

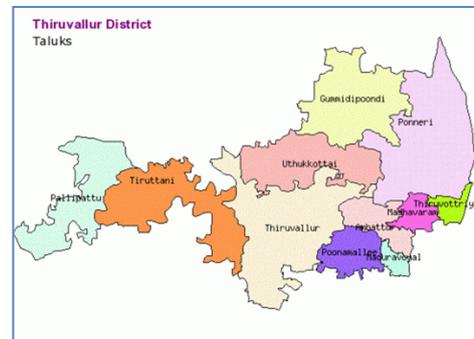
## **District Export Action Plan for District of Tiruvallur, Tamil Nadu**

### **Introduction**

Tamil Nadu is one of the prime industrial states in India. It almost accounts for more than 11 per cent of the total exports of the country. On a closer look at the district profile of Tamil Nadu, a very diverse picture with a scope for huge untapped potential can be seen. In the efforts to realize the Hon'ble Prime Minister's vision of converting each district into an Export Hub, a detailed action plan is outlined for the district of Tiruvallur, to harness and enhance the existing export potential in the district and to facilitate in a concerted manner, the promotion & growth of exports from the district.

### **District Profile**

Tiruvallur is a relatively new district, carved out of the erstwhile Chengalpattu district in January 1997. Located in northeast Tamil Nadu, it is bordered by Kancheepuram in the south, Vellore in the west, the Bay of Bengal in the east and the state of Andhra Pradesh in the north.



### **Administrative Profile**

At The district is divided into 4 revenue blocks: Tiruvallur, Tiruttani, Ponneri and Ambattur. The district comprises of with 825 Villages, which form 12 Taluks belonging to 4 Revenue Divisions. The Villages are grouped into 14 Development Blocks for the purpose of Rural Development. The Urban population is governed by 5 Municipalities and 10 Town Panchayats.

### **Districts as Export Hubs – Vision, Goal, Policy framework**

The Hon'ble Prime Minister in his Independence Day Speech on 15<sup>th</sup> August,2019 had inter alia, observed that each of our districts has a diverse identity and potential for targeting a global markets and there is a need for converting each district into potential export hubs. Department of Commerce through Directorate General of Foreign Trade and the State government is taking various measures to implement the vision of Hon'ble Prime Minister to promote exports and to convert each District into a hub for exports.

### **Goal**

The goal of the programme is to convert each District into a hub for exports. The District Export Action Plan will include providing the support required by the local industry in boosting their manufacturing and exports with an impetus on supporting the industry from production to exporting stage.

## **Policy framework**

The framework of the 'Districts as Export Hub' policy is based on the Ministry of Commerce and Industry, Government of India's D.O. No.01/36/218/01/AM-18/TC/Part-I/01 dated 13-11-2019, which had mandated the Regional Authorities of the Directorate General of Foreign Trade (DGFT) to work with the State Governments and District level officers to prepare and implement a District Export Action Plan specific to each district in every State and Union Territory and implement in through an institutional structure at the district level for fulfilling the goals set out for each district in this regard.

Accordingly, DGFT through its Office Memorandum dated 26/12/2020 had notified the action items along with timelines for developing Districts as Export Hubs. Apart from the action items, the composition of District Export Promotion Committee (DEPC) and the terms of reference for plan of action for developing districts as export hubs were suggested. The District Export Promotion Committee (DEPC) will act as a one point facilitator for export promotion at District level along with State Level Export Promotion Committee (SLEPC).

## **Action Plan for Tiruvallur**

This **District Export Action Plan** (DEAP) enlists the plan of action and strategies for converting the district into a district with export potential and as a hub of export for the identified core products. The Aim is to achieve this through the DEPC, as a facilitating body for the purpose and by undertaking constructive district specific initiatives, implementing export oriented schemes & customizing export enhancing programs for the district. ***The ultimate goal is to convert district into an Export Hub.***

To make the District Export Action Plan relevant, and to achieve its goal of converting the district into an Export Hub, there needs for a proper understanding of district's strengths, opportunities and export related challenges

### **Analysis of the Existing Industrial scenario in Tiruvallur District:**

To make the District Export Plan successful and to achieve its goal of converting the district into an Export Hub, there needs to be a proper understanding of the district's strengths, opportunities and export related Challenges. The following strength and challenges have been identified in the district:

### **Strengths and Opportunities:**

#### **1. Agriculture**

Agriculture and allied sector has grown at a CAGR of 2% between 2011-12 and 2016-17, largely driven by crop cultivation. Major crops grown in the district include rice, cumbu, ragi, green gram, black gram, sugarcane and groundnut. Apart from this, certain horticultural crops like mango, guava and vegetables are also being cultivated.

Agriculture accounts for 51% of the agricultural and allied GVA in 2016-17. It is followed by Livestock, which accounts for 31% of the share. Fishing accounted for 12 % of the share of agricultural and allied GVA in 2016-17. There is an increased demand for land for construction due to its close proximity to Chennai metropolitan city and massive urbanization over the decade.

The industrial growth in Tiruvallur district has also created pressure on the land use. The reduction in net area sown is attributed to conversion of cultivable land into non-cultivable land for real estate business, as it is an attractive business venture with assured high profits.

## **2. Industry**

Manufacturing (83%) and construction sectors (15%) account for almost all of the industrial sector output. This sector is one of the fastest growing sectors in the district. The sector has experienced a robust growth with a CAGR of 11% during 2011-12 to 2016-17. The key manufacturing sectors by output include Manufacturing of parts and accessories for motor vehicles, Manufacturing of basic chemicals, fertilizer and nitrogen compounds, plastics and synthetic rubber in primary forms among others. Manufacturing of wearing apparel, machinery, fabricated metal products and metalwork employ around 42 % of the workers according to the ASI 2014-15 data.

The industrial development in the district has a fair share of micro and small industries engaged in manufacturing of various products like leather, textiles and chemicals. The economic activities undertaken by the rural artisans involve manufacturing of jute, coconut shell products, and palm leaf based products, paper cups, leather and Rexene works. Tiruvallur district has a sizeable proportion of people engaged in the handloom sector. Small and medium size industries engage a large proportion of workers. According to the ASI 2014-15, 3786 Industrial units were present in the district, directly employing 2,44,347 workers. The above-mentioned sectors are listed based on their GVA share. Manufacturing of parts and accessories for motor vehicles, manufacturing of basic chemicals, manufacturing of iron and steel, manufacturing of bodies motor vehicles, manufacturing of trailers and semi-trailers, manufacturing of general-purpose machinery and manufacturing of prepared animal feeds were the key industries that contributed overall GVA in the manufacturing sector. Average workers per unit are at maximum in manufacturing of coach work for motor vehicles which employs around 378 workers per unit on an average.

## **3. Services Sector**

Service sector accounted close to half of the sectoral share of the district in 2016-17 period. Real Estate, Trade and Tourism contribute to two-thirds of the total service sector in the district. The sector has grown at a CAGR of 12% during 2011-12 to 2016-17. Real Estate grew at a CAGR of 15% between 2011-12 and 2016-17 while BFSI grew at a CAGR of 11% for the same period. Logistics, Trade and tourism grew at

a CAGR of 7% between 2011-12 and 2016-17. Banking and commercial credit network has contributed to the growth of the industrial and services sector in this district with various employment opportunities. Direct financial access with formal banking system has also improved self employment opportunities, specifically for the women. Real estate has boomed due to the rapid urbanization this district has witnessed over the 2011-12 to 2016-17 periods. Other services such as healthcare also seen a decent growth (9%) as it borders Chennai, which receives huge influx of medical tourists.

#### **4. Handicrafts :**

Tiruvallur district has got strong base of handicrafts industries. Traditional handicrafts units are spread across the district. Handicraft items such as Embroidery, Gypsy Bead Jewellery, Palm leaf, Stone carving, Cane and Bamboo and Agarbathi have got more recognition outside the district. A total number of 3711 handicrafts units are functioning in the district.

#### **5. Fisheries**

The total coastal area of the district is about 49,803 ha and has a coast line of 80 km for marine fisheries. Prawn/shrimp culture is famous along the coast line of Gummidipoondi and Minjur. The total marine fish production is to the tune of 7,937 tonnes and inland fish production 14,816 tonnes during 2009-10. The inland fresh water area spreads over 75,006 ha and estuaries and brackish water area are 14,841 ha. Marine fishing is practised in 39 fishing villages of the district. Marine and inland production has increased both in quality and value. A comparison of fish production indicates that the coastal fish production is slightly higher than the inland fish production during 2009-10.

#### **6. Potential Products :**

The State Government has Garments, Engineering – tools and electronics and Chemicals as the main products with export potential for the DEPC to patronize and promote as a part of the “Districts as Export Hubs” Program.

### **Challenges and Bottlenecks**

Even though the district of Tiruvallur has a vibrant rural and coastal economy, it is not able to increasingly cater to the global market and taste. The district needs to harness its assets and turn its entrepreneurs into global players. Some of the challenges for exports found in the district are:

#### **1. Cold Storage:**

For Agro and Marine value addition to takes place, cold storage is important to increase the shelf life of the agro and Marine products, especially which it is to be exported. There is lack of cold storage to

harness the existing potential of Marine products. Tiruvallur district is well connected with Chennai port through Road and rail connectivity, this may be utilized for export promotion.

## **2. Skill Deficiency:**

There is huge need to cultivate and enhance the international entrepreneurial skill among the businessmen and the farmers in the district, apart from helping them explore international markets. In addition, in order to sustain in the agro and marine products exports, exporter's needs to be well informed about Sanitary and phyto sanitary (SPS) measures of various countries and the Codex Alimentarius international food standards, guidelines and codes of practices, etc which are essential for them to be efficient international players.

## **3. Hazard Profile of Tiruvallur District:**

The coastline is mainly accreting with noticeable erosional effects particularly near Ennore. Development of offshore bars and shoals are observed near Ennore and Pulicat. Madras Thermal Power Station (MTPS) has been located near the Pulicat Lake. Boulders and Groynes were laid along a continuous stretch in this area. The strip of land between the Bay of Bengal and Pulicat Lake faces sea erosion.

## **4. Natural disaster prone areas**

Generally floods occur during north east monsoon when there is heavy rainfall coupled with cyclonic storm in Bay of Bengal. Floods often occur in the basins of Kosasthalaiyar, Araniar, Coovum and Adyar and its tributaries. The entire coastal length of the district is prone to tsunami.

## **5. Ease of doing business:**

At the district level, ease of doing business has to be ensured, especially for the Marine food processing sector and the agro industry, where compliances are required. This is costly in terms of time and money and the district needs a system, where ease of doing business is ensured for ensuring faster approvals & certifications.

The other challenges for growth of exports in the district can be summarized as follows:

- Timely approvals are needed for better business environment
- Non-Access to affordable trade finance/credit

### **District Export Action Plan for Tiruvallur:**

*The aim of the District Export Promotion Program and its Action Plan is to maximize export of the identified products from the district and to ensure that the bench mark set for exports is achieved within the time period set for the purpose. The action plan would also work on minimizing and mitigating the challenges enlisted above, in achieving their desired export potential and turnover. The objectives of this District Export Promotion Policy and Action Plan are:*

To provide an improved framework of support for the development of exports for the identified sector products, to provide increased and accessible trade support services, to improve public and private dialogue for favoring the development of a district export culture, to thwart the threats posed to the exports from the district. The long-term objective of this District Export Promotion policy is to develop Tiruvallur District into becoming an export hub. To this extent, the DEPC, the central, the state governments and the exporting community, at large have to actively participate in the program and work on a mission mode, so that targets are achieved and the district of Tiruvallur is turned into a hub for exports in the next 5 years.

As the first step in converting Tiruvallur into an Export Hub, the District Export Promotion Committee (DEPC) has been formed and notified by the Government of Tamil Nadu for the district.

### **Notification of DEPC for Tiruvallur:**

The Government of Tamil Nadu (GoTN) through its G O. (Ms.) No. 16 MSME (F) Department, dated: 23.01.2020 and G.O (Ms) No. 22 MSME (F) Department, dated 23.02.2020 the Micro, Small and Medium Enterprises Department, has notified the District Export Promotion Committees in 37 districts in the state, along with its potential products for exports. The G.O have also bestowed the power on the Chairpersons of the DEPCs to invite any other department representative or outside expert as a special invitee for the meetings of the DEPC and also to amend the list of potential products for export promotion. Members of DEPC for Tiruvallur district notified vide G.O (Ms) No.16 dated 23.01.2020 has the following composition:

1. The District Collector, Tiruvallur - Chairperson
2. The Office of Zonal Additional DGFT, Chennai - Co-Chairman
3. General Manager, District Industries Centre, Tiruvallur - Convener
4. Lead Bank Manager – Member
5. Representative, MSME , Chennai - Member
6. Representative, Department of Textiles, Govt. of Tamil Nadu - Member
7. Representative, EEPC – Member
8. Representative, CHEMEXIL - Member
9. Representative, Local Chamber of Commerce– Member

**The Govt of TN identified and notified the following products as having potential for export in the district:**

1. Garments
2. Engineering – tools and electronics
3. Chemicals

**1. Functioning of the DEPC:**

The DEPC constituted for steering the district towards becoming an Export hub, **will meet once every six months. The Convener's office will be the secretariat of the DEPC** and records and files on the program will be maintained there as per laid down rules and procedures. The DEPC will formulate, co-ordinate and facilitate the implementation of various programs and projects of the District Export Hub Program. The DEPC will monitor projects, and develop systems for exporter facilitation within the district and act as a co-ordination authority with the various state and central Govt agencies and departments. The Committee, with the assistance from the sub-groups, will perform the role of resolution, escalation and monitoring of issues concerning exports from the district. DEPC will act as **one-point facilitator** for export promotion at the district and report to State Export Promotion Committee (SEPC).

DEPC will review the export performance of the district once in six months during its sitting and take necessary action to ensure that the desired export performance from the district is achieved and take remedial measures so that exports from the district is accelerated.

**2. Creation of subgroups :**

As a part of implementation of the District Export Action Plan, subgroups/sub-committees of each identified potential export product or for specific projects, will be created by the DEPC. The Subgroups will be tasked for working comprehensively on a project or a product. The sub-groups will comprise of Industry heads, implementing departmental officials, artisans and will mostly be chaired by the District collector or his representative. The Sub-groups have to not only frame proposals (*vis-à-vis*) the product or project assigned to them, but would also follow-up and monitor the implementation of the approved proposals.

The various sub-groups proposed for the district are: sub-group on agro products, subgroup on marine, Sub-group on infrastructure, Sub-group on grievance redressal, sub-group on training, etc. **The sub-groups will meet frequently (at least once every two months) directly or over video – conferencing and work on their agenda.** The sub-groups will be the main drivers of the DEPC's agenda & action plan and will be implementing the tasks assigned to it.

A suggestive composition of the sub-groups can be as follows:

**Sub-group on Handicraft Products**

- The District Collector- Chairperson / DC’s representative
- O/o Zonal Additional DGFT, Chennai
- District Industries Centre, Tiruvallur
- Representative from MSME, Government of India, Chennai

3. The detailed District **Export Action Plan** proposed for converting the district into a hub for exports, after taking into consideration the needs, challenges identified above is given table below:

<b>Sl. No</b>	<b>Challenges Addressed</b>	<b>Implementing agency /Department</b>	<b>Action Plan</b>	<b>Timeline</b>
1.	Identification of base line exports	DIC along with DGFT, MSME	<p><b>Data analytics –</b></p> <ol style="list-style-type: none"> <li>1. The base line export for the district is the exports of the year 2018-19 originating from the district and the target is to convert the district into an Export Hub.</li> <li>2. The DEPC of the district will clearly identify and quantify the base-line benchmark for <b>each identified product/sector</b> and set timelines for achieving the desired export performance over a period of 5 years.</li> <li>3. Data obtained from the GST, District Industries Centre, Tiruvallur, MSME, Govt of India, Chennai, APEDA, Govt of India, MPEDA, Govt of India can be analyzed to understand the export trends in the district and undertaking targeted approach to resolve issues and increase export competitiveness.</li> </ol>	6 months

Sl. No	Challenges Addressed	Implementing agency /Department	Action Plan	Timeline
2.	Comprehensive database on exporters from the district	DIC Tiruvallur	<p><b><u>Comprehensive database on exporters from the district-</u></b></p> <ol style="list-style-type: none"> <li>1. There is a need to create a database of exporters from the district. As a part of the District Export Action Plan, the General Manager of DIC, along with the officials of the APEDA, MPEDA will cull out comprehensive data base of exporters for publication and administrative use.</li> <li>2. The DIC will be the Custodian of this data base. It will be electronically maintained and will be dynamic, with constant updating of new IECs.</li> <li>3. The Exporter data can also be a public document and if the DEPC desires, can be published in various portals for more visibility for the exporters and their products.</li> </ol>	6 months to 12 months
3.	Single window system at the district level	District administration & DIC Tiruvallur	<p><b><u>Single window system at the district level-</u></b></p> <ol style="list-style-type: none"> <li>1. In order to address the numerous approvals and licenses required for manufacturing or setting up an export business, a Single Window System at the District Industries Centre needs to set up for any export related approvals or clearances at the district level.</li> <li>2. The Action Plan envisages setting-up of such a system for the ease of doing export business in the district and plan to operationalize it in two years.</li> </ol>	1 year

<b>Sl. No</b>	<b>Challenges Addressed</b>	<b>Implementing agency /Department</b>	<b>Action Plan</b>	<b>Timeline</b>
			3. <i>The district administration will work and operationalize the proposal under the leadership of the Chairperson of the DEPC.</i>	
4.	Creation of an online one-stop portal	NIC, Tiruvallur	<p><b><u>Creation of an online portal:</u></b></p> <ol style="list-style-type: none"> <li>1. In this digital era, creation of digital facilitation is essential. The action plan envisages that the DEPC will create an online portal, which will be a give a one stop access to all the links for all the digital requirements and compliances for any exporter.</li> <li>2. The Portal can also develop over the time to monitor the district's DEPC projects and disseminate exporter data.</li> <li>3. <i>NIC of the district can be tasked with this project to be implemented in a year and report to the DEPC.</i></li> </ol>	1 year
5.	Identifying new products for exports	District Administration and DGFT	<p><b><u>Identification of new products for exports -</u></b></p> <ol style="list-style-type: none"> <li>1. Through this action plan, DEPC will work to identify new potential products for value addition and exports in coordination with District Administration.</li> </ol>	1 year
6.	Single Point Help Desk to be setup at DIC Thiruvallur	DIC Thiruvallur	<p><b><u>Single Point Help Desk -</u></b></p> <ol style="list-style-type: none"> <li>1. A single point help desk will be setup exclusively with Business Facilitation Officer (BFO) assigned by GM - DIC to provide handholding supporters in Thiruvallur District.</li> </ol>	1 Month

<b>Sl. No</b>	<b>Challenges Addressed</b>	<b>Implementing agency /Department</b>	<b>Action Plan</b>	<b>Timeline</b>
7.	Awareness Programme on Export Promotion	DIC Thiruvallur	<p><b><u>Awareness Programme on Export Promotion -</u></b></p> <p>1. An Awareness Programme on schemes / incentives will be conducted periodically through Industrial Associations by incorporating the designated Business Facilitation Officer (BFO) from DIC, Thiruvallur</p>	1 Month

The above District Export Action Plan for the district of Tiruvallur is not conclusive and is tentative with main focus to facilitate the growth of the identified sectors in the in such a way that the district of **Tiruvallur** moves towards **Self-Reliance** and transforms itself into a **Hub For Exports** from India.