Restaurants, Auto Repair & Electrical Appliances Repair, PCO/Photostat, Beauty parlour, Boutique, etc. There is still good scope of setting up service enterprises in the district particularly on the line of tourism potential available in the district provided proper awareness is created among the educated unemployed youths.

3.5.1 Existing Service Sector:

The service industry of Lahaul & Spiti district mainly includes entertainment services, cable/ DTH services, photocopy services, motor cycle repairing, skin and hair care, shoe repairing etc.

3.5.2 Potentials areas for service industry

In the district, there is good scope of setting up of service enterprises in district. The Lahaul & Spiti district there is broad opportunity to set up need based service enterprises in the district. The following service enterprises can be set up in the district.

- Repairing of Electrical/Electronic goods
- Repairing of Agriculture Implements
- Designer Boutique
- Beauty & Health Care
- Transportation/Taxi services
- Mobile Repairing
- IT Service Centre/providers
- TV/Cable/DTH Services
- Repair & servicing of electronics goods
- Electrician
- Plumber
- Restaurant/Dhaba/Hotel
- Paying Guest Facilities (PG)

3.6 Unregistered Sector

The data on unregistered sector in L&S district was not readily available with Department of Industries, Govt. of Himachal Pradesh. However, it is informed that the unregistered MSME sector in the district, which has majority of repair & maintenance of house hold items. Repair Electrical related enterprises, Beauty Parlor, Computer educations, coaching centers, repair & maintenance of auto sector etc.

3.6.1 Potential for New MSMEs

The potential areas for new MSME are woolen, silk & artificial thread based clothes, wooden furniture & fixtures, food processing, tyre retarding, agriculture implements, general engineering workshop, fruits & dry fruits products etc.

4.0 Existing Clusters of Micro & Small Enterprises

4.1 Details of Major Cluster

4.1.1 Manufacturing Sector

The district has no identified cluster

4.1.2 Service Sector

The district has no identified cluster

5 General issues raised by MSEs of district Lahaul & Spiti

- a) The branch level officers of banks should have proper awareness about the schemes being implemented by central and state government for the benefit of MSE sector.
- b) The Central & State departments are also motivated the youth to set resource based and need based MSEs in the district.

6 Institutional Support

S. No.	Name of Agencies	Type of Assistance
1.	Filling online of Registration of MSMEs www.udyogaadhaar.gov.in	The filling of EM-I & EM-II with DIC for such registration has now been replaced with filling of Udyog Aadhaar Memorandum (UAM). The UAM can be filled on udyogaadhaar.gov.in
2.	District industries Centre, MSME- Development Institute	Identification of Project Profiles, techno-economic and managerial consultancy services, market survey and economic survey reports.
3.	Himachal Pradesh Small Industries & Export Corporation (HPSIEC)	Land and Industrial shed
4.	Banks, DIC, KVIB, SIDBI	Financial Assistance
5.	National Small Industries Corporation (NSIC) & Himachal Pradesh Small Industries & Export Corporation (HPSIEC)	For raw materials under Govt. supply
6.	National Small Industries Corporation (NSIC)	Plant and Machinery on hire/purchase basis
7.	Himachal Pradesh State Electricity Board	Power/Electricity
8.	DIC & MSME-DI	Technical Know-how
9.	Bureau of Indian Standards (BIS)	Quality & Standard
10.	National Small Industries Corporation (NSIC), District Industries Centre (DIC), Director General of Foreign Trade (DGFT) & MSME-Development Institute	Marketing/Export Assistance