

## 6. INDUSTRY

Tamil Nadu is well ahead in the industrial activities through dispersing industrialisation. The State attracts foreign direct investment to strengthen the capital in the industrial sector. To promote the industrial activities in dynamic, the State is creating a favourable industrial climate in the State by announcing Industrial Policies, IT Policies from time to time and provide industrial assistances to the entrepreneurs.

### **State's Industrial Initiatives between 2006-07 and 2008-09:**

The transparent and pro-active 'Industrial Policies' of the State Government towards industrialization has attracted more investment into the State economy since liberalisation. As per the 'Centre for Monitoring Indian Economy (CMIE)' the total investment in the State was Rs.173729 crore in June, 2006, increased by more than three times to Rs.579191 crore in March 2009. Based on the 'New Industrial Policy 2006-07 of Tamil Nadu Government,' a number of 'Package Assistances' were announced by the State to attract more investment.

During the discussions regarding the 'Demand on Industries Department for 2008-09' in the Legislative Assembly (GoTN), it was announced by the Government to sign MOUs for attracting investment in excess of Rs.30000 crore in 2008. Against this announcement, the Government have signed 12 Memorandum of Understandings (MOUs) with an investment of Rs.25050 crore and issued structured package sanctioning orders for 7 other projects separately for an investment of Rs.5462 crore. Thus, the total the investment of Rs.30512 crore during 2008 for 19 projects were found to be higher than the total investment attracted since liberalization of Indian Economy in 1991 till the year of 2007.

During the last three years (between 2006-07 and 2008-09) the Government have signed 23 Memorandum of Undertakings (MOUs) in addition to sanctioning structured Packages of Assistance for projects separately with the total investment of all these projects at Rs.39741 crore and expected to generate employment to 2.14 lakh persons.

### **Global Economic Slowdown:**

The Global Financial Crisis (GFC) in October 2008 had started from the fall of the Lehmann Brother of U.S.A. The GFC has led to financial crunch all over the developed economies and thereby lowered down the purchasing power of the people. This has resulted that the developed economies has been slipped into Economic Recession. The International Monetary Fund had declared that U.S.A. and the other world countries would be suffering from recession in 2007. It predicted that Global Growth would be at the negative rate of 1.3 per cent. The World Bank (WB) forecasted that the growth of World Economy would be in the negative rate of 2.9 per cent in 2009 and announced that the World is experiencing a 'Rare Recession' with 'Global Trade' expected to fall for the first time since 1982.

### **Impact of Recession on Indian Economy:**

The recent recession is termed as 'Rare Recession' in the developed economies heavily affecting the exports from India to these countries. A sharp contraction is

resulted in demand for Indian goods in the global market and massive job losses in various sectors across the country. This affected the export-oriented sectors like textiles, leather, gems and jewellery, petroleum products, automobiles etc. that are major portion of the India's export basket.

### **Impact of Recession on Tamil Nadu Economy:**

The present 'Global Economic Slowdown' has its impact in the State economy also. The manufacturing sub-sectors of the State economy viz. textiles, wearing apparels, leather, wood products, chemicals, non-metallic minerals, basic metals, software and hardware of IT industries, transport equipments, automobiles have experienced lower production compared to that of the previous year's level due to lower demand and power shortages.

### **Positive Impact of Economic Recession:**

To counteract the Economic Recession, the Government of India announced 'Stimulation Packages'. The Government has lowered down the excise duties to boost export and bring more investment in the infrastructural sector. Multi-National Companies (MNCs) are taking this slow down as an opportunity to invest more in India due to the nature of low cost economy. The State is also ready to take up this advantage as an opportunity to get out from the recessionary impact. In this situation, the State itself has identified certain countries, which are having higher investment potential and also ready to make investment in our State. Towards this goal, the Government has issued orders for development of Country Specific Industrial Parks (CSIP) for Japan, Korea, Finland, Germany and France. Each Park would be developed by the SIPCOT in an extent of 100 acres of land through 'Land Bank' to meet the needs of potential investor of these countries.

### **Inclusive of Industrial Growth for Economic Development:**

Tamil Nadu Industrial Policy 2006-07, focused on stimulating further industrial development. It aims to attract investment, facilitates manufacturing capacity and enables global manufacturing competence and competitiveness of local industry.

The Industrial Policy 2006-07 has the following visions to be achieved by 2011:

1. To create additional two million jobs by 2011;
2. To raise contribution from manufacturing sector to GSDP from 21 per cent to 27 per cent by 2011;
3. To double Tamil Nadu's annual exports to Rs.1,40,000 crore;
4. To raise Tamil Nadu to a position of pre-eminence in innovation and high technology; and
5. To raise the competitiveness and efficiency of Micro, Small and Medium Enterprises (MSMEs) and agro based industries for increasing value addition and giving better income to the farmers.

### Contribution of Manufacturing Sector to GSDP:

The income originated from the manufacturing sector to GSDP had increased from Rs.43874 crore in 2007-08 to Rs.44758 crore in 2008-09 and thereby registered a growth of 1.77 per cent but at a decelerated rate when compared to previous year. The growth of both Manufacturing registered and unregistered industry is also decelerated in the review year.

**Table-1: Contribution of Manufacturing Sector to Gross State Domestic Product at Constant Prices** (Rs. Crore)

Year	Income Originated from						
	Manufacturing Registered Industries	Growth Rate (%)	Manufacturing unregistered Industries	Growth Rate (%)	Total	Growth Rate (%)	Share of Mfg. sub-group to total GSDP (%)
1999-00	17379	-	9158	-	26537	-	19.78
2000-01	18718	7.70	9816	7.18	28534	7.53	20.09
2001-02	16434	-12.20	9539	-2.82	25973	-8.98	18.57
2002-03	16891	2.78	10077	5.64	26968	3.83	18.95
2003-04	19559	15.80	10496	4.16	30055	11.45	19.93
2004-05	20980	7.27	11347	8.11	32327	7.56	19.23
2005-06	25463	21.37	12181	7.35	37644	16.45	20.02
2006-07	28377	11.44	13536	11.12	41913	11.34	20.03
2007-08	27523	4.04	14371	6.17	43894	4.73	20.09
2008-09	30104	1.97	14654	1.97	44758	1.97	19.59

Source: Department of Economics and Statistics, Chennai.

### Share of Manufacturing Sector in GSDP:

The share of manufacturing sector in the overall GSDP is hovering around 20 per cent from 1999-2000 onwards as against 27 per cent to be achieved during 2011. (The Industrial Policy 2006-07, Tamil Nadu.)

### Eleventh Plan Target and Achievement - Manufacturing Industries:

The growth of manufacturing industries is considered as an important one for its contribution towards output and employment generation and export in the industrial development of the State. The State Planning Commission has projected the target growth rate for manufacturing industries at 9.9 per cent per annum for the entire Eleventh Plan Period. For the first two years of the Plan (2007-08 and 2008-09), the

manufacturing industries in the State had achieved an Annual Average Growth Rate of 10.34 per cent, which is marginally higher than the target.

**Table-2: Eleventh Plan Achievement by the Manufacturing Industries**

Year	Growth Rate of		
	Manufacturing Registered Industries	Manufacturing Un-registered Industries	Manufacturing Sector
2007-08	9.60	11.85	10.32
2008-09	10.36	10.36	10.36
<b>Annual Average Growth Rate During (2007-09)</b>	<b>9.98</b>	<b>11.11</b>	<b>10.34</b>

Source: Computed by DEAR.

### Annual Survey of Industries:

The results of Annual Survey of Industries (ASI) by the Central Statistical Organisation provide a comprehensive statistical information to assess and evaluate the changes in growth, composition and structure of organized manufacturing sector for all the States. But the data were made available with a time lag of two years. The present available data pertains to the year 2005-06.

### Industrial Scenario – All India Vs Tamil Nadu:

At the national level, the industrial scenario of Tamil Nadu continues to retain its position as in the previous year. As per the ASI data 2005-06, Tamil Nadu occupies the first position in having the number of factories and the total number of persons engaged in the industrial process. In respect of all the other principal characteristics, viz. fixed capital, productive capital, gross value of output and net value added, the State retains its third position as in the previous year. At the national level, the State is sharing 15.17 per cent of factories, 9.94 per cent in fixed capital, 14.88 per cent in persons engaged, 9.76 per cent in gross value of output and 8.97 per cent in net value added.

**Table- 3: Industrial Scenario : All India vs Tamil Nadu**

Sl. No.	Principal Characteristics	All India			Tamil Nadu (Share %)		
		2003-04	2004-05	2005-06	2003-04	2004-05	2005-06
1.	No. of Factories	129074	136353	140160	15.69 (1)	15.44 (1)	15.17 (1)
2.	Fixed Capital (Rs. Crore)	473331	512346	606940	9.80 (3)	9.93 (3)	9.94 (3)
3.	Productive Capital (Rs. Crore)	592562	672400	791403	10.06 (3)	9.61 (3)	9.77 (3)
4.	Total Persons Engaged (lakh no.)	78.70	84.54	91.12	14.77 (1)	15.00 (1)	14.88 (1)
5.	Gross Value of Output (Rs. Crore)	1287380	1672561	1908355	10.09 (3)	9.54 (3)	9.96 (3)
6.	Net Value Added (Rs. Crore)	202933	259907	311864	9.41 (3)	8.30 (3)	8.97 (3)

Note: Figures in bracket indicate the position of Tamil Nadu among the States at National Level.  
Source: Central Statistical Organisation, New Delhi.

### Position of Tamil Nadu among the Major Industrial States:

1. As per the Annual Survey of Industries (ASI) for the year 2005-06, in terms of certain principal characteristics, Tamil Nadu stands first in respect of number of factories (21265) and total number of persons engaged (13.56 lakhs) in the manufacturing process followed by Maharashtra.
2. In terms of fixed capital, (Rs.60342 crore) the State stands in the third place next to Gujarat and Maharashtra.
3. In terms of gross value of output (Rs.189982 crore) and in net value added (Rs.27981 crore) also the State occupied the third place next to Maharashtra and Gujarat.

**Table-4: Principal Characteristics of Annual Survey of Industries  
2005-06 -Tamil Nadu**

State	No. of Factories	Rank	Fixed Capital (in crore)	Rank	Total Persons engaged	Rank	Gross value of output (Rs. crore)	Rank	Net Value Added (Rs. crore)	Rank
Tamil Nadu	21265	1	60342	3	1355789	1	189982	3	27981	3
Maharashtra	18711	2	101970	2	1245096	2	373589	1	74354	1
Gujarat	14055	4	119540	1	887511	3	307955	2	47872	2
Karnataka	7835	5	43689	4	641864	5	131178	4	20894	4
Andhra Pradesh	15790	3	37631	5	648449	4	118016	5	17661	5
<b>All India</b>	<b>140160</b>		<b>606940</b>		<b>9111680</b>		<b>1908355</b>		<b>311864</b>	

Source: Annual Survey of Industries 2005-06, CSO.

At the national level, the State is sharing 15.17 per cent of factories, 9.94 per cent in fixed capital, 14.88 per cent in total persons engaged, 9.96 percent in gross value of output towards contribution to GSDP and 8.97 per cent in net value added.

**Table-5: Share of States in Principal Industrial Characteristics – A Comparison**

State	Share in (%)				
	Number of Factories	Fixed Capital	Total Persons Engaged	Gross value of Output	Net Value Added
Tamil Nadu	15.17	9.94	14.88	9.96	8.97
Maharashtra	13.35	16.80	13.66	19.58	23.84
Gujarat	10.03	19.70	9.74	16.14	15.35
Karnataka	5.59	7.20	7.04	6.87	6.70
Andhra Pradesh	11.27	6.20	7.11	6.18	5.66

Source: Computed by DEAR.

## Annual Survey of Industries – Tamil Nadu:

As per the Annual Survey of Industries 2005-06, Tamil Nadu witnessed a commendable growth in all the principal industrial characteristics. The number of factories increased by 212 from 21053 in 2004-05 to 21265 in 2005-06 registering a growth of 1.01 per cent. During 2005-06, in terms of fixed capital and productive capital, the State recorded a robust growth of 18.28 per cent and 25.50 per cent respectively. Gross value of output to GSDP increased from Rs.159507 crore in 2004-05 to Rs.189982 crore in 2005-06 and registered a growth of 19.11 per cent by employing 13.56 lakh persons in the production process. The net value added had increased from Rs.21567 crore to Rs.27981 crore, registering a growth of 29.74 per cent for the corresponding period.

**Table-6: Performance of Principal Industrial Characteristics – ASI  
Tamil Nadu**

Sl. No.	Characteristics	Unit	2003-04	2004-05	2005-06
1.	Factories	Number	20246 (3.56)	21053 (3.39)	21265 (1.01)
2.	Fixed Capital	Rs. Crore	46421 (6.77)	51016 (9.90)	60342 (18.28)
3.	Productive Capital	Rs. Crore	59622 (14.74)	64617 (8.38)	77329 (25.50)
4.	Gross Value of Output	Rs. Crore	129937 (20.23)	159507 (22.76)	189982 (19.11)
5.	Net Value Added	Rs. Crore	19101 (28.50)	21567 (12.91)	27981 (29.74)
6.	Total Persons Engaged	Lakh nos.	11.63 (3.38)	12.68 (9.03)	13.56 (6.94)

*Note: Figures in brackets indicate percentage change over the previous year.*

*Source: 1. Department of Economics & Statistics, Chennai.*

*2. Central Statistical Organisation, New Delhi.*

## Structural Ratios:

The Annual Survey of Industries also provides information about the working performance of single unit and of the individual person employed on each principal characteristic over the periods. The working performance of single unit and individual person employed showed an improvement over the years. On an average, a factory worked with Rs.283.76 lakh of fixed capital and Rs.363.64 lakh of productive capital during 2005-06. By employing 64 persons on an average, contributes Rs.893.40 lakh of gross value of output and Rs.131.58 lakh of net value added to the State Gross Domestic Product. During 2005-06, the contribution of each person employed in the industrial unit contributes Rs.14.01 lakh of gross value of output and Rs.2.06 lakh of net value added towards Gross State Domestic Product and thereby an emolument of Rs.0.64 lakh.

**Table-7: Annual Survey of Industries of Tamil Nadu: Key Structural Ratios**

Character	Unit	Per Factory			Per persons engaged		
		2003-04	2004-05	2005-06	2003-04	2004-05	2005-06
Fixed Capital	Rs. Lakh	229.29	242.32	283.76	3.99	4.02	4.45
Productive Capital	Rs. Lakh	294.40	306.92	363.64	5.13	5.09	5.70
Gross Value Output	Rs. Lakh	641.79	757.65	893.40	11.18	12.58	14.01
Net Value Added	Rs. Lakh	94.34	102.44	131.58	1.64	1.70	2.06
Total Persons Engaged	Number	57	60	64	-	-	-
Emoluments	Rs.Lakh	33.15	35.61	41.06	0.58	0.59	0.64

Source: Computed by DEAR.

### **Industrial Development in Terms of Fixed Capital and Employment Generation in the Industrial Sector during Pre and Post Liberalization Period an overview:**

The introduction of Liberalization in 1991 has brought many structural changes in the economy including industrial sector. After liberalization, the flow of investment and employment is expected to increase many times. However, juxtaposing the acceleration of growth in fixed capital and employment generated in the post liberalization period with the pre-liberalization period shows that the CAGR achieved in the pre-liberalization period is high.

1. As per the ASI results, in the State, during the post liberalization period (1991-92 to 2005-06), the Annual Compound Growth Rate in terms of fixed capital declined to 10.31 percent from 11.57 in per cent the pre-liberalisation period (1977-78 to 1990-91).
2. For the corresponding period the Annual compound growth rate in employment generation of industrial sector also declined to 10.07 per cent from 11.16 per cent.

**Table-8: Growth Performance in pre-Liberalisation and post-Liberalisation - Tamil Nadu**

	Pre Liberalization Period		CAGR (%)	Post Liberalisation Period		CAGR (%)
	1977-78	1990-91		1991-92	2005-06	
FixedCapital (Rs. Crore)	1443.48	11088.49	11.57	12906.73	60342.29	10.31
Employment (Number)	703615	1080607	11.16	1228494	1355789	10.07

Source: Computed by DEAR.

### **Industrial Promotional Agencies:**

The industrial activities are being catalysed in the State by the industrial promoters with their distinguished activities as listed below.

**Table-9: Industrial Promotional Agencies**

<b>Agency with Specific Objective</b>	<b>Distinguished Activities</b>	<b>Realisation Towards Activities</b>
<p>1. TIDCO – Promotes large and medium industries, now focusing on infrastructure in IT Parks, Special Economic Zones and Agri Export Zones.and creation of employment opportunities to the youths.</p>	<p>1. Attracts several new joint ventures and reviving the existing joint ventures.</p>	<p><b>New Joint Ventures are:</b> 1. Shipyard-cum-Minor Port complex (Kattupalli-Thiruvallur Dt.) with an investment of Rs. 4675 crore expected to generate employment to 10000 persons. 2. Nagajuna Oil Corporation at Cuddalore with an investment of Rs. 4790 crore is expected to generate employment to 10000 persons. 3. Nanguneri Special Economic Zone has been revived and Petroleum Refinery at Cuddalore is under Implementation.</p>
	<p>2.Special Economic Zones</p>	<p>1. IT-ITEs SEZs at Taramani with 4 million sq.ft built up space at a cost of Rs.1500 crore has been taken up as a joint venture to be completed in 2009 to provide employment to 0.50 lakh persons. 2. IT-ITEs SEZ at Taramani with integrated International Convention with built up space of 4 million sq.ft. for IT-ITEs and commercial activities at a cost of Rs.3000 crore in a joint venture to be completed in 2009 to provide employment to 0.50 lakh persons is notified on 23.01.2009 . 3. Perambalur SEZ Project is a multi product SEZ. Procurement of 2880 acres of land is over.</p>
	<p>3.Agri- Export Zone</p>	<p>1. AEZ for cashew at Cuddalore under Associate Sector is a common processing and pack house at a cost of Rs.16.54 crore is expected to be completed by July 2009 benefiting 3000 small and marginal cashew growers.</p>
	<p>4. Tidel Park</p>	<p>1. Coimbatore Tidel Park has been incorporated with ELCOT, TIDCO, TIDEL and STPI as promoters at an estimated cost of Rs. 370 crore to provide employment to 12000 IT professionals expected to be completed by December 2009.</p>

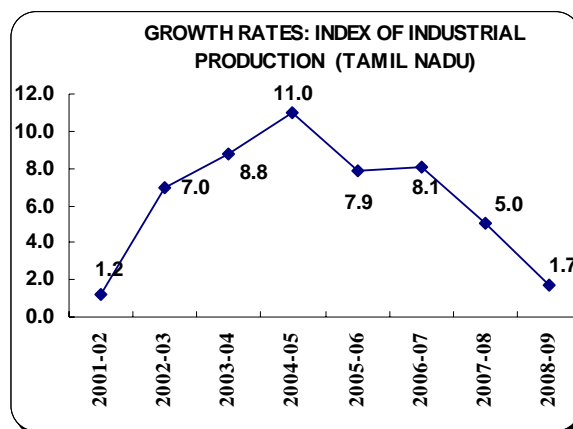
<p>2. SIPCOT – Promoting Industrial Parks and other Industrial Infrastructure Projects is now diversified its focus as given in the next columns.</p>	<p>1. Development of Industrial Complexes / Parks / Growth Centres with basic infrastructure facilities and to establish employment intensive units.</p>	<p>During 2008-09, SIPCOT has allotted 2226 acres of developed plots to 120 industrial units with employment potential to 54000 persons. Another 3000 acres of land has been accumulated for supplying to the prospective entrepreneurs. The industrial units which are given allotment in the industrial Complexes of SIPCOT in the last three years have the employment potential for 2027 lakh persons. So far SIPCOT has developed 19 Industrial Complexes in the State in 12 districts and allotted an extent of 16224 acres of land to 1803 units with an employment potential of 3.52 persons.</p>
	<p>2.Establishing Sector Specific Special Economic Zone</p>	<p>1. SIPCOT has promoted seven Sector Specific Special Economic Zones in its Industrial Complexes – Electronic/Telecom Hardware SEZ at Sriperumpudur(570.92 acres), Electronic/Hi-Tech SEZ at Oragadam (347.66 acres), Engineering Sector SEZ at Perundurai ( 263.19 acres) Transport Engineering Goods SEZ at Gangaikondan (255 acres), Automobile/Auto Ancillary SEZ at Cheyyar (255 acres), Footwear and Leather Products SEZ at Irungattukottai ( 153.65 acres) and Engineering Sector SEZ at Ranipet (260 acres).</p>
	<p>3.Industrial Corridors</p>	<p>1. Chennai-Ranipet-Hosur Industrial Corridor is being developed in two phases. 2.Madurai-Tuticorin Industrial Corridor at Thirumangalam is in the stage of identifying land. 3. Coimbatore-Salem Industrial Corridor at perudurai is proposed and land acquiring efforts are mooted.</p>

3. TANSIDCO – Promoting Small Industries Sector	1.Establishing Industrial Estates	So far, SIDCO had developed 43 Industrial Estates and 35 Government Industrial Estates on agency terms with necessary Industrial Infrastructure Facilities to allot them on easy installment (or) outright sale basis. During 2008-09, SIDCO had sold out 1083 plots and 14 sheds and other 11 New Industrial Estates have been established in the State by TANSIDCO.
	2.Distribution of Raw Materials to Small Enterprises at reasonable prices.	During 2008-09, it had distributed raw materials worth of Rs.68.08 crore to Small Enterprises.
	3.Marketing Assistance for Small Enterprises	During 2008-09, SIDCO secured orders to the value of Rs.36.65 lakhs from State Government Departments and executed them through MSMEs.
4. TIIC – provides financial assistance by way of Term Loan to purchase fixed assets, for setting up of new units and for modernization and diversification of existing units.	1.Financial Assistance	As of 31March 2009, the TIIC has sanctioned cumulative financial assistance to 103115 units with cumulative sanction of Rs.7004.64 crore. 90 per cent of the assistance goes to MSMEs sector out of which 40 per cent are first generation entrepreneurs.

Source: Policy Notes and Performance Budget on Industries, 2008-09, GoTN..

### Index of Industrial Production:

The Growth of Industrial Sector, measured by the Index of Industrial production for the year 2008-09 showed a decelerated growth of 1.7 per cent compared to 5.0 per cent in 2007-08. The manufacturing sub-group also achieved a sub-dued growth of 2.4 per cent as against 5.0 per cent in the previous year. The other two sub-groups viz. mining and electricity had registered a negative growth of 1.2 per cent and 2.3 per cent respectively.



In the first two years of the Eleventh Plan Period, the overall annual average industrial growth in the State was 3.4 per cent as against the target of 9.2 per cent. At the national level also, the overall growth of industrial production decelerated to 2.4 per cent in the review year from 8.5 per cent achieved in the previous year.

**Table-10: Index of Industrial Production – Tamil Nadu and All India**

Year/ Weight	Tamil Nadu – Base Year 1999-2000							
	Mining (2.872)		Manufacturing (81.137)		Electricity (15.991)		General Index (100.000)	
	Index	Growth Rate (%)	Index	Growth Rate (%)	Index	Growth Rate (%)	Index	Growth Rate (%)
2002-03	111.0	1.9	107.2	8.7	113.4	0.8	109.9	7.0
2003-04	126.9	14.3	120.3	10.2	115.1	1.5	119.6	8.8
2004-05	134.4	6.7	135.4	12.6	118.2	2.7	132.7	11.0
2005-06	136.4	0.7	148.0	9.3	120.2	1.7	143.2	7.9
2006-07	138.1	1.2	160.1	8.2	130.9	8.9	154.8	8.1
<b>Tenth Plan (2002-07)</b>		<b>5.0</b>		<b>9.8</b>		<b>3.1</b>		<b>8.6</b>
2007-08	148.7	7.7	168.1	5.0	136.4	4.2	162.5	5.0
2008-09	146.9	(-)1.2	172.2	2.4	133.3	(-)2.3	165.2	1.7
Eleventh Plan (mid year) (2007-09)		<b>3.3</b>		<b>3.7</b>		<b>1.0</b>		<b>3.4</b>
	<b>All India – Base Year 1993-94 : 100</b>							
<b>Year/ Weight</b>	<b>10.47</b>		<b>79.36</b>		<b>10.17</b>		<b>100.00</b>	
2002-07		4.4		8.8		5.2		8.2
2007-08	171.6	5.1	287.2	9.0	217.7	6.4	268.0	8.5
2008-09	175.6	2.3	293.8	2.3	223.7	2.8	274.3	2.4
<b>Eleventh Plan (mid year) (2007-09)</b>		<b>3.7</b>		<b>5.7</b>		<b>4.6</b>		<b>5.5</b>

Source: 1. Department of Economics and Statistics, Chennai.  
2. Central Statistical Organisation, New Delhi.

**Use-Based Classification:**

The industrial development measured by means of use-based classification revealed that all the industrial groups had registered the negative growth during 2008-09 except capital goods industries. A hefty growth of 25 per cent witnessed in the capital goods industries implies that these types of industries are thriving well in the State and act as a catalyst for further investment. The negative growth registered by the basic goods, intermediate goods and consumer goods industries offset the overall growth even though the capital goods industries had performed well in the State.

**Table-11: Industrial Production By Use-Based Classification – Tamil Nadu**

Sl. No.	Industry Group	Weight (%)	Growth Rate (%)		Annual Average
			2007-08	2008-09	
1.	Basic Goods	34.600	2.3	(-)4.0	(-)1.7
2.	Capital Goods	14.265	18.4	25.0	21.7
3.	Intermediate Goods	18.263	1.0	(-)16.0	(-)7.5
4.	Consumer Goods	32.872	(-)0.4	(-)2.0	(-)1.2
a.	Consumer Durable Goods	5.303	(-)21.1	(-)7.3	(-)14.1
b.	Consumer Non-Durable Goods	27.569	5.7	(-)0.6	2.6
	General	100.000	5.0	1.7	3.4

Source: Department of Economics and Statistics, Chennai.

## Dis-Aggregate Analysis of Manufacturing Sub-Group:

The disaggregate analysis of manufacturing sub-group reveals that with the highest weight of 81.14 per cent in the IIP, it had achieved a moderate growth of 3.7 per cent during 2008-09. Out of 22 sub-groups of manufacturing sector, 12 sub-groups had registered a positive growth during 2008-09. It is also found that the manufacturing sub groups with highest weight have registered either a decelerated growth or a negative growth.

**Table-12: Sub-group-wise Manufacturing Industrial Growth**

Ind. Code	Description of Sub-Groups	Weight	2007-08	2008-09	Annual Average Growth
15	Manufacture of Food Products and Beverages	75.97	15.9	3.7	9.8
16	Manufacture of Tobacco Products	0.82	-2.2	-55.6	-28.9
17	Manufacture of Textiles	138.01	1.6	-4.1	-1.3
18	Manufacture of wearing Apparel, Dressing and Dyeing of Fur	32.26	4.5	-6.1	-0.8
19	Tanning and Dressing of Leather, Manufacture of Luggage, Handbags Saddlery, Harness and Footwear	28.75	-8.0	-16.7	-24.7
20	Manuf. of Wood and Products of Wood and Cork, Except Furniture	1.26	-29.1	-16.5	-22.8
	Manufacture of Articles of Straw and Plating Materials				
21	Manufacture of Paper and Paper Products	19.78	7.5	0.1	3.8
22	Publishing, Printing and Reproduction of Recorded Media	10.91	29.1	-17.6	5.8
23	Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel	18.77	-0.2	-1.4	0.8
24	Manufacture of Chemicals and Chemical products	168.02	-0.1	-11.9	-6.0
25	Manufacture of Rubber and Plastic Products	23.60	23.9	7.4	15.7
26	Manufacture of Other Non-Metallic Mineral Products	40.42	0.6	-7.1	-3.9
27	Manufacture of Basic Metals	30.28	3.9	-11.9	-4.0
Ind. Code	Description of Sub-Groups	Weight	2007-08	2008-09	Annual Average Growth
28	Manuf. of Fabricated Metal Products except Machinery and Equipments	34.97	-1.1	17.0	8.0
29	Manufacture of Machinery and Equipment N.E.C.	53.89	34.3	21.8	28.1
30	Manufacture of Office, Accounting and Computing Machinery	0.92	-38.9	-36.2	-37.6
31	Manufacture of Electrical Machinery and Apparatus N.E.C.	13.60	28.7	51.2	40.0
32	Manufacture of Radio, T.V. and Communication Equipments and Apparatus	7.45	41.5	-10.0	15.8
33	Manuf. of Medical, Precision and Optical Instruments, Watches & Clocks	10.44	2.9	-5.7	2.8
34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	82.25	-6.5	6.7	0.1
35	Manufacture of Other Transport Equipment	14.23	-15.9	-10.8	-13.3
36	Manufacture of Furniture, Manufacturing N.E.C.	4.77	3.5	-24.8	10.7
	<b>MANUFACTURING</b>	<b>811.37</b>	<b>5.0</b>	<b>2.4</b>	<b>3.7</b>

Source: Department of Economics and Statistics, Chennai.

A look into the analysis of individual manufacturing sub group industries in the State during 2008-09 would throw a cause for low production.

#### **Manufacture of Food Products and Beverages:**

A positive growth of 3.7 per cent in this sub-group with the weight of 7.60 per cent was mainly due to the increase in the production of oil, copra, palm oil, boiled rice, sago, sugar confectionary, malted food / mill food etc.

#### **Manufacture of Tobacco Products:**

The fall in the output of bidi and tobacco, chewing tobacco (scented or not) pulled down the growth and achieved a negative growth of 55.6 per cent as compared to the index of previous year. However, there is an increase in the production of snuff during 2008-09, but it could not contribute adequately to the overall growth in this sub group.

#### **Manufacture of Textiles:**

This group with the second highest weight of 13.08 per cent in the total weight of manufacturing sector has not flourished well during 2008-09. A negative growth of 4.1 per cent in the textile group is due to the decrease in the production of cotton, waste, bleached yarn, unbleached cotton yarn, polyester blended, fabrics, cotton grey cloth and yarn and viscose. The fall in the production was due to shortages of power, raw material and labour and prevailed market fluctuations both domestically and internationally.

#### **Manufacture of Wearing Apparel, Dressing and Dyeing of Fur:**

The negative growth in this sub-group owing to fall in the output of gloves leather, shirts / bush shirts, cotton and trousers / pants, cotton had pulled down the group index by 6.1 per cent. The reason for the fall in the production is due to raw material shortage and less order.

#### **Tanning and Dressing of Leather, Manufacture of Luggage, Handbags Saddlers, Harness and Footwear:**

Owing to market fluctuations, there was a fall in the production of leather tanned, chrome leather tanned, leather bag, leather wallets, shoe upper, leather foot wear, rubber (excl. boot) etc. which had resulted in a negative growth of 16.7 per cent.

#### **Manufacture of Wood and Product of Wood and Cork, Except Furniture, Manufacture of Articles of Straw and Plating Materials:**

A negative growth of 16.5 per cent was mainly due to the decrease in the production of wood sawn, plywood, soft wood, timber / wooden planks wooden doors / windows and wooden splints. However, there was an increase in the production of wood, veneer and wood waste which could not help to achieve positive growth. The reasons cited for fall in the production due to market demand and power shortages.

### **Manufacture of Paper and Paper Products:**

Though there was a fall in the output of paper printing and writing, news print bleach, craft paper, paper board bristle and boxes and corrugated sheet, the increase in the output of cartons / boxes, paper had raised the growth of this sub-group negligibly at 0.1 per cent compared to 7.5 per cent in the previous year.

### **Publishing, Printing and Reproduction of Recorded Media:**

Under this group in spite of the increase in the production of leaflets, paper, newspaper, wall posters, diaries and account books, the fall in the output of journals / periodicals, exercise book, bill books, calendars, printed labels and registers had pulled down the growth negatively at 17.6 per cent.

### **Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel:**

A negative growth of 1.4 per cent is realized by this sub-group which was mainly due to decrease in the output of fuel, aviation turbine, kerosene, naphtha, lubricating oil used in spindle / spinning mills, transformer and furnace oils. The main reason for the fall in production was market fluctuations.

### **Manufacture of Chemicals and Chemical Products:**

This sub group has the highest weight of 16.08 per cent in the manufacturing group and registered a negative growth of 11.09 per cent which is a cause for concern. Though there was an increase in the output of carbon / carbon black, blue pigment dye, multi-vitamin, matches, safety (match box), caustic soda (sodium hydroxide), gelatin and fireworks, the fall in the production of soda ash, washing soda, pesticides, polyol, paint, resin, synthetic, henna leaves processed, urea, parchloro benzene sulphonyl urea, di-ammonium phosphate, aromatic chemicals etc. had resulted in a negative growth of 1.4 per cent. The reasons for the fall in the production are power shortage, raw material shortage and market conditions.

### **Manufacture of Rubber and Plastic Products:**

The raise in the output of tyre for scooter / motor cycle, scooter tube, rubber container, polythene and the decrease in the production of tractor tyre, V belt, rubber seals, condoms, cooker gaskets, plastic granules, polyethylene bag, molded goods, plastic / pvc, sanitary fitting had pulled down the growth at 7.4 per cent.

### **Manufacture of Other Non-Metallic Mineral Products:**

The fall in the production of bricks, chemically bonded, clinker, cement, port-land and lime powder (hydrated or not), the raise in the production of bricks and cement tiles (non-ceramic), pipes, asbestos, grinding wheels, polished granite, and crushed stone had registered a negative growth of 7.1 per cent. The reason for the fall in the production is a decrease in the market demand.

### **Manufacture of Basic Metals:**

In spite of the increase in the output of ingot, iron / steel, bars and rods angles / plates / square, channel, steel (coated / not) and acid, sulphuric, the fall in the output of bar, rods and rounds, iron / steel rods, bars, bright steel, cold rolled sheets, flat rolled products of iron / steel, scrap, anodes, copper wire, aluminium alloy, steel casting and castings & forging, had registered a negative growth of 11.9 per cent. The reasons for the fall in the production were power shortage and market fluctuations.

### **Manufacture of Fabricated Metal Products except Machinery and Equipments:**

The increase in the production of drums & barrels, iron and steel, boiler accessories, kitchen ware and pressure cooker accelerated the growth to 17.0 per cent. The reason for the fall in the production is due to less order during the review year.

### **Manufacture of Machinery and Equipment:**

The increase in the output of items under this group viz. mono blocks pump, electric pump, hydraulic, fabricated products, tractors, loader, machinery, cement machinery, rubber mixing machines, machine tools & accessories and grinder had registered a growth of 21.8 per cent.

### **Manufacture of Office Accounting and Computing Machinery:**

Computer is the only item selected in this industry group with a weight of 0.92 per cent in the manufacturing sector which witnessed a negative growth of 36.2 per cent. The decrease in the index was mainly due to decrease in the production of computer.

### **Manufacture of Electrical Machinery and Apparatus:**

The index pertaining to this group raised from 376.5 during 2007-08 to 569.1 during 2008-09 thereby registering a positive growth of 51.2 per cent which was mainly due to increase in the output of items viz. transformer, copper and aluminium conductor, batteries, control panel bus ducts, relay contactor and switch and control gears.

### **Manufacture of Radio, Television and Communication Equipments and Apparatus:**

The fall in the production of deflection yoke, printed circuit plate board and hearing aids counteracted the raise in the production of parts, switch and control gears which attributed for a negative growth of 10 per cent.

### **Manufacture of Medical, Precision and Optical Instruments, Watches & Clocks:**

In spite of the increase in the output of industrial valves, process control instruments and drilling machines, the fall in the output of electric valve, massagers, meters (electrical and non-electrical), quartz watch due to power shortage and market condition had pulled down the growth and registered a negative growth of 5.7 per cent.

### **Manufacture of Motor Vehicles, Trailers and Semi-trailers:**

This group consists of as many as 22 products. In spite of the fall in the output of gear, piston rings, diesel engines, motor starters and rear axle, the raise in the output of chassis assembled with engine for motor vehicle, petrol driven motor car, wheel parts, complete trucks / lorries and clutch shoe lining resulted in a positive growth of 6.7 per cent.

### **Manufacture of Other Transport Equipments:**

A negative growth of 10.8 per cent was mainly due to decrease in the production of motorcycle chain, industrial chain and fuel filters. However, the output of wagons covered for broad gauge, mopeds, bi-cycles for men and thermostat increased during 2008-09.

### **Manufacture of Furniture:**

In spite of the raise in the output of pencil and guitar, there was a fall in the output of steel almirah, mattresses, foam and rubber, zip fastener (zipper), artificial and decorative flowers registering a negative growth of 24.8 per cent.

### **Foreign Direct Investment (FDI) In-Flow to States:**

The Liberalization Policy 1991 increased the FDI into the country. The FDI inflow depends on the investment climate, availability of tax concession, incentive packages and infrastructure facilities. FDI inflows bring into the State not only the investment but also the Foreign Technology Transfers. Between April 2000 and March 2009, Tamil Nadu Region attracted Rs.21078.90 crore and stood at the fifth position at the national level.

**Table-13: Foreign Direct Investment Inflow – From April 2000 to March 2009**

<b>RBI Regional Office</b>	<b>States Covered</b>	<b>Amount of Income (Rs.crore)</b>	<b>% Share to total</b>	<b>Rank</b>
Mumbai	Maharashtra, Dadra & Nagar Haveli , Daman & Diu	134287.63	34.17	1
New Delhi	Delhi, Part of Uttar Pradesh & Hariyana	55308.98	14.07	2
Bangalore	Karnataka	25674.50	6.53	3
Ahamedabad	Gujarat	24522.79	6.24	4
Chennai	Tamil Nadu, Pondicherry	21078.90	5.36	5
Hyderabad	Andhra Pradesh	15098.49	3.84	6
<b>All India</b>		<b>393019.82</b>	<b>100.00</b>	

*Source: Ministry of Commerce and Industry, GOI.*

### **Foreign Technology Transfer to States:**

As many as 674 cumulative number of Foreign Technology Transfers were approved to the State between August 1991 and March 2009, and the State stands next to Maharashtra.

**Table-14: State-wise Foreign Technology Transfer Approvals**

Stage	Number of Technical Collaborations Approved	% with total Technical approval	Rank
Maharashtra	1386	17.25	1
Tamil Nadu	674	8.39	2
Gujarat	629	7.82	3
Karnataka	523	6.51	4
Haryana	363	4.52	5
Other States	4460	55.51	6
<b>All States</b>	<b>8035</b>	<b>100.00</b>	

*Source: Ministry of Commerce and Industry, GOI.*

### Special Economic Zones (SEZs):

The State is ranked third among the States in India in terms of number of formal approved SEZs(69). There are 49 notified SEZs with a total area of 3972 hectares and the average for each SEZs worked out to 81 hectares. It shows that the State has not occupied unduly large areas of land and also not resorted to compulsory land acquisition for developing SEZs.

**Table-15: State-wise Distribution of Special Economic Zones – 2009**

State	Formal Approvals	In-principle approval	Notified SEZs	Rank for Notified SEZs
Andhra Pradesh	103	4	68	1
Gujarat	50	11	27	4
Karnataka	52	9	27	4
Kerala	24	0	11	6
Maharashtra	111	36	55	2
Tamil Nadu	69	18	49	3
Uttar Pradesh	34	5	16	5
West Bengal	25	13	11	6
All India	578	146	322	

*Source: Ministry of Commerce and Industry, Government of India.*

### Information Technology:

The pro-active industrial policies of the State, availability of skilled and technical human resources and world class IT infrastructure facilities have contributed to the favourable climate for the growth of IT sector in the State. The regular interaction of IT Department with academicians, software professionals, industry experts, premier business organizations such as CII, FICCI, NASSCOM etc. enriched the IT and ITEs activities in the State.

### Performance of Software Industries:

As of 2008-09, there are 1683 number of software industries in the State which had exported Rs.36680.40 crore worth of software products in 2008-09 registering a growth rate of 29.04 per cent. Among the software export products from the State, export

of application software accounted for more than 40 per cent. More than 50 per cent of the total software products from the State were exported to the USA followed by the United Kingdom.

**Table-16 : Software Export – Tamil Nadu**

Year	Software Number	Industries Growth Rate(%)	Value of Export	
			Rs. Crore	Growth Rate (%)
2005-06	1275	14.45	13586.32	
2006-07	1437	12.71	20658.14	52.05
2007-08	1576	9.67	28426.02	37.60
2008-09	1683	6.79	36680.40	29.04

*Source: Software Technology Parks of India, Chennai.*

### Performance of Electronic Hardware Technology Park (EHTP):

The development of Electronic Hardware industries is yet to take off in the State. During 2008-09, there are 18 registered units and 3 approved units functioning in the State. The export of electronic hardware from the units in the State is erratic in the previous year. The export of electronic hardware from the State had marginally increased to Rs.263.13 crore in 2008-09 from Rs.261.87 crore in 2007-08 registering a negligible growth of 0.48 per cent.

**Table-17 : Export Performance of Electronic Hardware – Tamil Nadu**

Year	Electronic Hardware			
	Registered Units	Approved Units	Value of Export (Rs. crore)	Growth Rate (%)
2004-05	8	3	211.56	
2005-06	11	2	165.01	(-)22.00
2006-07	13	2	101.00	(-)38.79
2007-08	15	2	261.87	159.28
2008-09	18	3	263.13	0.48

*Source: Software Technology Parks of India, Chennai.*

### Trends in Project Investment in Tamil Nadu:

At the end of March 2009, there were 1257 outstanding projects in the State with a project investment of Rs.567226 crore. Out of 1257 projects on hand, 598 are being implemented and 618 are in the stage of announcement, 26 projects are in the stage of commencement and no information is available on 15 projects.

**Table-18 : Trends - Project Investment**

Project	End of March 2008		End of March 2009	
	Number	Investment value (Rs. crore)	Number	Investment value (Rs. crore)
At the end of the quarter	1164	401328	1257	567226
Announcement	558	204365	618	284581
Under implementation	576	152008	598	250254
No information	12	23761	15	8298
Implementation commenced	18	21194	26	24098

*Source: Centre for Monitoring Indian Economy, June 2009.*

### Distribution of Project Investment:

Among the available projects in the State, the energy sector accounted for a maximum of 37.1 per cent, followed by manufacturing sector with a share of 25.6 per cent. Irrigation project attracted a low aggregate investment of Rs.3239 crore sharing 0.57 per cent.

**Table-19: Distribution of Investment - 2009**

Sector	Available number of projects	Value of project (Rs. crore)	Share (%)
Manufacturing	337	145207	25.60
Mining	16	10456	1.84
Electricity	139	210525	37.11
Services	608	119459	21.06
Irrigation	13	3239	0.57
Real Estate	144	78339	13.81
Total	1257	567225	100.0

Source: Centre for Monitoring Indian Economy, June 2009.

### Large Industries:

#### Textile Industry in Tamil Nadu:

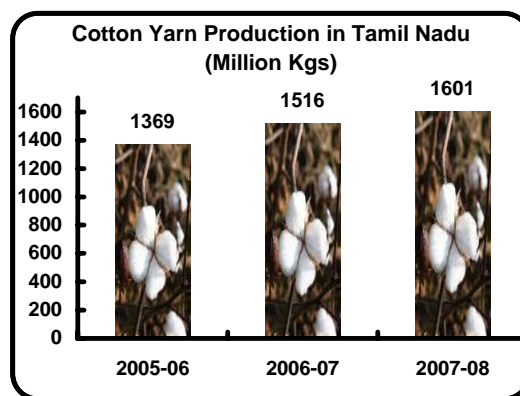
The textile industry of the State has a significant role both at the national and State economy. The textile sector is formed by handloom, power loom, textile and spinning, processing, garment and hosiery. It provides the largest employment next to agriculture in the country.

#### Handlooms:

There are 4.13 lakh handlooms in the State providing employment to 6.08 lakh weavers, out of which 2.32 lakh looms are under the fold of 1130 Handloom Weavers' Cooperative Societies. During the year 2008-09, these Societies had produced 1296.47 lakh mts. of handloom fabrics worth of Rs.800.61 crore. The recent 'Global Recession' affected the Handloom Weavers' Cooperative Societies in the State during 2008-09. The demand plunge was initially due to the impact of recession on the exporters of Karur and low demand was felt for textile products like bedspreads, dining table mats, kitchen sets etc. Considering the sharp fall in export orders, the target set for the review year was not full filled. Approximately 24357 handlooms in the fold of 294 Weavers' Cooperative Societies weaving fabrics meant for export which are badly affected during this period.

#### Power Looms:

The power loom sector in the State provides employment to about 9.14 lakh persons. Out of 19.03 lakh registered power looms at the national level, 3.66 lakh power looms are functioning in the State and of that 42566 are coming under 164 Power loom Weavers' Cooperative Societies. During the year 2008-09, these societies have produced 1487.50 lakh metres of cloth at the value of Rs.246.09 crore and the turnover realized was at Rs.253.5 crore.



### **Textile and Spinning Mills:**

The textile mills in the State are predominantly spinning oriented which provide mass employment. There are 3069 large, medium and small spinning mills in the country, out of which 1889 mills (61.55%) are located in the State and provide employment to 2.40 lakh persons. The spinning mills comprise of 18 Cooperative Spinning Mills, 17 National Textile Corporation Mills and 1854 Private Mills including 23 composite mills. During 2008 (April – September), the production of spun yarn by the mills was 7.9 lakh tonnes and showed the negative growth of 1.7 per cent. Likewise, the production of fabrics fell to 53.5 million sq. mts. and registered a negative growth of 4.6 per cent.

The on-going slump in the demand in international markets, the acute power shortage limited the capacity utilization of textile industry by 72 per cent in the State. During the review year, a number of mills were in trouble due to either cancellation or downsized demand by the buyers especially from the UK and the USA following the worldwide recession. Yarn manufacturing was also affected due to cut in the demands from Bangladesh and Middle East Asian countries that are importing raw materials from India. Around 50 per cent of the workers in the small mills lost their employment as reported by the South India Small Spinners Association (SISSPA) & the South India Mills Association (SIMA).

### **Garment and Hosiery Segments:**

The garment unit is the fast growing sub-sector of the textile sector. The garment units are substantially located in and around Chennai City, specializing in cotton fibre garments. The large number of hosiery units located in Tiruppur are producing knitwear garments to the tune of Rs.11000 crore per annum and providing employment to 5 lakh persons through 4000 knitwear and woven garment production units. The Tiruppur Textile cluster has units in spinning, knitting, net processing, printing, garment manufacturing and export along with ancillary units such as buttons, laces, embroidery, cones and yarn processing.

### **Hosiery:**

In the State, Tiruppur and Coimbatore districts alone are having 3000 hosiery units accounting for 50 per cent of the total units at the national level and providing employment to 3 lakh persons and manufacturing knitwear garment worth of Rs.10250 crores. The hosiery production in the State has the potential to meet the demand from global markets.

### **Processing Units:**

Processing is an important value added segment in the textile sector. There are about 10397 Handloom processing units and 2510 power processing units in India out of which 2614 hand processing units and 985 power processing units are located in the State.

**Box-1**  
**Vision for Textile Industry (2007-2012) All India**

- ❖ To build world class in manufacture and export of textile clothing and to establish the Indian textiles industry as a producer of internationally competitive value added products.
- ❖ To ensure the growth of the Indian textile industry at 16 per cent per annum in value terms, at 115 bill in US \$ and to secure a 7 per cent share in global textile trade by the end of Eleventh Five Year Plan.
- ❖ To equip the textile industry to withstand the pressures of import penetration and maintain dominance of the growing domestic market.
- ❖ To enable Small and Medium Enterprises (SMEs) to achieve competitiveness to face the global scenario with confidence.
- ❖ To provide a conducive policy environment, which would encourage innovation, augment R&D efforts and enhance productivity through the up-gradation of technology, manufacturing process and the development of human resources.

*Source: Textile Statistics, 2007-08.*

**Table-20: Performance of Textile Industry in Tamil Nadu**

Particulars	Unit	2003-04	2004-05	2005-06	2006-07	2007-08 (P)
<b>COTTON / MAN-MADE FIBRE TEXTILE MILLS</b>	No.	834	834	841	880	893
Spinning mills (Non-SSI)	No.	814	812	815	853	868
Composite mills (Non-SSI)	No.	20	22	26	27	25
Spinning mills (SSI)	No.	884	900	909	981	976
Exclusive weaving mills (Non-SSI)	No.	19	18	19	19	19
100% Export Oriented Units (EOUs)	No.	20	20	21	18	19
Powerloom units	No.	68652	74316	73493	74789	75775
Man-made fibre units	No.	2	2	2	2	2
Man-made filament yarn units	No.	2	2	2	2	2
<b>CAPACITY INSTALLED</b>						
Spindles (Non-SSI + SSI)	000 No.	15458	15810	16432	18098	18716
Rotors (Non-SSI + SSI)	No.	153517	158633	171929	209829	228999
Looms (Composite & Exclusive weaving units)	No.	7121	7141	7505	7568	6810
No. of powerlooms	No.	334372	365797	373521	377975	382448
Man-made fibre	Mn.kg	94.95	94.95	94.95	94.95	94.95
Man-made filament	Mn.kg	16.68	16.68	16.68	16.68	16.68

Contd....

<b>Workers on roll</b>						
Spinning mills & composite mills (Non-SSI)	No.	194903	192917	198973	210598	212814
Spinning mills (SSI)	No.	29872	31079	32195	36970	38457
Exclusive weaving mills (Non-SSI)	No.	32782	3287	3443	3433	3391
EOUs	No.	6422	6404	6224	5974	6620
<b>PRODUCTION OF FIBRE</b>						
Raw cotton*	Lakh bales	3.75	5.00	5.00	5.00	5.00
Man-made fibre	000 kg.	30334	31162	29332	29054	30898
<b>COTTON CONSUMPTION BY MILLS</b>						
Non-SSI	000 kg.	101185	107127	118619	134450	140806
SSI	000 kg.	149076	174590	220347	236114	250489
<b>PRODUCTION OF YARN</b>						
Cotton yarn	000 kg.	952602	102935	114868	127652	135427
Blended yarn	000 kg.	129977	131240	125994	147428	150731
100% non-cotton yarn	000 kg.	89796	101385	94865	92390	95624
<b>Total spun yarn</b>	000 kg.	117235	126200	136947	151630	160052
<b>FABRIC PRODUCTION (MILL SECTOR)</b>						
Cotton	000 sq.mtr.	54956	84434	99353	102534	86085
Blended	000 sq.mtr.	7843	7829	7740	7067	6281
100% non-cotton	000 sq.mtr.	4365	3197	3990	3186	400
Total	000 sq.mtr.	67164	95460	111083	112787	92766

\*Cotton year.

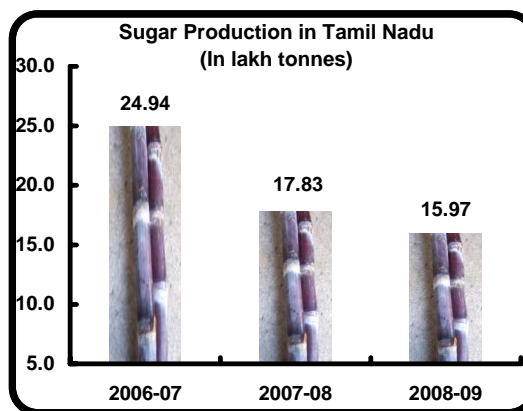
P – Provisional.

Source: Textile Statistics, 2007 -08.

### Sugar Industry:

The cyclical nature of the sugar mills had its impact on the health of the mills and also the global sugar market. During 2007-08, in the State, 37 mills and the installed crushing capacity of them stood at 122850 TCD served the sugar industry. The cane utilization drastically declined from 229.70 lakh tonnes for the sugar season 2007-08 to 166.05 lakh tonnes in 2008-09 registering a negative

growth of 27.71 per cent. The sugar mills reported that the actual price paid to farmers stood at Rs.1700/- per tonne over and above the State's Advised Price of Rs.1437/-.



At the national level, there were 520 sugar mills during 2008-09 with an installed crushing capacity of 230.01 lakh tonnes. The cane crushing capacity had declined from 2499 lakh tonnes in 2007-08 to 1448 lakh tonnes in 2008-09 and for the corresponding period, production of sugar declined from 263.56 lakh tonnes to 145.50 lakh tonnes by registering a negative growth of 44.79 per cent. The overall shortfall is 46 per cent due to shortfall in sugarcane output. The vagaries of weather and excess rainfall in some States like Maharashtra, Punjab, Haryana and Bihar and labour shortages caused delay in sugarcane crushing had reduced the sugarcane output. These factors in turn affected the sucrose content in sugarcane and thus the recovery of sugar.

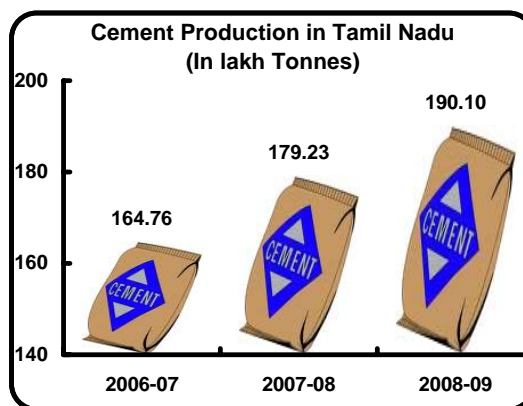
**Table-21: Performance of Sugar Industry : Tamil Nadu and All India  
(Sugar Season – September – October)**

Parameter	Tamil Nadu			All India		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09*
No. of factories	35	37	37	504	516	520
a. Public Sector	17	17	17	-	-	-
b. Private Sector	18	20	20	213.92	224.80	230.01
Installed Capacity (TCD)	105650	117750	122850	213.92 (lakh tonnes)	224.80 (lakh tonnes)	230.01 (lakh tonnes)
Capacity Utilisation(%)	83	89	87	78	73	53
Cane crushed (lakh tones)	269.66	229.70	166.05	2792.49	2499.06	1448.00
a. Public Sector	87.87	64.84	49.85	-	-	-
b. Private Sector	181.79	164.86	116.20	-	-	-
Sugar production (lakh tones)	24.94	17.83	15.97	283.60	263.56	145.50
a. Public Sector	8.09	6.01	4.94	-	-	-
b. Private Sector	16.85	11.82	11.03	-	-	-
Recovery Rate (%)	9.14	8.43	9.61	10.17	10.2	10.25
Min. Statutory Price (Rs.)	-	-	-	802.50	811.80	1298.40
State Advised Price (Rs.)	1025	1100	1437	-	-	-

*Note: Public Sector includes Cooperatives. \* Tentative  
Source: South India Sugar Mills Association, Chennai – 35.*

### Cement Industry:

The cement production in the State increased from 17.92 lakh tonnes in 2007-08 to 19.01 lakh tonnes and registered a growth of 6.1 per cent. The production performance of public sector cement industries witnessed a downward trend while the industries in the private sector performed well compared to the preceding years. Among the major private sector cement plants in the State, the Madukkarai, Grasion South, Sankaridurg, Dalavoi, Alangulam, Ramasamyraja Nagar, Alathiyur Works I, Chettinad Karur and Karaikal and Dalmia Cements witnessed an increase in their production compared to the previous year.



At the national level, the cement production increased from 1683.11 lakh tonnes in 2007-08 to 1814.17 lakh tonnes in 2008-09 which showed a growth of 7.8 per cent. During the year 2008-09, the State's share worked out to 9.77 per cent of annual installed capacity and 10.48 per cent of cement production of the nation.

**Table-22: Production Performance of Cement Industry**

(Lakh Tonnes)

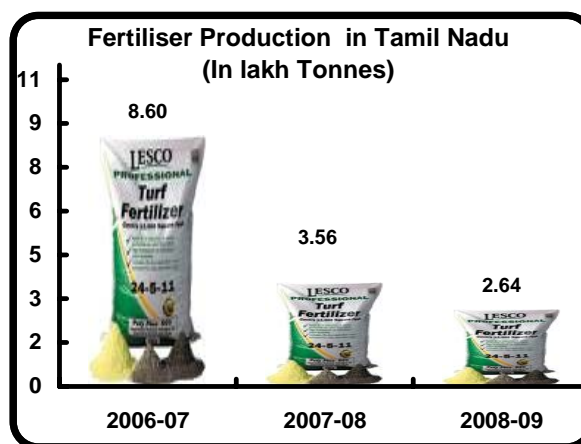
Sector	Annual Installed Capacity			Production			Capacity Utilisation (%)		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Public(TN)	9.00	9.00	9.00	7.33	6.72	5.04	81.44	74.67	56.00
Private(TN)	159.30	160.30	191.63	157.43	172.51	185.06	98.82	107.57	96.57
Total (TN)	168.30	169.37	200.63	164.76	179.23	190.10	97.90	105.82	94.75
<b>All India</b>	<b>1655.53</b>	<b>1756.54</b>	<b>2053.44</b>	<b>1553.14</b>	<b>1683.11</b>	<b>1814.17</b>	<b>93.82</b>	<b>95.82</b>	<b>88.35</b>

Source: Tamil Nadu Cements Corporation Ltd.-Chennai.

The consumption of cement was not affected by the slump in real estate construction activity in the second half of 2008. Between November 2008 and March 2009, the construction activities in the real estate sector were at its lowest on account of a slump in demand and cash crunch with developers. However, cement consumption grew during this period, which is driven by strong demand from the Government funded infrastructure projects and rural housing projects.

### Fertiliser Industry:

The country has achieved self-sufficiency in the production capacity of urea with the result that India could substantially manage its requirements of nitrogenous fertilizers through indigenous industry. Likewise, adequate indigenous industry has been developed in respect of phosphoric fertilizers to meet domestic requirement. However, the raw materials and intermediates for the same are largely imported. As for potash (K), since there were no viable sources / reserves in the country, the entire requirements are met through imports.



With the installed capacity of nitrogenous (7.30 lakh tonnes) and phosphates (4.30 lakh tonnes) altogether, the total annual capacity of fertilizer production in the State more or less remained constant during 2008-09. However, the production of fertilizer during the review year had drastically declined from 3.56 lakh tonnes in 2007-08 to 2.64 lakh tonnes due to heavy down fall in the production of both nitrogenous and phosphate fertilizer and realized the overall capacity utilization at less than 25 per cent.

**Box-2**  
**Fertilizer Subsidy**

The subsidy of fertilizer is passed on to the farmers in the form of subsidized MRPs. The selling prices as notified by the Government for the subsidized fertilizers are much lower than the normative delivered cost of these fertilizers at farm gate level. The difference between the normative delivered cost at farm gate level and the notified selling prices is paid as subsidy to the manufacturers / importers on sale of fertilizers to the farmers at the subsidized price.

Owing to the improvement the installed capacity at the national level, during 2008-09 the production of fertilizers had reached a level of 122.90 lakh MT of nitrogen and 58.92 lakh MT of phosphoric nutrient and India became the third largest fertilizer producer in the world. The rapid build up of fertilizer production capacity in the country has been achieved as a result of a favourable policy environment facilitating large investments in the public, cooperative and private sectors.

**Table-23: Performance of Fertiliser Industry : Tamil Nadu and All India**

Parameter	Tamil Nadu			All India		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
No. of plants	8	8	8	138	144	-
Nitrogenous	1	1	1	40	39	40
Phosphate	5 (2)	5 (2)	5 (2)	93 (74)	98 (79)	99 (80)
Installed Capacity (Lakh Tonnes)	11.70	11.68	11.72	160.26	181.25	181.82
Nitrogenous	7.30	7.30	7.29	122.90	122.90	122.90
Phosphate	4.40	4.38	4.43	57.36	58.75	58.92
Production (Lakh tones)	8.60	3.56	2.64	159.65	146.17	143.17
Nitrogenous	6.36	2.53	2.13	115.25	109.03	109.00
Phosphate	2.24	0.93	0.51	44.40	37.14	34.17
Capacity Utilisation (%)	73.5	29.7	22.5	88.6	80.6	78.7
Nitrogenous	87.1	34.7	29.3	95.6	95.2	95.2
Phosphate	50.9	21.3	11.5	78.5	64.7	58.5

*Note: Figures in brackets indicate single super phosphate plants.*

*Source: The Fertiliser Association of India, Southern Region, Chennai 32.*

At the national level, instead of the overall installed capacity increased to 181.82 lakh tonnes in 2008-09 from 181.25 lakh tonnes in 2007-08, the overall production declined to 143.17 lakh tonnes from 146.17 lakh tonnes for the corresponding period. Nitrogenous industries experienced 95 per cent of capacity utilization whereas phosphoric industries at 58.5 per cent only. The State accounted for 6.45 per cent in installed capacity and 1.85 per cent in fertilizer production at the national level during 2008-09 which is a cause for concern.

### **Automobile Industry:**

The '**Ultra Mega Policy for Integrated Automobile Projects**' of Tamil Nadu offers a package of support to automobile projects investing more than Rs.4000 crore. Due to this policy, since May 2006, the State has attracted an investment of Rs.21900 crore for auto and its related projects which is 5 times higher than the investments attracted during the last 15 years (May 1991 – April 2006). The employment potential of these projects is 1.20 lakh persons.

Chennai is emerging as one of the top 10 Global Automobile Manufacturing Centres. By 2010-11, Chennai will have an installed capacity to produce 1.28 crore cars and 3.50 lakh commercial vehicles per year. During 2008-09, Chennai has produced 5.60 lakh passenger cars which accounts for 33 per cent of the country.

Chennai is also emerging as a hub of auto components and auto components exporter. The State accounts for 35 per cent of India's auto components production valued at 6.2 billion US \$. The Government of India is currently being implementing a project "National Automotive Testing Research and Development Infrastructure Project (NATRIP)" in Oragadam near Chennai at a project cost of Rs.450 crore.

### **Leather Industry:**

The leather industry in the State is thriving well in terms of export earnings and employment generation. The value added finished products accounts for about 80 per cent of the total export which was only 7 per cent in 1956-57. Presently, Tamil Nadu accounts for 70 per cent of tanning capacity of India and meets 6 per cent of Global Leather requirement.

The United Nations Industrial Development Organisation (UNIDO) has identified the leather cluster in Chennai among the top 10 most dynamic industrial locations globally. In its Report 2009, UNIDO identified that Chennai leather cluster has been positioned on the basis of its export growth, which exceeded the national growth rates. It also found that Chennai leather cluster has the highest employment elasticity. For every one per cent increase in exports, employment goes up by 1.3 per cent. According to the UNIDO Report, "Although leather goods manufacturing is pollution intensive, the erection of common effluent treatment plants through the efforts of relevant institutions and the State Government of Tamil Nadu has helped lower level pollution levels".

### **Micro, Small and Medium Enterprises (MSMEs):**

The development of micro, small and medium enterprises is indispensable for the economy, which occupies the largest share of 95 per cent in total industrial units, 40 per cent in terms of manufacturing output, 30 per cent in terms of value of exports. The total number of MSMEs in the State increased from 5.31 lakhs in 2007-08 to 5.90 lakhs in 2008-09 registering a growth of 5.75 per cent, whereas the number of persons employed had increased from 39.46 lakh persons in 2007-08 to 42.41 lakh persons in 2008-09 registering a growth of 7.46 per cent. The investment in terms of fixed capital also increased from Rs.19364 crore to Rs.22923 crore and recorded a growth of 18.37 per cent. However, the output declined from Rs.141720 crore in 2007-08 to Rs.128074 crore in 2008-09 that showed a negative growth of 9.63 per cent which is a cause for concern.

During the year 2008-09, the State accounted for 4.60 per cent in terms of number of registered MSMEs, 27.15 per cent in terms of value of output and 13.57 per cent in providing employment of the country. However, the MSMEs both at national and State level were not free from the present 'Global Recession'.

**Table-24: Performance of MSMEs – Tamil Nadu and All India**

Parameter	Tamil Nadu			All India		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09*
No. of registered MSMEs	530552	557761	589810	118.59 (Lakh Nos.)	123.42 (Lakh Nos.)	128.44 (Lakh Nos.)
Investment in Fixed Capital (Rs. Crore)	16816.92	19364.06	22921.94	N.A.	N.A.	N.A.
Value of Output (Rs. Crore)	105979.51	141719.46	128074.32	418263	476201	471663
Employment (Nos.)	3703408	3946263	4240518	282.57 (Lakh Nos.)	294.91 (Lakh Nos.)	312.52 (Lakh Nos.)

\*All India – Registered and Unregistered Units.

Source: 1. Department of Industries and Commerce, Chennai – 5.

2. Hand Book of Statistics on the Indian Economy, RBI.

### Prime Minister's Employment Generation Programme (PMEGP):

With a view to create a self employment opportunities, Prime Minister's Rozgar Yojana (PMRY) Scheme, to create self-employment opportunities was started on October 2<sup>nd</sup> 1993 and been dispensed with effect from 31.3.2008.

On the eve of the 61<sup>st</sup> Anniversary of India's Independence the Government of India has introduced a new credit linked Subsidy Programme viz. Prime Minister's Employment Generation Programme (PMEGP) by merging the existing PMRY and RLEGP (Rural Employment Generation Programme) to empower the first generation entrepreneurs to set up micro enterprises by providing loans upto Rs.10 lakh for service enterprises and upto Rs.25 lakh to establish manufacturing enterprises. This scheme is being implemented in the State by the Department of Industries and Commerce, State Khadi and Village Industries Commission (KVIC) and State Tamil Nadu Khadi and Village Industries Board (KVIB) through banks as per the guidelines from Ministry of MSMEs, Government of India. During 2008-09, under this scheme, totally 1572 units were started in the State by providing margin money assistance of Rs.3102.87 lakh which generated employment to 20392 persons as detailed below.

**Table-25 : Target and Achievement under PMEGP in 2008-09**

Department	Target			Sanctioned		
	Nos.	Margin Money (Rs. lakh)	Employment Generated (Nos.)	Nos.	Margin Money (Rs. lakh)	Employment Generated (Nos.)
Dept. of Industries & Commerce	1407	1688.09	14067	1040	1416.62	6342
KVIB	1055	1266.07	10549	110	189.61	1580
KVIC	1055	1266.07	10549	422	1496.64	12470
Total	3517	4220.23	35165	1572	3102.87	20392

Source: Policy Note on MSMEs 2009-10 (GoTN).

## **Cluster Development Scheme:**

### **A. Industrial Infrastructure Upgradation Scheme (IIUS):**

This scheme is being operated by Ministry of Commerce and Industry, Department of Industrial Policy and Promotion (GoI) with a purpose to provide quality infrastructure in select industrial clusters through Public-Private Partnership (PPP). The Central assistance per cluster / industrial location is restricted to 75 per cent of the cost of the project, subject to a ceiling of Rs.50 crore. The remaining 25 per cent should be financed by other stakeholders of the respective cluster / location out of which the industry shall contribute minimum of 15 per cent of the project cost. The projects under the scheme are implemented by Special Purpose Vehicles (SPVs) which are to be promoted by the concerned Industrial Associations.

As of 2008-09, the following five cluster proposals have been approved by the GoI.

**Table-26: Cluster Proposals Approved by GOI**

Sl.No.	Name of the Cluster	Project cost	Expenditure
		(Rupees in Crore)	
1.	Tirupur Textile Cluster, Tirupur	150.00	156.20
2.	Chennai Auto Ancillary Cluster, Chennai	39.96	27.75
3.	Cereals Pulses Staples Milling Cluster, Madurai	47.49	35.99
4.	Leather Cluster, Ambur	67.34	82.38
5.	Pump Motor and Foundry Cluster, Coimbatore	56.30	54.12

*Source: Policy Note on MSMEs 2009-10 (GoTN).*

Infrastructure development works for these clusters like road, water supply and sewerage system, effluent treatment plant, solid waste management, Information and Communications Technology Infrastructure, Research and Development Centre, Common Facilities Centre, Marketing Infrastructure etc., have been taken up under the scheme. A total number of 16,370 Micro, Small and Medium Enterprises would be benefited under the scheme.

### **B. Micro and Small Enterprises – Cluster Development Programme (MSE-CDP) (Erstwhile Small Industry Cluster Development Programme – SICDP):**

This scheme is being operated by Ministry of Micro, Small and Medium Enterprises, GOI. The Central assistance per cluster for setting up of Common Facility Centres is available up to 80 per cent of the total project cost, subject to a ceiling of Rs.10 crore per project including Rs.10 lakh for “soft activities” i.e. capacity building activities in the cluster where no fixed asset is acquired or formed.

Under this scheme, 50 Clusters to be taken up during the 11<sup>th</sup> Plan. Out of which 13 Clusters have been approved by the steering Committee and the remaining 30 Clusters are in the processing stage of being sent to GOI and 7 Clusters have been taken up for conducting diagnostic study. The details of the 13 clusters approved by the Steering Committee are as follows:

**Table-27: Industrial Cluster Approved by the Steering Committee****(Rs. In lakhs)**

S. No.	Name of the Cluster	Project Cost	Funding Pattern				Fund Allotted	Expenditure
			GoI Grant	GoTN	SPV Contribution	Bank		
1.	COWMA Coimbatore	288.2	99.00	16.52	172.68	--	58.26	58.26
2.	Sagoserve Salem	498.00	398.00	--	100.00	--	4.00	4.00
3.	Match Clusters (6 growth Centres) Srivilliputhur, Gudiyatham, Kalugumalai, Virdhu Nagar, Sattur and Kovil patti.	156.00 X 6 = 936.00	85.54 X 6 = 513.24	10.73 X 6 = 64.38	25.00 X 6 = 150	34.73 X 6 = 208.38	390.00	173.75
4.	Ceramic Cluster, Vridhachalam	101.25	70.53	--	17.73	13.00	--	--
5.	Coir Cluster Singampuneri	853.20	500.00	--	153.20	200.00	--	--

Source: Policy Note on MSMEs 2009-10 (GoTN)

The Government of India have approved soft intervention only for three clusters viz. Pharmaceutical/Formulations Cluster at Alathur, Engineering Cluster at Ekkattuthangal and Ambattur and Plastic Cluster at Guindy, Ekkattuthangal, Ambattur. When the 50 clusters are implemented during the 11<sup>th</sup> Five Year Plan, it is expected to generate direct and indirect employment opportunities to total of 15.26 lakh persons in the State.

### C. Multistoreyed Flatted Factory Complex:

As per the announcement made during the year 2007-08, action has been initiated to establish Multistoreyed Flatted Factory Complex in Guindy (Chennai Dt.), Thirumazhisai, Madhavaram & Ambattur (Tiruvallur Dt.) and Perungudi (Kancheepuram Dt.) for allotment to Micro Enterprises to meet out the ever increasing demand.

For this purpose, Guindy has been taken up as first programme to resettle the micro units from their rental premises. SIDCO Board has accorded administrative sanction for Rs.28 crore for this project. The Government have ordered to transfer 1.91 acres of Government land to SIDCO and given permission to enter upon the land pending formal transfer.

### Khadi Industry:

In the State, during 2008-09, there were 55 Khadi and 27 Silk Production Centres, along with 149 Rural Fabric Centres. However, the yarn and cloth production performances of Khadi industry were comparatively lower than the previous year and provided employment to 13380 persons including 1120 women. The value of yarn

production declined from Rs.235 lakh in 2007-08 to Rs.185.07 lakh in 2008-09. For the corresponding period, the production of Khadi cloth, Khadi Silk, Khadi Polyester also declined from 3.75 lakh metre, 1.70 lakh metre, 2.15 lakh metre to 2.22 lakh metre, 0.91 lakh metre and 1.67 lakh metre respectively. Due to value addition for the khadi products, it was noted that the sale of khadi products increased from Rs.1961 lakh in 2007-08 to Rs.2016 lakh in 2008-09.

**Table-28: Performance of Khadi Industry**

Particulars	2007-08	Value (Rs. lakhs)	2008-09	Value (Rs. lakhs)
1. Total number of production units	373		372	
2. Yarn Production – Value (Rs. lakh)		235.00		185.07
3. Khadi Cloth Production (Lakh Meters)	3.75	423.00	2.22	291.42
4. Khadi Silk Production (Lakh Meters)	1.70	1015.00	0.91	617.38
5. Khadi Polyester Production (Lakh Meters)	2.15	215.00	1.67	179.68
6. Value of Khadi Sales (Rupees lakh)		1961.00		2016.00
7. Employment	13380		13380	

Source: Khadi and Village Industries Board, Chennai – 108.

### Khadi & Village Industry:

The performance of Khadi and Village Industries in 2008-09 showed a low profile compared to 2007-08. Even though the total number of Industrial Cooperative Units, the Departmental Units and individuals engaged in production were more or less the same during the review year, the total value of production and sales realized by the village industries and employment showed a poor performance.

**Table-29: Performance of Khadi and Village Industries**

Parameter	2007-08			2008-09		
	No. of Units (employment)	Value of		No. of Units (employment)	Value of	
		Production (Rs. lakhs)	Sales (Rs. lakhs)			Production (Rs. lakhs)
Industrial Co-op. Units	1036 (55592)	3173	3494	1036 (23200)	3260	3245
Department Units	62 (2507)	1723	1754	62 (1200)	1370	1705
Individuals	27587 (166975)	6173	6417	27587 (175810)	4608	4819
<b>Total</b>	<b>28685 (225074)</b>	<b>11069</b>	<b>11665</b>	<b>28685 (200210)</b>	<b>9238</b>	<b>9769</b>

Note: Figures in brackets indicate number of persons employed.

Source: Khadi and Village Industries Board, Chennai 600108.

## Labour Relations:

The labour relations in the State during 2008-09 were comparatively better than the previous year in terms of number of workers involved and number of man days involved in strikes and lockouts. The State witnessed 86 labour related strikes and lockouts during 2008 against 66 in 2007. The number of workers involved in them was 23296 compared to 34474 for the corresponding period. The mandays lost was in the order 7.33 lakh during 2008 as against 10.67 lakh in the previous year. As usual, the number of strikes and lockouts, number of workers involved and man days lost were high in the textiles group.

**Table-30 : Labour Relations in Tamil Nadu**

Industry Group	Number of Strikes & Lockouts		Number of Workers Involved		Number of Man days Lost	
	2007	2008	2007	2008	2007	2008
Textiles	32	49	19654 (57.01)	10752 (46.15)	535794 (50.24)	472639 (64.52)
Engineering	9	3	5336 (15.48)	458 (1.97)	258085 (24.20)	20752 (2.83)
Tanneries	6	9	2047 (5.94)	2386 (10.24)	64665 (6.06)	71886 (9.81)
Tobacco and Beedi	0	1	0	3060 (13.14)	0	59807 (8.16)
Plantations	5	0	2302 (6.68)	0	16898 (1.58)	0
Others	14	24	5135 (14.90)	6640 (28.50)	191080 (17.92)	107502 (14.67)
<b>Total</b>	<b>66</b>	<b>86</b>	<b>34474</b> <b>(100.00)</b>	<b>23296</b> <b>(100.00)</b>	<b>1066522</b> <b>(100.00)</b>	<b>732586</b> <b>(100.00)</b>

*Note: Figures in brackets indicate percentage to total.*

*Source: Department of Labour, Chennai.*

## Performance of Public Sector Undertakings:

The total number of Public Sector Undertakings in the State was 49 during 2007-08 out of which 33 PSUs only made overall cash profit to the tune of Rs.325.65 crore which was higher than that of the previous year. The Government's total investment (share capital + loan + accrued interest) in the 49 SPSUs increased from Rs.3743.49 crore in 2007-08 to Rs.4264.46 crore and registered a growth of 13.92 per cent. The dividend paid to Government by these SPSUs also increased from Rs.32.41 crore to Rs.36.61 crore for the corresponding period. The total number of persons employed by these units during 2007-08 was 1.52 lakh. The export of PPSUs witnessed a dip from Rs.189.64 crore in 2006-07 to Rs.153.08 crore in 2007-08.

**Table-31: Performance of State Public Sector Undertakings**

Sl. No.	Details	2006-07	2007-08
1.	Total number of SPSUs	49	49
2.	Number of Corporations that made profit	35	33
3.	Overall net profit / loss	(-) 43.73	(-) 71.77
4.	Total dividend paid to Government (Rs. Crores)	32.41	36.61
5.	Overall cash profit (Rs. Crores)	238.19	325.65
6.	Export Earnings (Rs. Crores)	189.64	153.08

*Source: Review of Performance of State Public sector Undertakings 2007-08,*

*Finance Department, Chennai 9.*

The investment in the Public Sector Undertakings (SPSUs) in the State increased from Rs.10394.27 crore in 2006-07 to Rs.11531.06 crore in 2007-08 and registered a growth of 10.94 per cent. The investment in all the groups had increased except goods transport and miscellaneous group. Development (industries and finance) manufacturing and passenger transport had witnessed a higher increase in investment. The turnover increased from Rs.20037.22 crore in 2006-07 to Rs.22499.37 crore in 2007-08. The net loss increased from Rs.43.73 crore to Rs.71.78 crore and the net loss is very high in passenger transport group. Development (industries and finance), manufacturing and miscellaneous groups have increased their profit during 2007-08.

**Table-32:Financial Performance of State Public Sector Undertakings**

(Rs. Crore)

Sl. No	Group of SPSUs	Investment		Turnover		Net Profit (or) Loss		No. of Employees	
		2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08
1.	Agri-culture & Allied Activities	28.38	25.67	116.95	108.57	13.73	(-)2.17	9430	9324
2.	Construction	147.19	116.69	12.94	11.19	2.79	0.56	899	883
3.	Development (Industries & Finance)	5676.86	6161.13	946.14	1034.98	120.58	134.61	1274	1660
4.	Development (others)	108.36	133.57	326.67	370.16	6.78	4.84	1483	1469
5.	Manufacturing	1297.40	1667.64	1271.67	1388.63	72.63	155.06	5404	4899
6.	Mining	62.64	73.57	144.86	143.33	9.93	2.83	2175	2192
7.	Passenger transport	2081.89	2407.11	4044.63	4473.75	-281.14	-382.19	106223	121800
8.	Goods transport	28.46	23.53	390.88	548.26	0.04	(-)0.21	370	321
9.	Trading	731.88	903.68	12687.40	14309.07	(-)1.16	1.48	8896	8738
10.	Miscellaneous	293.87	254.58	95.08	111.21	12.08	13.40	887	869
	<b>Total</b>	<b>10394.27</b>	<b>11531.06</b>	<b>20037.22</b>	<b>22499.37</b>	<b>(-)43.73</b>	<b>(-)71.77</b>	<b>137491</b>	<b>152155</b>

Source: Review of Performance of State Public Sector Undertakings 2007-08, Finance Department, Chennai 9.