

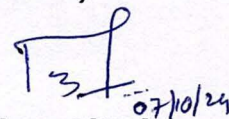
DI/TIDA/4(56)/2023/14,654-14,700
Government of Tripura
Department of Industries & Commerce

Dated, Agartala the 7th October, 2024

NOTIFICATION

The Governor of Tripura is pleased to notify the **Tripura Industrial Investment Policy (TIIP), 2024** which will come into force from 8th October, 2024 for a period of 5 (Five) years. Copy of the Policy is Annexed herewith.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TRIPURA)



(Kiran Gitte)

Secretary to the
Government of Tripura

To

1. The Secretary to the Governor of Tripura for kind information.
2. The Secretary to Hon'ble Chief Minister, Tripura for kind information.
3. The P.S. to Hon'ble Minister, Industries & Commerce for kind information
4. The P.S. to Chief Secretary, Tripura for kind information
5. The Secretary-in-Charge: Industries & Commerce/ Planning/ Finance/ Revenue/Agriculture-Horticulture/Power /Rural development/ Forest Department/ Tourism/ Health and Family Welfare/Higher Education/IT/Revenue/Law/ARDD/ Fisheries/ Transport/ Food Civil Supplies & Consumer Affairs/Urban Development/ Labour/ Co-operation/ Science, Technology & Environment
6. PCCF, Forest Department
7. The CEO, TTAADC.
8. The Director, Industries & Commerce/ Planning/ Finance/ Agriculture/Horticulture/Tourism/ Health and Family Welfare/Higher Education/IT/ARDD/ Fisheries/ Food Civil Supplies & Consumer Affairs/Urban Development/ Labour/ Science, Technology & Environment
9. Managing Director, TIDC Ltd
10. All concerned.
11. Officer in-Charge, Subsidy section, I&C for information and making necessary amendments/provisions in the Tripura Industrial Investment Promotion Incentive Scheme (TIIPIS), 2022 and subsequent schemes for implementation of the Policy components
12. GM, DIC - West Tripura/ Sepahijala/ Gomati/South Tripura/Khowai/Dhalai/North Tripura/Unakoti.
13. Officer In-Charge, FMS, I&C for information.
14. The Manager, Tripura Government Press for publication in the extra ordinary issue of the Gazette
15. _____

TRIPURA INDUSTRIAL INVESTMENT POLICY 2024

1. Preface

The Government of Tripura with a view to make Tripura a progressive and highly industrialized State has accorded top priority to drive industrial growth by attracting private investments. Among the north-eastern States, Tripura has been recognized as a progressive State for its pro-active administration and investor friendly eco- system supporting investors through ease of doing business, attractive incentive package, industrial and non-industrial infrastructure. With the objective of providing the stimulus measures for its industries and service sectors to induce an inclusive economic growth in the State in tune with visionary policies of “Make in India” and “Atmanirbhar Bharat”, the new Industrial Policy of Tripura is being introduced. The policy aims at development of manufacturing and service sector with identified thrust sectors and emphasis on sustainable development.

2. State Profile

- 2.1 **The Land:** Tripura is located in the south-west corner of North Eastern Region. The State is small, with a total area of 10,492 sq. km., about 60% of which is hilly and classified as forests. The cultivated area is about 27% only. The State gets fairly good rainfall of about 210 cm, well spread over the year. Tripura’s agro-climate conditions are suitable for a large variety of agro-horticultural crops.
- 2.2 **The People:** The State has a total estimated population of about 41.65 lakhs (2023). The density of population is also fairly high, about 396 per sq. km., particularly considering the fact that 60% of the area is forest and hilly. The literacy rate in the State is 87.22% (Census, 2011) which is higher than national average. The State has a good social infrastructure in terms of education and health institutions. There are number of Universities, degree colleges, medical college, engineering college, polytechnic institutions, nursing colleges and ITIs.
- 2.3 **Economy:** Tripura’s Gross State Domestic Product (GSDP) at current prices (new base 2011-12) has increased from Rs 19,208.41 Cr in 2011-12 to Rs 58,879.53 Cr in 2020-21(Adv). In 2020-21, 46% of its GSDP is accounted by the tertiary sector, primary sector accounting for 43% and remaining 11% is accounted for by the secondary sector, only 20% of which is from manufacturing. Per Capita income of the State in 2020-21 (adv.) is Rs. 1,29,995 which is higher than the National Average.
- 2.4 **Natural Resources:** Tripura is primarily an agrarian state, with about 44% of the population depending on agriculture and allied activities. It is also rich in natural resources such as

natural gas, rubber, tea, bamboo, agar and medicinal plants. The promising sectors of state economy are:

Rubber: Tripura is the second largest producer of natural rubber after Kerala. The production of rubber in 2023 was 1.02 MT in the state and area under rubber was 97,172 Ha. However, little value addition is done in the state.

Bamboo: The state is a home to 21 species of bamboo, and an area of 4201 sq. km under bamboo cultivation. Tripura's total bamboo yield is 1,88,512 MT/year. The Government of Tripura initiated 'Tripura Bamboo Mission' for an integrated development of the bamboo sector within the state.

Agro-Horticulture: The major crops grown in plantations are tea, rubber, cashew, orange, pineapple, jackfruit, banana, lemon, coconut and areca nut. Fruits grow very well in Tripura. The quality of jackfruit, orange and pineapple is widely recognized and the state has potential for high value horticultural crops and food processing. The climate of the state is suitable for a variety of horticultural/ plantation crops.

Agar: Agar wood has high demand throughout the world as a raw material for incense, perfume and medicine purposes. Tripura have about 14 million of Agar wood trees. Present turnover is about Rs. 500 crores (60 million USD) which is expected to increase to about Rs. 2000 crores (250 Million USD) by next 5 years.

Natural Gas: The natural gas is available in non-toxic form, with about 97 percentage methane with an estimated availability of 400 billion cubic meters. The present production is 4.5 MMSCMD and mainly used for power generation. ONGC has set up a 726.6 MW Combined Cycle Gas Turbine (CCGT) power project at Palatana Gomati District for supply of power to the deficit areas of NER region. There are two other gas based thermal power project of NEEPCO of 101 MW and 135 MW capacities.

Tea: The suitable land and climate conditions offer good potential for development of Tea industry in the state. There are 54 Tea estates in the state, of which 3 Tea estates are in public sector (TTDC), 12 Tea estates in Co-operative sector and 39 Tea estates are in Private sector. There are total 23 Tea processing factories. The yearly production is more than 80 million kg/year.

Sericulture: In Tripura, mulberry sericulture was introduced at a small level during the 5th five-year plan on the recommendation of the North Eastern Council. At present, there are 20 sericulture clusters functioning across the state. In 2020-21, 3.6 MT silk was produced in the state while 40.3 MT of mulberry cocoons were harvested.

3. Connectivity

- 3.1 Roadways: Tripura currently has 6 National Highways spread over 854 km, and 4 in-principle declared National Highways covering 229.25 km. The National Highway, linking Agartala to Guwahati, has been upgraded with geometric improvement and extended up to Sabroom (the southern-most point in the State), which is about 75 km. away from Chattogram port in Bangladesh. The state is currently developing different sections of two other National Highways NH-2028A and NH-208B. Apart from this, a new bridge, the Maitri Setu has been constructed as an important roadway in the state. The 50-metre bridge on the Feni River links Tripura with Chattogram port. Road connectivity will further improve with implementation of the BBIN agreement.
- 3.2 Railways: Currently, the rail route in Tripura covers 264 km. This network is entirely broad gauge connecting Sabroom, Tripura's southernmost town, to the rail network. Various new trains to other parts of the NER as well as the rest of India have been started. Agartala is connected with important junctions like Guwahati, New Jalpaiguri, Sealdah, Bengaluru and New Delhi by express trains. The Agartala– Akhaura rail line connecting Tripura and Bangladesh, a major 12.24-km-long rail project has been commissioned. The route will cut down travel time between Kolkata and Agartala by 21 hours.
- 3.3 Airports: Air travel is efficient way of commuting to and from Tripura. The newly constructed Maharaja Bir Bikram International Airport is the second busiest airport in North East. Three are regular flights from Agartala to Kolkata, Guwahati, Delhi, Bangalore and Chennai. Agartala is also proposed to be connected by air to Chattogram in Bangladesh.
- 3.4 Inland Waterways and Port Connectivity: Two inland waterway routes that connects the rest of India to Tripura are Kolkata–Ashuganj–Agartala and Kolkata–Daudkandi– Sonamura. India and Bangladesh signed a Protocol on Inland Water Transit and Trade (PIWT&T) in 2020, which allows inland vessels of one country to transit through the routes of the other country specified in the protocol. The development of these waterways have the potential to benefit both nations. Recently, Bangladesh has opened up two transit routes- Chattogram Port- Akhaura - Agartala and Mongla Port- Akhaura- Agartala and Statutory Regulatory Order for customs procedure of goods in transit and transshipment issued in this regard.
- 3.5 Foreign Trade Infrastructure: At present, there are 3 (three) Integrated Check Posts (ICPs) in Tripura at Agartala, Srimantapur and Sabroom with all facilities for Trade with Bangladesh. Besides, there are 5 (five) Land Custom Stations (LCS). In order to improve trade infrastructure, the Tripura Industrial Development Corporation Ltd. is setting-up up a Special Economic Zone (SEZ) at Sabroom. This will be a multi-sector SEZ. Apart from that there is only one major railway route between Dharmanagar-Agartala. Establishing connectivity between Belonia-Bishramganj-Agartala in southern Tripura, with the major trade route lying in the northern part near Silchar, Assam which is part of the BCIM Kolkata Corridor will significantly bolster exports, open up new market opportunities, and foster regional

integration, thereby contributing to the overall development and prosperity of Tripura's economy

4. Industrial Infrastructure:

- 4.1 During last decade, a number of initiatives have been taken and concerted efforts have been made, resulting in significant growth in the industrial sector. As of now, there is one large-scale unit (excluding power sector) in Tripura, one rubber thread producing unit at Bodhjungnagar. There are some medium-scale units like TMT Bars/Rods/Flats unit, Bamboo Floor Tiles, Tea Processing Factories, Rice mills, Flour Mill, rubber based industries etc. At present there are about 20,000 registered units in the State.
- 4.2 Keeping in mind the key role played by Industrial infrastructure in catalysing the development of industry as well the role of industrial parks in industrial growth, the Government of Tripura has developed 11 industrial areas, namely the Bodhjungnagar, R K Nagar , Sarasima the Dharmanagar, A D Nagar, Santirbazar, Kumarghat , Dewanpasa , Dukli and Badarghat. Apart from the brownfield parks, the TIDC is currently working to develop six greenfield parks—Jalefa, Lalchhari, Sonamukhi, Nagicherra, Kathalia, and Bijoypur Industrial Areas.
- 4.3 In terms of current land availability, a total of about 1200 acres of land is available across these parks. Infrastructures available are internal roads, power, water , drainage, effluent treatment, street lighting, ware housing, cold storage etc.
- 4.4 The state is presently a power-surplus one. In 2021-22, 3000.92 MU of power was available in the state. The Tripura State Electricity Corporation Ltd has a total capacity of 110 MW from 3 generating stations, namely the Gomoti Hydro-electric Project, the Baramura Gas Thermal Power Station and the Rokhia Gas Thermal Power Station. Further, there is also an ONGC-run power plant (726.3 MW) in Udaipur district's Palatana village. There are two power plants of NEEPCO at Manarchak (101 MW) and Ramchandranagar (135 MW).
- 4.5 To supplement the available infrastructure, the State Government is implementing an externally aided infrastructure project of \$150 million from Asian Development Bank to develop 9 (nine) industrial estates of Tripura. In addition to basic infrastructure, additional infrastructure like warehousing units, truck terminals, dispensaries, rain water harvesting, solar power, weigh bridge, CCTV, SCADA and common facilities centers will be developed. The project envisages to provide best- in-class infrastructure in 3 (three) major Industrial estates. The project is likely to be completed in next 5 years.

5. Background of New Policy

- 5.1 The investment climate is central to growth and improves outcomes for society as a whole. The Department of Industries and Commerce, Government of Tripura is catalyst and prime mover for overall industrial development in the state. The current industrial landscape of Tripura is dominated by MSME. These MSME are being supported through policy interventions like Tripura Industrial Investment Promotion Scheme (TIIPS), 2022 which provides various incentives for making investments in Tripura. However, the Department also assists large companies through various fiscal and non-fiscal initiatives to promote ecosystem development.
- 5.2 The focus on the thrust areas (like Tea, Rubber, Bamboo, Food processing Industry, Agar, Rubber wood processing, Municipal waste processing, Packaging, tourism promoting activities, hospitals/nursing homes etc.) would shape the opportunities to use local resources, boost investors' confidence, create jobs, improve industrial infrastructure, and expand the economy of the State.
- 5.3 Earlier, Tripura Industrial Investment Promotion Policy, 2007 aimed to provide a comprehensive, investor friendly environment for ensuring rapid and sustainable industrial development in Tripura and, through this, to generate additional employment opportunities and to bring about a significant increase in the State Domestic Product and eventual widening of the resource base of the State.
- 5.4 Later, Tripura had introduced the Tripura Industrial Investment Promotion Incentives Scheme, 2017 for industrial enterprises to be set up in the State of Tripura and amongst others, positioning Tripura as an attractive location for investment in IT/ITES Segment. This policy aimed to improve the utilization of local resources, support local industries through price preference purchase by Government, accelerate economic development promote better employment and self-employment opportunities and ensure optimal utilization of natural and physical resources.
- 5.5 Further in order to boost the investment in manufacturing sector, Tripura Government launched the 'Tripura Industrial Investment Promotion Incentive Scheme (TIIPIS), 2022' for the next 5 years, which focuses on providing various incentives to attract manufacturing companies in the state viz. Capital investment subsidy, proposing an increase in transport subsidy from 10 per cent to 50 per cent for the ease of transportation and trade, procurement preferences, power subsidy interest subsidy etc. Under this scheme, various incentives/subsidies are provided to private sector, cooperative sector, self-help groups, joint sectors etc. for setting up industries in the state.

5.6 The newly approved TIIPIS, 2022 encourages the entrepreneurs to set up their industrial units based on the local raw materials like rubber, bamboo, agriculture and horticultural produce, gas, tea, Agar chips and oil extraction, rubber wood processing and some demand-based services and manufacturing sector activities related to tourism promoting activities like, water sports, ropeways, floating restaurants and hospital and nursing homes, processing of plastic waste and e-waste, municipal waste etc.

5.7 The Tripura Industrial Investment Policy, 2024 aims to address the challenges faced by industries and make Tripura a preferred destination for investment highlighting the specific measures taken by the state to promote industrial development in the state.

5.8 This industrial policy sets out clear and credible specific measures to improve the investment climate towards better regulation by removing barriers to competition, promoting infrastructure, up-gradation for ecosystem development, promoting manufacturing companies by providing incentives and creating an overall conducive ecosystem for the industry.

6. Guiding Principles of the Policy

The five pillars of the policy are:

6.1 Infrastructural Development- It mainly focuses on the development of new facilities, which would include industrial infrastructure to support manufacturing, service and logistics sector, as well as, provide better linkages throughout the State and help in smooth transportation and trade, including foreign trade.

6.2 Fiscal Policy- These are the incentives which provide fiscal/monetary benefits to the entrepreneurs and encourages them for greater investments in the State economy. MSME sector also receives a great amount of fiscal relief through these policies. It also initiates the growth of the Large-Scale Industries.

6.3 Investment Promotion- It helps in attracting investment in a more structured, focused, and comprehensive manner. To increase the amount of investment in the state, the Investment Facilitation Bureau guides the investors in their investment journey. This nurturing would trigger a lot of new industries in the State.

6.4 Ease of Doing Business- It aims to create a platform to provide a supportive ecosystem for the prospective and existing business community in the state and drives forward the state's vision of prosperity for all. Ease of Doing Business in Tripura encourages investor friendly environment and reduces cost of transacting business; it particularly examines the domestic small and medium-sized companies and help to reduce the regulations applicable to them through their life cycle.

6.5 Gender responsive and socially inclusive growth: It reiterates the need to promote employment and entrepreneurship opportunities for everyone including women and marginalized sections. All infrastructure created will be accessible and inclusive with specific focus on women's security, sanitation, transport and last mile connectivity. The policy also envisages incentives and support mechanisms for women-led enterprises and non-farm collectives.

7. Vision

It is aspired to convert Tripura into the preferred destination for industrial and trade activities, thereby affording to State and its people –

- Rapid economic development and improved living standards
- Better employment & self-employment opportunities
- Optimal utilization of natural and physical resources.

8. Mission

To act as the facilitator and catalyst for opportunities in the industries and trade sector; across micro, small-scale, medium and large scale units; and for internal and

9. Values

As a progressive State that has the livelihood interests of people as the focus for its activities, with enduring value-set guiding the way in which we interact with our co- stakeholders and link our collective efforts.

10. Objectives of the New Policy

The objectives of the Tripura Industrial Investment Policy 2024 are:

- To establish Tripura as a competitive investment destination, leveraging the advantages of its strategic location of access to port, availability of abundant natural resources, stable and good governance.
- To initiate the growth of more Large-Scale Industries in Tripura for rapid economic development of the State.
- To Improve the Forward linkage of the State i.e., to initiate marketing, branding and setting up more Packaging/ Finished Goods Industry.
- To work out new parameters especially for the development and strengthening of MSME sector in the State based on available local resources for the economic benefit of local urban and rural youth.
- To promote ease of doing business by streamlining and reducing procedural formalities to speed up investment including Digitization, Rationalization and Decriminalization of existing State laws.
- To create inclusive infrastructure and gender responsive systems for promoting entrepreneurship and employment for women and marginalized sections.

- vii. To encourage Research and Development of business and industries.
- viii. To create conducive ecosystem for Start-up Industries in the state
- ix. To encourage export-oriented industries in the state by inclusion of suitable incentives in State Incentive schemes
- x. To encourage sustainable investment environment in the State and to promote Tripura as a Brand, i.e., “Brand Tripura”.

11. Policy Period

The policy shall be valid for a period of five years from the date of notification.

12. Ease of Doing Business and Reducing Compliance Burden

Government of Tripura has taken several initiatives in Ease of Doing business. The Tripura Industries (Facilitation) act, 2018 focuses on creating an online portal to ensure investor friendly environment and improve ease of doing business.

12.1 SWAAGAT Portal

It is a Single Window Approval by All Government Agencies in Tripura. It is a portal for setting up industries in the State that caters to the Industrial fraternity with the primary objective to simplify. It acts as the integrator and catalyst for opportunities in the industries and trade sector; across micro, small-scale, medium and large-scale units; and for internal and international trade and commerce.

The salient features of the SWAAGAT portal are:

- i. Common Application Form (CAF) along with uploading of all preliminary documents.
- ii. Unique Identification Number as the Single State Registration ID for Tripura.
- iii. Centralized Inspection System for display of inspection schedules, inspector allocation etc.
- iv. Incentives Management which helps the investors / industrialist to apply for incentives.
- v. Certificate Generation like NoC, Licenses and other certificate via UIN number
- vi. Grievance management system to report grievance and redressed.
- vii. Centralized payment gateway integrated with NIC e-grass payment gateway
- viii. National Single Window System (NSWS): SWAAGAT integrated with the NSWS.

12.2 The Tripura Industries (Facilitation) Act 2018:

With the initiative of Government of Tripura, Tripura Legislative Assembly has passed the “Tripura Industries (Facilitation) Act 2018” and “The Tripura Industries (Facilitation) Rules, 2020” for creating single window clearance to set up new businesses in Tripura. With the passing of the Act, most comprehensive regulatory changes have been effected by Government of Tripura. This has enabled entrepreneurs to file single and common application form for obtaining all approvals for setting up of business.

12.3 Investment Facilitation cell

- i. In order to facilitate investments, an Investment Facilitation Cell/Committee will be setup which be mandated to facilitate investments in Tripura. The Cell/Committee will be headed by the Secretary, Industries & Commerce of Tripura. The Director, Industries & Commerce of Tripura, will be Member Secretary of the cell and responsible for overall leadership, strategic planning, and coordination of the investment facilitation efforts
- ii. The departments within the Cell will include an Investment Promotion Division and an Investor Assistance Division. The Cell will consist of Members from all line Departments. Further, a dedicated aftercare wing with provision for hiring of domain experts to support the Investment Promotion Activities and will be responsible for providing continued support to investors, and handholding.

12.4 Industrial Grievance Forums

- i. The Industrial Grievance Forum will receive the grievances in the Department of Industries and Commerce in two modes viz. through an Online Portal and also in offline or physical mode from investors and entrepreneurs
- ii. The grievances will be reviewed in the Directorate of Industries at level of Director on regular basis. Any person or party having any grievance on any matter related to the Department or to any organization of this Department can file his/her grievance. This forum will then try to resolve the grievance by taking the required measures for the same
- iii. The steps taken by the Department to redress the grievance will be informed to the aggrieved investor within 30 days from the date of submission of the grievance.
- iv. If the person/investor is not satisfied with the grievance, an appeal may be filed with the Secretary-in-Charge, Industries & Commerce through an Online Portal and also in offline or physical mode.

13 Focused approach for balanced regional development.

- i. Balanced regional development is an important condition for the harmonious and smooth development of a State. It does not imply equal development of all districts of a State; rather it indicates utilization of development potential of all areas so that the benefit of overall economic growth is shared by the inhabitants of all the districts. Balance regional development will ensure reduction in disparity in per capita income, prevent concentration of industries, dispersal of industrial employment. Thus, anchor units in industrially recessive districts will be provided with special incentives.
- ii. Anchor Unit will be defined as the pioneer manufacturing enterprises (except tea manufacturing units and conventional power generation unit) with threshold minimum employment and/or minimum investment in each of the Districts where no major industrial enterprises (except tea manufacturing units and conventional power generation unit) exist at present.

14 Land Banks

- i. The state government has earmarked land parcels available for industrial use across the state the details of which are available in a GIS based online portal <https://tsac.tripura.gov.in/tidc/>. The portal provides details of Industrial Parks and estates with available infrastructure, plots of land allotted, vacant land etc. Government will continuously update and upgrade the portal to facilitate the investors with respect to availability of land parcel. The State Government will also add new available land parcels from time to time.
- ii. Beside, with a view to promote private investment in industrial infrastructure development, State Capital Investment Subsidy shall be provided to eligible Private Sector Infrastructure Developers for creation of industrial infrastructure like Industrial Park/ Estate/ Logistic Hub/Multi-modal logistic Park/Truckers Park in the State with basic infrastructure such as, development of Internal Road, Water supply system, Electricity network including street lighting, construction of factory sheds, Ware houses, boundary wall and sanitation facility where the land area is not below 50 acres with at least 30 acres developed exclusively for industrial/logistic use.
- iii. Dharmanagar in North Tripura district is the entry point to Tripura by roadway and railway and they extend in parallel up to Sabroom, the nearest point to Chittagong Port. Thus, the entire stretch of about 330 Km. passes through important towns of Tripura which possesses the potential to be developed as an economic corridor. The State Government will identify land parcels in all districts near national highways/railway stations to be developed as industrials parks, logistic parks and for allotment to individual large scale units. Land of defunct tea estates, unused/excess land of other departments, fellow lands may be used for industrial purpose.

15 Land Allotment Process

An industrial land allotment process is necessary for proper and effective use of land resource especially in hilly states where land suitable for industrial purpose is limited. The process aims at codifying a transparent mechanism in allotting land to aspiring entrepreneurs in a time bound manner in compliance with requirements and thus reduce processing cost and time. The land allotment is done for 30 years for setting up the industrial project, with a provision to renew for subsequent 30 years as per the agreed terms and conditions. The entire land allotment process is done by the Tripura Industrial Development Corporation (TIDCL), which is updated regularly as per the industry requirements. TIDCL will frame a new Land Allotment Policy along with Building Guideline towards bolstering economic growth and industrial development by ensuring transparent and swift access to land. The policy will focus on increasing access to land for women-led enterprises especially SHG federations and non-farm collectives.

16 Promotion of Micro, Small and Medium Enterprises (MSMEs)

- i. Majority of the industries in Tripura are in the MSME sector and form the backbone of the industrial ecosystem. The manufacturing units are mostly natural resource based or the units are in service sector. Therefore, growth of the sector is important for economic progress and employment generation particularly after redefining the MSME in June, 2020. A number of initiatives have been taken by the State Government to ensure growth of the sector as stated below.
 - a. Tripura Industries Facilitation Act, 2018
 - b. Micro & Small Enterprises Facilitation Council
 - c. Notification of Empowered Committee and Working Committee
 - d. Establishment of MSME Help Desk in all Districts
 - e. Attractive Package of Incentives
 - f. Award to best performing units.
- ii. The State Government will also support local units in promotion and marketing of their products. Under the “Tripura Industrial Investment Promotion Scheme, 2022” the State Government is also providing purchase preference to local units and support for participating in fares and exhibitions . The State Government will also prepare a directory of all MSME and LSI units of the state and list of products manufactured by them which will be published also in a website. All Government Offices and undertakings will be suitably directed to purchase various products of local units through GeM portal.
- iii. A Committee will be constituted to recommend suitable amendments in the “Tripura Industrial Investment Promotion Scheme, 2022”. The terms of reference of the Committee will include recommendations regarding inclusion of new incentives like exemption/reimbursement of stamp duty paid in respect of transfer of land or shed by TIDC to new industrial units, delegation of power to TIDC for issue of trade license to units in notified industrial areas, suitably modify any existing provision of the incentive policy and simplify the procedure for claiming subsidies.

17 Thrust Sector

Government of Tripura has identified certain activities as thrust areas for both the Manufacturing and Services sector activities. The units in thrust areas are eligible for additional incentives under TIIPS, 2022.

These are as follows:

(i) Manufacturing sector

- a) Industrial units which are using Bamboo, Rubber, Agriculture and Horticultural produce and Natural Gas as their major raw materials during production.
- b) Tea manufacturing.
- c) Agar Oil Extraction industry
- d) Rubber Wood Processing Industry
- e) Industrial units using plastic waste/ e-waste as major raw material during production.
- f) Municipal Waste Processing.
- g) Packaging material manufacturing activity.
- h) Agro waste processing Industry.
- i) Industries manufacturing/using bio-degradable plastics.
- j) Industries making cutlery items using areca nut leaves or bamboo.

(ii) Services sector

- a) Tourism promoting Activities (Water Sports, Ropeways, Adventure & Leisure Sports, Floating Restaurant) with a minimum investment of Rs.3 Crores (excluding cost of land).
- b) Hospitals/ Nursing Homes with minimum investment of Rs.3 Crores (excluding cost of land) with a minimum capacity of 25 beds.

(iii) New activities to be included under Thrust sectors :

In order to facilitate the growth of the pharmaceutical Industry and logistic activities such as warehousing, Inland Container Depots (ICDs), Container Freight Station (CFS), Cold-Chain, Logistics Park, Railway Yard etc. in the State, fiscal incentives available in the State would be extended including scope of offering special incentives on case-to-case basis for which the TIIPIS, 2022 scheme would be suitably amended.

18 Support to local units State Package of Incentives

- i. The State is offering package of fiscal and non-fiscal incentives for promotion of industrial investment since 1995. The Tripura Industrial Investment Promotion Scheme, 2022 (TIIPS, 2022) has been introduced for MSME and LSI units of the State in 2022 and will remain valid up to 2027. The State package of fiscal incentives, applicable to manufacturing and service sector, contains subsidies for Capital Investment, net of input tax, partial reimbursement of interest on term loan, employment cost subsidy, subsidy for export promotion, transport subsidy, power subsidy, subsidy for ZED certification, subsidy for promotion of marketing, subsidy for fees paid for credit guarantee for loan etc. and non-fiscal subsidies such as procurement preference, exemption from payment of earnest money and bid security deposits etc.

- ii. The State Government will continue its support to the local units and women led enterprises through the array of incentives in future also. The State Government will also review the package of fiscal and non-fiscal incentives every year and amend it to meet the future requirements.

19 Production-Linked Incentives:

- i. In order to incentivize increased productivity of local units, TIIPS, 2022 will be suitably reviewed for amended to include production linked subsidy to eligible units for a maximum period of 5 (five) years from the date of commercial production.
- ii. For Micro Small, Medium and Large units, as defined by Government of India from time to time, production linked Incentive as a percentage of the annual gross turnover shall be provided to Units registered under GST in the State on or after date of notification modifying TIIPS, 2022. Units can avail benefit under the Scheme for a maximum period of 5 (five) years subject to a ceiling limit of per unit per annum. The gross turnover for the purpose shall be as defined under Tripura Goods and Service Tax Act for goods actually produced by the unit, for which it is registered under the Act. The matter will be accordingly referred to Committee to be constituted for this purpose.

20 Attracting Mega /Large Units in the State – Special provisions

- i. The Government also envisages to promote Mega Project Units in the State. Projects with minimum investment of Rs. 100 Cr. in fixed capital and employment more than 100 may seek special incentives like Capital Investment Subsidy, Industrial Promotion Subsidy, State Transport Subsidy, Export Promotion Subsidy, Industrial land or any other subsidy or creation of infrastructure like road, power connectivity, utility services etc.
- ii. The Working Committee Constituted under Chairmanship of Secretary-in-Charge of Industries & Commerce Department will conduct preliminary examination of the proposal and recommend bespoke incentive for any such project to the Empowered Committee, post obtaining assent from Finance and other concerned Departments. The Empowered Committee under Chairmanship of Chief Minister on its satisfaction, shall examine and forward the proposal to the Council of Ministers for approval. TIIPS, 2022 will be suitably modified for this purpose.

21 Mechanism for facilitation of entrepreneurs in availing central governments schemes

- i. The General Manager, District Industries Centers (DIC) will facilitate and guide all intending Investors for availing benefits of Central Government Schemes as per their area of interest. Review of such interests received and necessary facilitation made will be undertaken by Director, Industries & Commerce every quarter.

22 Capitalizing on Tripura's locational advantage

- i. Tripura is strategically located in the north –eastern part of India. With 856 Km long boundary with Bangladesh and close proximity to Myanmar, the State is poised to be the gateway of the North east. Tripura is closest to Chattogram port in Bangladesh, which is 75 km away from Sabroom. The Government of Bangladesh has already opened Chittogong and Mongla Port for transport and transshipment of goods through Tripura to any part of the country. Besides, for multi-modal transport using Ashuganj river port in Bangladesh, several riverine routes through Bangladesh are also accessible. Ushering a new era, Agartala-Akhaura Railway line is already commissioned and will be shortly opened for passenger and cargo movement. This railway line has opened up shortest route to Kolkata via Dhaka for the entire north east.
- ii. The Land Ports Authority of India has constructed three Integrated Check Post (ICP) at Agartala, Srimantapur and Sabroom. Infrastructure facilities in all the other 5 (five) Land Customs Stations are being up-graded. Two Border Haats are already operational at Kamalasagar and Srinagar while two others are under construction. Thus, there is a well-built infrastructure for foreign trade which is being strengthened further.
- iii. On the other side of the border, the Bangladesh Export Zone Authority has planned a special manufacturing and economic zone near Belonia. Sabroom's proximity to Bangladesh therefore means that issues of insufficient cross-border infrastructure connectivity, which hindered the manufacturing and services sectors from reaching out to new markets, may be resolved. Now, through the Maitri Setu, there is already a route providing direct access for Tripura to the seaport of Chattogram. Being a focal point of trade within a vast area, this will lead to an enhanced trade link between the rest of India with the NER and Bangladesh. The Department of Commerce, Government of India has approved an SEZ at Sabroom. Thus, Sabroom is locationally well-suited for the development a multi-modal logistics park (MMLP) that can address existing kinks in cargo movement within Tripura, and the NER in general.
- iv. Necessary focus will be made in line with the Act East Policy to exploit the markets lying in Myanmar, Thailand and other Southeast Asian countries and the upcoming opportunity lying in vicinity to these two corridors. The establishment of a multi-sector SEZ in between Belonia-Bishramganj route will enable the export potential of Sepahijala district bringing it near to the Chattogram Port.

23 Boost to Foreign Trade

- i. The foreign trade of Tripura is with Bangladesh. The official trade between Tripura and Bangladesh started in 1995-96 through Agartala Land Custom Station (LCS). Presently, there are 8 notified LCS namely, Agartala, Srimantpur, Muhurighat, Khowaighat, Dhalaighat, Manughat, Old Raghnbazar and Sabroom. Dhalaighat LCS is operational for immigration purposes only and ICP, Sabroom will be operational within a very short term.
- ii. The total volume of trade has increased manifold from a meager Rs. 4.12 crores during

1995-96 to about Rs. 715.98 crores (Export: Rs.12.31 Cr., Import: Rs.703.67 Cr.) during 2023-24. The major commodities of export are food grains like wheat, rice, cumin, dry fish, fruits, spices, agarbatti, etc. and other items. The major items of import are variety of fish, food items, construction materials, utensils, coal etc.

- iii. High exporting districts bordering Bangladesh are predominantly involved in agriculture, with key agricultural products including rice, cereals, jackfruits, and bananas. The processing of these products is a key challenge and efforts are to be made to incentivize the establishment of processing plants meeting export-based standards for Bangladesh, Myanmar and Southeast Asian countries. Accordingly, policies providing subsidies to exporters, setting up a dedicated Agar market, and opening an International Trade and Research Centre in close vicinity to the Industrial corridors to be explored to have fruitful implications for the economy.
- iv. The major impediment in increase of export from Tripura is non-tariff barriers imposed by Bangladesh. At present, about forty items, mainly food grains are allowed to be exported through ICP and LCS in Tripura. Items which are in high demand like cotton, automobiles, two wheelers, electronic items, iron and steel, paper etc. are barred from export. Secondly, Bangladesh Government has raised objection to construction of trade related infrastructure within 150 yards of the International Border. Thus, construction of Integrated Check Post (ICP) at Manughat, Muhurighat and expansion of ICP, Agartala are held up.
- v. Thus, Government of Tripura will continue its efforts to resolve the issues with active support from Ministry of Commerce, Ministry of External Affairs and Ministry of Home Affairs, Government of India. Government of Bangladesh will be persuaded to remove non-tariff barriers and allow export of all items through the ICP/LCS in Tripura like Petrapole-Benapole in West Bengal.

24 Skill Enhancement

- i. Boost in secondary sector, increase in foreign trade and other proactive steps of the State Government has commanded economic growth leading to increased demand for skilled and trained manpower. Therefore, the Government has prioritised skill development initiatives by setting-up new engineering and polytechnic institutions and ITIs for expanding the skill base in the state. The State has attracted private institutions and Universities for higher education, engineering and management courses. The State Government has taken proactive steps to train youth of the State for thrust sectors through government institutions and training partner.
- ii. The Directorate of Skill Development has already introduced a new Scheme “Mukhya Mantri Dakhyata Unnayan Prakalpa” for skill development of about thirty thousand youths in new age technologies like Artificial Intelligence, Drone Technology, Internet of Things, Robotics, Smart City services etc.
- iii. The State Government also intends to introduce industry-specific short term/ long term/ modular courses in the existing ITIs, Polytechnic and Engineering colleges with active participation of the user industry in defining the training needs and formulating the course

material. The Government will tie-up with reputed engineering and management institutions to enhance the spectrum and standard of training.

- iv. The State Government will continue its focus on provision of skill trainings to women especially those from indigenous (tribal) communities. The focus will be to extend women's involvement in non-traditional sectors.

25 Promotion of Green Industrial Parks

As concerns about the environmental impacts of industrial activity continue to grow, it is important to take measures that balance development and environmental protection. There is a need to encourage a shift in carbon-intensive economic and industrial sectors onto greener trajectories.

In the case of Tripura, it is especially important to implement such measures as the state is part of one of the two ecological "hot spots" of India among 18 such regions in the world. The state is home to 8.6% of Angiosperms (flowering plants), known in India; 129 species of fish including 11 vulnerable, 3 endangered, and 3 rare species; 32 amphibian species; 89 invertebrate species; 90 species of mammalian fauna; and 341 species of avian fauna.

Keeping in mind the wide variety of floral and faunal diversity found in Tripura, and the potential threats posed to their sensitive habitats by industrial activity, this policy aims to **promote green industrial parks** in the state, to achieve long-term sustainable growth while also improving the quality of the environment, plugging resource wastage, and benefitting from the wider gains of industry greening. The key pillars of this measure include:

- i. **Safeguarding natural habitats:** As deforestation is sometimes unavoidable in the development of industrial parks, measures to offset the impact of such developments will be taken. The development of green belts in project-affected areas, for instance, will be emphasized with compensatory afforestation. Further, projects will be developed in a such a way that the habitats of vulnerable floral and faunal species will not be negatively impacted.
- ii. **Reducing environmental impacts of industrial discharge/emission:** industrial parks in the state will be equipped with infrastructure that reduces release of ecologically harmful wastes. This will include CETPs for effluents with similar characteristics and kinetics with zero discharge, for instance. Besides this, comprehensive mapping and analysis of major environmental risks and key pollution contributors throughout various phases of industrial park development projects will help contribute towards the formulation of an integrated multi-disciplinary approach towards mitigation of environmental emissions, including 'prevention at source' by integrating process efficiency measures/ innovations at the planning stage. Further, the policy emphasises reduction of disposal of solid waste in landfills and wastewater to surrounding environments through promotion of usage of recycled waste as raw material and water recycling.
- iii. **Green and sustainable procurement:** will involve the procurement of sustainable alternate materials for construction and industrial production, where possible. Planning of parks will be

done in a way that maximises forward and backward linkages within units in the same park as well as parks located close to each other. The State Government will promote the use of locally available raw material with lower environmental costs and the adoption of eco-friendly packaging.

- iv. **Reduction of climate change impacts:** considering the impact of industrial activity and development on accelerating climate change, this policy aims to promote steps to mitigate such impacts. Further, considering Tripura's long monsoon season, rainwater harvesting can be developed for all proposed infrastructure facilities at industrial parks. Other adaptive design innovations such as green roofing, dense green belts for cooling, air ventilation to reduce effects of high temperature (e.g., cross ventilation, mixed mode design, use of heat reflecting building/roof materials/ biomaterials to provide insulation and reduce temperatures by using external shading and insulation) will be promoted. Additionally, the adoption of mitigation strategies by sectors capable of reducing greenhouse gas (GHG) emissions by means of clean energy solutions, green transportation, green building infrastructure, ecological conservation, adopting waste management and recycling practices, and recycling and reuse of wastewater will be supported.
 - v. **Promoting circular economies:** industrial parks in the state will be planned keeping in mind the possibility of creating circular economies, where wastes from one unit can feed into another, or where units can source recycled waste as key raw materials. Also, recyclers who could help industries to use recycled waste will be encouraged to set up units in industrial parks. Reusing by products of bamboo processing, for instance, will be focused on— examples include briquette production from bamboo waste, and bamboo charcoal and gas and bioethanol generation etc. Adoption of rainwater harvesting measures, water recycling, and green energy sources etc. too will form a key part of greening measures.
 - vi. **Optimizing resource usage efficiency:** efficient use of natural resources (biomass, fossil fuel, minerals, metals, land, water, soil etc.) and infrastructure and material utilization (energy, water supply, natural gas supply, sanitation facilities, transportation, communication facilities) will collectively contribute towards achieving sustainable development by improving resource efficiency. Further, a strategy encompassing low-waste production processes, widening renewable energy use like using solar street lighting, promoting rooftop solar, reducing water supply loss, using of ground water as per government norms to safeguard aquatic animals and overall monitoring and management of water footprint will be essential to main streaming resource efficiency in industrial parks.
 - vii. **Greening transport networks:** As part of a larger state-wide initiative to adopt electric buses for mass transit, the State Government also intends to adopt electric buses for commuting to and from industrial parks. Other measures will include developing dedicated heavy movement traffic lanes to reduce emissions from congested roads and efficient public transportation with good connectivity.
- Govt. or Tripura will, therefore, support the greening of industry in these ways to ensure sustainable development.

26 Conclusion

Tripura Industrial Policy, 2024 is a land mark policy, because never before features like special provisions for large scale industries, production linked incentives, investor facilitation cell has been detailed out. Tripura always had an incentive policy aiming at providing a conducive environment for the industries. This policy aims at providing the big picture by detailing government priorities for industrial development, and at the same time listing out the expectations from the investors. This policy aims to provide the details of road map for industrial development in Tripura, and thus achieving the objective of making it the Gateway to North East India and South East Asia.
