



GOVERNMENT OF TAMILNADU

DISTRICT EXPORT ACTION PLAN

ERODE DISTRICT, TAMILNADU



DISTRICT EXPORT ACTION PLAN:

The District as Export hub initiative of the Government of India is to transform each district into an export hub, The quintessence behind the initiative was to harness and unleash the hidden potential that sum up each district of the country and its diverse potpourri of strengths.

And with District as Export Hubs initiative gaining momentum, it only reaffirms the faith of the industry and partners in business to scale up and raise the bar.

The District Export Action Plans, an outcome of the initiative of 'Developing Districts as Export Hubs' provide a great opportunity to review district plans holistically to cover precisely the sunrise and new emerging sectors in the State's economy. The Road Map/action plans suggested for each district reflect the unique potential of the region in the economic landscape.

The thrust being provided currently to initiatives like the integrated development of the Logistics Sector, Champion Services, etc. are cardinal steps in realizing the true potential of developing districts as export hubs.

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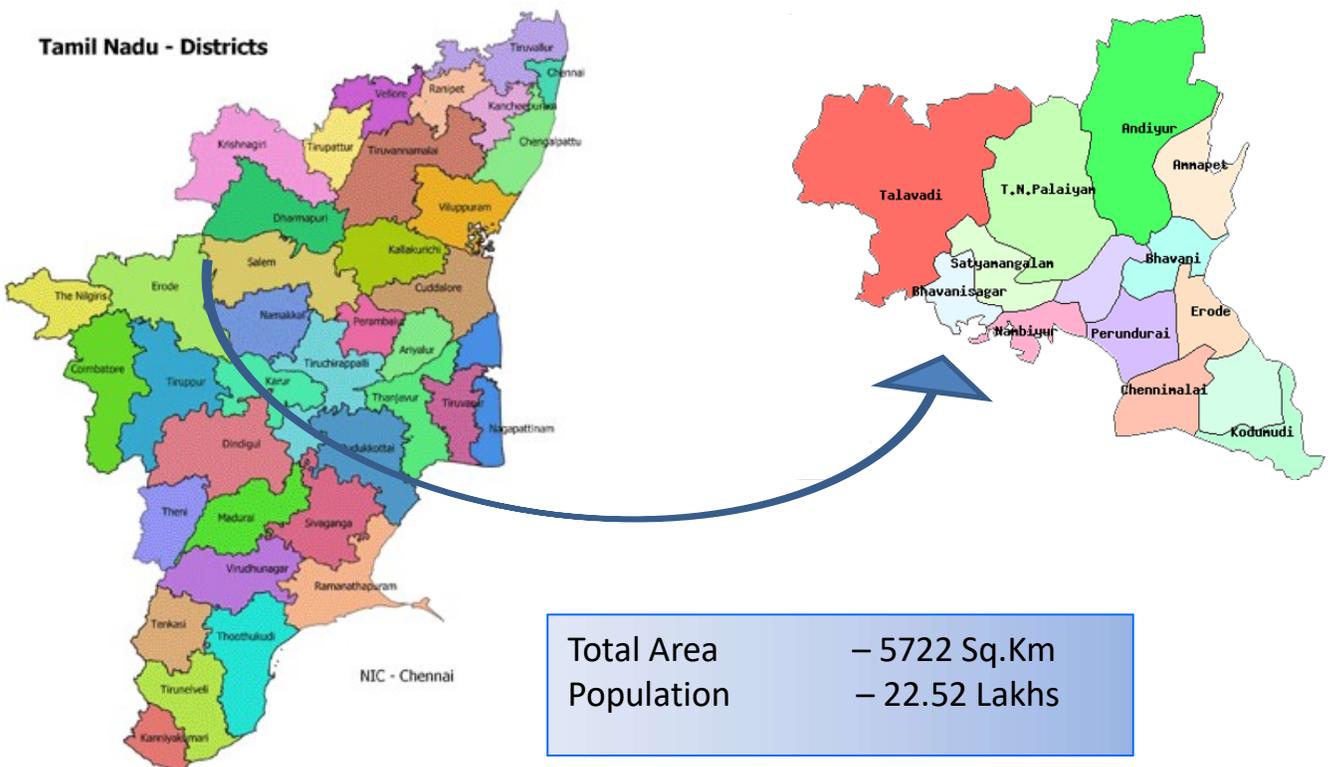
1. INTRODUCTION

Erode district predominantly agrarian in nature, is emerging gradually but steadily as an Industrially Promising District. Erode was previously a part of Coimbatore District and it has been bifurcated from Coimbatore District on 17th September 1979 as a new district. Erode is known for the biggest textile shandy for marketing the powerloom and handloom products.

2. ERODE DISTRICT PROFILE

a. Location & Geographical Area

The district lies between 10.36' and 11.58' degrees of northern latitude and between 76.49' and 77.58' Degrees of the Eastern Longitude and 171.91 meters above mean sea level. It has an area of 8,162 sq.kms accounting for 6.3% of the total area of the state and is bounded by Karnataka State in the North, Udhamandalam District in the North West, Coimbatore District in the West, Dindigul District in the South, Erode District in the South East and Namakkal, Salem districts in the East.



b. Topography

Erode District lies 171.91 meters above mean sea level. The soil of the District is predominantly red sandy to red gravelly type in the taluks of Bhavani, Erode, and Perundurai. Red loamy soil occurs at the bottom of the valleys in the taluks of Gobichettipalayam and Sathyamanagalam.

c. Availability of Minerals

Major minerals quartz and Feldspar are occurring in this district mainly in Perundurai Taluk. Quartz available here is of good quality and is used in electronic industry and the Feldspar is consumed by the ceramic industry.

Black Granites are occurring in Thalavadi, Mallanguli, Thingalur in Sathyamangalam Taluk and in Bargur and Nerinjipettai areas of Bhavani Taluk.

Black Granite available is medium black in colour with green background and white spots. Multi Colour Granites are found in Mallanguli, Alambadi, Sivanmalai areas.

Rough stone for construction are available in all the taluks in particular roughstone quarries and stone crushers have been established in Ammapettai, Bhavanisagar areas.

Sand deposits are available in Bhavani and Cauveri river beds. Sand leases had been granted in Bhavani and Cauveri river beds.

d. Forest

The district is having a forest cover of 227511 Hectares, accounting for 39.76% of total area of the district

The district has 3 Revenue Divisions and 7 Taluks. It has 14 blocks, 5 Municipalities, 1 Township, 59 town Panchayats and 343 Village Panchayats.

The climate of the district is comparatively hot throughout the year except during the North East monsoon period, October to December. The normal rain fall is 698.1 mm as against the state average of 946.9 mm. Actual rainfall in this district was 782.8 mm in against the state average of 11338 mm during 1997-98. Most of the places in this district are experiencing

Northwest monsoon, however some places in Dharapuram and Sathyamangalam etc get sporadic rains during South-West monsoon.

The soil of the District is predominantly red sandy to red gravelly type in the taluks of Bhavani, Erode, Perundurai and Dharapuram. Red loamy soil occurs at the bottom of the valleys in the taluks of Gobichettipalayam and Sathyamanagalam.

e. **Demography**

The district has got a population of 23.20 lakhs accounting for 4.2% of the States population as per 1991 census against the share of 6.3% of the geographical area of the state. The population projected for the year 2000 is 25.06 lakhs.

The rural population consists of 75.29% of the total population, as compared with state's average of 65.85%. The density of the population is 283 per sq.km as against the state's average of 429 per sq.km. SC population represents 17.16% of the total population and the ST population is found to be 0.42% of the district population as per 1991 census.

Demographic Profile of Erode District vis-a-vis the state.

Attribute	Unit	Erode District	Tamilnadu State
Population (1991 Census)	Lakh Nos.	23.20	558.59
Population Density(per sq km)	No.	283	429
Decennial Population Growth 1981-91	Percentage	12.17	15.39
Males as a % of population	"	51.08	50.66
Level of urbanisation (%)	"	24.71	34.15
Worker Participation Rates (%)	"	52.30	43.31
Literacy rate (%)	"	48.13	62.66
Female literacy rate	"	37.27	44.58

Source: Department of Statistics, Erode, Government of Tamilnadu

3. INDUSTRIAL SCENARIO OF ERODE DISTRICT

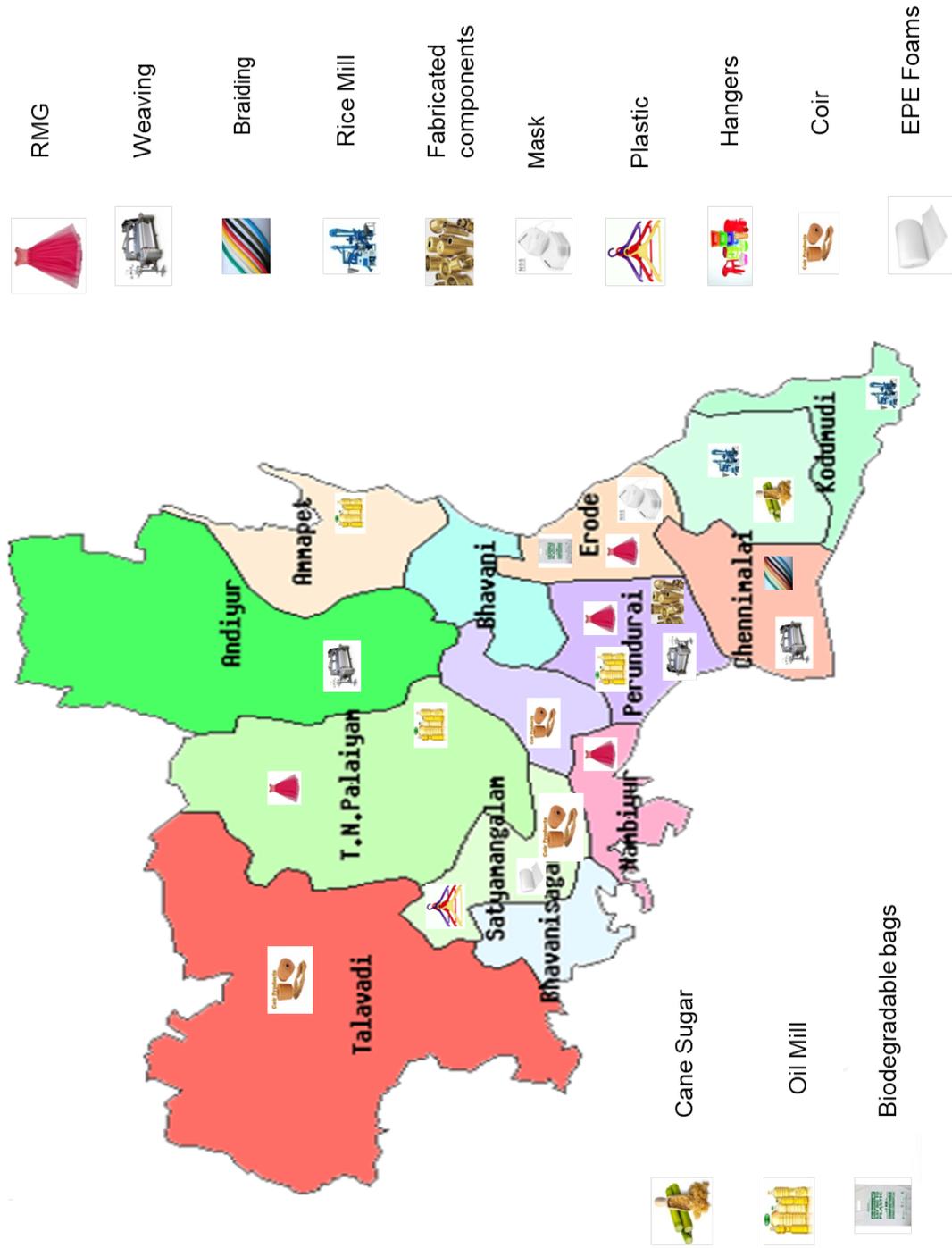
1. Erode District is predominantly agriculture in nature and is emerging gradually and steadily as an industrially promising district.
2. Erode along with Coimbatore and Tirupur is referred to as '**Textile valley of India**'. Together they constitute 56% of India's total knitwear export.
3. Erode is also known for its biggest Textile Shandy for Marketing Powerloom and Handloom products.
4. Erode is the top Turmeric producer in Tamil Nadu, making up 43% of statewide production. Erode is an important market centre for turmeric, being known as "**Turmeric City**" and in 2019, Turmeric received a Geographical Indication tag from Government of India.
5. Erode is one of the major producers of food products in the state. Perundurai has developed as the industrial center with SIPCOT Industrial Estate and SEZ Complex.
6. **Bhavani is also known as "Carpet City"** as it is known for its Carpet industry. Blankets and carpets manufactured in the town are known as Bhavani Jamakkalam. It has been recognized as a **Geographical indication** by Government of India.
7. Chennimalai handloom products are well known for their high quality and long life. It is the home for various handloom co-operative societies like Chenkumartex, Chencoptex and Chentex. **Erode, Bhavani and Chennimalai are well known for Powerloom and Handloom textile products and Readymade Garments.**
8. **South India's Largest Textile Market -Texvalley** is a world-class textile trade gateway and futuristic marketplace with highly enabled business support. **Texvalley is the only mall in India that has converted the wholesale textile business into an organized trade and accommodates both retail and wholesale outlets.**

4. MAJOR LINE OF ACTIVITIES - MSMEs

Sl.No	Type of Industry
1	Agro based Industries (Rice Mill, Oil Mill, Coir, Sago etc.,)
2	Food Product Industries (Masala Powder, Turmeric, Fruit Pulp, Dairy / Milk based Products, Bakery, Jaggery etc.,)
3	Textiles (Spinning of Yarn, Weaving by Powerloom, Sulzer Looms, Auto Looms and Airjet Looms etc.,)
4	Wearing Apparel (Readymade Garments)
5	Technical Textiles
6	Leather and related products
7	Wood and related products
8	Paper and Paper Products
9	Chemicals and Chemical Products
10	Rubber and Plastic Products
11	General Engineering
12	Drugs & Pharmaceuticals
13	Others

5. Industrial Map of Erode District:

Industrial Map of Erode District



6. MAJOR INDUSTRIES - BLOCKWISE

INDUSTRIES	BLOCKS
Rice Mill	Modakuruchi, Kodumudi, Gobichettipalayam, Perundurai
Oil Mill	Erode, Perundurai, Bhavani, Ammapettai, Gobichettipalayam, TN Palayam
Milk processing / Value added Milk Products	Erode, Ammapettai, Gobichettipalayam
Sago	Anthiyur, Ammapettai
Masala Powder / Turmeric	Erode, Modakuruchi
Coir and Coir related products	Modakuruchi, Kodumudi, Bhavani, Anthiyur, Chennimalai, Sathyamangalam, Thalavady, TN Palayam
Spinning Mill	Erode, Sathyamangalam, Gobichettipalayam, Nambiyur
Powerloom/ Handloom / Autoloom	Erode, Perundurai, Bhavani, Anthiyur, Chennimalai
Textile Processing / Printing	Erode, Perundurai, Bhavani
Readymade Garments	Erode, Gobichettipalayam, Perundurai
Technical Textiles	Erode, Gobichettipalayam, Perundurai
General Engineering	Erode, Perundurai –SIPCOT
Leather and related products	Erode, Perundurai - SIPCOT
Paper products / Packing Industries	Gobichettipalayam, Perundurai, Sathyamangalm
Chemical and chemical Products	Erode, Perundurai - SIPCOT

7. Major Line of Activities:

Sl.No	Products	No. of units	Employment
1.	Textiles <ul style="list-style-type: none"> • Powerlooms & Autolooms • Spinning Mills • Processing Mills • Readymade Garments • Allied Textile activity 	7900 155 330 185 2650	45,000 17,000 12,000 11,000 21,000
2.	Agro / Food Processing <ul style="list-style-type: none"> • Agro /Food • Coir 	4560 90	22,500 1,500
3.	General <ul style="list-style-type: none"> • Paper, Paper Cones, Corrugated boxes • Tannery • Plastics and allied activity • General Engineering • Others 	150 28 275 2200 8599	1,850 700 3800 12000 76650
Total		27122	2,25,000

8. Industrial Estates in Erode District:

<p>SIPCOT, Perundurai</p>	<ul style="list-style-type: none"> • Total Plots – 299 (Fully allotted) • 2709.180 Acres 		<p><u>Major Activities</u></p> <ul style="list-style-type: none"> • Textiles • Tannery • Plastics • Chemicals
<p>SIDCO</p>	<p>Erode</p>	<p>Total Shed – 31 (Allotted 30, Vacant - 1)</p>	<p><u>Major Activities</u></p> <ul style="list-style-type: none"> • Textiles • Plastics • Engineering
	<p>Nanjai Uthukuli</p>	<p>Total Shed – 26 (Fully Occupied)</p>	<p><u>Major Activities</u></p> <ul style="list-style-type: none"> • Textiles • Paper Cones • Plastics
	<p>SIPCOT, Ingur</p>	<p>Total Plots – 27 (Allotted – 5, Vacant – 22)</p>	<p><u>Major Activities</u></p> <ul style="list-style-type: none"> • Textiles • Plastics • Engineering

9. MAJOR INDUSTRIES IN ERODE DISTRICT:

No of Enterprises Functioning	Employment	Major Activity	Industry
115	35,000	<ul style="list-style-type: none"> • Textiles-Spinning/ Processing • Sugar • TMT Rod • Poultry Feed/Cattle Feed • Egg Powder • Glass • Readymade Garments • Milk processing • Biscuits 	<ul style="list-style-type: none"> • M/s Sakthi Sugars Ltd • M/s Bannari Amman Sugars Ltd • M/s Rajalakshmi Textile Processor • M/s Agni Steels Pvt Ltd • M/s Naveen Cotton Mills • M/s SKM Egg Products Pvt Ltd • M/s SKM Animal Feeds Pvt Ltd • M/s Saint Gobain • M/s Rocca Parryware • M/s Jay Jay Mills Pvt Ltd • M/s Britannia India Pvt Ltd • M/s K.P.R.Textiles • M/s Cavin Care Pvt Ltd • M/s Spac Starch Pvt Ltd • M/s Rangaraj Ispat Pvt Ltd

10. UPCOMING CLUSTERS IN ERODE:

Sl.	Name of the Cluster	Product	Project Cost/ means of Finance in Rs Lacs	
1.	Noyyal Coir Cluster, Erode	<ul style="list-style-type: none"> • 2 Ply Coir yarn • Coir Mattress • Coir Geo Textiles • Pre tufted Mat • Coco Log 	L - Nil Building - 372.00 P& M/c. - 613.00 Soft loan - 15.00 <hr/> Project Cost -1029.00	GoI Grand @ 70% - 629.50 SPV @20% - 197.00 Bank Loan10%- 98.50 Project Cost - 1029.00
<p><u>Scheme / Present Status :</u></p> <p>*Govt. of Tamilnadu state (Scheme for developing Coir Cluster in Tamil Nadu) * Work order for building to be issued after obtaining security deposit * Govt. released – 275.50 Lakhs @ 40% * SPV Contained -118.20 Lakhs</p>				
2.	Kongu Coir Cluster, Erode	<ul style="list-style-type: none"> • 2 Ply Coir yarn • Coir Mattress • Coir Geo Textiles • Pre tufted Mat • Coco Log 	Soft Intervention -20.00 Hard Intervention-448.50 Project Cost -468.50	GOI Grant - 423.650 SPV - 44.850 Project Cost - 468.50
<p><u>Scheme / Present Status:</u></p> <p>* SFURTI- Coir BoardScheme * SPV Contributed Rs.20.00 Lakhs * DTCP approval Under process</p>				

3.	Pallavada Technical Textile Park Pvt Ltd., Gobi	<ul style="list-style-type: none"> Knitted and Woven Garments Technical Textiles Home Made textiles 	Building -41.41 Cr Infrastructure -28.99 Cr Common Facility-36.18 Cr Tech -9.21 Cr <hr/> Project Cost -115.79	Promoters- 22.14 Cr Bank Loan-44.65 Cr GOI Grant - 40.00 Cr GOT -9.00 Cr Total Project Cost-115.79 Crore
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Scheme /Present Status:

* Under SITP (Scheme for Integrated Textile Parks) Ministry of Textiles, GOI,MSE- CDP Cluster

*Construction work by two units

4.	Erode Sizing Common Facility Centre Pvt Ltd., SIPCOT, Erode	<ul style="list-style-type: none"> Sizing of Fabrics 	L - 19.54l Building - 431.26 P& M/c. - 1122.74 Others - 294.54 (Mixed Fixed assets, /Pre op.Expenses) <hr/> Project Cost -1868.08	GOI - 963.190 GOT -186.81 SPV -718.08 Project Cost - 1868.08
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Scheme /Present Status:

- GOI has given the final approval on 12.03.2020

Other potential Cluster :

- Jaggery cluster
- Plastic Recycling cluster
- Bhavani Jamakkalam cluster
- Erode Turmeric Cluster
- 5. Erode Viscose Rayon Cluster**

11.Industrial Cooperative Societies:

1. The Erode District Printers Industrial Cooperative Society Ltd
2. The Seerangagoundanpalayam Coir Manufactures Industrial Cooperative Society Ltd
3. The Erode Bobbin Workers Industrial Cooperative Society Ltd
4. The Erode Ladies Readymade Garments Industrial Cooperative Society Ltd

12.SWOT Analysis:

Strengths:

1. Textile Industry in Erode is well known Textile Cluster for many decades. Bhavani Jamakkalam has a GI tag and Chennimalai Carpets are prominent products from Erode.

2. The Erode Textile cluster has a strong customer base in India and Overseas.

3. Huge amount of Textile manufacturing/ production knowledge/ Entrepreneurship qualities are naturally or abundantly available.

4. The Erode Textile Industry has been surrounded by Districts like Salem (Weavings), Namakkal (Spinning and Weavings), Dindigul (Spinning and fabric manufacturing) and Coimbatore (Spinning and weaving) which is a strong sourcing advantage facility.

5. Erode has got a good number of unskilled/semi skilled work force as available for the tailoring purpose.

6. Erode Turmeric has got GI tag and is exported for many countries.

7. Perundurai SIPCOT has boosted Food Processing, Engineering and Petrochemical Industries in Erode.

8. Prevalence of ancestral model of occupation has helped for the development of big Entrepreneurs in this region.

Weakness:

1. Erode Textile Industry is not a Integrated Set up (Fragmented)
2. This Erode industry dependent on mainly other job workers from outside.
3. The Textile processing units/ Common Effluent Treatment Plant is not economically viable.
4. Prevalence of ancestral model of occupation.
5. Absence of Skilled and Semi-skilled labour.

Opportunities:

1. The population in Erode are interested, knowledgeable and more concentrating young manpower and young Entrepreneurs are entering into the commercial part of Textile area.
2. The growth of Technical Textiles are gaining in the market world wide . so Erode has enough potential to produce Technical Textiles.
3. The Government of Tamil Nadu has recently announced and passed the Government Order for the formation of Mini Textile Park to Erode which is a great boost to develop the business volumes and to provide larger employment besides making Tamil Nadu has Number 1 industrially developed state in India as per the vision of Chief Minister of Tamil Nadu.
4. Eco-tourism, Health and wellness resorts and Homestays

Threats:

1. The larger investments like Tiruppur and Coimbatore cluster are not coming to Erode Textile cluster.
2. Conventional type of garmenters are in Erode.
3. Competitive dyeing industries in Gujarat is a threat.
4. Speculation in Raw materials for Textile and Turmeric Industries.
5. The cost inflation in India is also affecting the competitiveness of the Erode Textile Industries.
6. Absence of Skilled and Semi-skilled labour.

13. District Export Action Plan:

Sl. No	Intervention	Strategy	Action
1.	Trade Promotion	Promote local product through various mediums - digital/ physical	Promote local products through various mediums - digital/ physical/ events/ B2B/ buyer seller events etc
			Tie up with various e-commerce players to market products on their online platforms
		Enhance international access for exporters	Facilitate tie ups with international buyers of products through participation in trade fairs, global events, engagement with trade bodies for identified markets
		Diversification of Export Basket	Diversification of export basket by cultivation of other plantation crops like cocoa on pilot basis
		Enhance participation in GOI/ GOK Schemes for export promotion	Develop a compendium of schemes where assistance is available to exporters.
2.	Market Intelligence Cell	Identify target markets and develop export intelligence trends	online platform to identify target markets, export trends
		Identify and develop new products with export potential or value-added exports	<ul style="list-style-type: none"> • Invite Investors to harness the potential of value addition. • Support MSME's to setup units • Continuous engagement with exporters, associations, Trade Bodies etc., to identify new avenues for exports • Engaging with Missions abroad to identify the potential buyers.

3.		Conduct an infrastructure assessment study	To undertake an infrastructure assessment study for identified products
			Demand Assessment Study for setting up of Cold Chain infrastructure in the district
			Capitalize on the existing TIES scheme to develop export Infrastructure (comprising of cold storages, testing labs, R&D facilities etc)
		Develop processing infrastructure (cluster/parks)	Set up of near farm processing clusters with integrated facilities such as cold storage, pack house, etc
		Develop Agri Export Zone	Identify and propose Agri Export Zones in consultation with the State Agriculture/Horticulture Department
4.	Skill Development	Provide skill development training for Manufacturing/ processing	Tie up with skill development councils
			Draw the calendar of events for training
			Conduct Exposure tours across the country
		Provide training on Export procedures	Tie up with export promotion councils and bodies for understanding the following: <ul style="list-style-type: none"> • Licenses & Processes • Regulations • Labelling • Skills • Certifications • Standards such as Codex
5.	Facilitation of exporters	Establish Grievance redressal cell/ help desk	District Export Desk should be equipped with infrastructure and dedicated trained professionals to provide all information required by exporters such as <ul style="list-style-type: none"> • Export processes • Registration/certification requirements • Documentation - both commercial and regulatory • Banking • Custom procedures • NTBs • FTAs/ PTAs • Logistics
		Outreach	Organize outreach programs/ workshops for the exporters

Action Points:

1. Simplification of approval for Textile processing industries.
2. Setting up of Common ETP is must for Erode Textiles which will save money, time and Energy
3. Permanent Expos and Convention centres are required for Erode textiles
4. Research and Development centres for new products, designs and Technical Textiles is must
5. World class designing centre is required for Erode textiles
6. Road connectivity for reaching airports and Ports should be in six way lanes
7. world class Textile testing labs, Food testing labs and Trade facilitation centres needed
8. National and International conferences for all prominent sectors to update the Global market Trends
9. Frequent B2B, B2C meetings to be conducted for the promotion of all prominent sectors in Erode.
10. Skill development centre for Erode entrepreneurs required
11. ESG certificate (the future of the textile industry will be depending on the products of environmentally pollution free). It should not harm to people and the planet.
12. Need of International fair, Food and nutrition Testing Labs and Product display centres for Turmeric products, Jaggery etc.
13. Need of organic certification facilitation and subsidy for Turmeric products
14. Facilitation for buyer seller meet, Subsidy for foreign display of products, Need of Research and Development facility are needed for Turmeric products
15. Need Food Park for Turmeric and Coconut
16. With the support from the Government for the trade fair participation, Turmeric processing industries can promote the net products to the Export market where the Agricultural fairs are taking place.
17. Grant and initial support from the Government organization for the participation of the trade fair will get the Turmeric Processing industries, more Export Opportunity.

18. Necessary plug and play infrastructure required for export promotion to support the MSME's to be established with the support of TIES funding available under the Ministry of Commerce, Government of India.

19. Necessary Product quality testing and certification labs for Phyto sanitary requirements for the export obligation to be established by the facilitating Government agencies and private players in PPP mode under TIES scheme.

20. The option of up-gradation of infrastructure projects with overwhelming export linkages like the cold storages, trade promotion centres, CFS's/ ICDs/ dry ports, export warehousing and packaging, airports cargo terminuses and last and first mile connectivity projects related to export logistics to support trade to be considered.

21. In addition, studies related to Export logistics including identification of sector specific infrastructure gaps and mapping of assets created may be worked out for funding under TIES Scheme.

22. Any export infrastructure gap regarding the first and last mile connectivity to be proposed for funding by convergence of State schemes for funding under the Trade Infrastructure for Export (TIES) Scheme and PM Ghati Shakti Special Assistance Scheme.
