

# DISTRICT EXPORT ACTION PLAN

## TENKASI



## **DISTRICT EXPORT ACTION PLAN FOR TENKASI DISTRICT**

### **Export an 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.

#### **\*\*\* Formation of DEPC for TENKASI: \*\*\***

As the first step in converting Tenkasi 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 Tenkasi district notified vide G.O (Ms) No.29 dated 16.03.2020 has the following composition:

<b>DISTRICT EXPORT PROMOTION COMMITTEE</b>	
District Collector, Tenkasi	Chairperson
Joint Directorate General of Foreign Trade (JDGFT), Madurai	Co-Chairman.
General Manager, District Industries Center (DIC), Tenkasi	Member/Convener
Lead District Manager, Indian Overseas Bank, Tenkasi	Member
Assistant Director, Micro, Small and Medium Enterprises – Development Institute (MSME-DI), Tirunelveli	Member
Representative, Engineering Export Promotion Council	Member
Representative, FIEO	Special invitee
Representative, APEDA	Special invitee
Representative, Spices board, India	Special invitee
Representative, CEO, TANCOIR	Special invitee

Deputy Director, Horticulture, Tenkasi	Special invitee
Deputy Director, Agriculture marketing & Business, Tenkasi	Special invitee
President, Tenkasi Micro, Small and Medium Enterprises Association, Tenkasi District.	Special invitee

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.

**TENKASI DISTRICT AT A GLANCE**



Tenkasi District is located in the south western region of Tamilnadu. It is surrounded by Tirunelveli district in the south east and Virudhunagar in the North. It owns a resourceful terrain as it is surrounded by the western ghats and Kerala in the west. Rivers including Gundaru, Gadana, Ramanathi, Chitary are the primary sources of irrigation for Agriculture in the District. The district was formed in the year 2019 for administrative convenience. The total geographical area of the district is 2882.44sq.kms. It comprises of 8 Talukas 5 Municipalities, 18 Town panchayaths, 246 revenue villages, 221 village panchayaths.

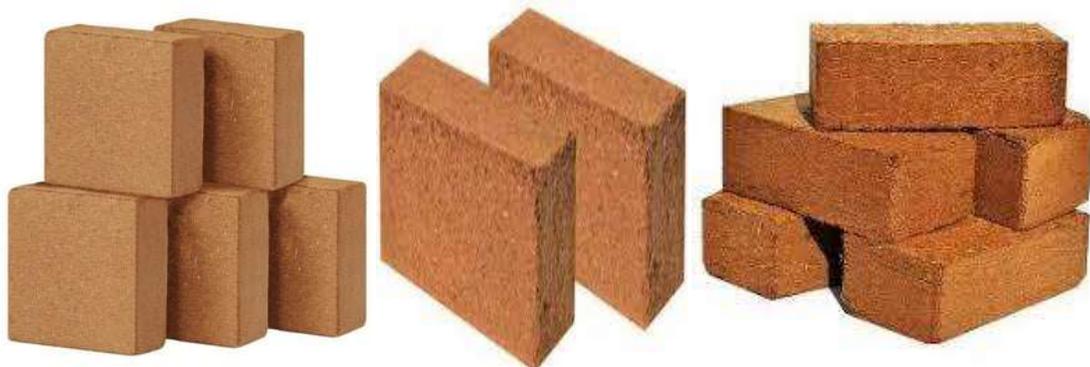
## GOAL

This **District Export Action Plan** enlists the plan of action and strategies for converting the district of 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, there needs for a proper understanding of district's strengths, opportunities and export related challenges

## IDENTIFIED PRODUCT FOR EXPORT

As per the MSME (F) Dept G.O.(Ms.)No.29 dated 16.03.2020, for Tenkasi district "**coir pith block**" is the identified potential product for the export. The coir pith bloc manufacturing units are predominantly available in tenkasi district due to the large cultivation of coconut trees.

## COIR PITH BLOCK- IDENTIFIED EXPORT PRODUCTS:



The Coir industry has its credit a tradition and heritage of centuries. But development of Coir industry in India has begun in an organized way only in 1959. Ever since this humble beginning, Coir products have been improving in quality, quantity and variety. For historical reasons, cultivation of coconuts and extraction of Coir fibre and its further processing have taken deep roots in the state of Kerala. The rapid expansion of coconut cultivation in non-traditional areas increased the production of coconut and the industry has also developed gradually in the state of Tamil Nadu. In Tenkasi District Coconut crops are cultivated in 12035 hectare area. More than 45 coir products making industries are running successfully in this district . Increased production of value added pith products and venturing for exports would augment increase turnover and export revenues.

**TOP EXPORTERS COIR PITH IN TENKSAI DISTRICT:**

<b>SL.NO</b>	<b>EXPORTERS</b>	<b>PRODUCT</b>
<b>1.</b>	<b>NELSON GROUPS</b>	<b>Coir Pith</b>
<b>2.</b>	<b>JASMIN GROUPS</b>	<b>Coir Pith</b>
<b>3.</b>	<b>TMS EXPORT AND IMPORT</b>	<b>Coir Pith</b>
<b>4.</b>	<b>ENVIRO COIR MEDIUM</b>	<b>Coir Pith</b>
<b>5.</b>	<b>KK COIR INDUSTRY</b>	<b>Coir Pith</b>

## SOURCE OF COIR INDUSTRY

- I) The State coconut nursery Vadakarai was established on 28.08.1964 at Shencottai taluk of Tenkasi District.



The coconut Crossing Centre, Vadakarai was established on 1.12.1991 at the State Coconut Nursery vadakarai. It is located at the foothills of the western Ghats and this nursery receives rainfall during both south west and North East Monsoon. The average rain fall of the nursery is 1100 mm. The soil type is red sandy loan with high organic content. The coconut nursery is being managed by one Agricultural officer and one Assistant Agricultural officer.

The Coconut Crossing Centre work is being carried out at three locations namely The state coconut nursery, Shencottai, The state coconut nursery, Vadakarai and Private coconut farm at Vadakarai. The Vadakarai Coconut Nursery is located in the centre place of Tenkasi district and the farmers are benefited by the quality seedlings produced in this farm. Average Production of Coconut Seedlings at State coconut nursery Vadakarai produced Tall Seedlings 17000 Nos.

### State Coconut Nursery, Shencottai

A State Coconut Nursery was started in Shencottai on 5th August 1958. This nursery produces and distributes tall, tall X dwarf and dwarf variety coconut seedlings. The area of nursery is 1.95 acres. The yearly achievement of this nursery's 25000.



## **INDUSTRIES**

Though Agriculture is the predominant role in the district, many other industries are functioning in the district. Modern Rice mills and Oil mills particularly in Keelapavoor and Alangulam blocks being famous for both boiled and raw rice, handloom, power loom, Match factories, , Sugar mills at Vasudevanallur, Wind mills, Solar energy, Cattle rearing, Poultry farming, Mining & Quarrying, Weaving and sizing industries, Plastic moulding industries, Spinning mills, Furniture manufacturing industries and Jaggery production are the other important industries which are providing more employment opportunities and subsidiary earning to the people of this district.

The following product also having the scope to enter in list of potential export products

<b>Name of the District</b>	<b>Tenkasi</b>
Additional product identified for exports	Non basmathi rice, Lemon, Peanut Cookies, Moringa products, Jaggery, Cotton Yarn, Surgical Cotton, Terry Towels, Match Box and other agriculture products

### PREDOMINANT INDUSTRY IN BLOCKS OF TENKASI DISTRICT

<b>Name of the predominant industry</b>	<b>Name of the Block</b>
Rice mill	Alangulam Keezhappavur
Jaggery Lime products Peanut cookies	Vasudevanallur Kadayanallur
Manufacturing of Readymade garments	Tenkasi Shenkottai
Wood industry	Shenkottai Kadayam
powerloom	Sankarankovil
Match industry	Kuruvikulam

### TOP EXPORTERS IN TENKASI DISTRICT OTHER THAN COIR PRODUCTS

<b>SL.NO</b>	<b>EXPORTERS</b>	<b>PRODUCT</b>
<b>1</b>	<b>RAJAPALAYAM TEXTILES</b>	<b>Cotton Yarn</b>
<b>2</b>	<b>RAMARAJU SURGICAL COTTON MILLS LTD</b>	<b>Surgical Cotton</b>
<b>3</b>	<b>ARUMUGA TEXTILE EXPORTERS</b>	<b>Surgical Cotton</b>
<b>4</b>	<b>JAISER SPINTEX(P) LTD</b>	<b>Terry Towels</b>
<b>5</b>	<b>NIZAM MATCHES</b>	<b>Match Box</b>

### AGRICULTURE SOURCE OF TENKASI DISTRICT

The Government policy and objectives have been to ensure stability in agricultural production and to increase the agricultural production in a sustainable manner to meet the food requirement of growing population and also to meet the raw material needs of agro based industries. thereby providing employment opportunities to the rural population.



Tenkasi district is predominantly an agricultural district. The district has two main seasons, Kar (From June to September during south-west monsoon) and Pishanam (From November to February during north-east monsoon). The cropping pattern of the district varies from Taluk to Taluk. Paddy occupies however, the largest area of cultivation, followed by Pulses. Paddy is cultivated mainly in Tenkasi, Shenkottai, Sivagiri and Taluks. Wet land cultivation is, essentially paddy cultivation obtains a major share of the gross cropped area. Even in dry regions, wherever water is available, it is the paddy crop that sown by the farmers. Under rain fed or dry land cultivation areas, diversified crop patterns exist and no single crop claims a large share of the gross cropped area. Cultivation which characterizes these regions is also basically millets and pulses.

Other crops grown in the district are Maize, pulses, groundnut, gingelly. Portions of Sankarankoil Taluk have the rich, fertile black cotton soil which is highly suitable for cotton cultivation. Factors such as type of soil, climatic conditions, irrigation facilities, etc., determine the cropping pattern in a region. Most of the rainfed areas are cultivated during North East Monsoon either pulses or millets.

## Economic Profile

### 1. Lemon.



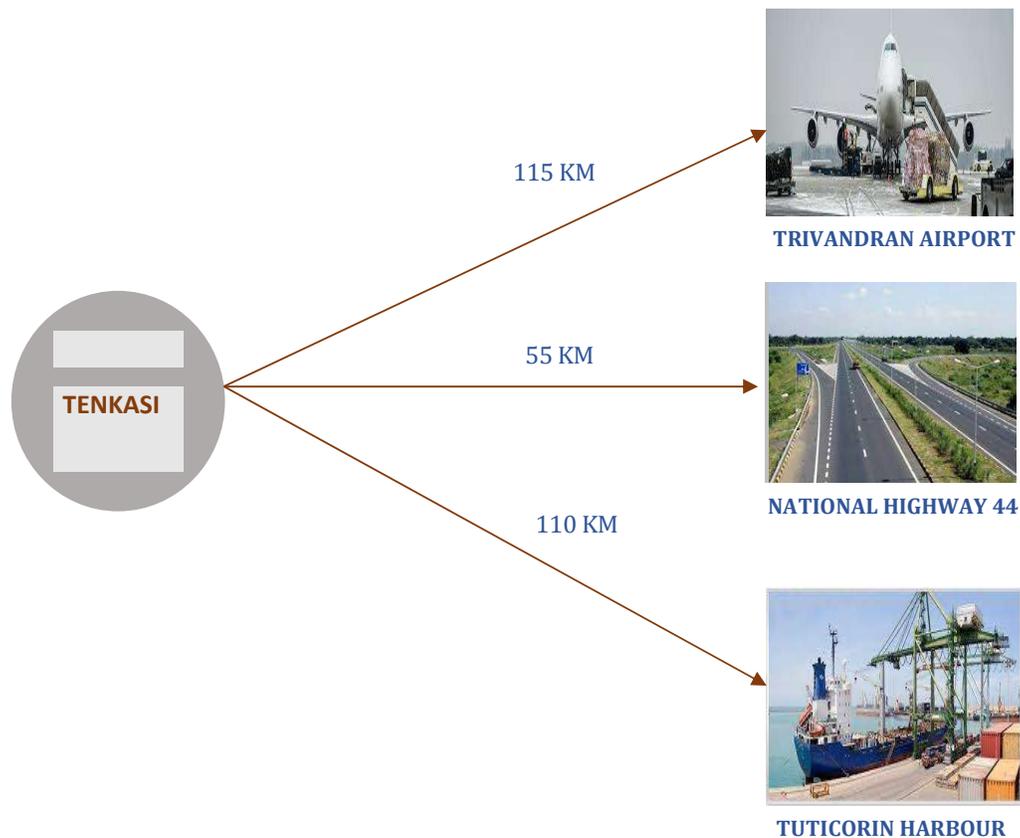
In this District, Tenkasi, Surandai, Pavoorchatram, Alangulam, Puliyangudi and Sankarankovil are having many markets for agricultural products. Puliyangudi market is very famous for **Lemon** and exporting lemon to various states and also International level. Puliyangudi city is called as '**Lemon City**' for its famous quality due to natural climate and favourable soil for Lemon cultivation.

### 2. Millets, Pulses, Maize, Cotton, Groundnut and Chillies

Sankarankovil market is very famous for Millets, Pulses, Maize, Cotton, Groundnut and Chillies. Many commission mandies are functioning in Sankarankovil, Surandai, Pavoorchatram and Puliyangudi for agricultural produce.



## INFRASTRUCTURE AND TRANSPORT FACILITIES TO EXPORT



## CHALLENGES AND BOTTLENECKS

Even though the district of Tenkasi has a vibrant rural 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:

- i) Lack of exposure and export promotion:** Tenkasi has many exportable products and resources. But the products lack international exposure and marketing. Agro products will have international demand, but it is untapped and export promotion and exposure of the product is required. Similarly other predominant edible products eg.peanut candy, there is a potential demand in the international market which is still untapped by the producer.
- ii) Technology:** Though Tenkasi has export potential agro products, there is no sufficient value addition, with very minimal attention given to branding, packaging, standardization, etc. For value addition of agro products there is a need for more dissemination of technical know-how from research centers to field.

**iii) 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.

**iv) 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.

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

- Finding new potential buyers
- Lack of exposure to Global market
- Financial institution Reluctance to finance MSEs.
- Poor Road connectivity for movement of goods & maintenance of the existing Highways to be improved.

### **District Export Action Plan**

The action plan is outlined for the district of Tenkasi, as below to harness and enhance the export potential in the district and to facilitate the promotion & growth of exports from the district in a concerned manner. The aim of the District Export Action Plan is to Maximize the possibilities to the exports of the district and convert it into becoming a major hub

- Formulate of District export desk – As per instructions of Industries Commissioner and Director of Industries and Commerce’s Chennai, District export desk shall organize frequent stakeholder interactions with commodity boards/export councils to capture export-related issues and represent them to the concerned export organization.
- Creation of sub groups for each of the champion sector products involving stakeholders like manufacturer, artisans, exporters, etc
- Dissemination of export related information through trainings, seminars, guest lecturers etc among the entrepreneurs.
- 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, Coir board, 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.
- APEDA can impart training to Farmers and Agro Exporters regarding Sanitary and phyto-sanitary (SPS) measures, The Codex Alimentarius international food standards, guidelines and codes of practices, and other regulations to boost exports from Tenkasi.
- The capacity of the existing MSMEs may improved through the existing schemes for financial support and proper guidance.
- New potential products to be identified for value addition and exports in coordination with District Administration.

### Concluding note

The above District Export Action Plan for the district of Tenkasi 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. The main focus will be to facilitate the growth of the identified sectors in the in such a way that the district of Tenkasi moves towards SELF-RELIANCE and transforms itself into a **HUB FOR EXPORTS** from India.