

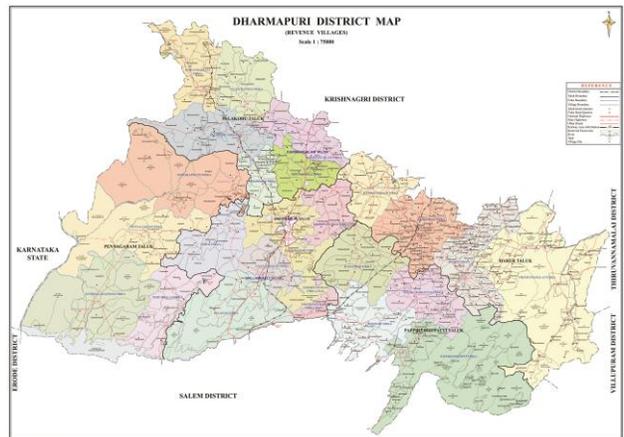
District Export Action Plan for District of Dharmapuri, Tamil Nadu

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 Krishnagiri, 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

Dharmapuri District was bifurcated from the erstwhile Salem District and Dharmapuri District came into existence from 2nd October, 1965, consisting of Hosur, Krishnagiri, Dharmapuri and Harur Taluks. Subsequently, Dharmapuri District was again bifurcated into two districts viz., Dharmapuri and Krishnagiri on 09-02-2004 due to administrative reasons, more number of villages and vast area.



After the bifurcation of Krishnagiri District from Dharmapuri District, the present Dharmapuri District is located approximately between 11°47" and 12°33" of the North Latitude and between 77°02" and 78'. The total geographical area of the district is 4497 Sq.kms. The present Dharmapuri District is surrounded by Thiruvananthai, Villupuram Districts in the East, Karnataka State in the West, Krishnagiri District in the North and Salem District in the South. The district economy is mainly agrarian in nature. Nearly 70% of the workforce is dependent on agriculture and allied activities.

Administrative Profile

Dharmapuri district comprises two revenue divisions Dharmapuri and Harur. There are seven taluks as Dharmapuri, Harur, Karimangalam, Nallampalli, Palacode, Pappireddipatti, and Pennagaram. There are 11 town Panchayats as Harur, Morappur, Marandahalli, Bommidi, Palakkodu, Pennagaram, Karimangalam, Kambainallur, Papparapatti, Kadathur, and Pappireddipatti.

Districts as Export Hubs – Vision, Goal, Policy framework

The Hon'ble Prime Minister in his Independence Day Speech on 15th August, 2019 had inter alia, observed that each of our districts has a diverse identity and potential for targeting global markets and there is a need for converting each district into potential export hubs. Department of Commerce through The 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 the production to the 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 then implement it 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 Dharmapuri

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 the district into an Export Hub.**

Analysis of the Existing Industrial scenario in Dharmapuri District:

To make the District Export Action 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

In Dharmapuri district average Normal rainfall is 853.10 mm. Total number of farmers in the district is 2,10,300 out of which 1,90,000 farmers are small and marginal farmers. Agriculture continues to be the most predominant sector of the District economy, as 70 percent of the population is engaged in Agriculture and allied activities for their livelihood. The District has as an area of 449777 Ha with net cultivated area of around 195740Ha. The Major crops raised in this district are millets and pulses in rain fed conditions. Dharmapuri district is known for its mango, coconut oil, seeds, tamarind, pulse, tapioca cultivation and cocoon production. There is good scope for the industry that is willing to manufacture energy food for all age groups and rice mills and sago industries.

The District has achieved self sufficiency in the milk production and the surplus milk can be used to produce dairy products. The mango pulp is gaining popularity and in good demand in international level. There is a good scope for the units like mango pickles, soft drinks, chocolates and chutneys. The coir based industries are popular in this district and the coir products have a good demand.

2) Industries

Traditional industries like silk reeling, silk twisting, rice milling, manufacturing of readymade garments, power looms, sugarcane crushing and tamarind processing in dharmapuri district. In fact readymade garment cluster at Dharmapuri block, emphasis the importance of these industries in the district economy. Nearly 19 granite polishing units are in the district. Under the control of industries department 10 cooperative societies are functioning in the district. There is good scope for coming up large scale industries in granite cutting and polishing, blue metal jally, value added products from tamarind, tomato and tapiaco starch, milk chilling and readymade garments in the district.

3) Minerals :

Dharmapuri district is endowed with sizeable reserves of granite. High quality black granite is available in Pennagaram, Harur and Palacode blocks. Quartz is available at Kendiganapalli Village of Pennagaram Taluk, A.Velampatti of Harur taluk and Pethathampatti of Pappireddipatti Taluk. Another High value mineral available here is Malibdinum, which is identified as a good conductor. It is available in Harur.

4) Infrastructure:

The Salem and Bangalore broad gauge Railway line and Chennai-Coimbatore broad gauge line are passing through the District of Dharmapuri for about 126.0 km. The district is having a total network about 5748 km of surfaced and un-surfaced roads. National Highways (NH-7) connecting Kanniyakumari to Kashmir, (NH-46) Chennai to Bangalore and (NH-66) Pondicherry to Bangalore passes through the District.

5) Tourism:

Hogenakal is situated at the borders of Karnataka at 46 kms from Dharmapuri. In Hogenakal the river Cauvery enters into Tamil Nadu as a big river with gushing water presentably as a natural falls. The name Hogenakal is derived from Kannada means 'Smoky Rocks'. The river when falls on the rock below, the gushing force of water resembles like smoke emanating from the rocks.

At Hogenakal the water spreads for miles around and on these waters cruising on country made dinghies (PARISAL) is possible. Parisal ride will give an enthralling experience. Surrounding by hills at various heights Hogenakal offers the visitors a different ambience and refreshing relaxations. One could also take bath in the falls. Oil massaging by local people is a different experience. As the river flows throughout the year Hogenakal can be visited all days through the year. There are enough transport facility available from Dharmapuri & Krishnagiri.

6) Potential Products :

The State Government has notified Agro Food Processing, Heavy Electricals and Engineering, Defense Equipments, Artificial Jewellery and Windmill components 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

The Dharmapuri district has to improve its manufacturing base with value addition and concentrate on export to turn the district into Export Hub. Some of the challenges for exports found in the district are:

1) **Cold Storage:** For Agro value addition to takes place, cold storage is important to increase the shelf life of the agro products, especially when it is to be exported. There is lack of cold storage facilities for agro products in the district of Dharmapuri resulting in minimal holding capacity, especially for Mango. Dharmapuri district is one of the important producer of Mango in Tamil Nadu, holding potential for value addition and Export. To harness this potential there is a need to create state-of-the-art cold storage facilities.

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 products exports, exporters 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. Dharmapuri have potential of Mango Pulp Export. But there is lack of skill development in this potential sector.

3) Ancillary Infrastructure: The district has very minimal ancillary infrastructure for exports like testing facilities, certification labs, etc., that are essential in establishing the superior quality of the agro products produced in this district and are mandatory requirements for exports. Dharmapuri have considerable Mango Cultivation. However there is no considerable Mango Pulping facility available.

4) Ease of doing business: At the district level, ease of doing business has to be ensured, especially for the Food processing sector, 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:

- Non-Access to affordable trade finance /credit
- Inadequate Availability of power & and its fluctuations
- Insufficient skilled manpower, labour training.
- Bankers Reluctance to finance MSMEs.

District Export Action Plan for Dharmapuri:

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 Dharmapuri 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 Dharmapuri is turned into a hub for exports in the next 5 years.

As the first step in converting Dharmapuri 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 Krishnagiri:

The Government of Tamil Nadu (GoTN) through its G.O(Ms) No.16 dated 23-01-2020 and G.O (Ms) No.29 dated 16.03.2020 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 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 Dharmapuri district notified vide G.O(Ms) No.16 dated 23-01-2020 has the following composition:

- | | |
|--|---------------|
| 1. The District Collector | - Chairperson |
| 2. The Office of Zonal Additional DGFT, Chennai | - Co-Chairman |
| 3. General Manager, District Industries Centre, Dharmapuri | - Convener |
| 4. Lead Bank Manager | - Member |
| 5. Representative, MSME, Chennai | - Member |
| 6. Representative, APEDA | - Member |
| 7. Representative, EEPC | - Member |
| 8. Representative, Directorate of Agricultural Marketing and Agri Business, Government of Tamil Nadu | - Member |
| 9. Representative, Local Chamber of Commerce | - Member |
| 10. Representative, Department of Industries, Government of Tamil Nadu | - Member |

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

1. Agro Food Processing
2. Heavy Electricals and Engineering
3. Defense Equipments
4. Artificial Jewellery
5. Windmill components

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 and other stakeholders 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 Food processing, sub-group on Heavy Electricals and Engineering, sub-group on skill development, Sub-group on infrastructure, Sub-group on grievance redressal, 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 Food Processing

- The District Collector- Chairperson /DC's Representative
- O/o Zonal Additional DGFT, Chennai
- District Industries Centre, Dharmapuri
- Representative, MSME, Chennai

Sub-group on Heavy Electricals and Engineering

- The District Collector- Chairperson /DC's Representative
- O/o Zonal Additional DGFT, Chennai
- District Industries Centre, Dharmapuri
- Representative, MSME, Chennai
- Representative, Engineering Export Promotion Council

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:

Sl. No	Challenges Addressed	Implementing agency /department	Action Plan	Timeline
1.	Identification of base line exports	DIC along with DGFT, MSME	<u>Data analytics</u> - The base line export for the district is the exports of the year 2018-19 originating from the district and the target is convert the District into an Export Hub. The DEPC of the district will clearly identify and quantify the base-line benchmark for each identified product/ sector and set timelines for achieving the desired export performance over a period of 5 years. Data obtained from the GST, District Industries Centre, Dharmapuri, MSME, Govt of India, Chennai, can be analyzed to understand the export trends in the district and undertaking targeted approach to resolve issues and increase export competitiveness.	6 months
2.	Comprehensive database on exporters from the district	DIC Dharmapuri	<u>Comprehensive database on exporters from the district-</u> 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 MSME, DGFT will cull out comprehensive data base of exporters for publication and administrative use. 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. 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.	6 months to 12 months
3.	Single window system at the district level	District administration & DIC Dharmapuri	<u>Single window system at the district level-</u> 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. 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. The district administration will work and operationalize the proposal under the leadership of the Chairperson of the DEPC.	1 year
4.	Creation of an online one-stop	NIC,	<u>Creation of an online portal:</u> In this digital era, creation of digital facilitation is essential. The action	1 year

	portal	Dharmapuri	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. The Portal can also develop over the time to monitor the district's DEPC projects and disseminate exporter data. NIC of the district can be tasked with this project to be implemented in a year and report to the DEPC.	
5.	Mango extension programme	Dep of Agriculture, Gov of TN	<u>Study on Mango extension</u> – The district of Dharmapuri is well suitable for Mango cultivation and Mango is one of the highly demanded product in international market. The action plan envisages that the DEPC will insist on study for extension of Mango cultivation through Department of Agriculture, Government of Tamil Nadu.	1 year
6.	Identifying new products for exports	District Administration and DGFT	<u>Identification of new products for exports</u> – Through this action plan, DEPC will work to identify new potential products for value addition and exports in coordination with District Administration.	1 year

The above District Export Action Plan for the district of Dharmapuri is not conclusive and is tentative. The Challenges posed by the COVID-19 crisis have to be overcome and the District Export Promotion Committee has to adopt and finalize the plan after consultation with all stake holders. The DEPC has the rights and powers to amend the District Export Action Plan according to the needs of the times and the prevailing contexts during the next 5 years. But the main focus will be to facilitate the growth of the identified sectors in the in such a way that the district of **Dharmapuri** moves towards **SELF-RELIANCE** and transforms itself into a **HUB FOR EXPORTS** from India.