

District Export Action Plan for District of Chengalpattu, 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 Chengalpattu, 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

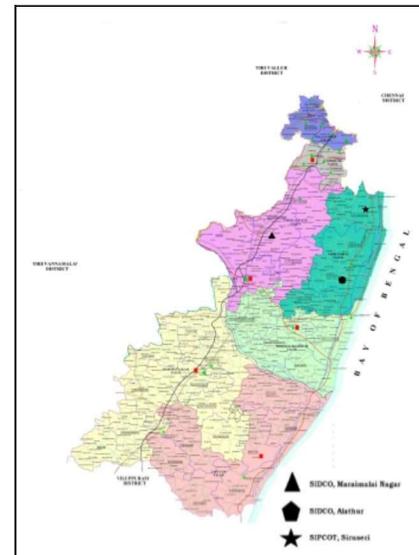
Chengalpattu district is 37th district of Tamil Nadu carved out from erstwhile Kanchipuram District. It was bifurcated on 18-07-2019 into Kancheepuram and Chengalpattu districts. With an area of over 2,950 sq. km and a population of 25.56lakh, the new district will have Chengalpattu as its headquarters. The city is believed to have been named after a lily called 'Chenkazhuneer Poo' which is found aplenty in the region. It is on the Palar River about 56 km southwest of Chennai city and thus Chengalpattu is called as "Gateway of Chennai".

The district is situated on the east coast of Tamil Nadu. It is bordered on the east by the Bay of Bengal, and surrounded by Chennai, Kanchipuram, Thiruvanamalai and Villupuram. Situated near Chennai the district is well connected by road and rail.

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Administrative Profile

Chengalpattu district comprises of three revenue divisions of Chengalpattu, Madurantakam and Tambaram and eight taluks of Thirukkazhikundram, Chengalpattu, Madurantakam, Cheyyur, Tiruporur, Tambaram, Pallavaram, and Vandalur; 40 firkas, 636 revenue villages; eight municipalities, eight panchayat unions, 12 town panchayats, and 359 panchayats.



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 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 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 Chengalpattu

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.**

To make the District Export Action Plan relevant, and to achieve its goal of converting the district into an Export Hub, there needs for a proper understanding of district's strengths, opportunities and export related challenges

Analysis of the Existing Industrial scenario in Chengalpattu District:

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:

Strengths and Opportunities:

1) Agriculture and Forest

Agriculture is the backbone for the economy of Chengalpattu District. As substantial portion of population are dependent on income from agriculture for livelihood, agricultural development holds the key to overall economic development of the District though the areas in Maraimalai Nagar & Thiruporur taluks of the district have well developed industrial units and IT/ITES industries respectively.

The major crops cultivated are paddy and pulses. The other crops include pulses like red gram, black gram, green gram and vegetables, flowers and fruits like banana, guava etc. are grown in the district. Three cropping seasons are being followed in the district for paddy, viz, Sornavari (April-August) Samba (July-Jan) and Navarai (Dec-March).

2) Industry

Chengalpattu District is one of the most vital and vibrant district in terms of industrial development in the state. Concentration of industries in the district is detailed below:

Major types of industries existing	Places
Auto Components, Engines, Motors, Dies and Moulds, Pressure Die castings, PVC pipes, Structural Engineering	Maraimalai Nagar
Pharmaceutical products	Alathur
Leather and allied products	Pallavaram
IT/ITES Industries, Rice Milling, Readymade garments, Packing materials	Thiruporur

Industrial Estate	Type of Industries
SIDCO Industrial Estate, Maraimalai Nagar	Auto Components, Engines, Motors
SIDCO Industrial Estate, Alathur	Pharmaceutical products, Chemicals products for Pharma industries
SIPCOT, Siruseri	IT / ITES related industries
SIDCO, Thandarai	Technical Textiles
SIDCO, Kodur	General Engineering

The district provides ideal location for the MSME units as it adjoins the metropolitan city of Chennai. All the infrastructure facilities like the international sea-airport, excellent road and rail facilities telecommunication links, power and marketability of products are all easily available and are within the reach of common entrepreneurs of this district.

3) Potential Products :

The State Government has notified **Leather Goods & Garments, Shrimp, Automobile Products and Granites** 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

Even though the district of Chengalpattu has a vibrant rural and coastal 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:

1) **Cold Storage:** For and Marine value addition to takes place, cold storage is important to increase the shelf life of the agro and Marine products, especially which it is to be exported. There is lack of cold storage to harness the existing potential of Marine products. Chengalpattu district is well connected with Chennai port through Road and rail connectivity, this may be utilized for export promotion.

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 marine products exports, exporter’s 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.

3) Hazard Profile of Chengalpattu District:

As any other coastal environment, coast of Chengalpattu district also gets affected with regular erosion and accretion. Sea level rise and elevation in sea surface temperature are also seen here as the consequences of global climate change. The north east monsoon contributes more rainfall than the south west monsoon.

4) **Ease of doing business:** At the district level, ease of doing business has to be ensured, especially for the Marine food processing sector and leather industry, 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:

- Poor infrastructure to attract international tourists to the existing tourist centers
- Non-Access to affordable trade finance/credit

District Export Action Plan for Chengalpattu:

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

As the first step in converting Chengalpattu 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 Chengalpattu:

The Government of Tamil Nadu (GoTN) through its G.O No 16 dated 23-01-2020 and G.O (Ms)No.16 dated 23.02.2020 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 Chengalpattu district notified vide G.O (Ms) No.29 dated 16.03.2020 has the following composition:

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

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

1. Leather Goods & Garments
2. Shrimp

3. Automobile Products
4. Granites

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, 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, subgroup on marine, 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.

A suggestive composition of the sub-groups can be as follows:

Sub-group on Automobile Products

- The District Collector- Chairperson /DC's Representative
- O/o Zonal Additional DGFT, Chennai
- District Industries Centre, Chengalpattu
- Representative, EEPC, 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 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, Chengalpattu, 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.	6 months
2.	Comprehensive database on exporters from the district	DIC Chengalpattu	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 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.	6 months to 12 months
3.	Single window system at the district level	District administration & DIC Chengalpattu	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 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	1 year

			operationalize the proposal under the leadership of the Chairperson of the DEPC.	
4.	Creation of an online one-stop portal	NIC, Chengalpattu	<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.	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 Chengalpattu 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 **Chengalpattu** moves towards **SELF-RELIANCE** and transforms itself into a **HUB FOR EXPORTS** from India.