

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

### **Introduction**

TamilNadu, an export hub since Sangam Era, accounted for 9% of the national exports in FY 2020-21, with a major contribution from automobiles, textile, machinery, etc. The export basket of Tamil Nadu is highly diversified with the top 10 products contributing to 70% of the export share. Based on ITC Trade Map, Tamil Nadu has an estimated untapped export potential of Rs. 1.6 lakh crore (USD 22 billion) Unlocking the export market share in the Champion Sectors, where the State has a competitive edge, would have a larger economic benefit.

### **Export and Economy**

Rising exports must be an integral component of India's development strategy, especially since exports constitute one of the four pillars—the other three being human resources, investments, and governance—upon which the country has traditionally relied on to accelerate its growth since the economic reforms of the 1990s. India's vision of becoming a USD5 trillion economy by 2024 and TamilNadu's cherished dream of a trillion USD economy are intricately linked with an export-oriented approach. Export promotion is beneficial at a national and State level. It creates employment, enhances labour productivity, leverages economies of scale, accelerates technological progress, generates greater capacity utilization, improves the allocation of scarce resources throughout the economy, eases the current account pressures for foreign capital goods by increasing the country's external earnings and attracting foreign investment, increases the total factor productivity, and consequently, the well-being of the country.

### **Policy formulation**

India is regarded as the fastest growing economy globally, and export has become a crucial constituent for this growth. Export-oriented policies have enhanced innovation and have been instrumental in increasing the country's Foreign Direct Investment flows. It should be noted that National level export policy would not capture the complexities and the challenges faced by each state at the ground level. Export competence differs spatially across India; thus, export policies need to be more context-specific so that the state governments can identify the gaps and formulate a way forward to reduce such discrepancies. The growth-trajectory of our economy would be incomplete without considering the export ecosystem at the state-level. For a country as vast and geographically diverse as India, the state of preparation to strengthen

exports needs to be understood at the regional level; a policy measure at the national level will not suffice. Each state needs to have its own policy measure, and understand its unique strength and valuable resources, so that exports get a shot in the arm at the regional level. The strategies and action plans are to be drafted at district level.

### **Export Promotion Strategy**

TamilNadu has drafted and released TamilNadu Export Promotion Strategy in 2021. The state provides land allotment for companies with a clear roadmap for Export based business. Along with this, there are sector-specific export plans for industries such as Automobiles, IT and Marine products. Finally, the state government provides financial aid to deserving exporters on the recommendation of Export Promotion Councils, to meet legal costs and other associated expenses.

### **District Export Promotion Committee**

Tamil Nadu has constituted District Export Promotion Committees chaired by the District Collector, in all districts. The Government of Tamil Nadu in conjunction with the Government of India has identified products with higher export potential for each of the 38 districts in the State which shall be supported by a district-wise export plan. DEPC has to act as a one-point facilitator for export promotion at the district level along with the SEPC to convert the district into an Export Hub. It has to

- Prepare District Export Action Plan to avail support from the Department of Commerce/DGFT under the 'District as Export hub initiative'. The District level plans will also include a strategy to enhance logistics and infrastructure at the district level and better utilization of the Market Access Initiative (MAI) Scheme of the Department of Commerce for inviting foreign buyers under reverse buyer-seller meets at the district-level, suitably gathering district level commodity and services exports data including through GSTN and Customs ICEGATE System and publishing District Export Matrix for each district on a quarterly basis by the State Government.
- Ensure knowledge dissemination on periodic updates on regulations to exporters; conduct outreach programs targeted at the existing manufacturers and niche exporters, to impart the training on the basics of export processes and procedures, identification of product segments and markets
- Constitute District level coordination committee to organize frequent stakeholder interactions with commodity boards/export councils to capture export-related issues and represent them to the State coordination committee

- Formulate of District export desk - District export desk shall organize frequent stakeholder interactions with commodity boards/export councils to capture export-related issues and represent them to the State coordination committee Export Promotion Agencies Export Councils Guidance DGFT SEPC/DEPC Testing & Certifications Export Inspection Agency NABL Financial Institutions EXIM Bank of India Chennai Customs Customs & Taxes TNTDP Technology Promotion & Development Port related services & storage Major ports in State Railways Central & State warehousing corporation Maritime Board Tamil Nadu ICD, CFS Highways Department

### **District Export Action Plan**

Accordingly, the detailed action plan is outlined for the district of Sivaganga, as below, 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.

### **Government Order**

Sivaganga District is an administrative district of Tamil Nadu state in Southern India. Sivaganga District has been carved out from composite Ramnad District as per G.O. MS. No. 1122 Rev. Dept. Dated 06-07-1984 and the District was functioning from 15-03-1985 as per G.O Ms.No. 346 Rev. dept. Dated: 08-03-1985.

### **District Profile:**

Sivaganga District consists of two Revenue Divisions viz., Sivaganga and Devakottai, 9 Taluks viz., SIVAGANGAI, MANAMADURAI, ILAYANGUDI, THIRUPPUVANAM, KALAIYARKOIL, KARAIKKUDI, DEVAKOTTAI, THIRUPPATTUR and SIGAMPUNARI, comprising of 521 Revenue Villages. The District has 12 blocks viz. Sivagangai, Kalayarkoil, Manamadurai, Thiruppuvanam, Ilyankudi, Devakottai, Kannangudi, Sakottai, Kallal, Thiruppathur, Singampunari and S.Pudur comprising of 451 Village Panchayats. There are three Municipalities viz. Sivagangai, Devakottai and Karaikudi and Eleven Town Panchayats viz. Manamadurai, Thiruppathur, Thiruppuvanam, Singampunari, Ilayankudi,

Nattarasankottai, Kottaiyur, Kandanur, Pudukkottai, Pallathur, Kanadukathan, Nerkuppai.

### **Location and Boundaries**

Sivaganga District is the 26th largest district by population size and the density of people per Sq.Km is 324 as per 2011 census with a sex-ratio of 1,003 females for every 1,000 males. Sivaganga district is located between 9°.43' and 10°.22' North Latitude and 77°, 47' and 78°.49' East longitudes. It covers area of 4189 sq.km. It is bounded by Pudukkottai district on the Northeast, Tiruchirapalli district on the North, Ramanathapuram district on South East, Virudhunagar district on South West and Madurai District on the West.

### **Physiography**

Sivaganga district has red soil and clay soil. The familiar landscape is of palm and acacias. The Vaigai River flows in the district which fill water to around 100 tanks. A small hillocks in Piranmalai and small hillock at Kundrakudi are the hills in the district worth mentioning.

### **Climate and Temperature**

The climate is almost dry and sultry, especially during summer months. During the winter season (i.e.) December to January the temperature is below the normal. The district experiences sunshine and moderate high temperature through the year. The maximum temperature of 42°-43°C. The months of April and May are the hottest months and the cold weather prevails only during December – January.

### **Rainfall**

The district receives normal annual rainfall of 904.7mm .

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:

This District is backward region from the point of view of agriculture, industry and general economic conditions of the people, mainly due to the feudalistic and rural background of the area. Several

parts of this district are frequently affected by drought. However, there is gradual improvement in this district in the sphere of Industry.

The types of Soil prevalent in the district are lateritic soil, red soil, black soil and alluvial soil. Mineral resources, graphite, multi-coloured granite, brick-earth, roughstone and gravel area available in the district.

### **Strengths and Opportunities:**

The district offers ample scope for various types of economic activities, prominent among them being in the field of agriculture, horticulture, dairy, handicraft, coir and coir products, heritage tourism and other service activities.

The district possesses infrastructure facilities like road network, broad gauge rail link and nearest airport being Madurai and Trichy.

### **Agriculture, Farm sector and Forest**

The Major food crops grown in the district are paddy, groundnut, sugarcane, Mango, coconut, amla, banana are some of the principal horticulture, floriculture crops, cotton and chillies are some of the major cash crops grown in the district.

### **Predominant Economic Activities Prevalent in the District**

The district offers ample scope for various types of economic activities, prominent among them being in the field of agriculture, horticulture, dairy, handicraft, coir and coir products, heritage tourism, graphite industry, modern rice mill, coir industries, brass industries, wood works, country bricks, textiles, sugar factory, gear industry, paper mill, solar power plants, biomass power plant, cement pipe industries, Building Materials, Bricks, Tiles, and Fly ash Bricks, Hollow Blocks, Other Potentials and Non Farm Sector type of Industries, Raw Materials based: Graphite based Industries, Coconut Coir Industries, Chamber / Country Bricks, Granite Industries, Stone Crushing, Fire Frequette, Cashew, demand based industries, Electro Plating, Zinc Anodes, Fire briquette, cashew, skill based industries, Overseas Employment Training Centers,

Readymade Garments, Wood Carving, Welding, Tailoring, Coconut Leaf Products, Thanjore Paintings, Pottery, and other service activities.

The district has Alagappa University, CSIR Laboratory viz, Central Electrochemical Research Institute (CECRI), Karaikudi, Krishi Vigyan Kendra, Kundrakudi and State Animal Husbandry Farm at Chettinad to provide research, education, consultancy and training facilities. The district is classified as industrially backward with 10 out of 12 blocks being backward.

### **Medium Scale Industries.**

Some of the Medium & Large Scale Industries functioning in Sivaganga District are M/s. Sakthi Sugars Limited, Kannariruppu, Mathur, padamathur Post, Sivaganga. M/s. Sree Kannathal Textiles (P) Limited, Okkur, Sivaganga Taluk. M/s. Sree Vadivambigai Textile Mills Limited, Sakkanthi, Sivaganga Taluk. Sree Jaya Soundaram Textile Mills (P) Ltd, Madagupatti, Sivaganga Taluk. TAMIN, Pudupatti, Sivaganga Chindhamani Textile Mills Arasanoor M/s. Kaleeswarar Mills 'B' Unit, P.B.No: 1, Kalayarkoil, Sivaganga Taluk. M/s. M.M. Forgings Ltd., Plot No: 1, Singampuneri, Thiruppathur Taluk. M/s. Sree Kaderi Ambal Mills (P) Limited, Perattankottai Village, Shanmuganathapuram, Devakottai Taluk. M/s. Tamilnadu Chemical Products Ltd., Koviloor, Karaikudi Taluk. Annamalaiyar Paper Mills, Ooravayal, Pudukkottai via, Sakkottai block. Tamilnadu Chemical Products and power plant unit, Kovilur. Sakthi Sugars Ltd, Power plant unit, Padamathur. Indane Gas Filling Station (Govt Of India Undertaking), Ilayangudi, E.I.D.Parrry India Ltd., Udaikulam, Sivagangai. TK. SLP Solar Power Plant, Marakathur, Kalaiyarkoil. Moyers Bear Clean Energy Limited (MBCEL), Muthupatti, Keelakulam, Muthupatti, Sivaganga. Spices Park, Spices Board Government of India, Muthupatti, Sivaganga.

## SOLAR POWER PLANT IN SIVAGANGA

Muthupatti, a remote village in Sivaganga district, has provided a major shot in the arm for proponents of solar energy as an effective alternative technology to power. The success of a 5 MW photovoltaic grid interactive solar power plant established in the village by Moser Bear Clean energy Limited (MBCEL), a subsidiary of Moser Baer Projects Private Limited, has boosted the prospects of solar energy getting more attention as the high initial costs of this sector has been a major cause for concern, Official sources told that while this project had an annual generation target of 8,350 MW, it has produced about 4,000 MW or nearly half the target within five months itself (as on May 31 2012). the maximum power generated in one day so far by this plant was 31m824 units on 31 March 2012.

RLP Power Plant Marakathur, Kalaiyarkoil Block is also functioning.

### **Industry (Manufacturing & Service) :**

#### **Potential Products:**

Sivaganga is one of the Industrial Backward districts in the state. Clay soil and sand are major minerals of economic value found in Sivaganga district. Many Chamber & Country Brick manufacturing units are situated in Thirupuvanam and Manamadurai near the Vaigai river Banks.

#### **Potential Products:**

It would not be an exaggeration, if we say that certain traditional products such as Chettinad Kottans, Athangudu Tiles, Ariyakudi Kuthu vilakku, Sungudi Sarees, Karaikudi Handicrafts and Artistic wood Items etc are manufactured and exported to Foreign Country.

Further certain agro based products like Gherkins, Pickles, Coir Pith, Block are exported to foreign countries to the value of Rupees 880 Lakhs per year. Quantum Drugs and chemicals, SIPCOT Complex Manamadurai, is manufacturing of Dolophite (Drugs) used for raw materials of Diabetic Medicine and Exporting their product to USA

Tamilnadu Chemicals Pvt Ltd are exporting of Inorganic Chemicals to Grace,Kang hong, USA.

**4) Challenges and Bottlenecks:** Even though the Sivaganga district has a vibrant potential in all important sectors, it is not able to cater to the needs of global market with high demands. 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:

**a) Skill Deficiency:** Sivaganga being an aspirational district, skill development has been identified as an important component with 5% weightage in obtaining the composite index. Five indicators has been included in order to monitor the progress made with respect to skill development. Some key strategies for skill development of aspirational districts are as follows:

1) Creating district action plan to map the skill gaps and provide skilling facilities.

2) Improving employment rates to rationalise PMKVY job roles to focus the industrial demands and their aspirations.

3) PMKVY centres to act as counselling/aptitude testing centres.

4) Reallocation of funds under state component – state to allocate 25% more funds out of the funds received from central for PMKVY

**d) Ease of doing business:** At the district level, ease of doing business has been ensured by the active participation of Entrepreneurs to get each and every clearances, approvals, Licences, Certification and Incentives through a Single Window Portal System in Digital Platform with paper less communication system.

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 favouring 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 Virudhunagar District into becoming an export hub.

To this extent, the DEPC, Union and State governments and the exporting community, at large have to actively participate in the program and work on a mission mode, so that the district of Sivaganga is turned into a hub for exports in the next 5 years. As the first step in converting Sivaganga into an Export Hub, the District Export Promotion Committee (DEPC) had been formed and notified by the Government of Tamil Nadu for the district. DEPC for Sivaganga district notified vide G.O (Ms) No.29 dated 16.03.2020 has the following composition:

1. The District Collector, Sivaganga - Chairperson
2. The Office of Zonal Additional DGFT - Co-Chairman
3. General Manager, D.I.C., Sivaganga - Convener
4. Lead Bank Manager – Member
5. Representative, MSME - DI, - Member
6. Representative, Engineering Export Promotion Council – Member

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 secretary 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 coordination 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.

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, sub-group on artisan cum traditional products, 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.

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. Data obtained from the GST, District Industries Centre, Sivaganga, MSME, Govt of India, Chennai, 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.

Some common and basic tasks in the direction of making this district as an export hub have been identified.

- 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 MPEDA 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.
- In order to address the numerous approvals and licenses required for manufacturing or setting up an export business, **single window clearance mechanism** already in place as part of ease of doing business shall be utilized.
- 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.

- DEPC will work to identify **new potential products** for value addition and exports in coordination with District Administration.

### **Concluding note**

The above District Export Action Plan for the district of Sivaganga is not conclusive. 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. But the main focus will be to facilitate the growth of the identified sectors in the in such a way that the district of Sivaganga moves towards SELF-RELIANCE and transforms itself into a HUB FOR EXPORTS from India.