



विदेश व्यापार महानिदेशालय
DIRECTORATE GENERAL OF FOREIGN TRADE

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Districts
Export Hubs



सत्यमेव जयते

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DIRECTORATE GENERAL OF FOREIGN TRADE

District Export Action Plan
Calicut



District Export Promotion Plan for the district of Calicut

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 Calicut 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

Calicut is one of the earliest district districts of Kerala. This district was known as Malabar district during British time and later renamed to Calicut (also known as Kozhikode), soon after the formation of Kerala state. Calicut district has a total area of 2344 sq. km.

The district is comprised of 4 Taluks. They are Calicut, Vatakara, Koyilandi, and Tamarasseri.

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 Calicut 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 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 Calicut 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 Calicut district has been conducted on 6-11-2020 through Zoom meeting at Calicut, 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 and acted as a Gateway to Kerala and therefor had been a hub of trade during medieval era.

The district is vibrant in terms of economic activity with foot wears and food products based industrial activities being the prominent ones. There are two smaller Industrial parks in this district.

A few other units are scattered over in other parts of district like Balusseri, Kuttiadi, etc.



Besides, there are many entrepreneurs and exporters from the district who are sourcing their fruits and vegetables from neighboring states of Tamil Nadu and Karnataka and are exporting mainly to Middle Eastern countries, mainly through Calicut Airport.

Besides, there are a few numbers of Multi-specialty Hospitals in the district where foreign patients are coming for the treatment purposes.

Major exporters who are based on Calicut districts are,

- a) VKC footwears
- b) Paragon footwears
- c) Fischer footwears
- d) Parison group of companies

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	Footwear products	150 Cr (approx.)
3	Steel products	70 Cr (approx)
4	Textile products	10 Cr (apprx)
5	Food products	45 Cr (apprx)
	Total	455 Cr (excluding IT products)

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

Apart from a few numbers of MSMEs there is no large scale manufacturing units in this District.

As far as IT sector is concerned, there are 2 IT SEZ in Calicut city and they export around 250 Cr of IT products every year and that figure is showing a positive trend.

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 Calicut district by Government of Kerala through its G.O dated 11/09/2020:

- a) Footwear products
- b) Food products

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

PART 2

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

Thereafter the Committee had zeroed on 3 most important intervention that needed to be done for enhancing the export from the District.

- a) **Product display infrastructure for Footwear products**



- b) Cold chain infrastructure for Food products
- c) Testing and quality assurance infrastructure for food products

Let us discuss each in brief.

a) Product display infrastructure for Footwear products

Committee in its interaction had got a feedback that despite having around 150 manufactures and around 30 exporters of Footwear sector, foreign buyers are unable to visit and see all varieties and kinds of footwear products manufactured in this district. Therefore, this Committee is of the opinion that there shall be one centralised location where in which products of different manufactures are displayed at a single place where in which foreign buyers can come, see, interact and place orders for export.

This committee is of the firm opinion that such a facility for the display of the product will be a great boost towards promotion of exports and will have a direct impact on the export figures from the district.

Such a facility shall be owned, operated and managed by a SPV where in which the exporters have to pay a user charge for availing the service of that facility.

The Land requirement, funding needs and other details about such display infrastructure are attached as an Annexure to this Plan.

b) Cold chain infrastructure –

Committee had found that, in Calicut district, there are a large number of entrepreneurs who are exporting food products. However, lack of cold chain infrastructure and storage facilities are the major hindering factors and therefore it is an absolute necessity that the District should have a modern cold chain infrastructure to boost its export figures.

Therefore, this Committee is of the firm opinion that a modern cold chain facility is to be built in Calicut district. It is to be noted that as per the records available, there are no such cold chain facility available anywhere in the district as well as in neighboring district.



Such a facility shall be owned, operated and managed by a SPV where in which the exporters have to pay a user charge for availing the service of that facility.

c) Testing and quality assurance infrastructure for food products-

Committee in its interaction with the exporters and other stakeholders had found that there are no facilities for testing and certifying of export products, particularly the fruits and vegetable products being exported from the district. The nearest of such facility is in Kochi where it takes a couple of days for getting the test result and therefore the shipment gets delayed and the perishable goods may sometimes get spoiled.

Therefore, committee is of the opinion that a modern testing laboratory infrastructure has to be built in the district for boosting the export activities from the district.

Like the above mentioned projects, such a facility shall be owned, operated and managed by a SPV where in which the exporters have to pay a user charge for availing the service of that facility.

Conclusion-

The Committee is of the opinion that above mentioned 3 Projects 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 450 Cr per year, the Committee after getting feedback from the stakeholders, is of the view that, if these critical interventions are made and investments are made in above mentioned common infrastructure facilities, the figure can touch 600 Cr an year in the next couple of years. Therefore, the Committee strongly recommends the timely implementation and execution of the above mentioned 3 projects.