



GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES



STATE INDUSTRIAL PROFILE OF MIZORAM
2014-2015

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FOREWORD

MSME Development Institute, Agartala is presenting the State Industrial Profile of Mizoram 2014-15 under the Action Plan. This report provides the necessary information & insight of the state in respect of General characteristic, Resources, Manpower, Infrastructure available, Economy, Industrial Policy, schemes and Incentives for MSME sector of the state govt, function & services of various state and central govt. organization/ agencies engaged in industrial development and growth of Industries in the state. Based on value addition of locally available resources, the thrust areas in the state are forest based industries, food processing, handloom, handicraft, tea, rubber, coffee & plantation based industries, textile related industries, animal & poultry feed, packaging, entertainment /music industries. There is tremendous scope of MSMEs which in turn will also increase employment generation in the state.

I hope this profile will be a very useful reference to the prospective entrepreneurs as well as existing entrepreneurs and others interested in this area. I express my sincere thanks to all the govt. departments, organizations, associations and non-govt organization specially the Directorate of Industries, Directorate of Economics & Statistics, Dept. of Planning & Programme Implementation, Govt. of Mizoram for their wholehearted support and co-operation in giving the information to prepare this report. I also take this opportunity to record my sincere appreciation for the efforts put to Shri Benjamin T. Lalpu, Asstt. Director (Stat) of Br. MSME-DI, Aizawl to bring out this profile.

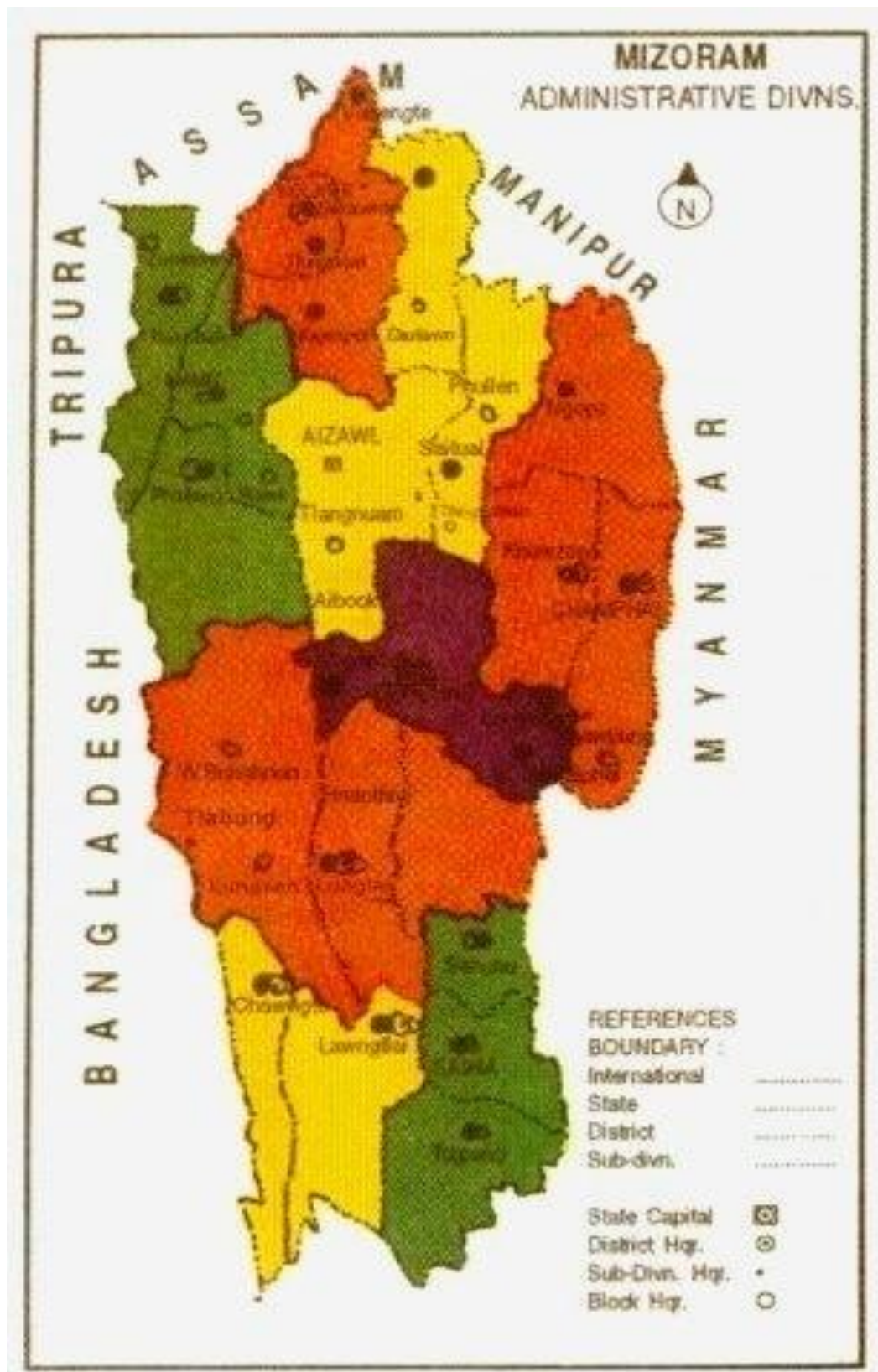
Place: Agartala

(S.K.Som)

Date: 18.03.2016

Deputy Director(Incharge)

MAP OF MIZORAM



Chapter 1

Mizoram at a Glance

Sl. No	PARTICULARS	UNIT	
1	STATE CAPITAL		Aizawl
2	GEOGRAPHICAL AREA	Sq. km	21,081
3	GEOGRAPHICAL LOCATION		
	i) Longitude	Degree	92°.15'E to 93°.29' E
	ii) Latitude	Degree	21°.58'N to 24°.35'N
4	LENGTH		
	i) North to South	km	277
	ii) East to West	Km	121
5	INTERNATIONAL BORDER		
	i) With Myanmar	Km	404
	ii) With Bangladesh	Km	318
6	INTER-STATE BORDERS		
	i) With Assam	Km	123
	ii) With Tripura	Km	66
	iii) With Manipur	Km	95
7	ADMINISTRATIVE SET-UP		
	i) Districts	Nos.	8
	ii) Autonomous District Councils	Nos.	3
	iii) Sub-Divisions	Nos.	23
	iv) R.D. Block	Nos.	26
	v) Total Villages (2011 Census)	Nos.	830
	vi) Inhabited	Nos.	704
	vii) Uninhabited	Nos.	126

8	POPULATION FEATURES (as per 2011 Census)		
	A. Population		
	i) Persons	Nos.	10,97,206
	ii) Males	Nos.	5,55,339
	iii) Females	Nos.	5,41,867
	iv) Rural	Nos.	5,25,435
	v) Urban	Nos.	5,71,771
	B. Decadal growth of Population		
	i) Absolute	Nos.	2,08,633
	ii) Percentage	%	23.48
	C. Population Density	Per Sq. Km	52
	D. Sex ratio	<i>Females per 1000 males</i>	976
	E. 0-6 Population		
	Persons	Nos.	1,68,531
	a) Males	Nos.	85,561
	b) Females	Nos.	82,970
	F. Total Workers		
	i) Main workers	Nos.	4,15,030
	ii) Marginal workers	Nos.	71,675
	iii) Total workers	Nos.	4,86,705
	iv) Percentage of total workers to total population	%	44.36
9.	STATE INCOME		
	i) GSDP at current price during 2011-2012 (2004-05 series)	Rs.	6,88,975.00
	ii) Per Capital Income at current prices during 2009-10 (2004-05 series)	Rs.	53,624.00
10.	STATE BUDGET		
	A. Total Revenue Receipts		

	i) 2012-13 (Actual)	Rs.	4,53,674.30
	ii) 2013-14 (R.E.)	Rs.	5,54,534.15
	B. Total Revenue Expenditure		
	i) 2012-13 (Actual)	Rs.	4,50,891.20
	ii) 2013-14 (R.E.)	Rs.	6,14,502.58
	C. Total Capital Receipt		
	i) 2012-13 (Actual)	Rs.	44,976.23
	ii) 2013-14 (R.E.)	Rs.	78,793.50
	D. Total Capital Expenditure		
	i) 2012-13 (Actual)	Rs.	92,384.67
	ii) 2013-14 (R.E.)	Rs.	1,63,218.29
11	PLAN OUTLAY		
	(i) Annual Plan approved		
	a) 2012-13	Rs.	2,30,000.00
	b) 2013-14	Rs.	2,50,000.00
	(ii) Annual Plan actual expenditure		
	a) 2012-13	Rs.	1,74,191.90
	b) 2013-14	Rs.	1,76,261.24

Source: Statistical Handbook 2014, Directorate of Economics & Statistics, Govt. of Mizoram



Chapter 2

Introduction

Mizoram is the fifth smallest state in India and it is one of the seven states in the North-East India, shares its borders with other north-eastern states of Manipur, Tripura and Assam and neighboring countries of Bangladesh and Myanmar. Industries in the state enjoys a unique location-specific advantage. Mizoram offers a gateway for engaging in international trade with Southeast Asian Countries, bordering Bangladesh & Myanmar. Sericulture remains one of the state's key industries. Mizoram has abundant hydro-electric power potential with less than 1% harnessed through small and mini-hydel projects to date.

The profile report covers the different sector of industries and economy and also covered the existing status of large, medium and micro small enterprises and other allied activities. From the analysis of various data in different sectors of economy, it is found that Mizoram has a large opportunity to set up different kinds of agro-based industries as about 87 % of the entire State is covered by forests calculating a total coverage of around 19,117 Sq.Km. Different flora and fauna can be found in Mizoram. Around 22 species of bamboo was found in the State. Besides that the State is also producing substantial varieties of fruits like Manarin Orange, Hatkora, Banana, Pineapple, Papaya, Grape, Passion Fruit, Gooseberry, Avocado etc. The major vegetables grown are Squash, Potato, Cabbage, Tomato, French bean etc and species crops like turmeric, Chilies and Ginger are grown of which Ginger is the most dominant. Now the State is having ginger and food processing plants. Furthermore, Zoram Industrial Development Corporation (ZIDCO) has taken initiative role to start with more industries in the State.

Cottage industry is boom in the State with people producing different art and craft. The Mizo people are traditionally expert in weaving and handicraft. The State has very little deposit of mines or minerals. One hard soil of tertiary formation is available and is utilized in building

and road construction work. The thrust areas for industrial development in the State are;

- ❖ Bamboo based industries
- ❖ Food processing industries
- ❖ Handloom & Handicrafts
- ❖ Mines & Mineral
- ❖ Tourism
- ❖ Tea, Rubber, Coffee & plantation based industries
- ❖ Animal & Poultry feed
- ❖ Packaging
- ❖ Entertainment / Music industries



Chapter 3

General Characteristic of the State

THE GEOGRAPHICAL LOCATION OF MIZORAM lies between East longitude 92°15' to 93°29' and North Latitude 21°58' to 24°35'. Covering a total area of 21,087 square kilometers, the state is blessed with rich forest resources and beautiful lakes.

Mizoram's population was recorded as 10, 97,206 according to 2011 Census .It s the second least populous state in the country.

Climate of Mizoram

The general climate of Mizoram is one of the most pleasing one in the country. With moderate temperatures throughout the year, the Mizoram climate is loved by the tourists and visitors.

The summers are not very hot as the temperature remains between 20° to 30° Centigrade. The winters are very pleasing and cool with temperatures ranging from 21° to 11° Centigrade. Mizoram witnesses heavy rainfall in all parts of the state during the rainy season. Monsoon starts from June and lasts till the month of August.

An annual average rainfall of 190.6 millimeters in 2012 and 201.9 millimeters in 2013 is recorded in the state. During the months of March to April, heavy storms occur in most parts of the state.

A report of a normal day during the summer will give a rough idea of the usual weather of Mizoram. The maximum average Annual Relative humidity in the year 2012 is recorded as 85.05 % and minimum is recorded as 52.65 %, and the maximum average annual relative humidity in the year 2013 is recorded as 82.24 % and minimum is recorded as 45.82% .

Topography of Mizoram

The topography of Mizoram is not very different from its other north eastern neighbors. Mizoram topography is conspicuous with the presence of hills and mountain ranges. The tall green hills are mooted with free flowing rivers. The eastern side of the state is situated at a higher altitude than the western side of the state.

The tallest among the hills is the Phawngpui - Blue Mountain with a height 2, 157 Meters. The picturesque valleys and flat lands of Champhai, Chamdun and Tlabung are blessed with very fertile soil and natural resources suitable for excellent agricultural and horticultural productions.

Source: DES, Govt. of Mizoram

Chapter 4

Infrastructure of Mizoram

THE ROAD NETWORK IS THE LIFELINE of majority of the populace in the State, as it is the cheapest mode of transportation and communication. Every day good number of people by road has had travelled to Silchar, Guwahati, Dimapur mainly for trading purposes. Although Air connectivity is available, the fare was extremely high, so people choose to avail road transportation. Let us see in detail the infrastructure position of position as follows:

- **Road Network:** Mizoram had a road network of around 8,500 kilometres including unsurfaced village roads to surface national highways; and there were 1,37,225 registered AND non-registered motor vehicles on the road. The village roads are primarily single lane or unmetalled tracks that are typically lightly trafficked. Mizoram had 876.700 kilometers of surfaced national highways, and 109.830 km un-surfaced NH, 310.450 kilometers of state highways and 1650.800 kilometers of surfaced and un-surfaced district roads. However, landslide and weather damage to these roads is significant in parts. The State is connected to the Indian network through Silchar in Assam through the National Highway 54. Another highway, NH-150 connects the state's sharing Mizoram to Imphal, Manipur and NH-40A links the State with Tripura. A road between Champhai and Tiddim in Burma has

been proposed and is awaiting cooperation from the Burmese authorities.

- **Airport:** Mizoram has an airport, Lengpui Airport (IATA: AJL), near Aizawl . Aizawl, the State Capital is connected by air links with kolkata, Imphal and Guwahati. Recently, the Authority proposes to introduce Aizawl –New Delhi Direct flight , it is expected to be materialize shortly . Mizoram can also be reached via Assam's Silchar Airport, which is about 200 kilometres (120 mi), around 6/7 hours) by road to Aizawl.
- **Railway:** There is a rail link at Bairabi rail station but it is primarily for goods traffic. Recently, the Northern frontier railway completed the BG rail line construction in Bairabi, passenger transportation will be operated very shortly. The nearest practical station to Mizoram is at Silchar in Assam. Bairabi is about 110 kilometres (68 mi) and Silchar is about 180 kilometres (110 mi) from the state capital.
- **Helicopter:** A Helicopter service by Pawan Hans has been started which connects the different districts of Mizoram.

- **Water Ways:** Mizoram is in the process of developing water ways with the port of Akyab Sittwe in Burma along its biggest river, Chhimtuipui. It drains into Burma's Rakhine state, and finally enters the Bay of Bengal at Akyab, which is a popular port in Sittwe, Burma. The Indian government considers it a priority to set up inland water ways along this river to trade with Burma. The project is known as the Kaladan Multi-modal Transit Transport Project. India is investing \$103 million to develop the Sittwe port on Burma's northern coast, about 160 kilometres (99 mi) from Mizoram.

PERFORMANCE OF MIZORAM STATE TRANSPORT

Sl.No	Items of Activities	2012-13	2013-14
1	2	3	4
1	Fleet Strength (MST)	35	35
2	No.of Route covered	18	18
3	Distance covered (Route length) km	2,522	1507
4	Average Daily Passenger	176	150
5	No.of buses operated(Serviceable)	33	30

Source: Directorate Economics & Statistics, Govt. of Mizoram

CATEGORY WISE LENGTH OF ROADS: MIZORAM(2013-14)

Sl .N o.	Type of Roads	Surfaced	Un- surfaced	Total	Density
1	2	3	4	5	
1	National highway	876.700	109.830	986.530	4.68
2	State highways	310.450	-	310.450	1.47
3	Districts Roads	1,400.600	250.200	1,650.800	7.83
4	Town Roads	253.202	44.204	297.406	1.50
5	Village Roads	948.061	1,677.492	2,625.553	12.45
6	Misc.Roads(un- classified)	877.980	799.310	1,677.290	7.57
TOTAL		4,666.993	2,881.036	7,548.029	35.80

Note: State highway Length of Roads under PWD and Pushpak Engineer are amalgamated.

Source: Statistical handbook 2014, Directorate Economics and Statistics, Govt. of Mizoram



Chapter 5

ECONOMY

Economic activities

Industries

As regards industries sector , handloom weaving and blacksmithy are the traditional activities .The State has witnessed a low scale of migration of workforce from agriculture to non-agriculture sector. Popular activities like tailoring, furniture making , automobile repairs, bakery , handloom weaving and black smithy account for more than 80% of the total number of enterprises/units in the state .Cane and bamboo work units are also numerous and provide gainful employment . Most of these units are in and around Aizawl, followed by Lunglei district. There are scope for development of plywood and paper industry with abundance of timber and bamboo besides handicrafts, village and cottage industries, agro-based industries and agro-processing units in the state. The no. of working MSMEs is 3715 as on date.

FOOD PROCESSING

Investment in fruit processing is very less in the state , both in Government as well as private sector, as a consequence of which ,linkages between production, marketing , post- harvest processing and export have largely remained weak. Passion fruit juice concentrate plant has been established at Chhingchiip in Serchip district with a capacity of 2.5 M.T. per hour. Marketing arrangements are being made by MIFCO in association with a private player in the market.

NATIONAL BAMBOO MISSION

This is centrally sponsored scheme, envisages increase in the area under Bamboo plantation of selected species with intensive management so that the yield improves from the present 3 tonnes per ha to about 18-20 tonnes per ha. One of the major components of the NRB is to increase the coverage area under bamboo plantation with economically bamboo species. In order to ensure supply of quality bamboo planting material, it is necessary to get them certified by a competent authority. The Nursery certification has been completed in the state.

New Land use Policy(NLUP)

NLUP is the flagship programme of the Government of Mizoram which is given the highest priority. It focuses mainly on a major overhauling of the rural economy through structural changes by weaning away the farmers from the destructive jhum practices to sustainable livelihood based on local resources, genius of the people and regeneration of resources. Govt. of India has approved grant assistance of Rs.2526.98 Crore for the project. Out of total target of 1,20,000 families, 96,139 families have been covered during the first two years. Another 29,862 families have been covered during **2013-14**. The number of beneficiaries has been increased by 15,000 due to increase in the number of eligible families. Furthermore, an amount of Rs.1085.20 crore has been received for NLUP which comprises Rs.838.82 Crore under convergence through centrally sponsored Scheme. Impact of

NLUP has been felt in short gestation trades especially in dairy cattle, piggery , poultry , broom cultivation and various trades under industries sector. Under NLUP milk processing facilities have been production in Aizawl , Kolasib and Serchip has necessitated setting of UHT Milk processing plant in the state.

Source: State profile 2015 ,Khadi and Village Industries Commission, Govt. of India, Mizoram.

AGRICULTURE :

The State economy is predominantly agricultural with more than 60 % of the total workforce engaged directly or indirectly in agriculture .However, agriculture still remain under-developed and the primitive method of jhum(shifting cultivation) predominates. Both production and productivity are relative low. Of the total area only 21 % is put on the paddy or seasonal crops. As high as 63 % of the total crop area is under Jhum cultivation



Photo: Jhum cultivation at mizoram

Source: Agriculture Department, Govt.of Mizoram.

Area , production and yield of principal Agricultural crops

Sl No.	Name of crop	2012-13			2013-14		
		Area(Ha)	Production (MT)	Yield (MT/Ha)	Area(Ha)	Production (MT)	Yield (MT/Ha)
1	Rice						
	1)Jhum	24,706	27,128	1.10	22,633	25671	1.13
	2)WRC-Kharif	14,330	29,983	2.09	15,620	32440	2.08
	3)WRC-Rabbi	306	589	1.92	550	883	1.61
	Total	39,342	57,700	5.11	38,803	58994	4.82
2	Mize	6,175	8,063	1.31	5,793	8221	1.42
3	Pulses	3,100	3,288	1.06	3862	5657	1.46
4	Oilseeds	2,063	2,224	1.08	2059	2370	1.15
5	Sugarcane	1,322	6795	5.14	1421	6979	4.91
6	Potato	286	1,440	5.03	352	2961	8.41

Source: Directorate Economics and Statistics, Govt. of Mizoram

Horticulture

Mizoram has geographical area of 21,087 Sq.km out of which the horticulture potential area is 11.56 lakhs Ha. At present , the total area under Horticulture crops is 1.10 lakh Ha. The geo-climatic situation of Mizoram offers an excellent scope for growing different Horticulture crops including fruits, vegetables, spices, plantation crops, medicinal and aromatic plants of high economic value.

The Department emphasizes on commercial fruit crops like Mandarin Orange, Banana, Passion fruit, Grape, Pineapple, etc which thrive well in the state .Through variety of vegetables are extensively cultivated production of off season vegetables like Tomato and Capsicum is given priority as it gives better economic benefit besides catering to the local needs. The climatic condition is ideal for the cultivation of almost all types of flower. In spite of that only two flowers i.e. Anthurium and Rose are cultivated at commercial scale. The success of Anthurium production in Mizoram is known

countrywide due to its large exports. The quality of Rose is world class and more than ten different varieties are being grown which is the choice of consumers and florists.



Photo: Anthurium flower

Source: Department of Horticulture, Govt. of Mizoram



FLOWER PRODUCTION IN MIZORAM

Sl No.	Name of crop	2012-13			2013-14		
		Area(Ha)	Production (No.of cut flower)	Yield (lakh /Ha)	Area(Ha)	Production (No.of cut flower)	Yield (lakh /Ha)
1	Anthurium	51	141.27	2.77	36	83.42	2.32
2	Rose	10	45.80	4.77	20	60.00	30.00
3	Orchids	12	0.77	0.06	20	0.79	0.04

Source: Statistical Handbook 2014 Directorate Economics and Statistics, Govt.of Mizoram



AREA, PRODUCTION AND YIELD RATE OF PRINCIPAL HORTICULTURE CROPS IN MIZORAM

Sl No.	Name of crop	2012-13			2013-14		
		Area(Ha)	Production (MT)	Yield (MT/Ha)	Area(Ha)	Production (MT)	Yield (MT/Ha)
1	Orange	8960	24100	2.69	13508	40430	2.99
2	Banana	10540	127530	12.10	10840	140920	13.00
3	Passion fruit	700	1470	2.10	838	1940	2.32
4	Arecanut	7574	4320	0.57	10138	6050	0.60
5	Ginger	7280	28390	3.90	7480	29920	4.00
6	Bird eye chillies	9020	8208	0.91	9040	9100	1.01
7	Tumeric	6050	22990	3.80	6250	24700	3.95
8	Squash	4500	75020	16.67	4660	80020	17.17
9	Cabbage	3020	40080	13.27	3230	43280	13.40
10	Grape	2380	20800	8.74	2450	23870	9.74
11	Broccoli	720	5470	7.60	770	5870	7.62
12	Tomato	800	7390	9.24	880	8270	9.40

Source: Statistical Handbook 2014 Directorate Economics and Statistics, Govt. of Mizoram

Animal husbandry and DAIRY DEVELOPMENT:

Animal husbandry occupies any important place in the state economy. Activities under animal husbandry and dairy development come under a single umbrella. It brings sustainable growth of live stocks by enhancing poultry productivity, meat and meat production for attaining nutritional security, employment generation and economic prosperity for the State.



Photo: cattle rearing in Mizoram.

ESTIMATED PRODUCTION OF EGGS, MILK AND MEAT

Sl.No.	Items	unit	Production	
1	2	3	4	5
1	EGGS	Lakhs		
	i) Desi		258	260.44
	ii) Improved		93	101.87
	TOTAL		351	362.31
2	MILK	MT		
	(A) COW			
	i) cross breed		12001	13629
	ii) Indigeneous		1639	1675
	(B) BUFFALOES		-	-
	TOTAL		13640	15304
3	MEAT	MT		
	i) Cattle		3416.200	3458.995
	ii) Buffaloes		101.303	96.841
	iii) Mithun		39.191	46.387
	iv) Goats		66.532	67.824
	iv) Pigs		6889.565	6925.252
	vi) Poultry		1560.951	1593.838
TOTAL			12073.742	12189.137

FISHERIES

The Fishery plays an important role in Mizoram. Everyday heavy amount of fish has been imported from neighboring State. Now the fishery department of Mizoram has a policy to attain self sufficiency in to offer per capita consumption of 11 kg against presently available per capita of 3.07 kg preferably at the end of 2016-17



Photo : Fish pond in serchip

FORESTRY

Based on the past on the studies as well as from the field observations, Singh et al(2002) described the forest types of the state based mainly on altitude, rainfall and dominant species composition. The classification is as follows:-

- Tropical Wet Evergreen Forest
- Montane sub-tropical Forest
- Temperate Forest
- Bamboo Forest
- Quercus Forest
- Jhumland

One of the important forest among these forests is the bamboo forest. Around 57 % of the geographical area of Mizoram is under Bamboo cover found at heights ranging from 400 m -1500m above mean sea level. Bamboo forests are found mainly along the river banks and abandoned jhumland as a dominant secondary vegetation.



Photo: Bamboo forest in Mizoram.

Source: Department of forest and environment, Govt .of Mizoram

FOREST AREA IN MIZORAM

SL No.	India state of forest Report -2011	Area (in Sq.km)
1	2	3
1	Very dense forest	134
2	Moderately dense forest	6088
3	Open forest	12897
4	Total forest covered	19117

Source: Statistical Handbook 2014, Directorate Economics and Statistics, Govt. of Mizoram



Chapter 6

The Mizoram Industrial Policy 2012

BACKGROUND AND NECESSITY: The Industrial Policy of Mizoram State was first notified on 15.03.1989 to give direction to the strategy for Industrial development of the State. It laid stress on reducing shifting cultivation by encouraging a shift from primary to secondary sectors while protecting the Socio-Cultural and ethnic identity of the indigenous enterprise of Mizoram. The intention of the Government in that policy was not Industrial growth per se but was rather directed towards all- round development of the people of Mizoram with special focus on upliftment of indigenous people and also towards giving them gainful employment and self employment opportunities in the Industries and allied sectors. Significant growth has been experienced as a result of this policy direction during 8th plan period.

In view of the National Industrial Policy which laid special emphasis for the development of Industries in the North Eastern Region, the Govt. of Mizoram had notified new Industrial Policy 2000 for accelerated Industrial and Economic development of the State. The main objectives of the New Industrial Policy of Mizoram 2000 are to engineer rapid sustainable growth of Industry in the State. It laid stress on encouraging Industries utilizing locally available raw materials. The Government had adopted the approach

for identification of thrust areas and promoting them with fiscal and other incentives packages. Broad policy of Foreign Direct Investment (FDI) and Investment from outside the State has been adopted on Joint venture (JV) mode to safeguard the interest of the tribal population of Mizoram. Various administrative support system and market support system are also announced

With the introduction of New Industrial Policy of Mizoram 2000, a significant shift towards development of local resource base Industries has been achieved during 10th and 11th Five Year Plan. The overall Industrial growth has been experienced though it is much lower than the National average.

The Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 was enacted by the Parliament in 2nd October 2006. This MSMED Act, 2006 has brought about comprehensive legal framework for the policies and promotional measures for Small & Medium Enterprises. The earlier concept of Industries has been changed to Enterprises.

The Govt. of India has announced North East Industrial and Investment Promotion Policy (NEIIPP) on 1st April 2007 which envisages the package of fiscal incentives and other concessions for the North East Region. The Govt. of India has also laid stress upon the inclusive growth in its National agenda.

The Govt. of Mizoram is mandated in giving sustainable employment and introducing better utilization of land by introducing New Land Use Programme (NLUP). The NLUP aimed at increasing Agriculture, Horticulture and livestock produce, better utilization of forest resources, plantation and development of Micro Enterprises at the rural level.

In view of the large scale change in global Industrial scenario, National Industrial Policy and the economic development of the State, the Govt. of Mizoram feels necessary to announce new Industrial Development Policy for accelerated economic development of the State.

Vision, Mission, Objectives and Strategies:

Vision:

- Sustainable Industrial growth especially in the MSME sector in Mizoram
- Encourage increasing value addition in various local produces and giving better income to farmers.
- Conducive environment for investment.
- Promote direct and indirect employment opportunities.

Mission: Our mission is to accelerate industrial development in Mizoram by maximizing investment, output, growth, employment and competitiveness through development of infrastructure, human resource, incentives and administrative support network.

Objectives: The following are the key objectives of this policy:-

- To create infrastructure facilities, provide incentives and marketing as well as technical support to industries.
- To create employment opportunities particularly to the vulnerable section of the society and people in rural area, ensuring inclusive development.
- To provide skill development and training for educated youth to develop entrepreneurial skills and
- Make them self-employed.
- To attract investment in the state.
- To reduce procedural formalities to speed up industrialization.
- To reduce sectoral and regional imbalance in the industrial development in the State by promoting Industries under all sectors.
- To create proper linkage of processing Industries with the farm produce of agriculture, horticulture, forest and livestock.

Strategies: Under this policy, the following strategies and approaches will be adopted to achieve the desired objectives:

- Identification of thrust areas.
- Creating and upgrading Industrial areas and infrastructure facilities with the participation of Public Sector and private sector in PPP mode.
- Supplementing and fine tuning to suit local requirement of cluster

development scheme available under the Govt. of India.

- Providing subsidy incentives to MSME in the State.
- Providing Special Capital Subsidy assistance to MSME in thrust sectors for first generation entrepreneurs by supplementing schemes under NEIPP and other schemes of the Govt. of India.
- Promote entrepreneur development and sector
- Specific skill development training programmes to match the emerging skills needs of the Industries.
- Re-engineering of Public Sector Undertakings.
- Evolving rehabilitation package for sick Industries
- Development of market support system and market level integration of product under common branding system.
- Adoption of administrative support system to reduce procedural delay
- Adoption of broad frame work for FDI and investment from outside the state while safeguarding the interest of bona fide people of the State.
- Taking up evaluation of the working of various schemes and also continuously reviewing procedures to ensure simplification and procedural re-engineering.
- Ensuring faster and timely flow of credit.
- Providing and ensuring access to information for availing of benefit of various promotional schemes of the Govt. of India.
- Provide incentives for adoption of low cost environment friendly technologies.

Identifications of Thrust area: In view of the hilly terrain of the State with underdeveloped infrastructure and Entrepreneurship level of the people, there is limited scope for development of large enterprises. MSME with tremendous scope of employment will have been encouraged.

Thrust will be given for those industries based on value addition of locally available resources. Special incentives will be formulated for speedy development of industrial units engaged in any of the following thrust sector Enterprises.

- Forest-based Industries
- Food processing Industries
- Handloom Industries
- Handicraft Industries
- Plantain fibre and hill brooms
- Tea, rubber, Coffee and plantation based Industries
- Textile related industries.
- Animal feed and poultry feed Industries.
- Entertainment/ Music industries
- Packaging industries
- Any other Industry to be notified by the Government in this regards from time to time.

Forest-based Industries: The vast bamboo and other forest resources of Mizoram will be optimally harvested for setting up of Industry for manufacturing of various high value bamboo and other forest based

products. The process of value addition for maximum utility of Forest resources will be encouraged while restricting the out flow of forest resources without value addition. Entrepreneurs will be encouraged to utilize waste materials of bamboo in paper/pulp industry and also as feedstock (pulverized bricket) in biomass *gasifier* for power generation.

Food Processing Industries: Primary production of various food items, whether agricultural based, horticultural or livestock based will be linked with processing Industries. Contract farming or management participation route will be encouraged to ensure proper supply chain management. As far as practicable on economic consideration, primary processing activities, such as, cleaning, grading, waxing and cold storage will be encouraged at the vicinity of the growing areas. From the primary processing unit, food items will flow to local market and secondary processing unit. Secondary processing unit will be encouraged at the strategic location of the State. Considering high cost of transportation, giving priority and favourable treatment to processing with high value content is a crucial element of food processing policy.

In addition, private participation in *Public Private Partnership* (PPP) mode or otherwise will be encouraged in food processing Industries. Providing or setting up Food Testing Laboratory and Certification of products will also be a new focused area basically to facilitate gaining foothold in international markets. The Govt. will ensure land at the right place for setting up of primary processing unit. Proper linkage of this sector

with agro-horticulture and livestock sectors will be ensured and a separate guidelines and road map for food processing Industries will be notified taking into account the initiative of the Govt. under agro-horticulture and livestock sectors.

Handloom Industries: Handloom sector will continue to receive serious attention of the Govt. Utmost importance will be given for improving quality product by introducing improved design, packaging, branding. Acquisition of modern technology will be encouraged and insisted for gaining competitive advantage in marketing the products. Presence of innate designing skill of womenfolk in rural areas will be utilized for enriching the industry. Branding of product will be encouraged for sustainable merchandising the product. The Govt. will ensure that Weavers in the State enjoy maximum benefit from the schemes of Central Govt. handicraft Industries.

The traditional skill of Mizo people will be upgraded and diversified for market competitiveness of handicraft products. Market promotion scheme will be systematically designed and utilized under which the products of various craftsmen could be marketed under the same brand name may be considered.

Plantain fiber and hill brooms: The Govt. will encourage value addition of hill-brooms. The flow of raw and unprocessed broom outside the state will be discouraged by giving attention towards value addition to help

local industry. Proper branding will be encouraged to secure advantage in marketing the products outside the state. Cultivation of broom grass will be properly linked with the processing Industries so that the farmers will reap maximum benefit. Existence of large quantity of plantain gives ample scope towards development of fibre materials for different application

Tea, Rubber, Palm and Coffee Industry: The climate and soil condition of Mizoram is favourable for tea plantation. Commercial and scientific tea plantation linked with tea processing Industry will receive attention of the Govt. The Govt. will formulate separate roadmap and scheme for the development of this sector and ensure that the planters of Mizoram enjoy maximum benefit out of the incentive schemes of Tea Board of India. Fiscal incentive to supplement the Tea Board Scheme and linkage of this sector with other schemes of the government will also be considered. Rubber, Coffee and Palm based Industry will also receive due attention of the Govt.

Textile related industries: Bulk production of readymade garments will be encouraged as this sector is having good potential for market outside the state and export. Introduction of modern machines and design improvement will find consideration of the Govt. Procurement of raw materials and accessories will be arranged through marketing efforts and eventually by way of development of local industries.

Animal Feed and poultry feed Industries: The Government is giving thrust towards having sufficient meat and meat products for which farming has been encouraged. This in turn requires sufficient supply of animal feeds and poultry feeds. The government will encourage production sufficient quantity of animal and poultry feeds.

Development of Infrastructure: Infrastructure is a pre-requisite for Industrial Development. Construction of industrial area in the form of industrial estate, park etc. in hilly terrain of the state is not an easy task. The state government so far had developed the following Industrial Areas with only basic facilities are provided:

- Industrial Estate at Zuangtui, Aizawl, Aizawl District.
- Industrial Estate at Bairabi, Kolasib District.
- Export Promotion Industrial Park at Lengte, Mamit District.
- Bamboo Technology Park at Sairang, Aizawl District.
- Integrated Industrial Development Centre at Pukpui, Lunglei District
- Integrated Industrial Development Centre at Zote, Champhai District
- Industrial Growth Centre at Luangmual, Aizawl District.

These earmarked industrial areas need a lot of up-gradation. Many basic amenities like proper fencing, approach road, internal road, and land development especially leveling of site, water and power supplies are to be improved. The Govt. will develop synergies among various departments

involved in building up of general infrastructure towards having developed Industrial Infrastructure. The Govt. will take primary role for building infrastructure as the capital base of entrepreneurs in the state is not strong enough to develop such Industrial Infrastructure. However, guidelines and roadmap for development of Industrial Infrastructure will be formulated to encourage more participation of private sector.

The following approach will be adopted for infrastructure development:-

- Land for Industrial Area will be identified in different locations taking into account the
- Industrial potential of the hinterland.
- Land survey and blue print of the Area will be prepared and properly demarcated.
- It will be the responsibility of the Govt. and or the PSUs to provide basic infrastructure requirement like road, power supply, water supply, plot demarcation, etc. Private entrepreneurs will be encouraged in plot development and construction of work shed/factory building in PPP model.
- A comprehensive proposal for availing possible grant from the Govt. of India will be initiated.
- More involvement of PSU for Construction and management of Industrial Area will have been encouraged.

Direct catalytic subsidy support: The State incentive subsidy schemes under the New Industrial Policy of Mizoram 2000 will continue.

However, an early evaluation of the scheme will be carried out with a view to re-engineering of the scheme component so that the Industrial units of the state are properly subsidized.

The Government will also formulate special package for those units under the thrust sector. In general the following incentive scheme will be provided:-

Sl. No.	Name of subsidy	Eligibility	Amount Claimable
1	Subsidy on Cost of Project Report	All new Industrial Unit within 5 yrs of existence	i) 90 per cent in case of micro enterprises subject to a ceiling of Rs. 5,000/- per unit. ii) 75 per cent in case of small enterprises subject to a ceiling of Rs. 25,000/- per unit. iii) 50 per cent in case of medium enterprises subject to a ceiling of Rs. 50,000/- per unit.
2	Land Subsidy	New Industrial unit established inside Notified Industrial Area within 5yrs of existence.	i) 25% of the lease charge/fee of allotted developed/undeveloped land will be subsidized for a period of 5 years unless the claimable amount is not adjusted at the time of payment of such fee or charges. ii) 25% of the amount spent by the unit on development of undeveloped land allotted to the unit will be subsidized.
3	Factory Rent Subsidy	New MSME occupying the built up factory sheds within the declared Industrial Area on monthly/	50 per cent of the duly assessed rent of factory Shed subject to a ceiling of Rs. 30,000/- per unit per year.

		annual rent basis for a period of 5 yrs from the date of commencement of production.	
4	Man Power Development Subsidy	New and existing Industrial units.	50 per cent of the actual course fee for training subject to a ceiling of Rs. 10,000/- per trainee and Rs. 50,000/- per unit per year.
5	Interest Subsidy	New Industrial unit.	<ul style="list-style-type: none"> i) The interest on loan paid by an industrial unit in excess of 8.5 per cent shall be subsidized up to a maximum of 4 percent. ii) Subsidy shall be limited to a claim on a total amount not exceeding Rs. 3,60,000/- paid by an industrial unit towards interest on term loan in a full year. However, for working capital loan, the total amount paid towards interest on which subsidy can be claimed shall be limited to Rs. 1,20,000/- in a full year. iii) If the unit avail interest subsidy under NEIIPP, only the shortfall amount, if any, will be applicable for interest subsidy on working capital loan.
6	Power Subsidy	New MSME for a period of 5yrs from the date of commencement of production.	<ul style="list-style-type: none"> i) 60 per cent of total expenditure on power consumption in case of micro enterprises. ii) 50 per cent of the total expenditure on power consumption in case of small enterprises. iii) 30 per cent of the total expenditure on power consumption in case of medium enterprises.
7	Subsidy on Power Line	New MSME for a period of 5yrs from the date of commencement of production	50 per cent of the actual expenditure to a ceiling of Rs. 50,000/- per unit.

8	Subsidy on Power Generating Set	New MSME for a period of 5yrs from the date of commencement of production	50 per cent of the cost of Captive generating set and installation charge thereof subject to a ceiling of Rs. 3,00,000/- per unit.
9	State Transport Subsidy on Plant & Machineries	New MSME for a period of 5yrs from the date of commencement of production	50 per cent of the actual cost of transportation by railway or on road or both of plants and machineries.

VAT exemption for Manufacturing Micro & Small Enterprises: All the materials used as raw material and manufactured by manufacturing Micro and Small Enterprises will be exempted from VAT for a period of 7 yrs from the date of commercial production in general and 10 years for thrust sector enterprises. Such exemption will be subject to fulfillment of the following conditions and other condition prescribed by the Govt. from time to time.

- i) The raw materials procured and goods manufactured by the unit should be that listed in the Entrepreneur Memorandum (EM) Part 2 and accepted by the DIC.
- ii) The unit should be registered under Mizoram VAT Act
- iii) The unit should invariably file returns on purchase of raw material and productions both at DIC and Taxation Department.

VAT Remission for Medium and Large Enterprises: In order to achieve rationalization of pricing at the level of consumers in the State, efforts will be made by the government to put in place a scheme of VAT remission for Medium and Large Enterprises.

Up-front loan for new MSME in the thrust sector: There is Capital

Investment Subsidy (CIS) scheme available under NEIPP-2007. This scheme has envisaged re-imbursement of 30% of investment in Plant and Machineries when the unit starts commercial production. This scheme has linkage with term loan sanctioned by primary lending Institutions. The first generation entrepreneurs require certain amount of equity to avail term loan from the Financial Institutions and the financial Institutions normally adopted Dept Equity ratio of 3:1 or above.

The Capital Investment subsidy under NEIIPP can be materialized only after commencement of commercial Production and creating difficulty in availing term loan. In order to bridge the gap between having equity participation at the time of availing term loan and capital Investment subsidy, the Govt. will consider formulation of up-front loan scheme with 2 to 5% interest for those MSME in the thrust sector with the following and other conditions prescribed by the Govt.

- i) The amount of loan will be the amount of CIS eligible for that unit.
- ii) The unit shall liquidate the loan with the CIS

Existing Grants in Aid Scheme: The grants-in-aid scheme under the Mizoram Industries (Grant- in-Aid to Industrial Units) Rules 1990 will continue in its present form.

- However this scheme will be evaluated and reviewed so as to device more pragmatic Grant-in – Aid scheme. Such formulated new scheme, inter- alia, will aimed at solving capital scarcity of small and micro investors and will cover the following.

- Capital grant for manufacturing Micro Enterprises in the form of providing machine for improvement of quality product.
- Working capital grant for Micro Enterprises engaged in traditional Industry.

Rehabilitation of sick unit: The Govt. will formulate scheme for revival and rehabilitation of sick Industrial Unit. Professional management consultants' services will be availed, if necessary.

Skill development and training: The Government recognizes that lack of technical, managerial and entrepreneur skill among the people is one of the major problems in the process of Industrialization. Impetus will be given for skill development training and for improvement of training facilities in the State. The following approach will be adopted for the development of Industrial manpower and entrepreneurship skill.

- Training will be organized and sponsored trainees based on the industrial requirement of the state.
- DICs will be re-engineered to conduct a series of EDP Programme on continuous basis.
- Organizing product specific skill development training in association with various training institutions.
- Sponsorship of trainees in various national level training Institutions.
- Establishment of national level training Institute or their Satellite

unit in the state.

- Setting up of business incubator in association with University and other institutions.
- Capacity building and training for officials of Industries Department in various fields in association with national institutes and funding from Govt. of India.

Apprenticeship scheme will be formulated under which skill trained personnel can undergo on the job training in various industries in the state with apprenticeship stipend from the Govt.

Information and marketing support: The Govt. will give support to Industrial Units for effective marketing of their products both inside and outside the state as well as export market. The following approach will be adopted for promotion of markets.

- Price preference of 15% as provided in the Mizoram Preferential Store Purchase Rules 1994 will continue to operate. The Govt. will consider effective implementation of these Rules for Government's store purchases.
- Waiver of earnest money deposit for Micro & Small Enterprises in the State for Govt. purchases.
- A grant scheme for Industries association for participation in the national level exhibition and organization of State level exhibition to the tune of at least 50% of expenses towards hall rent and transportation of their products for exhibition will be

formulated.

- Creation of market intelligent network.
- Formation of marketing network under which the products of Micro & Small Enterprises are marketed under common brand name.
- Sponsorship of deserving entrepreneurs to attend national and international level workshop and seminars which have relevance in promoting marketing and export of their products.

Source: Directorate of Industries, Govt. of Mizoram



Chapter 7

Implementation of Central Govt. Schemes in Mizoram

MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES implements Schemes through different agencies in the state of Mizoram:-

- i) **Prime Minister Employment Generation Programme (PMEGP):** The Mizoram State introduces the scheme of PMEGP and the Nodal Agencies are District Industries Centre, Industries Department, Government of Mizoram and Khadi and Village Industry (KVI), Mizoram.
- ii) **Cluster Development Programme (MSE-CDP) :** The Industries Department is the Nodal Agency of CDP in the State of Mizoram. Presently there are three approved Cluster and another promising Clusters are diagnosed and proposal are submitted to the Ministry of MSME. The corpus fund for each Cluster is upto Rs. 15.00 Crores
- iii) **Scheme of Fund for Regeneration of Traditional Industries (SFURTI):** The KVIC directly implemented the scheme of SFURTI in the state of Mizoram. The maximum investment for any single unit is Rs. 8.00 Crores.

- iv) **Credit Guarantee Fund Scheme Assistance to Micro & Small Enterprises (CGTMSE):** The scheme is directly implemented by Nationalized Banks in the State of Mizoram. A maximum limit is up to Rs. 1.00 Crore for single Unit.

Schemes of Ministry of Commerce and Industry available in Mizoram State:

- i) **Export Development Fund for NER:** The scheme is implemented through Department of Trade & Commerce, Government of Mizoram. Secretary of Trade & Commerce Department is the designated Export Commissioner for Mizoram State. 30% of Total Capital Investment in the project was subsidized by Ministry of Commerce and Industry, GOI.
- ii) **Central Freight Subsidy:** Since 2015 the scheme of Central Transport Subsidy (CTS) was converted to Central Freight Subsidy. 90% of transport cost was subsidized by the central government under the scheme. The scheme was implemented through Industries Department, Government of India.
- iii) **Central Capital Investment Subsidy (CCIS):** 30% of the total investment on Plant and machinery was subsidized by the Central Government.

Schemes of Department of Fisheries, Government of India:-

- i) **Post Harvest Handling Facility:** The Post harvest handling facility is applicable in the state of Mizoram. 30% of the Cold Storage and Cold chain facilities can be availed under the scheme.

Scheme of National Bamboo Mission applicable in Mizoram State:-

- i) **Innovative Project:** Under the scheme 100% of the project cost is finance by the National Bamboo Mission, Ministry of Agriculture and Cooperation, Government of India. The Nodal Agency of the State is Mizoram State Bamboo Mission, Department of Forest, Government of Mizoram.

MUDRA Bank Scheme: This is the newly introduced scheme by Government of India. As such, all the Nationalized Banks are the Nodal Agencies of the Scheme in Mizoram.

Ministry of Tribal Affairs Schemes: All innovative and livelihood sustainability project for Tribal people can be accepted under the scheme. The sharing pattern of the scheme is in the ratio of 90:10 (Ministry of Tribal Affairs: Implementing Agency)

Source: Mizoram chamber of Industries, Aizawl.

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MICRO, SMALL & MEDIUM ENTERPRISES

Chapter 8

Role of Br. MSME-DI, AIZAWL

Branch MSME – Development Institute, Aizawl is working under MSME-DI, Agartala. The Aizawl Branch is looking after the promotion and development of Micro, Small and Medium enterprises in the districts of Aizawl, Kolasib, Lunglei, Saiha, Champhai, Serchip, Lawngtlai and Mamit. Moreover, the Branch MSME came into existence with a view to provide technical, managerial and economic support to the entrepreneurs of the State. The institute is providing techno-managerial support to existing and prospective entrepreneurs for selection of ventures, preparation of profiles etc. The Institute also prepared Brief Industrial Profile of 6 Districts and State Industrial profile is under preparation. Beside this, the institute also provides active support to Khadi and Village Industries Commission (KVIC) in the Implementation of Prime Minister Employment Generation Programme (PMEGP).

The key functions and assistance rendered by this Branch are as follows:

- Consultancy (techno economic & management) to prospective and existing entrepreneurs.
- Information on projects.
- Preparation of State Industrial Profiles
- Motivational campaign to motivate the educated un-employed youths for self employment

- Entrepreneur Development Programme.
- Management Development Programme.
- Preparation for directory for specific Industry.
- Co-ordination with DIC,
- KVIC & Other promotional agencies.
- Linkages with State Govt. functionaries.
- Capacity Assessment of MSME.
- Cluster Development Programme
- Vendor Development Programme.

Key activities

Development of New Projects

- Assisting and guiding in setting up of new projects through preparation of District Industrial Potential Survey Reports by ways of providing information on potential resources, infrastructure, market etc.
- Preparing project reports, appraising projects and assessing production capacity of MSMEs etc.

Marketing support

- Providing marketing assistance to small entrepreneurs through Single Point Registration Scheme of NSIC for participation in the Govt. Store Purchase programmes.

- Providing marketing support to small entrepreneurs by organizing Vendor Development Programmes and Buyer-Seller meet.

Entrepreneurship Development Programme (EDP):

Entrepreneurship Development is one of the key elements for promotion of micro, small enterprises. The Entrepreneurship Development programmes (EDPs) are conducted through MSME-DI, with focus on entrepreneurial development coupled with specific skill relating to trades like electronics, electrical, food processing etc which enables the trainees to start their own ventures.

The programme is mainly two weeks duration, the curriculum is designed based on the needs of the industry and are customized. The programme is conducted exclusively for weaker section of the society (ST/ SC/ WOMEN/ PHYSICALLY HANDICAPPED) for which no fee is charged.

Industrial Motivation Programme (IMC): Industrial Motivation Campaign (IMC) is organized to identify traditional and non-traditional entrepreneurs having potential for setting up an MSEs so as to lead them towards self-employment. The programme is one day duration with no fees and age of participants 18 years and above.

Entrepreneurship Skill Development Programme (ESDP):

Comprehensive training programme of six weeks duration are organized to upgrade skill of prospective entrepreneur, existing workforce and also

developed of skill of new workers and technicians of MSEs by organizing various skills development training programme with the basic objective of providing training for their skill up gradation and to equip them with better and improved technological skills of production. The Specific tailor made programmes for the skill development of socially disadvantaged groups (OBC, SC, ST, Minorities and women) are organized in various regions of the States, including less developed areas. The target groups for these programmes are SC, ST, OBC, Minorities and women and other weaker section of the society. There is a fees of Rs. 200/- for general and no fees for SC/ST participants.

Courses conducted are in Machine shop practice, Heat Treatments, Electroplating, Sheet Metal, welding, Tool & die making, Glass & ceramics, Industrial & Art wares, Herbal cosmetics, Fashion Garments, Hosiery , Food & Fruit Processing Industries, Information technology, Hardware Maintenance, Soap and detergents, Leather products/ Novelties servicing of Household Electrical Appliances and Electronic Gadgets, Gems Cutting & Polishing, Engineering Plastics, etc.

20 % of the total targeted ESDPs are conducted exclusively for weaker sections of the society with a stipend of Rs. 125/- per week per candidate. No fee is charged from candidates under these programmes. The programme outlines are as follows:-

- Agency: These programmes are conducted by MSME-DIs

- ☐ Duration: 6 weeks
- ☐ Minimum intake: 20 numbers in each programme
- ☐ Age of participants: 18 years and above.
- ☐ Qualification: As decided by the Director of the Institute.
- ☐ Training fee: Rs.200 for general, No fees for SC, ST and 50 % fee from women and physically handicapped.

State Level Vendor Development Programme (SLVDP): The objective of the Vendor Development Programme is to facilitate increased business fusion between Public Sector Units for their mutual benefit by way of providing appropriate marketing linkages. Locating suitable entrepreneurs by a number of buying organizations including the Public sector Enterprises, Defence organizations, Railways and others in indigenizing a number of products which hitherto have been imported at a colossal cost. The Exhibition provides a platform for displaying the products and service of MSMEs and requirements of Large scale buyer organizations.

The Br. MSME-DI, Aizawl also organized the State level Development Programme (SLDVP) in the year 2015 at Aizawl to highlight the public procurement policy among entrepreneurs.

Udyog Aadhar Memorandum (UAM): Filing of Udyog Aadhar Memorandum (UAM) has come into force with immediate effect by the Notification no.S.O.2576(E) dated 18.09.2015 in place of earlier EM-I & EM-II .In view of the above, the matter has now been examined by the competent

Authority and it is now clarified that units having either permanent SSI registration certificates prior to implementation of the MSMED Act, 2006 or EM-II Memorandum or Udyo Aadhar Memorandum would also be eligible for availing of assistance under various Schemes implemented by the Government. Udyog Aadhar Memorandum is a simplified form to be filled on self declaration basis without any supporting documents and fee. It shall be filed online at <http://udyogaadhaar.gov.in>.

Within a short span of about 6 months (till 18.03.2016), more than 4.00 lakh MSMEs have registered themselves in the country with the help of above mentioned platform.

In the context of Mizoram, there has been a delayed in implementation of Aadhaar under Unique Identification Authority of India (UIAI), Govt. of India. Therefore, Udyog Aadhar Memorandum registration under various office of Industries Departments is not much progress in the State, still then the officials of concerned department are working hard in motivating the people to enroll in order to avail Government and Non-Government services in future. In recent year, the progress in enrollment is felt throughout the State, so the number of entrepreneurs' registration under Udyog Aadhar Memorandum (UAM) is expected to increase in near future.

Source: Ministry of MSME, Govt. of India.

Institutional Support

CENTRAL GOVERNMENT AGENCIES FOR the development of small scale industries in the State:

Small Industries Development Bank of India (SIDBI): Small Industries Development Bank of India, as a separate apex bank was set up in 2 April , 1990 as a principal institution for promotion, financing and development of industries in the small scale sector and for coordinating the functions of other institutions engaged in similar activities. Financial assistance by SIDBI provides refinancing credit to small scale industrial sector through State Financial corporations and other nationalized banks at a concessional rate of interest under its various policy schemes namely single window scheme, Composite loan schemes etc.

SIDBI under the charter has, *inter alia*, been assigned the task of being the main purveyor of term finance to small scale sector in the state small scale industrial units, artisans, village and cottage industry units in the tiny sector and small road transport operators are extended financial assistance mainly by way of refinance through primary Lending Institutions. All the projects in the small scale sector are normally eligible for assistance

The minimum promoter's contribution prescribed under the schemes generally varies between 10 % and 25%. The debt-equity ratio up to 3:1 is normally applicable under all refinance schemes in respect of loan amount up to Rs.10 lakh and up to 2:1 above Rs.10 lakh. Interest rate for more activities is related to size of loan under various schemes of assistance. Repayment period for the term loan is fixed after taking into account the profitability and debt-servicing capacity of the project.

KHADI AND VILLAGE INDUSTRIES COMMISSION(KVIC)

Khadi and village industries commission (KVIC) is a statutory body created by an act of Parliament No.61 of 1956 and as amended by Act No. 12 of 1987 and Act.No10 of 2006) Established in April 1957. It is under the administrative control of the Ministry of Micro, small and medium enterprises, Govt. of India. Its function comprise building up of a reserve of raw materials and implements for supply to producers, creation of common services facilities for processing of raw materials as semi-finished goods and provision of facilities for marketing of KVI products. It also facilitates training of artisans engaged in khadi and village industries

KVIC Activities and programme in Mizoram

- SFURTI: Cane and Bamboo cluster, Implementing Agency Hham chhantu Pawl. PROJECT COSTS 83 LAKHS. NA share Rs.68.91 Lakhs, implemented in 2007.
- HRD: MTDC Budget sanctioned Rs.16.00 lakhs for different ongoing training programmes , total fund sanctioned received Rs.8.00 lakhs Mizoram Khadi & V.I Board implement the programme.

- Publicity : Sanctioned Amount Rs.9.00 lakhs, Fund received Rs.2.00 lakhs , Expenditure incurred Rs.2.00 lakhs (as on date)
- Information Technology: Rupees 1.00 lakhs was sanctioned and received out of which 60 % of the fund was utilized for the year 2015-16

Mizoram Khadi and Village Board(MKVIB): Mizoram KVI Board is established in March 1986 by an act of Assembly i.e. the Mizoram khadi & Village Industries Act 1982. The Board is a statutory body and promotional body but having a power to take up trading and business activities for the benefit of its registered village Industries Units, so as to promote village industries. The Mizoram KVI Board is established to provide for the better facilities development and regulation of Khadi and village Industries in the State of Mizoram. As provided in section 17 of Mizoram Khadi and village Industries Board Act, 1982, the Board shall perform the following functions and activities.

- ☐ To start encourage , assist and carry on Mizoram Khadi & Village Industries and to carry on trade or business in such industries and in the matters incidental to such trade or business.
- ☐ To help people by providing them with work in their homes and to give loans and other forms of monetary help to individual, registered co-operative societies and registered institutions.
- ☐ To encourage establishment of Co-operative societies for Khadi & Village Industries and handicraft. To conduct training and to train people with a view to equipping them

with the necessary knowledge for starting or carrying on Khadi and village Industries.

- Mizoram KVI Board is one of the implementing agencies for PMEGP in the state.

Source: Mizoram KVI Board.

Department of Industries: Department of Industries is one of the oldest departments of Mizoram which have been created since Mizoram under Union Territory administration in 1972 and continued after becoming full-fledged State in 1987.

The Department is vested with major objectives such as:

- Creation of cordial environment for ensuring outmost value addition of locally available resources.
- Mobilization of Micro, Small and Medium enterprises to achieve employment generation and utilization of local human capital and resources.
- Creation and improvement of industrial infrastructure to attract investment of both domestic and foreign direct Investment.
- Increase in human capital enhancement of skill and employability.

Source: Department of Industries, Govt. of Mizoram.

Mizoram Chamber of Industries: The Mizoram Chamber of Industries (MCI), established in the year 1995, is the leading organization of the State of Mizoram for promoting industry and entrepreneurship in the State. Ever since its establishment, the Chamber has been playing key roles in disseminating information and creating awareness among active and prospective entrepreneurs, business communities, and among unemployed youth of rural and urban sectors of Mizoram on all matters connected with industry, commerce, trade and export opportunity of Mizoram. The Chamber actively interacts with State Government departments and their agencies, Ministries in Govt. of India, Banking Sectors and also gathers valuable inputs from its District Sub – Headquarters, located in four other District in Lunglei, Champhai, Kolasib, Serchhip and also from more than 800 active members of the Chamber and helps in opinion building and seeks policy interventions for the industry sector of Mizoram.

While giving focused attention to issues in such manner, the MCI also remains fully aware of the environmental issue, labour issue and labour welfare, women and child issues, the welfare of Scheduled Tribe (ST) and other disadvantaged communities and also remains aware of the need for striking a sustainable balance between development objectives and the rights of the Tribal population of Mizoram.

Source: Mizoram chamber of Industries, Aizawl

Chapter 10

Mizoram Economic Survey 2014 –15

AN OVERVIEW, ISSUES AND PRIORITIES

Growth: The State economy is poised to growth at an impressive rate of 8.46 % during 2014-15 with base year 2004-05, which is significantly higher than projected national growth at 7.4% during 2014-15 with base year 2011-12.

On January 30, the Central Statistics Office released a new GDP series that entailed shifting the base year from 2004-05 to 2011-12. New estimates for GDP have been provided for the years 2011-12 to 2014-15 at national level and State data with 2011-12 is not available. The State economic growth estimates is expected to be even higher with revised base year.

Provisional per capita income during 2012-2013 is Rs. 63413.00 as against previous year's estimate of Rs.53624. Per capita income at the national level is Rs. 71593.00 against the previous year's estimate of Rs.64316.00.

The growth performance of the State economy has been quite commendable as the economy has to go through challenging times amidst partial policy paralysis at the Centre due to Lok Sabha election and subsequent change in Government that has been severely hindering funds flow from the Centre to the State. Moreover, the State Government has also been initiating slew of economic reform measures including Government's efforts to remain steadfast in the pursuit of fiscal consolidation, downsizing of Government, other economy measures.

Evidently, continued hard work and sound economic management including consistent efforts and persistent pro-growth initiatives of the stable Government in the State has yielded such an impressive growth outcomes.

Sectoral Performance: Services or Tertiary Sector dominates the economy in terms of contribution to the Gross State Domestic Product (GSDP) at 57.68% of the total GSDP (2013-14). Services Sector has been growth drivers of the economy for the past years with contribution to the GSDP hovering between 57% to 63%.

The Primary Sector comprising agriculture & allied activities contributed 16.26% (2013-2014) to the GSDP. Livelihood of about 60% of the population depending on agriculture and allied activities, faster growth in agriculture is both a necessary and sufficient condition for stronger, sustainable and inclusive growth in the State.

The Industry Sector contributed 26.05% of GSDP during 2013-2014. The main driving force of the sector is Construction Sector with a contribution of 21.91% to the GSDP in 2013-2014.

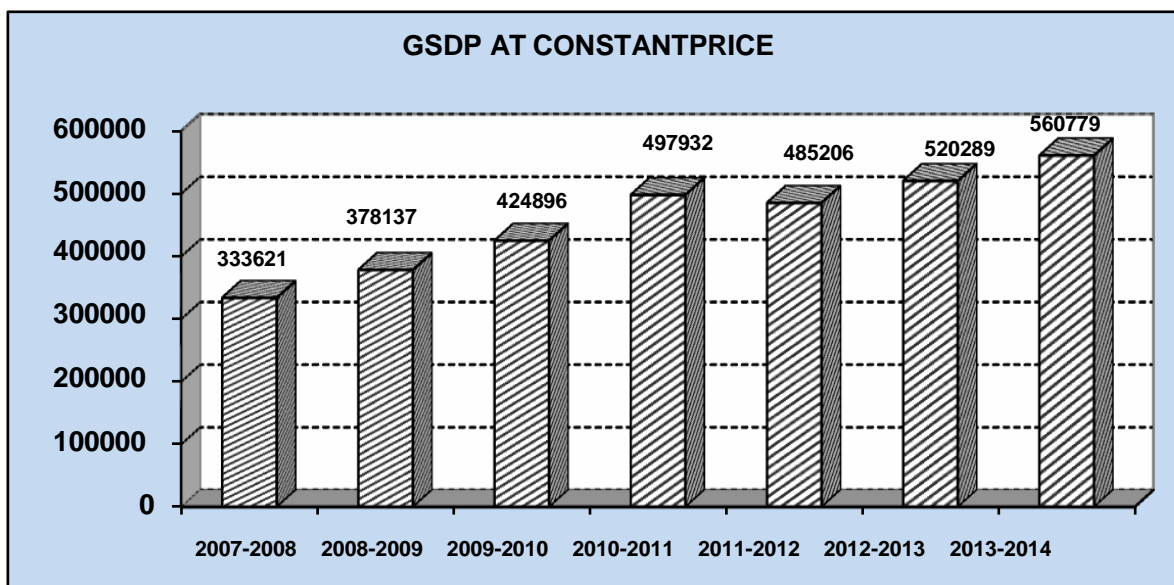
Inflation: The Annual inflation rate (Provisional as of December 2014) on point to point basis (*December 2014 over December 2013*) in Mizoram is 3.82 % against the all India inflation rate of 5.00%, significantly lower than the all India average.

As compared to corresponding period last year, the all India annual inflation rate significantly decreases from the previous year's level at 9.87 %. In the case of Mizoram, the decline in inflation rate is even higher from the previous year's rate of 11.67 %. Moderation in the rate of inflation from double digit to about 4% rate is expected to bring about a more stable economy for inclusive growth in the State.

Overview of Mizoram Economy: The Gross State Domestic Product (GSDP) of Mizoram has been continuously growing over the years with impressive rate. Gross State Domestic Product (GSDP) at factor cost at constant (2004-2005) prices is expected to attain Rs.560779 lakh in 2013-2014 against the provisional estimates of Rs.520289.00 lakh for the year 2012-2013 showing a growth of about 8 % over the previous year. The GSDP at constant (2004-2005) prices has clocked 9 % average annual growth rate during the Financial year 2004-05 to 2013-2014.

GSDP at Factor Cost by Economic Activity: Mizoram
(At constant 2004-2005 prices): Rs (in Lakh)

Sl. No	Industry	2010-2011	2011-2012	2012-2013 (Provisional Estimates)	2013-2014 (Projected Estimates)
1	2	3	4	5	6
1	Agriculture, Forestry & Fishing	104474	101221	101257	101332
2	Mining & Quarrying	1287	1694	1133	758
3	Manufacturing	5381	7170	8242	9741
4	Electricity, Gas & Water Supply	15632	14585	16564	18812
5	Construction	59567	60342	59618	58903
6	Trade, Hotels, Transport & Communication	56556	54847	58874	63253
7	Financing, Insurance, Real Estate & Business Service	77222	85029	91018	97598
8	Community, Social & Personal Services	177813	160318	183583	210382
	GSDP at Factor Cost	497932	485206	520289	560779

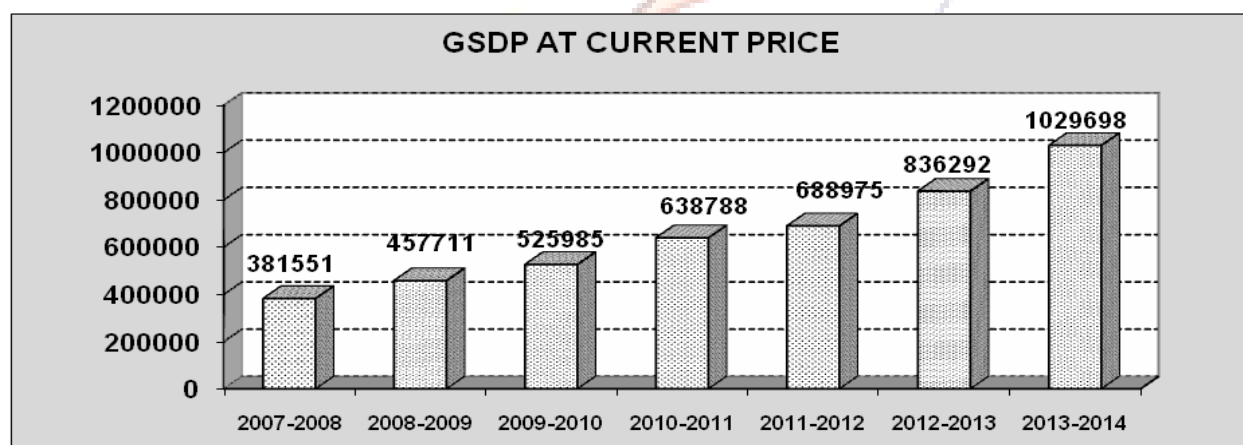


GSDP at factor cost at current prices is projected to touch Rs.1029698/- lakh in 2013-2014, a change of 20.05% , over the previous year's (2012-13) figure of Rs.836292 lakh.

GSDP at Factor Cost by Economic Activity: Mizoram

		<i>(At Current Prices)</i>		<i>(Rs in Lakh)</i>	
Sl. No.	Industry	2010-2011	2011-2012	2012-2013 (Provisional Estimates)	2013-2014 (Projected Estimates)
1	2	3	4	5	6
1	Agriculture, Forestry & Fishing	128206	137955	151960	167424
2	Mining & Quarrying	1796	2331	1653	1172
3	Manufacturing	6946	7727	8642	10035
4	Electricity, Gas & Water Supply	21038	21972	26253	31368

5	Construction	80651	96516	147574	225642
6	Trade, Hotels, Transport & Communication	71224	77323	91327	108001
7	Financing, Insurance, Real Estate & Business Service	108803	128423	147172	169105
8	Community, Social & Personal Services	220124	216728	261711	316951
	GSDP at Factor Cost	638788	688975	836292	1029698

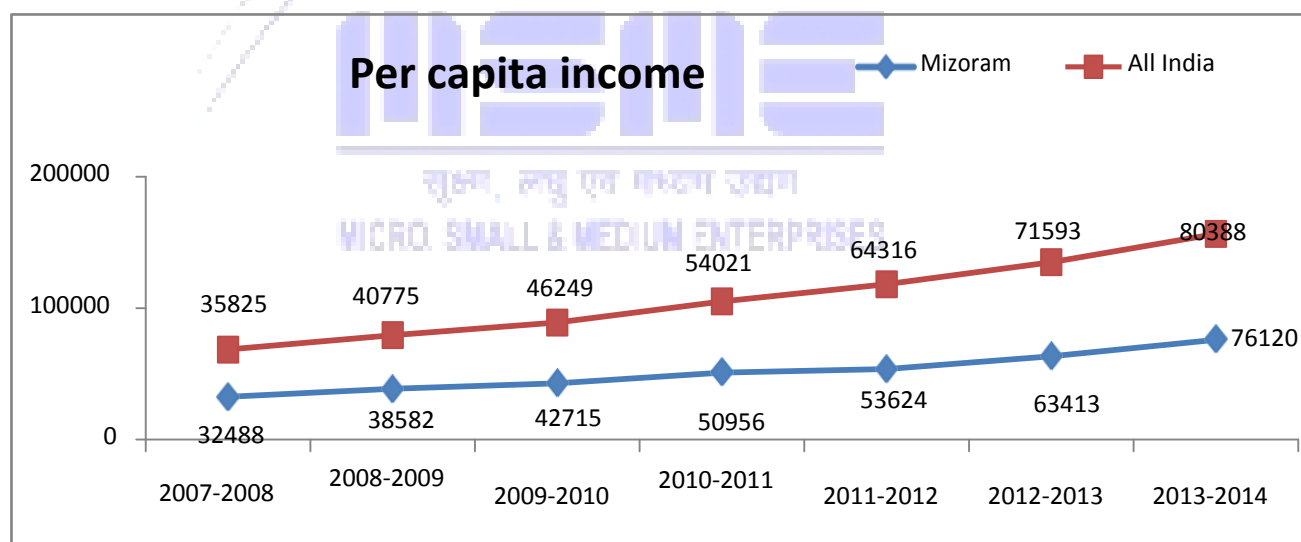


The per capita income of Mizoram for the year 2012-2013 is estimated at Rs.63413/- as against the previous year's estimate of Rs.53624/-. Per capita income at the national level is Rs.67839/- for the year 2012-13 (Revised Estimates).

Per Capita Income

Year	Per Capita Income (in Rs.)
2008 – 2009	38582
2009 – 2010	42715
2010 – 2011	50956
2011 – 2012	53624
2012 – 2013 (P)	63413
2013 – 2014 (Pr)	76120

P= *Provisional Estimate*, Pr= *Projected Estimate*



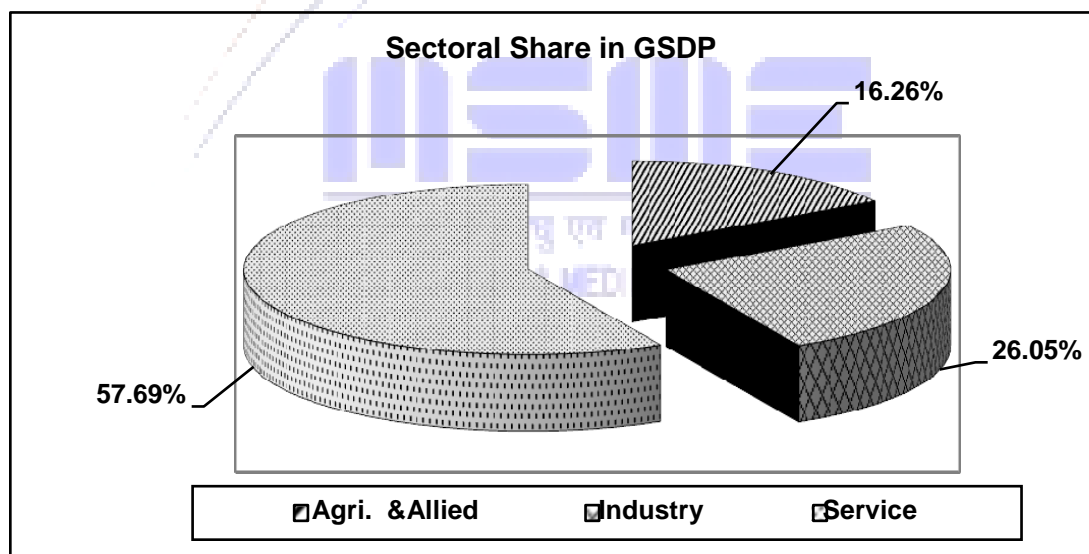
Sectoral Share to GSDP (2013-2014) Projected Figure.

Sl. No	Sector	Percentage share to GSDP
1.	Agriculture (Animal & Crop Husbandry)	12.01
2.	Forestry	3.59
3.	Fishing	0.66
4.	Mining & Quarrying	0.11
5.	Manufacturing (regd. & unregd.)	0.97
6.	Construction	21.91
7.	Electricity, Gas & Water Supply	3.05
8.	Transport, Storage & Communication	2.43
9.	Trade, Hotel & Restaurant	8.06
10.	Banking & Insurance	1.88
11.	Real Estate & Business Services	14.55
12.	Public Administration	19.06
13.	Other Services	11.72

Sectoral Performance of the Economy: The following table illustrates performance of the different sectors in the economy of Mizoram. The remarkable contribution of the tertiary or service sector constituting a share of about 58% of the total GDP clearly indicates that there is sector drives the economy of Mizoram. This industry sector contributed 26 % while the agriculture & allied sector contributed 16 % to the GSDP.

Industry Sector: The Industry Sector which comprises of (i) Mining & Quarrying, (ii) Manufacturing, (iii) Construction and (iv) Electricity, Gas and Water Supply contributed Rs. 268217 lakhs during 2013-2014. Its percentage share to GSDP being 26.05 %. The main determinant of this sector being Construction 21.91 % to the GSDP in 2013-2014.

Service Sector: The service sector comprising (i) Transport, Storage & Communication, (ii) Trade & Insurance, (iv) Real Estate Business Services etc, (v) Public Administration and (vi) Other services continues to have the highest contribution to the GSDP. Its shares have been hovering between 57% to 63 % during the past 5 years.



Sectoral Contribution to GSDP (Base Year 2004-2005)

Year	Agriculture & Allied Sector		Industry Sector		Service Sector	
	Current Price	Constant (2004-05) Price	Current Price	Constant (2004-05) Price	Current Price	Constant (2004-05) Price
2004-2005	63025	63025	44529	44529	160643	160643
2005-2006	64787	64053	59783	57197	172545	165692
2006-2007	68565	64227	64208	57826	196225	178534
2007-2008	80109	73258	76345	65327	225097	195036
2008-2009	94065	82198	95201	76289	268445	219650
2009-2010	107836	89737	102729	78817	315420	256342
2010-2011	128206	104474	110431	81867	400151	311591
2011-2012	137955	101221	128546	83791	422474	300194
2012-2013 (P)	151960	101257	184122	85557	500210	333475
2013-2014 (Pr)	167424	101332	268217	88213	594057	371233

Sectoral Share in Percentage (Base year 2004-2005)

Year	Agriculture & Allied Sector		Industry Sector		Service Sector	
	Current Price	Constant (2004-05) Price	Current Price	Constant (2004-05) Price	Current Price	Constant (2004-05) Price
2004-2005	23.50	23.50	16.60	16.60	59.90	59.90
2005-2006	21.81	22.32	20.12	19.94	58.07	57.74
2006-2007	20.84	21.37	19.52	19.24	59.64	59.39
2007-2008	21.00	21.96	20.01	19.58	58.99	58.46
2008-2009	20.55	21.74	20.80	20.17	58.65	58.09
2009-2010	20.50	21.12	19.53	18.55	59.97	60.33
2010-2011	20.07	20.98	17.29	16.44	62.64	62.58
2011-2012	20.02	20.86	18.66	17.27	61.32	61.87
2012-2013 (P)	18.17	19.46	22.02	16.44	59.81	64.09
2013-2014 (Pr)	16.26	18.07	26.05	15.73	57.69	66.20

*Source: Government of Mizoram, Planning & Programme Implementation
Department (Research & Development Branch)*

Chapter 11

Prime Minister's Employment Generation Programme (PMEGP)

THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (MoMSME) has launched a new credit linked subsidy programme called Prime Minister's Employment Generation Programme (PMEGP) on 15 August 2008 by emerging the Prime Minister's Rojgar Yoyana (PMRY) and the Rural Employment Generation Programme (REGP) that were in operation till 31 March 2008, for generation of employment opportunities through the establishment of micro enterprises both in rural and urban areas. PMEGP is a central sector scheme administered by MoMSME.

The scheme is implemented by Khadi and Village Industries Commission (KVIC) as the nodal agency at the National level. At the State level, the Scheme is implemented through the State KVIC Directorate, State Khadi and village Industries Board (KVICBs) and District Industries Centre (DICs) and Banks. The Government subsidies under the scheme routed by the KVIC through the identified Banks are properly distributed to the beneficiaries /entrepreneurs in their Bank accounts.

Objectives: To generate employment opportunities both in rural and urban areas of the country through setting up of new self-employment ventures /projects/ micro enterprises.

Quantum and nature of Financial Assistance: KVIC will provide Margin Money (Subsidy) as follows through banking system:

Categories under PMEGP	Beneficiary's contribution (of project cost)	Rate of Subsidy(of project cost)	
		Urban	Rural
Area(location of project/unit)			
General Category	10%	15%	25 %
Special (including SC/ ST/ OBC/ Minorities, women, Ex-servicemen, physically handicapped , Hill and border areas, etc	5%	25%	35%
All categories of beneficiaries of States of North Eastern Region	5%	25%	35%

Ceiling Limit of Project cost:

- The Maximum cost of the project/unit admissible under manufacturing sector is Rs.25 lakh
- The Maximum cost of the project/unit admissible under business/service sector is Rs.10 lakh.

Eligibility conditions of beneficiaries:

- ✓ Age: Any individual
- ✓ Education Qualification: VII standard pass for setting up of project costing above Rs. 10 lakh in the manufacturing sector and above Rs.5 lakh in the business/service sector. Otherwise there is no specific educational qualification.
- ✓ New Projects: Assistance under the scheme is available only for new projects sanctioned specifically under PMEGP.
- ✓ Self help groups: provided that they have not availed benefits under any other scheme.
- ✓ Institutions: Registered institutions.
- ✓ Production Co-operative societies and charitable thrust.
- ✓ Non-Eligible units: Existing units and the units that have already availed subsidy under any other scheme of the central and state Governments are not eligible. Partnership firm is also not eligible.

Implementing Agencies: The scheme will be implemented by KVIC, KVIB in rural area and DIC in urban area.

Nodal Agency: KVIC is the nodal agency for implementing the scheme.

Financial Institution:

- ☐ All Public sector Banks.
- ☐ All Regional Banks
- ☐ Co-operative Bank is and private sector scheduled commercial Banks approved by the State Level Task Force Committee.
- ☐ Small Industries Development Bank of India(SIDBI)

Identification of beneficiaries: The identification of beneficiaries will be done at the district level by a Task Force headed by the concerned Deputy Commissioner with representatives from KVIC, KVIB, DIC and Banks.

Bank Finance: Bank will be sanctioned 95 % of the project cost to the beneficiary/ institution and disburse full amount suitably for setting up of project.

Village Industry: Any Village Industry including coir dased projects (except those mentioned in the negative list) located in the rural area which produces any goods or renders any service with or without the use of power and in which the fixed capital investment per head of full time artisan or workers i.e Capital Expenditure on Workshop, machinery and furniture divided by full time employment created by the project does not exceed Rs.1.00 lakh in plain areas and Rs.1.50 lakh in hilly areas.

Eligible activities: All activities which do not appear Negative list circulated by KVIC are eligible for financing under PMEGP Scheme.

Negative list Activities: Activities under the negative list (not eligible for assistance under PMEGP) are:

- ❑ Any industry/business connected with Meat (slaughtered), i.e. processing canning and /or servicing items made of this as food production/manufacturing or sale of intoxicant item like Beedi/pan/cigar/cigarette etc and Hotel or Dhaba or sales outlet serving liquor, preparation of tobacco as raw materials, tapping of today for sale.
- ❑ Any industry/business connected with the cultivation of crops /plantation like tea, coffee, rubber etc sericulture (cotton raring), Horticulture, Floriculture, Animal Husbandry like pisciculture, Piggery, poultry, Harvester Machines etc.
- ❑ Manufacturing of polythene carry bags of less than 20 microns thickness and manufacture of carry bags or containers made of recycled plastic for storing, carrying, dispensing or packaging of food stuff and any other item which causes environmental problems.
- ❑ Industries such as processing of Pashmina wool and such other products like hand spinning and hand weaving, taking advantages of Khadi programme under the purview of certification Rules and availing sales rebate.
- ❑ Rural Transport (Except Auto Rickshaw in Andaman and Nicobar Island , house Boat, SHIKARA & Tourism Boats in J&K and cycle Rickhaw.

- ☐ **Rural Areas**
- ☐ Any area classified as village as per the revenue record of the State/Union Territory, irrespective of population.
- ☐ It will also include any area given if classified as town, provided its population does not exceed 20,000 persons.

Entrepreneurship Development Programme (EDP): EDP is mandatory for all the PMEGP beneficiaries. Once bank sanctioned the project, beneficiary has to undergo 2 weeks EDP training through KVIC, accredited Training Centres. Beneficiary who has already undergone EDP training earlier not less than two weeks are exempted from EDP training.

Marketing support

- ☐ Marketing support for the products produced by the units under PMEGP may be provided through KVIC'S marketing sales outlets as far as possible, subject to certain conditions.
- ☐ Besides the above, KVIC will arrange Exhibitions, Workshops at District/State/Zonal/National and international levels, Buyer-seller Meets etc. for the benefit of PMEGP beneficiaries.

Source: Khadi and Village Industries Commission, Govt. of India, Aizawl

Chapter 12

NUMBER OF UNITS AND EMPLOYMENT REGISTERED UNDER SMALL SCALE INDUSTRIES DURING 2013-14

Sl.No	Type of industry	No.of Small scale industries	No.of persons employed
1	Food Product	14	49
2	Tobacco product	-	-
3	Wool,silk, Synthetic Fibre Textile	-	-
4	Hosiery & Garment	53	176
5	Wood product	51	284
6	Paper product & printing	2	4
7	Leather products	-	-
8	Rubber &plastic products	1	4
9	Chemical & chemical product	-	-
10	Non-Metallic mineral product	7	146
11	Metal products	33	186
12	Machinery & parts except Electrical	-	-
13	Electrical Machinery & Apparatus	-	-
14	Misc. Manufacturing Industries	19	297
15	Water Works & supply	-	-
16	Construction	-	-
17	Activities Allied to Construction	-	-
18	Restaurant & Hotel	2	88
19	Education, scientific & Research service	-	-
20	Medical and Health services	1	25
21	Personal service	16	67
22	Repair Service	14	67
23	Service not Elsewher Classified	-	-
24	Others	-	-
TOTAL		213	1,393

(-) NIL

Source: Statistical handbook 2014, Directorate of Economic & Statistics, Govt.of Mizoram

KHADI AND VILLAGE INDUSTRIES

INDUSTRY-WISE PRODUCTION AND EMPLOYMENT OF KVI DURING 2013-14

Sl. No.	Name of industry	No. of Units registered	Value of production (Rs. in lakhs)	Employment (Nos.)	
1	Food and Agro-based Industry				
	a) KVIC old Pattern	1,416	475.78	875	310
	b) CBC	697	390.57	451	320
2	Textile & Service industry				
	KVIC old Pattern	1,014	399.56	850	427
	b) CBC	351	462.26	415	224
3	Polymer & Chemical –Based Industry				
	a) KVIC old Pattern	302	134.78	285	152
	b) CBC	75	103.70	96	100
4	Rural Engineering and Bio-technology				
	a) KVIC old Pattern	936	377.00	778	210
	b) CBC	282	386.42	386	272
5	Forest-Based Industry				
	a) KVIC old Pattern	218	106.21	158	80
	b) CBC	31	38.48	64	25
6	Mineral-Based Industry				
	a) KVIC old Pattern	198	135.34	197	217
	b) CBC	168	326.81	367	272
7	Handmade paper				
	a) KVIC old Pattern	86	63.47	139	60
	b) CBC	66	80.32	102	51
		5840	3840.70	5,163	2720

Source: Statistical Handbook 2014 ,Directorate of economics & Statistics, Govt. of Mizoram