

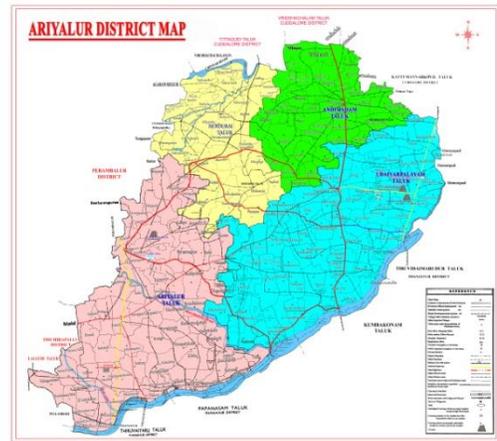
District Export Action Plan for District of Ariyalur, Tamil Nadu

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 Ariyalur, 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

Ariyalur district came into existence by the bifurcation of Perambalur district. It is bounded on the north by Cuddalore, south by Thanjavur, east by Cuddalore and Thanjavur and west by Perambalur and Tiruchirapalli districts. Ariyalur has been functioning as a separate district since 2007. Ariyalur district is located in central Tamil Nadu and is 265 km away from Chennai. The district has an area of 1949 sq. km. It lies between 10°53' and 11°26' North latitudes and between 78°56' and 79°31' East longitudes.



Administrative Profile

Ariyalur District consists of two Revenue Divisions viz., Ariyalur and Udayarpalayam, Four Taluks viz., Ariyalur, Sendurai, Udayarpalayam and Andimadam, comprising of 195 Revenue Villages. The District has six blocks viz. Ariyalur, Thirumanur, Sendurai, Jayankondam, Andimadam and T.Palur comprising of 201 Village Panchayats. There are two Municipalities viz. Ariyalur & Jayankondam and two Town Panchayats viz. Udayarpalayam & Varadharajanpettai.

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 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 double the export from the district within the next five years. 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 Arivalur

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 and double the exports (baseline year being: 2018-19) from the district within the next five years.**

Analysis of the Existing Industrial scenario in Arivalur District:

To make the District Export Plan successful and to achieve its goal of converting the district into an potential export hub within the next five years, 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) Mineral

The District is rich in mineral deposits. Celeste, Lime Stone, Shale, Sand Stone, Canker and Phosphate nodules occur at various places in the district. Limestone of sedimentary origin has been found in Ariyalur and Sendurai Taluks. The Limestone is of cement grade quality and is used in the cement plants. Fire Clay is used for the manufacture of floor tiles, stoneware pipes, fire bricks and in the chemical industry. Jayamkondam in Udayarpalayam Taluk is rich in Lignite, Oil and Gas reserves. Apart from the above major minerals, commonly used minor minerals viz Red Gravel, Brick Clay, filling earth and Kankar are also found in this District.

2) Industry

Ariyalur district has rich deposit of lime stone and other raw materials of cement manufacturing. Ariyalur district is well known for its cement manufacturing, nearly nine factories are situated in Ariyalur district out of which five factories are located in Ariyalur taluk and the remaining are situated in Jayankondam and Andimadam blocks.

3) Tourism Potential :

Vaithyanatha Swamy Temple at Thirumazhapadi, Kaliyuga Varadaraja Perumal Kovil at Kallankurichi, Siva Temple at Gangaikonda Cholapuram, Guruvayurapparkovil etc., are some of the most important Hindu Shrines in the District. The Gandaikonda Cholapuram Siva Temple (Brihadeshwara Temple) built by Rajendra Chola son of Raja Raja Chola is almost a miniature of Thanjavur Brihadeshwara Temple. Elakurichi located at a distance of 32 Kms from Ariyalur is famous for the Adaikala Matha Church built by the famous Catholic Missionary Constantino Joseph Beschi popularly known as Veerama Munivar.

Vettakudi – Karaivetti bird sanctuary situated in Ariyalur District, is 65 km away from Tiruchirappalli and 35 km north of Thanjavur, this bird sanctuary sprawls over 454 Ha of area. Water birds congregate here during November - February. About 50 species of resident and migratory birds are recorded here.

5) Handicrafts

Brass utensils from Udayanatham and Silk weaving Udayarpalayam are important handicrafts activities of the district. More than 1500 people are involved in Silk Saree weaving activity which is the other major occupation of the town. Both wholesale and retail trade of these silk saris are undertaken in the town. The silk saris weaved here are sold to the major clothing emporia in other parts of the state.

4) Potential Products :

The State Government has notified Readymade garments and Corrugated sheets & boxes as the main products with export potential for the DEPC to patronize and promote as a part of the “Districts as Export Hubs” Program.

The data from GST-R1 for the year 2018-2019 shows that the district had a combined export turnover to the value of Rs. 39.11 crs.

Challenges and Bottlenecks

The Ariyalur 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) Agriculture

Agriculture is a basic income generation source for the Ariyalur district people but it has now totally vanished due to the poor monsoon and low ground water level over the last decade. The agricultural labour costs also got increase due to shortage of agricultural labourers. So, totally farmers are helpless to meet out the expenses caused by the above reason. Among the six blocks T. Palur has some hope on Agricultural cultivation because most of the parts of this block are situated in the banks of Kollidam river, so that it has very good ground water level. The main crops of Ariyalur district are paddy, corn and drumstick. One of the main crops in Ariyalur district is cashew and it has good potential for export.

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.

3) Backwardness of the District:

Due to less primary sector activities of the district, Ariyalur district is considered to be backward in economic profile. Though this district have considerable amount of literates, there is very minimal concentration on entrepreneurship and skill development. There is urgent need to boost new investments in the district.

3)Ease of doing business: At the district level, ease of doing business has to be ensured, especially for the Handicrafts and allied sector. 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:

- Poor infrastructure to attract tourists to the existing tourist centers

- Poor accessibility to affordable trade finance/credit
- Lack of skills in potential sectors

District Export Action Plan for Ariyalur:

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 Ariyalur 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 Ariyalur is turned into a hub for exports within the next 5 years.

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

Notification of DEPC for Ariyalur:

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 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 Ariyalur 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, Ariyalur - Convener
4. Lead Bank Manager – Member
5. Representative, MSME, Chennai – Member
6. Representative, EEPC - Member
7. Representative, Department of Industries, Government of Tamil Nadu – Member
8. Representative, Local Chamber of Commerce - Member
9. Representative, FIEO - Member

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

1. Readymade garments
2. Corrugated sheets & boxes

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 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 Skill Development

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

Sl. No	Challenges Addressed	Implementing agency /department	Action Plan	Timeline
1.	Identification of base line exports	DIC along with DGFT, MSME	Data analytics - The base line export for the district is the exports of the year 2018-19 originating from the district and the target is to double the same within the next five years. 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, Ariyalur, 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 Ariyalur	Comprehensive database on exporters from the district- 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 Ariyalur	Single window system at the district level- 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	1 year

			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.	
4.	Creation of an online one-stop portal	NIC, Ariyalur	<u>Creation of an online portal:</u> 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. 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.	1 year
5.	Cashew extension Programme	Dep of Agriculture, Gov of TN	<u>Study on Cashew extension</u> – The district of Ariyalur is well suitable for Cashew cultivation and cashew is one of the highly demanded product in international market. The action plan envisages that the DEPC will insists on study for extension of cashew cultivation through Department of Agriculture, Government of Tamil Nadu.	2 years
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 Ariyalur 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 stakeholders. 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 **double the exports from the district** and to facilitate the growth of the identified sectors in the in such a way that the district of **Ariyalur** moves towards **SELF-RELIANCE** and transforms itself into a **HUB FOR EXPORTS** from India.