



## District Export Promotion Plan for the district of Trichur

### 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, Kerala has a good number of moderately industrialized districts of which Trichur is one district that has high concentration of industries, almost all of them are MSME units, and has the potential to transform itself into a major export hub.

### B) District Economic and Industrial landscape

Trichur is one of the earliest district districts of Kerala. This district was created on 1957, soon after the formation of Kerala state. Trichur district has a total area of 3027 sq. km.

The district is comprised of 6 Taluks. They are, Trichur, Chavakkad, Kodungalloor, Chalakkudi, Mukundapuram, Talappilli.

### C) Vision

Hon'ble Prime Minister in his Independence Day Speech on 15<sup>th</sup> 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 Trichur 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 to be 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 Trichur 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 Rubber board- Member
- Representative from Local Trade/Commerce Association- Member

It is stated that preliminary meeting of DEPC for Trichur district has been conducted on 6-11-2020 through Zoom meeting at Trichur, 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 strategically located as a Gateway to Kerala from the highly industrialized belt of Coimbatore district of Tamil Nadu and is well connected with Kochi Port and Cochin and Trichur airport.

The district is vibrant in terms of economic activity with tourism and small engineering and machinery manufacturing industrial activities being the prominent ones. There are a few Mini Industrial parks in the District. Engineering Industrial clusters in this district. One is at Athaani and another is at Ollur. Both together have more than 50 units producing various goods.

North America and Middle East are the major markets where these products are exported. Besides, many units here supply to domestic market as well.

A few other units are scattered over in other parts of district like Ayyanthole, Kunnankulam, Chavakkad etc

A large number of the manufactures here in Trichur are engaged in manufacturing of gold ornaments. Much part of this gold industry is well connected with international markets, both for their raw material requirements and marketing of their finished products.

Major exporters who are based on Trichur districts are,

- a) Appollo tyres, Perambra
- b) Nitta Gelattin India Pvt Ltd
- c) Steel Industries and Forgings,
- d) Carborandum Universal
- e) Mill Control Ltd.

#### Baseline Export figures

As per the available date sourced from Industrial associations, the export figures for 2018-19 are given below. (This is an approximate figure)

Srl No	Product category	Export figures ( in Rs Crs)
1	Engineering products	****
2	Food products	*** Cr

3	Ayurvedic products	*** Cr
4	Textile products	** Cr
5	Food products	** Cr
	<b>Total</b>	<b>** Cr</b>

\*\*\*\*\* to be filled after getting those figures.....

Besides direct exports, many units are supplying to EOUs, SEZ s, deemed exports etc as well.

Apart from a few numbers of MSMEs 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 following products have been identified as potential products for Trichur district by Government of Kerala through its G.O dated 11/09/2020:

- a) Ayurveda products
- b) Machinery products

The first meeting of the District Export Promotion Committee (DEPC) for Trichur District was held on 06/11/2020 at Trichur

### **H) Issues which needs to be focused and Plan of Action-**

### **1) Export linked Logistics Infrastructure**

The nearest sea port available is Kochi port which is around 80-90 km away from these industrial clusters. Road connectivity is commendable and is suited for larger trucks and containers. The NH 47 is a 6/6 lined Highway and having enough capacity to carry any additional export cargo.

However, there are a few number of irritating bottlenecks in this highway and at many points there are frequent traffic jams which slow down the movement of goods and containers.

DLEPC through the Office of District Collector will keep a close watch on the identifying and removal of these bottlenecks of this key highway.

Rail infrastructure is highly congested in this part of Rail network. However, it is possible that once a week container train can be thought of in this network between Trichur and Kochin Harbour.

DLEPC may initiate a discussion with Officers of Palakkad division to explore the possibility in this regard.

### **2) Mega Engineering Parks (Land)**

Almost all of production units are MSMEs and they are scattered across a couple of industrial parks across the district. In order to ensure economy and efficiency in the production line, Mega Export Parks with area of 50-100 acres if formed with facilities like plug and play, help to an advantageous economy of scale in production. This would also attract investment both domestic and foreign into the district.

If picked up, this has the potential to become a successful model of clustering. Trichur. Being a lesser industrialized district, such similar clustering models can be replicated in other parts of the district as well.

DLEPC shall engage with KINFRA in this regard and will solicit big investments in this cluster.

### **3) Industrial corridor project.**

Much part of the Kerala leg of the proposed Bangalore-Coimbatore-Kochi Industrial corridor is running through Trichur district. Kerala government had already identified location and land for building one 1600 Acre industrial park as a part of this corridor project.

However, it is proposed that a couple of spokes of this hub may be created in the Trichur District along with the National Highway so that a few numbers of industries can be set up in those land parcels.

DEPC, will identify the suitable land parcels where Spokes can be created and will work closely with KINFRA and KSIDC in this regard.

#### **4) Issues relating to banks and other financial institutions**

Continuous availability of credit is the lifeline for any enterprise. There is a general grievance among the exporters that loans are not easily available to the MSMEs despite several schemes and initiatives taken by MSME, Government of India and District Industries Centre, Government of Kerala. There is also high cost attached to availability of credit for the exporters.

DLEPC will closely engage with Lead banks to ensure the credit availability for the investors.

#### **5) Other Challenges-**

Many SME units and entrepreneurs had issues related to getting approvals from Local Self-government bodies relating to getting building permits and NOC s for starting their operations.

Many have problem relating to local people objecting the factory as they fear that it will create pollution related issues.

The way out for such issues is to encourage the investors to invest in dedicated industrial parks/estates rather than to build an isolated factory in populated areas.

DEPC may also issue suitable instructions to Local bodies in these matters and will also try to sensitize all the stakeholders to arrive at a win-win situation. .

#### **8) IT Parks**

There are no parks in Trichur. Since Trichur is having good educational institutions like GEC Trichur, a dozen of Engineering colleges in that region, there is a good amount of quality and skilled manpower available. However, enough number of startups and entrepreneurship is not visible in that part of the state.

DLEPC through the office of DC would be involved in identifying a location for a mini IT Parks in the District and will work with stakeholders to invite good amount of investment in to it.

Our target should be to have 100 Cr IT export by 2025 and reach 200 Cr export by 2030. To achieve that, DLEPC may invite big IT players and MNCs to invest in these IT Parks besides promoting the local talents and entrepreneurship.

#### 9) Ease of doing business-

Currently there are numerous acts, laws, licenses that have to be followed or obtained by a manufacturer and these costs hugely in terms of time and money.

In order to ensure ease of doing business in the district, DLEPC will explore the possibility of a **Single Window mechanism and Nodal officer** to be put in place at the District Head Quarters for guiding and providing necessary clearance at all stages of production.

#### 10) Skill gaps (Training and Capacity building)

There is a widening gap between the skills expected by the Champion Sectors of the district and the skills set available in the local market. This policy focuses in bridging the gap by providing training and capacity building to the labor force of all the identified Champion Sectors of the district.

The DEPC aims at conducting frequent training sessions in association with experts in local ITI s, Polytechniques, other available resource persons, for the labor force employed in the Industrial clusters in this district.

- The DEPC aims at conducting regular capacity building sessions for entrepreneurs in terms of finding suitable markets for their unique products, packaging, sourcing resources from IIFT, Indian Institute of Packaging, IIM Calicut etc.

### **11) Ancillary Infrastructure (Testing facilities, Standards and Certification Labs, etc)**

It has been assessed that there is no ancillary infrastructure for exports like testing facilities, certification labs, etc within Trichur district. Testing facilities, etc are essential in establishing the superior quality of the products produced in this district and are mandatory requirements for exports. Its importance can be understood from the recent increase in the imposition of Non-Tariff Barriers by various countries across the world.

Director, MSME, Thrissur, shall be roped in to explore the possibilities of setting up common Testing Labs and Infrastructures etc. The opinion of the Local entrepreneurs is solicited in this regard.

### **I) Conclusion-**

The District Action Plan will be a dynamic document and will be reviewed and reworked as and when the new opportunities are coming across and new ideas are incorporated. This document also solicits and welcomes the input and ideas provided by the public at large and the stakeholders in particular.



DRAFT**WAYANADU DISTRICT****Export Action Plan**

Under the "District as Export Hub Initiative" of the Ministry of Commerce, GOI

