



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF FOREIGN TRADE

District Export Action Plan
Alleppey



District Export Promotion Plan for the district of Alleppey

PART I

A) Introduction

Kerala, located on the southernmost part of India, has witnessed spectacular economic growth and higher standard of living for decades. This unique model of progress and higher standard of living is mainly due to the remittance it receives from Keralites who works abroad and its typical agro and agro industries along with its thrust on tourism and related service industries. Though not highly industrialised, its unique geography and natural resources offers it an excellent opportunity for further growth.

Apart from Kochi, which is known as commercial capital of the State, Kerala has a good number of moderately industrialized districts of which Alleppey is one district that has a few pockets of industries and has the potential to transform itself into an export hub.

B) District Economic and Industrial landscape

Alleppey district was formed on August 17, 1957. It was carved out of erstwhile Kottayam and Kollam districts. Latitude of the district is 9° 5' N and longitude is 76° 17 to 76°44 E'. It is the smallest district in the State with an area of 1414 sq.km.

The district is divided into two revenue divisions, Alleppey and Chengannur. These two divisions are further divided into 6 taluks namely, Cherthala, Ambalappey, Kuttanadu, Karthikappally, Chengannur and Mavelikkara. The taluks are further sub-divided into 91 villages. Alleppey district has 91 local bodies -72 Grama Panchayats, 12 Block Panchayats, 6 Municipalities and a District Panchayat.

C) Vision

Hon'ble Prime Minister in his Independence Day Speech on 15th August, 2019 had inter-alia, observed that each district of our country has potential equal to that of one country. Each district has its own unique specialities in terms of products and services which has potential in the global market. Each district has the potential to become Export hubs.



D) Goal

The goal of this District Export Plan (DEP) is to achieve Hon'ble Prime Minister's vision by undertaking steps and initiatives to convert Alleppey District into an Export Hub and to double the exports (baseline 2018-19) from the district within the next five years.

The District Export Committee will act as one-point facilitator for export promotion at District level along with State Level Export Promotion Committee. And all the updates regarding District Export Plan will be updated to DGFT's online DEPC Progress Monitoring Portal.

E) Policy framework

The framework of DEP policy is based on Ministry of Commerce and Industry, Government of India 's D.O. No.01/36/218/01/AM-18/TC/Part-I/01 Letter dated 13-11-2019 mandating Regional Authorities of Directorate General of Foreign Trade (DGFT) to work with State Governments and District level officers to initiate preparation and implementation of a District Export Plan (DEP) specific to each district in every State/ UT through an institutional structure at the district level for fulfilling the goal mentioned above.

Accordingly, DGFT through its O.M dated 26/12/2019 has notified the action items along with timelines for developing Districts as Export Hubs. Apart from the action items, it also suggested composition of District Export Promotion Committee (DEPC) and terms of reference for plan of action for developing districts as export hubs. Subsequently, DEPC has constituted and notified for all the districts in a State by the concerned State Government.

Government of Kerala, through its Notification No. GI/42/2020/ID dated 11-9-2020 notified composition of members of DEPC for fourteen districts in the State along with its potential products for exports. This G.O also bestowed the power on DEPC to call for additional members and also to amend the list of potential products for export promotion. Members of DEPC for Alleppey district is as follows:

- The District Collector- Chairperson
- Joint DGFT, Kochi- Co-Chair
- GM, District Industries Centre – Convener
- Lead Bank Manager- Member
- Representative from Department of MSME, Govt of India- Member



- Representative from Coir board- Member
- Representative from Local Trade/Commerce Association- Member

It is stated that preliminary meeting of DEPC for Alleppey district has been conducted on 4.1.2021 at Alleppey, with participation of all the mentioned members along with the participation of exporters' fraternity from the district.

F) Brief Economic profile of the District-

The district is located midway between Kochi and Trivandrum and is the most literate district in Kerala. Due to a large population of expatriate and its agricultural economy, the District is one of the most prosperous district in Kerala.

The district is vibrant in terms of economic activity with Coir, and Seafood based industries being the prominent ones. There are two smaller Industrial parks in this district.

There are about 200 Coir and carpet manufacturing unit in the District and many of them are in operational for the last 70-80 years. They are doing a good business in foreign market and have a strong tie up with major international retailers and home furnishing brands

The products range from carpets, jute products, home furnishing etc.

USA, UK, Germany, Holland, France, Russia are the major markets where these products are exported. .

A few of the manufactures here in Alleppey may not be exporting directly, but are supplying to EOUs and other exporters of the district who are acting as aggregators and are further exported. Hence they are an integral part of the global value chain.

Major exporters who are based on Alleppey districts are,

- a) Travancore Coco-tuft Private Limited
- b) Floor Gardens
- c) Palm Fibre
- d) N C John and Sons
- e) Fibre World



Baseline Export figures

As per the available data sourced from Industrial associations, the export figures for 2020-21 are given below. (This is an approximate figure)

Srl No	Product category	Export figures (in Rs Crs)
1	Coir Products	1500
2	Marine products	1800
3	Others	75
Total		3375 Cr (Approx)

However, apart from a large numbers of MSMEs units, there is no large scale manufacturing units in this District.

G) Champion Sectors

Department of Commerce, Government of India in its “The States Export Booklet” (2018) has suggested the following parameters for identifying Champion Sectors in States:

- Sectors with high global demand
- Sectors currently contributing to significant share of State’s export
- Sectors where States show high competitiveness in domestic market
- Sectors with significant contribution in domestic market and trade value
- Sectors which can generate more employment
- Service Sectors that can promote Service exports

The above criteria’s can be used for identifying Champion Sectors in a district too. Accordingly the **Coir products** have been identified as potential products for Alleppey district

The first meeting of the District Export Promotion Committee (DEPC) for Alleppey District was held on 04/01/2021 at Alleppey.



PART II

District Action Plan

The committee had an in depth and extensive deliberations with the stakeholders and exporters regarding the various ideas and action plan to boost exports from the district and the way forward for implementation of the District as an Export hub initiative.

The committee had found that despite being a hub for coir products manufacturing, District doesn't have a **modern dyeing unit** in its vicinity. One dyeing unit within the campus of Coir Board s office is broken and beyond use. Another one is located at Kerala State Coir Corporation, a Kerala PSU, is not modern enough. A couple of units are having dying units on their own, but that will not be able to cater to the needs of others in general.

Another issue that came to the notice of the committee was the waste water produced during the manufacturing processes like stenciling, printing and particularly in dyeing are not treated properly. Even though few units have established their own Waste water treatment facility at their own cost (to treat the waste water generated by them), this is a costly and sub-optimal solution to other similar units.

The Committee while interacting with the exporters and other stakeholders came to understand that the foreign buyers are increasingly making their pollution control requirement to more stringent standards. Therefore, the present day arrangement for waste water treatment are not going to sufficient. Committee also came to a conclusion that, in future, the foreign buyers will be insisting on **Zero Discharge Treatment Plant** and not just the Waste water treatment plant as that of today.

Therefore, this Committee is of the opinion that, if our Coir product manufacturing units could not treat their Waste water through a Zero discharge Treatment Plant, in the coming years, there is every likelihood that they may lose a large chunk of export market.

It is in this context that the Committee had identified the strong requirement of a **Dyeing unit and a Zero Discharge Liquid Treatment Plant** in Alleppey District.



Land requirement-

The above unit will be requiring approximately around 5 Acres of Land. Committee may look out for suitable Land parcel which is lying with the Industrial department or any other such revenue land that can be diverted for this purpose.

Committee can also look for any surplus land available with the existing unit which can be leased for this purpose against which a reasonable rent can be paid on such land.

Financial needs-

The committee through its interaction with stakeholders has found that total cost involved in this project is about Rs 25 Crores. Therefore, it will be able to execute through the District Export Promotion Hub initiative of Department of Commerce, with active participation of the State government as well.

Justification for the Project-

Dyeing requirements of the Coir Industry are increasing day by day. Many units are losing business opportunity and export market because of limited dyeing facility within the District. In the coming years, if we wish to diversify our product portfolio and boost our export, infrastructure for dyeing is an absolute necessity.

Similar is the case with Zero liquid discharge facility. There is a lot of scope for improvement in the way in which waste water from the dyeing and printing activities are treated as on date. Going forward, there is every reason to believe that foreign buyers will be insisting on not just Waste water treatment as it is happening today, but on Waste water treatment infrastructure with Zero discharge. If the industry is not readied to the global emission and waste treatment standards, it is possible that we may lose a substantial chunk of export markets in the future.

Therefore, the Committee is of the opinion that, with an objective to enhance the export competitiveness and to boost the export from this District, this project is very essential.



Way ahead for its implementation –

The Committee is of the view that a Special Purpose Vehicle under Section 8 of the Companies Act of 2013 can be formed for implementation and Management of this project. Therefore, such an SPV may be formed and registered within a short time and a suitable person be found out for the role as CEO.

This SPV shall be responsible for construction and maintenance and operation of this facility. The SPV shall charge user fee for the service it offer and will run with no loss- no profit basis.

The committee shall incorporate other terms and conditions when such SPV will be constituted and the committee shall have supervise the functioning of that SPV.

Any government assistance / subsidy by either State or Central Government shall be gone to this SPV.

Conclusion-

The Committee is of the opinion that above mentioned Project have direct correlation with the Export promotion and if implemented as planned, will boost the export potential of the District. If the present figure is around 1250 Cr per year, the Committee after getting feedback from the stakeholders, is of the view that, if certain critical interventions are made and investments are made in above mentioned common infrastructure facilities, in the next 3-5 years, the figure can touch 1500 Cr an year. Therefore, the Committee strongly recommends the timely implementation and execution of the above mentioned project.



Annexure -

- A brief report on the project is attached with the District Action Plan as Annexure 1.
- Details and Economic profile of the District is attached as Annexure 2.

Annexure I

Particulars	Details	Remark
(I) General Information		
(1) State/ Union Territory	Kerala	
(2) District	Alleppey	
(3) Product / Service	Coir product	
(4) HS code of the product	57	
(5) Whether GI Tagged	No	
(6) Industry	All MSME units	
(7) Is the product perishable?	No	
(8) Concerned Line Ministry, State departments and Boards	Ministry of MSME, GoI Coir Board, GoI Dept. of Coir, Govt. of Kerala	
(9) GI tag status	No	
(10) Concerned Industry associations	1) Federation of Indian Coir Exporter Association 2) Indian Coir Association 3) Coir Shippers Council	
(II) Current status of the product/service		
(1) Production capacity (in units)	60000 MT	
(2) Composition of production units in Small / Medium / Large enterprises	All units are either Medium or Small	
(3) Demand in India in the last one year (in units)	10000 Ton	
(4) Demand in the international market in the last one year (in units)	50000 Ton	
(5) Top importing countries	US, UK, Holland, Belgium, Germany	
(6) Employment	7500	
(7) Export turnover	1300Cr (2021-22)	

Sub : Quotation for Zero discharge ETP system 2 lakh ltr per day

Ref : As per consult with Dr. R. Jayachandran

Sir,

We are quoting the lowest rate for fabrication, supply, erection and commissioning of mechanical equipments of Zero discharge effluent treatment Plant 2 lakhs ltr

Sl No	Particulars	Qty	Rate	Amount
1.	Equalization tank 1 Lakh ltr capacity civil construction and all accessories	1	30 lakhs	30 lakhs
2.	Primary settling tank 1 Lakh ltr capacity civil construction and all accessories	1	30 lakhs	30 lakhs
3.	Aeration tank 1 Lakh ltr capacity civil construction and all accessories	1	30 lakhs	30 lakhs
4.	Secondary settling tank 1 Lakh ltr capacity civil construction and all accessories	1	30 lakhs	30 lakhs
5.	Multi grade filter 10000 lph capacity	1	20 lakhs	20 lakhs
6.	RO System 10000 lph capacity	1 lakhs	25 lakhs	25
7.	Multiple Effect Evaporator	1	30 lakhs	30 lakhs
8.	Boiler 4 lakh calory	1	25 lakhs	25 lakhs
9.	All electrical panel and accessories	1	20 lakhs	20 lakhs
10.	Plumbing	1	20 lakhs	20 lakhs
11.	Installation Cost	1	10 lakhs	10 lakhs
12.	Sludg Filter press	1	25 lakhs	25 lakhs
13.	Compressor	1	6 lakh s	6 lakhs
	Total			301 lakhs

MACHINERY LIST

No	Item	Qty	Amount	
1	Building 10000 sqf	1no	1,80,00,000.00	
2	Vat 400kg +carrier	3nos	24,00,000.00	
3	Sample vat100kg	1no	2,00,000.00	
4	Extractore	1no	10,00,000.00	
5	Boiler 2ton	1no	20,00,000.00	
6	Hoist system	1no	6,00,000.00	
7	Colour maching box	1no	6,00,000.00	
8	Chemicals		5,00,000.00	
9	Dryer 20 mtr	1no	30,00,000.00	
10	Zero discharge ETP	1no	3,01,00,000.00	Details attached
11	Electrial work		8,00,000.00	
	Total		5,92,00,000.00	

