

## Tamil Nadu coaxing 'industrial whales' to come ashore

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Whaling is different from fishing. Whalers need to be extra cautious while spotting, pursuing or finally hunting down a mammal. And that's why the simile applies to the officials.

'Original equipment manufacturers (OEM) are like whales. We keep our eyes and ears open to spot this whale moving around in search of a new home. Pursuing it, we coax it to come ashore,' said M. Velmurugan, director of Guidance Bureau, Tamil Nadu's single window agency that promotes investment.

Post-1990, Tamil Nadu has been a successful investment whaler that successfully spotted many industrial houses and made them come and set up units in the state. Now many companies like Ford, Hyundai, Renault, Nissan, BMW, Mitsubishi, Nokia, Motorola, Samsung and Feng Tay have their business units in the state.

In a policy note tabled in the state assembly, the government said it has plans to sign 30 memorandums of understanding (MoUs) with investors in 2008 involving an investment of Rs.300 billion (\$7.5 billion).

In the last two years, the state signed 14 MoUs involving an investment of Rs.184 billion and most of the agreements were successfully converted into projects.

Districts like Chennai, Madurai, Sivakasi, Trichy, Coimbatore, Tirupur, Erode and Thanjavur are leading the industrial saga of the state.

'Our approach is to have a balanced growth across the state with appropriate fiscal incentives,' said industries secretary M.F. Farooqui.

The state may also come to be known as a major shipbuilding hub with real estate major Larsen and Toubro deciding to build a shipyard near Chennai, he added.

In selecting an investment destination, investors consider many factors like production, political stability, industrial policy stability, fiscal incentives, connectivity and others. An investor also looks at social infrastructure.

'The higher the investment, the deeper will be the due diligence and we should be ready for that,' said Velmurugan.

According to Farooqui, if Tamil Nadu has become a preferred investment destination, it is the culmination of various developmental works carried out in the past. Successive governments' pro-industry policies and creation of infrastructure - industrial estates, software parks and building of land banks - seem to have produced a good environment for the overall industrial growth.

In the state industrial policy, the government has announced its vision for generating two million jobs by 2011. The government also plans to raise the contribution of gross state domestic product (GSDP) from the manufacturing sector to 27 percent from 21 percent and double the state's annual exports.

Another ambitious project of the state was a 2,000-acre nano-technology park that will be developed by the State Industries Promotion Corporation of Tamil Nadu (Sipcot). The park will house hi-tech manufacturing in semiconductor foundries, chip assembly and testing, opto-electronics, solar cell technologies and nano-technology units.

Farooqui added that Tamil Nadu would promote corridors of excellence. In the first phase, the Chennai-Manali-Ennore corridor and the Chengalpattu-Sriperumbudur-Ranipet corridor will be developed into industrial corridors of excellence with special economic zones (SEZs), industrial and IT parks, and research and development/educational institutions.

- Venkatachari Jagannathan