

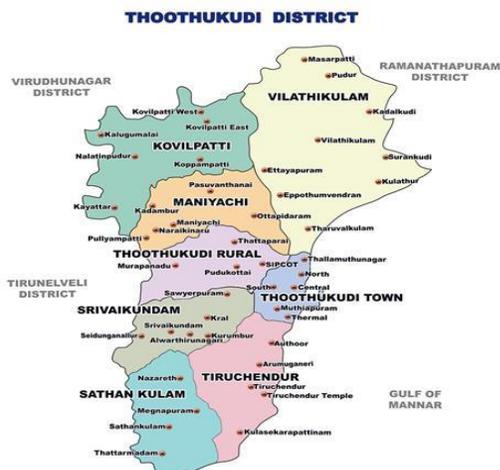
District Export Action Plan for District of Thoothukudi, Tamil Nadu

1. Introduction

Tuticorin a southern most district of Tamil Nadu owns a large coastline of about 163.5 km coastline. The predominant activities of the district are fishing and salt making. Thoothukudi Harbor is one of the major harbors in Southern India. The first to get ISO 9002 certification and it is the Southern Gateway of India. On a closer look the district owns a good scope of untapped products suitable for export. To bring into reality the vision of Hon'ble Prime Minister of India, this district export promotion plan details on key areas to promote the export of products in the district of Tuticorin and to convert it into an export hub.

1.1 District Profile

Thoothukudi district is located on the extreme southern parts of Tamil Nadu and it was carved out of Tirunelveli District on 20 October 1986. The district is located between 0.8 and 45 of the northern latitude and 78 and 11 of the eastern longitudes. The district is roughly triangular in shape and is bounded by Virudunagar and Ramanathapuram districts in the north, Gulf of Mannar in the east and Tirunelveli district in the south and west. The total geographical area of the district is 4707 sq.kms. and constituting about 3.5% of the state. It has got a coastal line of 163.5 kms. River Thamirabarani passes through the district.



1.2 Administrative Profile

Thoothukudi was established as a Municipality in 1866 and on August 5, 2008 attained the status of Corporation after 142 years. The administrative set up of the district includes 3 Revenue Divisions, 10 Taluks of 480 Revenue Villages, 403 Village Panchayats, 1 Corporation, 2 Municipalities and 12 Panchayat Unions.

1.3 Demography

The total population of this district as per 2011 census is around Seventeen lakhs. The density of population per Sq.km is 369. The sex ratio is 1023 females for every 1000 males. The percentage of literacy is 86.16.

1.4 Rainfall and Climate

The District is in the rain shadow region created by the Western Ghats of the west. The average annual rainfall in the district is 790.2 mm. The main rainy season for the district is from October to December. The district gets minimal rain fall during the south west monsoon. The average minimum temperature of the district is 22.8 degree Celsius and the average maximum temperature is 38.2 degree Celsius.

2. Goal of DEPC

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.

The aim of the District Export Promotion program and its Action plan is 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 DEPC mainly focuses on key industries favourable for export in the district. It lists the weaknesses and threats that hinders export in the district.

3. Policy Frame Work

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).

4. District Action Plan for Thoothukudi

The following are the actions to be taken based on the first meeting session held on 17.03.2020

- To set up special wing to offer guidance on export promotion
- To identify the infrastructure requirements and bottlenecks in export promotion
- To setup plug and play facilities in the district by the Industries department to improve the export infrastructure of the district.

5. Export Promotion Strategy

Tamil Nadu has drafted and released Tamil Nadu 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.

6. 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

7. 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 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. 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.

8. Industrial Scenario of Thoothukudi District

8.1 Industry at a Glance

S.No	Head	Particulars
1	Registered Industrial Unit	12370
2	Total Industrial Unit	20000
3	Registered Medium & large Unit	24
4	Estimated Avg No of Daily Worker employed in small scale industries	45600

5	Employment in large medium industries	10200
6	No of Industrial Area	05
7	Turnover of small scale Industries	100 crores
8	Turnover of medium and large scale industries	3000 crores

8.2 Large Scale Enterprise/Public Sector Undertakings

- Tuticorin Alkali Chemicals and Fertilizers Ltd – Aluminium Chloride
Dharangadara Chemical Works Ltd, Sahupuram, Arumuganeri, Tiruchendur
- Chemicals
- Southern Petrochemical Industries Corporation Ltd. (SPIC), Spic Nagar
Tuticorin - Fertilizers
- Lakshmi Mills Co.Ltd, Lakshmpuram Post, Kovilpatti-Textile Yarn
- Loyal Textile Mills Ltd 21/4, Mill Street, Kovilpatti-yarn and cloth
- Madura Coats, Beach Road, Tuticorin - Cotton yarn and thread
- Heavy Water Plant, Tuticorin - Heavy Water
- Thoothukudi Thermal Power Station, Tuticorin – power
- V.V.Titanium Pvt Ltd, SIPCOT Complex, Tuticorin
- Zirconium Complex, Palayakayal – Zirconium Oxide
- NLC TamilNadu Power Limited, Thoothukudi – Power
- Spic Electric Power Corporation, Thoothukudi – Power
- Coastal Energen Pvt Ltd., Mela Arasadi - Power
- Transworld Garnet India (P) Ltd., Kootudankadu – Garnet Sand

8.3 Major Exportable Item

- Coco Pith
- Senna Leaves
- Dry Flowers, Garnet
- Frozen Sea Food
- Salt
- Industrial Salts

- Titanium –di-oxide
- Safety Matches
- Illuminate sand
- Garnet Sand and Copper Slag
- Copper Concentrate
- Phosphoric Acid
- Sulphuric Acid
- Cement
- Granite Stone

8.4 Medium Scale Enterprises

1. Amulya Sea Foods
2. Nila Sea Foods
3. Kalpaka Chemicals
4. Siva Blue Metals'
5. Adsorbent Carbons Pvt.Ltd
6. Gee Gee kay Pvt.Ltd
7. Tuticorin Salt and Marine Chemicals Ltd
8. Venus Home Appliances Pvt Ltd.,
9. Agsar Paints Pv Ltd.,
10. Bharathi Co-op Spinning Mills Ltd.,
- 11.V.V. Iron and Steel Company Pvt Ltd.,
- 12.Maris Associates Pvt Ltd.,
- 13.Kadal Kanni Frozen Foods Pvt Ltd.,
- 14.Diamond Sea Foods & Exports Pvt Ltd.,
- 15.Idhayam Frozen Foods Pvt Ltd.,
16. Hi-Tech Fly Ash India Pvt Ltd.,
17. Rathnam Gold and Diamond Pvt Ltd.,

18. Deva & Co

19. Ramesh Flowers Pvt Ltd.,

20. J.K.S. Matches Pvt Ltd.,

8.5 Potential for new manufacturing MSMEs

1. Structural Fabrication Works

2. Gate, Grill, Doors & Windows

3. Mechanised Boats

4. Fibre Boats

5. Fishnet

6. Seashell grit

7. FRP Products

8. Dry fish processing

9. Poultry Feed Manufacturing

10. Silica sand processing

11. Sodium Silicate

12. Coir Products

13. Cane Products

8.6. Service Enterprises

1. Security services

2. House Keeping

3. Cell Phone servicing

4. Repairing of Electro Medical Equipments

5. Marketing Consultancy

6. Industrial Consultancy
7. Entrepreneurship Development Institutions
8. Repairing and Servicing of Boats
9. Internet Browsing
10. Data Base services
11. Cyber Marketing
12. Industrial Laundry
13. Documentary
14. Beauty Parlours
15. Sporting and other recreational activities
16. Safety disposal of hospital/medical waste
17. Postal and Courier activities
18. Cable T.V
19. Freight transport
20. Printing and Book Binding
21. Auto /Two Wheeler service centres
22. Recharging and reconditioning of batteries
23. Hotels and hospitality services
24. Educational Institutions
25. Creche
26. Fitness Centres
27. Boat repairing
28. Ship breaking
29. Manpower agencies
30. Engineering Fabrication

9. Potential Products for Export

9.1 Marine Products

Thoothukudi District is one of the most potential districts for marine, inland and brackish water fishing.

9.2 Salt

Thoothukudi's low rainfall and its clayey subsoil prone to salt water intrusion, has resulted in tracts of agricultural land, sand dunes, scrubs and mudflats being turned over for salt production. As the second largest salt producer in the country, Tamil Nadu meets 26% of the country's salt requirements. Thoothukudi has over 10000 acres of land under private and otherownerships, and around 1650 acres on lease for salt production.

Salt finds several commercial uses; raw salt for industries, crystal salt, refined salt and ironfortified salt for domestic uses. The raw salt undergoes a process of fractional crystallization before finding use in fertilizer, detergent, textile dyeing, glass, building, water treatment and other chemical industries.

Salt pan areas in Thoothukudi have increased by 5.03% between 1993-2001, by 6.4% between 2001-2005, and in 2005, salt affected lands occupy 176.44ha of the total district area of 4621 sq.km (Gangai 2010), a trend that continues as per the Salt Ministry in Thoothukudi (Kasturi pers.comm. 2014). However, there are rising concern about the detrimental impact of the saltwater instrusion on water quality in Thoothukudi, rendering it unfit for domestic consumption and agriculture. Salt is categorized under HS Code 25 based on Harmonized system of product classification.

9.3 Banana

Thoothukudi district is one of the major cultivators of banana in the state next to Trichy district. Major portion of this crop is marketed to other districts/neighboring state, leading to wastage/rejection and low price. If banana is processed and value added locally, it would reduce wastages and fetch good prices to farmers. Value added banana products such as banana fig, chips, powder, juice, wine, jam, sauce, sweet chutney, pickle, Thokku, biscuits, fruit bar, central core

candy, ready to serve snacks etc., can be produced with technical support from NRCB, Trichy. At present very few units are engaged in the production of value added banana products. There is a large scope for export of this product with higher investment in this district.

9.4 Coir Pith

Coir has come a long way from the ancient uses. It is still used for agricultural and domestic purposes. It has also become an article of use in modern life either as garden article, as bags for the tea leaves, for training hops, as brush mats at the door steps, as long-wearing carpets in the corridors of the bungalow veranda, as tastefully planned floor coverings, in the drawing room or as the runner on the staircase, as geo-fabric for controlling landslide or soil erosion, for protection of embankments of roads, railway and canals. Coir production shows an increasing trend in the district of Tuticorin. This makes it favorable for the export of coir products. Tuticorin is one of the leading exporter of coir products. There is a good demand for value added products made using coir. Some of the coir based products exported from Tuticorin to other countries are

- Coir Pith
- Coir Fibre
- Coir Tuffed Mats

9.5 Other Agriculture Products

- Paddy
- Cholan
- Cumbu
- Ragi
- Varagu
- Samai
- Cotton
- Chilly

- Drum Stick
- Groundnut

10. SWOT Analysis For Export

A detailed SWOT analysis offers a clear picture of the areas to focus to improve the production of export products and promote the district into an export hub in the next few years.

10.1 Opportunities For Export

10.1.1 Opportunities For Marine Products Export

There is a fish landing center at Therespuram with area coverage of 17 acre, which has one auction hall, two toilet blocks and one high mask light. However, the existing auction platforms are highly congested and lack of hygiene. They require expansion and modernization. Tanks in the district needs desalting at regular intervals for taking up inland fisheries activities. Strengthening the embankments of the lakes/tanks, provision of shutters in the canals would also pave way for more intensive inland fisheries activities. Establishment of fish/prawn disease diagnostic labs is very much essential. Department has to formulate and adopt regulatory measures for conservation and management of available fishery resources.

Thoothukudi district of 200 ha vast Inland resources comprising reservoirs, rivers and canals, lakes, ponds and tanks and other water bodies having immense scope for development of inland fisheries. The Fisheries Department is formulating different strategies including stocking of advanced fingerlings of fast-growing species, introduction of cage culture/pen culture and creation of more fish seed banks to ensure the availability of seeds round the year for increasing inland fish production and fish productivity.

Coastal protection initiatives: Islands of the Tuticorin region act as bio shields in this village along with the coral and seagreass beds. The impact of tsunami was comparatively less in this district. Moreover, manual protection by making sea walls has been done in several areas noticeably in Thirespuram.

Awareness initiatives: Workshops are conducted to educate fisherman on promoting export. Quality testing of various types of materials used in construction and practical sessions are conducted. Various awareness programs on coastal resources and conservation are conducted by various government and private sectors.

10.1.2 Opportunities For Coir Pith Export

During the year April 2020-21, 106 countries imported coir and coir products from India. USA topped the importing countries with 31.1% in value and 19.1% in quantity. China is the second largest importer of coir products from India with a share of 20.7% in value and 34.8% in quantity. The other countries, which imported substantial quantities of coir and coir products during the year under report, were Netherlands, South Korea, UK, Spain, Australia, Italy, Germany, and Canada. There is a good network of commercial cooperative banks in the district. They offer both cash credit and term loan facilities to the coir industry.

10.2 Strengths

Some of the notable strength of the district that makes agriculture favourable are listed below.

- The district has a coastal line of 163.5 Kms and the famous Tuticorin port helps major export of all commodities and the main source of income for the district.
- The hot and dry climate of the district is highly suitable for dryland crops.
- The perennial nature of the river Thamirabarani helps cultivation of paddy year round in Thamirabarani belt.
- The district has a good local market and interstate market for its agricultural commodities.
- District has potential and favorable agro-climatic conditions for cultivation of Rice, Maize,, Cotton, Pulses, Sunflower, Ground nut, sugarcane and all other dry land crops.
- The district has both surface and groundwater potential for cultivation of

irrigated crops in some Taluks.

- The land put to non-agricultural uses occupies considerable area (74468). This reflects that there is scope to increase the area under cultivation.

10.3 Weaknesses

Agriculture

- Most of the area is covered with sandy soils since the district has a long coastal area of 163.5kms.
- Limited availability of surface and groundwater in some taluks is a major weakness for the agricultural development in the district.
- Majority of the lands are fragmented.
- Increasing scarcity of labour due to tremendous increase in migration from rural to urban areas.
- Owing to the rise in the agricultural labor wages, many of the farmers tend to shift from agricultural crops to perennial crops.
- The area under rain fed crops in the district has been increasing over the years due to increasing scarcity of labor and stagnation in yield and profitability of crops.
- Lack of water harvesting structures to harness the rain water is another threat for sustaining irrigated agriculture in the district.

Marine Industry

Poor and erratic rain fall, less retention of water in the water bodies, inadequate infrastructure for quality fish seed and feed, marketing are the factors responsible for limiting inland fish production.

10.4 Threats

Problems Faced In Agriculture

- Sea water intrusion in many parts of the district is a major threat.

- Industrial development and reduction in the area of agricultural lands is an alarming factor.
- Increasing scarcity of water and labour in many parts of the district is a major threat to expansion of irrigated agricultural production.
- The transformation of Agricultural lands into residential complexes will be in an alarming rate.
- Attractive urban employment opportunities not only absorb the agricultural labour population but also the farmers as well which poses a major threat to agricultural development.
- Disaster management – Like sea water intrusion and Tsunami and flood during monsoon season.

Problems Faced By Marine Industry

- Marine debris such as abandoned nets, plastic fish traps, ropes and lines are becoming far more common on the coral reefs of the Gulf of Mannar, along the Coast of southern Tamil Nadu.
- Though marine debris spans an area of only, 1,150 square metres in the Gulf, it has an impact on coral health, making them more susceptible to injury, fragmentation, and disease. It also affects corals' existing resilience to climate change, worry researchers.
- Marine debris is increasing in the Lakshadweep as well, and it represents exactly how wide the footprint of the commercial fishery is, say scientists.

10.5 Skill Gap Analysis

No.of Coastal center's : 24

The fisherman of Thoothukudi are mostly using gillnets and trawl nets in the motorized country craft and trawl boats.

Skill Gap Analysis

There is a huge need to enhance the international entrepreneurial skills of businessmen, farmers and fishermen in the district. They must be assisted in

exploring the international market. Proper training and capacity building must be offered to them.

Infrastructure

The district has minimal infrastructure for exports like testing, certification labs etc to establish superior export products. Thus there is a need to strengthen the basic infrastructure and facilities for export.

Plan of Action

The aim of this District Export Promotion Plan is to work on reducing the above said weakness and minimize and threats posed to the exports of the district and convert it into becoming a major export hub.

- DEPC mainly focuses on creating sub groups for each of the potential export products in the district.
- There is a need to set up a single window system at the district industries Centre for any export related approvals or clearances at the district level.
- DEPC addresses the pitfalls in infrastructure and policies relating to exports from the district.
- DEPC suggests for meetings to be held at regular intervals to minimize the gap mentioned above and make use of the opportunities available in the district to promote export
- DEPC insists various departments to organize training to the labourers, artisans and entrepreneurs.
- DEPC will act as one-point facilitator for export promotion at district level for coordinating and liaising with and report to State Export Promotion Committee (SEPC) and other related departments for removing all the above mentioned bottlenecks and developing this district into an export hub.