

District Export Action Plan for District of Virudhunagar, 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 Virudhunagar, 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.

District Profile:

Virudhunagar, came into existence by the bifurcation of Ramanathapuram district., With an area of over 4,288 Sq.km and a population of 19.42 lakh, Virudhunagar was formerly called "Karmavirer Kamarajar District". It is bounded on north by Madurai and Sivagangai district, south by Tirunelveli and Tuticorin district, east by Ramanathapuram district. Virudhunagar district comprises of three revenue divisions and ten taluks. It has 39 Firkhas, 600 Revenue Villages including 7 Municipalities, 11 Panchayat Unions, 9 Town Panchayats, 450 Village Panchayats.

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, Farm sector and Forest: Agriculture plays the vital role in the economy of Virudhunagar 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 Watrap, considerable portion of Rajapalayam Srivilliputhur taluks. Sivakasi Rajapalayam, Sattur Virudhunagar & Aruppukottai taluks of the district have well developed industrial units in various sectors. Maize is the main crop cultivated in this district. Also paddy, cholam, cotton, pulses and groundnut are cultivated during the year to a considerable extent. Cardamom was cultivated in 329 hectares in Rajapalayam Taluk throughout the year.

2) Industry (Manufacturing & Service) : Virudhunagar is one of the important Industrial districts in the state, followed by Coimbatore and

Chennai Region. Limestone of different grades, granite and sand are major minerals of economic value found in virudhunagar district. 70% of the total production of matches and 90% of fireworks in India are manufactured in Sivakasi, Sattur and Vembakottai taluks of this district. Sivakasi is not only famous for fire works but also famous for printing technology and safety matches. In and around Sivakasi 488 fireworks, 3989 matchworks, 380 printing presses, 82 off-set printing presses and 20 paint production companies are functioning, and it provides employment to lakhs of persons.

Rajapalayam is an another important Industrial town where a large number of spinning mills and ginning factories are located. Around 30 number of Textile Mills are functioning in this district especially in Rajapalayam, Srivilliputhur & Aruppukottai areas. Surgical cotton and bandage cloth are also manufactured in and around of this town. As the location of this town is on the eastern slope of western ghats, the climatic condition prevailing throughout the year is best suited for cotton industries. Now cotton Lint (candy) arrives from Andhra, Gujarat and also importing from China to meet out the demands of mills due to shortage of cotton. The Sundaram Fasteners Ltd., and Sundaram Abex Ltd., of TVS Group, Manufacturing bolts and nuts and automobiles ancillary parts are located in the kariapatti block which is branded as backward area as of now.

Tamilnadu Cements at Alangulam, a Government undertaking has an annual installed capacity of 4,00,000 M.T., and Madras cements (Ramco) Ltd., at Thulukkapatti has an annual installed capacity of 7,50,000 M.T. Other than that the famous RAMCO Cement factory also producing a major part of the cement produced in Tamil Nadu. Handloom weaving of cotton textiles is an ancient occupation being followed in this district. Nearly 57 weaver co-operative societies are registered and among that 55 are functioning. All these industries providing large scale employment to the rural as well as urban population of the district. Because of consistent and constructive efforts putforth by various department virudhunagar district has achieved the distinction of First Aspirational district among 112 districts identified throughout india.

3) Potential Products: Gauze cloth ,Millets and Sivakasi crackers have been identified as ODOP for export promotion. Besides Virudhunagar is regarded as an important trading centre from where cardamom, chillies, processed pulses, edible oils etc are traded. Chillies oil, Cardamom and Wax matches are also exported to foreign countries. It would not be an exaggeration, if we say that the prices of the pulses, cotton lint are fixed only at Virudhunagar district. Srivilliputhur is not only known for presence of more number of temples but also equally known for larger production of

palkova and milk related products in and around the town. The famous Palkova has also certified with GI by the Govt of India.

4) Challenges and Bottlenecks: Even though the Virudhunagar 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: Virudhunagar, being an aspirational district, skill development has been identified as an important component with 5% weightage in obtaining the composite index. Five indicators have 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

c) Hazard Profile of Virudhunagar District: Virudhunagar is categorised as a “high-risk” district when it came to accidents in firecracker units. The major issues in the fireworks industry in Sivakasi is frequent accidents. The common reasons cited for the accidents are inadequate training of workers and supervisors involved in different stages of production and marketing of firecracker items. Other reasons are found to be overstocking of explosives, raw material and finished goods, and employment of workers in excess of the permitted strength.

d) Ease of doing business: At the district level, ease of doing business has to be ensured, especially for the Gauze cloth and Sivakasi crackers, 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 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 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 Virudhunagar is turned into a hub for exports in the next 5 years. As the first step in converting Virudhunagar 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 Virudhunagar district notified vide G.O (Ms) No.29 dated 16.03.2020 has the following composition:

1. The District Collector, Virudhunagar - Chairperson
2. The Office of Zonal Additional DGFT - Co-Chairman
3. General Manager, District Industries Centre, Virudhunagar - 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 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.

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.

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, Virudhunagar, 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.

Sector specific interventions shall be as follows:

Gauze Cloth

The principal industry was initially agriculture. In 1936, Thiru P. A. C. Ramasamy Raja started the first cotton spinning mill, called Rajapalayam Mills Ltd. Later, more textile mills were started including Sree Karpagambal Mills Ltd. Today, Rajapalayam is a major hub of the textile industry, famous for bandages, woven fabric, nightwear, and other products. The neighboring town of Chatrapatti (Virudhunagar Dist) is a large player in producing surgical cotton gauze, and nearby Dhalavaipuram and Muhavoor produce women's nightwear.

Gauze is a thin, translucent fabric with a loose open weave, almost translucent fabric that's used to bandage wounds. The word's origin means "raw silk." It can be used to clean cuts, scrapes, and burns, and also acts as a large bandage. The various types of gauze cloth used for medical purpose are

1. Gauze Swap
2. Absorbent Gauze
3. Roll Gauze
4. Gauze sponges
5. Sterile Gauze pads
6. Gauze Ribbon
7. Laparotomy sponges
8. Non woven sponge

Woven versus non-woven: Gauze may be woven or non-woven. Woven gauze is loosely woven, usually from cotton fibers, allowing absorption or wicking of exudate and other fluids. Gauze can be woven with fine or coarse mesh; coarse gauze is useful for medical debridement, while fine gauze is better for packing wounds. Woven gauze is less absorbent than non-woven, and may leave lint in a wound, especially if cut.

Non-woven gauze is made from fibers that are pressed together rather than woven, providing better absorbency and wicking than woven gauze. Non-woven gauze is usually made from synthetic fibers such as rayon or polyester, or a blend which may include cotton. Non-woven gauze is stronger, bulkier and softer than woven gauze, and produces less lint.

Medical use:When used as a medical dressing, woven gauze is usually made of cotton. It is especially useful for dressing wounds where other fabrics might stick to the burn or laceration. Many modern medical gauzes are covered with a perforated plastic film such as Telfa or a polyblend which prevents direct contact and further minimizes wound adhesion. Also, it can be impregnated with a thick, creamy mixture of zinc oxide and calamine to promote healing, as in Unna's boot. Gauze is also used during procedures involving accidental tooth loss; either the gauze is used to provide pressure

as the tooth is moved back into its corresponding socket, or the tooth is wrapped in gauze and placed in milk or saline to keep it alive while the tooth is being transported or prepared for reinsertion.

In film and theatre, gauze is often fashioned into a scrim.

Gauze used in bookbinding is called *mull*, and is used in case binding to adhere the text block to the book cover.

The term wire gauze is used for woven metal sheets, for example placed on top of a Bunsen burner, or used in a safety lamp or a screen spark arrestor.

Srivilliputhur Palkova

Srivilliputtur is not only famous for Sri Aandal temple but also for the legendary 'palkova' – a sweet made from cow's milk and sugar. Locals say that it has been traditionally manufactured and sold since 1940 and is the main cottage industry of the Srivilliputtur area. Srivilliputhur palkova that simply melts in your mouth was granted the Geographical Indication Tag (GI) in 2019 and what is interesting is that the original recipe for this traditional milk sweet came from North India but became famous in this region because of the sweet nature of the milk here.

Sivakasi (crackers ,Match box & Printing)

The economy of Sivakasi is dependent on three major industries: firecrackers, matchbox manufacturing, and printing. The town has 520 registered printing industries, 53 match factories, 32 chemical factories, seven soda factories, four flour mills and two rice and oil mills. The town is the nodal center for firecracker manufacturing at the national level. In 2020 there are around 1070 registered firecracker manufacturing companies in sivakasi and 8 lakh (800,000) people were directly and indirectly employed by the industry. In 2011, the combined estimated turnover of the firecracker, matchbox making and printing industry in the town was around ₹20 billion (US\$250 million). Approximately 70% of the firecrackers and matches produced in India are from Sivakasi. The hot and dry climate of the town is conducive to the firecracker and matchbox making industries. The raw materials for these industries were procured from Sattur earlier but were discontinued due to the high power and production cost. The source of raw materials is Kerala and Andaman.

The paper for the printing industry is procured from various states. The town is a major producer of diaries, contributing to 30% of the total diaries produced in India. Printing industry in the town was initially utilized for printing labels for the firecrackers and later evolved with modern machinery to grow as a printing hub. All over india in the match production Virudhunagar contributes 30%.

Shenbaga Thoppu Grizzelled Squirrel Sanctuary

Shenbaga Thoppu, a forest area about 8 km west from here is a very good option for trekking. There is no proper bus service to reach here though. However the place can be reached by two-wheeler or even bicycle. The forests are found on the eastern slopes of the Western Ghats. Only 6.3% of the total geographical area is under forests. Many rare and endemic varieties of flora and fauna are found along the mountain slopes. A wildlife sanctuary, spread over 480 square kilometres was established in 1989 at Shenbagathopu in Srivilliputtur taluk.. This sanctuary is contiguous with the Periyar tiger reserve on the south-western side and the Megamalai reserve forest on the north-western side. The altitude varies from 100 to 2010 m above sea level. The sanctuary is home to the endangered, arboreal grizzled giant squirrel *Ratufa macrora*. This greyish brown squirrel weighs 1 to 1.8 kg. and is the size of a small cat. It measures about 735 mm. from nose to tail with the tail being 360 to 400 mm. long. They construct drays at forked branches where the crowns of neighbouring trees meet. This enables the squirrel to move away from the site by jumping from tree to tree when threatened. The home range of an individual is between 1,970 and 6,110 square metres.

Concluding note

The above District Export Action Plan for the district of Virudhunagar 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 Virudhunagar moves towards SELF-RELIANCE and transforms itself into a HUB FOR EXPORTS from India.