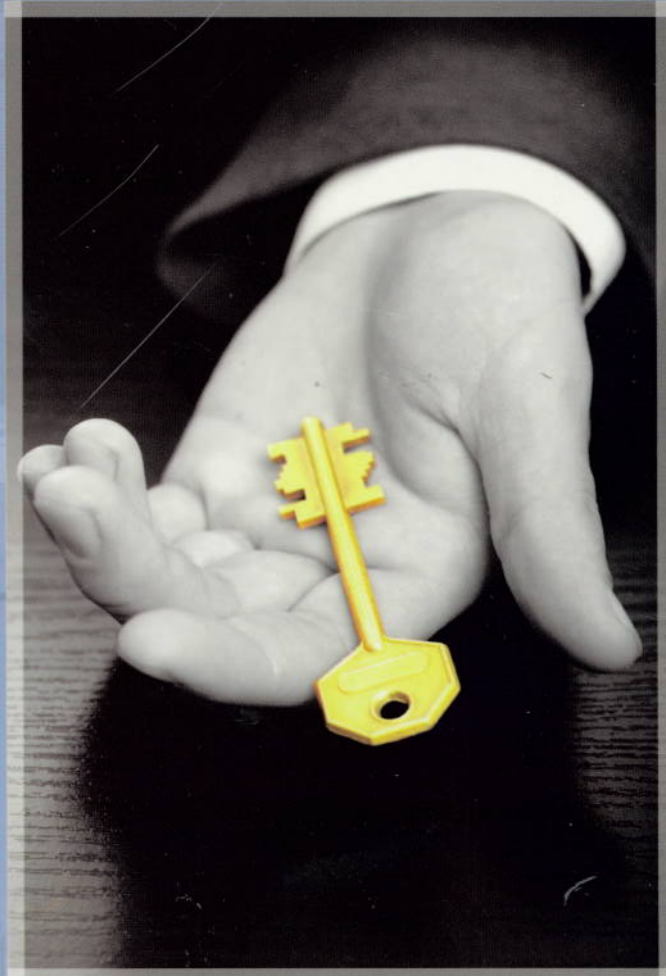




Investment Opportunities in Andaman & Nicobar Islands





Introduction

Floating in splendid isolation, east of the Indian mainland is the archipelago of 572 emerald islands, islets and rocks known as Andaman and Nicobar Islands. This Union Territory has a length of more than 700 kms from North to South with 36 inhabited islands. Once a hill range extending from Burma (Myanmar) to Indonesia, these undulating islands are covered with dense forests and endless variety of exotic flora and fauna. The topography of the islands is hilly and abounds in evergreen forests. The sandy beaches on the edge of meandering coastline are fringed with coconut palms that sway to the rhythm of the sea. The sea around the islands offers excellent scope for adventure water sports. The rare flora and fauna, underwater marine life and corals, crystal clear water and mangrove-lined creeks, offer a dream-view of the rare gifts of nature. The clean roads as well as unpolluted fresh air attract any nature-lover, who seeks absolute peace and tranquility in the lap of Mother Nature.







why andaman as an investment destination

- ✦ High literacy rate (81.29%)
- ✦ Peaceful Environment with negligible Industrial dispute/law and order problem.
- ✦ No Pollution.
- ✦ Near to International Trade Corridor.
- ✦ Vast Marine Potential.
- ✦ Close knit /streamlined/compact Administration so clearance etc., can be obtained in timely fashion.

Thrust area

The Andaman & Nicobar Administration has identified the following sectors as the thrust areas for overall Development of the Islands.

- ✦ Tourism
- ✦ Information Technology enabled services
- ✦ Wooden, Shell, Cane & Bamboo Handicrafts
- ✦ High value Agricultural Products
- ✦ Fisheries
- ✦ Coir & Coconut based Industries
- ✦ Hydro Carbon Energy/
Non conventional Energy
- ✦ Shipping Sectors including Transshipment port, Bunkering facilities and Dry Dock
- ✦ Service Industry

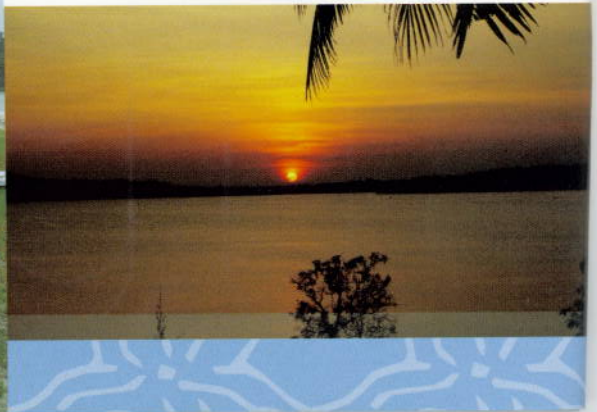
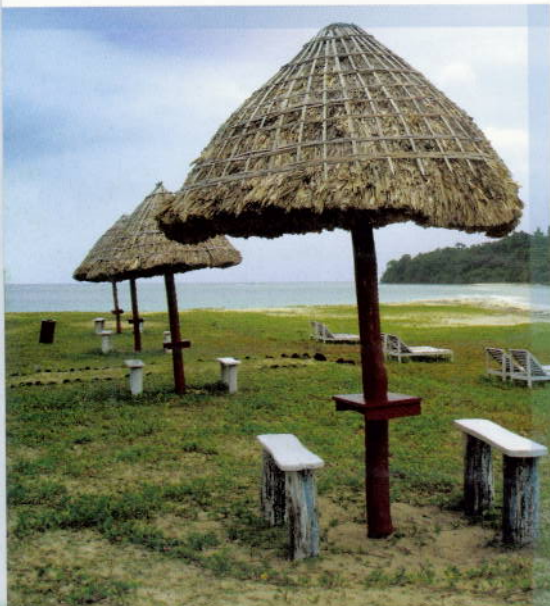


Tourism

The Islands of Andaman and Nicobar are blessed with rare variety of flora and fauna, exotic underwater marine life, crystal clear water and mangrove lined creeks. The Union Territory offers innumerable opportunities for tourism through water sports and adventure tourism such as trekking, island camping, snorkeling and scuba diving, sea aquarium, water theme park, wave surfing, Marina yacht, convention centre, health resorts, sanctuaries / National Park, Inter Island cruise liner etc.

- ✧ Expression of interest for Integrated Water front complex including Yacht Marina for selection of developer under PPP is being floated shortly

- ✧ Expression of Interest for 35 room luxury boat planned to be implemented under PPP is being floated
- ✧ Expression of interest for two Mechanized luxury boats 15 passenger capacity to be implemented under PPP is being floated
- ✧ RFQ for four sites each at Havelock, Neil, Hut Bay and Long Islands (Lalaji Bay) for development of Tourist destination under PPP is being floated shortly
- ✧ Convention center is under construction at Havelock, Dolphin Resort.
- ✧ Investors are invited for setting up Scuba Diving school at Havelock, Administration will render all assistance.
- ✧ Plying of house boat and backwater cruises will also be supported by the Administration.





Fisheries

The Islands offer a vast marine potential for the fishing and marine sector, owing to a long coastline of 1912 Kms with an exclusive economic zone of 6.00 lakh sq km accounting for 30% of the total EEZ of the Country (20.20 lakh sq km) and a unique and rare marine habitat. The estimated annual fishery potential of A & N island is 1.48 lakh tons consisting about 3.8 percent of fisheries potential of the country (39 lakh tons). The present level of catch is only 28,000 tons (18.92 percent). It has been estimated that tuna fishery resource alone accounts for 44 percent (64,500 Tons).

- ✦ Establishment of 18 fish landing centers of which four are under construction and for the rest feasibility study is in progress.
- ✦ There is a requirement gap for 15 Ton Ice plant which can be established under PPP.
- ✦ Potential for investment in Fishing, Processing, Storage, Transportation, Marketing and Export of various fish and fish products including tuna and tuna like fishes.
- ✦ Potential for investment for Culture of fish and shell fishes in bays and in shore water.
- ✦ Scope for coastal aqua culture.
- ✦ Scope for sports fishing.
- ✦ Scope for fresh water fish culture.



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Ports & Shipping

The proximity of the islands to the International Trade Corridor offers good potential to the container port industry. Great Nicobar Islands having the distinctive advantage of being in close proximity with the Indonesian coast line, and the Neighboring South East Asian Countries, with a deviation time of just two hours from the East-West International Shipping Route is considered as an Ideal location for bunkering facility and establishment of Trans-shipment Port.

- ✦ Feasibility study for establishment of Trans-shipment Port at Great Nicobar has been initiated.
- ✦ For establishment of bunkering facility at Great Nicobar under PPP a feasibility study is planned.
- ✦ For establishment of Dry Dock under PPP, a RFP is being floated for appointment of consultant.
- ✦ Passenger services in the busy routes Port Blair to Havelock can be outsourced under PPP.
- ✦ Cargo Vessels of the Administration can also be chartered for operation.



Power

A & N Islands have adequate power supply with a combined generation of 68 MW and the following additional capacity is planned.

There is a potential of about 4MW generation capacity through Bio Mass using Coconut waste etc., in South Andaman. By adding 25% of coal dust about 5MW can be generated. EOI has been floated for the same.

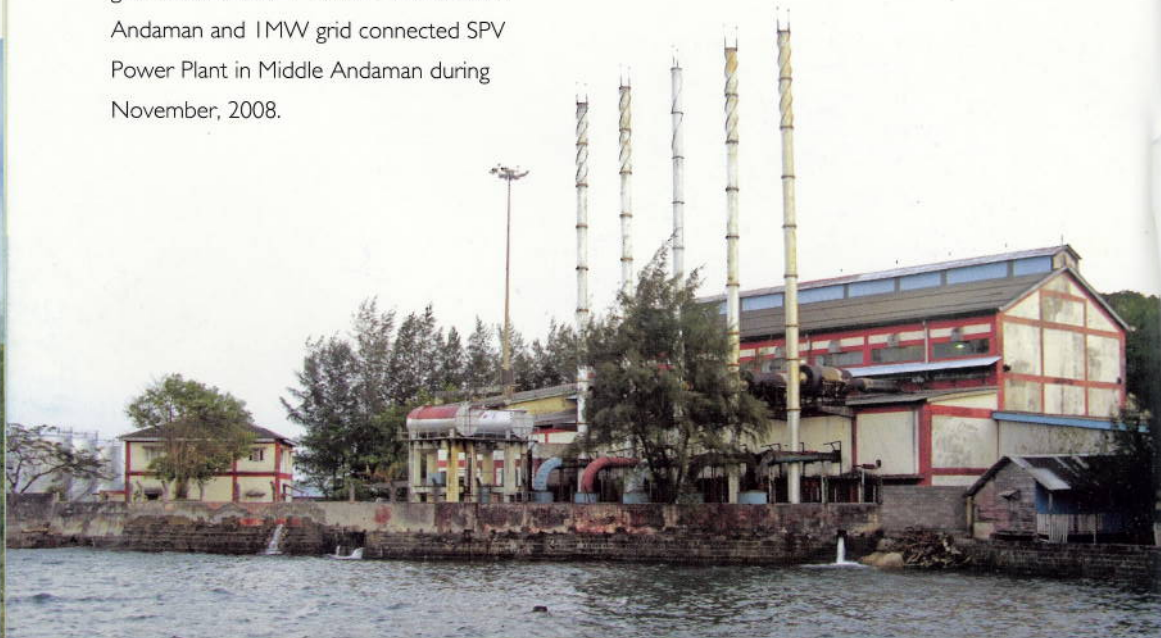
Planned augmentation of 33 MW generation capacity in South Andaman by using multi fuels

such as Bio Mass, Coal Dust etc., for which the Central Electricity Authority has given in principal approval.

- ✱ EOI for 2 MW generation capacity through Biomass in Little Andaman has been floated.
- ✱ EOI for 1.5 MW generation capacity through Biomass in Car Nicobar has been floated.

Solar Power

The Andaman & Nicobar Administration is in dialogue with NTPC to install 5MW grid connected SPV Power Plant in South Andaman and 1MW grid connected SPV Power Plant in Middle Andaman during November, 2008.



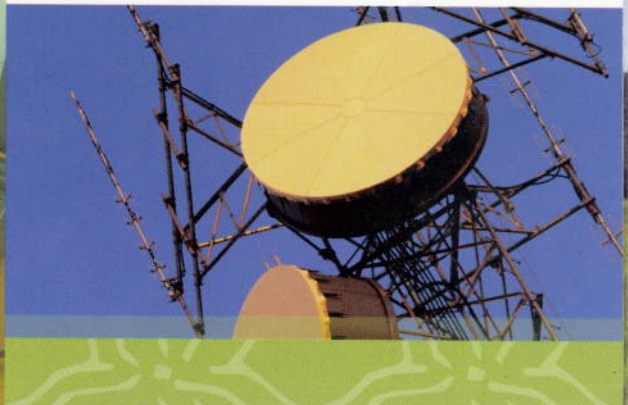
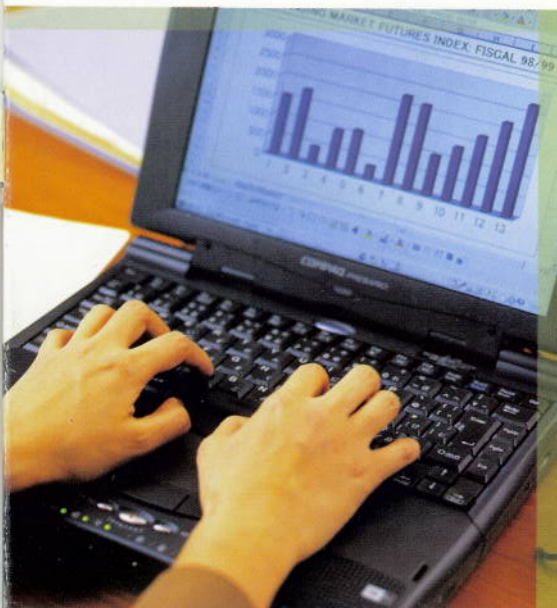


Information technology enabled services

The Andaman & Nicobar Administration has identified Information Technology enabled Services (ITeS) as one of the thrust area of development services like DTP, cyber café, medical transcription, software development, BPO etc., ITeS covers diverse areas like finance, HR, administration, health care, telecommunication, manufacturing etc. Armed with technology & manpower, these services can be provided from e-enabled locations. This radically reduces costs and improves service standards. In short, this administration aims to facilitate B2B e-commerce solutions, which are human intensive services that are delivered over telecom networks or the internet with a range of business

segments. In order to provide adequate bandwidth for the above services, the Govt. of India has entrusted the work of laying undersea optical fiber cable between Port Blair and Mainland (India) to M/s BSNL/ MTNL. The survey for the work has already been completed in 2007. The Ministry of Communication & Information Technology has been requested for early finalisation and speedy implementation of the project.

Land is available with the Administration for setting up of Industrial Estate which could initially be earmarked for one of the ITeS Park.







Agriculture

The Andaman and Nicobar Islands enjoy a tropical and humid climate and receive an average rainfall of 3000 mm in about eight months commencing from May to January. The area under Agriculture is nearly 50,000 ha. which accounts for 6% of the total area. Out of this total cultivated area 12,000 ha. are flat land and the rest are hilly land. In hilly lands majority of the holdings are dominated with Coconut/Areca nut palms. The prevailing favorable soil and agro-climatic condition offer wide opportunities and immense potential for Horticultural crops like spices, fruits, plantation crops, Floriculture, Medicinal Aromatic and Dye Plants which contribute a lot towards our national economy in view of their huge domestic and export demands.

There is good scope for value added coconut products and there is an immediate need to exploit this resource. In Nicobar District area under coconut is 14516.54 ha. with a production of 53.96 million nuts. This provides an opportunity for establishment of an Integrated coconut processing complex at Car Nicobar.

- ✦ Administration is setting up a Coconut Mission for promotion of value added products based on Coconut and Copra.
- ✦ Ample opportunity for setting up of integrated coconut complex under PPP.
- ✦ Ample opportunity for Horticulture and Floriculture.



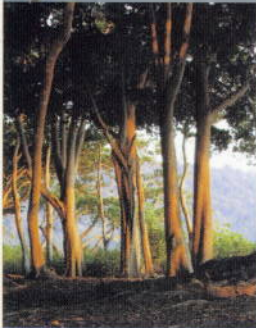
Package of incentives
for small & micro enterprise in A&N Islands
(under approval with Govt. of india)



- I. Andaman & Nicobar Island Transport Subsidy programme for SMEs MSE 5
- II. Andaman & Nicobar Inter Island Transport subsidy programme for SMEs
- III. Andaman & Nicobar Capital Investment Subsidy Programme for SMEs MSE 10
- IV. 50% Subsidy for procurement of Pollution Control Equipments, Captive power Generation sets, Solar Power, Wind Power, Bio Mass, Hydro Power & Water harvesting equipments for SME MSE units in A & N Islands:-
- V. 90% subsidy on copra dryer, Coir processing equipments, Bakery equipments, hand tools for General Engineering, Carpentry, Masonry and Handicrafts to Tribals

The following new programmes have been proposed in the Annual Plan 2009-10.

- a. Interest Free Loan to IT & ITeS
- b. 50% subsidy to IT & ITeS



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Published by :

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A&N Administration