

## AUTO COMPONENTS AND AUTOMOBILE INDUSTRY

*Source: Government of TN*

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- Auto Component Manufacturers Association of India estimates global auto component industry at US \$ 1.2 Trillion in value, estimated to touch US \$ 1.7 trillion by 2015.
- TN accounting for 35% of India's Auto Component Production
- There is abundant availability of skilled manpower in Automobile Engineering making TN the most effective location.
- Chennai is known as the Detroit of Asia due to its automobile industry producing over 40% of the country's auto parts and vehicles
- Chennai set to become one of globally largest hubs for tyre manufacturing
- Chennai is now emerging as one of the top 10 Global Automobile manufacturing centres with projects like Ford, Hyundai, BMW, Renault, Nissan and Mitsubishi-HM
- Chennai will have an installation capacity to produce 1,280,000 cars and about 350,000 commercial vehicles each year which translated to 3 cars output every minute and one commercial vehicle every 75 seconds by 2010-11.
- Chennai produced 5.60 Lakhs passenger cars accounting for 30.6% of India's Production
- Chennai is now a supplier of high value and critical automobile components to global auto makers such as General Motors, Chrysler, Toyota, Ford and Volkswagen amongst others.
- Hyundai has made Chennai the manufacturing and export hub for its small cars. The i10 and I20 are being manufactured only in Chennai and exported to the world. Chennai is Hyundai's largest base outside Korea.
- Excellent Port Logistics – One in Chennai and one in Tuticorin, providing a gateway for exports and imports. Chennai container terminal is the most efficient in India. Chennai port has dedicated berths for Automobile Exports.

- Chennai has emerged as the largest export hub for Automobiles and Components in India. During 2008-2009, Chennai exported 146,000 cars to 103 countries, mainly EU.
- Studies by Hyundai, Nissan and Ford, found TN the most cost effective location for manufacturing cars.

## CHEMICALS AND PETROCHEMICALS

*Source: Government of TN*

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- Concentration of Chemical Industry in TN – 6%
- Chemical Industry in TN – TN has 3 major Chemical Clusters namely Manali in Chennai, Cuddalore and Tuticorin.
- TN has manufacturing facilities for Fertilizers, Paints, Carbon Black, Pesticides, Pharmaceuticals, Organic and Inorganic Chemicals, Polymers, Caustic Soda, Soda Ash, Etc.
- Saint Gobain, France, has established 2 Float Glass plants in SriPerumpudur, with an installed capacity of 4.0 Lakh MT per annum, the largest facility in India.
- Asahi Glass, Japan has established a facility for making automotive glass.
- Harsha, UAE, is currently in the process of establishing a Float Glass project with an Investment of Rs. 1500 crores in Chennai neighbourhood.
- Chennai is set to emerge as the largest glass hub in India.
- TN has emerged as major exporter of Basic Chemicals and other chemical products. This indicates the competitiveness of Chemical Industry in TN

<b>Exports From TN</b>		
<b>Year</b>	<b>2006-2007</b>	<b>2007-2008</b>
Basic Chemicals	3499	3766
Other Chemicals and Allied Products	4594	4088
Total in Rs.Crores	8093	7854

## PHARMA AND BIOTECHNOLOGY

*Source: Government of TN*

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- TN is rich in bio-resources. The variety of geographical terrains in the state provides tremendous biodiversity rarely seen in any other single state.
- The forest, agricultural and plant resource base of the state are both large and diverse and represent great market opportunity for biotechnology products.
- There are more than 5000 species of flowering plants and the forest cover in the state spreads over 22,500 sq.kms
- TN also has one of the largest coastlines in the country which again presents opportunities for Marine Biotechnology
- TN is well placed in terms of HR to exploit the opportunities in Biotechnology.
- TN would present an attractive market for medical biotechnology products as it accounts for about 11% of the pharmaceutical market in the country.
- Govt. through TIDCO promoted TICEL BioPark in Taramani that provides common specialized infrastructure for Biotech Industry. Government is now promoting the second TICEL Biopark.

## ELECTRONIC HARDWARE

*Source: Government of TN*

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- The total investment in Electronics hardware industry in TN is estimated to be about Rs.11,500 to 12,000 crores employing about 40,000 workers.
- TN has at present 8 Notified Electronic Hardware SEZ's with a total area of about 1200 acres.
- The total investment of Major Electronic Hardware Industrial Projects in TN is Rs. 10,087.
- Some of the Fortune 500 companies have set up manufacturing facilities in Chennai neighbourhood, include, Nokia, Motorola, DELL computers, Samsung,

- Foxconn, Sanmina-SCI, Flextronics and Nokia-Siemens besides more than 30 components suppliers.
- Chennai has emerged as the largest Electronic Hardware Manufacturing and Exporting hub in India.
  - Chennai is also emerging as a centre for manufacture of Photo-Voltaic PV Cells with an investment of about Rs.4000 crores.
  - The Nokia plant in Chennai has become World's largest mobile hand sets manufacturing facility.
  - Moser Baer is currently establishing a PV cells plant at Oragadam Electronic Hardware SEZ with an investment of Rs.2000 crores.

## AGRO AND FOOD PROCESSING

*Source: Government of TN*

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- TN is a major exported of agro and processed food products.
- TN with seven agro-climatic conditions and varied soil types is better placed for production of fruits, vegetables, spices, plantation crops, flowers, medicinal and aromatic plants.
- TN is one of the largest producers of agro and horticulture products in India.
- TN Sugar cane production was Rs.166.49 Lakhs MT in 2008-2009, yielding sugar output of 16.6 Lakh MT.
- Tamil Nadu Sugar industry is responsible for about 10% of the total sugar production in India. The Tamil Nadu sugar industry comprises of 41 Sugar Mills in Tamil Nadu, with 16 of them in the co-operative sector, 3 sugar mills in public sector and 22 Sugar Mills in the private sector.
- With rich agro resource endowments, TN offers excellent potential for Food Processing industries.

## IT/ITES

*Source: Government of TN;*

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- The share in software export substantial as against the country's export of Rs. 2.02 Lakh crore in 2008-2009, the state's share was Rs. 36, 680 crore.
- TN exported Rs.36680.40 crores during 2008-2009 which is 11% of India's exports.
- There are 1,683 IT Companies currently operation in TN which are employing about 285,000 software professionals.
- Large pool of technically qualified high quality IT manpower with more than 37% of the engineering graduates from TN come out with Computer Science or IT or electronics and Communication Discipline.
- IT unites uniformly spread in the state as the policy of the government – To promote IT Parks in Tier 1 and Tier 2 Cities like Coimbatore, Madurai, Tiruchi, Salem, Hosur, Tirunelveli and Vellore
- SIPCOT has promoted IT Park at Siruseri which covers an overall area of 756 acres and has some big names like TCS, Cognizant, Xansa, Syntel, Hexaware, Patni, Polaris, Etc.
- TIDCO and ASCENDAS have jointly promoted another IT Park at Taramani in Chennai.
- TIDCO is implementing a state of art ITES SEZ at Thiruvanmiyur village in Chennai district and Kottivakkam Village in Kancheepuram District with about 4.00 million sq.ft. built up space on 26.64 acres of land.

## TEXTILES

*Source: Government of TN*

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- The textile industry of TN has its significant presence in the National and State economy.
- Tirupur in TN is the largest knitted garments cluster in India and accounts for 90% of India's cotton knitwear exports.
- The exports of the Tirupur cluster for the current fiscal year is US\$1400 million.
- Handloom, Powerloom, Spinning, Processing, Garment and Hosiery are the various sectors of the textile industry in TN.
- TN occupies a pride place in handloom sector with maximum number of handlooms in the country.
- The power loom sector in TN provides employment to around 9.14 Lakh workers.
- 19.03 Lakh registered powerlooms in India, 3.66 lakh are located in TN and of that 42, 566 are covered under 164 Powerloom weavers Cooperative societies.
- Textile Mills and Spinning mills are the backbone of TN's industrial development.
- The state produces about 1612 million kg. of spun yarn per year which is about 40% of the Nations production.
- Chennai is emerging as the global sourcing hub for ready made garments. It is another large cluster for woven garments. Exporting over US 1.2 Billion. The state is emerging as a global sourcing hub for ready made garments and hosts many global brands due to its cost advantage.
- This sector has the largest economic activity next only to agriculture in providing direct and indirect employment. Abundant availability of skilled manpower in Textiles Processing and Manufacturing – Largest turn out of skilled manpower in India.
- The garment sector in TN is one of the fast growing sectors in the Textile industry. It is located substantially around Chennai City, with specialization in cotton fibre garments,

- There are around 4,000 knitwear and woven garment production units in the State providing employment to around 5 Lakh persons.
- Government of TN has so far promoted 13 Textile Parks in TN at a total project cost of Rs. 774.41 crore.
  - Two textile parks under the “Apparel Park for Exports Scheme”
  - Four projects under the “Textile Centre Infrastructure Development Scheme
  - Seven textile parks under the scheme for Integrated Textile Parks (SITP) to upgrade the Handloom industry with World class infrastructure facilities to meet international standards.
- SIPCOT and South India Mills Association (SIMA) are setting up a Textiles Processing Park in an area of 317 acres in the III Phase of SIPCOT Industrial Park at Cuddalore in TN at a cost of Rs. 450 crores.

## OIL & GAS

*Source: Government of TN*

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- Tamil Nadu has at present 28 Oil and Gas fields in Cauvery basin producing crude oil and natural gas.
- Tamil Nadu has 2 refineries belonging to CPCL, each one at Chennai (9.5 million MT) and Panagudi ( Narimanam) at Nagapattinam ( 1.0 million MT).
- Nagarjuna Oil Corporation is currently setting up an oil refinery at Cuddalore with a capacity of 6.0 million MT at an investment of Rs. 4790 crores that is expected to commence commercial production in 2011. This will augment the total refining capacity of Tamil Nadu to 16.50 million MT

## ENGINEERING SECTOR

*Source: Government of TN; Ministry of Science and Technology*

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- In Tamil Nadu, a strong engineering base exists involving products ranging from automobiles, bicycles, castings and forgings, to textile machines, electrical and non-electrical machinery, pumps and transportation equipment, engineering ancillary industries all of which are concentrated in Chennai (Madras), Coimbatore, Salem ,etc.
- The export of engineering products from Tamil Nadu is around Rs.14.50 billion (US \$ 320 million) of which automobile ancillaries alone contribute around US \$ 150 million. It is an established fact that the automobile industry in the state accounts for nearly 50% of the all India export market.
- The strong engineering base consists of a network of nearly 3,000 units, employing a skilled workforce of more than 2.5 lakh, making high quality inputs such as castings and forgings and a wide variety of ancillary products.

## HEALTHCARE

*Source: Government of TN*

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- Tamil Nadu has allocated US\$ 698.16 million for health and family care for the year 2009-10, up from US\$ 564.34 million a year ago. The increased budget includes creating a mega blood bank- Asia's largest- in Chennai and upgrading several hospitals, besides launching a new insurance scheme.
- Chennai – Healthcare capital of India, offers advance healthcare facilities at fraction of the cost of USA and EU countries.
- Chennai is also emerging as the healthcare tourism hub of India.



## LEATHER SECTOR

*Source: Government of TN ; Ministry of Science and Technology;  
Business Standard*

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- **Leather Industry in Tamil Nadu – Current Status**
  - Tamil Nadu accounts for
    - 70% of Tanning capacity of India and 6% of Global leather requirement.
    - Annual production: Rs 15000 crores – 60% of India’s production.
    - Export: Rs. 5386 crores – 36% of india’s exports (2007-2008).
    - Employs about 5 lakhs (about 60% are women).
- Tamil Nadu enjoys a leading position with 40% share in India’s export.
- It currently employs about 2.5 million persons.
- The tanning industry in India has a total installed capacity of 225 million pieces of hide and skins of which Tamil Nadu alone contributes to an inspiring 70%.
- Leather industry occupies a pride of place in the industrial map of Tamil Nadu.

### UNIDO Report on Tamil Nadu

- UNIDO Report 2009: The United Nations Industrial Development Organization (UNIDO) has identified the leather cluster in Chennai, Tamil Nadu among the top ten most dynamic industrial locations globally.
- In its Industrial Report 2009, UNIDO said that Chennai Leather Cluster has been positioned on the basis of its export growth exceeding the national growth rates.
- The UNIDO report found that Chennai Leather cluster has the highest employment elasticity. For every 1% increase in exports, employment went up by 1.3%. According to this report, “Although leather goods manufacturing is pollution-intensive, the erection of treatment plants through the efforts of

relevant institutions and the State Government of Tamil Nadu has helped lower pollution levels”.

- Some of the major production centers in Tamil Nadu are Chennai, Ambur, Ranipet, Vaniyambadi, Trichy, and Dindigul.
- The Government of India is also involved in the promotion of industrial parks- one footwear park in Tamil Nadu and one footwear components park in Chennai.
- The CII study projects a 10-12 per cent compounded annual growth rate (CAGR) for the Tamil Nadu leather industry. Going by this estimate, the size of the leather industry will be over \$8-10 billion (about Rs 36,400 crore -Rs 45,500 crore) by 2015.
- At present, the production capacity of the Indian leather industry is 6.5 million pieces in terms of hides, and 170 million pieces in terms of skins.

## MACHINERY SECTOR

*Source: FICCI report: Agricultural Machinery Sector in India;  
Ministry of Science and Technology.*

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- **Coimbatore in Tamil Nadu** is a major hub for the Textile Machinery manufacturing industry. Most of the manufacturers fall under medium and large scale category. Some of the key machines manufactured are:
  - Knitting and Spinning Machines
  - Textile Testing Equipments
  - Wrapping Machines

## POWER SECTOR

*Source: Government of India; E-Newspaper: Projectsmonitor.com*

- In India, Tamil Nadu state ranks 3<sup>rd</sup> in Electricity generation, Transmission and Distribution.
- Tamil Nadu's per capita consumption has reached India's target of 1000 units by 2012 in 2007-08 itself, which is more than the national growth of 635 units.
- According to Electricity Minister Arcot N. Veerasamy, in order to meet the ever increasing demand of power and as a government initiative for the 11th plan period (2007-12), the Government was aiming to generate 3,095 mw of power through expansion of existing thermal and gas power stations in Tamil Nadu.
- The Tamil Nadu Electricity Board has entered into a joint venture agreement with the central power generating companies for the 2x500 mw NTPC-TNEB JV at North Chennai and 2x500 mw NLC-TNEB JV at Tuticorin.

### **Per Capita Consumption Growth in Tamil Nadu**

<b>Year</b>	<b>Units/KWH</b>
1995-96	410
1996-97	420
1997-98	430
1998-99	452
1999-00	482
2000-01	510
2001-02	708
2002-03	740
2003-04	780
2004-05	815
2005-06	860
2006-07	960
2007-08	1000